

DFAT Management Response to the End of Program Review of the Provincial Road Improvement and Maintenance (PRIM)

February 2024

The Department of Foreign Affairs and Trade (DFAT) commissioned an end of program review (EPR) of the Provincial Road Improvement and Maintenance (PRIM), conducted between December 2022 – February 2023. The purpose of EPR is to assess the success of the PRIM program, identify lessons learned and provide recommendations for future interventions.

The report identifies lessons to support the continued roll-out of the PRIM model in Indonesia and provides an evidence base for the design of future investments in the road and infrastructure sectors both within Indonesia and more broadly across the region. While the lessons from the EPR report are broadly applicable, DFAT’s management response is focused on how the lessons will be implemented in the context of bilateral cooperation between Australia and Indonesia on infrastructure development.

DFAT thanks those who participated in the EPR process. DFAT’s response to the key lessons and recommendations are as follow.

No	Key Lesson/Recommendation	Response	Explanation
1	Program designs should be based upon a root cause analysis	Agreed	DFAT designs follow the <i>DFAT Design, Monitoring and Evaluation Standards</i> . The design of any future infrastructure program in Indonesia will be also informed by detailed analysis, including root cause analysis.
2	The long-term pilot program led to replication. Pilot projects or programs need to be well implemented over a sustained period, together with strong and continual counterpart collaboration. Clear reporting of benefits and results can influence national policy dialogue and lead to lasting sector reform.	Agreed	DFAT recognises the need for long-term commitment and engagement to support replication of a successful pilot project. DFAT has continued to remain actively engaged on these issues in the aftermath of the PRIM program, including through the bilateral infrastructure program, the Kemitraan Indonesia-Australia untuk Infrastruktur (KIAT).
3	Performance-based granting encourages improved performance and changed behaviours	Agreed	When designing any future infrastructure development program, DFAT will explore the use of performance-based grants as a delivery mechanism where appropriate. DFAT acknowledges that incentivising improved performance through performance-based grants worked well and strengthened the results achieved through the program, both in the quality of road infrastructure

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			and in the governance of road management.
4	Non-technical project ancillary costs (such as surveys, planning, preparation, design, and construction supervision services) are a good investment and improve overall value for money.	Agreed	<p>DFAT procurements must follow value for money principles and therefore DFAT will seek the most cost-effective option to achieve the target results and impact.</p> <p>For any future infrastructure investment and as part of the policy dialogue with the Government of Indonesia, DFAT will consider sharing PRIM's experience on the importance of adequate non-technical project ancillary costs to support project implementation.</p>
5	Commitment from senior local government officials is essential for the success of the program.	Agreed	<p>Ongoing engagement with government officials, including at the local level, is part of Australia's approach of working in genuine partnership with partner governments in support of their development goals.</p> <p>This dialogue builds trust, understanding and commitment to the program. Supporting locally led development is a particular priority under Australia's international development policy.</p>
6	Formal institutionalisation of approaches and practices is required for sustainability	Agreed	<p>DFAT agrees with the importance of high-level institutionalisation of approaches and practises within relevant national development plans to ensure sustainability and transitioning process.</p> <p>Any future designs will consider the likelihood of formal institutionalisation of proposed reforms in the sector.</p> <p>In relation to this finding, KIAT has developed Engagement Strategies that include measures to support formalisation of approaches and practises through the issuance of GOI policy/decrees/regulations as necessary to support the continuation of reforms once KIAT support has ended.</p>

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7	Sustaining GEDSI initiatives and processes is challenging and requires long-term commitment, adopting strategies that can be feasibly integrated into regular processes	Agreed	<p>The design of any future infrastructure development program will include a gender equality objective and comply with <i>DFAT's Gender Equality and Women's Empowerment Strategy, the upcoming DFAT's Disability Strategy, and DFAT's Design, Monitoring and Evaluation Standards.</i></p> <p>DFAT has amended the End of Facility Outcomes of the KIAT program to include a GEDSI a outcome. KIAT has developed a GEDSI Strategy 2022-2026 that outlines KIAT's approach to addressing GEDSI in infrastructure in Indonesia.</p>
8	Disability inclusion strategies need to be strengths-based and assessed based on the quality of engagement for people with disability	Agreed	<p>DFAT assesses the quality of disability inclusion in development programs across multiple indicators, including the extent to which people living with disabilities and their representative organisations are meaningfully engaged through the program.</p> <p>Disability inclusion strategy in any future infrastructure development program will be required to meet DFAT's standards.</p>
9	An agreed Monitoring and Evaluation framework (and team) should be established at program start-up and maintained throughout the program	Agreed	<p>Monitoring, Evaluation and Learning is required as part of the DFAT design process and must be maintained throughout the implementation period to meet <i>DFAT's Design, Monitoring and Evaluation Standards.</i></p> <p>As per the Standard, a Monitoring and Evaluation Plan is required within 6 months of mobilisation, and the Monitoring and Evaluation System should be fully operational with complete baseline within 12 months of mobilisation.</p>
10	Ongoing program reform can lead to program complexity which constrains practical replication, especially related to the Program Management Manual (PMM) development	Agreed	DFAT agrees with the finding that the ongoing reform of a program needs to balance the expected benefits of the proposed reform, with the risks of becoming too complex and

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			<p>burdensome to achieve these benefits.</p> <p>If a program management document (manual/guidelines/modules) is required for any future infrastructure development program, DFAT will monitor the implementation of program documents to ensure they efficiently support sustainability and replication in the program.</p>