

**Independent Review of the
Third Water and Sanitation for Low Income Communities Project (PAMSIMAS) and the
Water Supply and Sanitation Policy Formulation and Action Planning (WASPOLA) Facility
MANAGEMENT RESPONSE**

INITIATIVE SUMMARY - PAMSIMAS

The Third Water and Sanitation for Low Income Communities Project (PAMSIMAS) is a Government of Indonesia (GoI) program funded partially by the World Bank and co-financed by Government of Australia (GoA). It aims to support increased access of low-income communities in rural and peri-urban areas to safer water, improved sanitation facilities and enhanced hygiene practices. The program operates in over 6,000 villages in 110 districts and 15 provinces. PAMSIMAS is Indonesia's main program to achieve its (rural) Millennium Development Goal (MDG) target of halving the population without access to safe water supply and basic sanitation by 2015.

Initiative Name	Third Water and Sanitation for Low Income Communities (PAMSIMAS)		
Aid Works initiative number	INI391		
Commencement date	1 July 2008	Completion date	30 March 2015
Total Australian \$	54,503,068.74		
Total other \$	GoI: US\$101.1 million, World Bank: US\$137.5 million		
Delivery organisation(s)	Government of Indonesia and World Bank		
Implementing partner(s)	Government of Indonesia (Ministries of Public Works, Health and Home Affairs)		
Country/Region	Indonesia		
Primary sector	Water, sanitation and hygiene		
Initiative objective/s	The development objective of PAMSIMAS is to increase the number of low-income rural and peri-urban populations accessing improved water and sanitation facilities and improved hygiene behaviour. This is expected to lead to improved health and enhanced human and economic development.		

INITIATIVE SUMMARY – WASPOLA FACILITY

The goal of the Water Supply and Sanitation Policy Formulation and Action Planning (WASPOLA) Facility is to strengthen GoI's capacity to guide the WASH sector through responsive support to policy development, policy implementation and sector management. The National Development and Planning Agency (Bappenas) is the coordinating agency with the Ministries of Public Works, Home Affairs, and Health participating in the program as implementing ministries.

Initiative Name	Water Supply and Sanitation Policy Formulation and Action Planning (WASPOLA) Facility		
AidWorks initiative number	INI390		
Commencement date	1 July 2008	Completion date	31 December 2014
Total Australian \$	10,000,078.20		
Total other \$			
Delivery organisation(s)	World Bank/ Government of Indonesia		
Implementing partner(s)	Bappenas; Ministries of Public Works, Home Affairs, and Health		
Country/Region	Indonesia		
Primary sector	Water, sanitation and hygiene		
Initiative objective/s	<p>The high level objective of WASPOLA is to improve access for Indonesians, particularly the poor, to adequate and sustainable water supply and environmental sanitation (WSES) services, thereby contributing to increased economic growth.</p> <p>Its purpose is to strengthen Gol's capacity to guide sector development through the establishment of a flexible facility that can support emerging needs relating to policy development, policy implementation and sector management.</p> <p>The WASPOLA facility has three focus areas with respective objectives namely:</p> <ol style="list-style-type: none"> 1. Policy development: to develop WSES policies in response to evolving political, economic, social and technological context and best practices. 2. Policy implementation: to develop improved systems and procedures for implementation of WSES policies. 3. Sector management: to strengthen sector management functions, with emphasis on coordination and communication, support knowledge management, encourage human resources development and improved monitoring and evaluation approaches and systems. 		

REVIEW SUMMARY

Objective: The purpose of the review was to inform DFAT's future support to PAMSIMAS and WASPOLA and provide guidance on strategic issues pertaining to DFAT's broader WASH programming. The main objectives were to:

1. Assess DFAT's contribution to the achievement of PAMSIMAS program outcomes
2. Assess the relative cost-effectiveness and sustainability of PAMSIMAS as compared with other rural WASH programs in Indonesia
3. Review WASPOLA's main achievements and contributions
4. Assess the appropriateness of WASPOLA's facility-modality

A secondary objective was to document broader strategic issues arising on DFAT WASH sector support.

