Indonesia: Eastern Islands
Study of lessons learned in aid delivery by AusAID and other donors

Australian Agency for International Development

AusAID

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Abbreviations and Acronyms

ABRI	Angkatan Bersenjata Republik Indonesia (the Indonesian Armed Forces)
ADB	Asian Development Bank
AHP	Animal Health Post
AIDAB	Australian International Development Assistance Bureau
AMC	Australian Managing Contractor
APBN	Anggaran Pendapatan dan Belanja Negara (The National Budget)
APBD1	Anggaran Pendapatan dan Belanja Daerah 1 (The Provincial Budget)
APBD2	Anggaran Pendapatan dan Belanja Daerah 2 (The District Budget)
APOG	AIDAB Program Operations Guidelines
ARPAPET	Agricultural and Regional Planning Project East Timor
ARSSP	Agriculture and Rural sector Support Program (USAID)
ATL	Australian Team Leader
AusAID	Australian Agency for International Development
b	billion (I.e. 1000 million)
BAKORNAS	Badan Koordinasi Nasional Penanggulangan Bencana (National Disaster Coordination Board)
Balitvet	Balai Penelitian Veteriner (Veterinary Research Agency)
Bappeda	Badan Perencanaan Pembangunan Daerah (Regional Development Planning Board)

BARDEP	Bobonaro Highland Area Rural Development Project
Bina Marga	The Directorate General of Roads in Public Works
BMS Project	Bridge Management System Project
BPAM	Badan Perusahan Air Minum (embryo state water company under control of Public Works)
Bpk.	Bapak. Formal Mr.
CAD	Computer Aided Design
CHAPS	Cattle Health and Productivity Survey (EIVS)
CIDA	Canadian International Development Agency
CR	Completion Report (in AusAID Library classification system)
DAC	Development Assistance Committee
DepSos	Departemen Sosial (Social Affairs Department)
DfID	Department for International Development (Ex-Overseas Development Administration in the UK)
DGHE	Directorate-General of Higher Education
DGLS	Directorate-General of Livestock Services
Dinas	A provincial sectoral office
DIP	Daftar Isian Proyek (project budget approval)
Ditjen	Directorate-General
Dr.	Doktor (qualification)
DTVE	Directorate of Technical and Vocational Education (Dept. of Education and Culture)
EDS	Evaluation Desk Study
EIVS Project	Eastern Islands Veterinary Services Project
EV	Evaluation (in AusAID Library Classification)
Flores WSSRDP	Flores Water Supply and Sanitation Reconstruction and Development Project
GOA	Government of Australia
GOI	Government of Indonesia

GTZ	Deutsche Gesellschaft fur Technische Zusammenarbeit GmbH (German Development Corporation)
ha	hectare
HANSIP	Pertahanan Sipil (Civil Defence Units)
HIV/AIDS	Human Immuno-Deficiency Virus/Auto Immune Deficiency Syndrome
HRD	Human Resource Development
IATVEP A	Indonesia Australia Technical Vocational Education Project Part A
IATVEP B	Indonesia Australia Technical Vocational Education Project Part B
INI ANSRADEF	Indonesia International Animal Science Research and Development Foundation
Inpres	Instruksi Presiden (Presidential Instruction funding mechanism)
Ir.	Insinyur (Engineering and technical qualification)
JICA	Japan International Cooperation Agency
km	kilometer
LAN	Local Area Network (computing)
LKMD	Lembaga Ketahanan Masyarakat Desa (Village Resilience Organisation - similar to a council)
LRWSS	Lombok Rural Water Supply and Sanitation Project
m	million
M&E	monitoring and evaluation
Menko Kesra	Coordinating Minister for People's Welfare
MIS	Management Information System
MOU	Memorandum of Understanding
MSc	Master of Science
MTR	Mid Term Review
NGO	Non-Government Organisation

NRCC	National Research Coordinating Committee (Balitvet)
NSW	New South Wales
NTB	Nusa Tenggara Barat (West Nusa Tenggara)
NTT	Nusa Tenggara Timur (East Nusa Tenggara)
NTTIADP	NTT Integrated Area Development Project
NTTLDP	NTT Livestock Development Project
NTTWMPP	NTT Watershed Management Planning Project
O&M	Operation and Maintenance
PCB	Project Coordinating Board
PCC	Project Coordinating Committee
PCR	Project Completion Report
Peternakan	Livestock
PhD	Doctor of Philosophy
PID	Project Implementation Document
PLDP	Pilot Livestock Development Project (see NTTLDP)
PMD	Pembangunan Masyarakat Desa - Village Development Office)
RUPUSDALOPS	Disaster Operations Room
RWSS	Rural Water Supply and Sanitation
SATGAS	Satuan Tugas (Work Unit)
SATKORLAK	Satuan Koordinasi Pelaksanaan Penanggulangan Bencana (Provincial Disaster Coordinating Unit)
SATLAK	Satuan Pelaksanaan Penanggulangan Bencana (District Disaster Coordinating Unit)
SBRLKT	Sub Balai Rehabilitasi Lahan dan Konservasi Tanah (Sub Unit for Land Rehabilitation and Soil Conservation (Forestry)
SIAPP	Second Indonesia Australia Polytechnics Project
SMEC	Snowy Mountains Engineering Corporation
SoE	A town in upland West Timor (pronounced Soway)

SosPol	Sosial Politik (The local Social and Political Affairs office)
SSEOP	Small Scale Economic Opportunity Program (Lombok RWSS)
STD	Sexually transmitted diseases
t/ha	tonne/hectare
TAG	Technical Advisory Group
TTS	Timor Tengah Selatan (South Central Timor District)
TTU	Timor Tengah Utara (North Central Timor District)
UN	United Nations
UNDANA	University of Cendana in Kupang
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WSS	Water Supply and Sanitation
WSSLIC	Water Supply and Sanitation for Low-Income Communities (World Bank Project)

Summary of Lessons Learned

Introduction to the Study - Chapter 1

This study aims to provide some pointers for people involved in project design, implementation, monitoring and evaluation in AusAID's program in eastern island regions of Indonesia. It summarises some of the lessons that have been learned in recent years. It predominantly refers to general lessons on project design and implementation. It does not dwell much on technical issues in sectors and sub-sectors in which AusAID works. Other evaluative material exists for that purpose. Users of this study should note that while the study has attempted to be as wide as possible in finding and documenting lessons, it is not exhaustive. It is hoped readers will find what it offers useful, however.

