

Aid Activity Summary

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Note: Pak Gatot had been previously engaged by BPS as a senior project advisor during the preparation of the Statcap-Cerdas project. Subsequently he was contracted by AIPEG as a senior change management advisor as part of the ongoing institutional reforms within BPS. To the best of our knowledge, his work was not associated with the design or implementation of the PKPR. Therefore, the review team does not perceive any conflict of interest for this independent review. If anything, his knowledge and experience with the broader reform processes in BPS are considered as advantageous. He brought to the review a level of understanding of the agency, its current situation and its reform efforts that proved valuable in terms of consulting with agency stakeholders and placing information in a broader context. AusAID was aware of this previous involvement of Pak Gatot with BPS when they engaged him for this review. They reported that they perceived no conflict of interest. Similarly, the PKPR team was aware of Pak Gatot's previous experience with BPS and expressed no concern when he was engaged as part of the review team.

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Acronyms

AusAID	Australian Agency for International Development
Bappenas	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BPS	Badan Pusat Statistik (Statistics of Indonesia)
BPJS	Badan Penyelenggara Jaminan Sosial (Social Security Providers)
BLT	Bantuan Langsung Tunai (unconditional cash transfers)
BSM	Beasiswa Siswa Miskin (Needy Students Assistance)
CERDAS	Change and reform for the development of statistics
Gol	Government of Indonesia
JMC	Joint management committee
PER	Public Expenditure Review
PKH	Program Keluarga Harapan (Hopeful Family Program)
PKPR	Partnership for Knowledge-based Poverty Reduction
PNPM Generasi	Program Nasional Pemberdayaan Masyarakat . PNPM Generasi is an innovative project introduced by the Government of Indonesia to address certain lagging human development outcomes and accelerate attainment of the Millennium Development Goals
PKSA	Program Kesejahteraan Sosial Anak Kementerian Sosial RI (Child Social Welfare Program)
PPLS	Pendataan Program Perlindungan Sosial (Social Safety Net Program Data Collection)
PRSF	Poverty Reduction Support Facility
Raskin	Beras untuk Rumah Tangga Miskin (rice for the poor)
Sakernas	National labour force survey
SJSN	Sistem Jaminan Sosial Nasional (National Social Security System)
STATCAP	Five year statistical capacity development program
Susenas	Survei Sosial Ekonomi Nasional (National socio economic survey)
TA	Technical assistance
TNP2K	Tim Nasional Percepatan Penanggulangan Kemiskinan (The National Team for Accelerating Poverty Reduction)

Executive summary

An independent progress review was undertaken of the Partnership for Knowledge-based Poverty Reduction program (PKPR). The program is funded by AusAID and administered by the World Bank. PKPR aims to strengthen national efforts to reduce poverty and vulnerability by supporting the Government of Indonesia (GoI) in making informed and evidence-based policy and program decisions. The program has three pillars: i) the provision of analytics and strengthening the analytical capacity of GoI and local institutes; ii) supporting GoI in the design, implementation and evaluation of key poverty and social protection programs; and iii) helping GoI to improve the quality and accessibility of data required for poverty analysis and policy making.

The program has been operating since July 2010 but builds on earlier work that the World Bank was doing in this field. With an initial budget of AUD7.5 million, a recent proposal to expand and extend the program will result in a revised budget of AUD25.3 million over the period 2013-2016.

AusAID commissioned the review as part of its standard quality performance program. The review had a three-fold purpose: i) assess the progress of the program against its objectives with particular emphasis on its effectiveness in strengthening capacity in GoI; ii) assess the relevance of the program and identify how the program might be improved; and iii) identify the lessons and compare these with lessons from similar programs.

The review was conducted between July and October 2012, with the in-field components occurring in two phases at the beginning of August and at the beginning of September. A mix of methods was used, including a series of respondent interviews with PKPR staff, key stakeholders from participating agencies, a selection of local institutes, and AusAID staff. A list of respondents was supplied by PKPR and AusAID.

Analytics is a comparative advantage

It is evident that a range of outputs in each of the three pillars has been achieved in the first two years of the program's life. PKPR is providing GoI with a level of poverty analytics and advice not readily available by other means. The program is well regarded for the quality and timeliness of its studies. With longstanding expertise in quantitative analysis, PKPR has been strengthening its capacity in qualitative analysis. Many GoI respondents reported that this is adding value to the quality and usefulness of the studies.

PKPR with its access to a global knowledge bank, networks, and expertise is, without doubt, adding value to the Indonesian government. The overwhelming view of respondents is that this capacity is unmatched.

The program is filling a much need gap in terms of rapid response studies. Whilst GoI agencies and some local institutes might have the intellectual capacity to do these, they generally do not have the time or resources. With its access to a global bank of knowledge and resources, the capacity to meet ad hoc analytical requests is a comparative advantage. However, the downside is that this creates a moral hazard for GoI and AusAID (as the donor). Funding the PKPR enables their capacity to meet these requests which results in fewer requests by GoI to local institutes for such studies. This has negative impacts on the capacity of the institutes, compounding the already serious shortage of capacity of local institutes.

Capacity development – mixed results

Capacity development and knowledge-based capacity development in particular, is an integral part of the PKPR program. The whole purpose of PKPR is to support GoI to make informed and evidence-based policy and program decisions that support poverty reduction efforts. The program does this through a range of knowledge sharing, technical assistance, facilitation, planning, dialogue, and support activities, all of which seek to develop capacity. Each of the three pillars has a significant emphasis on strengthening capacity. It is apparent that PKPR is targeting development at different levels – individuals, organisations and their systems, and the enabling environment. This aligns with contemporary good practice.

Positive results were consistently reported where a collaborative, team approach has been taken. The standout example is the joint work on the national targeting system between PKPR, TNP2K and BPS. These results were in terms of both satisfaction with the capacity development process and the actual improvements to skills, processes and systems.

Notwithstanding this highly collaborative example, a common theme was the need for capacity development strategies to be more planned, intentional and more directed by counterpart agencies.

The general view was that whilst agencies are asked to comment on PKPR workplans, the determination of priorities and how these will be addressed is really made by PKPR. Respondents reported feeling they could not really shape these.

In particular, there were calls to change the approach to how support is provided to the BPS institutional reform. Whilst it is apparent that the technical assistance in relation to the actual data quality is having success, there were consistent concerns about the approach used for the broader institutional reforms. Without exception, BPS respondents reported this particular component of the capacity development as being too rigid and not suiting the local context. There was a high level of frustration reported and little or no progress being made. There are insufficient interim successes to maintain motivation for the longer-term reform. BPS leaders are calling for an approach that is more collaborative in nature. They would like the PKPR staff supporting the broader reform to be located in the agency to make collaboration more likely and to enable BPS to assert its leadership of these resources.

Some promising trends in relation to knowledge sharing

PKPR is making an important contribution to the uptake of evidence for decision-making. It is apparent that their studies are being used by Gol to inform policy discussions and program design. Respondents find them useful and trust the quality of the conclusions because of the rigorous data analyses. For its most recent flagship study *Protecting Poor and Vulnerable Families in Indonesia* PKPR used a more deliberative process for sharing findings and exploring implications both during the study and at the conclusion. This broadened the discussions and expanded the reach. It also added important depth to people's understanding and knowledge.

PKPR has been able to use its well-regarded reputation and its access to a global knowledge bank to motivate people to participate in knowledge sharing events, to negotiate improved access to data for local universities, and to help BPS find solutions to its pressing data storage, retrieval and access issues.

The program is demonstrating a number of practices found in the literature to be successful in making the research to policy links: focus on policy problems; closely engaging with policymakers; a good understanding of the political environment; and investing in communication and engagement.

Unfortunately, the program has missed opportunities to include local institutes in knowledge sharing activities because it does not have well established links or relationships with them. This could be easily rectified and result in a very cost effective way of contributing to the capacity development of local institutes.

Some essential practices for durability of institutional changes are evident

It is apparent that PKPR has a number of practices that the literature suggests are essential for ensuring changes are sustained over the longer-term: they take a long-term approach; they align with government priorities; they focus on partner organisations and the enabling environments; and they are often using a systems thinking approach.

However, some of its practices are impeding durability. Most notable is the approach to how they are supporting the broader BPS reform. It is possible that this approach is being influenced by other factors, including perhaps an insufficient level of budget to match the amount of work required. Durability is more likely if the capacity development with all counterpart agencies is more endogenous in nature with greater determination of priorities and activities by counterparts.

The monitoring and evaluation framework cannot meet the needs for accountability and program improvement

PKPR has moved to a results framework and has in place regular six-monthly reports of progress in which it also identifies any risks. However, it suffers the shortfalls of many development programs. It is missing the critical program theory so it is difficult to assess whether the interventions will plausibly result in the desired outcomes. Further, PKPR is trying to report on outcomes that are more reasonably those of Gol.

There is too little attention to measuring capacity development – either the efficacy of the interventions or what is being achieved. This is a serious omission for a capacity development program. Nor does the framework include attention to measuring effects of the analytics. There are now some reputable techniques to do this and the report suggests that the PKPR consider these.

Relevant but in need of more diligence

Relevance was assessed against seven criteria: alignment with Gol and AusAID policies and priorities; based on good contextual analysis; right mix of interventions; strong links between activities and goals; appropriate implementation; right counterparts; and durability. We found the program is highly relevant in two of these but only average in the other criteria. The program is and remains relevant but, clearly, greater diligence is needed in some areas. The key areas for attention are: the appropriateness of the mix of interventions; appropriate budget allocation to the various pillars commensurate with the level of priority and the difficulty of the task; effective program governance and oversight; implementation methods to suit the context and expected to result in sustainable change; and the program working with the right counterparts.

Refinements needed to the new proposal to strengthen analytical capacity of Gol and local institutes if it is to be relevant

The review has found that the scale up proposal to strengthen analytical capacity of Gol and local institutes scores low on relevance so is in need of refinement. The scale up proposal does too little to address the moral hazard issue. If a greater proportion of the proposed budget were allocated to joint PKPR-local institute studies which incorporate dedicated activities to strengthen capacity, we believe that this could begin to make a difference. Similarly, if a greater proportion of the budget was to be allocated to already capable institutes to undertake independent studies would be more effective. This change in proposal design would begin to more quickly reduce the over reliance on the World Bank.

The scale up proposal to address the training needs of a future generation of analysts and policymakers has merit but, in the review team's opinion, will not see durable change in its current form. Rather than PKPR take the lead to develop and deliver poverty-related curriculum it would be more appropriate to support local universities to do this, especially given that the two universities proposed by PKPR are reported as having appropriate capability.

The particular activities proposed as part of the sister think tank have merit and are the types of support local institutes reported needing. However, developing and managing this type of program is new to PKPR and therefore it is not an area of comparative advantage. The approach being proposed is exclusive in nature as it is highly selective of participating institutes. The requirements are too onerous for institutes to meet, preventing even those institutes participating in the Knowledge Sector program from successfully qualifying. This suggests a stark difference in ideology and approach from that of the Knowledge Sector program. It would be more relevant for the sister think tank program to be integrated with the Knowledge Sector program and for PKPR to be a pool of technical experts that can be drawn upon for a range of capacity development activities that fall within their comparative advantage.

Key lessons

Five key lessons have been identified:

A collaborative approach that enables self-direction achieves better results – clearly the most positive experiences were those where counterparts had more control over the direction and management of the work and there was a sense of a team approach with PKPR. In addition, it is clear that having opportunities for iterative successes work well. Similar lessons were identified in the literature.

If the shift in the reliance on internationally supplied analytics is to be achieved then strengthening the analytical capacity of local institutes must occur simultaneously and in a dedicated manner with a greater number of institutes – the approach in the first phase has found to have had limited results for local institutes and it is difficult to have confidence that the proposed approach for the second phase will either. There needs to be a greater emphasis on joint studies as a default position, not as part of a sister think tank program. This would hasten capacity development. Similar lessons were identified in the literature. Similarly, PKPR is in a unique position to take a leadership role in facilitating knowledge sharing amongst a broad range of stakeholders.

When the scope is broadened beyond a program's comparative advantage value for money is placed at risk – the sister think tank is the standout example of moving beyond comparative advantage. Greater value would be likely if the program were to be developed and managed by a contractor with relevant experience and for PKPR to be a pool of technical expertise on which to draw.

An effective monitoring and evaluation framework and good program oversight are essential if stakeholders are to understand if the program is achieving the desired outcomes and working in the right way for the right people – the literature is unequivocal on this point and it is clear that the PKPR framework is inadequate for the task. The situation is compounded by the limited role the Joint Management Committee has in relation to oversight of the program. Further, AusAID internal processes do not ensure PKPR is fully complementary to other relevant AusAID programs.

Capacity development experiences are less positive in situations where program support is being implemented alongside oversight of World Bank loan – the least positive experiences of the PKPR program are reported in situations where PKPR staff have a dual role of providing capacity development and support under this program and a responsibility for ensuring that requirements associated with the loan are being met. A recent review of another World Bank administered program also found the least positive experiences occurred where program staff were fulfilling the dual roles. This suggests that the dual roles are not compatible.

Recommendations

Eight recommendations have been made to address the issues identified in the lessons section. They are outlined here in summary (the fuller version can be found in the body of the report) and are in priority order as perceived by the review team.

1. PKPR, along with key stakeholders, develop a new results framework using a program theory approach. The framework should incorporate attention to the basic elements for monitoring and evaluating capacity development and measuring analytics. It is suggested that PKPR engages a monitoring and evaluation specialist with expertise in facilitating frameworks using program theory and who is able to provide on-going advice and support.
2. PKPR and AusAID to jointly facilitate a planning process with key stakeholders, to redesign the sister think tank program so it is more inclusive in nature and programmatically integrated with the Knowledge Sector program. PKPR should provide a pool of technical experts that institutes can access for a range of analytical capacity development. A pool of funds for research grants should remain as part of the program and be administered by the PKPR.
3. PKPR to shift its approach to the development and delivery of poverty-related curriculum for a future generation of analysts and policymakers to one that is focused on supporting the universities to undertake this work. PKPR should either fund the universities or embed relevant PKPR staff in the universities. Include attention to organisational development.
4. A more regular and planned approach be taken to the Joint Management Committee in order to strengthen program governance and oversight.
5. PKPR implement a planned and staged strategy to ensure that, over time, all studies and rapid responses analytics are either conducted jointly between PKPR and local institutes or independently by capable local institutes. The strategy should incorporate technical assistance and mentoring of the partners where joint studies are undertaken. The focus should be on partnering with institutes not individual researchers.
6. The Unit Manager Social Protection Programs, AusAID establish more formal and regular internal processes to ensure improved strategic oversight of AusAID's social protection and knowledge sector portfolios.
7. PKPR introduce an approach in which it negotiates agreements with counterpart agencies about how PKPR will support the priorities identified by each agency. These agreements should identify outputs, outcomes, incremental steps and successes, and how PKPR and the agency will jointly monitor interventions.

8. PKPR develop and establish a knowledge broker program, taking the lead to facilitate a range of knowledge sharing activities for a wide range of stakeholders including Gol, parliamentarians, local universities and institutes. The program should be developed jointly with a working group of key stakeholders.

1. Introduction

1.1. The Program

The Partnership for Knowledge-based Poverty Reduction (PKPR) is a program designed by the World Bank in response to the analytical needs of the Government of Indonesia (GoI). It is funded by AusAID through a Trust Fund. The program aims to strengthen national efforts to reduce poverty and vulnerability by supporting the Government of Indonesia (GoI) in making informed and evidence-based policy and program decisions. It supports GoI through three main strategies:

- i) providing poverty analytics and building analytical capacity to inform poverty and social protection policies, programs and strategies;
- ii) supporting the government in the design, implementation and evaluation of key poverty and social protection programs; and
- iii) improving the quality and accessibility of data required for poverty analysis and policymaking.

Institutional strengthening and capacity development are cross-cutting strategies that are incorporated across each component in order to improve the sustainability of evidence-based approaches to policy making. Various activities to strengthen capacity are used to develop:

- internal capacity of government agencies (in particular, TNP2K, Bappenas, BPS, and Ministry of Finance) to provide reliable qualitative and quantitative analysis to meet the immediate needs of policy makers, and provide tools that give them access to current data;
- analytical capacity of the Indonesian think tanks and universities so that they can provide services for central and local policy makers who are responsible for development policy. Their growing involvement will contribute to more informed and transparent public debate around policy issues; and
- capacity of BPS to undertake its institutional reform agenda to deliver improvements in quality and accessibility of its statistical products and services in a sustainable way.

The end-of- program outcomes are:

- i) Government uses poverty analytics to inform poverty and social protection policies, programs and strategies;
- ii) Government improves the design and implementation of poverty and social protection programs and supporting coordination systems; and,
- iii) Government improves the quality of data required for poverty analysis and policymaking.

The current AusAID contribution for the program is AUD7.5 million and an expansion to AUD25 million has been agreed.

1.2. The evaluation purpose

The Terms of Reference (refer to Annex 5) identified a three-fold purpose:

- i) Program justification – Is the program achieving what it set out to achieve?
- ii) Program improvement – How can the program be improved? Does it remain relevant?
- iii) Knowledge generation – What lessons are there? Are there examples of good practice? How is the program facilitating or hindering learning?

Within these purposes, particular assessment was sought in relation to:

- the extent to which the program has been successful in strengthening the capacity of GoI agencies, the influencing factors, and the degree of sustainability of institutional change;
- the effectiveness of the program's monitoring and evaluation framework in helping measure progress and assist with continuous improvement;
- the program's ongoing relevance post 2014, particularly as the needs of the sector change;
- how the sharing and management of knowledge can be improved; and
- whether the Bank is pitching to its comparative advantage.

1.3. Key evaluation questions

The following key evaluation questions were agreed:

High priority

1. To what extent is the AusAID funding enabling the program to meet its objectives?
 - 1.1. Have the interventions and instruments produced the desired effects? Could other interventions achieve better results?
 - 1.2. To what extent has the program strengthened the capacity of participating institutions? What factors are enabling or hindering this institutional strengthening?
 - 1.3. To what extent has the program provided motivation or incentives to participating institutions to collaborate in the utilisation of knowledge?
 - 1.4. How durable are the institutional changes? Are they likely to sustain after donor funding has ceased?
 - 1.5. How sufficient is the program's monitoring and evaluation framework in measuring change at individual and organisational levels, and in helping to improve the program?
2. To what extent do the program objectives remain relevant to national government policies and priorities and sectoral needs both now and beyond 2014?
3. What improvements could be made in the next phase of the program?
 - 3.1. What are the key lessons from this review?
 - 3.2. How do these compare with lessons from similar programs?

Low priority

4. How satisfied are direct and indirect program beneficiaries with the results (expected and unexpected)?
5. Does the program offer the right mix of activities to achieve the desired results?
6. Is the program reaching the intended beneficiaries?

1.4. Evaluation Activities

The review used a mix of methods, including: document reviews; semi-structured individual and group interviews; a modified stakeholder analysis; a rapid clarification of the program's broad theory of change to check for alignment of activities and direction with intended goals; a brief literature synthesis to identify key lessons and good practices from other studies and working papers; and a workshop with program partners to explore implications of the lessons from the literature synthesis and the review. More detailed information about the evaluation methods, techniques and processes can be found in Annex 4.

The review team interviewed a wide range of respondents including, a broad representation of TNP2K; a sample of staff from BPS, drawn from echelons 1-3; a small number from Ministry of Finance; all of PKPR team; a broad representation of AusAID; a sample from local institutes and non-government organisations.

1.5. Structure of this report

Chapter 1 – The introduction provides the background to the review and its approach.

Chapter 2 – Answers key evaluation question 1, including the five sub-section questions. Implicit in this chapter is discussion relating to the low priority questions. The chapter also provides some analysis relating to improvements and lessons.

Chapter 3 – Answers the relevance question (key evaluation question 2). Due the nature of 'relevance', this chapter also includes commentary on effectiveness and question 5.

Chapter 4 – Answers the questions about the lessons, improvements and the future.

2. To what extent is the AusAID funding enabling the program to meet its objectives?¹

2.1. Have the interventions and instruments produced the desired effects? Could other interventions achieve better results?

2.1.1. Overview of progress to date²

Objective	Progress
<p>OBJECTIVE 1: To provide poverty analytics and build analytical capacity to inform poverty and social protection policies, programs and strategies by:</p> <ul style="list-style-type: none"> • conducting original qualitative and quantitative poverty research; • providing ‘in-time’ policy advice; and • building the capacity of government agencies and local research facilities to carry-out quantitative and qualitative analysis. 	<p>Requests from government for evidence supporting poverty and social protection policy questions</p> <ul style="list-style-type: none"> • Requests from primary counterparts, for example: <ul style="list-style-type: none"> ○ TNP2K requested a variety of analytics including: a series of analytical and policy inputs targeting working group; housing for the poor; ○ The Vice President’s office requested evidence in relation to jobs for youth. • Requests now coming from agencies other than the primary counterparts, for example, Ministry of Social Affairs (analysis of social cash transfer program for disadvantaged children – PKSA); • A small number of respondents reported no action on some requests that were priority to the particular agency but not seen as priority by PKPR, for example: <ul style="list-style-type: none"> ○ study of Child Protection for Bappenas; ○ support to Kemensos, especially at mid-tier level, to understand the impact of social assistance programs, for TNP2K. <p>Evidence-based policy documents delivered to government on priority poverty reduction and social protection policy issues</p> <p>A sample includes:</p> <ul style="list-style-type: none"> • Rapid response review undertaken for government counterparts to review if any negative effects on community harmony as result of Bantuan Langsung Tunai (BLT, unconditional cash transfer); • Strategy paper that proposes how to coordinate PKH expansion with PNPM-Generasi, the community-based conditional block grant program; • Two gender policy briefs as part of multi-donor initiative to support Ministry for Women’s Empowerment and Bappenas; • <i>Protecting Poor and Vulnerable Families in Indonesia</i> – a program and expenditure review of government’s major social assistance initiatives.

¹ The objectives listed in the table have been drawn from the PKPR design document, April 2010.

² Progress is measured against the indicators outlined in the evaluation plan, which are primarily drawn from the revised PKPR results framework (2012). These indicators were agreed with PKPR and AusAID prior to the review. Quantifiable data in support of the PKPR indicators was not made available to the review team so the data is drawn from PKPR-produced progress reports and interviews held during the review.

Objective	Progress
	<p>Level of satisfaction of Gol users with the usefulness and perceived quality of information</p> <ul style="list-style-type: none"> • High levels of satisfaction from across the respondent groups. <p>Examples of contribution of program’s studies to decision and policy making</p> <ul style="list-style-type: none"> • PKPR inputs re: better targeting BSM to children from PKH families contributed to significant change to standard operating procedures of the scholarship programs; • Operational research undertaken collaboratively with TNP2K and BPS resulted in significant improvements to national targeting system; • Recommendations from public expenditure review <i>Protecting Poor and Vulnerable Households in Indonesia</i> used by: <ul style="list-style-type: none"> ○ TNP2K for series of meeting to develop a strategy for a comprehensive and integrated social assistance system; ○ Bappenas to expand the Child Protection network and formulate programs; • Gol using empirical and analytical evidence to inform changing policies regarding fuel subsidies; • Provided TA to TNP2K’s study of oil palm agriculture and poverty – results now part of IFC’s overall framework strategy on palm oil. <p>Reach of the program’s distribution of studies</p> <ul style="list-style-type: none"> • A diverse reach depending on topic, audience, purpose, for example: <ul style="list-style-type: none"> ○ Amongst Gol counterparts such as TNP2K, Bappenas where study is for internal use; ○ PER distributed widely to improve public awareness and dialogue; ○ Presentations to audiences such as: Partai Demokrat congress; forum to university students and faculties (hosted by Vice President); East Asia Poverty Forum; co-hosting a roundtable with TNP2K; ○ Articles in journals such as: <i>Strategic Review</i>; Regular poverty updates for <i>Indonesian Economic Quarterly</i> <p>Alignment of capacity strengthening activities conducted by program with expressed needs of Gol and institutes</p> <ul style="list-style-type: none"> • Majority of Gol respondents reported strong alignment with their needs. A sample includes: <ul style="list-style-type: none"> ○ assistance with analysing data; ○ temporary substitution whilst TNP2K was filling its positions; ○ Staff in Ministry of Finance and Bappenas trained to use poverty forecasting model;

Objective	Progress
	<ul style="list-style-type: none"> ○ Staff in TNP2K trained in new method to calculate poverty rate; ○ Training in ADePT – data analysis software – at national and sub national levels. ● A few local research institutes and consultants engaged to conduct studies with PKPR – this is one way of helping to address the longstanding need to strengthen local research institutes. <p>Stakeholder perceptions of the quality, appropriateness and timeliness of the technical assistance provided</p> <ul style="list-style-type: none"> ● Generally high level of satisfaction, particularly for the ‘in-time’ ad hoc requests, not readily filled by other means; ● The need to strengthen capacity of local research institutes is well known and PKPR is linked to the AusAID Knowledge Sector program – but several respondents from various stakeholder groups reported disappointment that action by PKPR in this area has been very slow to progress, for example, implementation of sister think tank deferred to 2nd stage; selection of sister think tanks not yet complete after 9-10 months; few examples of working collaboratively with local institutes.
<p>OBJECTIVE 2: To support the government in the design, implementation and evaluation of key poverty and social protection programs by:</p> <ul style="list-style-type: none"> ● promoting the continuous improvement of existing poverty and social protection programs; ● supporting the development of national household targeting system; ● introducing design innovations and piloting new programs; and ● strengthening the integration of poverty and social protection programs. 	<p>Level of reported ownership by Gol stakeholders of the reforms and innovations</p> <ul style="list-style-type: none"> ● TNP2K and BPS report high level of ownership of the reforms in relation to the national targeting system; ● Implementing agencies now beginning to use the national registry, for example, beneficiary lists for reissuance of Jamkesmas (health fee waiver) cards and the PKH expansion extracted from the registry in 2012; ● Between January and August 2012, TNP2K has received 331 requests from national and local government agencies and local institutes for data from the unified database; ● Early findings of PER shared and discussed with Gol – reports that this helped in Gol analysis and thinking about next steps. <p>Gol stakeholder perceptions of the quality, appropriateness, and timeliness of the technical assistance provided</p> <ul style="list-style-type: none"> ● High levels of satisfaction with the TA reported by: <ul style="list-style-type: none"> ○ TNP2K and BPS - national targeting; ○ Ministry of Finance in relation to the social security program reforms. ● Frustration with the TA reported by: <ul style="list-style-type: none"> ○ BPS in relation to aspects of institutional reform, especially procuring ICT.

Objective	Progress
	<p>Alignment of the reforms and innovation with the issues to be addressed</p> <ul style="list-style-type: none"> • TA that is directly supporting Gol reform priorities include: <ul style="list-style-type: none"> ○ The collaborative work undertaken by PKPR, TNP2K and BPS re the national targeting system; ○ Joint work with TNP2K in designing emergency social assistance package; ○ Support to the social security reform, for example, conducted a series of financial simulations for the SJSN/BPJS implementation; provided TA on the design of individual social security programs; ○ Work with TNP2K and the PNPM Support Facility (PSF) on the operational and strategic links between Cluster 1 and Cluster 2 initiatives addressing Gol need for integrated approach. • Gol agencies making direct requests for current priority program reform, for example: <ul style="list-style-type: none"> ○ Ministry of Social Affairs (support for reform – PKH); ○ Ministry of Education and Culture (support for program reform of programs for students from poor families – BSM). <p>Level of stakeholders who report that barriers to change and uptake of reform are identified and addressed</p> <ul style="list-style-type: none"> • Joint approach to national targeting system identified as good example of identifying and addressing barriers, especially within BPS; • Several respondents reported need for PKPR to support agencies that are implementing Gol programs more they currently do. This has been recognised by PKPR and is incorporated in the scale up phase; • A common theme from BPS was the approach taken in support of reform process was alienating many staff and therefore not addressing barriers to reform.
<p>OBJECTIVE 3: To improve the quality (accuracy, relevance, timeliness, and accessibility) of data required for poverty analysis and policymaking by:</p> <ul style="list-style-type: none"> • supporting the review and improvement of the methods used to collect, process and manage poverty-related data; 	<p>Increased frequency, timeliness, and accessibility of socio-economic and labor data</p> <ul style="list-style-type: none"> • Supported BPS to conduct both the national labor force survey (Sakernas) and the national socio-economic survey (Susenas) on a quarterly basis (up from twice per year); • BPS publishing data in a more timely manner, for example, first quarterly Sakernas available in July.

