

**AUSTRALIA NUSA TENGGARA
ASSISTANCE FOR REGIONAL
AUTONOMY**

Independent Completion Report (ICR)
Report

Prepared for

AusAID

Australian Agency for International Development
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Aid Activity Summary

Aid Activity Name	Australia Nusa Tenggara Assistance for Regional Autonomy (ANTARA)		
AidWorks initiative number	INF548		
Commencement date	June 1, 2005	Completion date	December 30, 2010
Total Australian \$	A\$30.8 million from AusAID		
Total other \$	Time from MoHA and BAPPEDA staff and Provincial staff in NTT, NTB, Papua and West Papua		
Delivery organisation(s)	Program Director: Richard Manning Deputy Program Director: Daniel Hunt Management Support Team: Cardno Emerging Markets		
Implementing Partner(s)	Ministry of Home Affairs with planning agencies and other local government work units in partner provinces and districts.		
Country/Region	Indonesia / Nusa Tenggara Timur, Nusa Tenggara Barat, Papua and Papua Barat		
Primary Sector	Governance		

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Author's Details

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Executive summary

This independent completion report (ICR) is a terminal evaluation of the Australia Nusa Tenggara Assistance for Regional Autonomy (ANTARA), which commenced in May 2005 and ends in December 2010. Initiated in East Nusa Tenggara (NTT) province during 2005, ANTARA expanded to West Nusa Tenggara (NTB) in late 2008 and then Papua and West Papua provinces in 2009. The program was implemented under the Australia Indonesia Partnership for Development, with A\$30.8m from AusAID. Around 90% of the investment was made in NTT.

The overarching goal of ANTARA was to reduce poverty in Nusa Tenggara through sustainable and equitable socio-economic development and improved governance systems. Activities were organised under 3 objectives: (1) to improve provincial and district governance; (2) to improve incomes; and (3) to improve access to and quality of basic services. Three agendas were planned for implementation: (1) promote synergies between Government of Australia (GOA) activities; (2) pioneer initiatives to test 'what works' in the region; and (3) strategically invest in other existing or emerging Government of Indonesia (GOI) or donor programs.

ANTARA was implemented as a Facility through partnerships with donors and other development agencies, and with selected provincial and district government agencies. The delivery partners in ANTARA implemented activities, either through sub-contracts or joint funding, to attain the program objectives. ANTARA allocated A\$18 million for activities. A\$9 million was allocated for program support and A\$3 million for AusAID inputs.

This ICR evaluates the entirety of a program that evolved through a number of phases between 2005 and 2010. Strengths and weaknesses identified in this report reflect performance over the entire period and are designed to highlight lessons learned to support improved quality of delivery in future programs. Initial ANTARA activities, identified by an external Australian Aid Program mission prior to the establishment of a strategic framework in 2006, aimed to directly improve basic education and health services by building schools and training teachers, providing surgical services and improving medical supply chain management. From mid-2007 ANTARA focused on improving incomes, contracting non-government organisations to implement diverse initiatives aimed at increasing household income and improving food security in targeted communities. At the same time ANTARA moved away from service delivery activities to avoid duplication with new sectoral initiatives supporting education, health and infrastructure.

The entire 5-year ANTARA program, and the goal and objectives agreed by the two governments and endorsed in both strategic plans, were evaluated against eight criteria: relevance, effectiveness, efficiency, impact and sustainability as well as monitoring and evaluation, gender equality and analysis and learning. Lessons learned were structured to inform implementation and design of future activities.

The ICR was conducted as a rapid appraisal, with field work focused on collecting evidence against effectiveness, impact, sustainability and monitoring criteria. Document review and interviews covered all criteria. The scope and methods were set out in an Evaluation Plan presented on March 30, 2010. Field work was conducted in 2 provinces, 5 districts and 2 cities for activities with and without ANTARA between April 28 and May 18 in Jakarta, NTB and NTT. More than 150 stakeholders were consulted, of whom around 30% were women. Because activities only recently started there, no field work was conducted in Papua or West Papua.

To ensure independence this evaluation was led by an independent evaluator (John Fargher) with one technical specialist team member (Suhirman) and two AusAID team members (Sofia Ericsson and Arief Sugito). Five staff from Ministry of Home Affairs (MoHA) participated as team members in the evaluation. Two AusAID Program managers participated as observers in NTT field work.

Relevance

Activities implemented under ANTARA, and their outputs, were relevant to national and provincial priorities in Indonesia and the bilateral partnership between Indonesia and Australia as well as to Millennium Development Goals. The goal of ANTARA contributed to three pillars of the Australia Indonesia Partnership Country Strategy 2008-2013: Pillar 1 – Sustainable Growth and Economic Management; Pillar 2 – Investing in People and Pillar 3 – Democracy, Justice and Good Governance.

Effectiveness

The first two years of ANTARA implementation focussed on service delivery activities. AusAID requested ANTARA to invest A\$4.3m in six health and education service delivery activities. These resulted in immediate outputs consistent with the program concept, but did not result in sustainable or systemic change. Lessons learned resulted in a significant overhaul in mid-2007. Problems experienced during the first 2 years of implementation highlight the risks of rapid scale-up – resulting in lessons learned relevant to the current program.

After 2007, ANTARA effectively leveraged successes from elsewhere to do three things simultaneously – (1) prioritise relationships; (2) better understand government constraints and opportunities to improve governance systems; and (3) deliver activity level outcomes that have an impact on the lives of the people of NTT. Few governance focused activities have achievements in all three areas, but ANTARA seems to have made progress in all of them. For example: PEACH and MKPP from World Bank, livestock livelihood systems from YMTM and SADI, migrant worker internet kiosks from TIFA/Microsoft and OSS from MoHA. Although there is no evidence of pioneering or testing (Agenda 2) there is evidence of support for the first level of scaling up. Agenda 2 could have been achieved with a strategy for pioneering systemic and institutional change through institutionalisation of policy and program changes resulting from successful activities.

Many ANTARA income generating activities were effective. By leveraging existing experience ANTARA effectively used resources to scale-up proven livelihoods, food security and governance activities delivered by local partners. Support for livestock and sloping land livelihood systems measurably supported more than 15,000 households to increase incomes and improve food security.

Improved governance activities under ANTARA Objective 1 did not result in systemic or institutional change. The activities implemented under this objective did effectively initiate relationships with senior provincial stakeholders (that are key to successful inception of AIPD) but did not engage sufficiently with broader provincial and district agency stakeholders who have the assigned function for service delivery. Objective 1 results would have been stronger if activities were supported by a change management strategy for improved governance – for example analysis of functional assignment, minimum service standards or minimum competency standards as part of a change management strategy for service delivery institutions.

The emphasis on using NGOs as delivery partners was effective at the output level, but it meant ANTARA had no systematic engagement with operational cadres in District agencies to connect community proposals with local government. Community proposals were typically disconnected from the availability of local government program funds to sustain delivery. Given limited District budgets and small national allocations, lessons learned in this respect from ANTARA are relevant to AIPD.

Efficiency

ANTARA leveraged existing successes to demonstrate what works. Most activities supported by ANTARA had already been pioneered by others but the program added value by supporting delivery partners to adapt activities to NTT (eg MKPP+ which was initiated in Papua PEACH), extend activities to program provinces (eg PEACH/PEA) or expand small-scale success to more communities (eg integrated livelihood systems work by Delsos, YMTM, World Neighbours and others). Leveraging existing successes was an efficient strategy that allowed the program to recover some of the ground lost in the first half of the program life.

ANTARA used competitive tendering processes to efficiently identify and contract partners to implement poverty reduction and good governance activities to deliver outputs for Objective 1 and Objective 2. The process was used to select several local non-government organisations (NGOs) with proven capacity and experience to invest more than A\$4.6m in livelihoods, food security and governance activities. Not all local NGOs delivered well – for example small-scale fish and coconut oil processing activities implemented by PIKUL were unsuccessful. Several international NGOs were similarly contracted, with mixed results. ANTARA invested more than A\$6.1m in business enabling environment, participatory planning and livelihoods activities delivered by iNGOs. Some added value – for example The Asia Foundation. Other iNGOs proved expensive or inefficient and many managed delivery by local NGOs that were capable of self managing. Strengthened quality at entry would help.

ANTARA is a facility managed by AusAID with administrative support from a contracted management services team. Program overheads were relatively high given the focus on one province (NTT) for much of the first 4 years. This is consistent with AusAID findings that facilities are an expensive delivery modality.

AusAID management of ANTARA was weak for the first 2 years. The poor phasing of program inception and poor coordination of program governance systems such as the PCC meant the first half of ANTARA was inefficient. This partly reflects the bilateral context at that time, but also reflects the management shortcomings that were apparent by the end of 2006. The first Program Director started in May 2005, the Subsidiary Agreement was signed in October 2005, the Management Support Team started in March 2006 and the first PCC meeting was held in December 2006 – fully 19 months after program inception. In the absence of strategic direction, implementation stalled and was not restored until late 2007 under a new Program Director. There are important governance and accountability lessons to be learned in the agency from these significant delays:

- without an overall theory of change and program logic, implementation is likely to lack direction and stall;
- delays and lack of clear direction increase the risk of strategic drift;
- use local delivery partners with scale and experience for cost effective implementation; and

- engage with partner agencies whose assigned functions provide an entry point for changes that lead to program objectives and goal.

Impact

Because of poor delivery during the first half of program life, impact evaluation is complex. Between 2005 and 2010, the provincial and national context in which ANTARA activities were implemented was one of improving GDP and reducing poverty. ANTARA resources (annualised over five years) represent less than 0.2% of NTT annual GDP so impact came where catalytic investments that demonstrated success were used as an entry point for government engagement to institutionalise and scale-up change.

ANTARA income-generating activities had positive impacts on some NTT households. Many livelihood systems and food security activities (Objective 2) positively impacted participants and their communities. Because individual activity successes were not scaled-up or institutionalised, the whole-of-program impact is limited to immediate participants and a small number of neighbouring villages. The fact that non-program villages started to engage and adopt activities supported by ANTARA partners demonstrates the opportunity to engage district and provincial government offices to institutionalise changes and bring them to scale. SADI demonstrated how to do this with cattle breeding in NTB and cocoa revitalisation in Sulse. There remains an opportunity to build on these livelihood system successes under the proposed Pro-PED program.

Public Expenditure Analysis (PEA) through the PEACH process was started in Papua by the World Bank and adapted by ANTARA for use in NTT and then more recently in NTB and West Papua. At the time of the ICR, there was no evidence that ANTARA activities changed the allocation of public finances to service delivery functions in NTT or those provinces where ANTARA had started PFM activities more recently.

The lack of outcome or impact in NTT from the provincial-level public finance management (PFM) activities is instructive. The ANTARA goal and objectives were too ambitious and required a realistic end-of-program outcome. Given the goal and objective commitments, ANTARA engagement at provincial level addressed only a small part of the budget available for service delivery. Most funds that support delivery of services come from national level and most of these funds are tied to function or earmarked for salaries. This is dominated by General Allocation Funds (DAU), which local government chooses to allocate mostly to salaries and office operating overheads. If staff numbers were reduced and/or the number of offices rationalised, there would be more DAU resources available for service delivery – but that is public administration reform, not just PFM, and so beyond the mandate of ANTARA. As shown in the strategic logic and detailed analysis for service delivery presented in Annex 2, PFM is one part of a much larger range of actions and conditions needed to improve the quantity and quality of, and access to, services delivered by government agencies.

During ICR interviews provincial officials in NTT and NTB questioned the value of PFM in the absence of tangible implementation cases to demonstrate the relationship between sound planning/budgeting and quality service delivery. They repeatedly and consistently emphasised that the majority of their budget comes from central sources with allocations tied to particular uses and that their own resources were too small to make a difference. ICR participants from district and provincial offices and parliaments advised that in addition to PEA and PEACH tools that are better aligned to GoI PFM systems are needed to achieve service delivery and governance impact, particularly to achieve a better understanding of detailed budget analysis in Indonesia.

Sustainability

Many income generating activities implemented under ANTARA are sustainable. The cluster evaluations conducted for income generating activities concluded that most of the activities would be sustained – confirmed by evidence of increasing adoption by neighbouring, non-program villages of the demonstrated livelihood systems. For example, the financial return to farmers in Nagakeo, NTT, resulting from sloping agriculture livelihood systems is almost 14% for the vegetable intercrops. Similarly, cattle fattening livelihood systems give a participating farmer a 40% rate of return on investment within one year. There are, however, concerns about environmental sustainability if nutrient replacement through appropriate fertilisers and minerals is not addressed.

Sustainability lessons learned from microfinance activities are useful for other AusAID initiatives. Another cluster evaluation was conducted for three activities with microfinance components, and it concluded that only one of the micro-finance activities is likely to be sustainable, and that it can only achieve sustainability by transforming its legal status to comply with national laws that regulate the role of NGOs and microfinance enterprises. The ICR team reviewed the microfinance program delivered in East Flores and identified 4 threats to sustainability: (1) a maturing portfolio of loans; (2) use of loans for consumption and establishment of retail kiosks rather than sustainable enterprises; (3) a small spread between interest rates for loans and deposits compared with the international benchmark of 2.5-3%; and (4) a large and growing portfolio of deposits. The ICR team was advised by Delsos that it was not yet legally established in compliance with new Indonesian Law on Foundations and so the enterprise and the assets of its members are potentially at risk.

The ICR team could find no evidence of sustainable change relating to basic service delivery at provincial or district levels. In fact it was pointed out by several NTT leaders that performance against some indicators – such as student test scores, maternal mortality and infant mortality – declined during the life of the program.

Experience in institutional change programs in Indonesia and elsewhere highlights the importance of using a change management strategy to guide the process of change towards new individual, systematic and organisational performance.

Sustainability of governance activities relies on fragile relationships. The emphasis on using NGOs as delivery partners was effective at the output level, but it meant ANTARA had no systematic engagement with operational cadres in provincial or district agencies. ANTARA deliberately and sensibly used a “top-down” approach to engagement with government. Relationships with the Governor, SECDA, Kepala BAPPEDA, Secretary BAPPEDA and Chair of Provincial Parliament are reasonably strong in NTT and NTB. As a starting point these relationships make sense and as representative of the national government, the Governor is a critical stakeholder. Lessons learned from ANTARA about how to establish and maintain relationships at these levels are relevant to other AusAID programs in Indonesia. However, these relationships are fragile because they rely on a small number of individuals who may change. Despite this they are the foundation on which sustainability of governance activities under ANTARA depend, and the effective inception of AIPD relies. The ICR team saw no evidence of a formal plan for the transition from ANTARA to AIPD. Since they are different initiatives, and the context is very different with changed roles for provincial government from 2011, such a plan is needed for sustainability. Better engagement of operational staff in provincial and district BAPPEDA bureaux and offices of education and health would also improve sustainability by increasing ownership and awareness. A plan for transition from ANTARA to AIPD provides an ideal opportunity to address this.

The goal and objectives of ANTARA were poorly communicated. The mid-term review undertaken in mid-2008 recommended that ANTARA re-focus by developing strategies for disseminating lessons and good practice. The review also suggested promoting ‘horizontal learning’, in which local governments and donor programs based in eastern Indonesia would promote peer-to-peer learning and share smart practices across the region. The ICR team saw no evidence that this happened. The ANTARA Communication Strategy finalised in October 2008 set out three communication objectives, but field interviews during the ICR mission established that little progress had been made towards delivering outputs towards these.

Gender equality

Gender equality was a principle of ANTARA implementation. Empowerment of women was generally well done at the activity level but was not institutionalised at district or province level. For example, in preparing local government programs and budgets, there were no efforts to encourage more concrete involvement of women. Budget allocations and the related analyses did not clearly consider gender equality. Several Objective 2 activities supported women to contribute to and take leadership positions in decision-making. For example YMTM and Delsos enabled women to lead micro-finance programs and participate in village councils.

Monitoring and evaluation

Management monitoring and cluster evaluation of activities were effective. Most income generating activities monitored quantitative inputs, activities and outputs, many with sex disaggregation where appropriate. Monitoring data were used to support activity management. The use of cluster evaluations for income generating activities represents good practice and did result in management responses – extension of several successful and sustainable activities and cancellation of others. These quality evaluations could have been complemented by analysis of possible outcomes linked to the ANTARA goal and objectives. For example, the number of farmers adopting models was monitored but not changes in confidence or capacity to participate in governance processes.

Whole-of-program performance monitoring was weak. There was no evidence that the “above-the-line” indicators set out in the monitoring and evaluation framework were measured in practice or used to inform the strategic management of the program. This could have been done with an annual output-to-goal review.

ANTARA was flexible and responsive but a consistent theme of poor quality at entry reduced efficiency and effectiveness. The recent AusAID paper by Sue Dawson on performance management of Facilities provides some guidance on how to do this better. There was a missed opportunity to (1) strategically support activities that support whole-of-program goal and objectives; (2) learn from the years of development experience in NTT; and (3) avoid duplication with sector programs such as NTT-PEP and SADI.

Analysis and learning

ANTARA used evaluations to inform and transform delivery. Learning from cluster evaluations was used to make transformational change to strengthen program delivery. The mid-term review also resulted in transformational change: ineffective leaders were replaced; resources allocated to objectives that duplicated other

programs were reallocated; and the program was re-focused and engagement with NTB commenced. This was effective evidence-based-management in practice with analysis and learning informing management.

ANTARA leveraged analytical capacity and learning of delivery partners. The program use experienced delivery partners, including the World Bank and capable local NGOs, to leverage analytical resources to inform implementation. For example the public finance management activities supported by ANTARA benefited from several years of World Bank analysis and learning, especially in Papua. However, there is little evidence that ANTARA learned from other donor practices (eg GTZ and its support for provincial planning) and AusAID programs (eg engagement with District SKPD by SADI and sector programs). More recent engagement between the AusAID Decentralisation teams in Indonesia and PNG have begun to inform PFM activities in Papua and West Papua as well as preparations for AIPD implementation.

Lessons learned from ANTARA highlight the importance of using a theory of change and quality at entry processes to select strong, innovative and effective civil society groups to scale-up what they have already proven to work. A facility should ideally add value by proactively engaging to enhance effectiveness (for example by better engaging local government to institutionalise change) and efficiency (for example by strengthening financial management and program monitoring capacity).

The management support team produced a number of strategies, plans and reports that claim good practice or present high aspirations but the evidence seen by the ICR team suggests not all of these were delivered or implemented in practice. The ICR team critically reviewed the activity completion report, the M&E Framework (see Case study 5), the communications strategy (see Case study 3) and the HIV and AIDS strategy (see Case study 6). In each analytical output performance claims were made that were not substantiated by evidence and delivery proposals were made that were not implemented in practice. Analysis supports learning and continuous improvement if it is objective, supported by verifiable evidence, and put into practice.

Evaluation ratings

Formal ratings against the evaluation criteria are presented in Section 3 for the entire program and were applied to performance against the goal and objectives agreed between the two governments and endorsed by the two strategic frameworks. Separate analysis for each objective is also provided.