This study report has been organised to reflect institutional, project design, project implementation and community issues that affect AusAID's program of development cooperation in the eastern islands of Indonesia. The study has taken place over the period October 1997 to February 1998 and has involved compiling lessons learned from AusAID and other donor documentation. It has also required a visit to the eastern islands to discuss issues with AusAID and GOI funded project staff and discussions with donor organisations in Jakarta.

Institutions and People - Chapter 2

Institutional concerns are the most often reported "lessons learned" from implementing projects in the eastern islands. A number of specific AusAID project examples are used to illustrate this. Institutional capacity building is clearly an element of most donor projects at this time. Some of these lessons are about being pragmatic in what is attempted in an institutional sense, particularly given current economic conditions:

> **Pragmatism and Incremental Change.** One the lessons that emerges strongly is that project designers and the organisations they represent need to be pragmatic about what they attempt to change in the institutional arena. To change the entire

method of operation of a branch of government may just not be feasible. To incrementally change some of its procedures may be. *See Section 2.1.*

Physical Development is Easier. The institutional difficulty of a project is inversely proportional to the amount of concrete physical development the project aims to achieve. *See Section 2.4*

The Pace of Development Under Difficult Economic Conditions. Despite the current financial and economic crisis in Indonesia, and concerted efforts resulting from this to improve institutional transparency and procedures, issues surrounding counterpart budgets and institutional capacity are unlikely to change positively in the near future. It is more likely that they will become more critical before improving. Counterpart budget provision will become more difficult and donors will be requested to fund more. The position of eastern island provinces is also unlikely to improve in the near future. It is noted that efforts to decentralise have been slow and the institutional constraints upon the eastern islands are major in nature. These constraints and the pace of development are unlikely to improve in the near future. Project design should reflect this reality. Project review may indicate the need for a change of pace. *See Section 2.4.1.*

There are also lessons concerning risks in institutional development activities and useful activities that can be undertaken to minimise them. This particularly includes planning and agreeing the roles of senior officials in the Government of Indonesia:

Minimising Institutional Risk Through Physical Outputs. The risks of institutional strengthening at the central level can be minimised by implementing change as a related but incidental part of producing physical outputs. The outputs will have use in the field even if the institutional development ultimately fails. *See Section 2.4.2.*

Institutional Development in Established Organisations. It is often difficult to work at strengthening existing institutions where well-established and entrenched attitudes and procedures exist. It is easier to follow a path of institutional strengthening during the pioneering days of an institution when everyone is trying new approaches. *See Section 2.4.2.*

Well Timed Policy Decisions. The power of a well-timed policy decision to bring about systemic change needs to be noted as a lesson well learned. *See Section 2.4.3.*

Establishing Working Relationships With Key Officials. When there is agreement between GOI and AusAID to place Australian advisers in GOI agencies, it is important that the advisers establish close working relationships with key officials. Project outputs may translate more effectively into policy changes if the adviser has a firm base of support at senior levels of the bureaucracy. *See Section 2.4.4.*

Keeping Senior Officials Fully Informed. If an eastern islands project has elements that may contribute to policy decision making at national level, project designers must include a mechanism for ensuring that senior policy makers are kept fully informed. *See Section 2.4.4.*

Planning for Approvals. Any formal change to procedures, however small, will require someone at the top of the hierarchy to formally authorise it. If such change is attempted in the project environment, implementors need to be quite clear as to exactly what is to be achieved, by whom, and exactly what mechanisms must be brought in to play to cause it to happen. This needs careful planning particularly to ensure that the right senior officials are approached and enough time is devoted to approval mechanisms. *See Section 2.5.1.*

Trialing and Modifying Procedures. Project duration needs to take account of trialing and modifying new procedures. Periodic inputs may also be needed following cessation of full-time project inputs to reinforce and assess the continuing applicability of new procedures and the capacity to apply them. *See Section 2.5.1.*

Being aware of the institutional framework for development cooperation activity is important. This includes an understanding of the constraints on time and on what is possible to achieve. It includes an awareness of the need to keep projects simple, well defined and to allow plenty of time for activities to develop:

Ensuring Advisers Are Briefed on Institutions. Project advisers must be briefed on the institutional framework in which they are to work, either prior to, or on, arrival. Briefing should be undertaken by the AMC and where possible

augmented by inputs from the GOI counterpart agency. See *Section 2.5.1.*

Understanding Variations In Capacity. It is important for Australian project designers and field staff to appreciate differences in institutional capacity in different regions. It is particularly important to understand the differences in capacity to plan and budget between well-resourced and less well-resourced offices. *See Section 2.5.2.*

Participatory Planning is Time Consuming. The effort to engender truly participatory planning activities is quite considerable. The time required should not be underestimated during project design. *See Section 2.5.3.*

Planning for Inclusion of District Funding. The inclusion of district level funding in projects to which Australia is contributing in the eastern islands is likely to increase in the future. The turn-around time from budget proposal to funds arriving is often 18 months. Care needs to be taken to ensure that sufficient time is allowed in implementation schedules for this. Designs will be unrealistic otherwise. *See Section 2.5.4.*

Restricting the Number of Sectors in a Project. It might be good to question whether a single institution approach to a project is possible, or indeed to ask what sort of project would result from operating through just one agency. *See Section 2.6.1.*

Limits to Sustainability of Integrated Activity. One overall lesson of integration is that whilst a project may integrate activities between sectors, the recipient government is not necessarily organised to do this and will not necessarily continue to do this after the project is complete. *See Section 2.6.3.*

Clearly Specifying Funding Channels. It is incumbent on project designers to specify very clearly the need for funds to come through different channels. Each participating agency should ideally have a project allocation from central government. It would also be ideal if this could be arranged prior to project inception. *See Section 2.6.3.*

Coordination between different agencies and between the regions and the centre is important. A number of things can be done to encourage coordination activities:

Encouraging Institutional Linkages. Institutional linkages are predicated on people within linking organisations understanding each other's organisational viewpoints, and their strengths and weaknesses. The study tour is noted as a potentially useful tool in bringing this understanding about. Nearer to home, the workshop technique, very popular in Indonesia, can have a similar effect. *See Section 2.6.4.*

Project Design: Some Selected Issues - Chapter 3

Many of the lessons mentioned above apply equally to all stages of the project cycle. More specifically a number of lessons apply to project design. It is hoped these will encourage project designs which will meet the needs of participants through measurable and attainable aims. A number of other needs have emerged, including the need to keep participants fully informed of what is being designed

