

**The Abdul Latif Jameel Poverty Action Lab (J-PAL) Southeast Asia
Institutional Design Research and Capacity Building Initiative**

Design Document
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The Abdul Latif Jameel Poverty Action Lab (J-PAL) Southeast Asia Institutional Design Research and Capacity Building Initiative

I. EXECUTIVE SUMMARY

In the last decade, Indonesia's stable growth has enabled the government to launch several large-scale poverty reduction programs, including the unconditional cash transfers (BLT), conditional cash transfers (PKH), the health fee waiver for the poor (Jamkesmas), and rice subsidies (Raskin). In 2010, annual spending for these programs reached USD 3.2 billion. Thinking through how to systematically build on this momentum, while also improving the effectiveness of existing programs in reducing poverty, is an essential next step in continuing Indonesia's progress in reducing poverty.

The Abdul Latif Jameel Poverty Action Lab (J-PAL) at MIT was founded on the belief that development policies can be much more effective in creating positive change in the lives of the poor if policymakers rely more on rigorous scientific evidence of what works. Our approach centers on high quality empirical evaluations—and in particular on randomized field experiments—as they represent the most robust way to identify effective development programs. In addition to conducting high-quality research on central issues in development economics and policy, J-PAL aims to disseminate existing knowledge to policymakers and develop local capacity to conduct international-quality research.

J-PAL's initiative in Indonesia, formally begun in 2007, has carried forth J-PAL's global mission in Indonesia: it seeks to produce knowledge that directly answers crucial institutional design policy questions while, at the same time, building local capacity to design and implement rigorous policy research. The Initiative has focused, to date, on generating evidence on governance, especially on better understanding the institutional arrangements that foster interactions among citizens, firms, and the state, as well as on evaluating and improving the effectiveness of anti-poverty programs such as PNPM-Generasi and the best ways of improving the pro-poor targeting of programs such as Program Keluarga Harapan (PKH).

In this next phase, the Initiative will build on this foundation through the following activities:

Activity A. Broaden and deepen the evidence base.

1. Conduct new research in Indonesia with a focus on the themes of poverty alleviation, service-delivery, and governance.

Activity B. Work with governments to encourage the use of evidence in policymaking.

2. Disseminate research results and reach out to local decision makers to provide key insights—both from Indonesia, and also from around the world—that can be used to design more effective policies and to boost the scale-up of programs with proven impact from around the world.

Activity C. Build an independent regional research capacity capable of evaluating the efficacy of development programs.

3. Establish a new research center in partnership with an Indonesian university, which would become the hub for the activities of the Abdul Latif Jameel Poverty Action Lab across various countries in Southeast Asia. The Institute for Economic and Social Research at the University of Indonesia/LPEM-UI has been tentatively agreed upon as the research partner; this will be finalized when the program starts.
4. Train local researchers on randomized evaluations, both by working side-by-side on research partnerships and by disseminating knowledge on cutting-edge research techniques through conferences and a seminar series.

II. ANALYSIS AND STRATEGIC CONTEXT

Indonesia's Increasing Investment in Poverty Reduction Programs¹

1. Indonesia has achieved respectable GDP growth since 2002 (5-6 percent annually) and poverty is again declining from post-1998 crisis levels. Yet the country could do even better in the areas of poverty reduction, service delivery, and governance. In 2009, 18.7 percent of the population was poor or lived below US\$ PPP 1.25/day, and almost half were “near poor,” with consumption levels below US\$ PPP 2/day.²
2. Many of Indonesia's current suite of social assistance programs emerged largely through trial and error, often in response to an immediate shock, rather than as the products of a carefully thought through strategy. This can be understood within its historical context. First, the proximate cause of Suharto's government's fall in 1998 was his decision to respond to the crisis by reducing fuel subsidies, which, at the time, were larger than all of the anti-poverty programs combined. Second, because of the economic collapse and political upheaval, the number of poverty programs increased rapidly over the next five years, without sufficient consideration to assessing the needs of the targeted population, the underlying theory of change, or measuring their true program effects.
3. Political stabilization in 2004 and the re-emergence of a strong economic cabinet revived interest in reducing wasteful subsidies so that those funds could be more usefully invested in recovery and growth. However, mindful of the political damage that the last effort to do this had caused, the government worked with international donors to devise a large-scale, unconditional cash transfer program that would reach approximately 20 million families. To most people's surprise, this time the fuel price rise produced barely a ripple. Only 25 percent of the estimated savings from the reduced subsidies went to fund the transfer programs, but a 2007 World Bank poverty report showed that poor families had been fully compensated for the rise in fuel prices.
4. The positive experience of this unconditional cash transfer program triggered high level interest from the economic ministries in other types of social protection. During her time in BAPPENAS, the then BAPPENAS Minister Sri Mulyani encouraged the development of a pilot program on conditional cash transfers. In late 2006, Coordinating Minister for People's Welfare Aburizal Bakrie encouraged the national scale-up of PNPM, primarily on the argument that it would create jobs and reduce poverty in poor areas where more traditional growth tools had not had much impact.
5. In 2007, the Government of Indonesia (GoI) began to show high level interest in using quantitative and qualitative evaluations to assess the efficacy of programs. There was also an interest in consolidating the highly fragmented social protection portfolio, including many small but fundamentally similar programs supported by donors. In late 2007, the inter-ministerial poverty committee (TPKP) presented its three-cluster framework to a high level donor meeting.
6. Indonesia's growing support for social protection found further expression in its response to the 2008 Global Economic Crisis. Unlike 1998 when the Asian financial crisis caused a massive recession, in 2008 the Indonesian government responded to the crisis with an increase in government spending. With little progress coming from the infrastructure stimulus, once again it was the transfer programs that provided the main means to mitigate economic fallout from a crisis. Social protection's ability to buffer economic fallout and to reinforce political stability triggered further interest in thinking

¹ Much of the first two sections of this document was adapted from AusAID's *Poverty Reduction Support Facility: Design Document* (June 2010) and *Revitalizing Indonesia's Knowledge Sector for Development Policy: Draft Design Document* (August 2011).

² *Poverty Headcount Ratio at \$2 a day (PPP) (% of Population)*. The World Bank. Taken from <data.worldbank.org>, last accessed September 30, 2011.

through a more systemic approach to these instruments as the crises abated and Indonesia's fiscal space for public investment increased.

7. 2008 also saw an increase in political discourse about social protection change. Initially all parties agreed that the food security, community grants, and SME programs were key elements in the national program for poverty reduction. With highly contested national elections imminent, the specific mix of social protection measures that would be supported by the Government became controversial, with different parties criticizing the Government's programs and proposing alternative ways to reduce waste and increase efficiency. However, surveys consistently showed that the social assistance programs had countrywide recognition with more than 90 percent approval rates.
8. Almost immediately after taking power in October 2009, President Yudhoyono's new Government announced the formation of a Vice Presidential task force to accelerate poverty reduction ("TNP2K"). The basic structure of the National Team remains similar to the inter-ministerial commission on poverty ("TKPK") that was previously chaired by the Coordinating Minister for Social Welfare, with the Minister's role now being taken on by the Vice President.
9. Since TNP2K's formal inauguration by presidential decree in March 2010, the task force has worked on designing and overseeing social assistance and poverty reduction programs while consolidating, simplifying, and improving the efficiency of existing programs. The task force has also begun identifying important but troubled social protection programs to resolve their implementation problems. Under the auspices of the Vice President, TNP2K provides an unprecedented leverage to introduce and push for evidence-based improvements in Indonesia's poverty reduction programs.

Knowledge Gaps

10. From a more technocratic perspective, however, more rigorous evaluation of social protection is both timely and needed. Because many of the current poverty reduction programs have developed outside of a unifying strategy, few have ever received any serious evaluation, but what evidence there is suggests that there is an urgent need to increase efficiency, reduce waste, and begin thinking about long-term sustainability.
11. Some examples illustrate the problems. When the Coordinating Ministry for People's Welfare asked the World Bank to review the landscape of community programs, the assessment identified more than 90 different programs, without even counting those supported by provinces and districts. Each had slightly different planning, oversight, and accounting procedures. Other programs such as the conditional cash transfers, the near-bankrupt pension program, the badly mis-targeted food subsidy program ("Raskin") or the many, many subsidized yet unsustainable line agency microcredit programs highlighted the urgent need to reevaluate the fragmented portfolio.
12. Yet there are significant knowledge gaps to address: few program designs were informed by scientific evidence; fewer still have been rigorously evaluated for poverty reduction impact. The gaps exist in both the *supply* side and the *demand* side of knowledge.
13. From the *supply side*, there are only a handful of research organizations in Indonesia that produce policy-applicable knowledge. This poses a problem of volume: there is not enough evidence generated to contest or inform policy makers at the national level, let alone the sub-national level. Related AusAID diagnostics regarding Indonesia's knowledge sector also found that research organizations commonly struggle with limited technical skills, particularly in terms of using employing rigorous quantitative methods and accessing global literature.³

³ Australian Agency for International Development. 2011. *Design Document: Revitalizing Indonesia's Knowledge Sector for Development Policy*.

14. From the *demand side*, several studies point out that one of the main problems in knowledge to policy transfer is actually the lack of policy makers' demand for quality evidence.⁴ Policy makers' absence of demand for evidence can be traced back to the civil service culture inherited from the New Order. Although there are regulations that stipulate the use of evidence, policy makers often consider the commissioning of studies as a 'tick the box' exercise and do not assess or use the studies. For example, local governments often hire consultants to carry out studies as part of preparations for the local medium-term development plan (RPJMD) or sector strategies (RENSTRA). However, a review confirmed that it is common for consultants to re-use studies from other areas and simply change the name of the location to suit the particular contract.
15. Nevertheless, several changes introduced over the 2001-2006 reform period pose opportunities to improve the demand for quality research. In particular, due to the recent wave of decentralization, there is increasing competition among government agencies or local governments. Policymakers are willing to use research if it can be used to demonstrate progress and results in an increased budget. DPR's (Indonesian legislative) growing interest to use evidence also pressures the executive bodies to take up research, and vice versa.
16. J-PAL can help address these knowledge gaps. J-PAL, or the Abdul Latif Jameel Poverty Action Lab at MIT, was founded on the belief that development policies can be much more effective in creating positive change in the lives of the poor if policymakers relied more on rigorous scientific evidence of what works. J-PAL's approach centers on high quality empirical evaluations—and in particular on randomized field experiments—as they represent the most robust way to identify effective development programs. To date, J-PAL's 65 affiliated professors and its senior staff have conducted 319 randomized evaluations in 52 countries, working with governments, NGOs, foundations and international development organizations to determine the most cost-effective ways to improve outcomes in poverty alleviation.
17. On a global level, J-PAL is in the process of conducting systematic reviews on a variety of topics to identify current gaps in knowledge worldwide. J-PAL has thematic areas in Agriculture, Education, Environment and Energy, Finance, Health, Labor Markets, and Political Economy and Governance, all chaired by J-PAL Affiliates who are among the world experts in these areas. Within each of these thematic areas, J-PAL is conducting systematic reviews which identify the state of the literature and pressing research questions from a global perspective. These reviews have been completed for Governance and Agricultural Technology, and are currently in the process for Post-Primary Education, Urban Sanitation, Youth, and Environment themes. These thematic reviews provide overall guidance on the state of the literature worldwide. J-PAL affiliates also include many of the leading academic researchers on development economics in the world, who bring their academic expertise in these areas to all of their research projects.
18. J-PAL's initiative in Indonesia ("the Initiative"), formally begun in 2007, has sought to produce knowledge that directly answers crucial institutional design policy questions while, at the same time, building local capacity to design and implement international quality economic policy research. The Initiative has focused on generating evidence on governance, as well as on evaluating and improving the effectiveness of anti-poverty programs such as PNPM-Generasi and Program Keluarga Harapan (PKH).
19. This design document provides details on how in the second phase of the Initiative, J-PAL proposes to address the knowledge gaps in Indonesia by: a) broadening and deepening the evidence base by conducting new research with a focus on the themes of poverty alleviation, service-delivery, and/or governance; b) working with the government to encourage the use of evidence in policymaking; and

⁴ Sutmuller, P. and Setiono I., *Diagnostic on Evidence-based Public Policy Formulation under Decentralisation* (2011); Suryadarma et.al, op.cit.;

c) building an independent regional research center capable of evaluating the efficacy of poverty reduction programs, thus increasing local capacity to generate research. The broader aim is for the Initiative to act as a part of a larger strategy to revitalize the knowledge sector in Indonesia.

Lessons Learned

20. Since 2007, J-PAL's activities in Indonesia have laid the long-term foundations for successful research by: 1) Identifying key policy questions and initiating research projects and 2) Enhancing local capacity to conduct and analyze randomized evaluations. The Initiative has focused, to date, on generating evidence on governance, especially on better understanding the institutional arrangements that foster interactions among citizens, firms, and the state, as well as on evaluating and improving the effectiveness of anti-poverty programs such as PNPM-Generasi and Program Keluarga Harapan (PKH).