Lessons learned

Key lessons learned from the terminal evaluation of ANTARA include:

- Set realistic end of program outcomes
- Identify the intermediate steps to get to outcomes
- Recognise that changing service delivery is complex
- Use a change management strategy to guide complex institutional reform
- Successful facilities require systematic quality at entry assessment for activities and task orders
- Use a competitive framework to engage successful civil society groups
- Use implementation cases to link planning, budgeting and service delivery
- Institutional change comes from implementing in partnership
- Developing integrated livelihoods to reduce poverty and increases food security
- Monitoring whole-of-program performance is complex
- Flexible and responsive facilities need increased AusAID management and supervision inputs

Recommendations

The ICR identified a number of opportunities and lessons learned that are translated into the following recommendations relating to the implementation of AIPD and the design of the proposed Pro-PED program:

- Ensure new initiatives have realistic end-of-program outcomes
- Use a transition plan to refocus activities and establish relationships for AIPD
- Develop and use a change management strategy
- Improved co-ordination for better outcomes.
- Demonstrate links between planning/budgeting and service delivery
- Use quality at entry analysis to maintain quality and focus
- Have a clear exit strategy for AIPD activities

Acknowledgments

The team thanks all stakeholders from Government of Indonesia, Government of Australia and civil society organisations in eastern Indonesia for their time and contribution to this terminal evaluation. In particular staff from MoHA, provincial and district work units, delivery partners and AusAID provided significant support to the evaluation team. The efficient logistical support from the Management Support Team is gratefully acknowledged – thank you.

Acronyms

ANTARA	Australia Nusa Tenggara Assistance for Regional Autonomy
APBN	Anggaran Pendapatan dan Belanja Negara (National Budget and Expenditure)
A2F	Access to Finance
A2M	Access to Markets
AUD	Australian dollar
AusAID	Australian Agency for International Development
AWPB	Annual Workplan and Budget
BAPPEDA	Badan Perencanaan Pembangunan Daerah (Regional Development Planning Agency)
BAPPENAS	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BEE	Business Enabling Environment
BEP	Basic Education Program
BI	Bank Indonesia (Central Bank of Indonesia)
BLM	Bantuan Langsung Masyarakat (Block Grants under PNPM)
BOK	Biaya Operasional Kesehatan (National fund for supporting health)
BOP	Biaya Operasional Puskesmas (National fund for supporting health services)
BOS	Biaya Operasional Sekolah (National fund for supporting education services)
BP3TKI	Badan Pelayanan, Penempatan, dan Perlindungan Tenaga Kerja Indonesia (Migrant Worker Support Agency)
BREUNG	Bangun Rencana Ekonomi Rumah Tangga Untuk Kesejahteraan Keluarga (Small Savings and Loans Group)
CBO	Community Based Organisation
CO	Communication Officer
CRS	Catholic Relief Services
DAK	Dana Alokasi Khusus (Special Allocation Fund)
DAU	Dana Alokasi Umum (General Allocation Fund)
DBH	Dana Bagi Hasil (Revenue Sharing Fund)
Decon	Deconcentration Fund
DOK	Dana Operasional Kecamatan (Sub-district Operational Fund)
FEATI	Farmer Empowerment Through Agriculture Technology and Information
FI	Financial Institution
FY	Fiscal Year (Tahun Anggaran)
Gol	Government of Indonesia (Pemerintah Indonesia)
GTAT	Oxfam Australia Gender Technical Assistance Team
HRD	Human Resource Development
ICT	Information and Communication Technology
ICR	Independent Completion Report
IDR	Indonesia Rupiah
IIRR	International Institute for Rural Reconstruction
iNGO	International Non-Governmental Organisation
JAMKESMAS	Jaminan Kesehatan Masyarakat (National Health Insurance Fund)
Kab.	Kabupaten (District or Regency)
KAD	Kader Agribisnis Desa (Village Agribusiness Cadre)
Kec.	Kecamatan (sub-district)
KPPN	Kantor Pelayanan Perbendaharaan Negara (Service Office of the National Treasury)
M&E	Monitoring & Evaluation
MFI	Micro-Finance Institution (Lembaga Keuangan Mikro)
MIS	Management Information System
MKPP	Matriks Konsolidasi Perencanaan dan Penganggaran - Consolidated Budgeting and Planning Matrix
MM	million
MoHA	Ministry of Home Affairs
MST	Management Support Team
MTR	Mid Term Review
Musdes	Musyawarah Desa (Village Consultation in PNPM)
Musrenbang	Musyawarah Rencana Pembangunan (Deliberative forum for Development Plan)
NBFI	Non-Bank Financial Institution
NGO	Non-Governmental Organisation
NMC	National Management Consultant
NTB	Nusa Tenggara Barat

NTT	Nusa Tenggara Timur
PAD	Pendapatan Asli Daerah – Own Revenue
PC	Provincial Consultant
PC	Provincial Coordinator
PCC	Program Coordinating Committee
PEA	Public Expenditure Analysis
PEACH	Public Expenditure Analysis and Capacity Enhancement
PFM	Public Finance Management
PIKUL	Penguatan Institusi Kapasitas Lokal
PMD	Pemberdayaan Masyarakat Desa, Direktorat Jendral (Directorate General for Peoples Empowerment of the Ministry of Home Affairs)
PMO	Program Management
PNPM-AP	Program Nasional Pemberdayaan Masyarakat - Agribusiness Perdesaan (National Program for Community Empowerment - Rural Agribusiness)
PNPM-MP	Program Nasional Pemberdayaan Masyarakat - Mandiri Perdesaan (National Program for Community Empowerment - Rural)
PPD	Public Private Dialogue
PPM	Program Partners Meeting
PPP	Public-Private Partnership (Kemitraan Pemerintah - Swasta)
PRA	Participatory Rural Appraisal
Pro-PED	Pro-poor Economic Development Program
PTC	Provincial Technology Committee
PTO	Petunjuk Teknis Operasional (Operational Technical Guidelines)
Pusbangluh	Pusat Pengembangan Penyuluhan (Centre for Extension Development)
QAE	Quality At Entry
RACS	Royal Australian College of Surgeons
R&D	Research & Development (Penelitian dan Pengembangan)
RPJMDes	<i>Rencana Pembangunan Jangka Menengah Desa</i> (Village Medium Term Plan)
SADI	Smallholder Agribusiness Development Initiative
SC-UK	Save the Children Fund – United Kingdom
SDM	Sumberdaya manusia (Human Resources)
SEKBER	Joint Secretariat
SEKDA	Satuan Kerja Perangkat Daerah - Sector Offices/working unit (eg Office of Education)
SIMDA	Sistem informasi Manajemen Pemerintah Daerah (Local Government Management Information Systems)
SKPD	Sector Offices (eg Office of Education)
SMARTD	Sustainable Management of Agricultural Research and Technology Dissemination
SME	Small and Medium Enterprise (Usaha Kecil dan Menengah)
SOP	Standard Operational Procedure
Sulsel	Sulawesi Selatan
TA	Technical Assistance
TOT	Training of Trainers
TP	Tugas Pembantuan (Co-administration Fund)
TPK	Tim Pelaksana Kegiatan (Management Implementation Team)
TPU	Tim Penulis Usulan (Proposal Writing Team)
TTS	Timur Tengah Selatan (South Central Timor)
TTU	Timur Tengah Utara (North Central Timor)
TV	Tim Verifikasi (Proposal Verification Team)
UPK	Unit Pelaksana Kegiatan (Activity Implementation Unit)
USD	United States Dollar
UU	Undang-undang (National law)
WB	World Bank
YMS	Yayasan Mitra Sejahtera
YMTM	Yayasan Mitra Tani Mandiri

1 Introduction

1.1 Activity background

The Australia Nusa Tenggara Assistance for Regional Autonomy (ANTARA) was supported to improve governance and reduce poverty in eastern Indonesia. ANTARA commenced in May 2005 and will operate through to the end of December 2010. Initiated in East Nusa Tenggara (NTT) province during 2005, ANTARA expanded to West Nusa Tenggara (NTB) in 2008 and then Papua and West Papua provinces in 2009.

The overarching goal of ANTARA was to reduce poverty in Nusa Tenggara through sustainable and equitable socio-economic development and improved governance systems. Activities were organised under three program objectives, to:

- improve provincial and district governance;
- improve incomes; and
- improve access to and quality of basic services.

A three-fold agenda was used by ANTARA in pursuit of the above objectives:

- promote synergies between Government of Australia (GOA) activities;
- pioneer initiatives to test ‘what works’ in the region; and
- strategically invest in other existing or emerging Government of Indonesia (GOI) or donor programs.

An ANTARA Strategic Framework (ASF) was drafted in late 2006, and finalised in mid-2007, covering the period to late 2008. A revised ASF provided the basis for activities to the end of 2010. Both frameworks endorsed the goal and objectives set out in the ANTARA Concept. A Program Director was appointed to manage ANTARA in mid-2005 and replaced in mid-2007; then a Deputy Program Director was appointed in late 2009 – all were appointed directly by AusAID. A Managing Support Team (MST) was contracted in March 2006 to provide logistical, coordination and administrative support. Assistant Program Directors for NTB, Papua and West Papua were appointed by the MST in 2009.

ANTARA was implemented as a Facility in partnership with Ministry of Home Affairs (MoHA), other donors and delivery partners, as well as with selected provincial and district government agencies. The delivery partners in ANTARA implemented activities, either through sub-contracts or joint funding, to attain the program objectives. ANTARA allocated A\$18 million for 23 activities. A\$9 million was allocated for program support and A\$3 million for AusAID inputs. Additional amounts were allocated for Papua and West Papua.

Activities supported by ANTARA evolved through a number of phases between 2005 and 2010 and this ICR evaluates the entire program. Strengths and weaknesses identified in this ICR reflect performance over the entire period and are designed to highlight lessons learned to support improved quality of delivery in future programs. Initial ANTARA activities, identified for support by an external Australian Aid Program mission prior to the establishment of an ANTARA strategic framework in 2006, aimed to improve basic education and health services by building schools and training teachers, providing surgical services and improving the medical supply chain. From 2007, ANTARA focused on improving incomes and food security in targeted communities, as well as governance. At the same time the program moved away from government service delivery activities to avoid duplication with new sectoral initiatives supporting education, health and infrastructure.

1.2 Evaluation objectives and questions

The entire 5-year ANTARA program, and the goal and objectives agreed by the two governments and endorsed in both strategic plans, were evaluated against eight criteria: relevance, effectiveness, efficiency, impact and sustainability as well as monitoring and evaluation, gender equality and analysis and learning. Lessons learned were structured to inform implementation and design of future activities.

To ensure independence this evaluation was led by an independent evaluator with one technical specialist team member and two AusAID team members. Five staff from Ministry of Home Affairs (MoHA) participated as team members in the evaluation. Two AusAID Program managers participated as observers in the NTT field work.

This was not a Joint Evaluation, but MoHA took an active interest from the start and contributed meaningfully to all field work activities and analysis. Participatory and formative approaches were used to ensure engagement with ANTARA stakeholders, who were selected on the advice of the ANTARA team in consultation with the evaluation team leader. Given the resources and time available, a formal counter-factual approach to evaluation was not used for this evaluation. The ICR team visited a number of non-program activities in neighbouring communities to compare performance with and without ANTARA. In this way participants with and without ANTARA activities were consulted during field work.

Performance questions were prepared using an evaluation logical framework (presented in the Evaluation Plan) and the 5 OECD DAC evaluation criteria. Questions were used in semi-structured interviews and individual interviews. Resulting data provide evidence for evaluating ANTARA against all criteria. Overarching performance questions were:

- To what extent has ANTARA achieved its end-of-program outcomes?
- What lessons can be applied in the implementation of AIPD, particularly in relation to the local governance and civil society components.
- What lessons from the income generation activities (especially business enabling environment and rural development) can be applied in implementation of Pro-PED?
- Who were the main beneficiaries? (men, women, rich, poor?)

1.3 Evaluation scope and methods

Given the scale of the ANTARA investment and the time and resources available for evaluation, the ICR was conducted as a rapid appraisal. Field work focused on collecting evidence against effectiveness, impact, sustainability and monitoring criteria. Document review and interviews covered all criteria. The scope and methods are set out in the Evaluation Plan presented on March 30, 2010. Field work was conducted in 2 provinces, 5 districts and 2 cities between April 28 and May 18 in Jakarta, NTB and NTT. More than 150 stakeholders were consulted, of whom around 30% were women. Because activities have only recently started there, no field work was conducted in Papua or West Papua.

1.4 Evaluation team

The evaluation team was led by John Fargher, independent evaluator, with technical inputs from Pak Suhirman, local governance specialist; Sofia Ericsson, AusAID Performance and Evaluation Manager; and Arief Sugito, AusAID Senior Program Manager, Aid Effectiveness. Ministry of Home Affairs participated in the evaluation through active membership of the team in NTT (Dr Parulian Siagian) and NTB (Dr Jahluddin, Lily Latul, Marlina Agus and Dwi Ariyanti). AusAID observers in NTT contributed actively to field work – Santi Handayani, Program Officer and Niken Wardhani, Program Manager, Decentralisation with special interest in public finance management.

2 Evaluation findings

2.1 Relevance

The Concept Note used to initiate ANTARA was prepared to be relevant to national and provincial priorities in Indonesia and the bilateral partnership between Indonesia and Australia as well as to Millennium Development Goals (MDG) 1 (reduce poverty and hunger), 2 (universal primary education), 3 (gender equality and empower women), 4 (reduce child mortality) and 5 (improve maternal health). Activities implemented under ANTARA and their outputs were generally relevant to these priorities and the evolving context of Indonesia and its bilateral relationship with Australia.

The Indonesia Medium Term Development Strategy 2004-2009 includes 3 agendas that address a number of key challenges. ANTARA contributed to achieving the second and third agendas: establishing democracy for all and creating a prosperous Indonesia. Within those agendas, activities implemented under ANTARA were relevant to several key challenges: improving the environment for efficient growth of small and medium-sized enterprises (ANTARA Objective 1); improving welfare of poor families and reducing poverty (Objective 2); addressing institutional and policy constraints to competitiveness and resource mobilisation (Objective 1); improving delivery of public services (Objectives 1 and 3); and strengthening planning and budgeting (Objective 1).

Activities implemented under ANTARA were relevant to several of the goals set by the medium term development strategy:

- **Bureaucratic reform** – for example some Objective 1 activities supported public expenditure analysis to inform public finance management.
- **Creating a healthy business climate** – for example Objective 1 activities supported expansion of one stop shop resources into 4 new areas to improve the environment for efficient growth of small and medium-sized enterprises.
- **Reduce unemployment rate** – for example some Objective 2 activities supported enterprise growth, which included new employment as well as new entrepreneurs. These activities were directly relevant to MDGs 1 and 3.
- **Cut poverty rate** – for example some Objective 2 activities scaled up adoption of new technologies that increased poor farmer productivity and incomes. These activities directly support MDG 1.

ANTARA was relevant to the vision, mission and several strategies set out in the Ministry of Home Affairs Strategic Plan – for example strengthening the effectiveness of local governance and empowering the community. ANTARA was also relevant to NTT provincial government – for example, the Governor of NTT issued Decree 05/KEP/2009 regulating the use of a new comprehensive budgeting and planning matrix (MKPP+).

The goal of ANTARA contributed to three pillars of the Australia Indonesia Partnership Country Strategy 2008-2013: Pillar 1 – Sustainable Growth and Economic Management; Pillar 2 – Investing in People and Pillar 3 – Democracy, Justice and Good Governance. In particular some ANTARA activities provided access to health and education services for activity participants, many supported efforts to grow rural and small and medium enterprises or increase rural productivity and some started to improve local government and public financial management, responding to local demand.

2.2 Effectiveness

Many ANTARA income generating activities were effective

By leveraging existing experience ANTARA effectively used resources to scale-up proven livelihoods, food security and governance activities delivered by local partners. Chart 5 presents examples of successes and their impacts.

Livelihoods and food security activities implemented in NTT clearly demonstrated that support for adoption of integrated livelihood systems reduces poverty:

- Yayasan Mitra Tani Mandiri (YMTM) demonstrated cattle fattening and sloping land livelihood systems that enabled participating households to lift their income above the rural poverty line in NTT (see Case study 1 and Chart 5).
- Delsos worked with community health centres (CHC) to increase use of drought tolerant food crops such as cassava and sorghum through use of innovative food technology approaches (see Chart 5).

Migrant worker internet kiosks (*mahnetik*) are implemented across Indonesia with the endorsement of the National Migrant Worker Placement and Protection Agency (BNP2TKI) and support of the NGO TIFA in partnership with Microsoft. ANTARA supported TIFA and local NGOs to extend this activity to 4 new Districts to provide connectivity for migrant worker families from a total of 40 villages in NTT and NTB. ANTARA added value by supporting establishment of community-based organisations to support migrant workers and their families in participating villages, as well as developing proposals for enterprise support to invest remittances productively. Comparative analysis of two NTB *mahnetik* – one with and one without ANTARA support – highlighted the importance of this additional support.

Case study 1 : Integrated livelihood systems reduce poverty

Almost A\$11 million, or 60%, of the ANTARA activities budget was allocated to Objective 2 for improving incomes. One of the best examples is the work of Indonesian non-government organisation – Yayasan Mitra Tani Mandiri (YMTM) – which received financial support from ANTARA for work with NTT communities to demonstrate income generating activities including cattle fattening, sloping land tree cropping and village savings and loans groups. The 5,073 households in 40 villages exceed the planned target of 1,000 beneficiary households – no doubt in part because the models used lift participants out of poverty. For example, a household adopting the cattle fattening livelihood systems (legume forage production, cut and carry feeding, modern animal husbandry, collective selling through farmer's groups) receives a gross margin income of almost IDR2 million per year for the cattle fattening enterprise alone. Since commencement of ANTARA YMTM has supported sale of 1,302 cattle at higher prices. The additional annual income is equivalent to 110% of the NTT rural poverty line and since it represents only one of the income streams in these households, is a significant boost. At the same time sloping land livelihood systems based on tree crops such as candlenut (*kemiri*), mahogany and white teak were widely adopted by more than 5,000 households on 978 hectares, with anticipated returns exceeding those of cattle fattening. These successful YMTM livelihood systems have been adopted by neighbouring villages and Districts. For example, 8 neighbouring villages now use the cattle fattening livelihood system to raise incomes. Other NGOs from NTT sent 45 staff (of whom 15 were women) for on-the-job training in these models with YMTM.

Consistent with ANTARA Goal and Objective 2, there was an opportunity to engage district and provincial governments to scale up successful livelihood systems (for example as was successfully done by SADI with cattle in NTB and cocoa in Sulawesi). However, this opportunity was not taken, and reduced the whole-of-program impact.

ANTARA supported provincial BAPPEDA to adapt public expenditure analysis and consolidated planning and budgeting tools developed by the World Bank for Papua to the needs of provincial budget teams in NTT and NTB. The resulting analysis, supported by World Bank expertise, has not yet had any impact on budget allocations: most NTT and NTB budget resources used for service delivery come from central level with prescribed allocations. Provincial and District government officers interviewed by the ICR team in NTT and NTB

identified concerns with use of these tools such as availability of district data and inability of the tool to guide progress to reach Objective 1 (Output 1.1) because analysis is done at sector level while the ANTARA objectives require analysis at budget line level. Relationships initiated through use of these tools provide a sound foundation for AIPD.