Extended Design Periods for Participatory Planning. If projects are to involve more levels of government and to involve participatory planning and implementation by communities, design exercises are likely to require more time. Consultation should allow significant time for rural appraisal techniques and workshops for government participants, together with formal introductory and reporting back meetings, field visits and meetings to discuss project issues. *See Section 3.3.*

Including Realistic and Measurable Goals. It is important, at least for monitoring and evaluation (M&E) purposes, to include project goal statements that, as far as possible, are both realistic and measurable. Realistic performance indicators are also important for AusAID to facilitate its accountability to Parliament. *See Section 3.4.1.*

Attention to Project Data Needs. One of the functions of project design is to examine rigorously existing data systems and ascertain accurately the need to build data collection systems into the project that ensues. *See Section 3.4.2.*

Early Use of Adaptive Research. Adaptive research in early stages of a project to really establish what is required may often be very wise. However research must not get bogged down to the point where it is beyond the capacity of local people to

undertake, or where its results are not apparent until late in the project. It must be short in duration, highly focused and immediately relevant. *See Section 3.4.3.*

Project Documentation in Bahasa Indonesia. It is worth considering making available more project documentation in Bahasa Indonesia, particularly summaries of key documents like project designs and annual plans. It is furthermore suggested that distribution of this documentation through GOI should be as wide as possible to cater for the needs of project participants. *See Section 3.4.4.*

Identifying Potentially Critical Delays. In the case of the eastern islands it is pertinent to note that critical delays can be exacerbated by the difficulties inherent in logistics in the region. Projects in the region require longer lead times for the acquisition and delivery of equipment and supplies or the recruitment and deployment of staff. This needs to be noted in analysis of project timing and formulation of schedules. *See Section 3.4.5.*

Minimising Cross-Conditionality. Cross-conditionality between components of projects should as much as possible be minimised, especially if there is a chance that one crucial component or activity can delay or prevent others from occurring. However, this should not be at the expense of integrating activities of different components, as this may provide extra value to the project. This states the need to create the opportunity for integration without the necessity for it. *See Section 3.4.5.*

Once designs have been approved, the period of preparation for project inception begins. This can be time consuming. A number of things can be achieved during this time:

Allowing Time for Project Preparations. Project designs need a realistic timeframe for the provision of financial inputs from the donor and from the GOI in order that all required inputs can come together in the most effective manner. In some cases this will not be a critical issue, but in some cases special measures may be required such as preparatory work on budgets prior to project inception or the provision of donor funds to cover counterpart requirements for an initial period. In some cases the problem could be avoided through design so that significant counterpart funds are not required in the first

phase, or so that the first phase consists of a preparatory period with limited donor personnel deployment. *See Section 3.5.*

Project Implementation: Some Selected Issues - Chapter 4

Project implementation is where the activities of all participants come together. A number of lessons are pertinent to the needs of GOI participants in projects:

GOI Defined Roles in Projects. The GOI project system, whilst it has similarities with our own, has fundamental differences relating to regulated roles and remuneration, of which we need to be aware. These differences can contribute to mutual misunderstanding of roles between GOI officials and foreign consultants. They may also create an impression that GOI staff and overseas workers are working in different directions. One key to ameliorating this is to work jointly on project documentation from the design stage onwards. *See Section 4.1.*

Understanding GOI Staff Needs. Sensitivity to and understanding of the system under which GOI officials work is one precursor to good project relations. This includes understanding of the constraints of remuneration and career opportunity many people are under. *See Section 4.2.*

Widening the Group of Trainees in a Project. Training should be provided for a wider group than just those who are to implement; this helps to cover for staffing changes. *See Section 4.2.*

Training Senior Staff. Training of senior managers in awareness of new skills being acquired by their operational level staff is a sound strategy for institutional strengthening projects or for projects in which institutional strengthening is an element. *See Section 4.2.*

A number of lessons are pertinent to the needs of Australian funded project staff:

Realistic Expectations of Australian Field Staff. Project design needs to be realistic about just what Australian funded advisers can be expected to achieve. Requiring a very diverse range of skills from one person, and expecting specialists to cover too many other fields, are unrealistic. The inception

period for staff is also a crucial time for them to assess the task in hand. It should therefore not be overly occupied with housekeeping matters. Similarly staff should not be expected to push their own basic requirements aside for the sake of the project. This requires better planning. *See Section 4.3.*

Ensuring Gender Balance on Teams. Care needs to be taken in ensuring gender balance on AusAID teams. This means ensuring that the needs and views of women participants are fully canvassed and incorporated at the design and implementation stages. This can happen if women are used on design, appraisal, review and evaluation teams, and if women are deployed as professional advisers in implementation teams. *See Section 4.3.*

Encouraging More Young Professionals. There needs to more consideration of the longer-term expatriate staffing requirements for AusAID projects in the eastern islands, especially given the generally more difficult conditions encountered there. A strategy is required that matches AMC efforts to recruit young professionals with clearer incentives to do so and with Australian government recognition of the importance of developing the body of project staff that represent Australia in the field. *See Section 4.3.*

Generally, a wide range of clients or stakeholders exists in projects. They need to be recognised and their needs met:

The Client Base and Encouragement of Delegation. Projects have a range of clients, some formal, some practical. As much as possible, the needs of all client groups should be met. The client group that contains the national level decision makers is a vital link in project success, as decisions made at this level can greatly affect project policy and directions. This group needs careful management. However, it is likely to meet rarely and therefore requires careful support from other project participants authorised by it to contribute to policy making and project direction. Selective delegation of these roles should be encouraged in AusAID projects. *See Section 4.4.*

Finally, in terms of project implementation, the day to day operations of GOI agencies need to be understood, and cooperative monitoring and budgetary sustainability encouraged:

Understanding GOI Budget Sensitivities. Budget sensitivities for GOI officials are as real as our own. Different

aid delivery mechanisms cause different constraints within the budgetary system of the recipient government, and project implementors and monitors need to be aware of these constraints. Notably:

- There may be a preference amongst GOI officials for GOI control of all project funds;

- There are significant constraints to the rolling-over of GOI funds from year to year;

- There is a need to include significant elements of clearly labelled GOI funding in projects; and

- There is need to understand the paucity of local revenue mechanisms and the consequent reliance on funds from higher levels of GOI. *See Section 4.5.*

Encouraging Cooperative Monitoring. Greater cooperation in monitoring between AusAID and GOI could have significant benefits for project coordination and success. AusAID should continue to encourage the involvement of central GOI officials, should consider the formal involvement of regional officials with planning and monitoring functions, and should consider building up a more comprehensive picture of GOI monitoring mechanisms. *See Section 4.6.*