Objective	Progress
<ul style="list-style-type: none"> • building the institutional capacity of BPS to undertake continuous improvements and sustain statistical reform; and • building the capacity of BPS to better engage data users, media, and local research facilities in relation to key data such as poverty data. 	<p>Reported change in knowledge, skills and application by Gol as a result of capacity strengthening by program</p> <ul style="list-style-type: none"> • Implementation of a Quality Assurance Framework by BPS; • Now using a more rigorous method for the PPLS – better targeting the poor; • Improved technical skills: survey methods and data sampling and collection. <p>Alignment of capacity strengthening activities conducted by program with expressed needs of Gol and institutes</p> <ul style="list-style-type: none"> • Support to BPS is targeted on that agency’s institutional reform agenda, a sample of which includes: <ul style="list-style-type: none"> ○ Support to develop BPS Analysis Document; ○ Provided advice and support to operationalise the governance mechanism of the reform; ○ Support in change management initiatives including socialisation of the reforms within BPS; ○ TA to help update and finalise several consultancy packages based on project analysis and design; ○ Facilitated the development of a Technical Cooperation Program with the national statistical office of Korea (Statistics Korea-KOSTAT) for BPS to learn from the Korean experience in statistical data dissemination and communication, and in statistical quality management; ○ Assisting BPS to develop an Open Data demonstration portal of macro-data indicators geo-visualised at the sub-national level by province, district (Kabupaten) and municipality (Kota) based on poverty datasets.

2.1.2. PKPR is providing Gol with a level of poverty analytics and advice not readily available by other means

It is apparent that this is a particular strength of the PKPR program. Progress reports and a majority of respondents indicate a high volume of relevant reports and policy briefs. Respondents indicate that the studies and papers are reliable, accurate and rigorous. An assessment of a small number of policy briefs undertaken as part of this review found the papers were well set out, easy to read and logically structured. They presented the overall ‘problem’ clearly though none of them made it clear as to the targeted audience. Whilst only one provided discussion of possible solutions prior to making recommendations, the other two did outline the policy issues so in this way provided some logic behind the recommendations. All three included recommendations but fell short of giving clear direction as to what should be done by whom. (For the more detailed assessment, refer to Annex 1).

The program is particularly noted for the quality of its quantitative analysis in the poverty arena. Several respondents reported that the pool of researchers specialising in issues of poverty reduction is very small in Indonesia, with the PKPR team adding critically needed expertise. Another added:

One thing they do really well is explain the data. [Bappenas respondent #2]³

The PKPR team reported that it has begun to increase its capacities in qualitative research through both direct hire of staff and working collaboratively with a consortium of consultants with qualitative expertise. Several respondents welcomed this attention to qualitative analysis because they are now gaining a better understanding of the social impact of programs.

The quick response times to ad hoc requests is appreciated by the majority of respondents with one respondent describing the PKPR team as “...like our back office. They do our poverty analyses.”⁴ This ability to respond quickly to immediate needs is perceived as a comparative advantage of the PKPR team for three main reasons. Firstly, government agencies often do not have the staff capacity to meet ad hoc requests so look to the PKPR to fill this gap, as illustrated in the following comment:

They (PKPR) will do it if we are facing a tight deadline and cannot do it ourselves. [TNP2K respondent #5]

Secondly, the PKPR has ready access through the World Bank to a worldwide network of contemporary information. This enables Gol to access diverse perspectives and real-time data. As one respondent noted:

The World Bank has the bank of knowledge from across the world – all the lessons learned...No one can match this. [Local institute respondent #1]

Thirdly, local institutes that might have the intellectual capacity do not have the resource capacity to readily respond to ad hoc requests from Gol.

There is a downside to this comparative advantage in that it creates a moral hazard for Gol and AusAID, as the donor. A number of respondents highlighted the point that whilst donors fund World Bank teams (in this instance PKPR) to undertake research and Gol continues to receive good quality studies from this source there is a disincentive for agencies and parliamentarians to seek research from local institutes. This compounds the local institute capacity issue by reducing the number of requests to local institutes, which in turn impacts on the revenue base and the capacity of these institutes. As one respondent stated:

(Having AusAID) fund the World Bank is convenient for policy makers because they go to a single source. But this makes them (policy makers) lazy and decreases the demand for local responses. [Local institute respondent #1]

Further, there is a real danger of loss of staff from local institutes to teams such as PKPR. One local institute respondent reported that it had lost one of its talented staff members to the PKPR and fears that the significant extension of funds in the second phase will mean further staff losses.

The implications of a continued comparative advantage and steps that might be taken are further addressed in various sections of this report (2.2.5; 2.3.4; 3.1; 3.2; 4.1.2).

2.1.3. The expertise that PKPR can leverage is bringing added value to program design, delivery and evaluation

Having access to a global bank of knowledge enables PKPR to bring wide-ranging ideas and experience to the process of program development. This was a point of added value reported by a majority of Gol respondents, as illustrated by the following comment:

A comparative advantage of going to the World Bank is their different topics, their different branches. They are very comprehensive...we tap into this...the World Bank has the leverage to tap into many others...tap into many experts, tap into more knowledge. [TNP2K respondent #2]

³ NOTE: numbering of respondents does not correlate with that person's position in the agency or the order in which we interviewed people. The review team randomly allocated numbers to respondents during the data analysis stage. It is hoped therefore that we have been able to maintain confidentiality.

⁴ Local institute respondent # 2

Through its World Bank networks, the PKPR has been able to begin to facilitate a level of South-South knowledge sharing more readily than GoI would be able to through other channels. As highlighted in the literature (refer to Annex 3), South-South partnerships are increasingly seen as a key element of capacity strengthening for development and poverty reduction.

Chief among the benefits of South-South cooperation is that these partnerships bolster the array of options available for development problem solving. They help to connect previously unconnected organisations and actors. They also promote an exchange of fresh perspectives, lessons and solutions that have been generated and validated in one Southern country that may be highly relevant and adaptable to another Southern country. Several respondents welcomed this input from other Southern countries and would appreciate PKPR facilitating more of this.

It is not only the global bank of knowledge but the specific expertise of PKPR staff that is adding value to program developments. For some respondents, the expertise in PKPR is less about availability to something unique and more about connecting with “...*sparring partners*” who “...*help us think through the challenges.*” In these instances, the PKPR team are seen as critical friends who provide the “...*moral support*”.⁵ For other respondents, it is the expertise of particular PKPR staff members that adds the value. This was particularly apparent in the social security area where the expertise provided by the PKPR staff is considered by the relevant respondents to be without peer. Similarly, the expertise of the particular PKPR staff member who supported the recalculations and changes to the fuel subsidy.

2.1.4. Difficulties in determining if the current mix of interventions is the most appropriate one

For a number of reasons, the review team was not able to adequately determine if the current mix of interventions is the most appropriate one to achieve the outcomes and whether other interventions would achieve better results. Firstly, the absence of a clearly articulated theory of change means there is no ready way of determining if and how the various interventions work together, along with those external to PKPR, to bring about the desired changes. Secondly, because the PKPR results framework does not include any attention to evaluating the efficacy of the interventions there is no existing evidence from which to draw conclusions as to how relevant or appropriate the interventions are proving. Further discussion about the shortcomings of the results framework can be found in section 2.5 of this report.

Generally, respondents did not indicate that another set of interventions would be more suitable. By and large, the types of interventions were welcomed. However, a common theme was that a change in approach in some instances might lead to improved results. In particular, respondents suggested changes to the way some capacity development activities might be implemented. Further, for two respondents, the need for changes in approach led them to suggest that the level of expansion of the program in the second phase is inappropriate. The need for changes in approach is discussed in further detail in section 2.2 of this report. An issue of relative weighting of resources and concerns about the expansion are raised in section 3.1, as is discussion about the mix of interventions as it related to relevance.

2.2. To what extent has the program strengthened the capacity of participating institutions? What factors are enabling or hindering this institutional strengthening?

2.2.1. Capacity development is an integral part of the PKPR

It is obvious from the initial PKPR program design document (2010) and the recent one for the scale up phase (2012) that capacity development is an integral part of PKPR. Each of the program’s components include capacity development as either a specific strategy (2010: components one and three; 2012: all three strategies) or as a cross cutting, underlying approach to each strategy (component two). Consequently, the majority of program interventions are directed to activities designed to strengthen capacity, for example: technical assistance; coaching and mentoring; advice and support; training; seminars and workshops; embedding staff in working teams; and joint planning and implementation.

⁵ TNP2K respondents #3 and #4

Only one component of the program is offering a direct service, namely the conduct of original qualitative and quantitative poverty research, and ad hoc analytics. Hence, monitoring and evaluating capacity development should be a critical element of the PKPR results framework so that the program is able to determine the efficacy of its interventions. Unfortunately this is not the case, as outlined in more detail in section 2.5 of this report.

Respondents shared with the review team the types of capacity development activities that they find useful. These include: “...we get feedback from them about the design”; “They deliver presentations, give books and references, share experiences, help us how to interpret documents, help in editing” ; “The World Bank provides additional ideas about the methods and how to analyse the data”; “Our team is learning by doing, working hand in hand with the World Bank.”⁶

It is apparent that efforts are being made to tailor the capacity development activities to particular situations. For example, for the national targeting system, which required significant amounts of trial and error, an embedded team approach was used. This suited the requirements of TNP2K and BPS, who reported they were looking for a collaborative learning process that brought together both academic and operational thinking to the task and would result in high levels of ownership in the process and products. For the social security work the approach has been a mix of policy advice, supply of information, helping to draft legislation, provision of computer models, and the like. This approach would appear appropriate in a situation in which the Ministry of Finance indicated that the agency has “...decided to make our own decisions on our own but we need information, data, (and) support.”⁷

It is also evident that PKPR is targeting capacity development at different levels – individuals, for example training in the use of poverty forecasting tools; organisations and their systems, for example assistance in developing the national targeting system; and the enabling environments, for example assistance with drafting legislation and support to the BPS reform process. This multi-faceted approach is considered as contemporary good practice.^{8 9 10 11}

Of interest to the review team is that the PKPR team does not view the program as primarily focused on capacity development. Several times team members sought to correct the review team’s analytical framework as placing too much emphasis on capacity development. Statements such as, “*capacity development is an important objective of the program but not the main aim...*”¹² were typical. As noted at the beginning of this sub section and also in section 2.3.1, the whole purpose of PKPR is to support GoI to make informed and evidence-based policy and program decisions that support poverty reduction efforts. The program does this through a range of knowledge sharing, technical assistance, facilitation, planning, dialogue, and support activities, all of which seek to develop capacity. Not perceiving capacity development as integral to the program might help explain why there is so little attention in the program to measuring changes in capacity or the efficacy of activities (refer to section 2.5).

2.2.2. Positive results are reported where a collaborative approach is evident

Without doubt, the collaborative work on the national targeting system is the standout capacity development example in terms of both positive capacity development processes and achieving capacity development outcomes. The processes used were clearly promoting a collaborative partnership approach with respondents reporting a strong sense of joint ownership between TNP2K, BPS and PKPR. They indicated a feeling of being in charge of their respective mandate whilst being supported and assisted by the others in the partnership. They talked about “... *working closely together*”, of “...*designing activities together*” and there being “*a lot of collaboration.*”¹³

⁶ Comments from: BPS respondent #1; TNP2K respondents #4 and #5

⁷ Ministry of Finance respondent # 1

⁸ OECD (2006) *The Challenge of Capacity Development: Working Towards Good Practice*.

⁹ Baser, H. and Morgan, P. (2008), *Capacity, Change and Performance: Study Report – Discussion Paper 58B*. European Centre for Development Policy Management.

¹⁰ UNDP (2010) *Measuring Capacity*.

¹¹ Blagescu, M. and Young, J. (2006) *Capacity Development and Policy Advocacy Current thinking and approaches among agencies supporting Civil Society Organisations: Working Paper 260*. Overseas Development Institute.

¹² PKPR response to Aide Memoire

¹³ Comments from: BPS respondents #1; TNP2K respondent #2

It is apparent that the three parties shared a common goal, that they each made a significant commitment, and that no single party dominated. This capacity development process was about learning from each other and sharing learning, as illustrated in the following comment:

It was not about a transfer of knowledge from PKPR to us. It was about having a sparring partner; (about) exploring variables and ideas together. [TNP2K respondent #4]

This approach to capacity development has also clearly been successful in terms of changes in knowledge, systems, and behaviour. The following comment provides an illustrative summary of these changes:

The input from the World Bank (PKPR staff the world experts they brought in) has increased the technical knowledge of BPS staff...More sophisticated targeting methods are now being applied...There is a significant improvement between the three surveys (2005, 2008, 2011). The PPLS has more rigour now...The joint work has led to improved coordination and communication (between BPS and TNP2K). [BPS respondent #1]

This collaborative example reflects contemporary good practice in terms of promoting country ownership and leadership with donors playing a supportive role; in this instance, PKPR on behalf of the donor.¹⁴

2.2.3. The capacity development strategy needs to be more planned, intentional and more directed by Gol

Notwithstanding the highly collaborative approach on the national targeting system and the general satisfaction with the quality of the services and products of the PKPR, a common theme was that, by and large, the PKPR sets its own agenda. Respondents acknowledged that the team seeks confirmation from them that the proposed work plans are appropriate but most felt that they had little opportunity to really shape these. Comments included:

They (PKPR team) have their own agenda, they choose the priorities. [Bappenas respondent #1]

The World Bank (PKPR) team consults with us about their workplan but we don't determine this or manage as we would with consultants...they tend to do whatever they want. [TNP2K respondent #3]

There is no explicit plan with PKPR (and BPS)...no explicit yearly plan. [BPS respondent #1]

The World Bank (PKPR) prepares the workplan then talks with the agencies then send it us for our consideration, then a meeting with TNP2K and Bappenas to sign it off. It's not developed jointly or directed by agencies. [AusAID respondent #5]

Further, a few respondents reported that they do not have a strong sense of what they can expect from PKPR or how they can direct their priorities. For these respondents, much of what PKPR does appears to be ad hoc. These views of the majority of counterparts are in sharp conflict with the perception the PKPR team has of the process. It is their view that “*Gol is clearly in the driver's seat*” with “*...the issues coming from the government*”.¹⁵ They reported that workplans are developed after discussions with counterparts and the gaps identified by PKPR. This clearly suggests that PKPR and the counterpart agencies do not share a common concept of what it means for Gol to be in the driving seat.

It is apparent that the current process is not giving the counterparts what they want in terms of control of the agenda and the resources. The majority of respondents indicated that they would prefer an arrangement that is more closely determined and managed by the relevant government agency, and more formally negotiated, as illustrated by the following comments:

It would be better if we did manage them; like we would consultants...It would be better to have control over the resources. [TNP2K respondent #3]

¹⁴ Refer to references listed in footnotes #8 - #11

¹⁵ PKPR respondent #2

They come whenever we ask but it would be better if World Bank (PKPR) would discuss with us first – to develop a one year plan based on what we discuss and our priorities. [BPS respondent #1]

(I would like to see) more joint planning, a more formal approach, more mutual agreement about the workplan, jointly creating this with mutually agreed objectives and deliverables. [TNP2K respondent #7]

Whilst systems-thinking (refer to later discussion in 2.4.1) would suggest that planned approaches to capacity development are not the way to proceed, the literature does identify under what circumstances they are most likely to work, namely: where an organisation voluntarily signs up to accept capacity development support; stakeholders are willing and able to assess the capacities they need; the abilities required can be defined precisely; there are incentives to improve performance; and leadership of the organisation is firmly behind the program.¹⁶ It could be strongly argued that for the agencies that PKPR is supporting, most of these circumstances are applicable and that, therefore, these situations lend themselves to a planned approach.

Of note, the Ministry of Finance respondents were of a view contrary to the other agencies, saying: *“It is an unstructured relationship (with PKPR) but we like this.”*¹⁷

Whether a planned or more emergent approach is adopted, it is nonetheless important to ensure the PKPR capacity development interventions have clear overall goals that are determined by the agency, are supported and championed by the agency leadership, incorporate regular opportunities for feedback and learning, and emphasise on-the-job participative approaches.

2.2.4. A call for a change in approach to the support given to the BPS institutional reform process

The PKPR is supporting BPS's modernisation program. A Strategic Plan for Change and Reform was approved by BPS Senior Executive in June 2009. This is being implemented through a five-year Statistical Capacity Building (STATCAP) Program called Change and Reform for the Development of Statistics (CERDAS Program). The program is focusing on improving systems and procedures, and capacity for continuous improvement so that long-term sustainable change will be achieved. There are four components to the STATCAP-CERDAS: improving the quality of statistics; improving information and communication technology; improving human resources management and development; and improving institutional arrangements.¹⁸

BPS is seeking significant institutional reform for which respondents from across the stakeholder groups reported a pressing need. The reform process was described as being a huge investment by GoI, which it is funding through a combination of APBN and a World Bank loan. This investment is complemented by resources from the international community with BPS drawing on several donors and international organisations to assist it implement this reform. As well as the PKPR, BPS is drawing support from the World Bank more broadly: Asia Development Bank, Australian Bureau of Statistics, and the Korean government, to name a few.¹⁹

The PKPR is supporting BPS across all of the reform components. In particular it is providing technical assistance related to: developing a modernisation strategy; preparing a quality assurance framework; supporting harmonisation of other development partners; improvements in poverty measurement methodology; improvements to existing survey products; and poverty mapping. Because institutional strengthening underpins the reform, PKPR has brought on to its team people with particular expertise in institutional reform. This capacity complements the analytical and technical skills of the rest of the PKPR team supporting BPS. Whilst some individual activities of the PKPR are short in duration, the focus overall is on institutional and process transformation. Therefore, the vision and focus is long-term in nature.

¹⁶ Watson, D. “Combining ‘The Best of Two Worlds’ in Monitoring and Evaluation of Capacity Development” in Ubels, J., Acquaye-Baddoo, N.A., and Fowler, A. [Eds.] (2010) *Capacity Development in Practice*, Earthscan, London.

¹⁷ Ministry of Finance respondents #1 and #2

¹⁸ Advice from BPS

¹⁹ As advised by BPS respondent #1

The PKPR support to BPS is intensive in terms of its being provided on a regular and ongoing basis, not periodic. For example, during the national targeting system project, BPS staff were embedded for many months as part of a joint project team with BPS and TNP2K. The PKPR staff assisting with the broader institutional reform reported being in BPS almost every day working on some aspect of the reform with various levels and work units in the agency.

BPS respondents welcome the support from the PKPR, reporting that BPS has a longstanding relationship with the World Bank. Because of this relationship, the World Bank (in this instance, PKPR) is reported as being an obvious choice for support.

Almost without exception, respondents reported significant gains being made by BPS in relation to the reform of statistical methods, data collection, forecasting, the integration of SAKERNAS and SUSENAS data, and making data more accessible to other national and sub national agencies and institutes. Similarly, there were several reports of positive gains in aspects of organisational development, particularly in areas of establishing common values and steps towards organisational re-structure, especially the breaking down of the separate directorate silos.

Where PKPR is engaged in these areas of reform, respondents reported capacity development approaches that were positively assisting the reform process. As mentioned earlier, a stand-out example is the national targeting system work, which employed a highly collaborative, team approach. It is also apparent that on-the-job training in the use of poverty tools has also been received positively.

On the other hand, most respondents reported slow progress in what was most often referred to as “STATCAP reforms”. A small number of respondents external to BPS reported that the main barriers to this reform include: an absence of champions to drive the reform; a reticence by BPS staff to commit to the reform because they are comfortable with business as usual; and the major driver for change coming from outside rather than from within BPS. Contrary to this, the prevailing view is that there are sufficient champions and that BPS staff are keen to change, key ingredients to help overcome the reported inherent internal management and governance difficulties.

As for the support provided by PKPR to this reform, the dominant view is that the particular capacity development approach used by the PKPR for this part of their engagement with BPS is not facilitating the needed change. A common theme was that the approach is “too rigid” with “too much administration” with overly lengthy processes, as illustrated in the following comments:

People are keen to work but (do) not want to do endless administration. The bidding documents (which are World Bank tools) are too long. They have to be written in English because the World Bank says they have to go to Washington...We never complete the documents. It is a tiring process. [BPS respondent #2]

Progress is very slow because staff (in BPS) find many new things...(they feel that they are) being driven by (the) World Bank. Too much and rigid administrative requirements are imposed by the Bank even though the Bank system is actually good. But our people could not keep up with the requirements. [BPS respondent #3]

This approach was reported as frustrating BPS staff and that this makes it difficult for them to remain keen for reform. All BPS respondents reported that there is a strong sense of making no apparent progress in the STATCAP-CERDAS. A common concern expressed was that PKPR staff supporting the broader reform process direct and instruct BPS rather than work cooperatively with them. Comparisons were often made between the more rigid approach of the “STATCAP” and the more cooperative approaches used for the national targeting system and the solutions-focused approaches used by the Australian Bureau of Statistics with BPS and by PKPR with the Ministry of Finance. Respondents favour these approaches, not only because they are cooperative in nature but also because they enable short-term wins to be built into the long-term strategy in order to sustain the effort. Suggestions were made by BPS and TNP2K respondents that it would be better to implement a more iterative approach in which a bit of planning and development of processes and manuals is followed by a period of trial, review and refinement.

There were consistent calls for the capacity development strategy to be planned in collaboration with BPS in order to agree upon interventions, scheduling, and expectations. In particular, BPS respondents expressed a wish for the two PKPR staff members assisting with the reform process to be physically located in the agency in order to: more directly enable BPS to assert the leadership; promote a cooperative approach; and strengthen communication with the champions within BPS.

These calls are in line with systems-thinking that posits that effective change requires working with the natural dynamics and energy of an organisation, not against them.

The stark difference in the levels of satisfaction with this part of the PKPR program and the rest raises questions beyond the reported style and approach of the PKPR staff. The review team suggests that there might be some correlation between the relative weighting of resources and the connection to the World Bank loan. For this discussion refer to section 3.2 and 4.1.5.

2.2.5. Missing opportunities to strengthen capacity as part of regular PKPR analytical work

A key intent of the program is to strengthen Gol and local institutes in a number of the areas in which the PKPR has particular comparative advantages; for example, the quality of analytical studies, the ability to undertake rapid reviews and studies. Over time, these particular comparative advantages should be less pronounced as capacity is strengthened in others. However, there is little evidence to suggest that this is yet beginning to take place.

In making this statement, the review team acknowledges that the program is relatively ‘young’, being only in its second year and also acknowledges that the major thrust of strengthening local institutes has been deferred to the second phase when the sister think tank program will be fully implemented. Therefore, comprehensive difference to the capacity to Gol agencies and local institutes is primarily a matter for future assessment.

Notwithstanding, the relative slowness to help strengthen the capacity of local institutes in particular has been of concern to several respondents. As noted previously, whilst stakeholders look to PKPR to conduct the analytical work, the capacity issue compounds. Looking at the workplans and the way in which PKPR staff are allocated to overall work of the program, the review team questions whether sufficient importance has been placed on this aspect of the program. This is outlined further in section 3.1 of this report.

Capacity strengthening could be advanced more readily if the PKPR, as a default practice, were to involve relevant Gol personnel or local researchers in PKPR’s analytical work. For example, relevant Gol analytical staff could have benefited from working with the PKPR to document the work of the national targeting system, especially given that the project was a collaborative effort. Not only might they have benefited from the academic rigor but also from the analytical reflection that was part of the documentation process. Similarly, it is likely that a local researcher and the system overall would have benefited from collaborating in some part in the flagship PKPR study *Protecting Poor and Vulnerable Families in Indonesia*.

The review team is not suggesting that PKPR does not work with Gol and local institutes. There are examples of PKPR helping Gol edit papers and of them engaging local institutes to undertake some or all components of studies. We are suggesting that this approach should be a default practice rather than an occasional one. As Ford reminds us, “*Research is a ‘learning by doing’ process, and international collaboration...is a highly effective and relatively quick way to build research capacity in Indonesia.*”²⁰

Further, it appears from what local institutes told the review team that when they are contracted to undertake studies there is no dedicated support to them to strengthen their capacity. They would welcome peer support and other capacity development opportunities to be built into these contracted pieces. This should be an easy way for PKPR to build in capacity development to local institutes.

2.3. To what extent has the program provided motivation or incentives to participating institutions to collaborate in the utilisation of knowledge?

2.3.1. Knowledge-based capacity development is core to PKPR’s business

As noted in an earlier section of this report (2.2), capacity development is an integral part of PKPR.

²⁰ Ford, M. (2012) *Building research Capacity in the Knowledge Sector through International Collaboration*. Presentation to AusAID’s Knowledge Sector program in Jakarta, August 2012.

The acquisition of knowledge, as opposed to traditional development practice of injections of external expertise, allows local actors to own and replicate performances and results.²¹ Knowledge-based capacity development can be understood as a concept which covers the various processes through which systems for individual, organisational or country data production and acquisition are strengthened.

The end goal of knowledge-based capacity development is better policy and practice outcomes through improved evidence-informed decision-making.^{22 23} This is the end goal of PKPR and therefore knowledge-based capacity development is core to what PKPR does.

Measuring the efficacy of its core business is essential if an organisation is to know if it is being effective and how to continuously improve its efforts. As outlined in section 2.5, PKPR does not have an effective results framework and in particular it is not measuring capacity development. This is a serious oversight. A review of the literature (refer to Annex 3) indicates a number of contemporary good practices for knowledge-based capacity development programs. These would help identify particular indicators for a knowledge-based program results framework as well as suggest a range of areas for evaluation.

2.3.2. An important contributor to the uptake of evidence-based decision-making

Uptake of evidence for decision-making is an important indicator of the utilisation of knowledge.²⁴ It is evident that use is being made of the PKPR-conducted research. Whilst respondents spoke in general terms about using PKPR studies, the specific example they gave was that of *Protecting Poor and Vulnerable Families in Indonesia*. A respondent from TNP2K reported using it as “...a good baseline”. Two Bappenas respondents noted how this study had re-triggered debate about whether Gol should have an unconditional cash transfer grant (although this was not necessarily viewed as a positive outcome). A third Bappenas respondent who described the study as “...having good ingredients”, reported that Bappenas staff were using the study to help expand the Child Protection Network and to formulate programs.

Apart from this piece of work being one of the most recent and therefore at the forefront of people’s minds, the usefulness of it also appears to be linked to the processes PKPR used for this particular study. As a means of increasing the likelihood of bridging the research to policy link, PKPR introduced a more deliberative approach to stimulate broader policy discussion. They met with relevant agencies at different stages of the study cycle to discuss the study. Separate study reports pertinent to particular policy issues and programs were developed and distributed along the way. These formed the basis of facilitated discussions about the implications of preliminary findings. At the conclusion of the research, the findings were shared with a diverse audience, using a discussion panel with a range of interests and expertise. This deliberative process meant that findings were more dynamically used than they would have been otherwise. The indications are that this was a successful strategy in motivating stakeholders to collaboratively use and consider evidence, and one that the PKPR intends to employ more often.

Other key motivating factors are the reputation of staff in the PKPR specifically, and the World Bank more generally, and the access to a global knowledge bank which, as noted previously, is invaluable to stakeholders. Reputation and the global knowledge bank help form part of the PKPR comparative advantage, which acts as an incentive for institutions to collaborate in knowledge sharing. These are likely to have played a significant part in PKPR being able to successfully facilitate improved access to data for local institutes. For example, they helped facilitate a memorandum of understanding between government agencies (like Bappenas and Ministry of Education) and universities.

²¹ Lim, W., et al. (2001) *Using Knowledge Exchange for Capacity Development: What Works in Global Practice?* Korea Development Institute and World Bank Initiative, Washington.