21. In Phase I of the initiative, J-PAL has:

21.1. **Identified Key Policy Questions and Initiated Research Projects:** J-PAL has initiated a wide variety of projects to provide policy insight to GOI. J-PAL worked with local government partners to identify the primary research questions and ensure that the findings were policy relevant. Some examples include (note that details of each project are included in Appendix I):

- *Community targeting can work:* Involving communities in the targeting process improved targeting efficiency for social programs and lead to greater satisfaction and acceptance in social programs. Differences in community targeting versus top-down, data driven targeting reflected different community perceptions of poverty, rather than corruption by local elites. For example, communities moved away from defining poverty just based on current income; instead, they also considered future vulnerability and income status. In particular, communities were much more able to identify those at the very bottom of the income distribution. These lessons were applied in the recent PPLS survey, as community input was solicited for to determine the PMT interview list.
- *Improving audit systems will reduce corruption:* Top down auditing reduced corruption in local, infrastructure projects. In contrast, grassroots participation in monitoring road projects had little effect as villages were unable to solve coordination failures within the village to monitor the project. The findings are currently being used by the PNPM program to change the way audits are conducted and to increase the frequency with which audits are conducted.
- *Block grants to communities should be coupled with incentives:* Block grants on their own had limited effects on health and education but coupling block grants with performance incentives lead to substantial gains. The lessons from this study lead to incentives being incorporated into the full design for PNPM-Generasi.

21.2. **Enhanced Local Capacity to Conduct and Analyze Randomized Experiments:** J-PAL has conducted numerous capacity building initiatives, include running training courses on randomized evaluations, organizing local conferences and seminars, and mentoring young researchers through research fellowships.

22. Appendix Section 1 provides an in-depth description of J-PAL's key achievements in Phase I of the initiative.

23. Building on the research projects and capacity building initiated in Phase I, the Initiative plans to implement the following activities in Phase II:

III. PROGRAM DESCRIPTION

Goals	Outputs	Activities
Strengthen evidence-based policy making in the Indonesian government	2-3 full scale randomized evaluations in Indonesia	<p>A. Broaden and deepen the evidence base</p> <ol style="list-style-type: none"> 1. Conduct new research in Indonesia with a focus on the themes of poverty alleviation, service-delivery, and governance. <ul style="list-style-type: none"> • Identify implementable research ideas. • Incubate and pilot research designs. • Implement full-scale feasible randomized evaluations. • Disseminate findings to inform policy.
	More policies designed or modified based on rigorous scientific evidence	<p>B. Work with the government to encourage the use of evidence in policymaking</p> <ol style="list-style-type: none"> 2. Disseminate research results and reach out to local decision makers to provide key insights—both from Indonesia, and also from around the world—that can be used to design more effective policies and to boost the scale-up of programs with proven impact from around the world.
Build local capacity to design and implement international quality economic policy research	A new research center in partnership with an Indonesian university	<p>C. Build an independent regional research capacity capable of evaluating the efficacy of development programs</p> <ol style="list-style-type: none"> 3. Establish a new research center in partnership with an Indonesian university, which would become the hub for the activities of the Abdul Latif Jameel Poverty Action Lab across various countries in Southeast Asia.
	Local researchers trained to design and conduct randomized evaluation	<ol style="list-style-type: none"> 4. Train local researchers on randomized evaluations <ul style="list-style-type: none"> • Recruit one senior and one-two junior J-PAL fellows. • Work side-by-side with Indonesian academics on research partnerships. • Bring top social science researchers from around the world to give academic seminars at our partner institution. • Hold a policy conference approximately every other year to brainstorm on emerging policy questions and provide insights from J-PAL research on key policy questions. • Sponsor attendance to J-PAL’s five-day executive training course on randomized impact evaluation.

The specific activities are as follows:

Activity A. Broaden and Deepen the Evidence Base

Conduct new research in Indonesia with a focus on the themes of poverty alleviation, service-delivery, corruption, and governance.

24. Our research has and is likely to continue to focus on institutional mechanisms that improve the delivery of services essential to development, including topics such as the most effective ways of delivering poverty alleviation programs and how to do so in a way that minimizes losses due to corruption. Findings from this and future research will be instrumental in helping donors and governments to design more effective service delivery, both to households and to enterprises. This choice reflects the recognition that one of the major barriers to development is poor delivery of services that contribute to economic development—poverty alleviation programs, education, access to credit, and infrastructure such as water, sanitation, roads, and health. Poor governance, including corruption, can undermine this type of service delivery, increase the cost to the government of providing these services, and more generally undermine economic growth and poverty alleviation goals. In addition to the focus on these themes, the J-PAL Southeast Asia office will also support work by J-PAL researchers on the broad set of topics that are important for poverty alleviation and development, in sectors such as agriculture, education, environment, finance, health and labor markets.
25. To begin work, the Initiative has convened a brainstorming workshop to identify the key areas in which high quality research is needed. This workshop included discussion of key unknown research questions, pressing local policy issues, and opportunities to engage in research on these themes. This workshop took place in Jakarta in August 2011 at the Vice President’s Office, allowing attendance of about 100 researchers, policy makers, representatives of government, civil society, and regional academics, with leadership from TPN2K.
26. Research process. The research will meet exacting international standards for scientific rigor, primarily through randomized experiments. The research component will proceed in four stages:
 - 26.1. *Stage 1: Identification of implementable research ideas.* Working with local partners and AusAID, we will identify key institutional design research questions. For each question, we work with our local partners and J-PAL research fellows to identify promising research opportunities. We will explore opportunities for partnership with the government (particularly through TNP2K), NGOs, and the World Bank office. In choosing projects, we aim to choose projects that address long-lasting policy impact and not just “questions” at the moment that may shift with changing governments. For each research project, we will lay out a theory of change that illustrates the causal chain necessary for the desired outcomes and clearly specifying the assumptions made at each stage. The theory of change will help form the basis for the hypotheses tested by the research projects and may be refined at subsequent stages in the process.
 - 26.2. *Stage 2: Incubating and piloting of research designs.* Determining feasibility is a particularly crucial step for this type of research. We will therefore conduct pilot studies to assess the feasibility of incubating research projects in the field. Piloting is indispensable given the novelty of the research designs. For example, in the Targeting Methodologies Project in Phase I, the research was completely redesigned based on the findings of the pilot. In the pilot stage, we will also consider whether the impact of a project may vary by gender, and if so, ensure that the research design will capture these potential differences.
 - 26.3. *Stage 3: Full-scale implementation of feasible projects.* Feasible research projects will then be rolled out full-scale. A large sample is typically required for the study results to have enough

statistical power to be used as evidence in policymaking. In particular, randomized evaluations typically involve 200 to 600 administrative units to have sufficient statistical power. Full-scale implementations also provide the opportunity for hands-on training from start to finish, including on in-field procedures to collect high-quality data and on managing threats to the integrity of the study, which only arise during field implementation.

- 26.4. *Stage 4: Dissemination of findings to inform policy.* After the data collection, local research fellows and local partners will work side-by-side with international J-PAL researchers to analyze the data. For each research project, we will produce both a research paper, to be subject to academic peer review, as well as policy-oriented publications aimed at stakeholders. We will then disseminate the findings of the research to the policy community, both by presenting the work and by encouraging local counterparts to write articles in local media discussing the findings. J-PAL will work with civil society organizations involved with the research projects, and others whose work overlaps with the issues investigated in the research, to disseminate the policy lessons to a wider network. The papers and publications produced by the Initiative, while written with input from government counterparts and donor organizations, will not represent their view. The intellectual property of all research projects will belong to J-PAL and the individual Principal Investigators on their particular projects, though local partners and donor organizations will receive full access to data gathered from the research.
- 26.5. Draft findings from the research will be provided to AusAid ahead of publication to allow for the use of the findings in their policy work. In addition, to facilitate general access to research findings prior to publication, the research papers will be circulated as publically available working papers through working series, such as the NBER and BREAD.
- 26.6. *Stage 5: Provide consultations for support of scale-up of J-PAL evaluated policy designs.* J-PAL policy staff will provide advice into the scale-ups of J-PAL programs or policies as necessary if the Indonesian government chooses to adopt findings from experiment.
27. Examples of Potential Research Projects. We currently envision research projects in the areas of service delivery, decentralization, and governance, though research may potentially expand beyond these areas as the need for policy-relevant research develops. Existing J-PAL research in Indonesia has made substantial contributions in these areas, highlighting promising approaches to reducing corruption in infrastructure projects, providing incentives to communities to help them achieve the Millennium Development Goals, and effectively targeting poor households for safety net programs. Yet a large number of critical questions remain unanswered, such as:
- 27.1. *What types of programs reduce poverty, and what are the right mechanisms through which to run such programs?* GoI, through TNP2K, has a mandate to determine the right mix of policies to alleviate poverty. We will work with them to brainstorm on current policy initiatives, such as health insurance or cash transfer programs, and will potentially help develop randomized evaluation of pilot programs to increase the effectiveness of these activities, including (but not limited to) their targeting methods and quality of service delivery. The J-PAL/TNP2K joint brainstorming conference in August 2011 has refined the research agenda while considering TNP2K's policy priorities.
- 27.2. *Can competition among government providers improve service delivery?* Many claim that breaking a bureaucrat's monopoly over a service may result in improving service delivery. However, this is empirically difficult to test as it is often hard to introduce competition within government offices on a large scale, and therefore, despite the importance of the topic there is little conclusive empirical evidence. We will work to determine a context to study this topic. For example, we have explored whether competition in service location has affected corruption in driving licenses in Indonesia. A follow-up study can examine whether introducing

monitoring schemes only in selected weigh stations for trucks has varying effect on corruption. Another potential setting would be to improve competition in government health centers (with fees from the government more dependent on quantity and quality of patient care provided).

27.3. *Does transparency reduce corruption?* Although many have claimed that transparency about government services reduces corruption, there is remarkably little evidence of whether in fact this matters. One potentially promising experiment suggested by TNP2K would be to do a transparency intervention surrounding Raskin, where we would randomly select certain districts and regularly publish rice shipments to individual villages in local newspapers. The impact could be measured by using standard SUSENAS modules on Raskin receipt.

27.4. *The impact of local cost-sharing on development projects.* Local cost-sharing in public works can improve sustainability by altering how the beneficiaries relate to the good or service provided. For example, it is possible that when people pay for private goods or services, they are more likely to have a stronger sense of ownership, making them more vigilant in maintaining the goods and in protecting them from capture by rival users. Local cost-sharing could also ensure that only the most highly-valued projects are built. On the other hand, local cost-sharing can be a regressive form of taxation, especially if projects are being built in poor areas. This project will explore whether the benefits from local cost-sharing exceed the distributional costs.

27.5. *Which aspects of bureaucratic reform most effectively reduce corruption?* Reducing corruption is important to improve the quality of poverty alleviation programs and, in general, public service provision. For example, streamlined accountability mechanisms and more intensive monitoring have been proposed to reduce corruption in government bureaucracies, as well as incentive mechanisms for government staff.

Activity B. Work with Governments to Encourage the Use of Evidence in Policymaking

Policy outreach and dissemination to local decision makers to provide insights—both from Indonesia, but also from around the world—that can be used in policy design and to boost the scale-up of programs with proven success.

28. J-PAL researchers will work with government and civil society to stress the importance of evidence-based decision making. While the Initiative will stress randomized evaluations for key social programs for the reasons discussed below, the Initiative will, in general, convey the importance of general monitoring and evaluation tools, such as the necessity of a needs assessment, the need to measuring outcomes correctly, and so forth.
29. The ultimate objective of our research that will be undertaken by the Initiative is to impact lives. For this to happen, evidence must be translated into action. Disseminating research to policy-makers and providing support for scale-ups of successful programs are essential components of J-PAL's mission.
30. To this end, J-PAL's policy group publishes summaries of individual evaluations ("Briefcases"), evidence reviews of multiple studies ("Bulletins"), and comparative cost-effectiveness analyses of different interventions around the same policy objective. These publications are designed to convey the policy context, intervention details, and key findings from J-PAL studies in non-technical language, and to draw out broader policy lessons by linking related studies together. (For a sampling of J-PAL's policy publications, please see <http://www.povertyactionlab.org/policy-lessons/publications>.) J-PAL publications have been translated into Spanish, French, and Portuguese, and the Policy Group continues to expand the number of publications available in translation. Using these tools, J-PAL conducts outreach to governments, NGOs, international development organizations, and foundations; presents at and organizes international conferences; and works with

policymakers to scale up successful programs. With support from the Policy Group at J-PAL's Global office at MIT, J-PAL Southeast Asia will produce and disseminate publications on evaluations conducted in Indonesia and elsewhere in the region. Publications will be translated into Bahasa Indonesia and other regional languages; distributed through mail, the J-PAL website, and social media; and given to key contacts at meetings and conferences. In the event that J-PAL Southeast Asia were to scale down at the conclusion of this grant, these materials would continue to be used and disseminated by J-PAL Global and its partners in the region, ensuring that the grant-funded research would continue to influence the policy debate in Indonesia and elsewhere.