Encouraging Maintenance of Assets. The assumption that systems or mechanisms for maintenance of physical infrastructure exist and, moreover, will be used, needs rigorous checking during design and implementation. Plans for maintenance after project implementation finishes should certainly be encouraged during the life of the project. *See Section 4.7.*

Community development and participation are becoming more the norm in AusAID's eastern island projects. A number of pertinent lessons are given:

Attention to the Detail of Community Development. With renewed focus on rural development in the Indonesia program and with GOI efforts to decentralise development, will come increased requirements to work with the agencies most closely linked to village development, PMD and the LKMD. Attention to the detail of community participation in design and implementation will be increasingly important. *See Section 5.1.3.*

Community Capacity to Pay for Services. The issue of user ability to pay for services encouraged through development projects will continue to become more critical in the future. This is likely to be in the context of government's dwindling capacity or willingness to subsidise such services, and also in the context of pressure for privatisation. Projects need to be rigorously designed to ensure that services provided are priced within the capacity of the community to pay. *See Section 5.2.*

The Use of NGO Facilitators. The use of NGO personnel as community facilitators and extension workers is likely to continue to be a useful aspect of AusAID's program. GOI is now more comfortable with the use of NGOs in development projects than it was in recent years. The value of technically competent and motivated NGO staff to the program should not be under-estimated. However, it should not be assumed that NGO facilitation is a sustainable activity in all cases. In this regard it should be stressed that planned withdrawal of NGO facilitation services from development activities encouraged through projects should be considered in project design. *See Section 5.3.*

Chapter 1

Introduction to the study

1.1 Origins of the Study

The Indonesia-Australia Development Cooperation Program supports the Government of Indonesia's efforts to achieve sustainable development and equitable distribution of its benefits. An AusAID programming mission visited Indonesia in July and August 1997 and confirmed with the Government of Indonesia (GOI) that Australia's primary geographical focus for development assistance would continue to be the eastern islands provinces of East Timor, West Nusa Tenggara and East Nusa Tenggara[1].

Priority sectors for Australian support will include rural development, water supply and sanitation, health, education and environment. In addition, a cross-cutting theme of good governance will be developed in the program.

AusAID has significant experience of assisting projects in the eastern islands of Indonesia. Early support for livestock activities in the eastern islands, for instance, goes back to at least the early 1980's. Australian assistance in this sector in other parts of Indonesia goes back over 20 years. Australia has some 28 years experience in the water supply sector in Indonesia, with experience in the core area of the eastern islands for the last twelve years.

Project completion reports and evaluations both have a role in documenting lessons learned from particular projects. The AusAID database and library contain a wealth of such material. Furthermore AusAID has, from time to time, commissioned sector studies which in themselves draw together lessons within sectors.

This study does not aim to duplicate or copy what is contained in this large body of material. Rather, it aims to provide a timely compilation of principal lessons learned from AusAID's extensive experience, that of other donors, and multilateral development

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1   Strategic Directions for Australia's Development Cooperation Program With Indonesia 1997/98 to 2001/02, AusAID, September 1997.

banks. The study draws upon lessons learned from the design and implementation of projects in the eastern islands. However, the sources of information are not restricted to the eastern islands or to AusAID. Where relevant, experience in other parts of Indonesia is referred to, as is experience of other donors and of the GOI itself.

1.2 Approach Taken To The Task

The first basis of information for this study has been AusAID's library resources. Most particularly, this has meant review of a sample of project completion reports, and where available, project evaluations. Also, available sector studies have been reviewed. Other materials were provided for review by the Indonesia and Evaluations Sections of AusAID.

Also considered as a basic resource for this study was AusAID's existing Lessons Learned Database, which is part of the organisation's Activity Management System. A search of all lessons relating to Indonesia was undertaken. This was augmented by a similar search of the Development Assistance Committee's (DAC) Evaluation Abstracts for Indonesia in the DAC Evaluation Reports Inventory. These two searches were further supplemented by evaluative information from the Internet pages of the World Bank, Asian Development Bank, Canadian International Development Agency (CIDA), Japan International Cooperation Agency (JICA), UK Department for International Development (DfID), *Deutsche Gesellschaft fur Technische Zusammenarbeit*, the German Development Corporation (GTZ) and United States Agency for International Development (USAID).

As a result of reviewing these sources of information an initial list of lessons was compiled. This was presented to and discussed with AusAID officers from the Evaluations and Indonesia Sections. Further information was obtained from the Environment, Agriculture and Physical Infrastructure Section.

Following the initial analysis of lessons available from other donors, selected materials from other donors were drawn from the AusAID library and reviewed. Based on all of these sources a sample chapter (an early draft of Chapter 2) was produced and approved by AusAID.

A further basis of information for this study has been discussions with Australian field staff and their GOI counterpart officers and selected officers from other donor funded projects in the eastern islands of Indonesia. Based on the desk study materials and lessons

noted, a series of discussion questions was prepared and approved by AusAID (Appendix 4).

During the fieldwork component of the study, the consultant was joined by an Indonesian co-team leader of an AusAID project and by one of the senior staff of the AusAID post in Jakarta. This team consulted with a wide range of respondents in the islands of Timor, Flores Sumba and Lombok. Responses provided have been incorporated into this study document.

The final stage of the study was a series of meetings with other donors in Jakarta. This was undertaken by the consultant and the contract manager of the study from AusAID's Evaluation Section. These meetings were used to confirm issues raised during earlier stages of the study with particular reference to aid delivery mechanisms used by different donors. Points for discussion with other donors are in Appendix 4.

1.3 Activity Timetable

The study commenced on 20 October, 1997 in AusAID Canberra. Library and other archival and Internet materials were reviewed between 20 and 31 October. Further desk work was undertaken during the period up to 27 November, when the consultant arrived in Jakarta for the eastern islands field phase of the study. After brief introductory meetings in Jakarta the field phase was undertaken between 29 November and 10 December. Discussions with other donors were undertaken in Jakarta between 26 and 30 January, 1998.

The full itinerary for the field phase of the study is given as Appendix 2.

1.4 A Note On Current Economic Issues in Indonesia

This study has been undertaken during the period October 1997 to January 1998. This has been an economically turbulent time for Indonesia with the banking crisis, the collapse of the Rupiah and the bankruptcy of many formerly strong business groups. This brings a change, away from assured high levels of economic growth, and is forcing the unemployment of large numbers of Indonesians. The fact that this is coinciding with a severe *El Nino* induced drought, and the five yearly Presidential election has added to the social, political

and economic uncertainty. This uncertainty continues at the time of writing this document.