Completion Date: 25 January 2013

Review Team: Juliet Willetts (Team Leader) and Marcus Howard (DFAT Water and Sanitation Adviser)

DFAT'S RESPONSE TO THE REVIEW RECOMMENDATIONS

The independent review of PAMSIMAS and WASPOLA is the result of a comprehensive review process involving broad stakeholder consultation and involvement. Field work for this review was carried out from 22 October – 2 November 2012 and involved interviews or discussions with more than 200 stakeholders and more than 100 beneficiaries. The review also drew on wider sector literature and involved a document review and analysis.

The review, particularly its findings and recommendations will be useful for guiding future phases of PAMSIMAS and WASPOLA as well as informing the designs of other initiatives in the WASH sector.

Overall, DFAT broadly agrees with the recommendations made by the review. Specific responses can be found in the table below.

DFAT's response to the specific recommendations made in the report (as of October 2013)¹

At the time of this management response being finalised (October 2013), DFAT had either already implemented or started discussions to implement several review recommendations. Some review recommendations will require ongoing discussions over the implementation periods of PAMSIMAS and WASPOLA. More specific details are outlined below.

No	Recommendation (In order of priority)	Response	Actions	Responsibility
1	2. DFAT should engage with WB based on the findings of this report, directing its influence towards improvements in sustainability (through local government and community engagement, sanitation, gender and disability) and strengthening the program's contribution towards a sector-wide approach	Agree	<p>COMPLETED</p> <p>DFAT has met with the World Bank to discuss how sustainability, gender and disability issues can be improved/ incorporated into the design of PAMSIMAS-2. These discussions have focused on incorporating gender and disability-inclusive principles into facilitator training (as training modules) for PAMSIMAS-2. DFAT has provided its Accessibility Design Guidelines (ADGs) to inform this facilitator training and will follow up on the application of these ADGs in monitoring missions and reviews/evaluations.</p> <p>DFAT has been supportive of PAMSIMAS-2's design that places important coordination and implementation roles with district governments. This will improve district government capacity to manage the sector as a whole.</p>	Infrastructure-Water and Sanitation (Jakarta Post)

1. _____
¹ In order of priority, see pages vi and vii in the report

2	15. DFAT should take a more active role in providing leadership support to WASPOLA over the coming period, including initiating Steering Committee meetings or other approach to setting shared strategic direction, and engaging with Bappenas on ways to improve Pokja-AMPL role and functioning	Agree	<p>IN PROCESS</p> <p>DFAT initiated a Steering Committee meeting held on 16 September 2013 and attended by senior management from Bappenas (Gol), WSP-WB and DFAT.</p> <p>The meeting focused on providing direction and input for the next WASPOLA Annual Work plan.</p> <p>In this meeting all partners agreed to improve communication and coordination on Waspola related activities.</p> <p>DFAT will continue to encourage and initiate this engagement.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
3	16. Gol, WASPOLA, WSP and DFAT should carefully consider the most strategic areas for WASPOLA to focus on over the coming period, including emphasis on supporting national Pokja, Provincial Pokja (particularly successful examples) and sectoral efforts such as NAWASIS and water safety planning	Agree	<p>COMPLETED</p> <p>The 2014 Annual Work Plan will focus on the key strategic issues discussed and agreed in the September 2013 Steering Committee meeting including:</p> <ul style="list-style-type: none"> • Ongoing support to the national and provincial Pokja AMPLs • Supporting the 2013 National Sanitation and Water Conference (KSAN) • Promoting the National Water and Sanitation Information System (NAWASIS) to full operation • Assisting Gol preparation for the National Medium Term Development Plan (RPJMN) • Assisting Gol with Water Safety Planning: ensuring that the provision of drinking water meets the '4Ks' (Quality, Quantity, Continuity, and Affordable). 	Infrastructure-Water and Sanitation (Jakarta Post)
4	17. DFAT should re-examine its intent in designing WASPOLA as a Facility, and ensure that subsequent planning for policy engagement in WASH is well-informed and based on a sound strategy	Agree	<p>The modality for WASPOLA will be carefully considered should there be any future phases of the program.</p> <p>DFAT is currently developing its infrastructure delivery strategy which will outline the agency's objectives for the sector and the ways in which it intends to achieve those goals.</p>	Infrastructure-Water and Sanitation (Jakarta Post)