Poor focus and activity selection reduced effectiveness for the first two years

ANTARA had no formal design but was financed from a Concept Note. The concept was to identify what works in Nusa Tenggara, through small-scale pilot activities, and to replicate those that were successful. The first two years of ANTARA implementation were ineffective and eventually resulted in a significant overhaul in mid-2007. Problems experienced during the first 2 years of implementation usefully highlight risks of rapid scale-up, including:

- Unrealistic end of program outcomes and goal that were not revised throughout the life of the program and so remain as the basis against which its delivery must be evaluated.
- Absence of a vision for support to decentralised service delivery shared by the Indonesian and Australian governments – for example the first PCC meeting was held fully 19 months after program inception (see Chart 2).
- Activities developed in isolation and implemented with poor links to government agencies with assigned functional responsibilities relevant to those activities – for example the primary schools implemented by SCUK and the medical services delivered by RACS.
- Lack of strategic direction and leadership by the first Program Director – for example the strategic framework was not developed until 15 months after he started work.
- Fragmented delivery resulting from poor focus and internal logic for example a number of activities under Objective 2 and Objective 3 had weak linkages to the ANTARA goal.
- Uncertain entry points and delayed commencement of activities in the absence of an appraised design and the relationships established during a systematic quality at entry (QAE) process – for example several activities promoted by international and local NGOs were unsustainable and several were cancelled or failed before completion.
- Duplication and overlap with sector programs in the absence of an overall strategic vision –for example some livestock activities overlapped with SADI and some education and health activities overlapped with sector programs in NTT.

Activities imposed on ANTARA in the first year represent poor quality development

During the first 12 months of implementation AusAID requested ANTARA to invest A\$4.3m in six health and education service delivery activities. These resulted in immediate outputs consistent with the program concept, but did not result in sustainable or systemic change.

Save the Children UK (SCUK) was contracted to train teachers, develop school council capacity and build 15 schools in 4 Districts. A\$2.1 million was invested in this activity. It was not developed in partnership with government agencies so there was no commitment from local education offices to sustain funding for staff or operational costs of new schools. The issue is now resolved but could have been avoided with effective quality at entry assessment that used lessons learned from AusAID experience in developing education services in NTT (eg PEP). There is no evidence that budget allocations are available to maintain the schools built with ANTARA funds.

Between mid-2006 and late 2007 the Royal Australian College of Surgeons (RACS) was contracted to provide specialist health screening (4,167 patients) and surgery (847 patients) in 6 districts. Discussions with the head of the Office of Health in East Flores District confirmed that these activities were life changing for the patients and positive for the district health staff. However, no sustainable change resulted from the A\$490,000 investment and the participating districts remain constrained with lack of specialist staff and equipment as well as limited recurrent budget for service delivery.

ANTARA built on existing successes to demonstrate effective change

After 2007, ANTARA effectively leveraged successes from elsewhere to do three things simultaneously – (1) prioritise relationships; (2) better understand government constraints and opportunities to improve governance systems; and (3) deliver activity level outcomes that have an impact on the lives of the people of NTT. Few governance focused activities have achievements in all three areas, but ANTARA seems to have made progress in all of them. For example: PEACH and MKPP from World Bank, livestock livelihood systems from YMTM and SADI, migrant worker internet kiosks from TIFA/Microsoft and OSS from MoHA. Although there is no evidence of pioneering or testing (Agenda 2) there is evidence of support for the first level of scaling up. Agenda 2 could have been achieved with a strategy for pioneering systemic and institutional change through institutionalisation of policy and program changes resulting from successful activities.

ANTARA did not deliver strongly on the three agendas set out in the concept note

The concept note that initiated ANTARA set three agendas: (1) promote synergies between Government of Australia (GOA) activities; (2) pioneer initiatives to test ‘what works’ in the region; and (3) strategically invest in other existing or emerging Government of Indonesia (GOI) or donor programs. There is little evidence of meaningful synergies between AusAID activities in NTT and NTB. During the short time that AusAID had a co-located officer in NTT, more regular coordination occurred, but since then little has happened.

ANTARA activities did not result in systemic or institutional change

ANTARA did not analyse functional assignment, minimum service standards or minimum competency standards as part of a change management strategy for service delivery institutions. Objective 1 results would have been stronger if activities were supported by a change management strategy for improved governance. This would have included identifying local government and political entry points appropriate to their assigned service delivery functions and budget realities (see analysis of this by the ICR team in Annex 2).

The emphasis on using NGOs as delivery partners was effective at the output level, but it meant ANTARA had no systematic engagement with District operational cadres. It also increased the risk that community proposals were typically disconnected from the availability of local government program funds to sustain delivery. For example in North Central Timor District, ANTARA supported participatory planning resulted in community medium-term plans (RPJM Des) but there was no systematic attempt to connect this plan with district plans. The risks of this were demonstrated by an example from Lombok Timur District, where participatory planning resulted in RPJM Des with activity proposals for 2009 valued at IDR1.3 trillion while the District budget available for implementation was IDR200 million.

The ICR team visited a number of non-program activities in neighbouring communities to compare performance with and without ANTARA. The key difference was engagement with government in non-ANTARA activities. For example, the KWT Sehati group in NTT was established in 2006 by 12 women. The purpose of this group was to increase food security through vegetable production in house yards and maize in neighbouring fields. As the group gained confidence the women progressed to livestock systems and now have 2 cattle for fattening, 25 pigs and 55 chickens. This group developed and used relations with government to obtain support. The group is registered with the offices of agriculture and livestock and a government field facilitator comes twice each month to discuss and solve problems. Comparison with SADI is also instructive in this context.

2.3 Efficiency

ANTARA leveraged existing successes to demonstrate what works

Most activities supported by ANTARA were pioneered by others. The program added value by supporting delivery partners to adapt activities to NTT (eg MKPP+), extend activities to program provinces (eg PEACH/PEA) or expand small-scale success to more communities (eg livelihood systems work by Delsos, YMTM, World Neighbours). Leveraging existing successes was an efficient strategy that allowed the program to recover some of the ground lost in the first half of the program. In summary ANTARA efficiently leveraged:

- MKPP (developed by World Bank in Papua, adapted in NTT, with World Bank support);
- OSS (national policy since 2006, TAF engaged nationally);
- Migrant worker *mahnetik* (national partnership between TIF and Microsoft);
- Civil society poverty reduction and food security programs – CRS, Delsos, YMTM are well established NGO delivery partners in NTT; and
- SEKBER – established by BAPPEDA NTT in 2004, used by ANTARA as a mechanism for building provincial relationships in NTT.

ANTARA used competitive tendering processes to efficiently identify and contract partners to implement poverty reduction and good governance activities to deliver outputs for Objective 1 and Objective 2. The process was used to select several local non-government organisations (NGOs) with proven capacity and experience. By leveraging existing experience with what works in this way ANTARA efficiently invested more than A\$4.6m in effective livelihoods, food security and governance activities delivered by local partners. Not all local NGOs delivered well – for example small-scale fish and coconut oil processing activities implemented by PIKUL were unsuccessful.

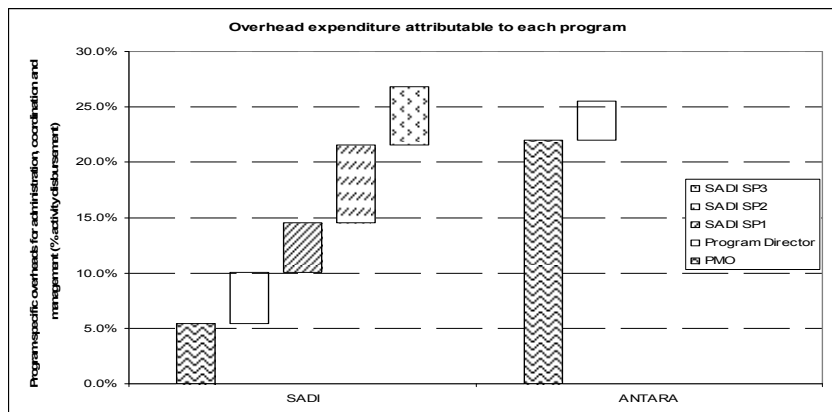
Several international NGOs were similarly contracted, with mixed results. ANTARA invested more than A\$6.1m in business enabling environment, participatory planning and livelihoods activities delivered by iNGOs. Some added value – for example The Asia Foundation. However, other iNGOs proved expensive or inefficient and many managed delivery by local NGOs that were capable of self managing. One activity contracted to CARE and cancelled because of poor performance, could have been more efficiently managed if quality at entry analysis had been systematically used. For example, the lack of formal, in-principal agreement for roles and responsibilities of the seed company and CARE should have raised concerns that this proposed activity was unlikely to progress as planned.

Since 2006 MoHA has promoted One Stop Service centres (OSS), with more than 240 currently operating at provincial and district levels across Indonesia. The Asia Foundation (TAF) supports this program, for example assisting establishment of 11 OSS in NTT. ANTARA contracted TAF (A\$1.6m) to support establishment of 4 OSS in NTT and added value by conducting regulatory impact assessments and enabling reform of regulatory processes for business licensing. The OSS concept effectively improves the business enabling environment – for example in Kupang City the average time to complete the licensing process has reduced from 6 to 4 days and the number of requirements has reduced from 4 to 3. TAF also introduced international good practice regulatory impact assessments to University Nusa Cendana Kupang as part of their research work to support establishment of OSS in Kupang.

ANTARA management arrangements could have been more efficient

ANTARA is a facility managed by AusAID with administrative support from a contracted management services team (MST). Program overheads were high given the focus was on one province (NTT) for much of the first 4 years. Comparison with SADI, operating in 4 provinces, is shown in Chart 1. Comparison with other AusAID initiatives with similar scope, scale and focus confirm that facilities are a relatively expensive delivery modality.

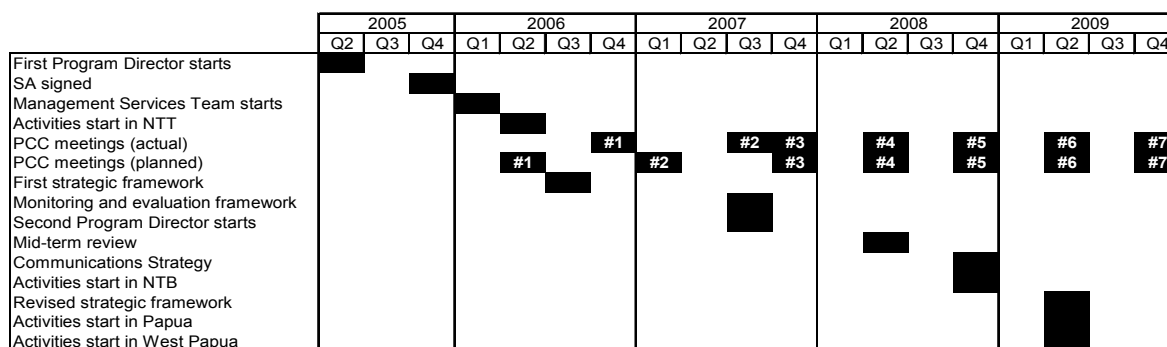
Chart 1 : ANTARA overhead costs were relatively high



AusAID management of ANTARA was weak for the first 2 years. As shown in Chart 2, the poor phasing of program inception and poor coordination of program governance systems such as the PCC meant the first half of ANTARA was inefficient. This partly reflects the bilateral context at that time, but also reflects the management shortcomings that were apparent by the end of 2006. The first Program Director started in May 2005, the Subsidiary Agreement was signed in October 2005, the Management Support Team started in March 2006 and the first PCC meeting was held in December 2006 – fully 19 months after program inception. In the absence of strategic direction, implementation stalled and was not restored until late 2007. Management responsibility for ANTARA was vested in AusAID and there are important governance and accountability lessons to be learned in the agency from these significant delays (detailed in Section 4.2).

At inception ANTARA lacked an overall theory of change and program logic. The development of the Strategic Framework in September 2006 helped to address this need. However, the proposed objectives and outputs were unachievable with the activities contracted and time available and there was limited interaction between activities under the different objectives. A more realistic strategy with an achievable end-of-program outcome may have provided a more transparent foundation for whole-of-program monitoring.

Chart 2 : Poor management reduced efficiency in the first half of ANTARA



The PCC established to guide implementation did not address early issues. In addition, Program Partners Meeting (PPM) stakeholders in NTB told the ICR team they perceived that their contribution was not appreciated by ANTARA and that the PPM was a token gesture rather than a substantive contribution to program execution. Lessons learned from both ANTARA and SADI highlight the value that can be added from robust contributions from a small number of independent monitoring or review teams.

ANTARA contracted iNGOs to manage portfolios of activities implemented by local implementation partners. This may have been an appropriate risk management approach but the lessons learned from ANTARA Objective 2 activities suggest that iNGOs are often more expensive and less effective than local NGOs. In some cases the iNGOs did add value – for example TAF supported Lemlit Undana (Research Unit of University Nusa Cendana, Kupang) to conduct regulatory impact assessments and LAKMAS for OSS establishment. But other cases led to expensive failure – for example the A\$1.5m CARE activity that was ultimately cancelled after disbursement of almost A\$900,000. ANTARA contracted iNGOs to directly implement activities, such as medical supply management, that were not innovative and could have been effectively implemented at lower cost by local NGOs.

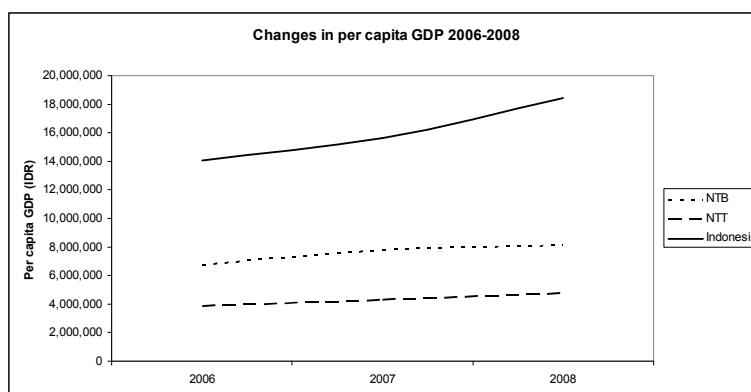
2.4 Impact

The ANTARA Concept Note proposed a phased program with an initial commitment over 5 years. Because of poor delivery during the first half of implementation, impact evaluation is complex. Between 2005 and 2010, the provincial and national context in which ANTARA activities were implemented was one of improving GDP and reducing poverty. For example, per capita GDP increased in NTB and NTT – see Chart 3. Indonesia is achieving MDG 1 and through that contributing to MDGs relating to health, education and gender equality. However, these contextual changes are not attributable to ANTARA and as Chart 4 highlights there remains much work to be done to address the wide range of poverty reduction needs across provinces where ANTARA worked. ANTARA resources (annualised over five years) represented less than 0.2% of NTT annual GDP so where positive impact was achieved it came from catalytic investments that demonstrated success.

ANTARA income-generating activities had positive impacts on some NTT households

Chart 5 highlights the impacts that some of the activities implemented under Objective 2, especially livelihoods and food security changes, had on local people and their communities. These activity-level impacts are discussed further under the effectiveness criterion. Because individual activity successes were not scaled-up or institutionalised, the whole-of-program impact is limited to immediate participants and a small number of neighbouring villages. The fact that non-program villages started to engage and adopt activities supported by ANTARA demonstrates the opportunity to engage district and provincial government offices to institutionalise the changes and bring them to scale. By comparison, SADI demonstrated how to do this with cattle production in NTB and cocoa revitalisation in Sulsel.

Chart 3 : NTT and NTB remain poor provinces



ANTARA had no impact on budget allocations for service delivery

As shown in Case study 2, ANTARA had no impact on the allocation of public finances to service delivery functions in NTT. Public Expenditure Analysis (PEA) through the PEACH process was started by ANTARA at the provincial level in NTB and West Papua towards the

end of the program and so it is too early to expect any impact in those locations. The World Bank pioneered the PEACH process in Papua before ANTARA commenced.

Chart 4 : Provinces in eastern Indonesia have different degrees of need

2008 Province	Population ('000)	Per Capita GDP (IDR/person)	Urban Poverty (%)	Rural Poverty (%)	HDI	Rank
NTB	4,343	8,118,477	29	20	64	32
NTT	4,549	4,753,417	16	28	66	31
Papua	2,057	26,615,123	6	47	64	33
Papua Barat	730	17,084,932	5	45	68	30
Indonesia	228,187	18,438,919	12	19	71	

Source: SUSENAS statistical tables accessed April 16, 2010 from www.bps.go.id and BPS Katalog 3101015 (October 2009)
Trends in selected socio-economic indicators of Indonesia.

The lack of outcome or impact in NTT from the provincial-level public finance management (PFM) activities is instructive. During ICR interviews provincial officials in NTT and NTB as well as PEA facilitators from Mataram University, questioned the value of PEA and other PFM tools in the absence of tangible implementation cases to demonstrate the relationship between sound planning/budgeting and quality service delivery. They repeatedly and consistently emphasised that PEA should be placed in the context of the fiscal balance between local and central government and the discretion available to poorer provinces and districts with limited own revenue for use of different sources of funds under Indonesian Law as summarised by the ICR team in Annex 2. The clear message presented to the ICR team by these stakeholders, confirmed by our analysis in Annex 2, is that to improve the quantity and quality of service delivery it is necessary to engage at district level (through planning, budget allocation and management) and at national and provincial levels (through supervision, budget allocation and policy dialogue). Central policy determines how DAU is allocated and is the key influence in allocation of DAK. There are emerging signs of increasing flexibility by central agencies for how local governments allocate their budgets, but with relatively small own-budget and limited discretionary amounts available after covering salary costs, the poorer provinces and districts targeted by ANTARA have few options left for allocation to service delivery. ICR participants from district and provincial offices and parliaments advised that tools better aligned to GoI PFM systems are needed in addition to PEA and PEACH to achieve service delivery and governance impact, particularly to achieve a better understanding of detailed budget analysis in Indonesia.

As detailed in Annex 2, and Case study 2, engagement at provincial level addresses a small part of the budget available for service delivery. Most funds that support delivery of services come from national levels (eg DAK, DAU, DBH, Decon and TP) and most is tied to function (eg DAK, Decon, TP) or mostly earmarked for salaries (eg DAU). As shown in the strategic logic for service delivery presented in Annex 2, PFM is one part of a much larger range of actions and conditions needed to improve the quantity and quality of, and access to, services delivered by Government.

Given the importance of central allocations to service delivery outcomes at local government level in poor regions such as eastern Indonesia, ANTARA lacked systematic engagement with central government (eg MoF and MoHA-BAKD) to advocate for budget allocation to local government for improved service delivery. Some of this is being addressed through sector programs (eg proposed BOS and BOP) but for ANTARA the goal and objectives 1 and 3 were unrealistic without formal linkages to sector programs or engagement with central government because most local government budgets depend on national transfers with predetermined allocations (eg DAK).

Chart 5 : Income and food security activities demonstrated what works

Delsos used innovative food technology approaches in partnership with community health centres to increase use of drought tolerant food crops such as cassava and sorghum to extend rice stocks and improve child nutrition. Health centre staff in Birawan Village told the ICR team that as a result of this activity malnourished infants in the village had declined 25% from 90 out of 500 children in 2009 to 68 in 2010.