This study has not been prepared with any assumptions about the long-term economic future of Indonesia. The lessons from past and current activities will be equally valid regardless of the overall economic climate of the country. However it has been written with the assumption that AusAID's Indonesia program would be more or less as defined during the Program Planning Mission undertaken by AusAID in July and August of 1997.

However, there may be implications of the currently declined value of the Rupiah for project costs in the near future. Indeed any instability of Indonesian and Australian currencies in the near future may bring uncertainty to project costs in the short-term. This will have some effect on the program. In particular, unpredictable Rupiah levels may bring a variable to project implementation, which it is impossible for AusAID to predict or control.

The Indonesia Program Planning Mission defined a core focus on the provinces of West Nusa Tenggara, East Nusa Tenggara and East Timor within a more concentrated focus on the eastern islands. It defined a poverty alleviation emphasis (which will now continue to gain relevance) within program directions in rural development, environment, health, education and water supply and sanitation. Through these key sectors, a cross cutting theme of good governance is to be developed. It is assumed that the current crisis and the international response to it will continue to emphasise the need for good governance measures.

While Australia's programming strategy for its development cooperation effort in Indonesia appears to remain valid, the financial and economic crisis no doubt brings a necessity for further reflection and may result in changes to the program. Indeed, all donors contacted in the final phase of the study indicate that they are preparing to reassess their positions and programs. Some donors who were following a phased withdrawal from development cooperation activities in Indonesia may need to reactivate programs and projects. Some donor organisations may move towards a more humanitarian response to Indonesia's needs as the current crisis unfolds. UNICEF (United Nations Children's Fund), for instance, is already gearing up to address the needs of poor families as sources of income diminish. All donors contacted expressed considerable concern at the current crisis and reported that they were planning for contingencies.

It appears to be a very useful time to undertake a reflective exercise of this nature. All donors contacted in Jakarta expressed considerable interest in AusAID's study of lessons learned. All freely and frankly contributed to the study and expressed a keen interest to see its results. Their inputs have been included throughout.

1.5 Acknowledgments

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Chapter 2
Institutions and People

2.1 The Need For Pragmatism

A search of AusAID literature on projects in Indonesia very quickly shows that institutional concerns are perhaps the most often reported "lessons learned". These concerns include problems with inter-sectoral coordination, difficulties faced by Australians in understanding the institutional framework in which they are working in Indonesia, and difficulties in ensuring matching funds from Australian and Indonesian sources arrive at the right place, at the right time, and for the right purpose. Why should there be this pre-occupation with institutional issues?

⊕ Is it partly because Indonesian institutions at least appear to be so differently organised from our own?

⊕ Is it also because some project personnel communicate poorly about institutional concepts?

⊕ Is it because our field staff are sometimes poorly prepared for the tasks they are required to do?

⊕ Is it because there really are some genuine problems in the counterpart institutions?

⊕ Is it because project designs can be over optimistic concerning the amount of real institutional change a project can bring about?

⊕ Or is it because we expect far too much from the specialists that we force to become jacks-of-all-trades?

There needs to be no deep analysis of the fact that the better prepared we are to work within the institutional framework Indonesia offers, the more we will know where we stand. The better we know how the Indonesian Government organises itself, the more we will be able to contribute. This can only improve with better communications either in Bahasa Indonesia or in English. These are truisms.

It is interesting to question whether these truisms are always borne in mind. Do advisers sometimes go to remote regional locations, poorly prepared for the institutional, cultural, social and linguistic tasks ahead? Do we ever place too much emphasis on running with the contractual starting gun, to the detriment of preparing field staff properly for what they have to do? Furthermore, do we ever expect too much from our field staff? Do we expect too much from engineers, agriculturalists, nurses or educationalists when we expect them also to be public relations specialists, linguists, negotiators, administrators and accountants?

It is not surprising to find significant differences in the systems used by the Indonesian and Australian governments. There are many reasons for this. Indonesia, with all its diversity, is a unitary state, Australia is a federal state. Indonesia has a legal system based on civil law, Australia's is based on common law. Indonesia's modern bureaucracy evolved initially from the Dutch system, Australia's from the British. Independence meant a revolutionary struggle for Indonesia, an evolutionary process for Australia. In Indonesia the public service is not well paid. In Australia, by comparison, it is. Add to this the very different cultural, social, linguistic, religious and ethnic backgrounds of Australians and Indonesians. The list could go on.

The result of this is that Australians newly posted to a development project in Indonesia can be forgiven for misunderstanding the Indonesian system, as much as their counterparts can be forgiven for misunderstanding Australia's. This is compounded when there is poor communication. Language is a problem, (although not an insoluble one), that can only add to misunderstandings about the roles and functions of institutions and individuals within them. It is fair to say that, generally, we could spend more time preparing our field staff for postings in Indonesia. We appear to be getting better at this, but there's room for improvement.

It would be incorrect to pretend to anyone that there aren't problems inherent in the GOI system that impinge upon the ability of projects to succeed. Some we can do something about, others we cannot.

One of the lessons that emerges strongly is that project designers and the organisations they represent, need to be pragmatic about what they attempt to change in the institutional arena. To change the entire method of operation

of a branch of government may just not be feasible. To incrementally change some of its procedures may be.

2.2 What Can Be Achieved?

Australia and Indonesia can together be proud of a number of institutional achievements made through the Indonesia-Australia Development Cooperation Program:

⊕ The Balitvet Project ran for about 11 years from 1979 to 1990 and was able to establish Balitvet, the *Balai Penelitian Veteriner* (Veterinary Research Institute) as Indonesia's centre of excellence for livestock research, with national reference laboratories, and an institution capable of providing diagnostic services to the country[1];

⊕ The Eastern Islands Veterinary Services (EIVS) Project Phase 1 (1989 to 1995) was instrumental in almost doubling the number of operational animal health posts in the eastern islands from 54 to 101. At the same time it left equipped and operational regional animal health laboratories, a cadre of well trained veterinarians, and well laid plans for the control or eradication of a number of major animal diseases. This is being built upon and expanded in the current Phase 2 project[2];

⊕ The Bridge Management System (BMS) (1989 to 1992) was able to institutionalise a complete system for bridge inspection, design, construction, rehabilitation and maintenance for all 27 provinces of Indonesia. The system has since begun to be transferred to district level in at least one province and now no province can receive national funding for bridges without using it[3];

⊕ The Indonesia-Australia Technical and Vocational Education Project B (IATVEP B) ran from 1991 to 1995 and was instrumental in upgrading a training system for Indonesia's extensive and expanding technical and vocational education system. The project included the design and operationalisation of a management information system for schools and for the Department of Education and extensive management training for senior and middle managers[4];

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1   Indonesia Cluster Evaluation December 1996 on Balitvet, BMS and Bah Bolon Projects.