5	1. DFAT should undertake an engagement process with World Bank and with GoI on PNPB and PAMSIMAS to address their overlapping mandates and different policies	Agree	<p>IN PROCESS</p> <p>As a first step, the relevant sections of DFAT will meet to develop an Agency position on the issue. Following this, DFAT will engage with the World Bank and GoI on addressing these issues.</p> <p>Within DFAT, both PAMSIMAS and PNPB teams have increased cross-program coordination by sharing relevant documents/information and participating in joint field missions.</p> <p>PNPB team had joined PAMSIMAS implementation support mission in May 2013 for information sharing and it is expected for WASH team to join PNPB support mission in the near future.</p>	<p>Infrastructure-Water and Sanitation (Jakarta Post)</p> <p>Poverty Reduction Unit - PNPB</p>
6	5. PAMSIMAS-2 should consider ways to support evidence base of life cycle cost information to inform sector planning, investment needed by communities and government to ensure on-going service delivery, not just new infrastructure.	Agree	<p>For PAMSIMAS-2, the Management Information System (MIS) will be upgraded with the intention that local governments will use that information to manage the sector in their respective districts.</p> <p>Careful consideration will be required as to the best approach. It will be important to ensure that the approach is manageable.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
7	9. PAMSIMAS-2 should increase support to local government, including stronger orientation, bottom-up planning, links to political economy and prioritisation of WASH, skills development, and improved clarity and resources on the organisational model for sector management their role to support and monitor community management within this.	Agree	<p>COMPLETED</p> <p>DFAT has discussed with the World Bank its preference for Australian funds to be used in PAMSIMAS-2 to support local governments in their (new) roles as program implementers. Priority will be placed on supporting government (Ministry of Health) to implement the sanitation component of the program.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
8	6. PAMSIMAS-2 should focus greater resources and attention (than was done in PAMSIMAS I) on the sanitation and hygiene component as this will ensure better effectiveness and, as a result, better cost-effectiveness	Agree	<p>COMPLETED</p> <p>Sanitation will form a key component of PAMSIMAS-2. This includes implementing the community-led total sanitation (CLTS) approach at a district level, rather than at a village level (like in previous phases of PAMSIMAS).</p> <p>Australian funding will be used to support the Ministry of Health to implement this component of PAMSIMAS-2.</p>	Infrastructure-Water and Sanitation (Jakarta Post)