Yayasan Mitra Tani Mandiri demonstrated income generating livelihoods systems in NTT. The cattle fattening system included legume forage production, cut and carry feeding, modern animal husbandry and collective selling through farmer's groups. A household adopting the cattle fattening livelihood system receives additional gross margin income of almost IDR2 million per year. In addition to more than 5,000 households in 40 ANTARA villages, these successful livelihood systems were adopted by neighbouring villages and districts. For example, 8 neighbouring villages now use the cattle fattening livelihood system to raise incomes.

Yayasan Mitra Tani Mandiri demonstrated sustainable income generation livelihood systems for sloping land in Kefamananu Village, TTU District in NTT. The livelihood system is based on tree crops (eg candlenut, mahogany and white teak) with forage and vegetables as understorey. This livelihood system was adopted by more than 5,000 households on 978 hectares, with anticipated returns exceeding those of cattle fattening. In early 2010 almost 1 million income generating trees had been planted under this activity. Neighbouring villages have asked to be included and the activity seems to be self-sustaining.



Oxfam and Yabiku introduced peasant groups in six NTT villages (more than 2,100 households) to techniques for using their agricultural land and house yard for drought-tolerant systems to increase food security. Participants also learned how to process agriculture products to increase family nutrition and income. After the activity was completed in 2009, peasant groups had new knowledge and changed their behaviour to make better use of agriculture resources management and market opportunities.

2.5 Sustainability

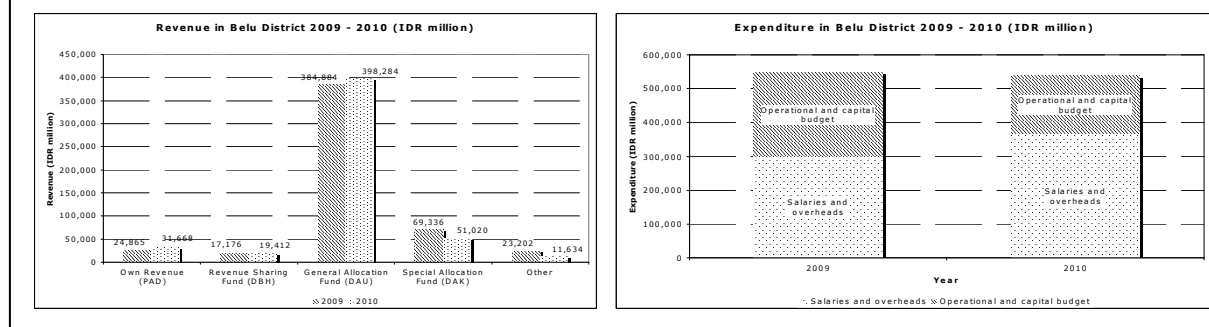
Many income generating activities are sustainable

The cluster evaluations conducted for income generating activities concluded that most of the activities would be sustained. This relied on thorough financial analysis and field evidence of adoption by neighbouring communities that were not participants in ANTARA. For example, the financial return to farmers in Nagakeo, NTT, resulting from sloping agriculture livelihood systems is almost 14% for the vegetable intercrops. Similarly, cattle fattening livelihood systems (legume forage production, cut and carry feeding, modern animal husbandry and collective selling through farmer's groups) give a participating farmer a 40% rate of return on investment within one year. The evaluation was conducted by an economist with a technical

understanding of agriculture – enabling him to also identify concerns about environmental sustainability if nutrient replacement through appropriate fertilisers and minerals are not addressed. This is an example of high quality analysis that emphasises the benefits of specialist skills in development practitioners.

Case study 2 : Entry points for changed budget allocation to service delivery

Belu District in NTT has annual revenue of around IDR500 billion of which 6% is sourced from own revenue and 91% from central level, as detailed in Annex 2. Two examples illustrate the impact this has on service delivery – the Belu City Health Centre receives 75% of its operational budget from tied Ministry of Health allocations (*Jamkesmas*). The Haliwen Primary School receives 100% of its operational budget from Ministry of Education allocations (BOS). Policy decisions relating to these allocations are made at national level. As an example of the impact this can have, compare the 2009 and 2010 revenue and expenditure budgets in the charts. The 2009 decision to increase public servant salaries led to a reduction in operational budgets – with predictable impacts on service delivery at the local level, since local government in Nusa Tenggara has a very narrow revenue base. Activities to change budget allocations for service delivery in eastern Indonesia have most impact at national level.



Lessons learned from microfinance activities are useful for other AusAID initiatives

Another cluster evaluation was conducted for three activities with microfinance components. Again, the benefit of using a specialist development practitioner is clear from the quality of the analysis. She determined that only one of the micro-finance activities is likely to be sustainable, and it can only achieve sustainability by transforming its legal status to comply with national laws that regulate the role of NGOs and microfinance enterprises. She benchmarked performance against G8 and international good practice principles for microfinance – for example emphasising institutional capacity and the need to charge relatively high interest rates to cover the additional costs of many small loans. The ICR team reviewed the BREUNG microfinance program delivered by Delsos in East Flores and identified 4 threats to sustainability: (1) a maturing portfolio of loans; (2) use of loans for consumption and establishment of retail kiosks rather than sustainable enterprises; (3) a small spread between interest rates for loans (around 2.1%/month) and deposits (around 1%/month) compared to the international benchmark of 2.5-3%; and (4) a large and growing portfolio of deposits. The ICR team was advised by Delsos that it was not yet legally established in compliance with new Indonesian Law on Foundations and so the enterprise and the assets of its members are potentially at risk.

There is no sustainable change in access to and quality of basic services

The ICR team found no evidence of sustainable change relating to basic service delivery at provincial or district levels. In fact several NTT leaders pointed out to the ICR team that performance against tangible indicators – such as student test scores, maternal mortality and infant mortality – declined during the life of the program. For example, the proportion of NTT high school students passing the national exam (Ujian Nasional) declined from 70% in 2006 to 48% in 2010². Such results are beyond the influence of ANTARA alone but highlight the work still to be done.

² Sources: http://www.nttprov.go.id/ntt_09/index.php?hal=mpend and www.mediaindonesia.com accessed May 18, 2010

Experience in other institutional change programs in Indonesia and elsewhere highlights the importance of developing a change management strategy with partners to guide the process of change towards new individual, systematic and organisational performance. A schematic summary of institutional change processes is presented in Annex 3. ANTARA neither developed nor used a change management strategy for delivery of outputs under Objectives 1 and 3. Given the complexity of what ANTARA was supposed to deliver under these objectives and the proposals in the revised strategic framework, as well as the changing roles for provincial agencies from 2011, such a strategy was needed for sustainability. Engagement of operational staff in provincial and district BAPPEDA bureaux and offices of education and health to develop a change management strategy would improve sustainability by increasing ownership and establishing an agreed roadmap towards sustainable planning and budgeting for improved service delivery.

Sustainability of governance activities relies on provincial relationships

ANTARA deliberately and sensibly used a “top-down” approach to engagement with government. Relationships with the Governor, SEKDA, Head of BAPPEDA, Secretary BAPPEDA and Chair of Provincial Parliament are reasonably strong in NTT and NTB and were developed after the change in program management in late 2007. As a starting point these relationships make sense and as representative of the national government, the Governor is a critical stakeholder. These relationships are fragile – having only recently been established – but they are the foundation on which sustainability of governance activities under ANTARA depend, and the effective inception of AIPD relies. Lessons learned from ANTARA about how to establish and maintain relationships at these levels, and the length of time required, are relevant to other AusAID programs in Indonesia. The emphasis on using NGOs as delivery partners was effective at the output level, but it meant ANTARA had no systematic engagement with operational cadres in provincial or district agencies to connect program and community proposals with local government. The ICR team saw no evidence of a formal plan for the transition from ANTARA to AIPD. Since they are different initiatives, and the context is very different with changed roles for provincial levels from 2011, such a plan is needed for sustainability. Better engagement of operational staff in provincial and district BAPPEDA bureaux and offices of education and health would improve sustainability by increasing ownership and awareness. A plan for transition from ANTARA to AIPD provides an ideal opportunity to address this.

The goal and objectives of ANTARA were poorly communicated

The mid-term review (MTR) undertaken in mid-2008 recommended that ANTARA should re-focus by developing strategies for disseminating lessons and good practice. The review also suggested promoting ‘horizontal learning’, in which local governments and donor programs based in eastern Indonesia would promote peer-to-peer learning and share smart practices across the region. The ICR team found no evidence this happened. The ANTARA Communication Strategy finalised in October 2008 set out three communication objectives, but field interviews during the ICR mission established that little progress had been made towards delivering on these:

- **Outcome 1: Enhanced ANTARA visibility** – outside MOHA the program has limited visibility at national level, and staff from the Regional Development Directorate of MoHA advised that the Regional Finance Directorate (BAKD) of the ministry felt “left out” and uninformed about ANTARA. Case study 3 shows ANTARA has high visibility amongst senior provincial officials, especially in NTT, but is less visible at operational levels responsible for service delivery (eg Provincial SKPD). The Resource Centre opened in BAPPEDA NTT helped raise the profile of ANTARA and, with 37% of users being civil servants, may prove useful as a communication tool at the NTT provincial level.

- **Outcome 2: Strengthened linkages with key stakeholders.** The linkages established with delivery partners result from contractual arrangements, not communication activities. Earlier successes in coordinating regional programs were driven by a co-located AusAID officer, and since that position was changed coordination has declined according to stakeholders from 3 other AusAID programs working in NTT and NTB. Some local NGOs in NTB, seeking support for their activities, perceived that ANTARA was an iNGO and were not aware of the role AusAID played. The contracted NGOs and ANTARA staff in NTB interviewed by the ICR team were neither aware of the Communications Strategy nor inducted in its implementation when contracted.

Case study 3 : Poor engagement with District offices was a lost opportunity

The ICR team visited 7 districts in NTT and NTB provinces. Semi-structured interviews with staff from BAPPEDA, finance bureaux and sectoral offices demonstrated that senior provincial staff knew of ANTARA but there was limited awareness and understanding of governance activities at district level. In NTT, where ANTARA invested more than 90% of its resources and has worked since mid-2005, district staff knew about income generating activities and some knew about the earlier, unsustainable service delivery activities. These tangible activities are appreciated.

However, awareness of ANTARA core activities is limited. In Sumbawa District in NTB, several BAPPEDA was angry when he learned that ANTARA had been implementing a migrant worker activity in 10 local villages for almost 12 months. He made it clear that he welcomed the activity and the role of civil society – but expected AusAID and ANTARA to take the trouble to communicate effectively to a wide audience in the district government agencies.

In East Flores District in NTT, the head of BAPPEDA knew that ANTARA supported a local NGO for an effective rural livelihood program. He was also aware about PEACH/MKPP+ training received by his staff sometime ago. However, they had not made use of the MKPP+ tool for district planning and budgeting processes and had not been in contact with ANTARA for more than 9 months.

Those 2 examples signal a communication gap in the implementation of ANTARA. ANTARA does have a Communication Strategy. However, it does not provide sufficient guidance on putting it in practice. The outputs set out under Outcome 1 of the Strategy will not be delivered if it is not clear how ANTARA will communicate those outputs to stakeholders. The implementation of the communication strategy is also uneven. The ICR team learned that at national level, ANTARA has good relationships with some MOHA directorates (eg AKLN and BANGDA) but not with others (eg OTDA and BAKD) despite their important role on local government PFM.

At provincial level, especially in NTT, ANTARA has strong relationships with senior executives (Governor, SEKDA, and BAPPEDA). However, this is not the case with other actors. For example, engagement with the provincial finance bureau, which is a key stakeholder in the planning and budgeting process in the province, is limited. The only contact they had with ANTARA was when ANTARA requested them to provide data for the PEA and PFM survey. Finance Bureau staff in Kupang did not know that ANTARA helped BAPPEDA establish a Resource Centre across the street from their office.

- **Outcome 3: Mechanisms for sharing and transferring of knowledge are functioning.** The ICR team saw little evidence of systematic outreach and communication of ANTARA analysis and results. At an activity level some delivery partners did this very well – for example CRS and Delsos prepared recipe books for cooking with drought-tolerant food crops to transfer that knowledge. YMTM trained 30 men and 15 women from neighbouring villages and other NGOs in the cattle fattening livelihood system demonstrated at Kefamananu. However, the high quality NTT PEA Report was not known or received by any NTT Districts visited by the ICR team. When questioned, the MST said that copies had been mailed out, and then admitted that this was often a futile exercise since documents were not delivered effectively by this channel.

Gender equality

Gender equality was a principle for ANTARA implementation. Many delivery partners engaged by ANTARA were already working with institutions promoting gender equality such as the Women's Empowerment Agency and Department of Cooperatives. ANTARA contracted the Oxfam Australia Gender Technical Assistance Team (GTAT) to conduct

training in an effort to mainstream gender. These efforts and the successes at activity level do not constitute a systematic approach to achieving the intent of the Concept Note:

“AusAID intends to employ a more strategic, flexible, programmatic approach to local development – informed by, and responsive to, local decision-making/ priority setting; pro-poor planning and budgeting that is predicated on the promotion of greater participation by recipients, governance, gender and equity. ”

Many activities with Objective 2 delivery partners emphasised participation of women and in many cases achieved measureable equality of access. For example, YMS and LPEM implemented activities in East Flores to empower women heads of households. The resulting changes in status of participating women in the community, coupled in many cases with income benefits from related enterprise activities, also increased their access to services. However, the program had no systematic approach to promoting equality of access to services with local government through *pro-poor planning and budgeting predicated on ... greater participation by recipients, governance, gender and equity* (ANTARA Concept Note). Empowerment of women was generally well done at the activity level but was not institutionalised at district or province level. For example, in preparing local government programs and budgets, there were no efforts to encourage a more concrete involvement of women. Budget allocations and the related analyses do not clearly consider gender equality.

The change process needed to address this requires communication of the benefits of empowering women to local government. In this way, local government may start to see the opportunities available from involvement of women in programming and budgeting. Several Objective 2 activities supported women to contribute to and take leadership positions in decision-making (see Case study 4). For example YMTM and Delsos promoted and achieved women in leadership positions in micro-finance programs.

ANTARA used GTAT to lead capacity development of delivery partners and their activity stakeholders in a range of gender equality topics. Documents reviewed by the ICR team and activity stakeholders interviewed showed evidence of effective development of capacity in gender-related skills as well as in women.

2.7 Monitoring and evaluation

Management monitoring and cluster evaluation of activities was effective

Most Objective 2 activities monitored quantitative inputs, activities and outputs, many with sex disaggregation where appropriate. Monitoring data were used to support activity management. For example lessons learned from Objective 3 activities were used to refocus the program from mid-2007.

The use of cluster evaluations for Objective 2 activities represents good practice and did result in management responses – extension of several successful and sustainable programs and cancellation of others. These quality evaluations could have been complemented by analysis of possible outcomes linked to the ANTARA goal and objectives. For example, the number of farmers adopting models was monitored but not changes in confidence or capacity to participate in local governance.

The evaluation in mid-2009 of three partners implementing micro-finance activities for ANTARA started to assess institutional capacity and use this analysis to determine the likelihood that sustainable change would result. This analysis is simple but thorough and was used by management to focus ANTARA investments in microfinance.

Case study 4 : Women's participation in village planning & budgeting

Women participating in Kaenbaun Village planning and budgeting processes (*musrenbang*) had their capacity to engage and communicate in public meetings strengthened an ANTARA activity. The activity included information on the *musrenbang* process, leadership for women, and holistic farming. The delivery partner YMTM supported the village community to form Women's Peasant Group if they wanted facilitation support. This promoted and opened access for women to become facilitators in their village planning and budgeting process.

Before this activity it was common for women to be embarrassed to speak out and so they lacked opportunities to participate in decision making processes such as village plan formulation and *musrenbang*. Women participating in the activity increased their confidence to participate in the decision making process and participate in local economic development. Women have become an agent of change in Kaenbaun Village.

Participation of women in decision-making processes such as *musrenbang* resulted in the village plan and village budget allocation being more gender sensitive.



For example, there is now budget allocated to economic activities that benefit women and also for improved child health programs. These new allocations come from reduced expenditure on infrastructure. In addition, women are using their increased confidence and stature to seek leadership opportunities. For example, Ibu Ricardius – a women peasant group leader in Kaenbaun Village – has become the first women to hold the office of vice head of Village Council.

The establishment of women peasant groups has also helped women contribute to increasing family income. The group has pioneered a saving and loan fund for women that is very important in assuring family welfare. With support from YMTM, ANTARA activities also increased their knowledge of children nutrition and community health. The success of these activities attracted women from surrounding communities to visit Kaenbaun to learn how to establish a women's group and implement holistic farming. On several occasions women from Kaenbaun women peasant group were invited to share their knowledge on women's participation and holistic farming with neighbouring communities.

Whole-of-program performance monitoring was weak

As set out in Case study 5 there is no evidence that the “above-the-line” indicators set out in the monitoring and evaluation framework were measured in practice or used to inform the strategic management of the program. This could have been done with an annual output-to-goal review. For example activity monitoring evidence from the Save the Children ACQUA activity highlighted weak capacity in school councils and local government education offices that could have triggered concerns for development effectiveness and a whole-of-program management response to education service delivery (Output 3.3).

Effective facilities require appraisal of quality at entry

ANTARA was flexible and responsive but there is a consistent theme of poor quality at entry that reduced efficiency and effectiveness. This was a missed opportunity to (1) strategically support activities that support whole-of-program goal and objectives; (2) learn from the years of development experience in NTT; and (3) avoid duplication with sector programs such as NTT-PEP and SADI.

Several Objective 2 activities were poorly conceived and should never have been financed. The CARE program included financing for activities that had not been properly prepared (eg East West Seed Company – roles and responsibilities were not agreed so the activity failed, wasting more than A\$250,000); were not informed by local lessons (eg Seaweed Production in Wini where land-based farmers who could not swim were supported to produce seaweed in crocodile-infested waters); or duplicated other programs (eg peanut production with Garuda foods, which was successfully done under SADI but failed with CARE in NTT). After disbursing almost A\$900,000 the activity was cancelled. QAE could have avoided that waste.

The Objective 3 education and health service activities started in 2006 were not integrated into a change management strategy for better governance or systemic change in service delivery behaviour. For example, in implementing the activity to improve teaching practices, SC-UK did not engage with provincial or district education offices. Nor did they address governance issues such as teaching policies or budget allocation, which could have linked Objectives 1 and 3. Similarly, medical supplies management support provided in NTT provided community health centre training, a waiting chair for patients, a medical cupboard and an office chair, but nothing else. These activities were not implemented with effective engagement of the District Health Office or the Community Health Centre. Neither of these activities changed service delivery capacity.

Case study 5 : Whole-of-program performance monitoring was not done

The monitoring and evaluation (M&E) framework developed by ANTARA had two separate but integrated levels. The activity level was described as *below the line* and the program level as *above the line*. The framework also explained how these levels relate to each other in measuring the performance of ANTARA.

Reports submitted to ANTARA by delivery partners implementing activities, confirmed by ICR team interviews and document reviews, demonstrated that for the most part monitoring at activity level was of good quality. Below the line monitoring produced quality data relevant to management of activity implementation. One example was Delsos in East Flores District, which showed the ICR team a very thorough system for collecting data. However, reporting did not relate to indicators in the ANTARA M&E framework.