31. A key part of ensuring that research is used in policy making is constant interfacing with the government and other stakeholders to ensure their involvement in the research from start to finish. In Indonesia, J-PAL will work in concert to establish and maintain high-level contact with stakeholders from the beginning of research projects. By engaging stakeholders early in the research project or, when appropriate, involving relevant staff as research team members, the Initiative can ensure that the project tackles questions relevant to the policy community and in a way that the policy community finds convincing. While J-PAL strives to do everything possible to provide quality inputs into the policy debate, we cannot, of course, guarantee any specific policy changes as a result of our research. However, our experience suggests that stakeholders are much more likely to adopt research findings if they have been engaged in the process from the beginning. Some key points in the research process for government input and involvement include:

31.1. **Generating Research Questions:** J-PAL's brainstorming workshop in Jakarta in August 2011, described above, was intended to elicit and clarify questions of interest to policymakers. In addition to ongoing consultations with the government, future events in a similar vein could be hosted by J-PAL Southeast Asia to generate new policy-relevant research questions.

31.2. **Incubating and Designing Research Ideas:** Designing a research project is a collaborative and iterative process between researchers and stakeholders from the government and other implementing entities. J-PAL researchers typically consult with policymakers at this stage to ensure that questions of interest to the government are addressed to the fullest extent possible in the research design. Researchers also tend to work cooperatively with policymakers to ensure that the evaluation provides insights into how an intervention might perform if brought to a larger scale.

31.3. **Implementation:** Researchers typically keep government stakeholders informed of the progress of evaluations and collect their feedback through periodic presentations or other updates. When appropriate, relevant government staff will be directly involved as researchers or consultants to the research team. J-PAL will work with implementing staff in the government to collect cost data to be used for cost-effectiveness analysis after the research is completed.

31.4. **Dissemination:** Researchers will present preliminary and final research findings to policymakers as soon as possible to facilitate timely action on the research. J-PAL researchers and policy staff will provide support to government stakeholders in disseminating policy lessons, e.g. by helping draft op-eds and press releases, organizing briefings for high-level decision-makers, and participating in national and international conferences.

32. J-PAL's existing regional centers have achieved remarkable success in informing the policy debate in their regions in a relatively short period of time, as the following examples illustrate:

32.1. **South Asia:** Based at Institute for Financial Management and Research in Chennai, India, J-PAL South Asia has ongoing projects with over half a dozen government agencies, including the federal ministry of environment on piloting a large scale cap and trade program, the government of Bihar state on distributing double fortified salt to reduce anemia, and the

government of Karnataka state on using biometric devices to improve attendance of government health staff and reduce leakages in the distribution of welfare assistance. J-PAL South Asia also worked closely with the NGO Pratham to evaluate the impact of various interventions to improve learning outcomes in school, which has led to a large scale-up of its flagship Read India program. In addition, J-PAL South Asia worked closely with the NGO Seva Mandir to scale up a successful incentive program to boost teacher attendance. J-PAL has also worked in close partnership with NGO Deworm the World on a massive scale up of school based deworming with the government of Bihar state.

32.2. **Latin America:** J-PAL's Latin America office, based at the Pontificia Universidad Catolica in Santiago, Chile, was asked by the Chilean Ministry of Planning to convene a commission of experts to help identify the major social policy challenges facing the country and to propose innovative programs that could be evaluated using randomized impact evaluations. To that end, J-PAL Latin America assembled the Compass Commission, a group of international and local academics with extensive experience in public policy and experimental evaluations. At a conference in March 2011, J-PAL Latin America presented the Final Report of the Compass Commission to the Ministry of Planning. The Commission proposed the implementation of four social programs accompanied by randomized evaluations to measure the impact of these programs. The proposals included a program to help connect poor students with school subsidies, performance-based monetary incentives for teachers, rehabilitation and re-integration programs for adult and juvenile offenders, and a training and job placement program for youth.

32.3. **Europe:** J-PAL Europe is based at the Paris School of Economics. In 2009, the Government of France created a fund to implement and evaluate innovative programs for the youth, chaired by Marc Gurgand, the Scientific Director of J-PAL Europe. This initiative provides funding for the evaluation and up to 50 percent of the implementation of interventions devoted to the youth, including programs on housing, microcredit, education, labor participation and discrimination. The goal of the Fund is to encourage different initiatives that increase labor participation and social inclusion among the young and support the evaluation, including randomized impact evaluations, of these programs. As of March 2011, 125 million euros have been committed to 350 projects, including 20 J-PAL evaluations.

Activity C. Build an Independent Regional Research Capacity Capable of Evaluating the Efficacy of Development Programs

33. The J-PAL network has emerged as a global leader in conducting Randomized Controlled Trials (RCTs): a type of **impact evaluation** that uses random assignment to allocate resources, run programs, or apply policies as part of the study design.
34. Typical impact evaluations measure program effectiveness by comparing outcomes of the group that received the program against the group that did not. In reality, however, individuals exposed to a treatment generally differ from those who are not. Programs are placed in specific areas (for example, poorer or richer areas), individuals are screened for participation (for example, on the basis of poverty or motivation), and the decision to participate in a program is often voluntary, creating self-selection. Families chose whether to send girls to school. Different regions chose to have women teachers, and different countries chose to have the rule of law. For all of these reasons, those who were not exposed to a treatment are often a poor comparison group for those who were. Differences between the groups may be due to both the impact of the program or pre-existing differences ("selection bias").
35. When conducted properly, RCTs can eliminate this bias. In a randomized evaluation, a sample of individuals is randomly selected from the population of interest. The treatment group is then exposed to the treatment while the comparison group is not. Since the treatment has been randomly assigned, individuals assigned to the treatment and control groups differ in expectation only through their

exposure to the treatment. Had neither received the treatment, their outcomes would have been in expectation the same. This implies that the selection bias is equal to zero. Thus, when a randomized evaluation is correctly designed and implemented, it provides an unbiased estimate of the impact of the program in the sample under study.

36. By providing unbiased measures of program impact, RCTs can greatly inform policies that lend themselves to randomization. First, “selection bias” may be very large, so large that other methods may provide the wrong policy insights. For example, many studies find little impact of health insurance on people’s assessments of their own health, in part because those who are sicker are more likely to seek out coverage. By contrast, a recent randomized evaluation of the U.S. Medicaid program (Finkelstein et al., 2011) showed that health insurance actually does improve health measures. Second, RCTs can be designed to test multiple “versions” of a program, so that they can provide insight not just on whether a particular policy works, but what is the best way to run the program. Third, RCTs can help provide an objective measure of policy impact to bridge ideological debates: for example, Mexico’s PROGRESA program survived changes in political regimes due in part to the fact that a randomized evaluation showed that the program was a success.
37. Note that for RCTs to provide unbiased measure of policy impacts, it is important that the experimental design addresses potential threats to internal validity. For example, steps must be undertaken ensure that randomization produces comparable treatment and control groups, as well as minimizes possible threats to validity by attrition, cross-overs, spillovers, and so forth (see, e.g., Deaton 2009). J-PAL researchers have considerable experience handling these potential internal validity threats, and will design analysis strategies that will minimize these threats, such as testing for the comparability across groups (and adjusting for comparability with baseline variables if necessary), designing interventions to capture potential gains or losses from spillovers if the policy treatments have the potential for spillovers, and placing mechanisms in place to limit attrition. Note that the J- PAL executive education course (as well as J-PAL staff training) provides detailed lectures on these possible threats to internal validity, as well as provide insights into minimizing these concerns.
38. J-PAL researchers also aim to address common attribution concerns that are inherent for in most evaluation strategies. For example, Ravallion (2011) points out key concerns on heterogeneity of treatment effects, interactions between different interventions, and testing across multiple outcomes. J- PAL researchers have sought to, and will continue to, address these concerns by methods (as appropriate) such as stating hypothesis on heterogeneity tests before the data is analyzed, conducting joint statistical tests across multiple outcomes, and designing cross-cutting treatments if we believe there are significant interactions across different interventions.
39. J-PAL researchers are very concerned about the external validity of the findings to the Indonesian context, and the South East Asian region in general. As such, J-PAL has worked to, and will continue to, ensure that the evaluations have a high degree of external validity. For example, in the past, J-PAL evaluations have been conducted in close collaboration with partners who would be responsible for scale-ups if the program is expanded and have conducted experiments simultaneously across multiple regions to test program impacts given different institutional differences across districts. J-PAL researchers also frequently examine heterogeneity of impacts within sample to provide guidance for external validity. For example, the evaluation of the Indonesian PNPM *Generasi* program (Olken, Onishi and Wong, 2011) found that the program was substantially more effective in areas with poorer levels of service delivery at baseline, a finding that was used to determine to which areas the program should be expanded for maximal impact.
40. The Initiative also engages in other types of evaluation and analysis to provide additional insights into the policy process:

- 40.1. The Initiative conducts detailed qualitative and quantitative work to help understand its quantitative findings, define hypotheses, and refine experiment designs. This qualitative work is often presented to policy counterparts to provide context on the policy problem at hand and to inform policy design. For example, J-PAL conducted a rapid assessment survey of the teacher certification program and presented the results to the Ministry of Education.
- 40.2. In the course of conducting randomized evaluations, J-PAL researchers often conduct other forms of empirical analyses to provide additional understanding into the functioning of policy. For example, in the targeting study in Phase I, J-PAL researchers calibrated a structural model to provide a deeper theoretical foundation of how self-targeting operates. This allows J-PAL researchers to provide additional quantitative evidence on the channels through which the policy or program may have impacts.
- 40.3. J-PAL researchers often conduct related, non-randomized research and policy evaluations in concert with randomized trials. For example, in addition to the main randomized experiments J-PAL has conducted on targeting, J-PAL researchers are also using the same data to explore the extent of elite capture in a variety of government programs, as well as another project to determine how information on poverty status is transmitted within villages.
41. RCTs can be a very important part of a *general* strategy of evidence-based policy-making, which may entail other types of evidence as well. However, J-PAL's core research expertise is in conducting high quality Randomized Controlled Trials, and therefore, the work under this grant will reflect this expertise. J-PAL's 65 affiliated professors who lead the research projects teach at 32 leading universities worldwide and have demonstrated track record of executing RCTs in developing countries and of publishing the result of their studies in leading internationally peer-reviewed journals. As part of this initiative, J-PAL will help identify policy areas in which RCTs can help provide insights into decision-making.
42. Even if the Initiative increases the number of evaluations it conducts in the region, however, it can never provide all the evidence on all the areas and policy questions. As such, a cornerstone of our agenda is to build regional capacity to conduct and analyze evaluations, thereby accelerating the growth of the evidence base. Our efforts will focus on building local capacity for evaluations in two ways: through partnerships with local research institutions and through direct training activities.
43. In addition, all the data gathered with funding from this grant will be made publicly available after publication or within two years of the date it was cleaned (whichever is sooner) to facilitate additional research by both local and international academics. All faculty and graduate students who participate in the data collection will have access to all datasets prior to the public release of data. The two-year lag in data release is designed to protect faculty and graduate students who have invested in the data collection study, i.e. to ensure that they are able to receive a dissertation chapter/academic paper given the effort that was put into the data collection. However, to ensure greater data access, prior to the public data release, academics or think-tanks that would like to access the de-identified data can submit a research proposal to the J-PAL SEA PIs. If the PIs determine that the proposal will not compromise the work of those who invested in the data collection effort, access to the data will be granted.

Establish a new research center in partnership with an Indonesian university, which would become the hub for the Abdul Latif Jameel Poverty Action Lab in Southeast Asia.

44. J-PAL Southeast Asia (J-PAL SEA) will fill a significant knowledge gap in Indonesia. Currently, there are no research centers within Indonesia with the expertise to implement randomized evaluations. J-PAL researchers have significant expertise in designing and implementing randomized

experiments, having 319 completed or ongoing projects in 52 countries around the world (see **About J-PAL** for more information on J-PAL's global activities).