9	11. PAMSIMAS-2 should direct significant attention to supporting sector monitoring beyond 'program' monitoring including key areas critical for sustainability: system functionality and management arrangements. Such work should be undertaken in collaboration with other sector stakeholders, and particularly BAPPENAS, who, through the Pokja, should champion this initiative at national level.	Agree	<p>IN PROCESS</p> <p>DFAT will discuss this further with the World Bank and Bappenas over the course of PAMSIMAS-2 implementation.</p> <p>The World Bank has informed DFAT that the PAMSIMAS Management Information System (MIS) will be improved in PAMSIMAS-2 so it can be used as a tool by local governments to monitor WASH infrastructure in their districts.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
10	12. PAMSIMAS-2 should strengthen its efforts to move from a 'program' orientation to a sector-wide approach with a service delivery focus. This includes a focus on formalising and professionalising community management; greater accountability; strengthening systems for budgeting based on life cycle costs; systems for asset management; and wider adoption of shared standards of construction.	Agree	<p>COMPLETED</p> <p>PAMSIMAS-2 will move towards a sector-wide approach and a focus on service delivery by: establishing or strengthening district-level WASH working groups (Pokja AMPL) to coordinate district management of the sector; placing local governments as the key implementers and therefore responsible for program outcomes; increasing local government investment in the program (to 20% from 10%); and having components of the program that will expand and rehabilitate existing water systems built under previous phases of PAMSIMAS.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
11	8. PAMSIMAS-2 should increase capacity building support to BP-SPAMS (Badan Pengelola Sarana Penyediaan Air Minum dan Sanitasi), including strengthened technical training (for male and female members) and strengthened financial management, and consider mechanisms to introduce greater formality and recompense for BP-SPAMS members playing integral functional roles. PAMSIMAS-2 should also engage with GoI on the overall organisational model for district support to BP-SPAMS.	Agree	<p>COMPLETED</p> <p>Recognising that the sustainability of PAMSIMAS outcomes rests with strong and well-functioning BP-SPAMS, DFAT has highlighted (with the World Bank) its preference to use Australian funds to support and train BP-SPAMS to improve sustainability outcomes under PAMSIMAS-II. DFAT will monitor this through supervision missions and reviews/evaluations.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
12	10. PAMSIMAS-2 should pilot and refine a range of workable arrangements for supporting associations of water management groups, followed by expansion of this approach more widely.	Agree	<p>DFAT will discuss with the World Bank ways in which this can be incorporated into PAMSIMAS-2. These discussions will take place during implementation of PAMSIMAS-2. reviews/evaluations.</p>	Infrastructure-Water and Sanitation (Jakarta Post)

13	13. PAMSIMAS-2 should invest greater resources and the required strategies to ensure high facilitation quality in sanitation and hygiene promotion, which includes working with MoH and other sector stakeholders through the Pokja to develop an appropriate system to accredit facilitators.	Agree	<p>COMPLETED</p> <p>DFAT has held discussions with the World Bank about how facilitation quality can be improved in the program. DFAT has suggested that facilitator training is closely reviewed through PAMSIMAS-2 to monitor training quality and how it is used/implemented in the field.</p> <p>Australian funds have been allocated under PAMSIMAS-2 to support MoH implement their sanitation and hygiene program.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
14	14. PAMSIMAS-2 should complement 'demand-side' work with strengthened focus on 'supply-side' to ensure availability of affordable sanitation products through targeted support for market chain development.	Agree	<p>COMPLETED</p> <p>This has been included in the design of PAMSIMAS-2.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
15	7. PAMSIMAS-2 should engage with GoI to expand the time-frame for implementation beyond one-year as the current short time-frame reduced quality and effectiveness, particularly of community processes.	Agree	<p>COMPLETED</p> <p>This has been incorporated in the PAMSIMAS-II design which allows for community facilitators to assist villages for up to three years. Noting there is constraints with Government of Indonesia Annual budget processes.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
16	4. PAMSIMAS-2 should analyse the unit cost per beneficiary for hardware and software costs, not just hardware only. This will raise awareness of such cost requirements for government budgeting and will increase transparency.	Agree	<p>DFAT will discuss with the World Bank the possibility of including software costs in PAMSIMAS-2's Management Information System (MIS). DFAT will raise this recommendation in the next joint GoI-World Bank meeting on the MIS.</p>	Infrastructure-Water and Sanitation (Jakarta Post)
17	3. PAMSIMAS-2 should examine reasons for any elevated hardware costs in PAMSIMAS I and ensure the new design addresses these areas. This should be done whilst ensuring that pursuit of reducing costs does not impact negatively on system quality.	Agree	<p>DFAT will discuss this issue with the World Bank in the Annual Report meeting (Oct 2013) noting that this will require a focused examination.</p>	Infrastructure-Water and Sanitation (Jakarta Post)