Another example is from the ICR team visit to Birawan village where Delsos implemented activities. Women working at the community health centre said that as a result of learning new cooking techniques to increase use of drought tolerant food crops, like sorghum and cassava, they could see improvements in child nutrition. As a result malnourished infants in the village had declined 25% from 90 out of 500 children in 2009 to 68 in 2010. This information directly related to one of the indicators for Output 2.3 in the M&E framework – enhanced food security – but was not reported.

The ICR team saw no evidence of program level monitoring or systematic analyses of program performance. Reports sighted by the ICR team did not include any discussion on progress towards or achievement of outputs and objectives. Data collected at the activity level was not analysed in relation to indicators that were chosen to measure outputs and objectives. This resulted in missed opportunities to use the PPM and PCC meetings to engage and discuss with the government how to scale up towards sustainable outcomes.

For example, successful outputs from the YMTM livelihood activity could have led to a scale up strategy linked to *above the line* indicators of change such as government engagement and institutionalisation, to better deliver on Objective 2. Similarly, if data had been collected and analysed on how the training of 94 people in using the MKPP+ tool changed knowledge, skills and motivation it might have highlighted the significant gap, identified during the ICR, that remained to be filled if this tool was to be effectively applied in organisations to “improved public finance management at province and district level” (Output 1.2 indicator).

In the absence of a change management strategy setting out a clear set of steps from baseline to expected end of program outcome(s), it is difficult to guide performance management. Flexible and responsive facilities require a clear mandate with realistic objectives that establishes a framework for investment – the criteria that inform QAE assessment. Rigorous monitoring at activity and whole-of-program levels then becomes meaningful.

2.8 Analysis and learning

AusAID learned from and responded to the mid-term review

After the mid-term review in late 2007 AusAID management recognised that ANTARA was in trouble: that it lacked focus and impact, that it needed new and different leadership and that it needed much better integration and coordination with government. Major changes were made as a result of this analysis and learning: ineffective leaders were replaced; resources allocated to objectives that duplicated other programs were reallocated; and the program was re-focussed and engagement with NTB commenced. These important management responses

by AusAID midway through this program indicate that management was engaged, that there was substantial learning and operational decisions deriving from those lessons that AusAID implemented beginning late 2007/early 2008. This is a positive example of evidence-based management in action and reinforces the importance of effective monitoring and evaluation processes at whole-of-program and portfolio levels.

ANTARA used evaluations to inform and transform delivery

Lessons learned from cluster evaluations were used to make transformational change to strengthen program delivery. Quality activities delivering measurable outputs and impact were extended; poor activities were cancelled; and delivery partners proposing microfinance activities without the capacity to deliver were refocused. This was effective evidence-based-management in practice with analysis and learning informing management.

ANTARA leveraged analytical capacity and learning of delivery partners

ANTARA used experienced delivery partners, including the World Bank and capable local NGOs, to leverage analytical resources to inform implementation. For example the public finance management activities supported by ANTARA in 4 provinces benefited from several years of World Bank analysis and learning. Similarly, the gender mainstreaming work built on and learning from Oxfam Australia's gender technical assistance team. This outsourcing of analysis and learning was both efficient and effective.

There is little evidence that ANTARA learned from other donor practices (eg GTZ and its support for provincial planning) and AusAID programs (eg engagement with District SKPD by SADI and sector programs). More recent engagement between the AusAID Decentralisation teams in Indonesia and PNG has informed PFM activities in Papua and West Papua as well as preparations for AIPD implementation.

Claims in reports, plans and strategies are not always substantiated by practice or evidence

Progress reports, activity progress and completion reports as well as strategies and frameworks to support delivery are important analytical outputs that support learning and continuous improvement. This requires that the analysis is objective and supported by verifiable evidence or implementation in practice.

The management support team produced a number of strategies, plans and reports that claim good practice or present high aspirations but the evidence seen by the ICR team suggests few of these were delivered or implemented in practice. The ICR team critically reviewed the activity completion report, the M&E Framework (see Case study 5), the communications strategy (see Case study 3), and the HIV and AIDS strategy (see Case study 6). In each analytical output performance claims were made that could not be substantiated by evidence and delivery proposals were made that were not implemented in practice.

The following examples are provided to highlight the importance of reports, strategies and plans as learning resources that add value by being objective, accurate and put into practice. The team implementing ANTARA worked hard with their delivery partners – more accurate reporting and implementation of strategies and plans in practice would increase the return on those efforts.

- **Impacts from cattle breeding** – the activity completion report (ACR p13) implies that ANTARA support for development of an NTB strategic plan and policies for cattle breeding will "...improve incomes for 1,114 farmers in 36 farmer groups...." When in fact the reported income changes are all attributable to SADI and ACIAR. The policy work only started recently – it is far too early to present expected changes in an ACR since the work is far from finished.

- **HIV/AIDS mainstreaming** – the ACR claims (pp 1 and 5) that “ANTARA focused on internal mainstreaming...of HIV and AIDS amongst staff and partners”. However, as detailed in Case study 6, documentation provided and interviews conducted by the ICR team did not identify evidence of mainstreaming or workplace policies and action plans that put training into practice. Training alone is insufficient for mainstreaming – a systematic response in practice was expected but not found.
- **Adoption of MKPP+** – the ACR (p 8) claims the “...extensive and enthusiastic uptake of the MKPP tool and associated training...by provincial and district BAPPEDAs...”. In fact, this statement is true only at the highest level in the Province (Executive Budget Team) – the 7 District and City BAPPEDA consulted by the ICR team had limited knowledge of the tool and were certainly not using it or ready to adopt it.
- **One stop service (OSS) centres** – the ACR claims (p x) that “OSS established by ANTARA.....reduced the amount of documentation required by 29%....” without setting the context that OSS is a national initiative of Government of Indonesia, there are more than 240 such centres across the country and the documentation was decreased from 4 requirements to 3. The real value added by ANTARA was contracting The Asia Foundation to lead the governance analysis (for example regulatory impact assessments) to inform changes to improve the business enabling environment.

Case study 6 : HIV was not well mainstreamed in ANTARA

HIV mainstreaming was one of three principles adopted by ANTARA. The program commissioned GTAT and Burnet Institute to conduct a situation analysis of HIV and AIDS awareness and treatment issues, which resulted in a targeted capacity building package and two regional workshops for partners. However, information provided to the ICR team revealed serious weaknesses in the analysis and approaches to HIV mainstreaming by ANTARA. The purpose of mainstreaming is to make sure that partner organisations and activities are equipped and able to address: (1) how they might be affecting the HIV epidemic; (2) how HIV might be affecting their development outcomes; and (3) how their programs should be adapted accordingly.

Despite the focus on internal mainstreaming, ANTARA did not develop a work place policy for HIV. This would include, among other things, on-going HIV awareness training, readily available information on where to get tested for HIV, where to get access to counselling, and condoms being available. It would also set out responsibilities and how to act in case one of the employees is subjected to assault that could result in HIV infection. There are many lessons and information on these issues from Papua New Guinea where both AusAID and the MST contractor execute HIV and AIDS response activities. There was no HIV and AIDS communication and information resources in the ANTARA office or Resource Centre and condoms were not provided anywhere in the office. These may be small matters but if claims are made that cross cutting issues are addressed, the evidence should be there for all to see as an integral part of normal operations.

Successful facilities use effective quality at entry processes

The problems experienced during the start-up of ANTARA and with some activities implemented under Objective 2 were in part a symptom of the rapid scaling up of the Indonesia country program during 2005 – and provide a lesson about the importance of QAE that is relevant to the current scale-up: haste makes waste. Effective quality at entry analysis would have reduced the risks of failure and improved allocation of ANTARA resources.

3 Evaluation criteria ratings

ANTARA was delivered through activities implemented under three objectives, with different delivery modalities and planned activity outcomes under each objective. Chart 6 provides a rapid appraisal assessment of performance under each objective against the evaluation criteria. Formal ratings³ against the evaluation criteria are presented in Chart 7 for the entire program and were applied to performance against the goal and objectives agreed between the two governments and endorsed by the two strategic frameworks. As requested in the TOR, impact was not formally rated.

Chart 6 : Rapid appraisal of performance under each objective

Objective	Relevance	Effectiveness	Efficiency	Impact	Sustainability	Gender	M&E	Analysis & Learning
1. Governance	↑	→	→	↓	→	→	↓	→
2. Incomes	↑	↑	↑	↑	↑	↑	↑	↑
3. Services	→	↓	↓	↓	↓	→	→	→

↑ = adequate to better performance; → = adequate to less adequate performance; ↓ = poor performance

Chart 7 : Evaluation criteria ratings

Evaluation Criteria	Rating (1-6)	Comments
Relevance	4	Relevant to national policy priorities and medium-term plan as well as AusAID Country Strategy. Also relevant to Ministry of Home Affairs. Better support for engagement between civil society and local government agencies to ensure relevance to district priorities would have resulted in high quality (5).
Effectiveness	4	Adequate to high quality for livelihoods activities [about 60% of ANTARA disbursements] but poor quality for service delivery and less than adequate for governance. Use of change management strategy to strengthen delivery at whole-of-program level and linkages between outputs would have resulted in high quality (5).
Efficiency	3	Poor quality at entry and inefficient INGO inputs for some activities reduced quality. More direct engagement of local NGOs, better engagement with District offices and systematic use of quality at entry would have resulted in adequate quality (4).
Sustainability	4	Relationships established at senior provincial official levels provide an important starting point to deliver new programs. Many livelihoods activities are being spontaneously adopted by neighbouring villages and are likely to be sustainable, but they are not yet institutionalised or engaged with local government. Systematic institutional change and established relationships at district office level would have resulted in high quality (5).
Gender Equality	4	Generally well addressed in teams and selection as well as being mainstreamed at activity level for livelihoods. Introduction of gender-impact analysis in budgeting and planning processes would have resulted in high quality (5).
Monitoring & Evaluation	3	Cluster evaluations represent high quality good practice. Activity monitoring mostly well done and high quality. However, no evidence of systematic use of, or reporting against, “above the line” indicators in M&E framework. Use of regular output-to-purpose reviews would have resulted in adequate quality (4).
Analysis & Learning	4	Lessons learned from cluster evaluations and the mid-term review were used by AusAID to make transformational changes to management to strengthen program delivery. Poor activities were cancelled, quality activities were extended, objectives that duplicated other programs were refocussed. Learning from other donor practices and AusAID programs as well as analysis of institutional capacity changes would have resulted in high quality (5).

³ 6 = Very High Quality; 5 = High Quality; 4 = Adequate Quality; 3 = Less than Adequate Quality; 2 = Poor Quality; 1 = Very Poor Quality

4 Conclusions, lessons and recommendations

4.1 Conclusions

The following conclusions address the three overarching questions AusAID asked the ICR team to consider. Overall, the ICR team concludes that ANTARA evolved out of a concept that was developed and initiated at a time of rapid scale-up and some bilateral tension. More supervision and management focus from AusAID, more engagement and promotion with national and district government, and more use of successful demonstrations to promote policy dialogue for scale up would have resulted in more tangible results.

To what extent has ANTARA achieved its end-of-program outcomes?

This question is answered with reference to the strategic framework, revised in June 2009, which sets out a proposed strategic approach with three objectives.

Objective 1 was to improve provincial and district governance. A\$3m was invested. Limited progress was made at senior provincial level with public expenditure analysis and early trial of consolidated budget and planning tools by the executive budget team in BAPPEDA NTT and NTB. There is no evidence of other achievements at the outcome level.

- **Output 1.1** was increased provincial level capacity to plan for and monitor pro-poor regional development. Other than trial of strengthened public expenditure and consolidated budget/planning at the highest levels of BAPPEDA, there is no evidence of sustainable change. The opportunity was not taken to strengthen and engage with the local government performance evaluation team (*tim Evaluasi Penyelenggaraan Pemerintahan Daerah* EPPD) established in provinces.
- **Output 1.2** was improved public finance management at the provincial and district levels. There is no evidence of sustainable change at district level and only the limited evidence referred to above at the provincial level.
- **Output 1.3** was increased capacity of civil society to participate in governance. There is some evidence of villagers participating on Objective 2 activities becoming more confident and engaging more actively in village and sub-district level planning processes, but no systemic change at sectoral and district levels.

Objective 2 was to improve incomes. A\$10.8m was invested. BPS data shows per capita income in NTT and NTB to have grown in nominal terms but at a much slower rate than the average for Indonesia (see Chart 3). ANTARA financed activities that led to improved incomes for participants, but there were few systemic changes attributable to the program at the outcome level.

- **Output 2.1** was improved enabling environment for small and medium-sized business. Establishment of 4 OSS and engagement of The Asia Foundation to support these with regulatory impact assessments quantitatively delivered at the output level. There is not yet any evidence that these changes result in more licensed enterprises and changes in the income of their owners.
- **Output 2.2** was improved economic opportunities to promote sustainable livelihoods. Many of the livelihoods activities implemented by local NGOs with ANTARA financing quantitatively delivered at the output level. More than 15,000 households have improved incomes as a result of ANTARA but these successes were not leveraged by ANTARA to advocate for policy and program changes at provincial or district levels to achieve more sustainable and systemic change.
- **Output 2.3** was enhanced food security. The food security activities implemented by local NGOs with ANTARA financing were effective and often innovative – in effect

reintroducing risk management through integrated livelihood systems and linking this with improved nutrition, especially for mothers and children. More than 5,000 households have improved food security as a result of ANTARA. However, these successes were not leveraged by ANTARA to advocate for policy and program changes at provincial or district levels to achieve more sustainable and systemic change.

Objective 3 was to improve access to and quality of basic services. A\$4.3m was invested. Apart from 6 early activities from AusAID this objective had little subsequent investment to avoid overlap with sector programs such as BEP and AIPMNH. There is no evidence of achievements at the outcome level.

- **Output 3.1** was increased capacity to plan, finance and monitor health and education service delivery. Other than the PFM outputs identified under Objective 1, there is no evidence of sustainable change at district level and only limited evidence referred to above at the provincial level.
- **Output 3.2** was increased capacity to deliver basic health services at district level. Activities such as specialist health consultations and improved medical supplies had an impact on immediate beneficiaries, and some medical supplies outputs are sustained. However, there is limited evidence of sustainable change at district level and no evidence of systemic change.
- **Output 3.3** was increased capacity to deliver basic education services at district level. Activities such as the 15 parallel schools had an impact on immediate beneficiaries, and those assets are now owned by districts, but there is no evidence of systemic change.

What lessons can be applied in the implementation of AIPD?

The first lesson is the need for a clear theory of change and program logic to provide a framework for flexible and responsive implementation. Related to this is the need for a systematic approach to quality at entry. Best practice performance systems start at the beginning and include *ex ante* evaluation or appraisal of proposed activities against selection criteria linked to the goal and purpose of the initiative. This should be reflected in the Scope of Services for the Management Services Team. The recent AusAID paper by Sue Dawson on performance management of facilities will usefully guide a response to these lessons.

With a clear theory of change and systematic approach to quality at entry, a competitive framework is established for engagement with civil society groups active in targeted provinces and sectors. Lessons learned from ANTARA highlight the importance of selection processes to support strong, innovative and effective civil society groups – with a focus on scaling up what has already been proven to work. A small proportion of resources for innovation – say 20% – also makes sense, but a program like ANTARA is best suited to scaling up and supporting institutionalisation of change processes already demonstrated locally. A facility can either simply finance civil society (so adding no other value) or it can engage proactively to enhance effectiveness (for example by better engaging local government to institutionalise change) and efficiency (for example by strengthening financial management and program monitoring capacity).

Public finance management is a change management process that requires development and active implementation of a detailed change management strategy in partnership with government, parliamentary and civil society stakeholders to guide the institutional and human dimensions of change to complement planned technical changes. There is an important opportunity for AIPD to facilitate better communication between central agencies and the budget agencies in poor provinces and districts to ensure clarity about allocation to service delivery functions and consistent understanding between different stakeholders of what is possible and desirable.

The link between AIPD core activities and service delivery needs to be established through development and thorough execution of implementation case examples complemented by an active communication plan. This will provide the institutional linkages to other government, donor and NGO programs to avoid duplication of effort – including MoHA SIMDA, SIPKD, World Bank (PEACH), AIPMNH, ACCESS, IndII and GTZ provincial planning support amongst many others.

What lessons can be applied in the implementation of Pro-PED?

Poor people manage integrated systems to provide their livelihoods. Evidence from ANTARA, consistent with SADI, shows that a livelihood system approach does lift households out of poverty. Value chain analysis is an important tool in that support, but it is not enough by itself. Commodity-specific help only makes sense once participants are food secure and able to take the risks implicit in the journey towards being an entrepreneurial farmer.

Access to finance remains the greatest need – further support to micro-finance at village and *Kecamatan* levels is needed, followed by work with commercial banks to demonstrate how to engage with producer groups as their enterprises grow. The most successful groups could then start to use warehouse receipts and other innovations emerging in Indonesia.

Who were the main beneficiaries?

Objective 1 monitoring of the small number of activities with tangible benefits (eg users of OSS) are rarely sex disaggregated or wealth ranked. User data for the recently opened Resource Centre show promising usage rates by mostly urban, educated women and men. Objective 2 activities benefited poor women and men in peri-urban and rural areas, as planned. Objective 3 activities benefited people from a wider wealth range.

The exact number of beneficiaries is not clear. ANTARA records identify participants for some activities and beneficiaries of others. It is not clear exactly how many net households benefits but summary data in the ANTARA ACR for Objective 2 activities suggests 22,444 households benefited in NTT and NTB.

4.2 Lessons learned

Key lessons learned from terminal evaluation of ANTARA include:

- **Set realistic end-of-program outcomes** – the concept note used to finance ANTARA had an unrealistic goal and set objectives that were unlikely to be achieved.
- **Identify intermediate steps to get to outcomes** – the lesson from ANTARA is that a more realistic end of program outcome, with clearly set out intermediate outcomes and steps to reach that goal would have provided better strategic guidance for the program and reduced the risks at inception. This would likely have saved more than \$8m of weak activities and management inputs in the first half of ANTARA.
- **Manage complexity of changing service delivery** – lessons learned from ANTARA, illustrated in case studies and Annex 2 emphasise that PFM is not enough to improve service delivery allocations. Entry points for service delivery change are District SKPD and Village service units; and entry points for planning and budgeting to increase allocations to services are national and provincial agencies (see analysis in Annex 2).
- **Complex institutional reform requires a change management strategy** – ANTARA lacked a change management strategy for Objectives 1 and 3, and so early activities were poorly related to sustainable change. The analysis in Annex 2 and evidence compiled by the ICR team highlights that increased service delivery requires engagement at national and provincial levels for transformational changes to budget allocation and quantity of services; and at district and village level for changes to services quality and access.