45. To bring and develop this expertise in Indonesia, a formal, local presence is necessary. The center will be able to serve as a contact point to develop greater involvement by J-PAL affiliates in projects within Indonesia and will help ensure that J-PAL evaluations build local capacity for scientific evaluations while at the same time conducting rigorous research. Moreover, it will provide a platform with which to disseminate research and policy insights from J-PAL's global network to policy-makers and researchers within Indonesia. For example, the J-PAL regional center for South Asia based in India has trained over 200 policy-makers, NGO staff, and academics from India and other countries of South Asia, and is now working closely with the Government of India to provide trainings to the country's top civil servants belonging to the Indian Administrative Service.
46. One of the biggest benefits of developing a formal center is that it will create a venue for building partnerships between local researchers and J-PAL's global affiliate network. The most effective way to build research capacity in Indonesia's researchers is for them to work side-by-side with leading international researchers such as those in J-PAL's network. To this end, the Initiative will partner with an Indonesian university. This will provide the opportunity for partner staff to learn the skills needed to implement and manage a randomized evaluation. This includes conceptualizing the research question, developing the experimental design, developing surveys and evaluation methodologies, conducting interviews, surveys, other data collection procedures, and data analysis.
47. In addition to providing coordination for partnerships in the Initiative's projects, J-PAL Southeast Asia will serve as the focal point for capacity building in randomized evaluations and policy outreach to the wider Southeast Asian region. J-PAL's executive education training course (described below) will be available to researchers throughout the region. Using evidence generated by the J-PAL affiliate network, J-PAL Southeast Asia will reach out to policy makers to encourage that new programs can be based upon scientific evidence. J-PAL staff will design region-specific materials and organize conferences designed to influence policy.
48. To ensure that J-PAL Southeast Asia meets its research, policy, and capacity building objectives, there will be significant involvement from J-PAL's directors, senior management, and affiliates:
 - 48.1. As with our other regional offices, the Southeast Asia office will have two Scientific Directors, who are appointed by the J-PAL Executive Committee and who are either senior management or J-PAL professors (the J-PAL Executive Committee has agreed to initially appoint Professor Benjamin Olken of MIT and Professor Rema Hanna of Harvard University to this role). The Scientific Directors will provide intellectual leadership, help develop new opportunities for randomized evaluations and identify and mentor junior academics in the region with high promise as researchers. In addition, they will help assure the scientific integrity of the evaluations conducted in conjunction with the regional office, as well as approve all hiring and budgetary decisions.
 - 48.2. Iqbal Dhaliwal, the Director of Policy of J-PAL, will be engaged directly with the J-PAL Southeast Asia office to develop its policy arm. He will be instrumental in hiring and training the policy team based in Southeast Asia.
 - 48.3. Marc Shotland, the Director of Training of J-PAL, will be directly involved in the capacity building efforts of J-PAL SEA and help organize executive education and other courses for Indonesian policymakers and academics.
 - 48.4. Current J-PAL affiliates working in Indonesia will continue to take an active role in both designing randomized experiments, as well as engaging with local policy-makers and

academics. In the proposed budget, we have allocated time for both Prof. Olken (MIT and J-PAL) and Prof. Hanna (Harvard and J-PAL) to the initiative, as well as travel for both to engage in the Center.⁵ In addition, this Initiative will serve as a focal point to encourage and support greater involvement in Indonesia by J-PAL affiliates who have not worked in the region. This will be achieved, for example, by inviting J-PAL affiliates to participate in local seminar series and training programs.

Training local researchers to conduct randomized evaluations, both by working side-by-side on research partnerships, policy conferences, and seminars.

49. *On-the-job training.* We will recruit one J-PAL Fellow and one-two J-PAL Scholars each year:

- 49.1. One J-PAL Fellow will be selected per year.⁶ The goal of the J-PAL Fellows program is to find promising recent Indonesian Ph.D.s and get them actively involved in rigorous research while they are still at an early stage in their careers. The fellow will have either just completed their doctoral studies, be a current university faculty member in Indonesia, or an Indonesian-born Ph.D. student who are at the dissertation writing stage. Fellows will be chosen through an open, competitive search with a key selection criterion being the potential to lead their own randomized evaluations in the future. The J-PAL Fellow will be offered the chance to take J-PAL executive education courses on randomized evaluations. They will also be offered the chance to work with J-PAL affiliates to develop research designs, participate in field activities, and conduct data analysis and report-writing. Fellows will spend approximately half of their time on the Fellowship, with the remainder at their home academic institution.
- 49.2. One to two J-PAL Scholars will be selected per year to work alongside senior J-PAL faculty and the J-PAL Fellow in an intensive mentorship. The goal of the J-PAL Scholars program is to find promising young Indonesians who can work alongside J-PAL researchers, and who eventually will go to graduate school to become researchers themselves. J-PAL Scholars will be more junior than J-PAL Fellows, and will be targeted at recent graduates who are looking to begin their Ph.D. studies within one or two years. As such, a key selection criterion for J-PAL Scholars will be their potential to go on to their doctoral studies at internationally recognized programs. J-PAL Scholars will be involved in all aspects of the research projects, from helping to develop research designs to implementing projects in the field, and will work full time during the Scholar period with J-PAL. We will continue to make a special effort to recruit qualified female candidates for the Scholars program.
- 49.3. We expect that both the Fellows and Scholars will benefit from knowledge transfers that will result from closely working with J-PAL researchers. Knowledge transfers will include, but not be limited to: gaining experience identifying key policy problems and translating them to a research question, learning how to design a randomized experiment, gaining a background in international quality data collection methods, and gaining experience in article writing for international journals. We hope that these knowledge transfers can have lasting effects beyond the Initiative:

⁵ Note that both Prof. Hanna and Prof. Olken will be engaged with the J-PAL South East Asia office during the academic year, both are fully supported by their respective universities during this period. We have budgeted for Prof Hanna's time in all years, and Prof Olken's time in Years 4 and 5 (in earlier years, Prof. Olken is supported by an NIH grant for his work on the randomized evaluation of the Generasi program in Indonesia). The budgeted time will consist of both time within Indonesia and supporting activities conducted from the U.S.

⁶ If the current fellow is still in the steep part of the learning curve and would like to continue working with us, and the working relationship is going well, we will have the option to renew their contract and choose a new fellow the following year.

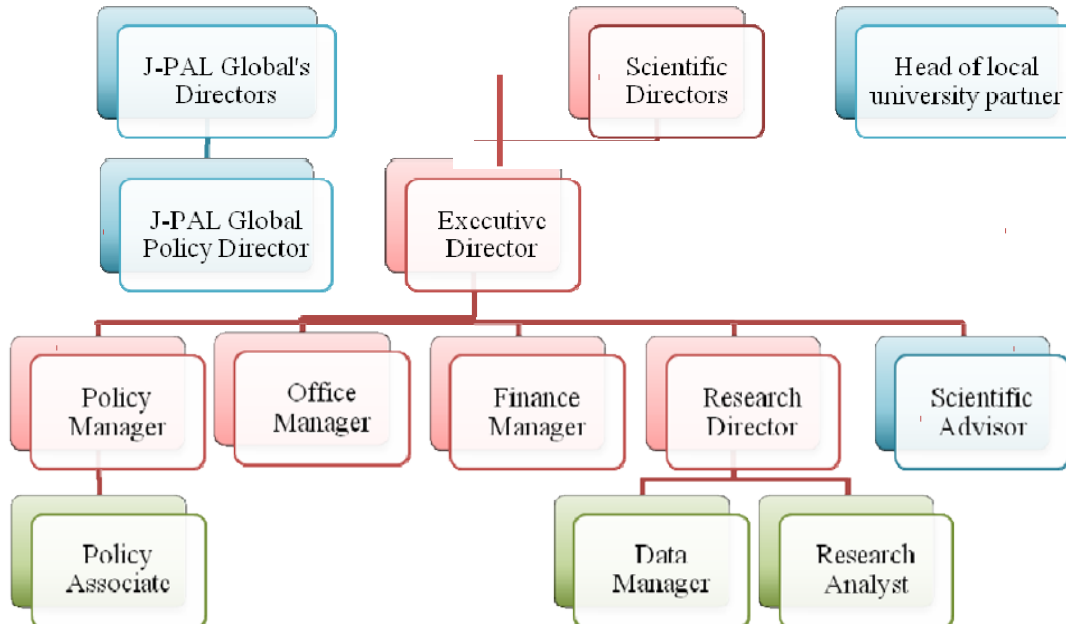
- For Fellows, we aim that this engagement in highest quality, international research will improve their research trajectory, encouraging them to use randomized methods in their future work and to aim for international quality journal articles.
 - For Scholars, we aim that the participation will spark further interest in (and increase opportunities for) international quality, higher education to develop into senior researchers. Previous scholars have been accepted into masters and PhD programs in the U.S., France, and Japan.
50. J-PAL is an equal opportunity employer to all regardless of race, color, creed, national origin, ancestry, gender, marital status, disability, and religious or political leanings. To the best of our ability, we consider in our research sensitive issues relevant to the countries we work in.
51. *Seminar Speakers:* We propose to bring top social science researchers from around the world to give academic seminars at our partner institution. This would include J-PAL affiliates (who are university professors across a wide range of universities, such as MIT, Harvard, Yale, Berkeley, London School of Economics, Paris School of Economics, and so forth), and also J-PAL executive/research directors from other countries to provide key insights on both challenges during research implementation and policy insights from J-PAL evaluations. The target audience of the talks would be university faculty and students.
52. *Policy Conferences:* To build capacity among policy practitioners, we will hold a policy conference every other year designed to present rigorous evidence on key topics, share knowledge on international methods, and brainstorm on emerging policy questions that can help share the research agenda. The target audience of the conferences would be high-level government staff, as well as staff from large-scale non-profit organizations and international development organizations based in Indonesia and other South Asian nations.
53. *Sponsoring Attendance to the J-PAL Training Course.* In addition to on-the-job training, capacity building through this collaboration will include direct training for Indonesian researchers and, when appropriate, government officials, through participation in J-PAL's executive training courses on randomized impact evaluation. Each year, we will sponsor attendance for a certain number of Indonesian candidates to a J-PAL training course. Attendees will be selected from within the government, among academics, and partner organizations. The course is delivered by J-PAL affiliated researchers and J-PAL's dedicated training staff, all of whom have extensive experience conducting development projects by employing randomized experiments. While the course is centered on randomized evaluations, it also imparts insights on the importance of a needs assessment, measuring outcomes effectively, quality control, and monitoring methods that are useful for all kinds of evaluations. The course also discusses how randomized evaluations relate to other methodologies, such as pre-post evaluations, difference-in-differences, and regression discontinuity designs.

IV. IMPLEMENTATION STRATEGY

Management and Governance Arrangements and Structure

54. Figure 1 describes the overall organization of the J-PAL Southeast Asia office. The blue boxes describe advisory roles, red boxes the Executive Team, and the green boxes the Research Staff.

Figure 1: J-PAL Southeast Asia office



Definitions of Roles

55. The **Executive Director** will oversee the activities of J-PAL Southeast Asia and establish relationships with prospective partners and policymakers. Although the core funding for day-to-day operations will be channeled through the local academic partner, the Executive Director retains complete control over the funding decisions, subject to the approval of the Scientific Directors. Aside from reporting to J-PAL Global's Directors and the Scientific Directors, the Executive Director will inform the head of J-PAL Southeast Asia's local university partner. The Executive Director will be appointed by the J-PAL Global Executive Committee, after having been nominated by the J-PAL Southeast Asia Scientific Directors.

56. The **Scientific Directors** (initially, Professor Benjamin Olken and Professor Rema Hanna) will provide intellectual leadership, help develop new opportunities for randomized evaluations and identify and mentor junior academics in the region with high promise as researchers. In addition, the Scientific Directors will help assure the scientific integrity of the evaluations conducted in conjunction with the regional office. The Scientific Directors have final authority over budgetary decisions regarding the use of core project funds, and will have final decision making authority over all hiring decisions.

57. **J-PAL faculty affiliates** currently working in Indonesia will continue to take an active role in both designing randomized experiments, as well as engaging with local policy-makers and academics. In addition, this initiative will serve as a focal point to encourage and support greater involvement in Indonesia by J-PAL affiliates who have not worked in the region. This will be achieved, for example, by inviting J-PAL affiliates to participate in local seminar series and training programs. Core funding will also be provided by the initiative to encourage J-PAL faculty affiliates to travel to Indonesia to explore and develop potential research projects.
58. The **Office Manager** and **Finance Manager** will assist the Executive Director in administrative and financial matters relating to the J-PAL Southeast Asia office.
59. The **Research Director** will oversee the day-to-day activities within research projects initiated by J-PAL Southeast Asia or research J-PAL Southeast Asia is involved in. The Research Director will work closely with the **Data Manager** on data gathering, management, and analysis, and with the **Research Analyst** on training and project management.
60. The **Scientific Advisor** will advise the **Research Director** on how best to integrate and execute the research in the Indonesian context, as well as liaise with other Indonesian research and policy institutions. The Scientific Advisor will inform both the Executive Director and the head of J-PAL Southeast Asia's local university partner.
61. The **Directors of J-PAL Global** will give J-PAL Southeast Asia guidance on important policy questions, and will help the Executive Director and the Scientific Directors establish relationship with prospective partners and with policymakers. As with all other J-PAL offices worldwide, to ensure the highest standard of technical expertise, research and academe, only the Executive Committee of J-PAL's Global Board of Directors will have the exclusive prerogative to select J-PAL faculty affiliates, and J-PAL Southeast Asia's research must involve at least one J-PAL faculty affiliate as a Principal Investigator.
62. The **J-PAL Global Policy Group** will assist J-PAL Southeast Asia in compiling lessons learned from the latest J-PAL research around the world, both to inform upcoming research and to disseminate knowledge to stakeholders in Indonesia. The **J-PAL Global Policy Director**, in particular, will be engaged directly with the J-PAL Southeast Asia office to develop its policy arm. He will be instrumental in hiring and training the policy team based in Southeast Asia.
63. The **Policy Manager** and **Policy Associate** will work closely with the Scientific Directors and the J-PAL Global Policy Group to disseminate knowledge and lessons learned to stakeholders in Indonesia. With the J-PAL Global Policy Group, for instance, the Policy Manager and Policy Associate can publish summaries of individual evaluations, evidence reviews of multiple studies, and comparative cost-effectiveness analyses of different interventions around the same policy objective. These findings can then be used in outreach to government counterparts, presented in conferences, and referenced in working with policymakers to scale-up successful programs.
64. The **Massachusetts Institute of Technology** will be the direct receiving party of all funding granted to J-PAL Southeast Asia by AusAID. At their receipt, the funds will be earmarked as **core funding** or **research funding**. The core funding will finance personnel, equipment, training, other day-to-day operations, and pilot programs, the management of which will be subcontracted by MIT to the local university partner. The research funding will finance large-scale studies, with topics agreed by both J-PAL Southeast Asia and AusAID (for guiding principles to identify for research topics, see the **Guiding Principles to Identify and Agree on Research Topics** section).
65. The **local university partner** (tentatively the **Institute for Economic and Social Research** at the **University of Indonesia/LPEM-UI**) will support J-PAL Southeast Asia's activities by providing

office space and financial management of core funding, as specified in the previous point, as well as providing links to the local research community to identify promising faculty members and students throughout Indonesia who can get involved in research projects. They will also co-host research seminars and policy conferences with J-PAL Southeast Asia. The local partnership will be reviewed annually by J-PAL and the choice of local partner is subject to be changed by J-PAL if J-PAL deems it necessary.