²² Andrews, M., Pritchett, L., and Woolcock, M. (2012) *Escaping Capability Traps Through Problem-Driven Iterative Adaptation (PDIA)*, Centre for Global Development Working Paper 299.

²³ Lim et al (2001), op. cit.

²⁴ For this review, determining uptake of PKPR analytical work was restricted to information supplied by respondents during interviews. These were qualitative interviews so the exercise was to explore if and how respondents use the knowledge, not to quantify use. PKPR does not collect data on citations of its work nor does it maintain an impact log – a list of informal feedback, comments and anecdotes of use of research outputs. An impact log can, over time, provide cumulative effects that if analysed can constitute useful data (Hovland, 2007). Therefore neither a citation analysis nor an impact log analysis could be undertaken as part of this review.

Further, they were able to help BPS make data more publicly available by providing them with expert assistance in data management (storage, retrieval, and access), another area of comparative advantage as noted by many respondents.

Comparative advantage was an incentive for the collaborative operational research undertaken between PKPR, TNP2K and BPS in relation to the unified database and targeting. Assessing the degree of the PKPR contribution to the knowledge is not simple in this example. For some respondents, the PKPR contribution was valuable but not essential, their input being an additional intellectual perspective to an already strong intellectual base within the partners.

For others, the contribution was more tangible and essential in terms of strengthening the design, the data tools, the analysis, and the subsequent models and practices. Whichever the view about the extent of the contribution, the common view is that the joint work has resulted in significant improvements to the PPLS itself and the quality of its outputs.

Regardless of the extent of the contribution, this example demonstrates a combination of the contemporary good practices of knowledge-based development as outlined in the literature: a partnership approach based on mutual respect and agreed goals; technical cooperation (rather than technical assistance); solution-focused approach on a clearly agreed issue; a team approach; and building on existing strong relationships and previous knowledge.²⁵ It is apparent from the way counterparts discussed this example that the approach has been a critical enabler of collaborative use of knowledge and evidence.

2.3.3. Demonstrating a number of practices found to be successful in making the research to policy link

It is difficult to measure the contribution any one organisation has on evidence-based policy process. However, it is likely that PKPR is making an important contribution given that it demonstrates a number of practices that have been found to be successful in making the research to policy link:²⁶

They focus on current policy problems and the research has clear objectives: According to many respondents, several individuals within PKPR are leaders in their field and therefore aware of contemporary policy issues that confront Indonesia. Being part of the World Bank enables them to tap into policy issues and problems across the globe. It is apparent from the academic reputation that their studies are well targeted and crafted.

They engage closely with policymakers through the process: It is evident from interviews, workplans and progress reports that key PKPR staff participate frequently in policy dialogues with a range of policy influencers and makers. In addition, the new deliberative process, as outlined above, ensured close engagement with key stakeholders throughout the study cycle.

They have a good understanding of the political environment and influencing factors: It is apparent from interviews that, amongst many counterparts, key PKPR staff enjoy a strong reputation for their knowledge of the socio-political economy in Indonesia. A review of a sample of reports indicates attention to, and an understanding of, the context.

They invest heavily in communication and engagement, building strong relationships with key stakeholders: It is apparent from interviews that PKPR staff have longstanding and regular working relationships with many of their Gol counterparts and with a few key individuals in local institutes.

2.3.4. Missing opportunities to include local institutes in knowledge sharing activities

A repeated issue raised by respondents is the need to strengthen the capacity of local research institutes, be they universities, independent institutes or non-government organisations that undertake research. In the absence of a strong local knowledge sector, Gol and donors rely heavily on the World Bank. Unfortunately, as a number of respondents pointed out, this over reliance on the World Bank perpetuates the issue. The newly designed AusAID funded Knowledge Sector program is undoubtedly the most significant attempt to address this issue in a sustained way over the next 15 years.²⁷

²⁵ Refer to Annex 3.

²⁶ Young, J. (2008) Impact of research on policy and practice. *Capacity.org*. Issues 35.

²⁷ Refer to AusAID (2011) *Revitalizing Indonesia's Knowledge Sector for Development Policy*.

Alongside this major knowledge sector program, PKPR is being funded to help strengthen the analytical capacity of local institutes. This aspect of the program has had some, but limited, attention in these initial years with the dedicated strategy being deferred until the second stage. As already noted, this has been a point of concern for several respondents especially given the critical need to support local institutes.

Just as the program has missed opportunities to strengthen capacity of local institutes by not including them as a regular participant in research studies (noted in 2.2.5), PKPR has missed opportunities to include a broad range of local institutes in knowledge sharing activities.

Whilst it is apparent from interviews that PKPR has strong personal and working relationships with some key academics in local universities, and involve these people in knowledge sharing activities, the program does not have good links with the broader local institute sector. Therefore, these organisations are often not included in important events that are critical to strengthen the capacity of local institutes. For example, one such respondent stated:

I am aware of the PER (the Protecting Poor and Vulnerable Families in Indonesia study) because of our involvement in the Knowledge Sector program, but we have not seen it or been invited to take part in any presentations.

Another stated:

We have had no contact with PKPR other than the socialisation meeting about the sister think tanks. We have never been invited to any of their presentations or events.

A third one, who had participated in some studies with PKPR, stated:

We have not been invited to any presentations (to do with those studies) and we don't get a copy of the reports....We were invited to one seminar this year (facilitated by PKPR).

Similarly, when asked about the relationship with a leading local institute, a key PKPR staff member reported:

We don't have a direct relationship with (name of institute)...we work closely with (name of researcher attached to institute) but not in his role with (name of institute).

The review team acknowledges that the sample of institutes interviewed for this review was small in number. But the non-university institutes were either leaders in the sector or well connected to the AusAID Knowledge Sector program. Therefore, one could reasonably expect that they would be institutes with which PKPR would seek to develop knowledge sharing relationships. This has not been the case.

PKPR, with its comparative advantages in relation to its fields of research, its networks and its access to a global knowledge base, is in a strong position to be an effective knowledge broker and thus contribute more broadly to strengthening of the capacity of local institutes. Facilitating the participation of a broader set of local institutes in knowledge events is one obvious strategy.

2.4. How durable are the institutional changes? Are they likely to sustain after donor funding has ceased?

2.4.1. Some essential practices for durability of institutional changes are evident

It is apparent that PKPR is demonstrating a number of the essential practices identified in the literature as important to help ensure durability of institutional changes:^{28 29 30 31}

A long-term approach: The PKPR is taking a long-term agenda and has built this on an already longstanding capacity development involvement with Gol. It appears from workplans and the way Gol and PKPR respondents described activities, that individual pieces of work build on previous engagements and interventions as well as putting in place what is necessary for future stages.

²⁸ Andrews et al (2012), op. cit.

²⁹ Baser and Morgan (2008), op. cit.

³⁰ OECD (2006), op. cit.

³¹ Ubels, J., Acquaye-Baddoo, N.A., and Fowler, A. [Eds.] (2010). *Capacity Development in Practice*. Earthscan, London.

Alignment with government priorities: PKPR objectives and yearly workplans are informed by government priorities. By supporting key government initiatives the program is helping to minimise fragmentation of efforts.

A focus on partner organisations and the enabling environment, not just on individuals: As well as attention to capacity development for individuals, a critical component of the PKPR is technical assistance aimed at institutional strengthening. This is apparent in the support to BPS to revamp and modernise the agency and the Ministry of Finance in relation to developing social security programs.

Attention to the enabling environment is also evident in the PKPR's willingness to substitute capacity for TNP2K during its formative stage before TNP2K had recruited its staff or had access to funds through the PRSF. This provided needed capacity at a crucial stage, enabling TNP2K to progress its agenda more quickly, of critical importance given the time limited constraints.

A systems thinking approach to capacity development: There is evidence that some aspects of a systems thinking approach to capacity development is helping to shape what PKPR does. For example, it is evident from the brief stakeholder analysis conducted with the PKPR team that they understand that an agency is not a single system but is made up of many smaller systems. Interventions are targeted at various teams and levels within and between agencies, not confined to one. It is evident from workplans that the PKPR team acknowledges that no single intervention will result in the required capacity development. Multiple interventions are used to progress the objectives.

The importance of feedback loops was recognised in the national targeting system project with periodic informal assessments and a final analytical review being used as a means of understanding what was working and how to improve future processes and products.

The review has highlighted some areas in which practices need to be reviewed and refined.

Need to build in mechanisms to provide continuing motivation: The approach taken by PKPR to support BPS to coordinate and implement its broader institutional reform is clearly in need of review and refinement if long-term, durable change is sought. As noted previously, leaders from within BPS, staff at lower echelons, and a few external stakeholders, were consistent in their concern that the capacity development methods were often alienating staff because there are too few short-term and medium-term successes. This is not conducive to sustaining efforts (refer to 2.2.4).

The program is at risk of creating a “capability trap”, that is, “...a dynamic in which governments constantly adopt “reforms” to ensure ongoing flows of external financing and legitimacy yet never actually improve.”³² Rather than compliance with rigid processes, a more favourable approach could be what Andrews et al refer to as “Problem Driven Iterative Adaptation (PDIA)” that is based on authorising the seeking of local solutions based on active, ongoing and experiential learning with iterative feedback of lessons.

Feedback to this review from respondents highlights the importance of ensuring feedback loops are built into all capacity development interventions. This is important not only as a means of improving processes but also as one means of counteracting potential negative feedback loops. For example, persistent negative experiences, as described by BPS respondents, act as negative feedback loops within the organisation, risking reinforcement of unwanted behaviours or beliefs that nothing will change.

Need to implement capacity development that is endogenous in nature: Good practice capacity development is endogenous in nature. The evidence suggests that this is not as strong a feature of the PKPR program as it could be. Whilst PKPR consults with counterparts as part of the process to determine workplans and priorities, these are not driven by or managed by counterparts. Apart from two respondents from the Ministry of Finance, there was an overwhelming call for changes to the way PKPR workplans and priorities are determined, managed and monitored (refer to 2.2.3).

Analytical capacity is a comparative advantage of the PKPR team. One of the purposes of the PKPR is to strengthen local capacity of both GoI staff and local institutes. This should mean that the comparative advantage reduces over time. The current and proposed future approaches are not designed to achieve this (refer to 2.2.5; 2.3.4 and 3.2).

³² Andrews et al (2012), op. cit. pg. 2.

Need for more effective monitoring and evaluation: Effective monitoring and evaluation is important to help assess whether interventions will result in durable changes. As noted earlier in 2.1.4 and outlined in detail in 2.5, there is a need for PKPR to implement a more effective monitoring and evaluation framework.

2.5. How sufficient is the program’s monitoring and evaluation framework in measuring change at individual and organisational levels, and in helping to improve the program?

2.5.1. Difficulties in assessing progress of, and contribution to, program objectives

Program documentation indicates that the PKPR monitoring and evaluation framework has made an important shift towards measuring results. Attempts have been made to establish baselines to assist with assessing program performance. Six-monthly reports give an account of progress against outcomes and the outputs for the given period. However, the PKPR suffers the shortfalls of many development programs.³³ Its results framework does not adequately inform the basics of what is needed for accountability, to understand what works and why, or for ongoing program improvement. The current results framework has a number of weaknesses:

The results framework³⁴ is missing the critical program theory: A results framework should outline the strategy a program is using to achieve its specific objectives. Typically, through a combination of diagram and narrative, the framework clarifies the implicit hypotheses about development and change that underpin the program’s approach and intentions. From reading the results framework we “...should be able both to understand the premises underlying the strategy and to see within the framework those intermediate results critical to achieving the objective.”³⁵

The PKPR results framework provides only a limited picture of what the program seeks to achieve. Many of the indicators are not directly linked to the PKPR ‘results’, which are, generally not outcomes but rather the activities being undertaken. The underlying assumptions and change theories are not obvious so it is not clear how the various ‘results’ will lead to the desired outcomes.

Given the lack of clarity in the PKPR results framework, the review team conducted a very brief session with representatives from the PKPR team to clarify the key components of the outcomes hierarchy and discuss some of the underlying theories and assumptions. From this session it was apparent that the PKPR team’s mental models of how the program should work are not contained to the PKPR but reflect the broader results framework of the GoI reforms. For example, intermediate outcomes in the PKPR team’s mental model refer to such things as: implementing agencies adopting program reform; beneficiaries being able to complain about programs; DPR approving budget for improved or expanded social assistance; GoI putting in place an investment process. Whilst PKPR is providing varying degrees of technical assistance (from periodic advice to more direct, hands-on solution development, depending on the agency and the issue), these reforms are, essentially, being facilitated by GoI through TNP2K, BPS, Ministry of Finance, and the like.

Consequently, the program is often over-reaching in its outcomes and indicators whereas a results framework should focus on the difference that is being sought through the given program. Whilst it is important to acknowledge and show the links to broader development outcomes, a program’s strategic objectives, outcomes and indicators should be those for which the program is held accountable or that can be directly linked to the program’s interventions.³⁶ They should also appropriately reflect what is realistically achievable in the given timeframe with the given resources.³⁷

There is too little attention to measuring capacity development: Each of the three PKPR objectives has a strong emphasis on strengthening the capacity of national institutions.

³³ As part of this review, the review team undertook an assessment of the PKPR results framework against the AusAID Monitoring and Evaluation Standards. That assessment can be found in Annex 1.

³⁴ For this report, ‘results framework’ is used interchangeably with ‘monitoring and evaluation framework’. Whilst the key evaluation question refers to monitoring and evaluation, PKPR uses the terminology ‘results framework’.

³⁵ USAID Centre for Development Information and Evaluation. (2000) *Performance Monitoring and Evaluation Tips: Building a Results Framework*, No. 13. pg. 1.

³⁶ DFID (2011) *DFID’s Result Framework*

³⁷ USAID (2000), Op. cit.

The PKPR team seeks to build capacity through a variety of activities such as training, advice, hands-on technical assistance, provision of information, facilitating development of models, and the like. The results framework makes some attempts to capture this but, overall, not strongly. This is partly because the framework, generally, articulates activities rather than outcomes thus making it difficult to identify indicators that measure the change in capacity.

PKPR is not alone in this matter. In recent years, studies have shown that there has been too little attention to measuring the results of capacity development work.^{38 39 40} As a consequence, a number of frameworks have been developed (including within the World Bank) to improve accountability, and to help identify what works, where, for whom, and under what conditions.^{41 42}

Text Box 1 summarises what one of these frameworks⁴³ suggests as the elements needed in a monitoring and evaluation framework for capacity development programs such as PKPR.

Text Box 1: What is needed from a monitoring and evaluation framework for capacity development programs

Help us understand **what works** in capacity development and **what needs to change** (*learning for development and adaptive management*)

Measure the **outcomes and quality** of the capacity development processes: **improvements** in capacity development processes; **transparency** and **cost effectiveness** (*relevance, effectiveness, efficiency, impact*)

Assist in demonstrating **effect** of capacity development processes on the development of capacities that result in more systems and organisational readiness and ability (*resilience, readiness, ability to respond to challenges over time*)

Ortiz, A., and Taylor, P. (2009) *Learning purposefully in capacity development: Why, what and when to measure?* International Institute for Educational Planning.

Contemporary approaches to measuring the effects of research and analytical programs are not incorporated: An important component of the PKPR is its analytical and research work that seeks to provide needed evidence for policy making. The PKPR results framework is limited to measuring the number of activities: policy memos and briefs written, seminars held, research products completed, background papers prepared. On their own, these measures do not provide any meaningful information as to the influence of the PKPR knowledge activities.

PKPR is not alone in this issue. Measuring the effect of such work is challenging because policy change is highly complex and the causal links between activities and changes in policy are often tenuous. In recent years, the knowledge sector has paid more attention to how to better monitor and evaluate policy influencing activities. For example, Jones⁴⁴ promotes the use of theory of change (or program theory) as an essential tool to clarify how policy influencing activities are expected to result in policy changes. Program theory has been found to be useful even for complicated programs operating in a complex environment in which some program aspects are emergent (as is the case for PKPR).⁴⁵

³⁸ Ortiz, A., and Taylor, P. (2009) *Learning purposefully in capacity development: Why, what and when to measure?* International Institute for Educational Planning.

³⁹ OECD (2006) *The Challenge of Capacity Development: Working Towards Good Practice*.

⁴⁰ World Bank Institute (2011). *A Review of Capacity Development Results Measurement in World Bank Projects: The Need for a Systematic Approach*, World Bank, Washington.

⁴¹ Otoo, S., Agapitova, N., and Behrens, J. (2009) *The Capacity Development Results Framework: A strategic and results-oriented approach to learning for capacity development*, World Bank.

⁴² World Bank Institute. (2011). *Op. cit.*

⁴³ Ortiz, A., and Taylor, P. (2009) *Op. cit.*

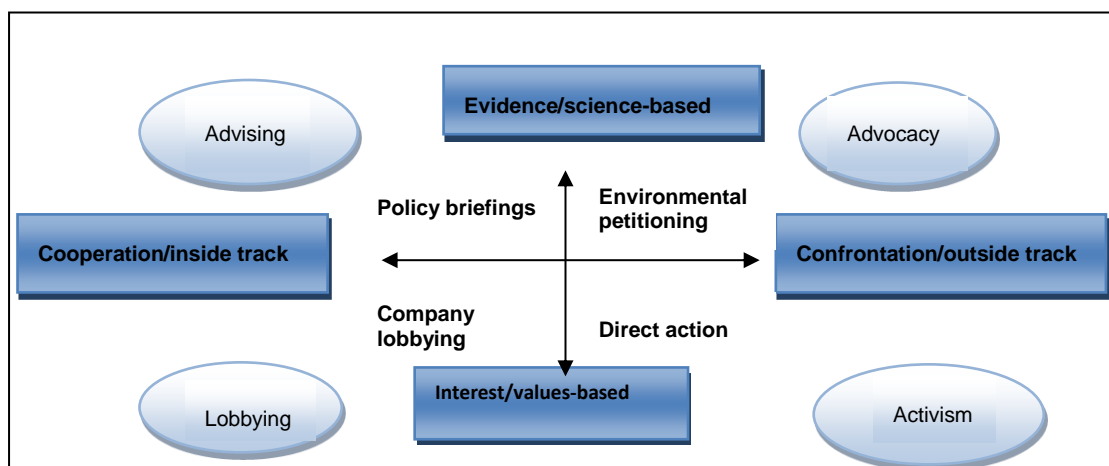
⁴⁴ Jones, H. (2011) *A guide to monitoring and evaluating policy influence: Background Note*, Overseas Development Institute, www.odi.org.uk

⁴⁵ Funnell, S.C., and Rogers, P.J. (2011) *Purposeful Program Theory: Effective Use of Theories of Change and Logic Models*, Jossey-Bass, San Francisco.

Jones, like Funnell and Rogers, highlights the importance of incorporating social science theories into a program's theory to help explain the expected changes. In particular, he draws attention to the six theories of policy change outlined by Stachowiak (2007).⁴⁶ One or more of these theories are likely to be relevant to PKPR in helping explain its program theory.

As well as using a theory of change, Jones advocates choosing monitoring and evaluation tools based on the type of policy influencing approach applicable to the program. If we consider Figure 1, it is apparent that the PKPR approach falls in the quadrant 'advising'. It is evidence-based in its approach and cooperates with policy makers via an 'inside' track.

Figure 1: Policy influencing approaches – reproduced from Jones, 2011, pg. 2



For such programs, techniques outlined by Hovland⁴⁷ would be highly applicable. In summary, Hovland recommends five key performance areas:

- evaluating strategy and direction – through techniques such as: program theory, social network analysis, impact pathways;
- evaluating management – through techniques such as: fit for purpose review, lighter touch quality audit, appreciative inquiry;
- evaluating outputs – using techniques such as: evaluating academic articles and research papers, evaluating policy and briefing papers, evaluating websites, evaluating networks, after-action reviews;
- evaluating uptake – using techniques such as: impact logs, citation analysis, user surveys; and
- evaluating outcomes and impacts – using techniques such as: outcome mapping, RAPID outcome assessment, innovation histories, episode studies.

No attention given to assessing what works, for whom and under what circumstances: The PKPR reports that it has in place informal processes to reflect upon how well the program is operating. These processes include ongoing discussions with AusAID and development partners as well as discussion within the PKPR itself. Such processes make an important contribution to program improvement.

However, the PKPR results framework does not incorporate any formal attention to measuring which of the program's activities are working effectively, for whom and under what circumstances. This makes it difficult for the program to understand the real effect it is having or which are the effective strategies and therefore how best to adapt the program for continuous improvement.

⁴⁶ Stachowiak, S. (2007). *Pathways to change: 6 theories about how policy change happens*. Organisational Research Services.

⁴⁷ Hovland, I. (2007) *Making a difference: M&E of policy research: Working Paper 281*, Overseas Development Institute.

3. To what extent do the program objectives remain relevant to national government policies and priorities and sectoral needs both now and beyond 2014?

3.1. A mixed assessment in terms of relevance

Relevance item ⁴⁸	Comments	Rating ⁴⁹
Alignment with Gol and AusAID policies and priorities	<p>The Gol has made a commitment to accelerate the pace of poverty reduction. PKPR is focused on supporting Gol in this area. AusAID's focus on social protection as a means to contribute to Gol's poverty reduction has been increasing over the past two years.⁵⁰ The program has a particular interest in supporting Gol develop predictable financial transfers for citizens to withstand economic shocks, which is a priority area for both Gol and AusAID.</p> <p>Gol respondents reported that reducing poverty will continue to be an important area of work for the government post 2014 but that the focus will need to be on broader program issues such as: social protection programs; concepts and models for livelihood programs, and how to sustain them as a practical means of reducing poverty; inequality; middle-class; the changing face of poverty; the links between social protection and health and education. By and large, these have been incorporated in PKPR's scale up proposal.</p> <p>The program is supporting the development and implementation of a range of pilot programs. This is in line with AusAID's commitment to bear the risk for the government in testing cutting edge ideas and to support a solid evidence base to guide the Gol on whether and how it should take up the ideas.⁵¹</p>	5
Program based on good contextual analysis	<p>The contextual analyses that are described in the 2010 program design and the 2012 scale up proposal confirm the situation as described by respondents to the review team. It also reflects the contextual analysis found in AusAID's documentation for scale up in Indonesia.⁵²</p> <p>The focus on poverty reduction is appropriate given the high percentage of Indonesians living in poverty or near poverty and it is not a crowded donor environment.⁵³</p> <p>There is a recognised need by all stakeholder groups to strengthen the analytical capacity of local institutes and this has been enhanced in the scale up proposal. However, the proposal is not well informed on what would work best for local institutes (refer to later discussion).</p> <p>The program has been strongly informed by longstanding engagements between the World Bank and Gol.</p>	5
Right mix of interventions And	<p>The program seeks to strengthen national efforts to reduce poverty and vulnerability by supporting the Gol in making informed and evidence-based policy and program decisions.</p>	

⁴⁸ These items have been informed by the IPR team leader's experience in assessing relevance and by a recent paper presented by Dr. Emily Rudland from the Office of Development Effectiveness, AusAID – *Assessing Relevance in Development: Meaning and Methods*. Paper presented to the Australasian Evaluation Society international conference, Adelaide, Australia, 27-31 August, 2012 – available from <http://aes.asn.au/images/stories/files/conferences/2012/papers/311209025Final00185.pdf>

⁴⁹ The rating was set by the review team and was based on a 5 point scale with 5 = very high level of relevance demonstrated for this item; 4 = high level; 3 = relevance indicated but not comprehensively; 2 = low level; 1 = very low level of relevance demonstrated for this item

⁵⁰ AusAID (2012) *Issues and Options for Scale Up in the Social Protection Sector*.

⁵¹ *ibid*, pg. 3.

⁵² *ibid*.

⁵³ *ibid*.

Relevance item ⁴⁸	Comments	Rating ⁴⁹
<p>Strong links between activities and goals</p>	<p>The three pillars (providing analytics and building analytical capacity; supporting design, implementation and evaluation of poverty and social protection programs; and improving quality and accessibility of data for decision-making) are assumed by the PKPR and AusAID to, individually and collectively, impact on the overall goal.</p> <p>A variety of activities is used including: technical assistance; policy dialogue; training; information sharing; research and analytics; facilitating resources. Generally, the interventions and activities appear to be informed by a systems-thinking approach, that is, no one single intervention or activity is seen as being the solution. The program recognises and accommodates the interplay within and between agencies.</p> <p>However, as noted in the report, PKPR has not formally clarified its theory of change nor undertakes effective monitoring and evaluation so it is difficult to determine if the assumptions about the program are correct. Equally, there is not strong program evidence to help assess if the right set of interventions are in place or the efficacy of the activities.</p> <p>An important aspect of a ‘mix of intervention’ is the relative importance or resource weighting that PKPR places on the various components and the activities therein. A detailed program budget was not available to the review team.⁵⁴ However, it is apparent from the workplans and the way in which staff are allocated that a significant amount of the resources is given to the analytical work, with markedly smaller amounts allocated to areas such as supporting the institutional reform of BPS and strengthening capacity of local institutes. Elsewhere in this report the review team questions whether the budget allocation is adequate for the institutional reforms and capacity strengthening of institutes.</p> <p>The proposed budget for the second phase appears to address some of these concerns. Even so, the budget proposes in excess of \$AUD 5 million for Bank-executed analytics, which is almost equivalent to the amount for analytics to be undertaken by local institutes either independently or in conjunction with the PKPR. To make a significant difference to the capacity of local institutes more quickly and thereby reduce the over reliance on the World Bank, the review team believes that a greater proportion of the analytical resources should be allocated to joint World Bank-recipient activities.</p> <p>Ensuring a strong relevant alignment of interventions and activities with the program goals and an appropriate mix of interventions is part of the responsibility of a program’s governance body. PKPR has a Joint Management Committee, which is co-chaired by TNP2K and Bappenas. The intention is to expand the co-chairing in the second phase to TNP2K, Bappenas, World Bank and AusAID.</p> <p>In effect, with only annual meetings, this Joint Management Committee has provided minimal oversight. Its main purpose is to sign off the workplans and the recent proposal to extend and expand the program. Payments into the Trust Fund are not tied to the results framework.</p> <p>Mostly, the respondents who participated in these meetings had only vague recollections of the content and who was in attendance. Respondents stated a more rigorous oversight has not been a concern to them because:</p> <ul style="list-style-type: none"> • <i>“We entrust it to the World Bank because we know if we ask they will be responsive.”⁵⁵</i> 	<p>3</p>

⁵⁴ The only budget information available was that contained in the progress reports. These do not provide any breakdown of expenditure of the various components.