- **Use implementation cases to link planning, budgeting and service delivery** – because change comes from learning and adults learn by doing, there is an opportunity to demonstrate how improved planning and budgeting impacts service delivery in practice by using implementation cases that demonstrate effective use of allocated resources to increase the quantity, quality and access of services.
- **Use a competitive framework to engage successful civil society groups** – lessons learned from ANTARA highlight the importance of using a theory of change and quality at entry processes to select strong, innovative and effective civil society groups to scale-up what they have already proven to work. A facility should ideally add value by proactively engaging to enhance effectiveness (for example by better engaging local government to institutionalise change) and efficiency (for example by strengthening financial management and program monitoring capacity).
- **Institutional change comes from implementing in partnership** – NTT Secretary BAPPEDA told the ICR team that his only concern about ANTARA was that resource allocation was not transparent. He asked that future programs did the annual planning and budget allocation in partnership with provincial leaders from both executive and political arms of government. The relationships initiated by ANTARA provide a foundation for AIPD to build on to ensure true partnership at provincial and district levels.
- **Integrated livelihood systems reduce poverty** – most poor farmers in eastern Indonesia use integrated livelihood systems to reduce risks in an environment that is less reliable than western Indonesia. Successful livelihoods activities in ANTARA and SADI highlight three general steps in rural poverty reduction:
 - **Start with livelihood systems support** – technical support for integrated livelihoods systems such as livestock/forage/food crops and sloping land agroforestry offer low risk, quick win opportunities for participants to increase incomes and food security.
 - **Transition to small enterprises with microfinance** – as confidence and capacity grows support access to finance and access to markets to support participants in the transition from being subsistence farmers to small enterprise owners. Microfinance is a key element since access to finance remains the greatest need.
 - **Engage in value chains as enterprises mature** – as producer groups emerge and the scale of production grows, start working with commercial banks, begin using value chain analysis tools to inform more sophisticated consolidated trading and input supply activities and, where possible, start to use warehouse receipts and other innovations emerging in Indonesia.
- **Successful facilities require systematic quality at entry assessment** – many ANTARA activities had poor quality at entry, which led to poor quality development. This is partly a symptom of rapid scale-up in the Indonesian program and partly a result of poor quality at entry analysis by AusAID, as manager, and MST, as support. Quality at entry is critical for effective scale up. It is an integral part of performance management and should be included in the AIPD performance framework as *ex ante* evaluation.
- **Monitoring whole-of-program performance is complex** – ANTARA did not monitor or report against whole-of-program outcomes. Although the M&E Framework allowed for this with “above-the-line” indicators, they were never put into practice and the reliance on government systems that were knowingly under-resourced and incapable of delivering without any consultation or capacity development was naïve. A practical performance framework informed by realistic end of program outcomes and clear intermediate steps is more likely to result in measureable whole-of-program indicators that inform management. Other donors and AusAID programs have successfully used annual output-to-purpose reviews against realistic outcomes, purpose and goal to assess performance and this is likely to be appropriate for AIPD.

- **Working at district level in more provinces requires a new management model** – although ANTARA was conceived to work in NTT and NTB, almost 90% of its resources were invested in just one province and a few districts. To scale-up to 4 provinces and many more districts AIPD requires a different management model. This could include:
 - A change strategy and performance framework based on a realistic end of program outcome and tangible steps defining a roadmap of how to get there for each province.
 - A Deputy Program Director/Provincial Coordinator in each Province responsible for delivery of the change strategy and its related activities in each Province.
 - Resident District Development Officers in each district as the agents of change to support learning by doing and link AIPD activities with sector programs through implementation cases. The experience of the Vietnam Australia Quang Ngai Rural Development Program is instructive.
- **Flexible and responsive facilities need increased supervision inputs** – because resident program officers risk losing objectivity as relationships develop with delivery partners and other stakeholders, the proposals of specific partners may be inconsistent with program objectives. To ensure quality at entry there is a need for increased AusAID and GoI supervision as well as periodic review by an independent monitoring/quality assurance group. Such regular supervision is needed to objectively ensure technical relevance and consistency with program logic and end-of-program outcomes as well as assess performance, share learning and assure quality.

4.3 Recommendations

The ICR identified a number of opportunities (see Annex 1) and lessons learned that are translated into the following recommendations relating to the implementation of AIPD and the design of the Pro-PED Program:

- **Ensure new initiatives have realistic end-of-program outcomes** – to manage risks and expectations it is recommended that AIPD has realistic end-of-program-outcomes and clear intermediary steps to get there. AusAID should now be in a position to map what would be required to get improved service delivery out of improved governance.
- **Use a transition plan to refocus activities and establish relationships for AIPD** – the ICR team saw no evidence of a formal plan for the transition from ANTARA to AIPD. Since they are different initiatives, and the context is different with changed roles for provincial levels from 2011, it is recommended that ANTARA works with operational staff in provincial and district BAPPEDA bureaux and offices of education and health to plan the transition from ANTARA to AIPD. This is especially important in NTT, but also in NTB. Engagement with partners to develop the transition plan will reduce risk and improve sustainability by increasing ownership and awareness.
- **Develop and use a change management strategy** – lessons learned from ANTARA activities under Objectives 1 and 3 emphasise that institutional reform for improved service delivery is complex and high risk. It is recommended that AIPD works with its partners at national, provincial and district levels to develop a change management strategy that guides the process of change towards new individual, systematic and organisational performance. As shown schematically in Annex 3, this should identify which practices will end, how the transition to new practices will be managed and what implementation of new practices will look like. Engagement of provincial and district agencies to develop a change management strategy would improve sustainability by increasing ownership and establishing an agreed roadmap towards sustainable planning and budgeting for improved service delivery. This will especially improve understanding of the roles and responsibilities of each level of government, and facilitate engagement with government to clarify these where they are still causing confusion so that AIPD and

its stakeholders can engage with the mandated level of government to support better service delivery.

- **Improved co-ordination for better outcomes** – lessons learned from ANTARA and other AusAID programs emphasises the need to better coordinate activities between national level governance programs and AIPD, as well as service delivery programs and AIPD. It is recommended that AusAID proactively coordinate programs in this way using a systematic approach developed with BAPPENAS, Ministry of Home Affairs and AIPD.
- **Demonstrate links between planning/budgeting and service delivery** – lessons learned from ANTARA and the PNG Sub-national Strategy highlight the risks of too much focus on executive levels of government and planning processes. Planning and budgeting are only one part of the much more complex system that drives service delivery. It is recommended that AIPD use implementation cases to demonstrate in practice the connections between plans, budgets, resource allocation to service units and use of resources in those units to improve the quantity and quality of services delivered. These cases could be implemented in partnership with sector programs (eg AIP-MNH or ACCESS) and other partners (eg GTZ and UNDP).
- **Use quality at entry analysis to maintain quality and focus** – flexible and responsive programs require a clear mandate with realistic objectives that establish a framework for quality at entry assessment. It is recommended that the team implementing AIPD work with their provincial and district partners to systematically use rigorous quality at entry analysis as part of the process to select and guide activities for implementation.
- **Have a clear exit strategy for AIPD activities** – ANTARA did not have an exit strategy for its activities. To manage risks and expectations it is recommended that all activities supported by AIPD have an exit strategy, informed by a realistic end-of-program-outcome and clear intermediary steps to get there. The exit strategy should be developed by partners with AIPD support and be reviewed and updated periodically.

4.4 Communication of lessons learned

Communicating lessons learned and recommendations from this evaluation to ANTARA stakeholders is an important part of the on-going maintenance of the relationship between Indonesia and Australia. It is also important for maintaining those relationships that are the foundation on which inception of AIPD will rely. There is an opportunity for MoHA and AusAID to prepare and present lessons learned and recommendations to the PCC and then to a wider audience of stakeholders with interests in decentralised service delivery and governance in eastern Indonesia. The AusAID Councillor and Program Officer should facilitate this process, using the outputs from the ICR as a foundation for communication of lessons learned and development of responses by the Indonesian and Australian partners.

Annex 1

SWOT analysis for ANTARA

Annex 1: SWOT analysis of ANTARA

Strengths	Weaknesses
<ul style="list-style-type: none"> • ANTARA was relevant to GoI medium term strategic plan 2004-2009, MoHA strategic vision, AIP Country Strategy 2009-2013 and MDGs • Strong relationships developed at highest levels of provincial government • Creative solutions for food security developed by Delsos/CRS in East Flores district and YMTM and Yabiku in North Timor Tengah district • Some income generating activities supported by ANTARA are high quality and sustainable • Analysis and learning used to refocus from 2007, to end poor activities and extend successful ones • Management monitoring effectively implemented for Objective 2 activities • Cluster evaluations of Objective 2 activities well done and effectively used for activity management • ANTARA leveraged existing relationships and successes to support adoption: <ul style="list-style-type: none"> ▪ PEACH and MKPP (from World Bank, Papua) ▪ OSS (national policy) ▪ Migrant work IT centre (TIFA/Microsoft program) ▪ NGO activities (eg YMTM, Delsos) ▪ SekBer (established 2004) ▪ PNPM (national program) • Cooperation with relevant, committed, and competent local NGOs to implement Objective 2 supported sustainability of program outcomes • Strong relationship among NGOs and between NGOs and local government supported achievement of program Objective 2 	<ul style="list-style-type: none"> • ANTARA lacked an overarching theory of change and a clear framework/mandate to focus investments • Quality at entry was not systematically conducted for activities supported under ANTARA • AusAID supervision and management in first 2 years was ineffective and slow to be addressed • Limited implementation progress in first 2 years • Early Objective 3 activities were inefficient, unsustainable and unrelated to ANTARA strategic framework • Claims in ACR, M&E Framework, Communications Plan and HIV-AIDS Strategy do not reflect reality: <ul style="list-style-type: none"> ▪ MKPP (only at NTT province, not district level) ▪ Program monitoring (not implemented in practice) ▪ M&E Framework – “above the line” indicators not reported against in practice ▪ HIV/AIDS (mainstreaming not evident in practice) ▪ Communication (few of 7 districts/cities visited knew of ANTARA, none felt engaged) • Limited engagement below Provincial level for Objective 1 though decentralisation is focused at district/ city level • Little awareness of ANTARA, its goals or objectives below Provincial level for all objectives • Concept note proposed activities in NTT and NTB, but 87.5% of resources were allocated to NTT • Activity outputs do not add up to whole-of-program or systematic change for any of the 3 objectives • No coordination between Objective 1 and Objective 2 activities despite opportunities to use them as examples to link planning, budgeting and service delivery • Many activities could have been more effective with a little more effort – a lost opportunity • Weak function and coordination of PCC and PPM • No systematic approach to bring gender equality from activity level to province and district level processes
Opportunities	Threats
<ul style="list-style-type: none"> • Use Objective 2 and Objective 3 activities as implementation cases to link planning and budget processes into service delivery practice • Service delivery activities identified through ACCESS planning activities could be financed by AIPD as implementation cases to link planning and budget processes into service delivery practice • Use lessons learned from local level planning and governance in PNG (eg Bogia case study and subsequent rollout) to inform AIPD • Develop change management strategy for AIPD • Work with district and provincial stakeholders to develop a transition plan from ANTARA to AIPD • Develop effective communication plan that realistically engages with stakeholders and disseminates outputs • Support good leaders as agents of change • Scale-up successful livelihoods systems activities (eg cattle fattening, sloping land agroforestry) in partnership with government program • Communities want change and are keen to participate – low risk entry points for change abound 	<ul style="list-style-type: none"> • Program goal and end-of-program-outcomes need to be realistic (eg PFM work at provincial level does not by itself lead to service delivery or income change) • Without QAE several Objective 2 and Objective 3 activities were poor quality, 2 were potentially dangerous • Many Objective 2 activities are not sustainable without finance model to support ongoing operations • Poor engagement with MoHA BAKD (regional finance) creates potential confusion and conflict • Without systematic engagement of government agencies to scale-up demonstrated successes with provincial or district programs in NTT, sustainability is threatened • Weak monitoring enforcement by GOI threatens sustainability of good practice e.g. OSS • Lack of policy dialogue to systematically engage central government (MoF and MoHA) to advocate budget allocation for service delivery • Mismatch between community expectations and local government capacity to pay without engagement of SKPD during preparation and implementation of community program proposals

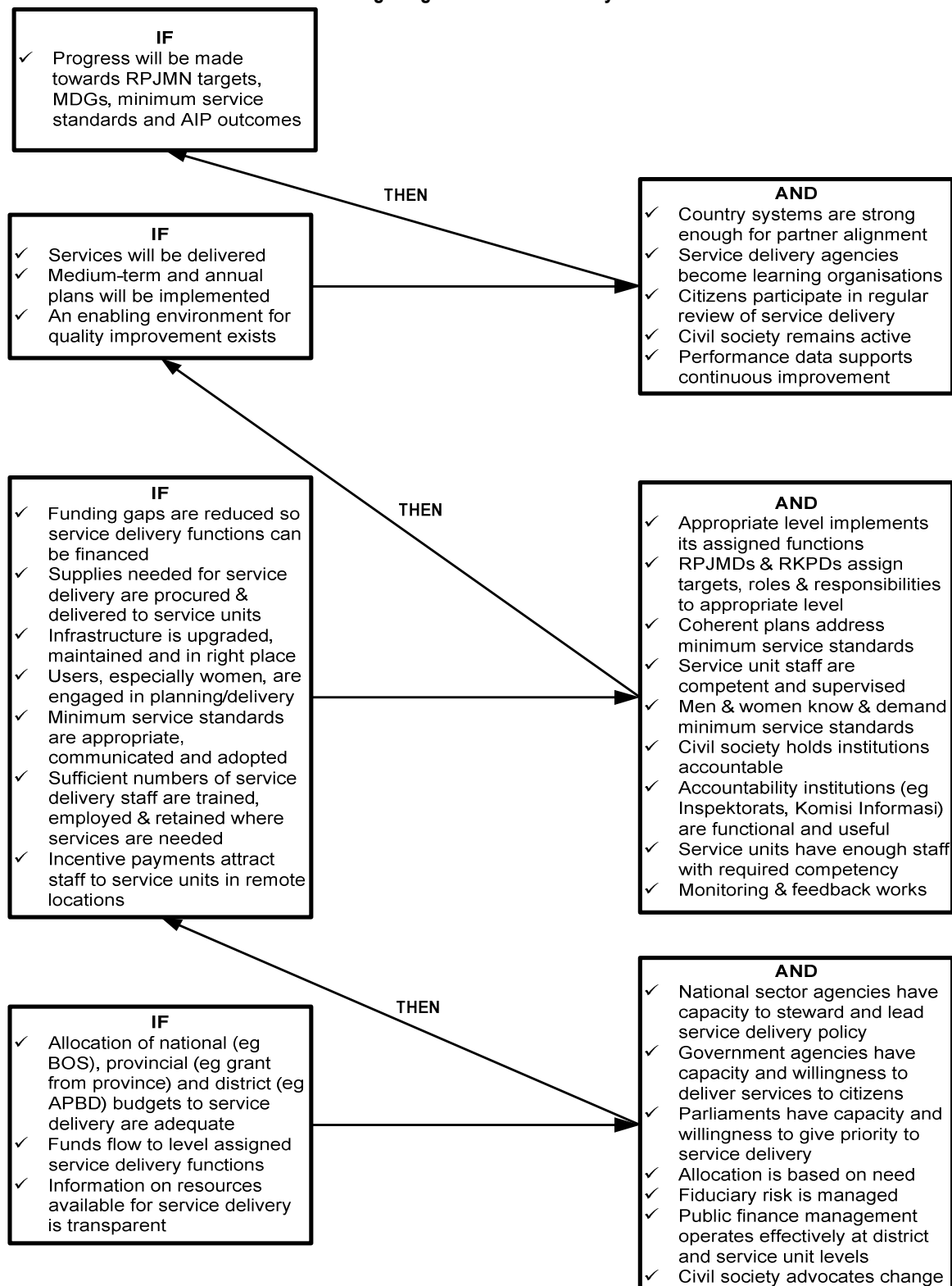
Annex 2

Entry points for service delivery in eastern Indonesia

Annex 2 – Entry points for service delivery in eastern Indonesia

Lessons learned from ANTARA highlight the complex range of changes needed to achieve improve quality and quantity of, and access to, services in eastern Indonesia requires detailed analysis of the entry points delivery. Chart Annex 2-1 presents the strategic logic for such changes. These are then demonstrated in practice through a case study of functional assignment and budget flows for service delivery in Belu District, NTT. These data were collected and analysed by the ICR team to help evaluate ANTARA and contribute lessons learned for the inception of AIPD.

Chart Annex 2-1 : Strategic logic for service delivery in eastern Indonesia

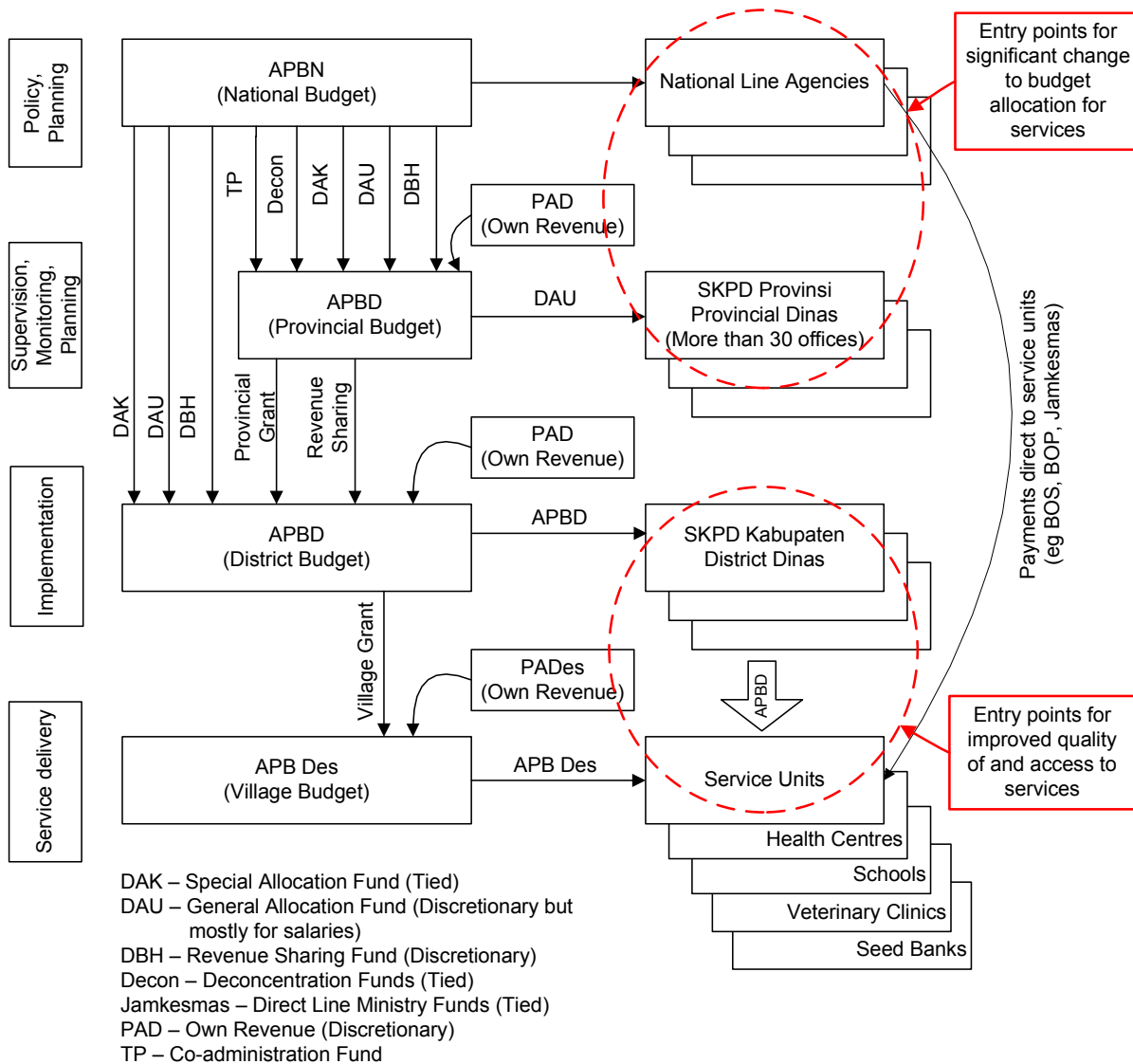


Case study: Functional Assignment and Budget Flow in Belu District-NTT

According to Government Regulation No. 38/2007, district government has the functional assignment responsibilities to establish, manage, and finance basic service delivery. This includes resources for services such as primary and secondary schools, health clinics and basic infrastructure. Under the same functional assignments, Provincial Government is responsible for coordinating, supervising, policy making and planning. Central Government is assigned responsibility for formulating policy, establishing minimum service standards, establishing national competency standards and planning.