65.1. LPEM at UI was chosen as a potential partner for two key reasons. First, we wanted to partner with a university that had a top-rated economics department within Indonesia, to foster collaboration between J-PAL researchers and local staff. Second, to facilitate interaction with both AusAID and government partners, we aimed to have J-PAL SEA based in Jakarta.

65.2. We hope that J-PAL SEA will confer long-lasting benefits on its university partner (as well as other local universities). First, we will organize a seminar series at UI to increase access to findings and methodologies from new and innovative research. Second, we hope that being based at UI will increase interaction between J-PAL researchers and UI researchers/students to foster research collaborations, which will transfer knowledge on cutting-edge research methodologies to local researchers. Third, we hope that the potential to participate in J-PAL SEA activities, and potentially collaborate with J-PAL researchers, will help attract recent PhDs to UI.

66. In addition to financial support, **AusAID** will support J-PAL Southeast Asia’s activities in numerous ways. First, AusAID will participate in local brainstorming conferences and seminars. Second, as discussed in the

67. **Guiding Principles to Identify and Agree on Research Topics** section, AusAID will participate in the project approval process for the main set of full-project research funds. Third, based on AusAID’s interest, the J-PAL SEA team will work with AusAID to organize field visits to observe the research projects in process. Finally, as discussed below, AusAID will conduct a series of M&E activities, including writing a yearly Quality at Implementation Reports and managing an Independent Evaluation Progress Report at the end of the fourth year of the Initiative.

Implementation Plan

68. Office housed within the local university partner. J-PAL Southeast Asia, modeling on other J-PAL regional offices, will establish an office housed within the premises of the local university partner. As this design document is submitted, the tentative local university partner is the Institute for Economic and Social Research at the University of Indonesia (LPEM-UI). The strategic decision to have a “host institution” at a university was made to facilitate a stronger working relationship with and knowledge transfer to faculty members and researchers in a local university. In other J-PAL regional offices, for instance, J-PAL works closely with its host institutions to hold the annual J-PAL Executive Education Course on randomized evaluation. Being hosted in a university also provides more opportunities to interact with students. Additionally, an established host institution allows J-PAL Southeast Asia and its affiliates to conduct research with clear legal permission.

69. How activities are funded. All funding granted to J-PAL Southeast Asia will be received by Massachusetts Institute of Technology. At their receipt, the funds will be earmarked as **core funding** or **research funding**.

70. The **core funding** will finance personnel, equipment, training, policy outreach activities of J-PAL SEA Scientific Directors and Staff, other day-to-day operations, and pilot programs. Management of the core funding will be subcontracted to the local university partner, and this subcontract will be renewed on a yearly basis. J-PAL SEA staff will thus be hired as the staff of the local university partner, but J-PAL Global will have the sole prerogative to make all hiring decisions to ensure that J-PAL SEA’s core mission of research, policy outreach and capacity building is realized to the best

extent possible. The J-PAL SEA staff will then undertake J-PAL's activities (including but not limited to those described in the **Program Description** section), including piloting projects that may lead to large-scale studies, and the local university partner will disburse the core funding accordingly.

71. The **research funding** will finance large-scale studies, with topics both J-PAL Southeast Asia and AusAID have approved (see the guiding principles for research topics at the
72. **Guiding Principles to Identify and Agree on Research Topics** section). Unlike the core funding, the research funding may be subcontracted directly from MIT to survey firms, facilitator firms, or other subcontractors as deemed appropriate by the project, and may or may not be subcontracted through the local university partner.
73. J-PAL Southeast Asia's activities. The J-PAL Southeast Asia team will conduct activities including but not limited to those described in the **Program Description** section. To track progress, J-PAL will establish a project tracker mechanism, which will contain objective information about outputs (such as training courses, field activities, evaluations in the region, contact with senior policymakers). AusAID will have access to the project tracker mechanisms.

Guiding Principles to Identify and Agree on Research Topics

74. Funds for J-PAL Southeast Asia earmarked as research funding is reserved for large-scale evaluations that fulfill the following guiding principles:
 - 74.1. Research topics. The research topic in question must receive approval by both J-PAL Southeast Asia and AusAID, with appropriate consultations by AusAID with the Government of Indonesia if necessary. The J-PAL executive board will convene a review committee (consisting of at least one of the J-PAL Southeast Asia Scientific Directors) who will determine whether a proposed topic is approved by J-PAL. As necessary, J-PAL Southeast Asia can elicit peer review comments from the J-PAL network that would go into the decision-making process.
 - 74.2. Government or local counterpart buy-in. The research should engage policy counterparts in the planning and implementation stages of the research. This may include, for example, government ministries, local non-profit organizations, and banking institutions focused on social lending depending on the project topic. The level of engagement is expected to vary on a case-by-case basis: in some projects, the Initiative has engaged with government counterparts (BPS and the Ministry of Social Affairs) extensively in implementing study treatments, but this may not be applicable in other projects.
 - 74.3. Engagement from J-PAL's Principal Investigators. At least one Principal Investigator of any full-scale evaluations conducted by J-PAL Southeast Asia must be a J-PAL Faculty Affiliate. To ensure the highest quality standard, only J-PAL Global has the exclusive prerogative to select J-PAL Faculty Affiliates.
 - 74.4. Overarching AusAID policy issues. The research topic in question should be relevant to one of AusAID's overarching policy issues (see **Overarching AusAID Policy Issues**).

Monitoring & Evaluation Framework

A Logical Framework Matrix summarizing the Monitoring and Evaluation framework is included as Annex 6.

75. The Initiative will be subject to AusAID's core monitoring processes, which include:
 - 75.1. Appraisal Peer Review. After the design document is complete, Quality at Entry Reports will be received from three formal peer reviewers. These peer reviewers will be selected by AusAID.

- 75.2. Quality at Implementation Reports will be written annually by the AusAID team to assess progress. J-PAL will provide AusAID with data from the project tracker mechanism to facilitate this process.
- 75.3. AusAID will also manage an Independent Evaluation Progress Report to assess the Initiative's performance and impact in the fourth year of the initiative.
76. Project Monitoring: J-PAL SEA will track the progress of all evaluations in the Projects Directory on Sharepoint, the intranet for J-PAL and its partner organizations (including Innovations for Poverty Action and the Center of Evaluation for Global Action). The Projects Directory contains information on the type of interventions involved, PIs and responsible staff, partner organization(s), and the current status of each evaluation: idea, proposal, design, implementation, final analysis, complete, on hold, or canceled. The database also indicates whether each project is ready for posting on the J-PAL website. The Research Managers at J-PAL SEA will be responsible for maintaining current information on all evaluations implemented through the Initiative on the Projects Directory. The Projects Directory will be the basis of semi-annual reporting of project status to AusAID, supplemented as needed with additional information from J-PAL SEA staff. If in the future J-PAL Global develops a more sophisticated project tracking system, J-PAL SEA will switch to the new system.
77. End of project Outputs and Evaluation: For projects that do not move beyond the pilot stage, the final output will be a project report detailing what we learned and why the project did not move forward. For projects that move beyond the pilot stage and into implementation, the end goals are: an academic paper submitted to a high-quality, peer-reviewed journal; policy publications or reports that provide the findings in easy to understand language, and presentations at both academic conferences and policy venues to disseminate the findings. Each project will be evaluated on the extent to which these outcomes are achieved. Due to the time it takes to write academic papers and long publication lags, these papers may not reach the publication stage during the 4-year grant window.
78. Monitoring and Evaluation for Capacity Building:
- 78.1. The effectiveness of the Executive Education course is measured through a feedback survey and a quiz. Participants are randomly divided to receive two versions of a quiz at the beginning of the course, and then take the other version of the quiz at the end of the week. The score on the pre-course quiz gives an idea of the prior knowledge of the participants, while the difference in test scores helps identify areas that showed the most improvement and hence were taught effectively. To elicit participant feedback, we circulate a goal sheet both before the course, asking what participants hope to learn, and after the course, asking what they learned the most about from the course. J-PAL has also conducted two surveys to date of its Executive Education alumni to gauge how the course has affected their work and whether they were utilizing resources provided by J-PAL and implementing or commissioning randomized evaluations.
- 78.2. Capacity building for fellows and scholars will be evaluated according to the skills that they will gain during their year working at J-PAL. For example, J-PAL field offices typically provide assessments of junior staff (such as Scholars) twice a year, with feedback from the principal investigators of the study. See appendix 5 for a sample evaluation form used at J-PAL-SA.

Sustainability

79. At the conclusion of this grant, J-PAL Southeast Asia, as most academic research institutions, is not expected to be self-sustaining and will likely require continuing funding to ensure its core mission to answer key policy questions and continue capacity building activities. Were it to scale down, however, it is expected that the body of evidence it generates, the policy outreach it conducts and the

capacity it builds among local Indonesian and South Asian policymakers and researchers is likely to persist and influence the design of anti-poverty programs in ways that will continue beyond the institutional existence of J-PAL SEA. We also hope that by bringing academic researchers and policy practitioners to Indonesia through conferences and research projects, we will build long-term collaborations that will continue regardless of the institutional status of J-PAL SEA. Finally, to the extent that the Initiative equips its Research Scholars to go on to master's and PhD programs, and then to conduct high-quality research of their own, J-PAL SEA will contribute to a lasting increase in local research capacity.

80. Nevertheless, the Initiative understands the importance of complementing financial support from donor institutions with internationally competitive funding. In the past, the Initiative has shown a good track record in obtaining competitive funding for individual projects. In Indonesia alone, this includes funding from 3ie, International Finance Corporation, National Institute of Health in the United States, and internationally competitive and local World Bank trust funds. Globally, J-PAL affiliates have received funding from leading donors, such as the National Science Foundation of the United States, DIFD, USAID, 3ie, Gates Foundation.⁷ As required, the Initiative will continue applying for similar grants in the future.

Overarching AusAID Policy Issues

81. As discussed in the **Analysis and Strategic Context**, GoI's interest in consolidating and improving its poverty reduction policies offers an unprecedented opportunity to close the knowledge gaps in Indonesia. In broadening and deepening the evidence base to inform the GoI, each research may fall under one (or several) AusAID's policy objectives in several areas, including but not limited to:
- Social protection,
 - Anti-corruption and governance,
 - Gender,
 - Child protection and education,
 - Infrastructure,
 - Economic governance,
 - Private sector development, and
 - Environment.
82. In particular, AusAID's assistance through J-PAL Southeast Asia will address these issues through the Initiative's:
- Research topics,
 - Research design,
 - Knowledge transfer to local counterparts.
83. Social Protection – Even though the introduction of Law 40/2004 on the National Social Security System Law has failed to have a meaningful impact, in the last decade, Indonesia's stable growth has enabled the government to launch several large-scale poverty reduction programs, including the unconditional cash transfers (BLT), conditional cash transfers (PKH), the health fee waiver for the poor (Jamkesmas), and rice subsidies (Raskin). In 2010, annual spending for these programs reached USD 3.2 billion.
84. In Phase II of its activities, the Initiative plans to continue addressing topics relevant to the social protection system. For example, the Initiative hopes to explore mechanisms to increase the effectiveness of existing poverty reduction programs, and possibly introducing more competition to

⁷ To see the range of some of J-PAL's donors globally, see http://www.povertyactionlab.org/search/apachesolr_search?filters=type:partner. Last accessed September 15, 2011.

increase quality of service delivery (see **26.1** and **26.2** in **Activity A. Broaden and Deepen the Evidence Base**).