2   Eastern Island Veterinary Services Project Phase 1 Draft Project Completion Report, 1995. AusAID Library reference 738 16 903 CR 11/95.

3   Indonesia Cluster Evaluation, December 1996 on Balitvet, BMS and Bah Bolon Projects.

⊕ The Second Indonesia Australia Polytechnic Project (SIAPP) ran from 1992 to 1996 and was able to bring about significant improvements in polytechnic education in Indonesia through the review and upgrade of diploma structures and curricula, through the institutionalisation of competency standards and through the preparation and operation of a comprehensive professional development program for staff[5];

⊕ The Lombok Rural Water Supply and Sanitation Project (Lombok RWSS, 1985 to 1991) was responsible for groundbreaking work in community involvement in water supply and sanitation activities in Central Lombok. This work was later expanded upon and further developed in the Nusa Tenggara Barat Environmental Sanitation and Water Supply Project (NTB ESWS, 1992 to 1996) which covered the entire province of West Nusa Tenggara. Community participation is now a standard feature of major water and sanitation schemes in Indonesia[6];

⊕ The Nusa Tenggara Timur Integrated Area Development Project (NTTIADP) was responsible for substantial rural developments in livestock, food crops, dam and road construction, through an integrated approach which involved a range of government bodies as well as community groups. This was groundbreaking work in the Indonesian context and has contributed significantly to institutional thinking on project design in Indonesia[7]; and

⊕ The Nusa Tenggara Timur Watershed Management Planning Project (NTTWMPP, 1992 to 1995) was responsible for the development of a suite of technologies and methodologies for dealing with watershed degradation and management issues. It did this within a multi-institutional and community context. A successor project is now planned by the Government of Indonesia[8].

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4   IATVEP B Project Completion Report, 1996 AusAID Library reference 738 43 925 CR 02/96; and IATVEP A and IATVEP B Review/Identification Study, 1993, AusAID Library reference 738 43 931 EV 10/93.

5   SIAPP Project Completion Report May 1997.

6   RWSS Lombok Tengah Draft Project Completion Report, 1991, AusAID Library reference, 738 10 503 CR 07/91.

7   NTTIADP Project Completion Report, 1992, AusAID Library reference 738 16 103 CR 06/92; and NTTIADP Evaluation Desk Study, 1993, AusAID Library reference 738 16 103 EV 05/93.

The term "good news reporting" has been coined to refer to the habit of project implementors putting the best light on their project achievements when they report to donors. Everyone likes good news. Reading the above, one could be forgiven for concluding that all these projects (and the list is not exhaustive) were very successful indeed.

Of course they *were* successful. The achievements reported above happened. They are good reason for pride on behalf of the two governments and on behalf of the many hundreds of Indonesians and Australians involved in the projects. Clearly, we can achieve significant amounts in terms of institutional change through the development project approach. But this account needs to be balanced.

2.3. What Was Not Achieved?

⊕ The Balitvet Project was unable to make significant inroads on the organisation's ability to determine research directions and priorities and to prepare and present justifications for research funding. This might be crucial to sustainability[9];

⊕ The Eastern Islands Veterinary Services Project Phase 1 seems to have been quite successful institutionally. However, it was unable to form a complete baseline of information to define constraints on cattle productivity in target cattle groups. As the project's goal was framed in terms of improved living standards through improved cattle productivity it is now hard to tell whether the goal was achieved or not[10];

⊕ The Bridge Management System Project design assumed that initial development of systems could be achieved in 15 months, after which Provincial Advisers would be able to extend them to the provinces. In fact, the estimate of time taken to develop the systems and have them approved was considerably less than was actually required, and much of the time of the Provincial Advisers was less productive than it could have been[11];

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8   NTTWMPP Technical Advisory Group Visit reports January and June 1996 in which the author participated.

9   Refer footnote 1, this chapter.

10 Indonesia Cluster Evaluations, December 1993 (unpublished) on EIVS, Phase 1, the Lombok Tengah RWSS Project and on NTTIADP.

11 Refer footnote 3, this chapter.

⊕ IATVEP B's project completion report notes that the project aimed at long-term systemic or attitudinal change. More may have been achieved if advisers had been in place for longer[12];

⊕ The Second Indonesia Australia Polytechnic Project encountered difficulties with some counterpart staff resisting some of the changes the project intended to bring about. The project tried to change systems and procedures that impinged upon entrenched positions within the bureaucracy[13];

⊕ The Nusa Tenggara Timur Integrated Area Development was over-ambitious and found that requiring a range of agencies to work together in one location at a given time was often unrealistic[14];

⊕ The Nusa Tenggara Timur Watershed Management Planning Project was originally intended to implement watershed management plans in the trial areas of the Mina Watershed. It was able to develop methodologies but was not able to implement them[15].

Perhaps all this says is that no project is perfect. Perhaps all it says is that project success and failure is in the eye of the beholder. It is certainly very difficult to make definitive evaluative statements about projects that have long finished from statements made on paper by people who long ago moved on to other work. It is also sometimes difficult to differentiate between things that did or did not happen because of the project and things that did or did not happen because of changes in the external environment.

This also raises the need to have achievable and measurable goals and outputs for projects, together with good monitoring and evaluation systems. This is covered in Chapter 3 on project design issues.

The above is certainly not an attempt to apportion blame for project failings, any more than it is an attempt to laud individuals for their successes. Neither should we attempt to rewrite project histories. Rather, this is an attempt to see what lessons can usefully be learned

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12 Refer footnote 4, this chapter.

13 Refer footnote 5, this chapter.

14 Indonesia Cluster Evaluations, December 1993 (unpublished) on EIVS, Phase 1, the Lombok Tengah RWSS Project and on NTTIADP.

15 Refer footnote 8, this chapter.

from working within the institutional framework of Indonesia, particularly in the eastern islands.

2.4 The Risks Of Institutional Development

Consider the statement:

The institutional difficulty of a project is inversely proportional to the amount of concrete physical development the project aims to achieve.