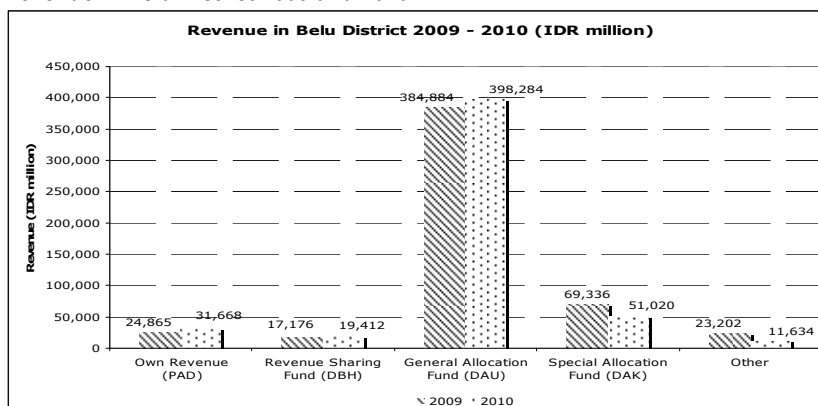
Revenue in Belu District comes from many sources, including own revenue (PAD) and balancing funds from central government such as General Allocation Fund (DAU), Special Allocation Fund (DAK) and Revenue Sharing Fund (DBH). Through national sector agencies central government also transfers funds directly to service units at district level using programs such as the school operational fund (BOS), clinic operational fund (BOK) and national health insurance (JAMKESMAS) to guarantee that service units are able to operate in line with minimum service standards. Districts also obtain funds from the provincial government through grants and tax revenue sharing. Functional assignments and budget flows for service delivery are shown schematically in Chart Annex 2-2.

Chart Annex 2-2 : Budget flow and functional assignments for service delivery in Eastern Indonesia



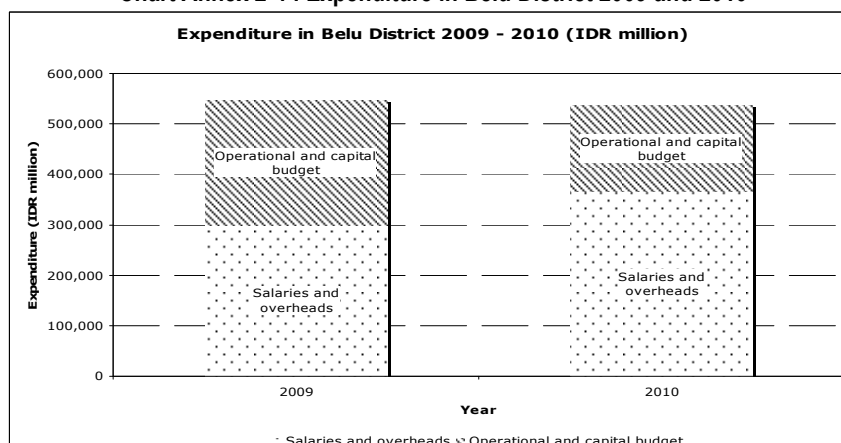
In Belu District of NTT Province, service delivery expenditure relies on revenue from the Special Allocation Fund (DAU – 74% of total budget in 2009) and Special Allocation Fund (DAK – 13% in 2009). Own revenue (PAD) was only 5% of the Belu District budget in 2009. Sources of revenue in Belu District are shown in Chart Annex 2-3. This highlights the importance of national agencies and the Governor (as local representative of the national government) as entry points to change allocations for service delivery.

Chart Annex 2-3 : Revenue in Belu District 2009 and 2010



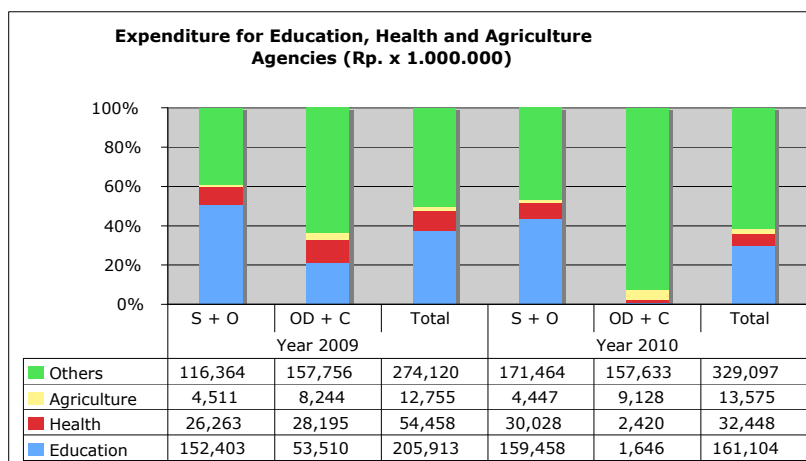
On the expenditure side, allocations for public servant salaries and related overheads (S+O) consume more than half the budget - 55% in 2009 with the remainder for operational delivery and capital expenditure (OD+C). The influence of national policy on budget allocation decisions is seen in the 2010 results – where allocation to S+O increased to 68% in Belu District due to the 2009 national policy to increase public servant salaries. 92% of the budget for S+O expenditure in Belu District comes from the general allocation fund (DAU). Because Act Number 33/2004 requires that DAU be allocated for S+O first, before any allocations to OD+C, Belu District had little choice but to reduce the allocation available for OD+C in 2010 – a direct and negative impact on service delivery. This is illustrated graphically in Chart Annex 2-4.

Chart Annex 2-4 : Expenditure in Belu District 2009 and 2010



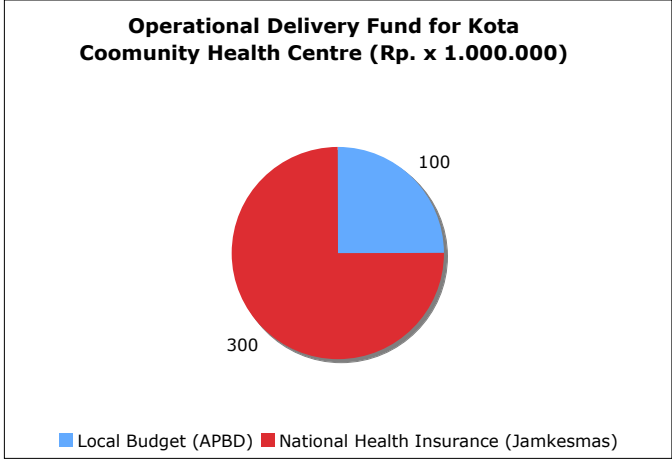
Decreasing the budget for OD+C reduced the 2010 budget allocation for education and health service delivery in Belu District. In 2010, OD+C allocation for education was 1% and for health is 1.4% of the total district budget for OD+C. This is a significant reduction on the 2009 budget allocation: 22% for education and 11% for health. Proportion for agriculture increased from 3% in 2009 to 5% in 2010 as shown in Chart Annex 2-5.

Chart Annex 2-5 : Expenditure for education, health and agriculture services in Belu District 2009 and 2010



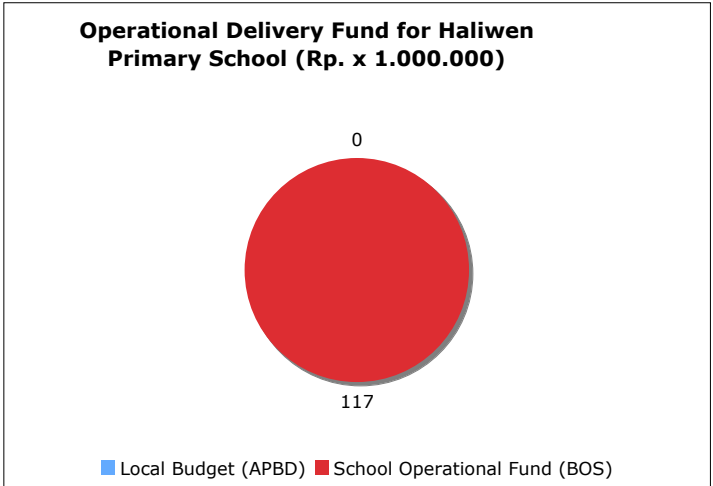
Decreasing the budget allocation for health impacted the community health centre (PUSKESMAS) in Belu District as we can see in PUSKESMAS Kota. PUSKESMAS Kota is the clinic with the largest number of patient visits in Belu District. In 2010, 75% (IDR 300 million) of the PUSKESMAS Kota operational expenditure came from national health insurance (JAMKESMAS) – see Chart Annex 2-6. The district local budget (APBD) financed 25% (IDR 100 million) of the operational costs. There was no budget available for maintenance, building construction or medical equipment supply in 2010.

Chart Annex 2-6 : Operational delivery of health services in Belu District



Decreasing the budget allocation for education impacted Haliwen Primary School (SD Haliwen). SD Haliwen is a primary school in Belu District with 23 teachers and 587 students. Almost all (99%) of the teachers and students are refugees from Timor L’este. SD Haliwen was established in 1999 and used tents as classrooms. In 2004 Save the Children UK trained the teachers and built one temporary building with 5 classrooms. Local Government then built 1 permanent building with 2 classrooms in 2007 and 1 permanent building with 3 classrooms using DAK (Special Allocation Fund) resources. As shown in Chart Annex 2-7, in 2010 all operational service delivery costs – including learning resources, administrative costs and salaries for 9 teachers were funded by BOS (school operational delivery fund from national government). This amounted to IDR117 million for 6 months. District resources were used to pay salaries for 14 permanent, public servant, teachers.

Chart Annex 2-7 : Operational delivery of primary education services in Belu District



Outstanding Issues:

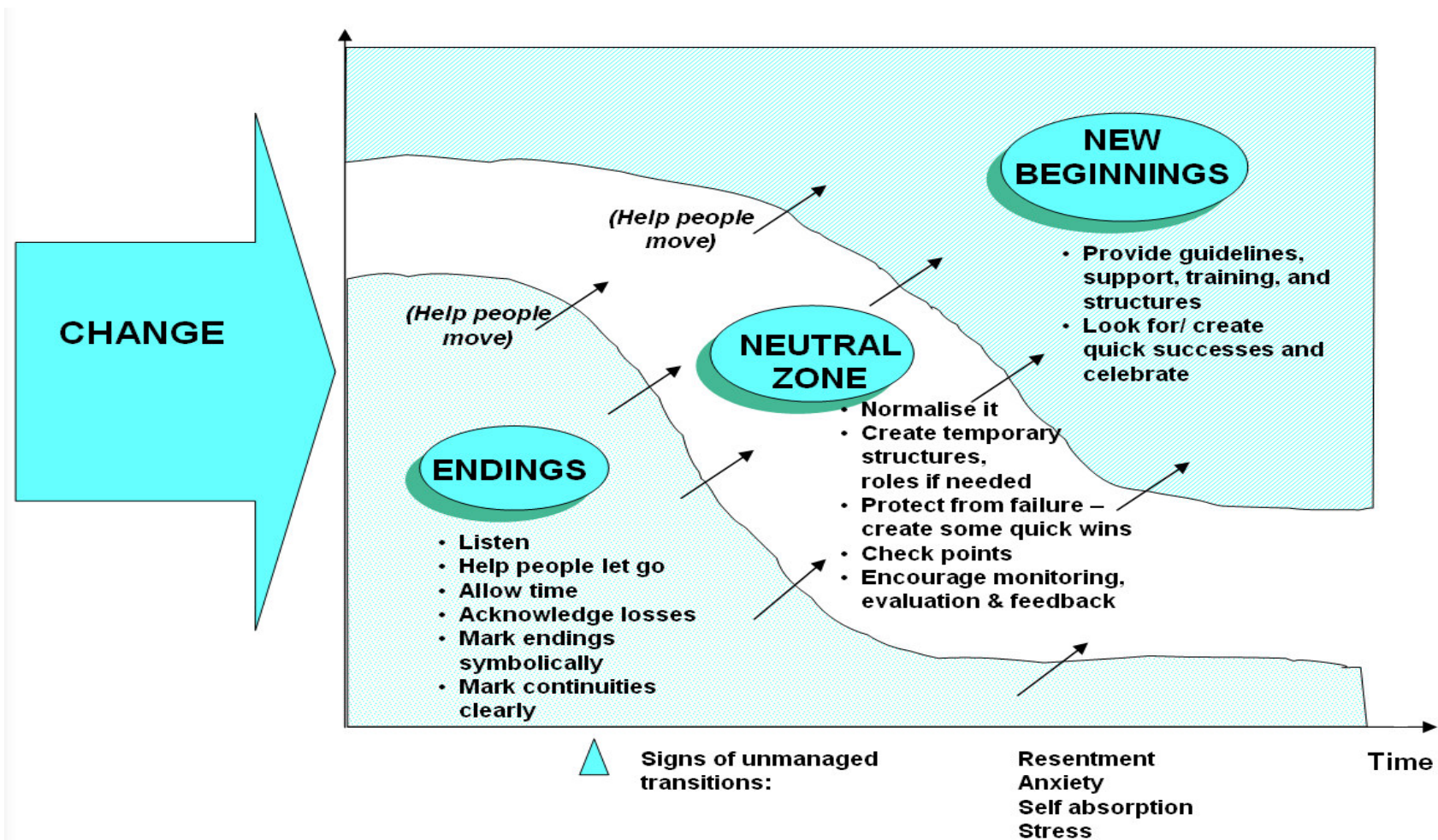
This case study demonstrates that there are outstanding issues that need to be addressed by AIPD if it is to learn lessons from ANTARA and achieve the proposed goal and purpose of the new program:

- Problems related to financing education and health service delivery at district level are a problem of budget priority, as well as a problem of budget capacity:
 - Although education and health service delivery are priorities in Belu District, the local budget is allocated to other programs and sectors because officials in Belu District believe that operational delivery for education and health will be supported by direct transfers from central government.

- In another district (TTS) the RPJMD developed with support from ANTARA did not match local budget capacity. Almost all discretionary resources were allocated to activities funded by DAK (Cost Sharing Fund).
- Similarly, in Lombok Timur district, activities proposed in annual plans developed using the *musrenbang* planning process were significantly greater than the local budget capacity - IDR 1.3 trillion of proposed expenditure compared with IDR 200 million budget capacity to finance.
- Analysis of Indonesian provincial and district budgets shows that amounts of money unspent at the end of the financial year can be significant – suggesting that the delay in receiving funds from central level as well as constraints in planning, procurement and implementation components of PFM remain a concern.
- Central government transfers to provinces and districts are dominated by DAU which local government chooses to allocate mostly to salaries and office operating overheads. If staff numbers were reduced and/or the number of offices rationalised, there would be more DAU resources available for service delivery.
- Attempting to improve the quality of public service delivery should be aligned with attempts to increase budget allocation for service unit operational costs and poor people. This requires engagement with national agencies:
 - to allocate larger transfers to district government, especially with DAU, so districts have more discretion to allocate budget in line with their goals and priorities; and/or
 - to increase direct transfers from national department to service units at district level to guarantee service units are able to serve people in line with proposed minimum service standards.
- Engagement with provincial government may also result in increased allocations for service units. For example NTB Province transfers grants to districts so they can fund education fellowships for poor students.
- Sector programs working directly with service units can also support civil society to advocate for increases in the village grant through discussion between the community and government offices (Dinas). Existing planning processes can be strengthened to make the participatory planning process at village level meaningful and budget allocation more transparent. For example:
 - Village grant in TTU, TTS, and Lombok Timur encouraged community – especially women groups – to participate in the village planning process (*musrenbang desa*) to allocate budget and to control village development.
 - Discussion on agricultural development between public official, NGOs and peasant organization in TTU contributed to better understanding among them about the strategy and the constraints for livelihood systems development.
- PFM is one part of the strategy to improve public service delivery. Good public service delivery also relies on addressing other issues such as functional assignment, service standards both at national and local level, competency standards, the role of civil society (demand side), and local priority setting processes.

Annex 3
**Schematic of
institutional change
management**

Annex 3: Schematic of institutional change management



Source: Frank Noij and Matthew Crump, Performance Assessment Resource Centre, UK.