85. Anti-corruption and governance – Corruption remains a major concern. Common issues include:
 - Policy choices driven by private rent-seeking behaviors;
 - Benefit capture by national and local elites;
 - Physical costs caused by substandard services and goods given to poor people;
 - Misallocation of services; and
 - Physical violence.
86. Since J-PAL's initiative in Indonesia formally began in 2007, it has engaged in several activities and research focusing on anti-corruption efforts (see **Lessons Learned**). The brainstorming conference in March 2007 reflected this focus: over 100 international and local researchers attended to discuss cutting-edge research on corruption and key policy issues.
87. In Phase II of its activities, the Initiative aims to explore possible research questions that focus on the impact of higher transparency, streamlined accountability mechanisms, and more intensive monitoring (see, for instance, **26.3** and **26.5** in **Activity B. Work with Governments to Encourage the Use of Evidence in Policymaking**).
88. The Initiative will further support the implementation of anti-corruption policies by:
 - Managing its own subcontracts in a transparent and accountable manner, with clear mechanisms in place to detect and deal with fraud, and ensuring that AusAID is alerted using agreed protocols if such incidences are detected or suspected;
 - Promoting anti-corruption principles among stakeholders, including sub-contractors utilizing the Initiative's funding; and
 - Using the Initiative's comparative advantage in RCTs to support the continuation of Indonesia's anti-corruption drive through research and evaluations.
89. Gender: The Initiative has aimed to understand the role of gender in policy. In the Initiative's 2008 evaluation of targeting methods in poverty reduction programs, for instance, a sub-treatment varied the time of day community-based targeting meetings were conducted in order to examine the differential impact of having more female versus male participants. In Phase I, J-PAL evaluated targeting in PKH, a program geared towards mothers and children. In Phase II of its activities, the Initiative plans to continue incorporating gender-based reviews in future research. Specifically, when developing projects, we will use theories from economics and psychology to determine whether we expect the effect of the policy to differ by gender. If we expect that the policies would have differential effects on men and women, we will ensure that both women and men are surveyed in order to document these effects.
90. Child protection and education. In the past, two of the Initiative's studies had addressed child protection and education questions. First, the targeting study in 2011 tested alternative targeting methods through Indonesia's conditional cash transfers program (PKH) to extend coverage to more of the poorest households with pregnant women and children. Second, the PNPM-Generasi project tested the impact of introducing performance-based incentives on community's health and education outcomes. Both these studies indirectly affected children living in poverty.
91. J-PAL is committed to ensuring that children are protected when involved in any research activity. To this end, we have and will continue to work closely with the MIT Human Subjects Board to ensure that the research methodologies are in accordance with the highest standards of ethical treatment for child participants.

92. Infrastructure. Infrastructure is commonly noted as a major development constraint in Indonesia.⁸ In Phase I, the Initiative worked with the Ministry of Home Affairs and the World Bank in an RCT to examine how to reduce corruption in a road-building program.
93. Economic governance. Governance structures shape the incentives faced by economic actors and, as such, affect economic outcomes. Since 2007, the Initiative has focused on generating evidence on governance, i.e., understanding the institutional arrangements that foster interactions among citizens, firms, and the state. To date, the Initiative has focused more on the measures of poverty-related outcomes rather than macroeconomic indicators or private sector growth. However, one of the main topics explored in the Initiative's brainstorming conference in August 2011 was the growth of small and medium-sized firms. Among the topics discussed are issues in economic governance, such as the ease of registration, bribes and corruption. Next steps leading to a larger study, however, will depend on the salience of these issues in follow up discussions with other stakeholders.
94. Private sector development. In Phase I, the Initiative has not had any study directly affecting private-sector development. As mentioned, however, one of the main topics explored in the Initiative's brainstorming conference in August 2011 was the growth of small and medium-sized firms. Among possible research topics more intensively discussed were factors used to identify small firms with potential high growth and the effect of disbursing larger funding to said firms. As with economic governance, next steps leading to a larger study will depend on the salience of these issues in follow up discussions with other stakeholders.
95. Environment. In Phase I, the Initiative has not had any study directly affecting environmental issues. However, J-PAL faculty affiliates currently working in Indonesia have published studies on climate shocks and pollution's effect on infant mortality in other countries (Prof. Olken in Pakistan and Prof. Hanna in India and Mexico, respectively), and in Phase II, J-PAL Southeast Asia is open to exploring research topics crossing related to development and environment. Activities within the Initiative are not expected to have any negative impacts on the environment, and no Environmental Impact Assessments will be undertaken.
96. Disability – Development for All - Social exclusion and discrimination is a major contributor to the level of poverty that people with disability experience. Women and girls with disability often face more barriers to participation than their male counterparts - particularly in terms of education and employment - and are therefore more vulnerable to poverty and other risks. Strengthening disability inclusive development is essential for poverty reduction in Indonesia and is a focus of AusAID's development programs. The Indonesian Government has declared social protection, especially for the poor and the most vulnerable groups such as people with disabilities as a focus area for the Government in the coming years.

Risks and Risk Management Strategies

Discussions with the AusAID Indonesia team has identified several risks:

97. Activity A. Broaden and Deepen the Evidence Base:

- 97.1. **Lack of “ownership” of research among government counterparts:** As explained in **Analysis and Strategic Context**, knowledge gaps exist in both supply as well as demand: aside from a lack of supply of quality research, there is a general lack of demand for evidence among

⁸ See, for instance, Asian Development Bank (ADB), International Labour Organization (ILO), and Islamic Development Bank (IDB). 2010. “*Country Diagnostic Studies - Indonesia: Critical Development Constraints*,” and the Asia Foundation and the Regional Autonomy Watch (KPPOD). 2011. “*Local Economic Governance Survey 2011*.”

policymakers. There is a considerable risk of running a rigorous RCT to examine an important question, but having scarce demand for its results among policymakers. To mitigate this risk, government stakeholders will be engaged early on during the planning stages of the research and, as much as possible, be involved in research implementation. The Initiative plans to explore partnership opportunities early and systematically. In the past, the Initiative has a good track record of both engaging government stakeholders early on and involving them in research implementation. In both the targeting studies in 2008 and 2011, for instance, the Initiative worked with the Central Statistical Bureau (BPS) and the Ministry of Social Affairs as our main counterparts to implement research treatments. We also engaged BAPPENAS and TNP2K extensively through planning meetings, formal updates, and field visits to discuss qualitative and quantitative findings from the research. Both have enthusiastically welcome the findings from the targeting research and pushed the improvement of targeting social programs in Indonesia to become a national priority agenda.

- 97.2. In Phase II, the Initiative has mitigated this risk further by working with TNP2K to hold the J-PAL/TNP2K joint brainstorming conference in August 2011 (see **27.1 in Activity C. Build an Independent Regional Research Capacity Capable of Evaluating the Efficacy of Development Programs**). The conference engaged over 100 academics, practitioners, and government counterparts in discussions on research priorities, resulting in: 1) a much wider recognition of J-PAL's name, and 2) a closer tie between the research topics we follow up on and GoI priorities. Both will ease our efforts to explore partnership opportunities early in future research.
- 97.3. **Lack of engagement of national and/or sub-national research institutions:** J-PAL affiliates are worldwide leaders in applying RCTs to examine social policies; considering the knowledge gap from the supply side in Indonesia whereby research institutions still struggle with limited technical skills, there may be a gain in efficiency in—and thus a risk of—simply rolling out a research project without meaningfully engaging researchers from national or sub-national research institutions. In Phase I, the Initiative mitigated this risk by engaging SMERU and UGM, two established research centers in Indonesia, in the assessment of corruption in teacher certification and the study on PNPM Generasi, respectively. In both cases, researchers from the research centers were extensively involved in designing the study, as well as data gathering and analysis.
- 97.4. In Phase II, the risk is thus further mitigated by: 1) holding the joint brainstorming conference with TNP2K, which was attended by representatives from six research centers in Jakarta, Semarang, Surabaya, and Bandung (see **Activity A. Broaden and Deepen the Evidence Base**); 2) opening an office based in an established research center in a local university, thus providing more opportunities of collaboration between affiliates of the local university partner and J-PAL faculty affiliates; and 3) holding executive education course(s) on randomized evaluation with potential attendants from Indonesia and Southeast Asia (see **Activity C. Build an Independent Regional Research Capacity Capable of Evaluating the Efficacy of Development Programs**). The course, in particular, demonstrates the Initiative's plan to deepen our effort in engaging local academics by having stronger emphasis on transferring technical skills related to randomized evaluations.
- 97.5. **Lack of intellectual property ownership among national and/or sub-national research institutions involved in research:** Since the intellectual property of J-PAL Southeast Asia's research will be owned by J-PAL-MIT and the Principal Investigators, there might be a concern that Indonesian research fellows that are involved in the research may not be able to publish independently from the J-PAL faculty affiliates under this Initiative. To mitigate this risk, the Initiative has committed to make all research data (stripped of identifiers and subject to Human Subjects protections) public in **two years** within the final data cleaning or when the relevant paper is published, if the latter happens sooner. This commitment shows the Initiative's

conviction in making more academic data publicly accessible while ensuring that the researchers involved in the process receive the appropriate credit. J-PAL will also seek to engage local collaborators as co-authors as deemed appropriate given the usual standards in economics for the level of intellectual contribution necessary to become co-authors.

98. **Activity B. Work with Governments and Encourage the Use of Evidence in Policymaking:**

98.1. **Research findings are not translated into policy:** Policy influence through evidence has been shown to be possible in the right circumstances but is generally not a simple process. Many factors can impede improvements: there may not be enough political capital to push for certain changes, there may be conflict of interests regarding the particular policy among policymakers from different government institutions, or implementers in line ministries may simply refuse to shoulder the extra work of introducing changes. It is critical not to assume that producing evidence and discussing it with policymakers will automatically produce better policy.

98.2. The Initiative's risk management strategies include:

- Developing research topics keeping in mind the current Indonesian policy priorities. The brainstorming conferences in March 2007 and August 2011 at the beginning of Phase I and Phase II, respectively, were the Initiative's venues to do exactly this. The second brainstorming conference, in particular, invited not only representatives from BAPPENAS and the Vice President's office/TNP2K, but also from line ministries (Ministry of Health, Ministry of Home Affairs, and Ministry of SME, among others), research institutes, and other stakeholders, such as the World Bank. The conference disseminated the "knowns" and "unknowns" from the latest research and helped focus on policy priorities. At the same time, given the time it takes to do good research, J-PAL will make sure to focus on topics that will continue to be of broad policy interest for a long time.
- Consulting the most relevant government stakeholders and, as much as possible, involve them in research activities. In each of the Initiative's past projects, it has sought to involve the most relevant stakeholders early in research activities. The two targeting projects most illustrate this: the Initiative, along with the World Bank team, approached for the Central Bureau of Statistics and the Ministry of Social Affairs not only in initial discussions, but also in rolling out the experiment as implementers of the PMT and self-targeting treatments. The responsibility gave them direct insights into the possible gains and losses from implementing the treatment versus continuing with business-as-usual. The involvement also paved the way to disseminate the most important findings of the research.
- Disseminating the findings to targeted counterparts over several years. Sometimes significant findings and champions in government counterparts can push for immediate policy changes. The Initiative's work in KDP and PNPM-Generasi illustrate this: significant findings and supportive counterparts within the Ministry of Home Affairs ultimately helped introduce changes to the auditing and incentive mechanism in the nationwide programs. More often, though, even slight changes would take several years to introduce: in the targeting research, the benefits of community-based targeting methods were made clear after the first targeting experiment in 2008. It took another experiment, field visits, countless discussions, and multiple pilots, however, for BPS to finally increase the level of community involvement in PPLS 2011. The change (peer recommendation from the poorest in the community, followed by PMT) reflects only part of the learning from the first targeting experiment in 2008, but the Initiative took this as an encouraging trajectory that lessons learned now will take several years to gain traction.
- Emphasizing the importance of evidence. J-PAL's evidence workshops, conferences and capacity building sessions will help promote a culture of evidence based policymaking in

Indonesia. Without quantitative evidence, discussions on policy changes would have stopped at predictions of failures or practical difficulties. Prior to both the targeting studies in 2008 and 2011, BPS and the Ministry of Social Affairs were reluctant to participate, fearing widespread elite capture or rioting. Once the research was underway, however, no riots took place, and elite capture was not found to be significant. It is crucial to show with rigorous evidence that 1) Presuppositions do not always hold up and, more importantly, that 2) Risks and extra effort associated to policy changes can be worth taking when they result in significant benefits.

98.3. Moreover, as mentioned in **Activity B. Work with Governments to Encourage the Use of Evidence in Policymaking**, J-PAL's existing regional centers have achieved remarkable success in informing the policy debate in their regions in a relatively short period of time. The Initiative will work closely with the J-PAL Global Policy and Training Groups to implement the applicable lessons learned from these examples in Southeast Asia.

98.4. **The evidence produced is not sufficiently contextualized:** The experimental approach primarily focuses on the collection and analysis of quantitative data. If qualitative analysis is not also collected and well integrated into the analysis, the evaluation may shed light on *what* changed, but not *why* it changed. Without answering 'why,' the value of the evidence will be significantly diminished, as it will not be possible to isolate the factors that made a difference in the administrative units evaluated, and to understand how replicable the findings are to other settings in Indonesia.

98.5. In each study, the Initiative mitigates this risk at four points: before the interventions are conceptualized, during the pilot study, during the large-scale intervention, and post-intervention.