This means that it is more likely to be institutionally easy to undertake a turnkey engineering project in which the output is a road, a bridge, or a canal which is entirely managed and implemented by a contractor and then handed over to the client. This does not mean there will be no institutional problems, but it does imply that the contractor can easily see what the end product will be, and produce it. Conversely, the project that calls for the client's staff to be brought up to speed on a range of skills and techniques, and for the client's institutional system to be able to replicate the task in the future, will be much harder to achieve. The project that has the sole goal of completely revamping the client's organisation and systems will be harder still. In Indonesia the terms "hardware" and "software" are often used to refer to physical and human development respectively. The hard projects are easy and the soft projects are hard!

2.4.1 Institutional Strengthening, Decentralisation And Implementation in the Eastern Islands

While institutional strengthening activities may be harder to bring about than physical developments, they are nevertheless becoming more prevalent in AusAID's Indonesian Program. Nearly all other donor organisations contacted during the study, report that they are either undertaking projects wholly geared to institutional strengthening, or are sponsoring more projects in which institutional strengthening is a significant part.

This is partly because as aid budgets shrink relative to national budgets, the increasingly expensive infrastructure development type of projects become less attractive and affordable. It also shows an implicit understanding that sustainability of projects will not be guaranteed unless GOI and other local institutions are able to manage the required development activities on a long-term basis.

The Swiss Embassy[16] gave as an example its Cirebon water project which has grown and evolved over a twenty year period. This is an instructive experience because the project began in an era when development was primarily seen as being the delivery of infrastructure. After 5 or 6 years of this approach it became very apparent that the institutions concerned needed assistance to cope with the construction, operation and maintenance of the physical systems required. This has since evolved further with the inclusion of community mobilisation activities. This implies additional need for strengthening local government institutional capacity to manage the community process, particularly in the early and accurate assessment of community needs and capacity to participate. This experience mirrors that of AusAID.

JICA[17] also reports the crucial nature of institutional strengthening activities within its program. They note the need to support decentralisation efforts, for instance, but state that this is a very slow process. UNDP[18] is undertaking a significant part of its program through the Directorate-General of Regional Development (Bangda) in the Department of Home Affairs. In this way UNDP hopes to help build local government capacity. But it, too, says that decentralisation has not gone ahead fast enough. The ADB[19] note that decentralisation efforts may even slow down due to the current financial and economic crisis. They also say that the implementation capacity of local government in eastern Indonesia is a very large constraint to development. Particular attention must be paid to this aspect in design and review of projects.

It is very likely that counterpart budgets will be squeezed in the next year or so. A number of donors alluded to this. This may mean a change in their policies on donor contributions to development cooperation projects. It is likely that the net effect of this will be to slow development efforts at a time when they perhaps should be redoubled. This is simply because the donor dollar will have to cover more.

Despite the current financial and economic crisis in Indonesia, and concerted efforts resulting from this to improve institutional transparency and procedures, issues

16 Meeting at the Swiss Embassy Jakarta, 26/1/98.

17 Meeting at JICA's office in Jakarta, 29/1/98.

18 Meeting at UNDP office in Jakarta, 26/1/98.

19 Meeting at ADB Resident Representative's office in Jakarta, 27/1/98.

surrounding counterpart budgets and institutional capacity are unlikely to change positively in the near future. It is more likely that they will become more critical before improving. Counterpart budget provision will become more difficult and donors will be requested to fund more. The position of eastern island provinces is also unlikely to improve in the near future. It is noted that efforts to decentralise have been slow and the institutional constraints upon the eastern islands are major in nature. These constraints and the pace of development are unlikely to improve in the near future. Project design should reflect this reality. Project review may indicate the need for a change of pace.

2.4.2 The "Content" Of Institutional Development

The Second Indonesia Australia Polytechnic Project (SIAPP) aimed "to improve the performance of the polytechnic education system and extend and strengthen the commerce programs in eastern Indonesia". Its Project Completion Report (PCR) suggests that institutional development of bureaucratic structures is a risky strategy. It says that the institutional development of schools, by contrast, is much less risky as changes in their roles are unlikely, and benefits to students are immediately delivered. The PCR[20] suggests that:

The risks of institutional strengthening at the central level can be minimised by implementing change as a related but incidental part of producing physical outputs. The outputs will have use in the field even if the institutional development ultimately fails.

This seems very sensible. During discussions with UNICEF it was further suggested that with this approach, capacity building could be attempted incrementally as experience of all parties develops[21].

Nevertheless we often do aim for broad institutional development of bureaucratic structures. The Balitvet Project was a case in point. The goal of the project was to contribute to a reduction in the economic loss from livestock and fish diseases in Indonesia through the development of a better understanding of the occurrence, distribution and control of such diseases[22].

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20 Refer footnote 5, this chapter.

21 Meeting at UNICEF Jakarta office, 28/1/98.

22 Refer footnote 1, this chapter.

Here the "content" of the institutional development was the capacity of the Indonesian counterparts to design, implement and evaluate research programs in animal health. To do this some physical inputs were provided, in the form of laboratory equipment, power supplies and the like. But the main "content" of this project was in terms of institutions and people. It is actually extremely hard to measure the achievement of this project's goal, a point to which we return Chapter 3. It is notable, however, that this project took 11 years to complete. Even given that mobilisation was delayed significantly, this indicates that it takes a long time to effect broad institutional change.

It is also noted that it may be much easier to establish new institutions and procedures than it is to change old ones. The SIAPP Project Completion Report noted that by comparison with the earlier Indonesia Australia Commerce Polytechnics Project, SIAPP experienced significant difficulties in institutional development. Several reasons are offered for this. They include the fact that the earlier project was working in a new area in which there were no established bureaucratic procedures or interests. It is interesting to note that SIAPP overcame its initial institutional difficulties by returning to the "content" of the classroom, which was immediately useful to managers, teachers and students alike.

> **It is often difficult to work at strengthening existing institutions where well established and entrenched attitudes and procedures exist. It is easier to follow a path of institutional strengthening during the pioneering days of an institution when everyone is trying new approaches.**

The SIAPP PCR stated "the project therefore required bureaucratic innovation, a difficulty in any culture".

2.4.3 Changing Procedures Is Easier Than Changing Institutions

The Bridge Management System Project was able to achieve changes in procedures and mechanisms in a relatively short period of only three and a half years. This was despite the fact that system development was significantly delayed, and provincial advisers were initially hampered by having an ever evolving and changing system to extend to the provinces, and found some resistance to its extension.

The BMS did not attempt broad brush institutional development within Bina Marga. In fact, the key to institutionalising the BMS,

was a decision at the end of the project by the national government, that provinces would not get national funding for their bridges without the use of the BMS[23]. In this case, the project was able to work with senior GOI decision makers who understood the project's aims and supported them.