⁵⁵ TNP2K respondent #2

Relevance item ⁴⁸	Comments	Rating ⁴⁹
	<ul style="list-style-type: none"> • <i>“The trust fund is between AusAID and the Bank. AusAID does the oversight. We trust them to make the right choice.”⁵⁶</i> <p>Not only did respondents report minimal oversight by the Joint Management Committee, representatives from the individual agencies also reported minimal or no regular meeting between their management and the PKPR to oversight the work that was occurring in their particular agency.</p> <p>One of the Joint Management Committee members reported being unhappy about the level of the expansion of the program. His view was that any expansion should have been modest (suggesting \$AUD 5 million) believing the scale of it is much too high when there are concerns about issues such as some of the approaches, the dominance of PKPR’s ideas in the workplans, and slow progress in strengthening the analytical capacity of Gol and local institutes.</p> <p>Another respondent who attends the Joint Management Committee meetings stated that AusAID should place conditions on the expanded Trust Fund including things such as: not poaching researchers from local institutes or agencies; hiring a pool of people who understand the political economy and who can work with and gain the trust of parliamentarians; and embedding PKPR in the agencies they are supporting. This person felt that this would help bring more accountability and strengthen the relevance of the program.</p> <p>A third respondent (not attached to the Joint Management Committee in any way) also expressed concern about the level of expansion especially given that the proposal to support local institutes will deliver very little over the life of the project.</p> <p>It is evident from the relevance ratings that the governance structure needs to more effectively oversight the program.</p>	
<p>Appropriate implementation for the context</p>	<p><u>Component 1:</u></p> <p>It is apparent that the research studies and ad hoc analytics are filling a capacity gap in Indonesia and the PKPR is viewed by respondents as having a comparative advantage in this area. The topics of these studies and the timeliness of them are, by and large, perceived by respondents as appropriate to needs.</p> <p>Four respondents (three Gol and one not) reported concerns that PKPR uses their studies to advocate new work for the World Bank and to promote more World Bank loans.</p> <p>Several respondents raised concerns about the way the PKPR sets its research agenda. Some key Gol respondents had no idea how this was done whilst other respondents reported that they were advised of the topics and could comment but only after the PKPR had set its priorities. It would be more appropriate to set the agenda collaboratively with Gol and donors, not just in consultation.</p> <p>The program includes a component focused on strengthening the analytical capacity of Gol staff and local institutes. Generally, the broad approach to strengthening Gol appears to be having results, with relevant respondents reporting improvements in their capacity or that of their staff.</p> <p>Capacity development could be further enhanced if the program took a default position of including relevant Gol staff in all ad hoc analytics. As noted in this report, learning by doing has been found to be a very cost effective way of strengthening capacity quickly. This approach would help to more quickly reduce the over reliance on the PKPR to undertake this work.</p>	<p>Overall rating for this item – 3.3</p> <p>(refer to individual ratings)</p> <p>3 (Component 1)</p>

⁵⁶ TNP2K respondent #4

Relevance item ⁴⁸	Comments	Rating ⁴⁹
	<p>Unfortunately, attention to strengthening capacity of local institutes has been limited and mainly deferred to the next phase.</p> <p>The program has missed opportunities to strengthen capacity of local institutes by not having a default position of including a local researcher in all studies.</p> <p>One of the respondent local institutes indicated that it has been contracted by the PKPR to undertake some studies. The review team was told that the PKPR drove down the purchase price, allegedly because the PKPR was seeking services in an uncontested manner. As a result, the institute charged 20%-30% less than its regular charge rate. The representative stated that the institute now regards this as “<i>our national contribution</i>.” The review team suggests that the PKPR, probably unwittingly, has added to the burden of an institute known to be in need of analytical and organisational capacity strengthening. This is not an appropriate way to implement PKPR’s intervention to strengthen local institutes.</p> <p>The review team also suggests that the proposed implementation of the broader program to strengthen local institutes needs refinement if it is to be more appropriate to the context. Given the significance of the review team’s concerns this is outlined in more detail in 3.2 of this report.</p> <p><u>Component 2:</u></p> <p>By and large, respondents reported that this component is being implemented in ways that are appropriate to the context. This report highlights the level of satisfaction with, and reported results of, the joint approach with TNP2K and BPS to develop a national targeting system. Likewise, for the social security work.</p> <p>It is evident that both of these are building on strengths of the counterparts and are enabling the relevant agencies to take the lead in decision-making. They are indicative of systems-thinking by encouraging the emergence of self-organisation of capacity. Further, systems-thinking is evident in these examples through the acceptance that small initial changes can have huge effects, and big system changes instigated from the bottom-up as well as pushed from the top-down.</p> <p>The social security work, in particular, is being implemented in ways that take account of the pioneering nature of the work for Indonesia and therefore its emergent nature. These PKPR staff are facilitating short-term successes as an enabler of longer-term reform.⁵⁷ This is an appropriate way of encouraging ongoing motivation when Gol is faced with significant challenges.</p> <p>The vast majority of respondents reported concerns about the capacity development for this component (and component three) being driven more by PKPR than by counterparts.</p> <p><u>Component 3:</u></p> <p>The technical assistance to BPS staff to improve methods of data collection and analysis is reported by respondents to be helping to increase skill and knowledge. The methods, which involve learning by doing and on-the-job support, are considered by respondents as very appropriate. These methods are evidently informed by good adult learning principles.</p> <p>On the other hand, the implementation of the capacity development associated with the broader institutional reform process has been categorically found not to be appropriate to the context. Intervention is reported as being too rigid and not encouraging ‘good enough’ practices, which would be a feature of good systems-thinking.</p>	<p>4 (Component 2)</p> <p>3 (Component 3)</p>

⁵⁷ From discussions with PKPR respondent

Relevance item ⁴⁸	Comments	Rating ⁴⁹
	<p>Respondents called for a more flexible process and one that is driven and managed more by BPS.</p> <p>The PKPR maintains it is taking an institutional strengthening approach to this task. This would involve counterpart decision-making. However, there is a strong sense within BPS that it is PKPR that determines, manages and monitors the resources and activities, not BPS. This is contrary to institutional strengthening, which should promote agency ownership and decision-making at all levels and in all circumstances.⁵⁸</p> <p>For this aspect of component three, PKPR is working broadly with BPS across the agency and with echelons one through to three. No single directorate is the counterpart. Rather, it is the agency per se. This appears to be an appropriate reach given the aim is to support overall institutional reform. However, the review team questions whether the two full time PKPR staff represents sufficient resources given the size of the agency and the reform task. It appears that the staff members are spread thinly, especially given that they are taking a key role in helping to facilitate a coordinated approach in the agency and they are trying to support a significant shift in culture and paradigm.⁵⁹</p> <p>Being spread too thinly might help explain why BPS respondents perceive the support to be ad hoc. It might also help explain why some practices described by PKPR staff are not as collaborative as they should be: for example, a staff member described undertaking regular stakeholder and situational analyses to help determine the most appropriate strategies to progress the reform. What would be a highly appropriate technique appears, from the description, to be undertaken by PKPR, not in collaboration with relevant BPS leaders. It would be more appropriate to use these analyses to model and coach improved project management practices.</p> <p>A final issue is the apparent confusion that surrounds this part of component three. Generally, respondents were not able to distinguish between PKPR support and the World Bank loan. This confusion is possibly partly due to the longstanding relationship the World Bank has had with BPS. It is also partly because the PKPR team itself does not make a distinction, with PKPR team members stating: <i>“The Trust Fund (PKPR) is supporting the loan, which is supporting the reform. The Trust Fund finances us to support the loan.”</i>⁶⁰ <i>“The resources are fungible.”</i>⁶¹</p> <p>It might not be necessary for counterparts to understand from which program and source of funds they are receiving the support. Nonetheless, the review team detected in the way respondents spoke about this aspect that some of the dissatisfaction with the methods was tied up with dissatisfaction with the perceived strict and rigid requirements of the loan.</p> <p>It is evident that the methods for this aspect are clearly different from the methods employed in the other components and in the area of component three that is technical in nature (improvements to data collection and analysis). The confusion and dissatisfaction with the processes appear to be exacerbated by the PKPR team being World Bank staff (refer to 4.1.5).</p>	
Right counterparts	By and large, respondents reported that the program has been working with appropriate counterparts in this first phase, though there were reservations, including:	

⁵⁸ Andrews et al. (2012). Op. cit.⁵⁹ As reported by PKPR staff⁶⁰ PKPR respondent #6⁶¹ PKPR respondent #1

Relevance item ⁴⁸	Comments	Rating ⁴⁹
	<ul style="list-style-type: none"> • Interface with Bappenas has not been as great as respondents would like, particularly given this agency's key coordinating role if efforts are to be sustained once the program ends. PKPR staff reported an intention to increase their liaison with Bappenas. • There was some disappointment expressed that too little has been done with local institutes to date and respondents are looking forward to this being scaled up in the second phase. Clearly this is a longstanding need. As indicated elsewhere in this report, the program has missed opportunities to work with local institutes. • A common theme was the need for more attention to the capacity development for implementing agencies such as Kemensos and Education. More attention is being planned for the second phase. • With a pending change in government and the associated political risks to the poverty agenda, there were calls for knowledge-based capacity development to be extended to politicians. This is an important stakeholder group for successfully bridging the research to policy link. <p>It is apparent that many respondents want PKPR to shift more of its focus to these newer counterparts in the second phase. Current counterparts, particularly a few in TNP2K and BPS, are indicating that continuing attention by PKPR to activities such as improving the unified database, the PPLS, and the grievance and complaint system, are not highly relevant now. Yet PKPR indicates it will continue to place a heavy emphasis on these activities with these counterparts. Clearly there is a need to negotiate common understanding of what is needed.</p>	3.5
Likely to encourage enduring outcomes	<p>As noted in the report, the program has in place a number of practices that are likely to encourage enduring outcomes: taking a long-term approach; aligning with Gol priorities; a focus on organisations and enabling environments, not only individuals; and systems thinking.</p> <p>Durability of efforts is likely to be strengthened if PKPR: incorporates mechanisms to maintain motivation (BPS); adopts an approach that ensures capacity development is driven and managed more by counterparts; and questions of durability are incorporated in a monitoring and evaluation framework.</p>	3.5

The overall average rating for relevance is 3.88, a little short of 'high' level. This suggests the program is and will remain relevant beyond 2014. However, there is an apparent need for closer scrutiny of the program given that it is not rating very highly on some key items: the mix of interventions and the link between activities and goals; implementation appropriate for the context; and right counterparts. Improved governance oversight that ensures partners and the donor take a more active part in determining the program is important.

3.2. The proposal to strengthen analytical capacity of Gol agencies and local institutes could be enhanced in order to maximise outcomes

As already noted, strengthening the capacity of Gol agencies and local institutes has been an aspect of component 1 of the program since the outset. Unfortunately, attention to local institutes has been limited in the first phase and largely deferred to the second phase. The review team has concerns about the way in which PKPR proposes to implement the second phase of component 1 and we make the following suggestions as ways to increase the relevance of the component:

Allocate a greater proportion of the analytics resources to joint PKPR and local institute studies: The review team acknowledges the dilemma for AusAID and the Gol in relation to the supply and demand issue for quality analytics. Whilst capacity is being strengthened amongst local institutes the demand for high quality studies does not diminish.

Allocation of a greater proportion of the analytics budget to joint PKPR-local institute studies (for both original research and rapid response analytics) would more quickly progress the learning by doing. As suggested previously in this report, joint studies should be the default position for the PKPR, with PKPR-only studies conducted very rarely. This approach would help strengthen the capacity of local institutes more quickly and begin to change expectations of those requesting the analytics as they developed greater confidence in the local product.

In addition, a greater proportion of the analytics resources offered to the few already highly capable institutes to undertake independent studies and rapid response services, would mean more analytics could be supplied locally thus helping to address the moral hazard.

Whilst such institutes may have to recruit additional staff to undertake this work, they could do this confidently if the PKPR negotiates a budget for the remaining period of the PKPR contract. After all, the Trust Fund enables the PKPR to address its staffing needs using this exact solution.

Strengthen local universities' capacity to address the training needs of a future generation of analysts and policy makers: Helping to address the training needs of a future generation of analysts and policy makers has much merit. It would help achieve durable changes. However, the particular proposal for PKPR to teach in local universities and to develop training modules is not conducive to long-term sustainability. The approach is not focused on developing the capacity of the universities. The teaching simply substitutes capacity. Although intention of the PKPR is to “develop curriculum and deliver the courses...in cooperation with local universities”⁶² the approach, nonetheless, places the solution and ownership with the PKPR, not the relevant local universities.

The two universities that PKPR states it is most likely to work with are reputed to each have at least one exceptionally talented professor of economics, a core of research analysts, the needed skills and tools, and the mandate to carry out the course.⁶³ Given this, the review team wonders why the approach is not one of funding these universities to hire the additional relevant academic capacity or to embed the particular PKPR staff in the universities for the length of the project. According to PKPR and a number of Gol respondents, the major issue is one of institutional capacity. Therefore, a more sustainable solution might be for PKPR to:

- a) fund (or embed) the needed academic input for the development and delivery of the courses, thus ensuring local ownership of the immediate product and the longer-term solution;
- b) provide technical assistance for the necessary concurrent institutional strengthening, thus help these universities address some of their most pressing constraints; and
- c) facilitate knowledge sharing between the two universities and others focused on exploring how the sector might address ways to solve the issue of educating future analysts and policy makers more sustainably.

Integrate the sister think tank with the Knowledge Sector program rather than have a separate PKPR-run program: The particular activities proposed as part of the sister think tank program – coaching on research design, regional and global exchanges, quality control and peer review, coaching on improving policy linkages, in-house training on analytical methods and tools, and the provision of research grants⁶⁴ – all have merit in helping to strengthen local institutes. They are the forms of assistance sought by the institutes that participated in this review. They are also activities that are promoted by experts in the field (such as John Young, ODI and Michele Ford, University of Sydney).

Although the activities proposed are relevant, the implementation of the program raises concerns. Firstly, supporting a sister think tank program is a new direction for PKPR. Key staff report that the team does not have the immediate experience and therefore will be learning as the program evolves. In addition, whilst PKPR has strong personal and professional relationships with some academics, it does not have a strong relationship with local institutes per se.

Limited connections with local institutes has contributed to the slowness in progress to date and are shaping what appears to be a cautious future implementation. For example, a PKPR respondent stated:

⁶² PKPR respondent #5

⁶³ As reported by PKPR respondents #1 and #5

⁶⁴ As outlined in *PKPR Expansion and Extension Proposal, revised document, July 2012.*

As this is a new model of working for the World Bank we would work with one (institute) first to learn the lessons and then scale up.

In an environment in which the need is great, this appears to be an extremely slow way to proceed. Furthermore, it is in direct contrast to the Knowledge Sector program, which is promoting simultaneous capacity development of several institutes.

A second concern has been the tight criteria PKPR has developed for the selection of participating institutes. Whilst it is important to ensure institutes have some basic capacity to participate, PKPR's requirements appear excessive in the given context. It has also meant that PKPR has had difficulty finding the type of institutes with which it wishes to work, thus contributing further to the delay. For example, PKPR wants institutes to have permanent staffing capacity rather than associates who are drawn upon when the work and resources are available. This is a difficult undertaking for institutes in a context in which staff can only be employed if funding is guaranteed through some level of core funding or an existing strong grant base. This is not the situation most local institutes enjoy. Indeed, even the PKPR's research staffing is subject to the guarantee of the Trust Fund.

In addition, PKPR is seeking a staffing profile that consists of a mix of researchers, post graduates and doctorate holders. This is a requirement that is also difficult for many local institutes to meet. As one potential aspirant commented:

The program (sister think tank) is about capacity building and that is what we want... It seems they were more focused on the staff we have. They didn't think we had enough staff or the right ones. We don't have PhDs. We outsource these from (a local university). But they (PKPR) wanted us to have sufficient staff and the particular expertise....I was asked to add extra staff. This is not practical for us....There were just too many pre-conditions so we didn't qualify. [Local institute respondent #3]

This approach means that the PKPR program is exclusive in nature. This too, appears to be in direct contrast to the Knowledge Sector program, which is taking a more inclusive approach. This exclusivity is resulting in the sister think tank program ruling out even those institutes that are participating in the Knowledge Sector program. Yet these are the very institutes that one would expect could benefit from the analytical expertise of PKPR.

The Knowledge Sector program builds on from the existing situation and capacity of the participating institutes at a pace and on the priorities set by participant organisation. This indicates an appreciation of the specific strengths and capacities of each institute, regardless of its stage of evolution. On the other hand, the PKPR demonstrates a different ideology; one that is based on deficits, of filling gaps, of getting institutes ready to work in the way the PKPR thinks is appropriate. For example, the program's intention is to "...put in work (with them) prior to prepare them to be ready for partnership."⁶⁵ This basic difference in ideology between the two programs is highlighted in the following comment:

With the Knowledge Sector program we build up from where we are but with the World Bank (PKPR) we have to have their basic conditions. [Local institute #3]

These stark differences in ideology and approach suggest that the proposed sister think tank modality lacks efficacy in terms of achieving the aims of the Knowledge Sector program of developing a domestic research capacity across a broad base of institutes. Drawing on the experiences of SMERU and the Knowledge Sector program, respondents reported that a sister think-tank program needs to: strengthen both analytical and organisational capacity; be endogenous in nature and tailored to each organisation; take a problem-solving approach not a technical skills approach. Given this, several respondents questioned the appropriateness of PKPR operating this program. As one respondent stated:

They (PKPR) have high quality researchers but is it the best way (having them operate the sister think tank) to get the long-term changes? Is the World Bank the right organisation to strengthen the capacity? [Local institute respondent #2]

The review team is of a similar view and suggests that a more relevant role for PKPR is to act as a pool of technical experts that institutes participating in the Knowledge Sector program can draw upon.

⁶⁵ PKPR respondent #1

This would mean that PKPR works to its comparative advantage rather than developing an area for which it does not have such an advantage (operating a sister think tank program). Further, it would allow a greater number of institutes to have ready access to PKPR's expertise, thus strengthening analytical capacity across the sector more quickly than proposed by the PKPR.

If the sister think tank program were to be integrated into the Knowledge Sector program then the issues of organisational development would be addressed, as part of that program. This integration would also relieve the PKPR from managing the program and allow it to concentrate on other knowledge activities for which it has particular advantage, including:

- improving its knowledge broker role with all knowledge sector stakeholders – institutes, government, parliamentarians, non-government organisations, donors and the like;
- providing opportunities to local institutes to undertake joint research with PKPR;
- linking institutes with other international scholars;
- operating a grants program for local institutes to encourage more local research;
- providing quality assurance, peer review and mentoring to local institutes;
- seconding PKPR research staff to local institutes for intensive capacity development; and
- facilitating a series of knowledge-sharing forums on a range of topics: discussion and debate about methods and tools; poverty data; exploring service delivery responses

4. What improvements could be made in the next phase of the program?

4.1. What are the key lessons from this review and how do they compare with lessons from similar programs?

This section of the report attempts to capture the lessons learned from this review and those from other similar programs that might have relevance more broadly. To identify the lessons from other similar programs, a literature review was conducted of studies and practice documents relating to the field of knowledge-based capacity development. This field was chosen because its ultimate aim is the same as that of PKPR: better policy and practice outcomes through improved evidence-informed decision-making. The literature is summarised both in themes and as an annotated bibliography in Annex 3.

4.1.1. A collaborative approach that enables self-direction achieves better results

The most positive experiences in the PKPR program occurred where partners had greater levels of autonomy over the interventions. This was about more than counterparts determining factors such as the intervention priorities, who should be involved and what activities would be most suitable. It was also about counterparts and PKPR working hand in hand, of mutual respect, of valuing the input of all those involved, of joint goals, and of sharing responsibility for the process and outcomes. Local expertise and knowledge (from within the counterpart agencies) was drawn upon and combined with the complementary expertise of PKPR to jointly define issues and challenges, and to work out solutions.

The approach led to high levels of ownership by all participants and increased the confidence of counterparts in their capacity to tackle the next set of challenges. It was a resource intensive approach and required significant relationship negotiation with the costs being borne by both the PKPR and the counterpart agencies. However, the benefits undoubtedly outweighed the costs.

The literature identified a similar lesson, that policies and program work best when designed and implemented locally, and highlighted the importance of allocating a high percentage of time and resources to assisting partners to self-define activities, monitor results, and define next steps.⁶⁶

This lesson was reinforced by the least positive experiences in the PKPR program. These were typified by partners having little sense of autonomy over the interventions, of feeling forced to take actions that they believed were not effective, of little or no collaboration occurring, and of few instances of iterative successes. In these examples counterparts were clearly dissatisfied and capacity development outcomes were less likely to be reported.

The literature identified a similar lesson, iterative incremental steps and successes need to be built into long-term capacity development strategies so that motivation and a sense of achievement are made possible.^{67 68}

Drawing on these lessons, PKPR could enhance outcomes by putting in place a more definitive process in which it assists counterparts self-determine the most pressing issues and the capacity development priorities to address these. Jointly developed and agreed plans that build in opportunities for iterative successes, should guide the activities and be used as a basis for joint monitoring of results. Regular two-way feedback loops would assist in understanding the efficacy of the interventions and assist collaborative decision-making as to next steps.

Similarly, the program's approach to helping address the analytical needs of a future generation of researchers should be changed so that it is focused on supporting the two proposed local universities to develop and deliver the necessary curriculum. This is more likely to lead to a sustainable solution than the current proposal.

⁶⁶ Refer to annex 3

⁶⁷ Refer to annex 3

⁶⁸ Watson, D. in Ubels et al [Eds] (2010) op. cit.

4.1.2. If a shift in the reliance on internationally supplied analytics is achieved then strengthening the analytical capacity of local institutes must occur simultaneously and in a dedicated manner with a greater number of institutes

A recurring theme was that local institutes do not have sufficient capacity to meet the analytical needs of government. The literature indicates that strengthening such capacity is a long-term process⁶⁹ and needs attention to both the supply and demand side.⁷⁰ The AusAID-funded Knowledge Sector program is the most significant attempt to try to address this in a comprehensive way. However, recognising that this on its own will not be sufficient, AusAID and the World Bank have built capacity development for local institutes into the PKPR program.

The approach in the first phase has had limited results for local institutes. Respondents, almost universally, still indicate an over reliance on the PKPR specifically and the World Bank more generally. It is difficult to see how the proposed interventions to strengthen the capacity of local institutes in the second phase will make any significant difference to this situation unless significant changes are made to the underlying approach. The exclusive nature of the proposed intervention will restrict the reach of the program.

Having PKPR manage a sister think tank program is not making use of its comparative advantage nor a cost effective use of resources that are neither large nor lengthy in timeframe (AUD2.4 million over four years).⁷¹ The PKPR personnel say themselves that they do not have the experience in this type of program and that they will need to learn by doing. It is far better to put efforts and the limited available resources into ensuring as many local institutes as possible can draw upon PKPR's comparative advantages than in developing skills within PKPR to develop, implement and manage a sister think tank program, especially one that will have limited impact. The point of the exercise should be on developing the capacity of local institutes.

If the management of any sister think tank program were to be integrated with the Knowledge Sector program or in the interim, as the Knowledge Sector program is established, given to an organisation that already has the required experience, PKPR could concentrate on sharing knowledge in ways that better reflect its comparative advantage. An obvious strategy would be to ensure that all studies (independent pieces and rapid responses) are undertaken with local institutes. Joint analytics with institutes and not simply individual local researchers will help strengthen both the researcher and the institute through learning by doing. This step alone would be a powerful adjunct to the Knowledge Sector program and reflects what the literature says is a cost effective way of making a difference quickly.⁷²

The PKPR is in a unique position to take a leadership role in facilitating knowledge sharing amongst a broad range of stakeholders. Its expertise and access to a global knowledge bank mean that it could take on a leading role as a knowledge broker, including facilitating a series of knowledge forums. Whilst this role could be picked up by highly capable institutes such as SMERU the lesson from a previous review is that additional core funding is required.⁷³ Given that the PKPR has significantly more funding, has access to the global knowledge base and networks, and is more able to source funds than are local institutes, the obvious choice is for PKPR to pick up this role.

If the PKPR were to become a resource to the Knowledge Sector program (or to an alternative experienced manager of sister think tank programs) then more local institutes could avail themselves of the specific expertise of the PKPR.

4.1.3. When the scope is broadened beyond a program's comparative advantage value for money is placed at risk

A key consideration of value for money is ensuring that funds are directed to a program's comparative advantage. Value for money is becoming of more interest in the development sector.

⁶⁹ Refer to annex 3

⁷⁰ Refer to AusAID, (2011). *Knowledge Sector Program Design Document* (and supporting diagnostics)

⁷¹ As advised by PKPR management

⁷² Ford (2012), op. cit.

⁷³ Review of SMERU undertaken for AusAID by the same review team and this review of PKPR

The OECD suggests that value for money is an important component of effectiveness, especially as donors want the best possible results as efficiently as possible with the funds they provide.⁷⁴ The value for recipients is benefits, which are maximised if there is a good link between program objectives and the interventions and activities. As noted in section 3.1 there are some concerns about the link and effectiveness, and hence the value for money, of aspects of PKPR. One of these is where the scope of the program is broadened beyond the program's comparative advantage (refer to 4.1.2).

Of particular concern is the sister think-tank program, which is clearly outside PKPR's comparative advantage (refer also to discussion in section 3.2). As suggested in the previous lesson (4.2.1), there would be advantages in the development and management of the sister think tank being transferred to a more suitable implementer so that PKPR can concentrate on activities associated with its comparative advantage.

4.1.4. An effective monitoring and evaluation framework and good program oversight are essential if stakeholders are to understand if the program is achieving the desired outcomes and working in the right way for the right people

The literature is unequivocal in suggesting the important role monitoring and evaluation plays in evidence-informed policy and programs and in ensuring effectiveness of capacity development.^{75 76 77} PKPR has limited capacity to determine the efficacy of its individual interventions and the program overall because its result framework is not sufficient for the task.

This situation is further compounded by the limited role of the program governance body. PKPR program documentation indicates a commitment to good program governance and oversight as do the counterparts agencies and AusAID. The World Bank is well regarded for its commitment to good governance more broadly. These commitments could form the basis for reviewing and improving the current situation.

In addition, AusAID's internal processes for oversighting the interface of this program with its larger Knowledge Sector program are not well developed. For example, input to the peer review of the scale up proposal by other AusAID program managers was minimal.⁸⁰ Whilst peer reviewers had a broad understanding of the proposal they did not have the specific knowledge that the review team would expect if an integrated and complementary approach between programs is desired. Any scale up proposal, especially when it intends to increase a program by three-fold, can increase the risks for AusAID. Therefore, AusAID needs to be especially diligent in terms of ensuring it will get value for money and to ensure any proposal adds to and strengthens the overall development strategy. There would be value in AusAID reviewing the efficacy of its internal processes and refining them where necessary.

4.1.5. Capacity development experiences are less positive in situations where program support is being implemented alongside oversight of the World Bank loan

On one hand Gol welcomes the advantages of World Bank loans. Several respondents reported that loans not only make finance available but also help to improve Gol's processes and systems in order to meet certain World Bank requirements. Loans are also welcomed because of the ready access they provide to the Bank's global expertise and knowledge bank.

On the other hand, many respondents expressed that they would prefer not to have a loan because they feel they do not have the same degree of control over processes and decision making as they do when they are using a grant. Often respondents spoke about being frustrated by and with the Bank's rigid processes and the often directive approach taken by World Bank staff.

⁷⁴ Jackson, P. (2012). *Value for money and international development: Deconstructing myths to promote a more constructive discussion*. OECD.

⁷⁵ Ortiz, A., and Taylor, P. (2009) Op. cit

⁷⁶ World Bank Institute. (2011) Op. cit.

⁷⁷ Otoo, S., Agapitova, N., and Behrens, J. (2009)

⁷⁸ Watson, D. in Ubels et al. (2010) Op. cit.

⁷⁹ Refer to annex 3

⁸⁰ As reported by AusAID staff.

A few of these respondents also expressed a view that because the World Bank is in the business of giving loans that their staff seek opportunities to recommend new loans. These respondents perceive the PKPR staff as pushing their own agenda so that they build the capacity of the Bank. On the other hand, the PKPR management reports that expanding the loan portfolio in this sector is not the Bank's strategy nor is it consistent with the team's messages to the government throughout the duration of the program. They report that "...the Bank's messages have been consistently focused on improving the quality of spending and reallocating state funds to strengthen the effectiveness of social protection programs."⁸¹

Whilst the number of respondents holding this adverse view was small, they are significant in terms of the positions they hold. If their view is incorrect, as would appear from the response made by PKPR, it suggests that the PKPR might have a stakeholder relationship management issue it needs to address.

The common view is that the GoI and the World Bank enjoy a positive relationship that has been built on 40 years of working together. Nonetheless, there is an apparent dichotomy. This was most evident in BPS where the PKPR staff also support the work of the loan. This is also where the review found the least positive experiences being reported.

The review team recently conducted an independent review of another World Bank administered program.⁸² Of interest, whilst the counterpart agencies and the implementing team were not the same as those for PKPR, respondents overwhelmingly reported high levels of frustration similar to those reported in the PKPR review. In that program the dichotomy was even more prominent, possibly because of the larger scale and scope of the program.

In both cases, the dichotomy was most pronounced where the program is operating concurrently with a loan. In both reviews, respondents reported less positive experiences where program staff had the dual role of providing capacity development and support as part of the trust fund and a responsibility for ensuring that the requirements associated with the loan were being met. This suggests to the review team that the dual role is not compatible and that the PKPR and the World Bank should find ways to separate out these functions.