- Before the interventions are conceptualized, field visits to several geographical areas and rapid assessment studies can contextualize theoretical questions and narrow the range to those that are most relevant. J-PAL does this in all of its research studies as an integral part of project design. In Phase I, field visits informed the Initiative that villagers were reluctant to report corruption, leading to an introduction of the anonymity treatment in the road building study. While exploring possibilities of another randomized controlled trial to improve the maintenance of infrastructure projects, field visits also changed the context of the study from water projects (where maintenance was thought to be an urgent issue, but was found not to be) to road projects (where the prisoners' dilemma was much stronger and maintenance was indeed an urgent issue). Due to unsuccessful negotiations with the Ministry of Public Works, the project did not reach the pilot stage, but the initial field visits were crucial to contextualize the question to the most viable sector. Similarly, the rapid assessment on corruption in teacher certification found that corruption was not a significant issue in this policy to merit studies at a larger scale.
- During the pilot study, investigators test the feasibility of interventions. In the past, though the sample size is too small to viably assess quantitative data, qualitative observations from pilot studies have completely changed the makeup of the large-scale intervention. This, too, is a result of contextualization: some interventions may sound good on paper but may not be feasible to implement or may receive strong negative reactions in certain contexts. For example, in the Targeting Methodologies Project in Phase I, an intervention of grouping households into bins (the poorest 10, the next poorest 10, etc.) incited negative reactions and was scrapped from the large-scale study.
- During the large-scale experiment, research staff and investigators go on frequent field visits to further contextualize findings. In these visits, aside from troubleshooting problems and

monitoring compliance to intervention procedure, we would talk to as many stakeholders as possible to understand their response to the interventions. All qualitative observations are studiously recorded and discussed, keeping in mind that they may be useful to interpret quantitative findings later on.

- Most systematically, post-intervention, the Initiative conducts an endline survey to a random sample. Since endline surveys normally take place after an initial assessment of the quantitative data, they can be directed to focus more on the *why* and the unanswered questions behind the changes we find.

98.6. **Lack of dissemination of research results:** There is always a risk that the Initiative’s research will just “sit on the shelf gathering dust” instead of being widely disseminated or reaching the right stakeholders. This risk is mitigated in several ways: first, research by J-PAL faculty affiliates is usually presented in academic conferences and, more often than not, published in top-rated, peer-reviewed academic journals. They are recognized as cutting-edge in development economics and often receive widespread media coverage. Second, the Initiative plans to construct a policy team (tentatively consisting of a Policy Manager and a Policy Associate) to focus on government relations and translation of findings into policy briefs, presentations, and other methods of dissemination. The team will work closely with the J-PAL Global Policy Team that collates and publishes lessons learned from J-PAL’s studies worldwide. As discussed earlier, J-PAL’s mission is to “ensure that policy is based on scientific evidence and that research is translated to policy.” Its dedicated global policy group that includes a number of ex-civil servants and regional policy staff have many years of experience in ensuring that key research lessons inform policy. Those experiences will actively help inform policy outreach in Indonesia.

99. Activity C. Build an Independent Research Capacity Capable of Evaluating the Efficacy of Development Programs

99.1. **Slow recruitment of research fellows:** Information regarding vacancies in Indonesia rarely travels far beyond existing circles and it might not be possible for suitable research fellows to be recruited promptly, possibly delaying progress of activities. To mitigate this risk, the Initiative works extensively with counterparts to locate talent, tapping into networks of Indonesians studying abroad and networks in the best universities in Indonesia. We have had considerable success recruiting highly qualified people in, on average, less than three months. The network of the local university partner will also be useful in engaging a broader pool of potential recruits from throughout Indonesia.

99.2. **Lack of sustainability:** Considering the large financial needs of a research center, there is a high risk that J-PAL Southeast Asia may not be able to sustain the funding required to maintain the center at the conclusion of AusAID’s support. The Initiative admits that at the conclusion of this grant, J-PAL Southeast Asia, as most academic research institutions, is unlikely to be self-sustaining and will likely require continuing funding to ensure its core mission to answer key policy questions and continue capacity building activities. Were it to scale down, however, it is expected that the body of evidence it generates, the policy outreach it conducts and the capacity it builds among local Indonesian and South Asian policymakers and researchers is likely to persist and influence the design of anti-poverty programs in ways that will continue beyond the institutional existence of J-PAL SEA.

99.3. Regardless, the Initiative has shown a good track record in obtaining competitive funding for individual projects: in Indonesia alone, this includes funding from 3ie, International Finance Corporation, National Institute of Health in the United States, and internationally competitive

and local World Bank trust fund. As required, the Initiative will continue applying for similar grants in the future.

99.4. **Too much focus on Indonesia and a lack of outreach across the Southeast Asia region:**

Though the J-PAL Southeast Asia office is meant to be a regional office, the Initiative's track record has focused largely on Indonesia and not on other countries in the region. There is a risk that Indonesia will receive too much focus in terms of knowledge transfer in randomized evaluations as well as policy outreach. The Initiative believes that the establishment of the center was meant to rectify exactly this issue: in the last few years, J-PAL faculty affiliates have been engaged in research projects across the region, particularly in Indonesia and the Philippines. There may be other studies ongoing in other countries, and the center's policy group can collate these disparate findings into lessons learned to inform policymakers in the region. Moreover, to ensure knowledge transfer in a wider geographical area, the executive education on randomized evaluation will invite not just policymakers from Indonesia, but also from other countries in the region. The policy outreach activities will also deliberately target not only Indonesian policymakers but also those from the entire region.

100. In conclusion, though there are considerable risks involved in ensuring the effectiveness of J-PAL Southeast Asia, the Initiative has committed to mitigating these risks in the past and will continue to do so with the assistance of the J-PAL Global Policy Group as well as other stakeholders, including the AusAID Jakarta office. The Initiative's track record of rigorous RCTs and history of working with institutions in Indonesia are strategic to support in our effort to close the knowledge gaps in Indonesia and take the lessons learned across the region.

V. ANNEXES

1. J-PAL's Work in Indonesia in Phase I

- **Activity A. Identifying key policy questions and initiating research projects.**
 - *Evaluating methods for targeting poverty reduction programs.* Improving procedures for identifying the poor could reduce corruption that exists by deliberately mistargeting of resources to the ineligible. Working with the Central Statistical Bureau, the World Bank Office of Jakarta, and BAPPENAS, the Initiative conducted an initial randomized experiment on alternative targeting approaches, which found that community-based targeting had the potential to dramatically increase citizen satisfaction at relatively small cost to poverty reduction as measured by changes in consumption. Building upon this study, the Initiative, TNP2K, the Ministry of Social Affairs, and the Central Statistical Bureau conducted a randomized evaluation to test three methods for identifying the poor at a larger scale, comparing traditional proxy-means test based targeting with various community-based targeting methods. The research was closely integrated into policy: the targeting for over 500,000 households for Indonesia's conditional cash transfers program (PKH) in 2011 was determined by the study methods. The findings contributed to more community involvement in PPLS, the tri-annual nationwide survey of Indonesians living in poverty conducted by the Central Statistical Bureau, which will hopefully lead to the reduction of mis-targeting rates.
 - *Reducing corruption in a road-building program.* How to reduce corruption in public works is a central problem not just for Indonesia, but throughout the developing world. Working with the KDP program in the Ministry of Home Affairs and the World Bank, we conducted a randomized experiment to test alternative approaches to reducing corruption in over 600 village road projects. We found that increasing government audits from 4 percent of projects to 100 percent reduced missing expenditures, as measured by

discrepancies between official project costs and an independent engineers' estimate of costs, by 8 percentage points. By contrast, increasing grassroots participation in monitoring had little average impact, reducing missing expenditures only in situations with limited free-rider problems and limited elite capture. The results suggest that traditional top-down monitoring can play an important role in reducing corruption, even in an environment where corruption is very pervasive. The findings are currently being used by the PNPM program to change the way audits are conducted and to increase the frequency with which audits are conducted.

- *Incentives for improving health and education.* In 2007, the Government of Indonesia launched a new program, PNPM-Generasi, that provided block grants to villages that could be used to improve health and education in their villages. Villages were provided performance incentives, such that they would receive additional funding based on how much they improved performance on targeted health and education indicators. The Initiative worked with the Ministry of Home Affairs, BAPPENAS, the World Bank, and Gadjah Madah University to build a randomized evaluation of PNPM-Generasi, as well as the incentive scheme, into the design of the program. The just-completed evaluation showed that the incentives provided an important component of the program, so much so that they have been incorporated into the entire program design. The evaluation results have also guided policy makers in identifying which areas were most cost-effective for program scale-up.
- *Monitoring transparency of teacher certification process.* In 2006, the Government of Indonesia initiated a nationwide teacher certification program. The Initiative partnered with the Government of Indonesia and the SMERU research institute to monitor the extent and nature of corruption in the certification process and to identify the strengths and weakness of the measures instituted by the Government of Indonesia to mitigate corruption in its teacher certification process. The rapid assessment, conducted in three provinces in 2007, found little corruption, possibly due to the Government of Indonesia's measures. Instead, the rapid assessment found issues with overlapping responsibilities, lack of socialization, and lack of transparency in selection of participants. The final report containing findings and recommendations to improve the certification process was presented to the Ministry of Education.

- **Activity B. Enhancing local capacity to conduct and analyze randomized evaluations.**

- *March 2007 brainstorming conference.* Held at CSIS in Jakarta, the brainstorming conference discussed research in corruption and brainstormed potential research ideas on the topic in Indonesia. Over 100 international and local researchers attended the two-day event, including J-PAL speakers presenting the cutting-edge research on the topic; local speakers from the government, civil society, academia; and the World Bank presenting the key policy issues in Indonesia.
- *July 2008 J-PAL executive training course.* A total of 40 local researchers, including researchers from UI, UGM, regional universities and think-tanks, and practitioners from the Government of Indonesia, NGOs, and the World Bank, participated in this intensive training course in Bali, Indonesia taught by J-PAL faculty from leading universities worldwide. In addition, the Initiative has facilitated the process for a number of Indonesian researchers and policy makers to attend J-PAL's executive training courses in Chennai, India and Cambridge, United States.
- *Follow-up presentations by J-PAL researchers.* J-PAL researchers have presented current research at local universities and to the various agencies of the Government of Indonesia,

including BAPPENAS, Ministry of Home Affairs, TNP2K, and the Central Statistical Bureau (BPS).

- *Practical training through research mentorships.* Through widely publicized recruitment processes, the Initiative has recruited both junior and senior level researchers to work side-by-side with J-PAL researchers in Indonesia.

2. Position Descriptions for J-PAL Fellows and Scholars

As noted in **Activity C. Build an Independent Regional Research Capacity Capable of Evaluating the Efficacy of Development Programs**, J-PAL Southeast Asia plans to select one J-PAL Fellow and one-two J-PAL Scholars to work with J-PAL faculty affiliates. This section provides an example of the type of position description that will be widely advertised to recruit potential candidates:

Abdul Latif Jameel Poverty Action Lab Indonesia Research Fellowships 2012-2013

The Abdul Latif Jameel Poverty Action Lab (J-PAL) is pleased to offer three year-long research fellowships for the year 2012-2013, including one **half-time senior fellowships** open to Indonesian academics and two **full-time junior fellowships** for young researchers in Indonesia. The fellowships will provide opportunities to participate in rigorous academic research related to governance and development in Indonesia. All applications are due by **31 May 2012**.

These fellowships will provide a rare opportunity for Indonesian researchers to build their knowledge base through on-the-job training working alongside J-PAL and staff and through regular long-distance communication with J-PAL-affiliated faculty researchers, including development economists from some of the top US-based universities such as MIT and Harvard.

The Abdul Latif Jameel Poverty Action Lab is a leading research institute based at the Massachusetts Institute of Technology (MIT) in the United States and serves as a focal point for development and poverty research based on [randomized trials](#). J-PAL works with NGOs, international organizations, government institutions and others to evaluate programs and disseminate the results of high quality research. J-PAL's work includes projects in over 10 countries, including Indonesia. More information about J-PAL's work can be found on the J-PAL website (www.povertyactionlab.org). The J-PAL research fellowships are supported by the Royal Netherlands Embassy in Jakarta and the World Bank.

J-PAL in Indonesia has conducted randomized experiments studying corruption in Javanese village road projects, village-level decision making in Java, Southeast Sulawesi, and North Sumatra, and improving health and education in Java, North Sulawesi, and NTT. The research fellows will work on current J-PAL research projects in Indonesia, which include evaluating alternative schemes for targeting poor households, reducing corruption in teacher certification, and using incentives to improve traffic enforcement. For further information on J-PAL's activities and programs in Indonesia, please visit the website: www.povertyactionlab.org/indonesia.

Fellowship Descriptions

Junior Scholars

Junior research fellows will work full-time (**minimum of 40 hours per week**) and will be based at the the University of Indonesia in Jakarta. They will work side-by-side with international J-PAL junior researchers, and will coordinate frequently with senior J-PAL researchers based in the United States. Junior research fellows will be involved in the following types of activities:

- Designing survey questionnaires and research strategy

- Conducting interviews for the research
- Translating research documents
- Supervision of surveys and experiments in the field
- Data analysis
- Coordination with government counterparts
- Overall project and administrative support
- Other responsibilities as needed

Desirable skills for the position:

- Applicants must have a Bachelor's degree (S1) or Master's degree (S2) in Economics, Public Policy, International Affairs, or a related field, and should ideally demonstrate an interest in pursuing a PhD.
- Strong writing skills in English are an advantage; some experience in data analysis, survey work, or other research assistant work is preferred.
- Fellows must be willing to travel frequently to the field outside of Jakarta, including rural areas of Indonesia.