Annex 4

Evaluation schedule and list of People and organisations consulted

Annex 4: Evaluation schedule and list of people and organisations consulted

Friday, 30 April 2010 (Jakarta)	
08.30 – 09.30 ANTARA ICR Team meeting with AusAID. Venue MNC Tower	
10.00 – 11.00 Meeting with MoHA, Jl Medan Merdeka Utara 7 : <ul style="list-style-type: none"> • Centre for Management of Overseas Cooperation (AKLN) • Mr I Made Suwandi, Director of Provincial Governance Affairs, Directorate General of Regional Autonomy (OTDA) • Directorate General of Village and Community Empowerment • Directorate General of Regional Finance and Administration (BAKD) • Ms Marlina, Head of Sub Directorate, Centre for Management of Overseas Cooperation (AKLN) 	
02.00 – 03.00 PM Meeting with MoHA Bangda, Jl Taman Makam Pahlawan 20. <ul style="list-style-type: none"> • Mr Syamsul Arief Rivai, Director General Regional Development • Mr Dodi Riyadmadji, Director of Regional Economic Development • Ms Parulian (Uli), Head of Planning Section, Sub-Directorate of Dirgen Regional Development • Mr Jahluddin, Head of Sub-Directorate, Dirgen Regional Development • Ms Parulian (Uli), Head of Planning Section, Sub-Directorate of Dirgen Regional Development 	
Saturday 01 May: NTT	
AM	0745 depart Jakarta on GA438 1305: arrive Kupang
PM	Briefing with ANTARA team: <ul style="list-style-type: none"> • Program Director • Contractor Representative • Deputy Program Director • Assistant Program Director • Resource Centre Officer <p>Visit NTT Resource Centre</p>
Sunday 2 May: NTT	
	Team 1: North Central Timor
	Team 2: East Flores
	Suhriman, Arief Sugito, Niken Wardhani Travel by car to Kefamenanu (2 rental cars provided)
	John Fargher, Sofia Ericsson, Mia Badib, Santi Handayani, Parulian Siagian Fly to Maumere then drive to Larantuka
Monday 3 May: NTT	
AM	Meet TTU DPRD members (Heads, Vice, Head of Commissions) Field visit: <ul style="list-style-type: none"> • YMTM project site • YMTM non-project site
PM	Meet Bappeda and Bagian Keuangan Focus group discussion with: <ul style="list-style-type: none"> • Dinas Pendidikan • Dinas Kesehatan
	Travel to Atambua
	Field visit: <ul style="list-style-type: none"> • Delsos and CRS offices • Delsos microfinance and food security project site in Ile Bore Sub-district.
	Dinner with YMS, PIKUL (economic development and microfinance activities), Oxfam team and civil society representatives.
Tuesday 4 May: NTT	
	Team 1: Belu
	Team 2: East Flores
AM	Focus group discussion with: <ul style="list-style-type: none"> • Bappeda Belu • Bagian Keuangan Belu • Dinas Kesehatan Belu • Dinas Pendidikan Belu • BPMD Belu • Head of Puskesmas
	Meet East Flores DPRD members (Heads, Vice and Head of Commissions) Meet Dinas UKM, BPMD, see OSS Flores Timor
	Lunch with Belu DPRD members
	Travel back to Maumere

PM	Field visit: <ul style="list-style-type: none"> • Puskesmas Kota Atambua • Non-project Puskesmas • Pharmacy warehouse • SD Haliwen or BEP 	
Wednesday 5 May: NTT		
	Team 1: North Central Timor	Team 2: Kupang
AM	Drive to Kefamenanu via: <ul style="list-style-type: none"> • Oxfam food security site • Visit neighbouring non-site 	Travel Maumere to Kupang
PM	Meet: <ul style="list-style-type: none"> • Yabiku • Lembaga Advokasi Masyarakat (Lakmas) or Yayasan Timor Membangun (YTM) 	Meet: <ul style="list-style-type: none"> • Bappeda NTT Province • Biro Keuangan Province
Dinner		Dinner with PD and DPD
Thursday 6 May: NTT		
	Team 1: North Central Timor	Team 2: Kupang (Province)
AM	Meet <ul style="list-style-type: none"> • One Stop Service office • BPMD • Cooperative and SME Office 	Meet <ul style="list-style-type: none"> • Provincial Dinas Pendidikan • Provincial Dinas Kesehatan
Lunch	Lunch with: <ul style="list-style-type: none"> • BAPPEDA TTU • District health office • District education office 	Lunch with Representative from DPRD Propinsi
PM	Drive to So'E	Focus Group Discussion at Provincial One Stop Service office with: <ul style="list-style-type: none"> • OSS staff • Provincial and district Investment Coordination Boards (BKPMDB/BPPMD) staff • KADIN members
Dinner		Dinner with AIPMNH team
Friday 7 May: NTT		
	Team 1: South Central Timor	Team 2: Kupang
AM	Meet <ul style="list-style-type: none"> • Bappeda • Biro Keuangan Focus group discussion with: <ul style="list-style-type: none"> • Dinas Pendidikan • Dinas Kesehatan • Dinas Koperasi and UMKM • BPMD 	Meet Pemerintah Kota Kupang (Bappeda, Bagian Keuangan) and head of Dinas for city: <ul style="list-style-type: none"> * Dinas Kesehatan * Dinas Pendidikan * Dinas Koperasi UKM * BPMD
Lunch	Lunch with DPRD TTS representatives	Lunch with representative from DPRD Kota Kupang
PM	Drive back to Kupang	Meet office of investment Data analysis and compilation
Dinner	Dinner with Sekda, Head of Bappeda and Secretary Bappeda	
Saturday 8 May: NTT		
AM	Meet with Rector and researchers from University Cendana and Lemlit Undana Team meeting to prepare first SWOT	
Lunch	Lunch with representatives from ACCESS	
PM	Data analysis and compilation, preparing case studies	
Sunday 9 May NTT/NTB		
AM	Data analysis and compilation, preparing case studies	
PM	Travel to NTB 13:55 – 19:50	

Monday 10 May: NTB									
AM	Courtesy meeting with: <ul style="list-style-type: none"> • Kepala Bappeda NTB (interview will be optional) • SEKDA Focus group discussion with: <ul style="list-style-type: none"> • Biro Keuangan Setda NTB • Biro Hukum Setda NTB • Biro Administrasi Pemerintahan Setda NTB 								
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Team 1: Mataram</th> <th style="width: 50%; text-align: center;">Team 2: Mataram</th> </tr> </thead> <tbody> <tr> <td> PM Focus group discussion with: <ul style="list-style-type: none"> • Lembaga Penelitian Universitas Mataram • Fakultas Ekonomi Universitas Mataram </td> <td> PM Focus group discussion with: <ul style="list-style-type: none"> • DPRD (Province) • BP3TKI • Provincial Dinas Tenaga Kerja </td> </tr> </tbody> </table>	Team 1: Mataram	Team 2: Mataram	PM Focus group discussion with: <ul style="list-style-type: none"> • Lembaga Penelitian Universitas Mataram • Fakultas Ekonomi Universitas Mataram 	PM Focus group discussion with: <ul style="list-style-type: none"> • DPRD (Province) • BP3TKI • Provincial Dinas Tenaga Kerja 				
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Tuesday 11 May: NTB									
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Wednesday 12 May: NTB									
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Team 1: Lombok Timur	Team 2: Sumbawa								
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Lunch	Lunch with DPRD representatives								
PM	Return to Mataram								
Thursday 13 May: NTB/Jakarta									
AM	Focus group discussion with: <ul style="list-style-type: none"> • KPP (Kaukus Peduli Perempuan) • PKK (Pemberdayaan dan Kesejahteraan Keluarga) • ANTARA Staff 								
PM	Return to Jakarta								
Friday 14 May 2010: Jakarta									
11.00 – 12.00 Meeting with Jacqui de Lacy, AusAID Minister Counsellor									
Saturday and Sunday, 15-16 May 2010: Jakarta									
ICR Team meeting and report writing									
Monday 17 May 2010: Jakarta									
10.00 – 11.00 AM Presentation of Aide Memoire and Short Paper to AusAID Jakarta, MNC Tower									
Tuesday 18 May 2010: Jakarta									
Report writing, final interviews and data collection as needed									
Wednesday 19 May 2010: Jakarta									
Report writing and return to home base									

People and organisations consulted

Institution	Person	Location
AusAID	Jacqui de Lacy, Minister Councillor	Jakarta
	Jeremy Stringer, First Secretary	
	Laila Yudiati, Program Officer	
	Santi Handayani, Program Officer	
	Arief Sugito, Senior Program Manager	
	Niken Wardhani, Program Manager	
Ministry of Home Affairs	Staff from Centre for Management of Overseas Cooperation (Pak Trisulo, Ibu Marlina)	Jakarta
	Staff from Directorate General of Regional Autonomy (Ibu Lili)	
	Staff from Directorate General of Village and Community Empowerment	
	Staff from Planning Section of DG Regional Development (Pak Jahluddin, Dr Parulian)	
ANTARA Team	Richard Manning, Program Director	Kupang, NTT
	Dan Hunt, Deputy Program Director	
	John Schottler, Contractor Representative MST	
	Roberto Koli, Assistant Program Director NTT	
	Yohanes Eripto, POC Objective 1	
	Syalomi Natalia, Communication Officer	
	Heny Nggadas, Office Manager	
Kabupaten Flores Timor	Chair of District Parliament, Drs Marius Payongpaty	East Flores
	Head of District Health Office, Pak Yusuf	
	Head of District Education Office, Pak Clintus	
	Head of Financial Revenue and Management Department, Drs Frederick Bili	
	Kepala BAPPEDA Flores Timor and team	
Delsos Kec. Ile Bura	Father Romo Yansen Raring	Larantuka and villages in East Flores District
	Ben (M&E Specialist)	
	Yosuf Dollu, Kapala Kecamatan Ile Bura	
	Kapal Desa from 5 villages including Birawan, Lewawan and Nonpar	
	Head of Community Health Clinic in Birawan Village and her 2 staff	
	Farmers and other community members of Birawan Village	
	Staff from Pikul and Yayasan Mitra Sejahtera	
	Delsos staff from Larantuka <i>mahnetik</i>	
Kabupaten Belu	Staff from Yayasan Mitra Tani Mandiri: Vinsensius Nurak Yosef Sumu Yoseph Asa	Atambua and surrounding villages
	Dewan Perwakilan Rakyat Daerah (DPRD) Frangky Saunoah Aloysius Talau (Chair) and Markus N. Pandie, Devi Hermin Ndolu, Yumima Funuk, Ali Attamimi	
	Bappeda Kab. Belu Drg. Valens Parera Ulu Emanuel	
	Head of Finance Section, Setda Jantje Taek	
	Head of PPOs Johannes M. Kotho, Yohana H. Margaretha	
	Staff of Health Office Blandina Ebo Loko, Yoseph Parera, Wayan Sadaarsa	
	Head and staff of Kota community health centre – Atambua: Dr. Sri Carol Ulina Krisanti Maria Taolin Veronika A Banggo Miduk Trikawun Fabiola Nauleon	
	Haliwen Primary School Head Martinus Ramli and 10 teachers	
	Director and 3 staff from Yabiku (local NGO)	
	Director and 2 staff from peasant group in Kelurahan Sanaplo	
Kabupaten TTU	KP2TSP (OSS) Kab. TTU John Aplugi (Head of Office)	Kefamenanu, So'E
	BPMD Kab. TTU Sertorio da Silva (Head of empowering and developing community institution section)	
	Agriculture & Horticulture Agencies - Kab. TTU Yoseph Kefi (Head of agencies) + staff	
	Bappeda Kab. TTU Jacobus J. Tabesi (Social and cultural section)	
	Secretary Bappeda O. S. Radja Pono	
	Alexander Kono, Skm Head of health and medical service section. Kabid	
	Industrial, Trade and Cooperative Agency M. Safrudin Secretary	
	Bappeda Sammy Head of Research and development	
	Education, Youth and Sport Agency. Matheos Otu Secretary	
	Revenue and Regional finance and asset agency Agus J. St. Mune Head finance section	
	Revenue and Regional finance and asset agency Aba L. Anie Head of agency	

SADI	Dominggus PNPM Facilitator	Molo Utara
ACCESS	Sylvester Fallo – Provincial Coordinator	Kupang
NTT Province and Kota Kupang	Kepala BAPPEDA NTT	Kupang
	SEKDA NTT	
	Secretary BAPPEDA NTT Mr H A Fernandez	
	4 staff of NTT Finance Bureau (Daud, Simon, Paula and Lusi)	
	5 members of the NTT Provincial Parliament	
	Head of OSS Kupang	
	Head of Office of Cooperatives and SME	
	John McComb and Dr Henyo, AIP-MNH	
	Mayor of Kupang Daniel Adoe and heads of 8 offices from Kota Kupang	
	9 members of Kota Kupang parliament (all men)	
	Head of Kupang Investment Office Pak Dien	
	Frans Datta, Rektor and Professor Fred, Director Lemlit University Cendana	
	NTB Province and NGOs	
Lemlit - Unram Yusuf A. Sutaryono (Head) and 7 researchers		
Lembaga Advokasi Buruh Migran Indonesia (ADBMI) Pak Muliawan (Treasurer) and 10 other stakeholders and former migrant workers		
4 members of Somasi and Santiri Foundation		
12 members of BAPPEDA NTT and Provincial Offices		
Head BP3TKI		
Head of Office of Manpower		
PKK NTB – Ibu Suprihatini, Ibu Maya Ny		
Access Ibu Dian		
KPP - Baiq Elly Mahmudah Desita Djayanti		
Anja Kusuma, Senior Program Officer ANTARA NTB		
Ade Yuanita, Communication and Administration Officer ANTARA NTB		
Kab. Sumbawa	Yayasan Koslata – Pak Sali, Pak Lukman and 6 other NGO staff	Sumbawa
	Secretary BAPPEDA and 9 other BAPPEDA and District Office staff	

Annex 5

Terms of reference

Annex 5: Terms of reference for ICR

These Terms of Reference have been prepared for the Independent Completion Reports (ICR) of the Smallholder Agribusiness for Development Initiative (SADI) and the Australia Nusa Tenggara Assistance for Regional Autonomy (ANTARA) Program. SADI and ANTARA have a number of separate thematic and geographic foci, but both programs implement significant rural development activities which aim to improve the livelihoods of men and women in Nusa Tenggara Barat (NTB) and Nusa Tenggara Timur (NTT), and are scheduled to end in June 2010.

Comparing the approaches to rural development of ANTARA and SADI will help to inform the design of SADI's successor program, the Australia Indonesia Partnership for Decentralisation – Adding Value to Agriculture program (AIPD-AVA). It will also contribute to AusAID's overall rural development strategy in Indonesia. At the same time, separate missions and ICR reports will ensure proper attention to performance of SADI and ANTARA respectively. To ensure lessons learned about rural development activities are captured in a comprehensive way, both ICRs will be managed by the same team leader.

AusAID will commission two separate ICRs for SADI and ANTARA. The ICRs will assess the performance of the programs, draw out lessons learned to inform other AusAID programs in Indonesia, and provide recommendations for the implementation of their successor programs.

The SADI ICR will focus on the following key evaluation questions:

- a. To what extent has SADI achieved its end-of-program outcomes?
- b. Is SADI's exit strategy for Sulsel and Sultra adequate?
- c. What lessons could be applied to the design of AIPD-AVA??
- d. Who were the main beneficiaries? (men, women, rich, poor)

The ANTARA ICR will focus on the following key evaluation questions:

- a. To what extent has ANTARA achieved its end-of-program outcomes?
- b. What lessons can be applied in the implementation of AIPD, particularly in relation to the local governance and civil society components.
- c. What lessons from the income generation components (especially business enabling environment and rural development activities) can be applied in the implementation of AIPD-AVA?
- d. Who were the main beneficiaries? (men, women, rich, poor?)

A separate short report will be prepared comparing the strengths and weaknesses of the different approaches to rural development livelihood activities as implemented by ANTARA and SADI, particularly as it relates to gender and social inclusion. This will inform the design and implementation of the AIPD-AVA program, as well as AusAID rural development and food security strategies.

Scope of Services

Two different missions led by the same team leader will produce an ICR for each of SADI and ANTARA. The ICRs will assess and rate the respective program's performance against Standard Evaluation Questions with further issues for consideration as set out in the Evaluation Plans. The ratings will be based on the standard AusAID six-point scale, as outlined in the ICR Template.

Cross cutting issues should be assessed as part of the relevant evaluation criteria. For example, gender and environment issues would be considered in the context of all the criteria. Overall goal being impact on men AND women.

For all key findings in both ICRs, the evaluation team should describe the current situation, identify key enabling or inhibiting factors, including in relation to gender and social inclusions, and provide an analysis of its implications for AusAID, and recommend an appropriate response.

The independent assessment will be up to 60 days for the team leader, 27 days for the SADI team member and 28 days for the ANTARA team member. The in-country mission for SADI ICR is expected to commence on 5 April 2010 while for ANTARA ICR is on 30 April 2010. All reports should be completed no later than 10 August 2010. Note that AusAID's internal review process upon the submission of the draft ICR will take at least 2 months. Expected timeframe of the review is presented in Annex 4.

Evaluation Process

The evaluation teams are expected to carry out at minimum, the following activities:

- **Literature/Document Review:** The evaluation team reviews key documents related to programs, including design document and progress reports, in order to determine the information that is already available and to guide the fieldworks focus.
- **Evaluation Plan (including methodology):** The team leader is responsible for producing the evaluation plans for both SADI and ANTARA in consultation with the review team members, AusAID Jakarta and Projects Personnel. The evaluation plans should include the following information:
 - Methodology to achieve the objectives of the review;
 - Expertise mapping which include defining the roles and responsibilities of each member of the review team;
 - An itinerary outline identifying key stakeholders to be visited including Government, INGOs, NGOs, implementing partners and beneficiaries;
 - Key informants to be interviewed by the review team members and key questions to be asked and information to be obtained from them. Proposed stakeholders to be consulted is presented in Annex 6
 - An annotated outline of the Review Report and target dates for deliverables
- The above documents are to be submitted to AusAID two weeks prior to the in-country mission and should be cleared by the evaluation delegates before work starts on the evaluation activities. This is to allow AusAID time to arrange meetings.
- **Pre-Field Mission Briefing:** The team will attend a pre-field mission briefing with AusAID in Jakarta.
- **In-country missions:** The in-country missions may involve interviews, data gathering and site visits to key sites of project activities. The visit is question-based and research-oriented. The team leader will direct the in-country missions in accordance with the agreed review method and work plan as specified above, as well as allocation of responsibilities and timeline. The team leader shall analyse data and write up draft sections of the Review Reports during the Field Review, delegating tasks to review team members according to agreed responsibilities.
- **Initial Findings:** The evaluation team should present and discuss its initial findings with the activity managers, evaluation manager, the evaluation delegate, and stakeholders as necessary. The evaluation team will document its initial findings into an Aide Memoire for each ICR to use as a basis for the discussion.
- **Reporting:** The evaluation team is expected to use feedback from stakeholders on initial findings when preparing each draft evaluation report. The team leader shall finalise the reports.

Deliverables and Due Dates

The evaluation teams are expected to deliver the following:

- **The Evaluation Plans:** The evaluation plans for both SADI and ANTARA shall be submitted to AusAID two weeks prior to the in-country mission. Both evaluation plans should be cleared by the evaluation delegate before work starts on the evaluation activities.
- **Aides Memoire** (maximum 5 pages) for both SADI and ANTARA. Towards the end of the Field Review the evaluation team shall prepare an Aide Memoire covering the major findings, preliminary recommendations, lessons learned, and a clear summary of the review process. This will be produced prior to departure from Indonesia. It will be presented for discussion and comment to appropriate Gol officials and AusAID staff.
- **Draft Independent Completion Report** (maximum 25 pages plus annexes) for both SADI and ANTARA. The team leader shall coordinate inputs from the review team members, complete and submit both Draft Review Reports to AusAID no later than 14 days after the completion of the in-country mission for the ANTARA ICR. Each draft report must include draft ratings against AusAID Quality at Completion Report ratings. The review reports should be a brief, clear and cogent summary of the review outcomes, focusing on a balanced analysis of issues faced by the Program and it should recommend ways to overcome any problems identified. Annexes should be limited to those that are essential for explaining the text. The review reports should conform to AusAID ICR Template.
- **Short Paper on AusAID's Rural Development Approaches** (maximum 5 pages). This paper should compares the strength and weaknesses and analyse AusAID approaches to rural development through SADI and ANTARA, the extent to which they impact on gender equality and reach the poor for future rural development and food security sector strategy and programming.
- **Final Independent Completion Report** (maximum 25 pages plus annexes) for both SADI and ANTARA are to be submitted to AusAID within 4 days upon receiving final written comments from AusAID.
- **Presentation:** If requested, on a date mutually agreed, Team Leader shall present the findings, recommendations and lessons learned in a debrief sessions in AusAID, Jakarta and/or Canberra.