⁸¹ Stated by PKPR management in response to draft report

⁸² Program Support Facility for PNPM

4.2. Recommendations

The following recommendations have been developed to address the issues identified in the lessons section of this report. They have been numbered in order of priority as perceived by the review team.

4.2.1. Monitoring and evaluation

We suggest that this recommendation is the top priority because changes in the capacity development approach and the role of the PKPR plays in knowledge-based capacity development will be better informed through the process of clarifying the program's underlying theory.

Recommendation 1: The PKPR team, along with key stakeholders, develop a new results framework using a program theory approach to clearly articulate:

- the mental models, the social science theories, and the assumptions that underpin the program's logic, and how these will be tested;
- the central role of capacity development to each of the objectives;
- the end-of-program outcomes and those in the intervening stages: that is, the outcomes hierarchy;
- how the knowledge components of the program contribute to policy making;
- the interventions that are considered necessary and sufficient to achieve the outcomes;
- where a planned approach can be taken (outcomes and interventions are more definite), and which aspects of the program are emergent and therefore need to be more flexible; and
- appropriate indicators and measures for all levels of the program theory (foundation activities; inputs; processes; activities; the outcomes hierarchy).

The revised results framework to be made more robust by incorporating: a) the basic elements for monitoring and evaluating capacity development, as recommended by Ortiz and Taylor (2009); and b) relevant contemporary measurements for research and analytics, as recommended by Hovland (2007).

The PKPR is likely to benefit from engaging a monitoring and evaluation specialist who has particular expertise in facilitating results frameworks using a program theory approach and who is able to provide some level of ongoing coaching to the PKPR teams and oversight of the results framework. The review team suggests that all key stakeholders participate in clarifying the program theory so that there is mutual agreement about how best to achieve the desired outcomes.

Resources required: The review team understands that an appropriate proportion of the budget for the second phase has been allocated to monitoring and evaluation. We suggest that this recommendation could be met from within that budget.

4.2.2. Focusing on PKPR's comparative advantage

The review team suggests this is the second priority recommendation but should be addressed simultaneously with the first. It is important to attend to this recommendation early because of the current evolutionary stage of both the sister think tank program and the Knowledge Sector program.

Recommendation 2: That PKPR and AusAID jointly facilitate a planning process with key stakeholders (including local institutes) to redesign the sister think-tank program so that it is more inclusive in nature and is integrated into the Knowledge Sector program both programmatically and administratively. The program should be managed directly by the Knowledge Sector managing contractor or an alternative experienced contractor with agreed communication and accountability processes through to the Knowledge Sector contractor.

PKPR should provide services as a pool of technical experts that institutes, including universities, can access for a range of analytic capacity development, both ad hoc and planned, including but not restricted to: training in the use of poverty analytical tools; mentoring in the design and implementation of methods, the collation and analysis of data, and the reporting of findings; peer review; quality assurance..

A pool of funds for study grants to local institutes should continue to be a part of the program. This could continue to be administered by the PKPR given the World Bank's trust fund expertise.

Resources required: The review team suggests that this short-term revision work could occur within the proposed budget for this component of the second phase of PKPR. It is assumed that AusAID might wish to engage a facilitator for up to a week. It would be reasonable that this be funded from the PKPR Trust Fund. Likewise, some budget would be needed to fund venue hire and refreshments for the stakeholders who participate in the revision of the design.

A proportion of the second phase PKPR budget would be allocated to fund the PKPR staff used to provide the capacity development.

The review team suggests that the following recommendation is important but not urgent so implementation could begin later than the more pressing ones.

Recommendation 8: That PKPR develop and establish a knowledge broker program, taking a lead to facilitate a range of knowledge sharing activities for a wide range of stakeholders including Gol, parliamentarians, local universities and institutes.

The development of this program should be undertaken jointly with a working group of key stakeholders, drawn from across the relevant stakeholder groups.

Resources required: The review recognises that this is an additional role for PKPR. This may need additional funding, depending on the revised think-tank program and budget. It might be possible to fund this activity from the Knowledge Sector program as part of the Intermediary component. It would be essential that AusAID provides clear guidance as to the possible level of additional funding.

4.2.3. Shift to supporting universities to develop and deliver poverty-related curriculum so a more sustainable approach is made possible

It is important to attend to this recommendation early because of the current evolutionary stage of the initiative.

Recommendation 3: That PKPR shifts its approach to the development and delivery of poverty-related curriculum for a future generation of analysts and policymakers to one that is focused on supporting the universities to undertake this work. PKPR should either fund the universities or embed relevant PKPR staff in the universities. Attention should be paid to the provision of technical assistance for the necessary organisational development. It is suggested that the initiative includes a sharing of knowledge between the two universities.

Resources required: It is anticipated that the resources should be met from within the existing PKPR second phase budget.

4.2.4. Strengthen the oversight of the program

Given the importance of this recommendation in terms of ensuring continuing relevance, the review team suggests it should be implemented as soon as practically possible.

Recommendation 4: A more regular and planned approach be taken to the Joint Management Committee in order to strengthen the program governance and oversight.

Resources required: It is anticipated that the resources should be met from within the existing PKPR budget and those of Joint Management Committee member organisations.

4.2.5. Shifting studies and rapid response analytics from predominantly PKPR executed to jointly executed with local institutes

The review team suggests that this recommendation could be implemented gradually with some degree of implementation almost immediately.

Recommendation 5: That PKPR implement a planned and staged strategy to ensure that, over time, all studies and rapid response analytics are conducted either jointly between PKPR and local institutes or independently by capable local institutes. This strategy should incorporate technical assistance and mentoring of the analytical partners in joint studies throughout the life cycle of the given study or analytic.

The focus should be on partnering with institutes, not individual researchers in order to help in establishing stronger relationships with local institutes and to promote the organisational strengthening not only the individual capacity development of researchers.

The partner researchers should be included as authors in reports and be provided with opportunities to co-author subsequent policy briefs, papers, journal articles, and the like.

Resources required: It is anticipated that this recommendation could be implemented with the existing budget of the second phase.

4.2.6. Enhance internal AusAID program integration

AusAID should begin to implement this recommendation as soon as practically possible.

Recommendation 6: That the Unit Manager, Social Protection Programs, AusAID establish more formal and regular internal processes to ensure improved strategic oversight of AusAID's social protection and knowledge sector portfolios.

Resources required: It is anticipated that this recommendation could be implemented within existing organisational budgets.

4.2.7. Instituting a more planned approach to capacity development and one that is determined and managed by counterpart agencies

The review team suggests that as this is essentially a change of practice and that this recommendation could be implemented as part of a half-yearly review of the workplans.

Recommendation 7: That PKPR introduces an approach by which it negotiates agreements with counterpart agencies about how PKPR will support the priorities identified by the agency. Such agreements should identify expected immediate, short-term and intermediate outcomes, ensuring that sufficient incremental steps and successes are built into longer-term strategies. Agreements should also outline how interventions will be jointly monitored by PKPR and the counterpart agency. PKPR workplans should then reflect these agreements. Monitoring should include periodic two-way feedback loops to help determine the efficacy of the interventions and identify any changes needed.

Resources required: It is anticipated that this recommendation could be implemented within the existing budget of the second phase.

Annex 1: Knowledge-Based Poverty Reduction: Analysis of Policy Briefs based on Hovland

	Implementation of BPJS Ketenagakerjaan - Dated May 2012 (The World Bank, Policy Note on SJSN, No.1 2012)	Policy Brief 4: Employment, Migration and Access to Finance – Dated 13th June 2011	Policy Brief 5: Poverty, Vulnerability and Social Protection – Dated 13th June 2011
Coherence	<p>This policy brief is well set out and easy to read. There is a clear, logical structure to the piece through use of sufficiently descriptive subheadings for succulent paragraphs. For the most part the opening few sentences of the first paragraphs of each sub-section drive the argument.</p> <p>Key sentences – either the subheadings or the key recommendations within the sub-sections – are either coloured or in bold font to effectively highlight the central arguments when skim reading.</p>	<p>This policy brief is well structured and easy to follow. The first sentence of the brief presents the reason behind the paper and drives the argument. The rest of the first paragraph then introduces the ‘problem’ in general terms as well as the suggested solutions.</p> <p>The remainder of the paper is clearly structured in a logical order. Each of the three issues (employment, migration and access to finance) are discussed in three sub-sections of “current status”, “policy issues” and “recommendations”. In this way the brief is coherently structured to present background context behind the problems before introducing recommendations.</p> <p>Subheadings further help the coherence of the brief. Under each subheading there is a coloured box containing a key sentence for each sub-section. The use of these subheadings and key sentences in particular assists effective skim reading.</p> <p>The consistency of font size and heading placement for the tables of data presented in some of the sub-sections do vary however. Therefore some of the tables are difficult to read at a glance. At least one table (the first) is also missing an appropriate heading. The boxed information is more successfully presented with coloured background and different font.</p>	<p>This policy brief is well structured and easy to follow. The first sentence of the brief presents the reason behind the paper and drives the argument. The rest of the first paragraph then introduces the ‘problem’ in general terms as well as the suggested solutions.</p> <p>The remainder of the paper is structured in largely coherent order. Background context is provided for each of the two issues (social protection and poverty reduction). This is followed by a section on policy issues surrounding both issues, and finally a sub-section presenting recommendations for both areas. In this way the brief is structured in a logical manner, however a similar structure to Policy Brief 4 – in which each “problem area” is discussed with separate policy implications and recommendation section – would have been clearer. Having the policy issues and recommendations section relate to both areas requires additional concentration.</p> <p>Subheadings further help the coherence of the brief. Under each subheading there is a coloured box containing a key sentence for each sub-section. The use of these subheadings and key sentences help to distil the main points of concern.</p> <p>There are numerous tables and figures presented to support key assertions in the brief. However, again, the consistency of font size and heading placement for the tables of data presented in some of the sub-sections do vary however. Therefore some of the tables are difficult to read at a glance. At least one table (the first) is also missing an appropriate heading.</p>
Statement of ‘problem’	<p>The introductory section makes it clear that although the BPJS law is a significant step, there remains a number of ‘problems’ facing the Indonesian government if it is to successfully implement the policy. The following sub-sections outline a problem and present a recommended action to address the issue.</p>	<p>Statement of the overall “problem” is presented in the first paragraph. The brief concerns the gender equality gaps that need to be addressed in Indonesia’s labour market and economic development.</p>	<p>Statement of the overall “problem” is presented in the first paragraph. The brief concerns gender equality issues in addressing vulnerability and social protection of the poor in Indonesia. It is easy to follow the discussion of the current situation.</p>

	Implementation of BPJS Ketenagakerjaan - Dated May 2012 (The World Bank, Policy Note on SJSN, No.1 2012)	Policy Brief 4: Employment, Migration and Access to Finance – Dated 13th June 2011	Policy Brief 5: Poverty, Vulnerability and Social Protection – Dated 13th June 2011
	<p>However it is not clear who the target audience. The writer needs to think from the audience perspective and make the purpose of the article's intended audience clear.</p>	<p>The wider issue is then broken down into a discussion of three problem areas: "labour force", "access to finance" and "migrant workers". Each of these three areas are discussed in three sub-sections covering context, policy issues, and recommendations. Significant data is presented in support of the 'facts' of each "problem" area.</p> <p>However it is not necessarily clear who the target audience.</p>	<p>The wider issue is then broken down into a discussion of context behind two problem areas: "poverty reduction" and "social protection". Significant data is presented in support of the 'facts' of each "problem" area.</p> <p>However it is not necessarily clear who the target audience.</p>
Potential solutions	<p>The paper does present brief discussions of potential solutions to the identified problems prior to outlining bulleted recommendations on how the World Bank can assist the Indonesian government. The discussions of the potential solutions make clear the nature of the problem and then the reasoning behind the solutions.</p>	<p>Paper moves into recommendations for each of the three problem areas without prior discussion of potential solutions. However in the "policy issues" sub-sections detail the challenges and constraints facing government in the current context is presented. This helps demonstrate the logical behind the recommended actions.</p>	<p>Paper moves into recommendations for each of the two problem areas without prior discussion of potential solutions. However in the "policy issues" sub-section discusses the challenges and constraints facing government in the current context is presented. This helps demonstrate the logical behind the recommended actions.</p>
Conclusions and recommendations	<p>The paper concludes with a recommendation section under the heading "How The World Bank can Support the Government". Three areas of World Bank assistance are recommended. A brief paragraph of discussion is provided for each recommendation with bullet points identifying particular assistance actions recommended.</p> <p>However only one of the three recommended assistance actions (Policy Dialogue) presents specific action bullet points. The other two consist only of single explanatory paragraphs that describe World Bank capabilities. Therefore not all of the problematic issues identified in the preceding sections are addressed in a direct manner.</p>	<p>Discussion of each of the three problem areas concludes with bulleted recommendations. Some of the recommendations in these sections fail to give clear direction as to what should be done by whom. Also, a number of the recommendations are vague goals rather than clear recommended points of action, as in the following example: "strengthen existing women micro-small-medium enterprises to scale up their activities, thereby generating more employment for women".</p>	<p>The paper concludes with six bulleted recommendations. Overall the recommendations in this policy brief are more targeted than those in policy brief 4. However three of the six still fail to give clear direction as to what should be done by whom.</p>

Annex 2: Assessment of the PKPR results framework against AusAID M&E standards

Standard 2: Initiative Monitoring and Evaluation Systems

The review team made an assessment of the PKPR results framework against the AusAID M&E Standards (as used in Indonesia). The IPR team used a four-point rating (met, partially met, not met, and not able to be assessed).

	Features of the M&E System	Assessment of IPR Team	Rating
Design Phase to Initiative Mobilisation			
2.1.	Adequate resources are available – approx. 5-7% of budget	Data not available to IPR team so no assessment possible	Not able to be assessed
2.2.	ToRs for the M&E specialist adequately reflect the key tasks of the system design, oversight and outcome evaluation with adequate days allocated for the life of the initiative. Adherence to international evaluation standards has been required.	PKPR does not have M&E specialist on its team so there is no ToR. To the IPR team's knowledge there is no-one dedicated to oversee PKPR M&E nor is there a dedicated process.	Not met
2.3.	Adequately qualified M&E specialist is recruited	No M&E person on PKPR team	Not met
M&E System Planning			
2.4.	There is adequate basis for the development of the M&E Plan	The IPR team did not have access to any information about the processes proceeding the development of the results framework	Not able to be assessed
2.5.	The M&E Plan provides a summary of the overarching system design including key M&E approaches and activities	The PKPR results framework does not provide any overarching summary	Not met
2.6.	The M&E Plan reflects current international standards for evaluation practice	PKPR uses a results framework, which is currently a widespread practice. However, there is no information available to indicate if any international standards (JCSEE or AES) are used or considered	Not met
2.7.	Goals and end-of-program outcomes are clearly articulated and assessed	These are not clearly articulated - the listed results are often activity statements, not outcomes – outcomes are often over-reaching, i.e., they reflect GoI outcomes rather than PKPR outcomes	Not met
2.8.	Key evaluation questions are posed	The results framework poses no evaluation questions	Not met
2.9.	The quality and reach/coverage of key deliverables are monitored and evaluated	The results framework does not address how key deliverables will be monitored or evaluated. Bi-annual progress reports provide information about outputs and progress towards outcomes. However, there is no indication of these are on track or if they vary from intention in any way. The results framework does not provide guidance in this matter.	Not met
2.10	Relevant aspects of the context are monitored	The results framework does not incorporate any attention to this other than to list some risks. It is not clear if or how these might be monitored. Progress reports do provide information on context and where the program might be contributing to change – but the results framework provides no guidance	Not met

	Features of the M&E System	Assessment of IPR Team	Rating
2.11	The methodologies are fully elaborated	Data sources are provided in the results framework but no guidance as to how these will be used	Not met
2.12	Baselines are considered, and if not appropriate then a rationale is provided	Baselines are not provided in the results framework but a baseline report was prepared. However, the baselines have only been gathered on outcomes that are considered as outside the program's influence. Results for the individual components were not used to gather baselines – this is the level that would have been more applicable to PKPR. Baselines would nonetheless be difficult because results are, generally, activities and not outcomes and indicators are mostly measuring inputs	Not met
2.13	Responsibility is allocated to specific individuals for all M&E activities	No responsibility is allocated	Not met
2.14	Mutual accountability and joint assessment by national partners is provided for (using partner systems where appropriate)	The results framework gives no guidance as to the degree of mutual accountability. Some of the stated data sources are from Gol systems/agencies but there is no indication who is responsible or accountable	Not able to be assessed
2.15	Individuals responsible for implementing the M&E Plan have the capacity to do so (time, resources, skills)	The results framework gives no guidance as to who is responsible. Nor did the IPR team have access to information about this	Not able to be assessed
2.16	A strategy for the utilisation of information is described	This is not included in the results framework. It is not clear how findings will be used.	Not met
2.17	A complete schedule of M&E activities show when all key M&E activities will be carried out and information available	The results framework provides no guidance as to what or when activities will be undertaken	Not met
2.18	The M&E Plan can be easily understood by the non-specialist and key stakeholders	AusAID staff as primary users of the information advised the IPR team that they cannot see from the results framework how their information needs will be met.	Not met
2.19	The M&E Plan is resources and costed	The results framework does not indicate how it will be resourced – there are no costs	Not met
During implementation			
2.20	M&E reports are available upon request and report against planned M&E activities	The results framework gives no guidance as to the type, number or frequency of reports. Progress reports are provided on a six-monthly basis but these are only linked loosely to the results framework.	Partially met
2.21	Progress reports meet stakeholder needs, report against the M&E Plan, have a credible basis form claims, and recommend actions to improve performance	AusAID staff reported that the progress reports do not fully meet their information needs. The reports are only loosely based on the results framework. Basis for claims of achievement are not always substantiated. Some reports indicate how program improvements could be made – but mostly the risks and improvements are focused on Gol not PKPR	Partially met
2.22	Information has informed initiative learning, decision making, and actions	The IPR team did not have access to information as to if or how M&E is being used for learning. The new proposal indicates lessons but it is not clear if these have come from program M&E	Not able to be assessed

Annex 3: Knowledge-Based Capacity Strengthening: Literature Synthesis and Annotated Bibliography

This literature synthesis and annotated bibliography were produced by Euan Hind to support an independent review of the Partnership for Knowledge-based Poverty Reduction program.

Literature Synthesis

The first part of this paper provides a brief synthesis of existing literature relating to using knowledge and learning for capacity strengthening in development practice. It sets out key common lessons from these studies, presented under thematic headings which have relevance to the evaluation of the Partnership for Knowledge-Based Poverty Reduction. An annotated bibliography of the literature follows the synthesis.

KNOWLEDGE-BASED CAPACITY STRENGTHENING

Capacity strengthening has gained acceptance as a priority in international development interventions over the past decade, recognised as a critical issue in the 2005 Paris Declaration. Though acknowledging that the concept can be confusingly all-encompassing, the OECD (2006) claims that capacity development is a critical factor in meeting the Millennium Development Goals. The OECD define “capacity” as the ability of people, organisations and governments to manage their affairs successfully, and “capacity development” as the process through which capacity is created, strengthened, adapted and maintained over time (p. 12). Knowledge is a key component of capacity. The acquisition of knowledge, as opposed to traditional development practice of injections of external expertise, allows local actors to own and replicate performances and results (Lim *et al.* 2001). It is important, as Velho (2004) suggests that it is only those countries capable of exploiting knowledge that are able to grow economically and improve the living conditions of their populations. However Velho also notes that knowledge is more concentrated than wealth.

Knowledge-based capacity development then can be understood as a concept which covers the various processes through which systems for individual, organisational or country data production and acquisition are strengthened. The end goal of knowledge-based capacity development is better policy and practice outcomes through improved evidence-informed decision-making (Andrews 2010; Lim *et al.* 2001; Velho 2004). The importance of knowledge in development has long been appreciated. However development practitioners had traditionally conceived knowledge strengthening in a developing country as largely a one-way process involving a Northern partner transferring knowledge to a Southern partner. Since the move to capacity development in the development sector, such North-South transfer is no longer seen as the appropriate modality. Rather capacity development strategies are now formulated on the assumption that knowledge needs to be developed and acquired locally (OECD 2006). Knowledge-based capacity development is reflective of what Wilson (2007: 196) terms the “...’absorptive capacity’ of Southern partners, the ability and motivation to learn, rather than simply the capacity to receive a knowledge ‘thing’”.

The literature in this review provided a wide-ranging discussion of theory and practice in strengthening capacity of government institutions, local NGOs or research institutes through North-South and South-South partnerships. The literature on capacity-strengthening-as-development-practice is inconsistent in approach. There is little evidence of any systematic convergence on particular points of interest across research in the field. However there were four elements of capacity strengthening which were consistently discussed across the literature as being central to capacity strengthening (though for the most part the four elements were not discussed as necessarily integrated or interlinked). These four elements of capacity strengthening are:

- development of individual skills and abilities;
- development of effective, sufficiently resourced and efficient entities in which individuals can work;
- creating enabling environments within entities for individuals; and,
- strengthening relationships between entities both in North-South and South-South partnerships.

(see, amongst others, Andrews *et al.* 2012; Garten *et al.* 2008; Godfrey *et al.* 2002; Lim *et al.* 2001; OECD 2006)

NORTH-SOUTH PARTNERSHIPS

North-South partnerships have been the traditional approach to capacity strengthening in the development sector. This resulted in decades of development assistance being seen as largely a process of developed countries providing solutions to developing partners (see in particular, Garten *et al* 2008; Godfrey *et al* 2002; Morgan 2002; OECD 2006). In recent decades there has been important reconceptualisation of the nature of learning processes and knowledge transfer between Northern and Southern actors. This is worth noting as most of the recent dialogue around capacity strengthening for development examined in this review is still largely centred on North-South partnerships. The literature makes clear that partnerships are now seen as consisting of two-way processes of knowledge-transfers between North and South. There is emphasis across the literature on Northern partners needing to be aware of the country context of their Southern partners.

Traditional models of practice based on one-way flows of expertise, coupled with external Northern practitioners with little understanding of the context in which they are operating, have fallen out of favour as they are seen to have limited impact on capacity development. Firstly such approaches have been linked with a lack of ownership in the host country as there is little reason for participants to feel the process and results relate to them (see, for instance, CHF 2008; Morgan 2002). Barcham (2003) points out that another potential failing in a lack of contextual understanding is that development interventions often fail because of ignored disparity in capacities between North and South partners. Importantly, a number of studies (see, amongst others, Lim *et al* 2001; Nakabugo *et al* 2010) found that this traditional North to South approach often ends up addressing short-term individual knowledge gaps, but not long-term institutional capacity, as it either remains unaware of existing capacity within country or does not allow sufficient time and support to strengthen that capacity. From a Northern viewpoint, it has been suggested (Nakabugo *et al* 2010; OECD 2006) that the learning involved with two-way transfers of knowledge strengthens the capacity of Northern institutions to successfully engage their Southern partners.

There is a need then to understand North-South partnerships as a two-way process of learning and knowledge transfer as well as a need to understand local context in order to identify, unleash and strengthen the already existing capacity within developing countries. An interesting addition to above is Velho's (2004) discussion about the realigning North-South partnerships along three new assumptions. Velho (2004) suggests that most partnerships are based on models that assume a linear progression of knowledge being produced from a partnership to then being utilised by pre-specified end-users (principally Northern practitioners or academics). This approach reinforces the one-way process conceptualisation and isolates potential new knowledge from being discovered. Velho's three new assumptions are: a) the notion of non-linear production of knowledge and innovation; b) the need for social relevance of knowledge and accountability of practitioners; and, c) the need for self-determination and ownership of knowledge production. These "new" assumptions, Velho argues, would increase the impact of knowledge-based development interventions impact through the capture of different types of knowledge, previously unidentified or ignored, necessary to address development problems.

IMPORTANCE OF SOUTH-SOUTH PARTNERSHIPS

The literature makes clear that South-South partnerships are increasingly seen as a key element of capacity strengthening for development and poverty reduction. The recognition of the strengths of South-South partnerships has in large part occurred as a result of frustrations with the shortcomings of traditional North-South models discussed above. The literature identifies numerous capacity strengthening benefits that South-South partnerships in development initiatives can deliver. Chief amongst these benefits of South-South cooperation is that the partnerships bolster the array of options available for development problem solving. Such partnerships offer this by helping to connect previously unconnected organisations and engaging previously unengaged actors, allowing exchange of fresh perspectives, lessons and solutions that have been generated and validated in one Southern country that may be highly relevant and adaptable to another Southern partner (see, amongst others, Abed 2012; Anderson 2010; Lardone and Roggero 2010; Maruri 2011; Garten *et al* 2008).

It was also suggested by multiple authors (Lin *et al* 2001; MacKay; Maruri 2011; Sergone 2008; Think Tank Initiative 2007) that South-South partnerships ensure greater inclusion of actual change makers and 'champions' and that this can help foster ownership and leadership. A key lesson from development experience to date is that policies and programmes work best when designed and implemented by local actors.

It does this especially when senior officials link themselves to project processes and evidence thus creating increased demand for knowledge production and sharing. Garten *et al.* (2008) also argue that an added benefit of South-South cooperation is that such partnerships produce more cost effective intervention solutions. They do this, the authors suggest, firstly by highlighting local expertise and capacity; allowing countries with more relatable contexts to share intervention lessons, possibly avoiding the replication of mistakes (also see Maruri 2011); and, by strengthening relationships between local institutions and organisations which in turn helps to ensure governments in developing countries see value in continued funding once donor funding is stepped back.

BEST PRACTICE PRINCIPLES FOR KNOWLEDGE TRANSFER TO STRENGTHEN CAPACITY

This final section of the synthesis provides discussion of the lessons identified across the literature that are relatable to best practice knowledge-based capacity strengthening. Most of the lessons below were discussed from the perspective of a Northern provider of assistance in a North-South partnership, though a number of specific South-South cases are included. However it is arguable that the principles below are as relevant for South-South partnerships as for those between Northern and Southern partners. The OECD highlights the importance of taking note of best practice principles from capacity strengthening experience. They note that in recent years more than US\$ 15 billion per year has gone into capacity strengthening strategies in development projects. Despite this, they argue, evaluation results have indicated that development of sustainable capacity has been one of the least responsive targets of donor assistance (2006:11).

Building long-term elements into development programme planning

The need for long-term programme planning and support was a common best practice theme across the literature. There were multiple benefits linked to long-term support. Lim *et al.* (2001) suggest that it is through long-term programmes that capacities are strengthened. They argued that attaining, adapting and applying knowledge-based capacity is a medium-term process which necessitates recurrent interaction. This infers that short-term interventions would work against capacity development. Nakabugo *et al.* (2010) support this viewpoint arguing short-term North-South partnerships often become focused on one-directional transfer of knowledge and capacity as there is little time for other approaches. Lim *et al.* (2001) suggest a number of methods to encourage repeated interactions (and thus capacity development) in medium to long-term programmes, including: situating knowledge exchange within a series of other capacity development interventions; inclusion of mechanisms to provide continuing motivation and support; and, maintaining peer-to-peer (both in-country and external North-South or South-South) interactions throughout the life-cycle of interventions. It is worth noting however that at least one article (CHF 2008) argues explicitly that it is short-term engagements that build capacity in developing countries by removing the potential for dependency.

A key benefit of long-term programme planning and support is the creation and maintenance of in-country ownership. Development policies work best when they are designed and implemented by local actors, institutions and organisations. Local design and ownership draws on local expertise and knowledge to define problems in a manner consistent with local context. This local context is crucial as for knowledge programmes to work they must align closely with local realities of what needs to be generated and learned. Numerous studies (see, for example, Jones and Mendizabal 2010; Maruri 2011; Think Tank Initiative 2007) found that that the local input into the design and implementation stages benefits from initial commitments to long-term funding and support. Mackay (2008) also adds that local ownership of aid programmes creates a positive feedback cycle in building long-term demand for knowledge and exchange. Jones and Mendizabal (2010) do however provide a reminder that North-South partnerships need to be truly cooperative when they find that local ownership of knowledge generation and transfer programmes is just as important in Northern partners.