Junior Fellows will work from September 2012 through August 2013.

Senior Fellows

Senior research fellows will work half-time (**minimum of 20 hours per week**) and will be based at their own university offices. They will play an active role in:

- Assisting with the research design of the projects
- Designing surveys and implementation procedures
- Writing drafts and reports
- Overseeing project implementation in the field
- Facilitating connections between the research and university networks

Desirable skills for the position:

- Applicants should have a PhD in the field of Economics, Public Policy, or a related field, and should be currently working as a university professor.
- A publication record and prior research experience on topics related to development economics/public policy is required.
- Fellows must be willing to travel occasionally to the field outside of Jakarta, including rural areas of Indonesia on supervision missions.

Senior Fellows will work from September 2012 through August 2013 (dates may be flexible).

3. About J-PAL

The Abdul Latif Jameel Poverty Action Lab (J-PAL) is a center at the economics department of the Massachusetts Institute of Technology whose aim is to reduce poverty by ensuring that policy is based on scientific evidence. J-PAL was founded in 2003 by three professors from M.I.T. – Abhijit Banerjee, Esther Duflo and Senthil Mullainathan. Banerjee and Duflo along with Rachel Glennerster are the current Directors. J-PAL's network of 65 affiliated professors around the world are united by their use of Randomized Evaluations (REs) to answer questions critical to poverty alleviation. J-PAL's mission is to reduce poverty by ensuring that policy is based on scientific evidence. J-PAL works to achieve this by:

Conducting Rigorous Impact Evaluations- J-PAL researchers conduct randomized evaluations to test and improve the effectiveness of programs and policies aimed at reducing poverty. There are more than 319 evaluations that have been either completed or are ongoing.

Building Capacity- J-PAL provides expertise to people interested in rigorous program evaluation, and training to others on how to conduct randomized evaluations.

Informing Policy- J-PAL’s policy group performs cost-effectiveness analysis to identify the most effective ways to achieve policy goals, disseminates the results of J-PAL’s research to policymakers via publications, conferences and long term networking, and works with governments, NGOs, foundations, and international development organizations to promote the scale-up of highly effective policies and programs around the world.

J-PAL is organized both by regional offices and by research themes called Programs. J-PAL's headquarters is a center within the Economics Department of the Massachusetts Institute of Technology (MIT), with regional offices in Africa, Europe, Latin America, and South Asia that are hosted by a local university. J-PAL's Programs include Agriculture, Education, Energy and Environment, Finance, Health, Labor Markets, and Political Economy and Governance. These regional offices and Programs are directed by members of the J-PAL Board, which is composed of J-PAL affiliates and senior management. However, J-PAL's affiliated professors set their own research agenda and raise funds to support their evaluations.

The Board of Directors provides overall strategic guidance to J-PAL and helps expand activities in research, capacity building and policy outreach. The Board elects 3 members, who, along with J-PAL Global Directors and J-PAL's Global Director of Policy form an Executive Committee that meets on a more frequent basis on decisions that have bearings on the direction of J-PAL and provide guidance and oversight to J-PAL's staff worldwide.

J-PAL and its partners are driven by a shared belief in the power of scientific evidence to understand what really helps the poor, and what does not. J-PAL's many partners include:

- Nonprofits (NGOs) and governments that run the programs that J-PAL affiliates evaluate;
- Governments, foundations, international development organizations and NGOs that use J-PAL's policy lessons on what works in poverty reduction to scale-up the most cost-effective programs;
- Donors that provide funding for evaluations, scale ups and special initiatives, and
- Research centers that help administer J-PAL affiliates' randomized evaluations and who employ the staff associated with these evaluations. Partners include Innovations for Poverty Action (IPA), Centre for Microfinance, Center for International Development's Micro-Development Initiative, Center of Evaluation for Global Action, Ideas 42, and the Small Enterprise Finance Center.

Besides running randomized evaluations, J-PAL helps build capacities in developing countries to evaluate social programs via training courses held annually in many countries. Regional academics, government officials, and local staff of NGOs and international development organizations attend these courses.

With regional centers in Africa (at University of Cape Town, South Africa), South Asia (at IFMR, Chennai, India), Europe (at Paris School of Economics, Paris, France) and Latin America (at Pontificia Universidad Católica, Santiago, Chile), and with an extensive network of economists and experienced policy professionals from around the world, J-PAL not only conducts evaluations of social programs but also collaborates with governments, NGOs and international development organizations to roll out statewide and countrywide scale-ups of social programs that have been found to be effective during evaluations.

In 2008, J-PAL received the BBVA Foundation Frontiers of Knowledge Award for Development Cooperation. The award seeks to recognize and encourage world-class research and artistic creation, prizing contributions of lasting impact for their originality, theoretical significance and ability to push the frontiers of the known world.

4. Scholar Evaluation Form

PERFORMANCE EVALUATION

NAME: _____

POSITION: _____

PROJECT(S): _____

DATE OF COMMENCEMENT: _____

DATE OF EVALUATION: _____

Please grade the performance according to below scale

- 5 Outstanding: Performance is exceptional and far exceeds expectations. Consistently demonstrates excellent standards
- 4 Very Good: Performance is consistent and exceeds expectations.
- 3 Good: Performance is consistent. Clearly meets job requirements.
- 2 Fair: Performance is satisfactory. Meets minimum requirements of the job
- 1 Needs Improvement: Performance is inconsistent. Meets requirements of the job occasionally
- 0 Unsatisfactory: Performance does not meet minimum requirements of the job.
- NA Not applicable

Understanding of the: <ul style="list-style-type: none"> - Project - Concepts - Methods 	
Plans and organizes work effectively	
Manages his/her time efficiently. <ul style="list-style-type: none"> - Good in meeting the deadlines 	
Identifies and priorities the key issues to be addressed	
Handles problem situations effectively. Develops appropriate and creative solutions in a timely manner after considering all the factors, consulting with others and sharing information etc	
Performs work accurately, thoroughly and carefully	
Able to handle a reasonable volume of work	
Demonstrates effective oral communication skills. Effectively listens to others.	
Effectively manages relationships with <ul style="list-style-type: none"> - staff - staff at partner organizations - and other contacts 	
Shares information appropriately. Develops clear, concise and complete written materials. (Judge also on the following)	

Weekly reports to <ul style="list-style-type: none"> - Heads - Team Leaders - Partners Monthly reports to <ul style="list-style-type: none"> - PIs 	
Plans for current and future needs: <ul style="list-style-type: none"> - Space - Budget - Staff - Supplies - equipment etc 	
Monitors and controls expenses and timelines in her/his budget	
Uses practices that save organization resources and minimize wastage	
Selects, trains and supervises employees effectively	
Takes the initiative in identifying new research ideas	
Delegating work when appropriate.	
Consults his/her supervisor regarding workload as necessary	
Displays commitment to work	
Adaptive, willing to accept new responsibilities	

Key Strengths (at least five)

Key Improvement Areas (at least five)

Feedback from the employee:
What were the main obstacles and were they easy to overcome. Did you get the needed support?
What would you like to see going forward?
Other than improvement areas what are your personal development goals that you would like to achieve in the coming year?
Any feedback relating to your manager/team leader/heads etc. or just your experience of working with J-PAL ?

<hr/>

Signature

The next evaluation is scheduled for: _____

5. Budget Detail

To supplement the budget information found in the proposal, the following spreadsheets are provided on the attached pages:

JPAL SEA Base Operating Budget with Research Project Costs: 2012 – 2016

This breaks out estimated costs for the entire operation of JPAL SEA for the five year period. This is divided into operating costs (including staff salaries in Indonesia, the costs of operating the JPAL Office and Travel; costs for policy outreach, capacity development, and support from JPAL at MIT, and planned Pilot Projects) and Project Costs for the research projects to be identified. As shown, salaries for JPAL SEA staff effort devoted to specific projects are included under the section showing Project Costs.

Note that Salaries shown on this budget are for JPAL SEA staff salaries in Indonesia; salary support for JPAL at MIT staff is included under ‘JPAL Global Support’.

MIT Budget

As the prime Grantee, we are presenting a detailed budget of MIT’s direct expenses, and including the total to be sub-awarded to LPEM/UI for Indonesia operations and projects. As shown, it is expected that Pilot Projects will be conducted directly under JPAL Global’s auspices; later research projects will be carried out through the sub-award to UI. Co-leader of this project, Rema Hanna, will be paid under this grant as a consultant, as she is not an MIT employee and we do not plan on entering into a sub-award with her employer, Harvard University.

LPEM/UI Budget

These are the expenses to be covered under the planned sub-award to UI. As an operating budget, please note that full salaries for staff are included under the Salaries section, regardless of whether these people are expecting to be charged to research projects or not. Similarly, the costs for Research Projects on this budget only include non-Staff direct costs. The Base Operating Budget, noted above, breaks these costs out more clearly.

Operating Summary: Project and Core Funds

This is provided to clearly show the portion of this grant to be applied to direct projects and to what JPAL considers ‘Core’ expenses, including research not funded elsewhere (Pilot Grants), Policy Outreach, Capacity Development, and Administration.

6. Logical Framework Matrix for Monitoring and Evaluation

Outcomes	Outputs	Indicators	Reporting Mechanisms	Risks and Assumptions
1. Strengthened evidence-based policy making in the Indonesian government	1. Provide evidence for key policy questions	<ol style="list-style-type: none"> 1. Pilot projects designed 2. Two to three Randomized evaluations conducted on key policy topics 3. Qualitative fieldwork documents and reports 4. Completed working papers and/or papers submitted to journals 5. Publication of datasets 	<ol style="list-style-type: none"> 1. Reports on pilot studies 2. Post-evaluation reports 3. Sharepoint tracking system (J-PAL intranet) 4. Semiannual reports to AusAID 	Note that due to long lags in academic publishing, papers may not be published in journals within the 4-year grant window.
	2. Rigorous evidence used in policy debates	<ol style="list-style-type: none"> 1. Attendance by J-PAL or counterpart in conferences, seminars, and meetings with policymakers 2. J-PAL research staff working closely with or temporarily placed in counterpart offices to offer support during policy design, as well as monitor changes in the policy landscape to offer insights into future research designs 3. Consultation by principle investigators with policy makers on relevant policy problems and questions 4. Publications printed, released 	<ol style="list-style-type: none"> 1. Sharepoint tracking system (J-PAL intranet) 2. Semiannual reports to AusAID that include information on interactions with the government, including meetings with government or civil society counterparts 3. J-PAL policy briefs on key policy issues released in Indonesian, in digestible format, and designed to target key government counterparts 4. Targeted meetings, presentations, and reach out 	While influencing policy is the ultimate goal of J-PAL's work, the policy process is ultimately out of J-PAL's control. J-PAL attempts to maximize the likelihood of policy impact by involving policymakers at all stages of research, from design to dissemination to providing support on scale-up of evaluated programs, but cannot guarantee any specific policy outcomes.

		on J-PAL website 5. Feedback on scale-up of J-PAL evaluated policy designs	efforts to key government counterparts to disseminate research results and encourage take up of recommendations	
2. Increased local capacity within academia and the government to use, design and implement international-quality economic policy research	1. Research center established	3.1.1. Agreement with Indonesian university 3.1.2. Staff hired 3.1.3. Launch event held 3.1.4. Seminars held at host institution with top researchers from around the world	1. Semiannual reports to AusAID 2. Number of seminars and conferences held	Considering the large financial needs of a research center, there is a risk that J-PAL SEA will not be able to sustain funding after AusAID's support ends. However, J-PAL has a good track record of obtaining competitive funding and will apply for further grants in the future.
	2. Senior fellow selected and works with J-PAL affiliates on evaluations	1. Senior fellow involvement in working papers and articles submitted to journals 2. Senior fellow participation in JPAL executive education courses and seminar 3. Senior fellow participation in working with government and civil society to further encourage evidence in policy making 4. Skill assessment of fellows.	1. J-PAL researcher alumni tracking system 2. Skills assessment of fellows (see annex 4)	Slow recruitment of research fellows is a risk. J-PAL will mitigate this risk by working with local counterparts to locate candidates, tapping into networks of Indonesians studying abroad and top universities in Indonesia, including the host university.
	3. Junior researchers work with J-PAL affiliates on	1. Post-fellowship report from scholars 2. Enrollment in	1. J-PAL researcher alumni tracking system	

	evaluations and continue to further study	graduate programs and/or placement in research positions in government and civil society 3. Internships for college students to gain exposure to research 4. Skills assessment of fellows (see annex 4)	2. Skills assessment of fellows (see annex 4)	
	4. Local researchers participate in J-PAL Executive Education course	1. Local researchers exposed to cutting edge randomized experiments and survey techniques	1. Participant survey response data	