Another benefit of long-term support and planning highlighted in the literature is that it encourages the strengthening of capacity to self-identify and assess country needs and project goals. A number of authors (see, for instance, Andrews *et al.* 2012; CHF 2008; Lardone and Roggero 2010; Think Tank Initiative 2007; Velho 2004) expound that donors should spend significant time in utilising their technical expertise to assist Southern partners self-define activities, monitor results and define next steps. In particular these studies found that local nomination and definition of problems further helped build ownership as well as further drawing out and strengthening local capacity by relying on local ability and expertise to the greatest extent possible.

An obvious consequence of the need for long-term programme planning and support is the need for long-term assurances on core funding. The importance of medium to long-term assurances about funding from donor to grantee government institutions or research organisations in capacity strengthening outcomes was a common theme across the literature. Medium to long-term guarantees of funding are required because:

- short-term funding fails to build strong research organisations as institutes often end up doing “response research” to meet short-term programme objectives as opposed to concentrating on long-term development concerns;
- long-term funding increases autonomy as it allows organisations the freedom to focus on their self-defined needs and thus capture issues of all important local context in their planning; and
- increased long-term funding brings demand for an increase in embedded monitoring and evaluation programmes from Southern partners, and the funding of these monitoring and evaluation aspects (and other quality and performance indicators) of a programme helps to ensure these aspects are seen as local priorities.

(see in particular, Lardone & Roggero 2010; Mahmood et al 2011; Think Tank Initiative 2007)

Focus on the organisation, not simply the individuals within

Another strong best-practice theme through the literature was the importance of enabling environments of organisations and institutions the strengthening of capacity. The literature cited a need to focus on strengthening the environment within government institutions and research organisations and, in turn, the links between networks of institutions and organisations. Both Nakagubo *et al.* (2010) and the OECD (2006) state explicitly that, in their experience, capacity development depends crucially on the quality of *organisations* in which knowledgeable and skilled individuals work. They also argue that the ability of organisations and institutions to support and develop capacity of their individuals is determined to a significant extent by the *enabling environment*: the structures, power and influence embedded in the institution. From this it can be taken that best practice capacity strengthening would include a focus on strengthening the enabling environment of institutions and organisations as opposed to focusing on identifying and then filling short-term individual knowledge gaps or skills.

Velho (2004) finds that strong institutions and organisations that can focus on creating and strengthening interaction across research networks are the key to making possible the capture of the wide-ranging types of knowledge, often coming from generally ignored sources, necessary to address development problems. To achieve improved enabling environments both the OECD (2006) and The Think Tank Initiative (2007) note that it is important to earmark specified time and funds into building and strengthening institutional environments and networking activities between research organisations and government institutions. When attempting to strengthen capacity for knowledge transfer and learning, Jones and Mendizabal (2010) add that it is also highly important that there is strong and coherent systemisation of the separate initiatives occurring within a given institution or organisation. Without such overarching coordination separate initiatives run the risk of falling into the trap of only filling short-term individual knowledge gaps and not developing organisational capacity.

Garten et al (2008) argue that focussing on helping local institutions and organisations build and maintain networks in order to strengthen capacity is critical for two reasons. Firstly a network allows previously unconnected organisations to engage and discuss issues and solutions. Second, strengthening relationships between local institutions and government in particular develops the capacity of civil society and governments to see value in continuing investment after donor funding is stepped back. An interesting final note on the need for organisational focus is provided by Wilson (2007) who suggests that such approaches obviously put emphasis on Northern “providers of knowledge” having the capacity to manage multi-stakeholder processes that require collaboration, partnership formation and dialogue. It would seem therefore that it is just as important that donors have the ability to coherently and accurately self-identify capacities and gaps when formulating an assistance programme.

Improving performance indicators

The question of how to measure the impact or otherwise of increased capacity was the focus of a number of articles. If, as the OECD suggests, the development of sustainable capacity has been the least responsive target of donor assistance it would seem there is a pressing need to ensure that capacity performance indicators provide sufficiently accurate feedback. Mackay (2008) in particular has relevant lessons to share on the need for improved performance indicators to achieve evidence-based policy making and evidence-based management and accountability. The author notes that most poor countries have found it difficult to strengthen capacity in their national statistical offices both in terms of data production and data utilisation. Performance indicators for the intervening steps between budget and donor resources spent and country progress are often absent. Currently there is too much reliance on the indicators at the extremities: donor budget and resources spent compared to ultimate country progress.

Mackay terms this the “missing middle”. The lesson here then is that there needs to be greater emphasis on performance indicators for the intervening, incremental steps of an intervention or programme. Mackay suggests that such indicators should cover government activities, outputs and services provided and their outcomes. Similarly, CHF (2008) have found that designing and delivering sub-projects within a larger project has been an effective method of improving performance indicators regarding the impact of capacity building interventions. Both Lim *et al* (2001) and the Think Tank Initiative (2007) present findings indicating that building repeated actions and feedback loops into the incremental steps of a programme helps to strengthen quality assurance, accountability and transparency practices.

Two studies (Mahmood *et al.* 2011; Velho 2004) discuss performance indicators specifically for research institutions, universities or think tanks. Mahmood *et al.* (2011) suggest that indicators of strengthened capacity could include publications in peer-reviewed journals, successful grant applications, qualifications of the researchers, and the number of projects per year per researcher as well as the number of projects of greater than one year in length. Velho (2004) notes that conventional indicators of strengthening capacity have focused largely on the number and availability of research findings published via traditional academic journals and publications. More relevant indicators of success in developing research capacity and quality Velho argues would include qualitative measurements of: changes in attitudes towards research; sensitivity to local knowledge in research; awareness of the importance of self-identification of research agendas in both Northern and Southern researchers; popularity of more participatory approaches to research; the capacity to negotiate, design, implement and manage programmes; and, the degree to which developing institutions are determined to be accountable to local institutions and communities as well as donors. The Think Tank Initiative (2007) also suggest a potential for qualitative indicators based around evolving levels of commitments to learning, sharing and continual improvement. Such indicators, the Initiative argue, would be particularly important in building accountability principles in research institutes and think tanks.

Getting evidence into policy

Though much of the literature discusses the importance of ensuring policy-making and decision-making in developing countries is increasingly based upon reliable, relatable and accurate evidence, there are relatively few articles that discuss practical steps for getting evidence into policy. Most of the practical discussion concerns the potential for monitoring and evaluation (M&E) to play a role in the increasing inclusion of evidence in policy-making. For example, Sergone (2008) argues that transparent M&E has an important role to play in improving government performance because it supports the uptake of evidence into decision-making. The inclusion of M&E feedback helps, it is suggested, by encouraging “buy-in”. At central government level this generally means senior figures are more likely to sign up to ownership of a project and the evidence that supports it as data is produced in an on-going and transparent manner. It is also suggested that key decision-makers in front line service delivery will more likely ‘own’ and champion the evidence in open, non-hierarchical structures.

Mackay (2008) argues that M&E is necessary to achieve evidence-based policy making and evidence-based management and accountability. However this study provides more in the way of best practice suggestions with regard to the role of M&E in poverty reduction strategies. Mackay presents a number of key lessons from the World Bank’s experience of supporting developing governments to build M&E systems for evidence-based decision making. These lessons are that:

- there needs to be substantive demand from governments in order to successfully institutionalise M&E systems. To create demand there is a need for M&E systems to produce findings that key stakeholders will value;
- demand can be increased by raising awareness of the potential benefits of M&E to the government institutions and or research organisations in developing countries. Awareness can be raised through use of ‘carrots’, ‘sticks’ and ‘sermons’. ‘Carrots’ could include the use of “how are we doing” meetings, in which participants brainstorm ways to follow and evaluate performance in achieving objectives, are awarded for improved performance. The public disclosure of evaluated poor performance acts an effective ‘stick’ (Anderson 2010 also refers to the use of such ‘sticks’). ‘Sermons’ covers the repetition of strong statements from senior managers, ministers, or ‘champions’ supporting M&E systems and the use of evidence in decision-making; and,
- M&E systems should not be ‘over-engineered’ by demanding data collection that exceeds needs or capacity of statistical offices. Data should be collected for its own sake. Over-engineered M&E frameworks are a symptom of ‘supply-driven’ development programmes. Thus it is important to conduct comprehensive diagnostic analysis for strength and weaknesses of existing M&E functions in the given country.

It is worth noting that not all the best practice lessons for getting evidence into decision-making relates to a Northern donor assisting Southern partners. Anderson (2010) presents a number of interesting findings donor organisations themselves can use to ensure evidence is incorporated into their own decision-making processes. These lessons are the result of Anderson’s experience with the UK Department for International Development. Included in these best practice suggestions is the need to strengthen staff capacities in evaluating evidence by increasing their literacy in research methodologies and impact evaluation design. The impact evaluation is particularly important in ensuring the inclusion of more accurate evidence in cost-effectiveness evaluations of different interventions. Staff research capacity is important in helping them to better create and use systematic reviews that allow decision makers in developing countries to locate and appraise the most appropriate evidence out of the vast research database. Another lesson is the need to produce and utilise a wider variety of quantitative and qualitative evidence to better identify what works from the donor’s efforts and why it works. A final lesson is to ensure that donor organisations are sharing their evidence-based knowledge with other donors, partner governments, and academics and research organisations.

Provision of technical assistance

Multiple articles deal with the experience of technical assistance (see, for example, CHF 2008; Garten 2008; Godfrey et al 2002; Maruri 2011; Morgan 2007; Wilson 2007). Many of these articles discuss the history of the technical assistance concept and its potential failings. Again the literature is relatively limited in articles presenting discussion of practical steps towards better capacity strengthening practice.

Morgan (2002), the OECD (2006) and Wilson (2007) cover the history of technical assistance in depth. They note that the concept developed out of the United Nations in the late 1940s. They both argue that up until the 1990s technical assistance efforts were flawed as they tended to conceptualise knowledge as an independent entity that was detachable from context. Thus practitioners tended to diagnose the “missing links” in technical or policy advice and then emphasised the provision of external expertise through generic TA solutions to fill these gaps. According to Morgan (2002) however development problems are insoluble through the application of external TA. They are deeply systematic and social dysfunctions. Without regard for this technical assistance projects have often resulted in failures in which local ownership, commitment, motivation and independent capacity has eroded through the diverting away of resources from national capabilities and inadvertently encouraged dependence on external capacities (Morgan 2002; OECD 2006).

Wilson (2007) suggests however that since the 1990s the concept of technical assistance has changed to reflect knowledge is not a ‘thing’ that is simply collected and passed on from the ‘knower’ to the ‘ignorant’. Rather technical assistance projects now generally appreciate that knowledge is a process of learning in which the relationships between stakeholders are all important. The conceptualisation of “capacity” has also changed with this shift.

More emphasis has been placed on “absorptive capacity”, which concerns the ability and motivation to learn as it does with administrative matters (Morgan 2002; Wilson 2007). On a similar note the OECD (2006) argues that technical assistance should help in ensuring that capacity development is a strongly endogenous process. It is for these reasons that Wilson (2007) suggest that the British tend to now favour the terminology technical cooperation. For the purposes of this review however the following best practice lessons will employ the term technical assistance as inclusive of the conceptual changes discussed above.

This synthesis concludes with a brief discussion on the possible best practice lessons provided in the literature relating to the use of technical assistance in knowledge-based capacity development. As aforementioned this section of the literature is sparse. However one of the potential lessons was that provision of technical assistance works best for capacity development when the partner providing the assistance keeps their on-ground numbers to a minimum. In CHF’s (2008) experience limiting their field presence to a minimum and emphasising short-term assistance helps to encourage participation, ownership and capacity development by relying to the greatest extent possible on the capacities of the southern partner. Similarly Godfrey *et al.* (2002) also recommend the limiting of technical assistance expertise, particularly so in aid-dependent countries. Where dependence is an obstacle to capacity development, they suggest assistance be concentrated. This helps to reduce dependency by, again, emphasising dimensions of pre-existing capacity development, particularly that other than the individual, and by transferring ownership to government as quickly as possible.

The findings of CHF (2008) present the most directly relatable best practice suggestions for using technical assistance to develop capacity. In addition to limiting in-country presence and relying upon local capacity to the greatest extent possible, CHF also suggest that:

- knowledge flows should be widespread amongst participants and interested parties. CHF indicate that they attempt to assimilate their partners’ approaches and subsequently pass these onto other partners. This also helps, they suggest, to encourage and strengthen South-South and North-South networks and exchanges;
- technical assistance approaches are more effective when they take a coaching approach. They argue that coaching is cost effective yet tailored for each partner to assist them self-define activities, monitor results and define next steps;
- engaging and sustaining organisational change depends to a significant degree on the ability of technical assistance to tap into local expertise;
- Designing and delivering sub-projects within a larger project has been found to be effective in measuring the impact of capacity building interventions.

Annotated Bibliography

The following bibliography gives a brief description of the main arguments of the articles reviewed in production of this literature synthesis.

Abed, Sir, F. H., and Nwanze, K. (2012) "South-South Partnerships Point Way for Food Security and Poverty Reduction", *The Guardian's Poverty Matters Blog* [Online] Available at: <http://www.guardian.co.uk/global-development/poverty-matters/2012/jul/19/south-partnerships-food-security-poverty> [Accessed 4 August 2012]

This blog argues that agricultural development knowledge transfer between South-South countries has proven to be capable of combating rural poverty and food insecurity. GDP growth generated by agriculture, the authors suggest, is at least twice as effective in reducing poverty as growth in other sectors. On this basis the greatest potential for South-South co-operation lies in knowledge transfer between middle-income and least developed countries in the agricultural sector. Particularly important is the introduction of successful technology and practices in middle-income countries into least developed ones. However the authors warn that knowledge transfer needs to extend into the policy making arena as well. There is a need to have policymakers share their success and failures and set guidelines if smallholders and the most vulnerable are to benefit from South-South knowledge transfer.

Anderson, M. (2010) 'Turning Evidence into Policy: Challenges Facing UK Aid', *Journal of Development Effectiveness*, 2:4, pp. 556-560

The article is the edited transcript of a speech and discusses the renewed commitment to getting evidence into policy in development programmes, with emphasis on practice at DFID. The author argues that success in development depends on knowing what works and that there is an ever increasing need to obtain maximum impact for pound spent. The article outlines the following measures DFID is taking to meet the challenge of getting evidence into policy:

- external scrutiny from evidence-based advocates to "up our game";
 - produce a wider variety of quantitative and qualitative evidence to better identify what works and why it works;
 - increase the use of systematic reviews that allow decision makers in developing countries to locate and appraise the most appropriate evidence out of the vast research database;
 - build skills in evaluating evidence through increased literacy in research methodologies and impact evaluation design;
 - build high-quality evidence into project investment decisions;
 - better evidence base on cost-effectiveness of different interventions;
 - share evidence-based knowledge with other donors, partner governments, and academics and research organisations.
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Andrews, M., Pritchett, L. and Woolcock, M. (2012) *Escaping Capability Traps Through Problem-Driven Iterative Adaptation (PDIA)*, Center for Global Development Working Paper 299

The purpose of this paper is to outline an approach to reform initiatives in developing countries that will, the authors argue, avoid the "capability traps" in which governments or institutions pretend to reform but largely remained engaged in rhetoric. By changing what policies and programmes *look* like rather than what they *actually do*, the authors argue that government and institutions in developing countries often exhibit false reform progress initially by focusing on form over function, yet ultimately end up with stagnating or declining in-country capacity in the long run. The approach to in-country reform that the authors propose will avoid this "capability trap" is the Problem-Driven Iterative Approach (PDIA). The approach is based on four "broad principles" which can be consistent with a wide range of implementation options. The four elements to the PDIA are:

- solving locally nominated and defined problems, rather than “selling” solutions;
 - creating an “authorising environment” which offers local agents in local institutions via small, incremental problem solving steps that encourages experimentation;
 - ongoing learning from “tight” iterative feedback loops from the small, incremental problem solving approach above which facilitate rapid experiential learning; and
 - broad engagement of agents within and outside of institutions to ensure reform is viable, relevant and legitimate.
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Barcham, M. (2003) ‘South-South Policy Transfer: The Case of the Vanuatu Ombudsman’s Office’, *Pacific Economic Bulletin*, Vol. 18, No. 2, pp. 108-116

This paper argues that S-S policy transfer has shown itself to be a useful alternative to N-S transfer, especially in regards to disparities between levels of state capacity and cultural contexts that often plague N-S transfers. It does so by examining a case of S-S policy transfer with Papua New Guinea that resulted in the establishment of the Vanuatu Ombudsman’s Office. The author suggests that S-S policy transfer is of increasing interest given the numerous unsuccessful examples of N-S transfer.

Key points in the article are:

- there appear to be two key reasons for the failure of N-S policy transfers. First is the disparity in levels of state capacity between developed and developing countries: institutions in developed countries are designed, implicitly or not, with certain capacity in mind. The second problem seems to be the inability of Northern policies to operate within a Southern context;
 - the author recommends the use of ‘best-practice’ institutions for policy transfer. This, it is suggested, can often mean using indigenous institutions in S-S partnerships, rather than institutions established as a result of previous N-S interaction. Many institutions in developing countries are the result of N-S interactions and often do not function successfully in their context;
 - possibilities for S-N transfer should also be explored as there have now been a few cases of such transfer that look promising.
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Canadian Hunger Foundation (2008) Capacity Development: Key to North-South NGO Partnerships?, CHF, Canada

The purpose this article is to describe the lessons CHF, a rural development organisation, have learnt through their approach to capacity development. CHF claim their approach relies upon technical expertise and is grounded in 5 objectives: 1) increasing financial resources; 2) strengthening financial management and accountability; 3) improving programme content to deliver better services; 4) improving human resource capacity to manage organisations; and, 5) strengthening capacity to influence policy. The lessons of CHF’s experience in capacity development described in the article include:

- to encourage participation, ownership and capacity development, CHF relies to the greatest extent possible on the capacities of their southern partner, limiting their field presence to a minimum and emphasising short-term assistance;
- knowledge flows should be wide – CHF assimilates their partners’ approaches and passes them onto other partners to encourage S-S and N-S exchanges;
- capacity development approaches are more effective when they take a coaching approach. Coaching is cost effective yet tailored for each partner to assist them self-define activities, monitor results and define next steps;
- local expertise needs to be engaged to foster and sustain organisational change;
- designing and delivering sub-projects within a larger project has been found to be effective in measuring the impact of capacity building interventions.

Garten, A. et al (2008) *South-to-South Collaboration in Response to HIV/AIDS*, Community Reach Program, Pact, Inc., Washington

This report examines the lessons of South-South collaboration as part of the Pact Community REACH program that aims to assist rapid funding to NGOs implementing HIV/AIDS programs.

The authors suggest that the REACH program demonstrates that South-South collaboration is effective in building capacity of NGOs. The benefits of S-S collaboration, the authors suggest, are the sharing of relevant experiences, highlighting local capacity and expertise, and being more efficient and effective as countries share lessons. The article offers the following lessons from working with grantees and promoting S-S collaboration:

- establishing networks is a critical element of successful capacity development as it allows previously unconnected organisations to engage and discuss issues and solutions;
- strengthening relationships between local institutions and government is important in both building capacity of civil society and ensuring governments see value in continuing investment after donors step funding back;
- for the Community Reach Program, small grants were central to successfully building capacity by allowing grantees to work with sub-grantees;
- in-country collaboration between donors and grantees is important in building technical capacity;
- regular, yet innovative communication is also central to capacity building;
- open and easily accessible knowledge transfer about program documentation and M&E assists S-S collaboration;
- emphasis on quality assurance and accountability encourages grantees to invest in the capacity of sub-grantees.

Godfrey, M., Sophal, C., Toshiyasu, K., Piseth, L., Dorina, P., Saravy, T. and Sovannarith (2002) "Technical Assistance and Capacity Development in an Aid-dependent Economy: The Experience of Cambodia", *World Development*, Vol 30, No 3, pp 355-373

This article examines Cambodia's experience with external technical assistance (TA) since 1993. Specifically, the authors are interested in the extent to which external TA in an aid-dependent economy develops capacity in government and local NGOs. It concludes that, in Cambodia's experience, capacity development is hindered in most aid projects. The principal reasons for this are that donors often drive the identification of priorities as well as the project design and implementation. It calls for donors in aid-dependent economies to formulate coherent, shared approaches rather than competitive, project-related ones.

Key findings and suggestions about the use of external TA for capacity development in Cambodia are:

- the authors provide a definition of TA as a process whereby individuals, organisations or institutions develop abilities to solve problems and achieve objectives. This process, they claim, has four interrelated components:
 - development of individual skills;
 - development of effective entities within which individuals can work;
 - strengthening of interrelationships between entities; and,
 - enabling environments for addressing cross-sectorial issues.
- for Cambodia the World Bank in 1995 devised a three-phased strategy for TA and capacity building:
 - a "prerequisite phase" in which the most basic and essential economic, social and administrative needs are identified and during which the public sector is restructured, incentives for public sector service are established and laws and a judicial system to support a liberal economy are implemented;
 - a "capacity building and institutional development phase";
 - a "consolidation phase" during which the government should be able to identify its own assistance needs and manage its own development.

- however many capacity-development-by-external-TA projects are donor-driven which can lead to weak local ownerships and inefficient allocation, and hence disorderly decision-making and dependence upon foreign staff; and
- the authors suggest that both local ownership and TA are related to government finances: under-funded governments are unable to pay officials and staff satisfactorily and are then more dependent upon external donors. They then hypothesise a link between aid dependency and a lack of successful capacity development through external TA.

The authors conclude by suggesting that the lesson from Cambodia is that TA should not be withdrawn from aid-dependent economies. Rather, if dependence is an obstacle to capacity development, TA should be concentrated on reducing this dependency by emphasising dimensions of capacity development other than the individual and transferring ownership to government as quickly as possible. In asking for this, the authors also suggest that governments need to better understand the reasons donors tend to want to control projects.

Jones, H. and Mendizabal, E. (2010) *Strengthening Learning from Research and Evaluation: Going with the Grain*, ODI Rapid

The aim of this ODI study was to identify actionable recommendations for learning lessons within DFID, particularly from evaluation and research studies. Although the study is concerned with intra-institute learning at DFID there are a number of findings and recommendations that may have relevance for this evaluation. These are:

- learning initiatives that promote a sense of ownership of research and evaluations work best within DFID. Methods to achieve this include adopting systems with fewer intermediaries and more direct relationships between producers and users of knowledge;
 - formal mechanisms directed at learning and knowledge transfer should be closely aligned to the realities of what is required to learn in each given programme's circumstance;
 - all of the separate knowledge transfer and learning initiatives and programmes within an organisation need strong and coherent systematisation;
 - formal links and spaces for communication with other think tanks are recommended to reduce costs associated with advocating and communicating and to better facilitate feedback;
 - research teams should act more often as matchmakers between researchers and policymakers rather than focusing all their attention on synthesis and dissemination;
 - creation of online knowledge platforms that make links between staff and their associated projects and questions;
 - development of more rigorous measures to deal with institutional memory loss such as handover procedures and exit interviews.
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Kuhl, S. (2009) 'Capacity Development as the Model for Development Aid Organisations', *Development and Change*, Vol. 40, No. 3, pp. 551-577

This article presents a sociological study of the capacity development concept as organisational fashion for development organisations. The principal argument of the article is that concepts such as capacity development are primarily formulated not on the basis of on-ground realities in developing countries. Rather, the author argues, concepts such as capacity development are primarily formulated to meet legitimacy requirements placed upon development organisations by Western countries and to defend themselves against criticism of ineffectiveness. Because their goals are formulated in the abstract, development organisations need to defend their legitimacy to secure funding. They do this, Kuhl suggests by presenting new concepts in efforts to demonstrate effectiveness. The concept of "capacity development" is the latest concept in this process; the concept of capacity development was practically unknown a decade ago.

Kuhl argues that the concept implies that interventions are 'comprehensive' by attempting to interlink a wide range of approaches to development. However Kuhl critiques the adoption of the concept, arguing that capacity development reintroduces previously prevalent pretensions that development organisations are capable of, and indeed are required to, controlling the development process through their organisational consulting. The WB and UNDP played central roles in popularising the concept of capacity development in the development sector from the 1990s onwards. The article concludes by arguing that although the concept has not necessarily evolved from realities in developing countries, Kuhl does argue that it is of high importance that development organisation's use of the concept is evaluated and criticised.

Lardone, M. and Roggero, M. (2010) *Study on Monitoring and Evaluation of the Research Impact in the Public Policy Research Institutes in the Region*, Center for the Implementation of Public Policies Promoting Equity and Growth (CIPPEC), Argentina

This paper investigates mechanisms for Public Policy Research Institutes (PRIs) to monitor and evaluate the influence they exert on public policy. The authors try to identify factors which facilitate or obstruct the capacity of PRIs to evaluate their influence. The authors draw a number of conclusions, although they do warn that their findings are exploratory with no statistical significance. The key findings include:

- international funding is an important factor in PRIs conducting monitoring and evaluation exogenously, though this usually only happens when impact M&E is a specific requirement of the funding;
 - participation of PRIs in network projects with other PRIs facilitates learning and incorporation of M&E practices;
 - M&E was often not seen by the PRIs to be a self-evaluation mechanism that can be used to feed information back into the institute to improve performance. However this can be helped by including impact as an explicit objective of strategic plans and programmes;
 - impact M&E needs specific funding available if it is to become a priority;
 - international donors should then be demanding impact M&E to build accountability capacity in PRIs and extend the period of project funding concerning itself with M&E outcomes;
 - PRIs should also be outlining their impact objectives in their strategic plans in which indicators are specified;
 - knowledge exchange through networks is one of the most effective channels for incorporating impact M&E systems.
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Lim, W. et al (2001) *Using Knowledge Exchange for Capacity Development: What Works in Global Practice?*, Korea Development Institute and World Bank Initiative, Washington

This joint Korea Development Institute and World Bank Initiative report examines three case studies in assessment of the effectiveness of knowledge exchange in development programmes. The authors suggest that theoretically knowledge exchange helps to build coalition and consensus for reform and meets immediate knowledge gaps between countries through fostering sharing of experiences. In particular, S-S exchanges they argue encourage partnerships that can strengthen local ownership and leadership of development issues. However the authors note that actual results of knowledge exchange have not often been rigorously explored in a systematic manner. This report aims to do this by assessing three S-S knowledge exchange programmes in Asia, Africa and Latin America to analyse their effectiveness. The key lessons for effectively conducting knowledge exchange presented in the study include:

- at a macro level that there should be support for innovative, results-focused capacity development approaches that emphasise roles of public and private actors and encourage collective action;
 - a key challenge in knowledge exchange is matching demand for and supply of knowledge. Donor support has an important role in helping local knowledge seekers (such as non-governmental stakeholders such as universities) to understand the local context in order to identify needs and design interventions – interventions must be customised for their context;
 - participant selection is crucial for both the supply and demand side of knowledge transfer;
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- on the supply side, exchange programmes should involve policy-makers and practitioners with first-hand experience in reform processes and their personal experiences matched to the demand side's needs. The demand side should target and engage the appropriate change agents, include individuals committed to leading the change, and ensure sufficient relevant resources are made available;
 - build repeated interactions into the process for sustainable momentum. Attaining, adapting and applying knowledge is a medium-term process which necessitates recurrent interaction. Ways to encourage repeated interactions include: situate knowledge exchange within a series of other capacity development interventions; conduct on-going programming to provide continuing motivation and support; and, maintaining peer-to-peer interactions;
 - ensure what the result goals are and have an effective M&E system;
 - it is important to have a clear change logic picture in place of the flow of knowledge services and important to trace the changes on logic as the programme continues.
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Mackay, K. (2008) 'Helping Countries Build Government Monitoring and Evaluation Systems: World Bank Contribution to Evidence-based Policy Making', in Segone, M. (Ed.) (2008) *Bridging the Gap: The Role of Monitoring and Evaluation in Evidence-based Policy Making*, UNICEF, pp. 88-98

The author argues that M&E is necessary to achieve evidence-based policy making and evidence-based management and accountability. With regard to the role of M&E in poverty reduction strategies, the author suggests:

- most poor countries have found it difficult to strengthen capacity in their national statistical offices both in terms of data production and data utilisation;
- performance indicators for the intervening steps between budget and donor resources spent and country progress are often absent. Such indicators should cover government activities, outputs and services provided and their outcomes. Mackay terms this the "missing middle";
- this "missing middle" is usually brought about by a lack of funds and skills, with poorer countries often relying on donors to conduct evaluations and reviews of their statistical capacity.

The article then outlines a number of lessons from the World Bank's experience of supporting governments to build M&E systems for evidence-based decision making. The key lessons are:

- there needs to be substantive demand from governments in order to successfully institutionalise M&E systems. It is suggested that to create this demand there is a need for M&E systems to produce findings that key stakeholders will value. To raise awareness of the potential benefits from M&E, Mackay suggests carrots, sticks and sermons:
 - carrots – "how are we doing" meetings that brainstorm ways to achieve objectives and award staff in order to improve performance;
 - sticks – public disclosure of poor performance;
 - sermons – repetition of strong statements from senior managers, ministers, or 'champions' supporting M&E systems.
 - M&E systems should not be 'over-engineered' by demanding data collection that exceeds needs or capacity of statistical offices. Over-engineered M&E frameworks are a symptom of 'supply-driven' M&E – the view that M&E data should be collected for its own sake;
 - structural arrangements of an M&E system are important in determining levels of tension or collaboration between actors; and,
 - it is important to complete diagnostic analysis for strength and weaknesses of existing M&E functions in the given country.
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Mahmood, S., Hort, K., Ahmed, S., Salam, M., and Cravioto, A. (2011) 'Strategies for Capacity Building for Health Research in Bangladesh: Role of Core Funding and a Common Monitoring and Evaluation Framework', *Health Research Policy and Systems*, 9, pp. 2-9

This article discusses the problems faced by health researchers at the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR) and identifies strategies to build the capacity of these researchers.

The paper suggests that research capacity strengthening consists of the provision of institutional support and improving individual researcher capacity through training. Research capacity strengthening in developing countries can however be constrained by:

- structural context – favourable and conducive environments for research are a must, as are physical infrastructure such as human capital, adequate funds, salaries, equitable access to training and information;
- cultural impediments;
- the level of external funding – capacity strengthening in developing countries is heavily dependent upon long-term external investment with sufficient in-country support. Long-term funding is important to increase autonomy in identifying and determining local strategic priorities.

The article also discusses the importance of Monitoring and Evaluation Frameworks (MEFs). It is suggested MEFs should be a key requirement for funding, as effective core funding is reliant upon an effective MEF to measure, monitor and evaluate progress.

MEFs help research organisations to nominate priority outcomes, outputs, and activities, and identify appropriate indicators that can provide analytical measures. Whilst commenting on the difficulties of identifying appropriate indicators for measuring capacity strengthening in the research sector, the article notes that the following are commonly recommended:

- publications in peer-reviewed journals;
- successful grant applications;
- qualifications of the researchers;
- projects per year and per researcher; and
- projects greater than one year in length.

The authors add however that there is a need to also measure the improvement or otherwise in the supportive environment, usefulness or social impact of research, and professional outcomes.

Maruri, E., (2011) “South-South Cooperation and Capacity Development: Synergies and Challenges”, *The South-South Opportunity*, May 18 2011 [Online] Available at:
<http://www.southsouth.info/profiles/blogs/southsouth-cooperation-and> [Accessed 2 August 2012]

This blog post investigates whether south-south cooperation, along with triangular cooperation, has contributed to sustainable capacity development and how these relations could be more effective. The blog grew out of the Cairo Workshop on Capacity Development in 2011. The workshop brought together more than 60 North and South policymakers to discuss the “what and how” of moving capacity development concepts to their implementation.

The author presents preliminary findings of the Task Team for South-South Cooperation (TT-SSC) which were discussed at the Cairo Workshop. The TT-SSC has engaged in broad practices of generating evidence and examples of good practice in South-South cooperation and triangular cooperation as a tool for capacity development. Their work has consisted of 27 case studies conducted in alliance with 17 academic institutions. The preliminary findings of the TT-SSC’s analytical work are:

- development solutions, such as capacity development and poverty reduction, which are generated and validated in one country, can be highly relevant and adaptable to another country. The most effective form of S-S cooperation entails a process where lessons and solutions are flowing in both directions;
- South-South knowledge exchange bolsters the options of partnering for capacity development through inclusion of fresh perspectives into discussions of North-South technical assistance;
- South-South and triangular cooperation tends to be efficient due to its high degree of adaptability in their associated institutional contexts and levels of development;
- the direct involvement of actual change-makers and “champions” that occurs through South-South and triangular cooperation appears to lead to more effective positive impacts in institutional change; and
- South-South knowledge exchange is often inspired by, and intends to build, horizontal partnerships based on trust, equity, mutual benefit and long-term relations.

Morgan, P. (2002) 'Technical Assistance: Correcting the Precedents', in Browne, S. [Ed.] (2002) *Development Policy Journal: Special Issue – Technical Cooperation*, Vol. 2, December 2002, UNDP, pp. 1-22

This paper examines the reasons the author believes TA became a problem rather than a solution in the international development sector. It then looks at the current cycle of reappraisal and reform to the TA concept, and some of the examples where TA has recently been a success in building capacity. Key lessons from the article include:

- the TA approach that began in the late 1940s differed from assistance activities before it in that for the first time TA became public policy and was funded from government budgets in developed countries. The author argues this had 2 implications:
 - it accelerated a shift in power from recipient to TA supplier; and
 - TA activities became bureaucratically structured and controlled by staff in new international development organisations (IDOs);
- the IDOs that were created and endured for half a century had important normative and operational constraints. Their normative constraint was the need to promise levels of performance and development benefits that could never be achieved (for example, the eliminating of world poverty). Operational constraints were:
 - an emphasis on the control of the 'design' and 'delivery' of TA – a construction project model that limited IDOs capacities to be creative and incremental;
 - a greater focus on committing funds to a policy issue for IDOs as opposed to their implementation; and
 - ignoring of institutional issues in favour of task completion;
- early TA efforts tended to conceptualise knowledge as an independent entity that was detachable from context. Thus TA practitioners tended to diagnose the "missing links" in technical or policy advice and then emphasised the provision of external expertise through generic TA solutions to fill these gaps;
- many development problems are however insoluble through the application of external TA. They are deeply systematic and social dysfunctions.
- TA projects have then often resulted in failures in which local ownership, commitment, motivation and independent capacity has eroded. IDOs went into local organisations and set up their own structures which often diverted resources from national capabilities and inadvertently encouraged dependence on external capacities.

The author then looks at 5 recent case studies where TA projects, operating under reappraised and more realistic principles, have had success in strengthening capacity. He notes that:

- it should be remembered that while TA can damage country ownership, it cannot do much to create it. TA projects should not attempt to affect it;
- early TA efforts tended to conceptualise knowledge as an independent entity that was detachable from context. Thus TA practitioners tended to diagnose the "missing links" in technical or policy advice and then emphasised the provision of external expertise through generic TA solutions to fill these gaps;
- many development problems are however insoluble through the application of external TA. They are deeply systematic and social dysfunctions;
- TA projects have then often resulted in failures in which local ownership, commitment, motivation and independent capacity has eroded. IDOs went into local organisations and set up their own structures which often diverted resources away from national capabilities and inadvertently encouraged dependence on external capacities.

Nakabugo, M., G., Barrett, E., McEvoy, P. and Munck, R. (2010) "Best Practice in North-South Research Relationships in Higher Education: The Irish African Partnership Model", *Policy & Practice: A Development Education Review*, pp. 89-98

This article presents findings on potential mutual benefits from best practice knowledge transfer between North-South partners. The authors draw on experience in Irish-African partnerships in the higher education sector.

They argue that N-S partnerships have the potential to enhance human capital and infrastructural capacity, yet can often be too focused on one-directional transfer of knowledge and capacity from North to South. This often results, the authors suggest, in programmes that limit impact to capacity building to short-term individual capacity gaps rather than strengthening long-term institutional capacity levels. The article then discusses strategies for ongoing partnerships that encourage capacity building in both North and South partners. The key strategies include:

- formation of “research clusters” based on research priorities for partners. These clusters allow on-going dialogue via virtual discussion spaces with the ultimate aim of developing fundable proposals;
 - development of “summer schools” to address perceived ‘process-related’ skill deficits of African research personnel, and promote greater articulation of research work for Northern academics and policy-makers; and
 - promotion of proposed national level platforms (an “All-Ireland” international development platform) in which all universities are invited to participate. This would help address the capacity of the North to engage meaningfully with Southern partners, while also helping other development actors embrace research institutes and universities as members of the aid community.
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Nachiappan, K., Mendizabal, E. and Datta, A. (2010) *Think Tanks in East and South East Asia: Brining Politics Back into the Picture*, ODI Rapid

This ODI report examines the centrality of national politics in the establishment and driving of think tanks in East and South East Asia. In turn they discuss the traditional links with the state most think tanks have held, the focus on economic development, and their role in often legitimising and consolidating regimes or leaderships. The authors argue that think tanks in the region need to be re-conceptualised around their political realities in order to effectively measure their ability to achieve pro-poor outcomes.

OECD (2006) *The Challenge of Capacity Development*, DAC Guidelines and Reference Series, OECD

This report from the OECD is a reflection of the effectiveness and role of capacity development aid in poverty reduction. It reviews 40 years of development experience and offers guidance on how to systematically think through capacity development challenges. Guidance and lessons are shared under the following headings:

Why Focus on Capacity?

- development efforts in the poorest countries will fail if the development of sustainable capacity is not given greater and more careful attention;
- capacity development depends crucially on the quality of *organisation* in which knowledgeable and skilled individuals work, and the organisation is influenced by the *enabling environment* – the structures, power and influence embedded in the institution.

What has been learned?

- until recently capacity development was viewed as a one way technical process where knowledge flowed from North to South – such an approach does not allow for country context, nor ownership in the countries in which the capacity development efforts are occurring;
- capacity development must however be a strongly endogenous process. It should be led from within a country with donors providing supporting roles as country ownership is a matter of process and trend.

From Emerging Consensus to Better Practice:

- because “capacity development” is so all-encompassing, practitioners need to begin by asking “capacity for what?” and focus on specific capacities for specific, clearly defined goals;
- adequate attention needs to be given to both individual and organisational issues and the enabling environment;

- understanding the country and institutional contexts is fundamental to uncovering the incentives structures behind the “lack of political will” often blamed for capacity development programmes’ lack of success – at the organisational level thorough diagnostic analyses covering internal and external stakeholders are required;
 - to encourage country ownership of capacity development, donors should support programmes that benefit from genuine commitment at a high level and avoid launching parallel initiatives that fragment resources and effort;
 - where country or organisational commitment is lacking attention should be given to building it by strengthening client and citizen demands;
 - attention should also be given to mobilising the potential of individual professionals within and outside public sectors who are allies for reform;
 - be aware of the institutional constraints and do not divert resources away from critical functions when trying to deliver support;
 - capacity development initiatives should be designed to maximise learning at individual, organisational and enabling environment levels. Monitoring, preferably independent, is essential and a high priority should be given to building shared understandings between donor and grantee of what works and what does not;
 - policy-relevant technical statistical information should be worked towards – the development community needs more disaggregated data.
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The Think Tank Initiative (2007) *The Think Tank Initiative: Strengthening Policy Research for Development: A Joint Program of the Hewlett Foundation and the IRDC, ‘Executive Summary’*, pp. 1-5

The Think Tank Initiative is dedicated to strengthening independent policy research institutes in developing countries. The initiative intends to support select think tanks in provision of objective, high-quality research that informs and influences policy. The focus is on improving individual organisations rather than on funding networks among the think tanks. The key findings of the joint programme are:

- the key lesson of international development to date is that public policies work best when they are designed and implemented by local actors;
 - without locally generated and analysed data, well intentioned programmes do not respond to local realities;
 - most developing country think tanks do not receive predictable core funding, resulting in “responsive research” rather than long-term forward-looking research agendas responding to locally-determined needs;
 - with the lack of domestic sources, international donors are the main funding bodies for local research. However short-sighted funding strategies have failed to build strong research *organisations*;
 - independent research organisations in developing countries require long-term guarantees around financial and technical support;
 - to encourage country ownership, there is a need for these think tanks to be assisted in assessing strengths and weaknesses and identifying opportunities for improved performance, as managers can often have imperfect understanding of these areas or where to turn to for support;
 - a commitment to learning, sharing lessons and continual improvement is an important element of building an appropriate accountability framework.
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Sergone, M. (2008) ‘Evidence-based Policy Making and the Role of Monitoring and Evaluation in the New Aid Environment’, in Segone, M. (Ed.) (2008) *Bridging the Gap: The Role of Monitoring and Evaluation in Evidence-based Policy Making*, UNICEF

What is needed is ambitious reform to the aid system rather than simply increased funding. Reform in the aid system has been slow, partly because of the weakness of accountability mechanisms. One of the key concepts to come out of the Paris Declaration is that aid has more impact where there is strong leadership and ownership by partner countries of their development strategies.

To encourage ownership, donors are to scale down demands for accountability from developing countries by relying on in-country systems and procedures, avoiding conditionality, and providing timely and transparent information on aid flows. Decision-makers are looking to M&E as the strategic function to turn the Paris Declaration into reality. The value of M&E, the author argues, lies using it to improve government performance. One of the most important ways M&E does this is through supporting the uptake of evidence-based policy making. The article makes the following point about research and monitoring and evaluation in development policy making and practice:

- the primary concern is to improve the utilisation of research and evaluation and tackle the problem of under-use;
- there have been problems with the over-use and rapid spread of tentative findings and ambiguous evidence;
- there remain large gaps in the research and evaluation knowledge base in which the literature is dominated by small, ad hoc studies often diverse in approach and dubious in methodological quality;
- additions to the research literature are usually producer-driven rather than being driven by research user' needs;
- the literature suggests that getting policy-makers to want and use evidence involves "buy-in". At central government level this generally means getting senior figures to sign up to ownership of the project and the evidence that supports it. At front line service delivery, this means getting key decision-makers to 'own' and champion the evidence in open, non-hierarchical structures;
- buy-in is helped by improving the dialogue between policy-makers and the research and M&E community to widen the ownership of evidence through networks of partnerships;
- it is important that decision-makers have the appropriate joint training and professional development to enable them to understand how to use research and evaluation;
- researchers and M&E specialists also need to become better at 'translating' the social science evidence into language that is useful to the users, and to disseminate this data in a manner that enables wide access;
- practitioners need incentives to use evidence. Such incentives can include requirement for bids to be supported by evidence bases, and integrating analytical staff into all stages of the policy development process.

Tejasvi, A. (2007) 'South-South Capacity Development: The Way to Grow?', *Capacity Development Briefs*, World Bank Institute, No. 20

This brief identifies trends in the growing body of evidence of S-S learning for practitioners of capacity development, as well as highlighting a number of successful examples of S-S cooperation and learning. The author notes that S-S learning is about developing countries sharing best practice in order to identify solutions and build ownership of the developmental process.

S-S partnerships allow countries to diversify and expand their development options and economic links. Though Tejasvi notes a few examples of S-S cooperation, the article is light on for discussions of lessons from experience. The brief is concluded by suggesting that the World Bank will need to adjust to the new environment of S-S cooperation to remain a major actor.

Velho, L. (2004) "Research Capacity Building for Development: From Old to New Assumptions", *Science, Technology & Society*, 9:2, pp. 171-207

This article examines the assumptions underpinning the growth of research capacity development in the international development sector. It does so by analysing an N-S university research partnerships scheme between Sweden and Nicaragua. The author suggests that "knowledge" is more concentrated than wealth, yet it is only through exploiting knowledge that societies are able to grow economically and offer decent living conditions. It is for these reasons that research capacity development has been adopted as a priority in the development sector. However the author argues that most existing research capacity development schemes from N-S tend to rely on assumptions that are in need of revision. These underlying assumptions, it is suggested, explain the low impact of most N-S research partnerships for development.

The key findings of the article include:

- modalities of N-S research partnerships rest upon assumptions concerning knowledge production and use;
 - most of the researchers and enhanced research capacity produced by N-S research development partnerships to date have had a very limited impact on development. The reason for this, it is argued, is that most partnerships are based on models that assume a linear progression of knowledge being produced from a partnership and then being utilised by pre-specified end-users;
 - this approach to N-S research capacity development assumes that research on specific development issues will enlighten policy-making as long as the research is done according to established scientific norms;
 - the author then suggests N-S research capacity development practitioners move to a mode of operation based on new assumptions;
 - three “new” assumptions for increased impact are offered: a) the notion of non-linear innovation; b) the need for social relevance and accountability; and, c) the need for self-determination and ownership;
 - the benefits of this approach include capturing the different types of knowledge necessary to address development problems by focusing on creating and strengthening opportunities for interaction across research networks;
 - the author also notes that a change in assumption would necessitate the development of new quality indicators for academic research. Conventional indicators focus largely on the availability for end-users of the research through traditional academic journals and publications. Suggested research quality indicators include changes in attitudes towards research; sensitivity to local knowledge; awareness of the importance of self-identification of research agendas; popularity of more participatory approaches to research; capacity to negotiate, design, implement and manage programmes; and, determination to be accountable to local institutions and communities as well as donors.
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Wilson, G. (2007) “Knowledge, Innovation and Re-inventing Technical Assistance for Development”, *Progress in Development Studies*, Vol. 7, No. 3, pp. 183-199

This paper suggests there is an evolution occurring in development practice from the provision of Technical Assistance (TA) to Technical Cooperation (TC): a change from “learning from” to “learning with”. It is argued that TA represents a conception of largely one-way transfers from the knowledge-rich North to the knowledge-poor South. TC on the other hand conceptualises more cooperative relationships with greater dialogue. The article argues that:

- TA as a concept developed in the late ‘40s out of the UN;
- since the 1990s the use of the terminology TA has been closer to the concept of TC;
- reflected in this has been the realisation that knowledge is not a ‘thing’ to be simply collected and passed on from the ‘knower’ to the ‘ignorant’. Rather it is generally understood now that knowledge is a process of learning in which the relationships between stakeholders are all important;
- the conceptualisation of “capacity” has also changed with this shift. With TC approaches, more emphasis has been placed on “absorptive capacity”, which concerns the ability and motivation to learn as it does with administrative matters;
- conversely, ‘providers’ of knowledge are now expected to have the capacity to manage multi-stakeholder processes that require collaboration, partnership formation and dialogue.

Annex 4 – Evaluation plan

Note: This evaluation plan has been modified in style and format to conform to the style and format of the final report. It has been revised twice since the original version – once following comment from key stakeholders in the initial design stage and again during implementation as part of the ongoing dynamic nature of evaluation.

1. What is this document?

This document outlines the evaluation plan for the independent progress review of the Partnership for Knowledge-Based Poverty Reduction (PKPR). It is to assist further discussions and negotiation about the review with AusAID, in particular: its focus; how information will be collected; how information will be used; and the management of the evaluation.

It is anticipated that, through the plan, agreement will be reached about how the review is to proceed and what can reasonably be achieved. The evaluation plan supersedes the terms of reference. It is a flexible document that will be adapted, where needed, during the implementation of the review. Any such adaptations will be discussed and agreed with AusAID.

2. What is being evaluated?

The review will evaluate the PKPR. This is a program designed and operated by the World Bank. The program is undertaken by the Bank's Poverty Cluster, a sub section of the Poverty Reduction Economic Management (PREM).

The PKPR seeks to strengthen the Government of Indonesia's (GoI) capacity to make evidence-informed policy and program decisions by:

- Providing the GoI with poverty analytics using both quantitative and qualitative analyses.
- Strengthening analytical capacity in:
 - GoI, e.g., TPN2K⁸³, Bappenas⁸⁴, BPS⁸⁵, and relevant sector ministries; and local universities and Think Tanks so they can provide services for central and local policy makers, and contribute to more informed and transparent public debate around policy issues.
 - Supporting BPS to undertake its institutional reform agenda to deliver quality, accessible statistical products and services in a sustainable way.
 - Supporting GoI in the design, implementation and evaluation of key poverty and social protection programs.
 - Improving the quality and accessibility of data required for poverty analysis and policy making.

The program uses a range of capacity strengthening activities including, trainings, seminars, workshops, secondments, and joint planning and implementation of research studies.

End-of-program outcomes are:

- i) Government uses poverty analytics to inform poverty and social protection policies, programs and strategies;
- ii) Government improves the design and implementation of poverty and social protection programs and supporting coordination systems; and
- iii) Government improves the quality of data required for poverty analysis and policymaking.

The current AusAID contribution for the program is AUD7.5 million. The AusAID – World Bank agreement runs from June 2010 to December 2013.

The Bank has recently submitted a new proposal for an extension and expansion of the program. A peer review was undertaken as part of considering this proposal. AusAID has agreed to both extend the program to June 2016 and expand it to AUD25 million.

⁸³ TNP2K - Tim Nasional Percepatan Penanggulangan Kemiskinan (The National Team for Accelerating Poverty Reduction)

⁸⁴ Bappenas - Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)

⁸⁵ BPS – Badan Pusat Statistik (Statistics Indonesia)

3. What is the purpose of the evaluation?

This is a regular independent program review, as required by AusAID. It has a three-fold purpose:

- i. Program justification – Is the program achieving what it set out to achieve? This component of the review is about making a judgement about the effectiveness of the program.
- ii. Program improvement – How can the program be improved? Does it remain relevant? This component is formative in nature.
- iii. Knowledge generation – What lessons are there? Are there examples of good practice? How is the program facilitating or hindering learning? This component of the review seeks to synthesise findings of this review with lessons from other similar programs.

Thus, this review has three very different uses, each requiring a different approach.

4. What is the focus and scope of the review?

The review will consider the program since its commencement in June 2010. The focus is on the macro level of the PKPR rather than its individual components or products. It is concerned with outcomes and delivery: whether the chosen implementation has led to the desired results (program outcomes); and information for ongoing change (program implementation).

Of particular interest is the extent to which the program has been successful in strengthening the capacity of Gol agencies, the influencing factors, and the degree of sustainability of institutional change. In assessing this component, the review acknowledges that this particular program objective has not yet been fully implemented so the review will seek to identify early trends and lessons, and explore the appropriateness of the forward-looking strategy in relation to its capacity to meet the desired outcomes. The terms of reference also seek to understand the effectiveness of the program's monitoring and evaluation framework in helping measure progress and assist with continuous improvement.

The program operates in a complex environment in which several development agencies are simultaneously working with Gol on poverty reduction issues. For the forward-looking component of the review, the focus is on the program's ongoing relevance post 2014, particularly as the needs of the sector change. The knowledge sector is a relatively new area of business for the Bank, the Gol and various development partners. Hence, a particular interest for the review is how the program might improve how it shares and manage knowledge, and whether the Bank is pitching to its comparative advantage.

5. Who is the audience?

The findings of this review will not be used to inform ongoing funding of the program. That has already been determined. Rather, they will be used to inform any refinement of the program as it moves into its next stage.

Given the emphasis on program improvement and knowledge generation, the primary audience is the AusAID-World Bank-Gol partnership, specifically: The Social Protection Team (AusAID), the Poverty Cluster Unit (World Bank), and the Gol partners (TPN2K, Bappenas, and BPS). The intent of the review is to assist this partnership deliberate on how to improve the service delivered to Gol through the Knowledge-Based Poverty Reduction program.

A secondary audience is likely to be found in other program areas within the partner organisations that have a poverty reduction or knowledge sector focus, specifically: the PNP Unit and the Knowledge Sector (AusAID); the PNPM Program Support Facility team (World Bank); the Joint Management Committee of the PSF; and Menko Kesra, the coordinating ministry with responsibility for PNPM.

6. What are the key evaluation questions?

High priority

1. To what extent is the AusAID funding enabling the program to meet its objectives?

- 1.1. Have the interventions and instruments produced the desired effects? Could other interventions achieve better results?
 - 1.2. To what extent has the program strengthened the capacity of participating institutions?⁸⁶ What factors are enabling or hindering this institutional strengthening?
 - 1.3. To what extent has the program provided motivation or incentives to participating institutions to collaborate in the utilisation of knowledge?
 - 1.4. How durable are the institutional changes? Are they likely to sustain after donor funding has ceased?
 - 1.5. How sufficient is the program's monitoring and evaluation framework in measuring change at individual and organisational levels, and in helping to improve the program?
2. To what extent do the program objectives remain relevant to national government policies and priorities and sectoral needs both now and beyond 2014?
 3. What improvements could be made in the next phase of the program?
 - 3.1. What are the key lessons from this review?
 - 3.2. How do these compare with lessons from similar programs?

Low priority

4. How satisfied are direct and indirect program beneficiaries with the results (expected and unexpected)?
5. Does the program offer the right mix of activities to achieve the desired results?
6. Is the program reaching the intended beneficiaries?

7. Approach

Given the emphasis on learning and improvement, utility of the review's findings is a key consideration of the approach. Hence, this review will be informed and shaped by an utilisation-focused approach in which the review team will design and implement the review in ways that will help to maximise the specific, intended use of the findings by the intended users.

Therefore, the review will be undertaken in ways that promote interactive discussion and reflection by individuals and groups of people. Through a more interactive and reflective approach, the review team hopes to increase the likelihood of learning and improvement as a result of the actual process and not only from the review findings. One key proposal is a workshop with representatives from each of the partnership organisations – the PKPR team, AusAID, and Gol – near the end of the data gathering stage to explore implications of preliminary findings and lessons from the literature. This will help in gaining shared understandings.

As noted earlier, the three different purposes of this review call for different approaches.

- i. In assessing the extent to which the program is meeting its objectives, a combination of an objectives-based approach will be used along with the approach recommended by Hovland for policy research projects, programs and institutions.⁸⁷
 - o The criteria for the objectives will be the indicators outlined in the program's results framework⁸⁸ (refer to indicators in Annex 1).
 - o Hovland recommends evaluating five key performance areas: i) strategy and direction; ii) management; iii) outputs; iv) uptake; and v) outcomes and impacts. This review will not assess 'management'.
- ii. The improvement questions will be approached through open-ended methods that explore with key stakeholders the essential strengths and areas for improvement. It will also be informed by literature to identify practices that have worked elsewhere that might be relevant for this program.

⁸⁶ For this review, 'institutions' refers to Gol ministries and agencies. Local universities and think tanks have not yet been included in the program, with this waiting full implementation in the next phase.

⁸⁷ Hovland, In (2007). *Making a difference: M&E of policy research: Working Paper 281*. ODI.

⁸⁸ PKPR Monitoring and Evaluation Framework (3 July 2012).

- iii. The knowledge generation questions will be approached through a combination of: synthesising the data from this review to identify lessons learned; a brief synthesis of literature of studies of similar programs to identify key common lessons; and exploration of the lessons through a workshop with the program partners.

8. How will data be collected and analysed?

Data methods

Data methods are matched to the particular questions to be answered and the information required. These are outlined in Annex 2. Essentially, they involve:

- document reviews, including: design documents; scale up proposal; peer reviews of scale up proposal; results framework; monitoring and evaluation framework; baseline report; progress reports; workplans; and standard operating procedures. The sample of documents will be the key documents identified by AusAID and the PKPR team at the outset of the review plus any relevant ones identified through ‘snowballing’, that is, those recommended by stakeholders during the process of the review;
- a modified stakeholder analysis. This data will be gathered as part of workshop with program staff using a simple visual method of recording and mapping, followed by discussion led by the review team;⁸⁹
- a rapid clarification of the program’s broad theory of change to check for alignment of activities and direction with intended goals. This data will be gathered through asking staff to build up an outcomes hierarchy as part of workshop with program staff⁹⁰;
- evaluation of a small sample of briefing papers (3) using Hovland’s criteria – the sample to be randomly chosen from among the ones provided to the review team;
- a brief literature synthesis to identify key lessons and good practices from other studies and working papers. Up to 20 articles or papers will be synthesised and chosen according to selected themes/topics. These topics will be chosen by the review team based on discussions with AusAID and from emerging issues from the document reviews and interviews;
- user perceptions and reactions to the program’s products and services, as part of interviews;
- semi-structured individual and group interviews. A list of stakeholder groups to be interviewed is provided as Annex 3. The actual list will be determined by AusAID and PKPR using the stakeholder groups list as a guide; and
- a workshop with program partners to explore lessons from the literature and the review.

Time will be set aside in the schedule for each of these data activities. For example, time set aside for the review team to read documents, time for interviews, scheduling of workshop, etc.

Team members will be jointly responsible for developing interview guides for each of the stakeholder types. These will be developed at desk prior to the in-country part of the review and then discussed and agreed on the first day in country. These guides will be adjusted throughout the process to pick up new trails of data, where they emerge.

In developing these guides, team members will focus their input in the following way:

- team leader: outcomes; strengthening capacity; monitoring and evaluation; sustainability; lessons;
- team member: the strategy and direction, institutional strengthening; motivation and incentives; relevance.

These interview guides will steer the semi-structured interviews, which will be conversational in nature. The guides will act as prompts to ensure major topics are explored and will allow the review team to pick up on new trails of information, if they emerge.

⁸⁹ This is a brief session to better understand the key people with whom the PKPR is working, to what extent, and why. It is not meant to assess the full range of its stakeholders nor map the intricate links between them.

⁹⁰ This is not meant to outline all the theory in a comprehensive manner but rather be used to sketch out the most obvious logic underlying the results framework. It is intended to help in understanding if the interventions are the correct ones and to better understand the results framework.

Whilst the team leader will take the lead in interviews and workshops, both team members will ask questions from the interview guide and ask clarifying questions. Where interviews are best undertaken in Bahasa Indonesia, the team member will lead the interview process with the team leader asking clarifying questions through the interpreter.

Document reviews will be recorded according to agreed themes drawn from the key evaluation questions. The documents will be divided between the team members to ensure an equal distribution of labour. This division will be based on specific interest and expertise, wherever possible.

The team leader will facilitate the workshop in which the modified stakeholder analysis and outcomes hierarchy are explored. The team member will play an observer role to pick up less obvious interactions and discussions between participants.

Team members will make extensive notes of all interviews, group sessions, and document reviews. Each team member will be responsible for typing these and sharing them with the other team member. These typed notes will be written against the key evaluation questions, with emerging themes being noted and other comments added. The team leader will provide a template for typing and sharing of notes.

The review team will be supported by a research assistant attached to the team leader's regular team. That assistant will conduct the literature synthesis and the quality review of the policy briefs.

Data collection

Gaining access to data

Access to relevant documents and key stakeholders will be negotiated through the Poverty Cluster unit of the World Bank and the program manager in AusAID. An interpreter will join the team to support the team leader, who does not speak Bahasa Indonesian.

Data measures

- Assessment of the progress of objectives will be made against the indicators of the program's key result framework plus additional indicators as selected by the review team. These additional indicators will be drawn and or adapted from Hovland's work (Annex 1).
- The assessment of the policy briefs will be made against the criteria suggested by Hovland: coherence, statement of problem, potential solutions; conclusions and recommendations.
- The monitoring and evaluation framework will be assessed against AusAID Indonesia M&E standards.

Data analysis

Triangulation will be applied through the use of four basic parameters:

- Data triangulation – the use of a variety of data sources;
- Investigator triangulation – the use of different evaluators;
- Theory triangulation – the use of multiple perspectives to interpret the data; and
- Methodological triangulation – the use of a mix of methods.

Analysis of the data will occur on an ongoing, iterative basis during the in-field activities. Team members will record and track analytical insights during the data collection phase. Wherever possible, time at the end of each day will be set aside for team members to briefly discuss their major observations, impressions and emergent sense-making of the data.

The in-field component of this review will occur in two stages – a two-week in-field mission, followed by a further week one month later. At the end of the first stage, the team will spend one day to discuss preliminary findings, discuss analytical methods, and identify data gaps.

During the two stages, the team will conduct some further desk-based analysis and the team leader will prepare the follow up interview guides and the workshop.

At the ends of the second stage, the team will convene for two days to:

- continue the preliminary analysis of the data, structured in two ways: a) against the key evaluation questions; and b) according to emerging themes. This process will:

- help successfully manage the large quantities of data; and
- identify emerging patterns, themes and hypotheses;
- jointly draw conclusions, make judgements in relation to the key evaluation questions and consider preliminary recommendations; and
- prepare the Aide Memoire for presentation to AusAID and the Poverty Cluster unit, World Bank (the PKPR team).

9. What are the limitations and constraints?

A number of limitations and constraints have been identified:

- The number of days for the in-field data gathering is limited to 10. This will mean that only the high-interest stakeholders will be able to be engaged by the review team.
- The review is occurring during the summer vacation and Ramadhan. The review team has been advised that some program staff and other stakeholders might, therefore, not be available to participate.
- The low priority evaluation questions will be considered as subsets to the first key evaluation question and be reported on as part of that question.
- With only three days to undertake preliminary analysis and prepare the Aide Memoire, it is possible that not all findings will have been identified. Some might emerge during the more intensive desk-based data analysis that follows the in-field mission. Should anything significant emerge during this time, the review team will discuss it with AusAID and the Poverty Cluster unit.
- The proposed clarification of the program's theory of change is not intended to fully articulate the theory or to reproduce the theory in any diagrammatic or narrative form. Rather it is an activity to develop a rapid joint understanding of alignment of activities and direction with expected outcomes.

10. What resources are available?

AusAID Indonesia has contracted an external team of reviewers: a team leader, who is a monitoring and evaluation specialist; and an organisational development specialist. The fees and disbursements for these external reviewers will be paid by AusAID at negotiated rates. The team leader will be supported through desk-based peer support by colleagues from her team, including the assessment of the policy briefs and literature search. The costs of this support fall within the negotiated rate for the team leader.

The review team will be comprised of:

- The team leader, Ms Julie Hind
- The organisational development specialist, Pak Gatot Widayanto

11. What is the schedule of review activities?

The first in-field phase of the review will occur between the 30 July and 10 August 2012. A second in-field phase will occur from 6 -13 September. A workshop with program partners is proposed for 10 September. This will be used to explore the lessons learned from the review and the literature. The remaining days will be set aside for analysis, preparation of the presentation, and conduct of presentation.

Some desk-based activities will be undertaken prior to, during, and following the in-field activities. A draft report will be submitted AusAID by 18 October 2012 for comment. The final report is due by 3 December 2012. A summary of the itinerary is as follows:

Review activity	Timeframe
Scoping of review - via face-to-face meetings, phone conference, and document review	2 – 6 July 2012
Draft evaluation plan	6 – 11 July 2012
Document analysis and review	ongoing
Literature review (where required)	ongoing, as required
Discussion with AusAID and finalisation of the evaluation plan	by 16 July 2012
Assessment of policy briefs	Between 17 – 31 August 2012
In-field activities (interviews, discussion groups, additional document reviews;)	30 July – 10 August 2012 and then 6-11 September
In-field activities: workshop with program partners to explore lessons learned	10 September 2012
Data analysis – preliminary	14 – 16 August then 10 – 11 September 2012
Preparation of Aide Memoire	11-12 September 2012
Aide Memoire presented to various stakeholders	13 September 2012
Data analysis – further discussion and follow-up between team	19 September – 15 October 2012
Draft report	21 September – 18 October 2012
Report considered by AusAID and World Bank	19 October – 23 November 2012
Final report submitted	3 December 2012

12. How will findings be disseminated?

The findings will be disseminated in the following ways:

- Preliminary lessons will be shared with program partners.
- At the conclusion of the in-field phase, the team will jointly prepare and present an Aide Memoire to AusAID and the Poverty Cluster unit, World Bank.
- A review report will be written.
- Subject to the approval of AusAID the report will be published on its website.

13. What codes of behaviour will be put in place?

The work will be conducted in accordance with the Code of Ethics of the Australasian Evaluation Society. The team leader will provide a copy to the other team member.

Key practices will include:

- Ensuring all those who participate in the review as informants are provided with clear information about the review and what will happen to the information.
- Confidentiality will be assured.
- Data will be displayed in ways that do not permit identification of the informant.
- People will be asked for permission before photos are taken and advised about how these will be used.
- Where negative findings emerge, these will be discussed with the relevant partners (as a courtesy) prior to the Aide Memoire presentations.

Evaluation plan annex 1: Outcomes and indicators

Note: These indicators have been drawn directly from the PKPR results framework and supplemented with ones drawn from the work of Hovland. Whilst these indicate quantitative data these are guides. Quantitative data was not made available to the review team so these indicators were assessed qualitatively.

Results	Indicators
<p><u>Intermediate Outcome 1:</u> Government uses poverty analytics to inform poverty and social protection policies, programs and strategies.</p>	Number of requests from government for evidence supporting poverty and social protection policy questions.
	Number of evidence-based policy documents delivered to the government on priority poverty reduction and social protection policy issues.
	Level of satisfaction of Gol users of the usefulness and perceived quality of information
	Examples of contribution (and degree) of program's studies to decision and policy making articulated by key stakeholders
	Reach of the program's distribution of studies through: <ul style="list-style-type: none"> • Events to share knowledge • Reported use of products by Gol stakeholders
<p><u>Intermediate Outcome 2:</u> Reforms and innovations in social protection program delivery and coordination are carried out.</p>	Level of reported ownership by Gol stakeholders of the reforms and innovations
	Reported change in knowledge, skills and application by Gol as result of capacity strengthening by program
	Gol stakeholder perceptions of the quality, appropriateness and timeliness of the technical assistance provided
	Alignment of the reforms and innovation with issues to be addressed
	Level of stakeholders who report that barriers to change and uptake of reform are identified and addressed
<p><u>Intermediate Outcome 3:</u> Enhanced capacity among government agencies and research institutions to design and conduct qualitative and quantitative policy analysis.</p>	Reported change in knowledge, skills and application by Gol and research institutes as result of capacity strengthening by program
	Alignment of capacity strengthening activities conducted by program with expressed needs of Gol and institutes
	Stakeholder perceptions of the quality, appropriateness and timeliness of the technical assistance provided

Results	Indicators
<p><u>Intermediate Outcome 4:</u> Improvements in the quality and availability of data required for poverty analysis and policymaking.</p>	Increased frequency, timeliness and accessibility of socio-economic and labor data.
	Reported change in knowledge, skills and application by Gol as result of capacity strengthening by program
	Alignment of capacity strengthening activities conducted by program with expressed needs of Gol and institutes

Evaluation plan annex 2 – Key evaluation questions and data methods

Key evaluation question	Second level questions	Data methods	What we will explore
To what extent is the AusAID funding enabling the program to meet its objectives?	Have the interventions and instruments produced the desired effects? Could other interventions achieve better results?	<p>Document reviews, including: design documents; scale up proposal; peer reviews of scale up proposal; results framework; monitoring and evaluation framework; baseline report; progress reports; workplans; and standard operating procedures</p> <p>A rapid clarification of the program’s theory of change to check for alignment of activities and direction with intended goals (as part of workshop with program staff)</p> <p>Evaluation of a small sample of briefing papers (3-4)</p> <p>Brief analysis of where work of the program is being published</p> <p>A brief citation analysis</p> <p>User ‘surveys’ (as part of interviews) of perceptions and reactions to the program’s products and services</p> <p>A modified episode study by ‘tracking back’ (as part of interviews and reviewing documents) of a small sample of policy changes suggested by stakeholders as having been influenced by the work of the Knowledge-Based Poverty Reduction program</p> <p>Individual and group interviews</p>	<p>The desired effects. The underlying theory of change. The underlying assumptions</p> <p>The mix of intervention and activities.</p> <p>The activities that have been undertaken. How these are determined and why.</p> <p>Progress to date. Enablers. Barriers to achievement.</p> <p>Satisfied of direct indirect program beneficiaries with the results (expected and unexpected)</p> <p>Reach of program</p> <p>Who research is done for, purpose, usefulness</p> <p>The policy initiatives the research has supported. The uptake and outcomes</p>
	To what extent has the program strengthened the capacity of participating institutions? What factors are enabling or hindering this institutional strengthening?	<p>A modified stakeholder analysis (as part of workshop with program staff)</p> <p>Individual and group interviews</p> <p>Document reviews: Progress reports; baseline report; workplans</p> <p>User ‘surveys’ (as part of interviews) of perceptions and reactions to the program’s products and services</p>	<p>Which stakeholders and why. How determined. Gaps in stakeholder engagement.</p> <p>How capacity strengthening activities are determined. Alignment with needs. What capacity strengthening activities are undertaken, which successful, why.</p> <p>Achievements. Alignment with what people needed/wanted</p>

Key evaluation question	Second level questions	Data methods	What we will explore
<p>To what extent is the AusAID funding enabling the program to meet its objectives? CONTINUED</p>	<p>To what extent has the program provided motivation or incentives to participating institutions to collaborate in the utilisation of knowledge?</p>	<p>Document reviews: progress reports, baseline reports, workplans</p> <p>Individual and group interviews</p> <p>A modified stakeholder analysis (as part of workshop with program staff)</p> <p>User ‘surveys’ (as part of interviews) of perceptions and reactions to the program’s products and services</p>	<p>How knowledge is shared. Uptake of knowledge.</p> <p>Examples of institutions working together to use the knowledge. Successful and unsuccessful.</p> <p>Barriers to knowledge transfer and use. How addressed</p> <p>Links between the source of knowledge and the intended recipients</p> <p>The opportunities provided for interaction between groups and for group discussion/learning</p>
	<p>How durable are the institutional changes? Are they likely to sustain after donor funding has ceased?</p>	<p>Individual and group interviews</p>	<p>Alignment between learning and sharing and their needs/priorities. How determined.</p> <p>Level of ownership of the reforms and innovation by Gol and other stakeholders. Who leads activities/projects</p> <p>Steps being taken to embed the changes institutionally</p>
	<p>How sufficient is the program’s monitoring and evaluation framework in measuring change at individual and organisational levels, and in helping to improve the program?</p>	<p>Assessment of framework against AusAID Indonesia M&E standards</p> <p>Individual and group interviews</p> <p>Document review: M&E framework; progress reports; QAI reports</p>	<p>Theory of change. What is being measured and why</p> <p>Level of alignment with contemporary good practice. Challenges.</p> <p>Alignment with AusAID Indonesia’s M&E standards</p> <p>Level of usefulness of information</p>

Key evaluation question	Second level questions	Data methods	What we will explore
<p>To what extent do program objectives remain relevant to national government policies and priorities and sectoral needs both now and beyond 2014?</p>		<p>Document review: national policies, workplans; program design; new proposal</p> <p>Individual and group interviews</p> <p>A rapid clarification of the program's theory of change to check for alignment</p> <p>An analysis of decision-making, communications, reporting, monitoring, and human and financial resources management to review whether the program's processes are 'fit for purpose', i.e., appropriate to the program's stated purposes</p>	<p>Alignment between the program objectives and national policies and priorities.</p> <p>Degree of pro poor focus.</p> <p>Where resources are invested; how investment decisions made.</p> <p>How program directions and priorities are determined. How future directions and priorities anticipated</p>
<p>What improvements could be made in the next phase of the program?</p>	<p>What are the key lessons from this review? How do these compare with lessons from similar programs?</p>	<p>A brief literature review and synthesis</p> <p>A workshop with program partners to explore implications of findings.</p>	<p>Major themes</p>

Evaluation plan annex 3 – Proposed interviews

Stakeholder
AusAID
Program manager
Senior program manager
Program manager social protection
Unit managers
Knowledge Sector
Senior advisor
Knowledge-Based Poverty Reduction program
Manager
Statistics team
Analytics team
Social security team
Social assistance team
Government agencies
Bappenas - Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
TNP2K - Tim Nasional Percepatan Penanggulangan Kemiskinan (The National Team for Accelerating Poverty Reduction)
BPS
Working group coordinators – TPN2K
Ministry of Finance
INSTITUTIONS
SMERU
University of Indonesia
Akatiga
Survey Meter
Asia Foundation

Annex 5 – Terms of Reference

Note: the format of this document has been altered from the original so that it would conform more closely to the format of the report.

Background

1. The Partnership for Knowledge-based Poverty Reduction is a program designed by the Bank. It aims to strengthen national efforts to reduce poverty and vulnerability by supporting the Government of Indonesia (GoI) in making informed and evidence-based policy and program decisions. This will be achieved by: i) providing poverty analytics and building analytical capacity to inform poverty and social protection policies, programs and strategies; ii) supporting the government in the design, implementation and evaluation of key poverty and social protection program; iii) improving the quality and accessibility of data required for poverty analysis and policymaking.

2. Capacity building activities - such as trainings/seminars/workshops, secondments, jointly planning and implementing research project etc. - are incorporated into the program activities to develop:

- internal capacity of government agencies (such as TNP2K, Bappenas, DJSN and sectoral ministries) to provide reliable qualitative and quantitative analysis to meet the immediate needs of policy makers, and provide tools that give them access to current data.
- analytical capacity of the Indonesian think tanks and universities so that they can provide services for central and local policy makers who are responsible for development policy. Their growing involvement will contribute to more informed and transparent public debate around policy issues.
- capacity of BPS to undertake its institutional reform agenda to deliver improvements in quality and accessibility of its statistical products and services in a sustainable way.

3. The end of program outcomes are: i) Government uses poverty analytics to inform poverty and social protection policies, programs and strategies; ii) Government improves the design and implementation of poverty and social protection programs and supporting coordination systems; and, iii) Government improves the quality of data required for poverty analysis and policymaking.

4. The program is very in line with the Government of Indonesia's poverty reduction agenda, particularly its target to decrease the poverty rate to 8 – 10 percent in 2014. In order to achieve the target, the government continues to implement its poverty reduction strategy, which includes social protection programs. The Australian Aid Policy "An Effective Aid Program for Australia" acknowledges the positive role of social protection and commits to increasing support for social protection programs and measures.

Current Situation:

5. The AusAID current contribution for the programme is AUD7.5 million. Out of the AUD5.5 million expended by AusAID, about 41% has been disbursed by the Bank. AusAID – WB agreement runs from June 2010 to December 2013.

6. The World Bank PREM team carried out various policy analysis and research to support the government's poverty reduction agenda. Some examples are: a major targeting report helped the government in determining how to establish a national targeting system, for which the program provided technical support. The system featuring a national registry was established in early 2012, will be used by implementing agencies to draw beneficiary lists for their poverty reduction programs.

7. With the team's support, Statistics Indonesia has started to operationalise its governance structures that are critical for the delivery of its reform agenda.

8. The team has just initiated the selection process for sister think-tanks. It is expected, though, that the partnership will be confirmed and in place in the current fiscal year.

9. The team monitors the implementation of activities, both of the Bank- and recipient-executed activities. Progress of activities is monitored against the results-based framework, starting with collecting information on development objective and outcome indicators at the outset of the program. A baseline levels for all outcome indicators, both qualitative and quantitative, are documented in a

baseline report. The data is based on analysis of government data (including the national socio-economic survey, Sakernas), government documents, and staff reports.

10. The team has submitted a workplan for 2013, which consists of 8 workstreams.

11. The Bank has submitted a new proposal for the extension and expansion of the current Program. With the additional funding support, the Program can be extended until June 2016. Proposed additional funding will be in the range of AUD22 million. The program extension and expansion will enable the World Bank to continue supporting the GoI to develop complementary strategies to tackle widespread vulnerability, such as social security system and accelerating job creation. The Bank is finalizing the design document for this new proposal, which will be peer reviewed by AusAID in the near future.

Purpose of the IPR

11. As part of the current program monitoring and evaluation plan, AusAID is responsible for conducting mid-term and final reviews to assess overall program performance. These Independent Progress Report TORs are for the mid-term review (or in AusAID current term: the independent progress report (IPR)).

12. The review has a three-fold purpose:

- a) Program justification:
 - Evaluate the extent to which AusAID funding has enabled the Program to achieve its objectives
- b) Program improvement:
 - Review lessons that the Program has learnt which can be useful in further improving the Program
 - Confirm the Program's relevance to GoI needs and priorities, particularly beyond 2014, and recommend strategies to improve the Program's continued relevancy.
- c) Generating knowledge for conceptual use:
 - Synthesise the Program lessons learned and best practices, focus and examine ways in which the Program facilitates or hinders learning.

Scope of the IPR

13. The IPR will limit its scope to the activities implemented under the Knowledge-based Poverty Reduction since its commencement in June 2010. However, it is expected that the team will provide more future-outlook recommendations based on the findings.

14. The IPR will address the following evaluation questions:

High Priority

- a) To what extent are the Program objectives justified in relation to sectoral needs? Can their *raison d'être* still be proved beyond 2014? Do they correspond to the national government, medium term as well as longer term, development policies and priorities?
- b) Have the interventions and instruments used in the Program produced the expected effects? Could better effects be obtained by using different interventions or instruments?
- c) To which extent has the capacity of participating institutions (ministries/agencies/local universities/think tanks) been built? What are the major issues influencing achievement and non-achievement of the objective?
- d) To what extent has the Program provided motivation or incentives to participating institutions (ministries/agencies/local universities/think tanks) to engage in dialogues leading in collaborative utilisation of knowledge?

e) Are the results and impacts including institutional changes durable over time? Will the impacts continue if there is no more donor funding?

f) How sufficient is the Monitoring & Evaluation framework/plan: to facilitate measuring immediate and long term changes, at individual and organisation levels, and to learn and improve in the process?

Low Priority

g) Are the expected or unexpected results, in overall, satisfactory from the point of view of direct or indirect beneficiaries?

h) Were the activities delivered by the Program of the right mix to achieve the Program objectives? Does the Program offer the right mix of activities?

i) Is the PREM team reaching the intended organisations/people?

15. The questions under each criterion are meant to guide the review team in focusing on key issues when designing survey and interview tools, analysing results and providing findings and recommendations.

Duration of the Evaluation

14. The expected period for the evaluation process is from 3 July to 3 October 2012 with 13 days of in-Indonesia mission. This evaluation period includes time for desk review, preparation of the evaluation plan and methodology, consultation, data processing as well as preparation of aide memoire and reports up to 30 input days work which tasks to be divided as below in Section D.

Evaluation Process

15. The evaluation will consists of a desk review and interviews with key stakeholders. They may include Indonesian government agencies such as TNP2K, Bappenas and BPS; research organisations and think tanks; World Bank and other donors, as well as AusAID. In undertaking the IPR, the team will:

No.	Tasks	Number of Allocated Days/Task	
		Team Leader	Team Member
1	Conduct a desk study to review relevant program documentation provided by AusAID	2	2
2	Develop an evaluation plan, which includes methodology, instruments, identification of key respondents, and further documentation required	2	2
3	Travel time from Australia to Jakarta return	2	0
4	Conduct meetings in Jakarta (10 days) on 23 July – 3 August 2012. This includes an AusAID briefing session and introduction to the World Bank team in Jakarta on 23 July 2012 (tbc).	10	10
5	Conduct preliminary analysis of the interview results and prepare an Aide Memoire for submission at the end of the in-country mission which outlines the major findings and preliminary recommendations of the IPR on 6 – 8 August 2012.	3	3

No.	Tasks	Number of Allocated Days/Task	
		Team Leader	Team Member
6	Participate in an AusAID debriefing session in Jakarta at the completion of the in-country mission and present the Aide Memoire of the IPR to AusAID Jakarta and the World Bank on 9 August 2012.	1	1
7	Process the evaluation data	3	3
8	Write and submit the draft IPR	5	2
9	Write and submit the final IPR	2	1
TOTAL NUMBER OF DAYS		30	24

Reporting Requirements

16. **Evaluation Plan** - This plan will outline the scope and methodology of the evaluation. The plan will include: the methodology to be used for assessing the outcomes of the program; the process for information collection and analysis, including tools such as questionnaires and/or questions to be asked during focus group discussions; identification of any challenges anticipated in achieving the evaluation objectives; allocation of tasks of the evaluation team; key timings; a consultation schedule identifying key stakeholders to be consulted and the purpose of the consultations; activities/research to be undertaken; and a draft schedule of field visits. It is expected that the Evaluation Plan will be submitted to AusAID by xxx or three weeks before the in-country mission for AusAID's feedback.

17. **Aide Memoire** - The Team Leader will submit and present an Aide Memoire (maximum 5 pages) on key findings upon completion of the in-country mission (9 August 2012). The Aide Memoire will be prepared in dot-points with discussion in reference to the Aide Memoire for Evaluation template (see **Annex 1**). It is expected from the schedule that the team will have 3 days to work on the Aide Memoire prior to presenting to AusAID and the World Bank.

18. **Independent Completion Report** - The Team Leader will have up to five working days to write and submit the draft IPR (max 25 pages in length, excluding annexes). The draft shall be submitted on 5 September 2012. AusAID will provide feedback to the Evaluation Team within 3 weeks upon receipt of the draft report from the Team Leader (26 September 2012). The Team Leader will then submit the Final IPR up to a week later (3 October 2012).

Team Composition

19. The IPR team will comprise two members, an international evaluation expert with particular expertise in monitoring and evaluation (M&E) as a Team Leader and an expert in organisational development as a Team Member.

- a) **Monitoring and Evaluation (M&E) Specialist/Team Leader** - The M&E Specialist (Team Leader) will have a strong background and experience in evaluation methods and processes, previous proven skills and experience in conducting review and performance evaluation, and demonstrated ability to draw on international best practice to inform the mission. The Team Leader will possess very high analytical skills, an ability to gather and interpret data and information and write constructive, informative reports. The Team Leader will have a forward-looking perspective in terms of looking for lessons and implications to inform future programming.

The Team Leader will preferably have a sound knowledge of AusAID corporate policy on quality reporting system and business process for aid delivery; conversant with AusAID development assistance procedures/regulations and policies. S/he will have high familiarity with the Paris Declaration on Aid Effectiveness. S/he will have working knowledge and familiarity of cross cutting issues such as public financial system and anti-corruption issues, gender, partnership, together with an understanding of Indonesia social and political context (Indonesian language skills desirable). S/he has a high level of professionalism and commitment to delivery of results and excellent report writing skills (in English).

The Team Leader will effectively utilize the expertise of the team member in meeting the Terms of Reference and contractual obligations. S/he will be ultimately responsible for delivering a quality evaluation report. Thus, team leadership skills are also essential.

The Team Leader will be responsible for the following outputs: drafting and submitting an Evaluation Plan, drafting and finalising the Aide Memoire, presenting preliminary findings to AusAID and the World Bank, in addition to drafting and finalising the Independent Progress Report. S/he will lead the evaluation process, including participating in the inception briefing, assigning tasks and responsibilities of the team member, and presentation of initial evaluation findings in an Aide Memoire.

b) **Organisational Development Specialist (Team Member)** - Under the direction of the Team Leader, the Team Member will be responsible for providing advice and written inputs to the Team Leader as instructed by the Team Leader in order for the objectives and reporting requirements of the review to be met.

The Organisational Development Specialist (Team Member) will have technical qualifications, knowledge and background in organizational and human resource development. S/he will have sound experience in the management and/or monitoring and evaluation of independent institutions/NGOs in development programs and developing context. It is desirable that s/he will have experience in public policy and/or research in Indonesia.

S/he will possess good analytical skills, well-developed team skills, experience in gathering and interpreting data and information and writing constructive reports. S/he will have a high level of professionalism and commitment to delivery of results and excellent report writing skills in English.

Key Documents

20. Key documents will be provided by AusAID to the Evaluation Team at commencement of the assignment as below:

- a) World Bank Multi-donor Trust Fund for Partnership for Knowledge-based Poverty Reduction:
 - 1) Proposal, dated April 2010, attaching Standard Operating Procedures
 - 2) Baseline report, dated November 2010
 - 3) Progress reports
 - 4) Workplans
- b) World Bank Multi-donor Trust Fund Partnership for Knowledge-based Poverty Reduction extension and expansion:
 - 1) Draft proposal
- c) AusAID Design Document:
 - 1) Poverty Reduction Support Facility, dated 2 December 2010
 - 2) Issues and Options for Scale Up in the Social Protection Sector, dated February 2012
 - 3) Proposal for Additional Funding for Social Assistance, Draft dated March 2012
- d) Australia Indonesia Partnership Country Strategy 2008 – 2013