> **The power of a well timed policy decision to bring about systemic change needs to be noted as a lesson well learned.**

2.4.4 Risks In Policy Change

However, there are institutional risks in assuming that an existing policy will endure or a new one ensue. A classic case of this was in the Bah Bolon project in North Sumatra[24]. This 10 year irrigation project was somewhat overtaken by GOI policy changes. By the time the project had finished, large scale irrigation was no longer a GOI policy priority. Perhaps this is not surprising, given the length of time the project took. In this case the project was not delayed by attempting widespread institutional change, but by an underestimation of its scope, timeframe and cost prior to commencement. A cost over-run of 133% and a time over-run of in excess of 100% indicates that the original cost and implementation schedules were seriously flawed, even if the project concept and strategies were not.

Involvement in policy development also has its own risks. The DAC evaluations abstracts register notes from the mid-term evaluation of the USAID funded Agriculture and Rural Sector Support Program that "the policy agenda component was something of a misnomer in that all the important reforms were decided upon by GOI before or outside of the program". In addition, it notes that "the budget support element probably changed little in terms of GOI polices or programs"[25]. Similar to the issue on content in institutional development, it is probably true to say that aiming directly at policy change is harder than letting it come as a result of "content" activities that are eventually seen as sensible by all concerned. The USAID report says "Donors need to be wary of attributing national

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23 Refer footnote 1, this chapter.

24 Refer footnote 1, this chapter.

25 DAC Evaluation Reports Inventory; Evaluation Abstracts, USAID, Agriculture and Rural Sector Support Program (ARSSP), 1991-09. This was a centrally placed project, aiming to assist in agricultural policy reform through policy dialog, budget support and related technical assistance. The evaluation covered the years 1989 to 1991.

policy shifts to external advice unless a causal relationship can be established."

> **When there is agreement between GOI and AusAID to place Australian advisers in GOI agencies, it is important that the advisers establish close working relationships with key officials. Project outputs may translate more effectively into policy changes if the adviser has a firm base of support at senior levels of the bureaucracy.**

The BMS Project is an interesting case in this regard, and can almost certainly be said to have had significant influence on bridge funding policy. Project success in systems being formally adopted came about very swiftly once a GOI policy decision had been made. In this case, senior policy makers had followed the development of the project. Senior technical staff had played a significant part in system development.

There is one significant implication of this for projects in the eastern islands.

> **If an eastern islands project has elements that may contribute to policy decision making at national level, project designers must include a mechanism for ensuring that senior policy makers are kept fully informed.**

The assumption that a central line agency will be automatically involved to any significant extent because it is the designated executing agency may not always be correct. Are there guaranteed funds for central involvement? Is there a clear and agreed role for the central authority? Are the lines of communication between provincial players and national authorities sufficient to allow a constructive dialogue? And especially in the case of the eastern islands, will the activities envisaged for officers from the central agencies have sufficient priority for them (amongst activities involving other parts of Indonesia) to ensure that they are sufficiently familiar with what the project aims to achieve?

This issue was canvassed during the field phase in Timor. The large scale World Bank/GOI funded Water Supply and Sanitation for Low Income Communities (WSSLIC) Project clearly has a policy dialogue role and provincial staff see this as important[26]. The project can therefore contribute to policy formulation and this is reinforced by:

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26 Meeting with project manager for WSSLIC in NTT, 30/11/97.

⊕ the large scale of the project; and

⊕ the fact that it has a centrally located National Secretariat.

Contact through a central, strategically located office is an important issue for remotely located projects through which it is hoped to contribute to policy development. Even if such a body does not exist (and it would be unrealistic for a special secretariat to exist for every AusAID funded project), Australian staff report that it is important to be pro-active in keeping the Jakarta authorities informed of what a project is achieving. Whilst this should mean avoiding the "good news reporting syndrome", it should mean sharing the positive results and opportunities that projects bring as well as seeking assistance to solve problems. It should also mean commitment to a regular, and preferably informal, and productive schedule of visits to and from Jakarta that help to build the project's profile[27]. It should be noted that funds will need to be allocated for this to happen.

The adoption of a program approach to development initiatives in the eastern islands may encourage more involvement of senior officials from Jakarta. It is assumed that a program approach would involve a central committee at senior level to coordinate program activities. The committee would be required to advise on activities to go ahead on the basis of project proposals and monitoring reports received.

Encouraging more involvement from senior Jakarta based officers is about client management. It is noted that in the NTTIADP, the strategic placement of a centrally located adviser in the latter stages of the project facilitated central government understanding of project implementation issues. Discussion at the British Embassy indicated that the DfID program in Indonesia also recognises the importance of centrally placed advisers. Unless memoranda of understanding (MOU) are to be signed with provinces, the central government is the ultimate client in terms of agreements (although see Section 4.4 on the range of clients that exist for a project).

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27 Meetings with the ATL for Flores Water Supply and Sanitation Reconstruction and Development Project, 3/12/97 and with ATL for the Women's Health and Family Planning Project, 8/12/97.

2.5 Understanding The Administrative, Planning And Budgetary Framework In Indonesia

2.5.1 The Hierarchical Nature Of Institutions

In order to understand what is possible in institutional development or institutional strengthening, it is first necessary to understand the administrative, planning and budgetary framework in which projects work. It is also necessary to understand what Indonesian counterparts think about institutional development. Most often, to people in GOI offices the term institutional development (or its translation of "pembangunan kelembagaan") means to change the structure of an organisation; to move boxes around in an organogram. This is because institutions are most often seen as hierarchical units, with duties, functions and roles set out in regulation. Change in a formal sense only happens if it is decreed.

This point was noted in the cluster evaluation that included the Bridge Management System Project. In this project, says the evaluation, the time scheduled for the production and approval of a general procedures manual was four months. In fact, this took nearer to the full three years of the project, and probably reflects GOI's need to review and test such an important document before finally approving it[28].

An important point to remember is that:

> **Any formal change to procedures, however small, will require someone at the top of the hierarchy to formally authorise it. If such change is attempted in the project environment, implementors need to be quite clear as to exactly what is to be achieved, by whom, and exactly what mechanisms must be brought in to play to cause it to happen. This needs careful planning particularly to ensure that the right senior officials are approached and enough time is devoted to approval mechanisms.**

Also:

> **Project duration needs to take account of trialing and modifying new procedures. Periodic inputs may also be needed following cessation of full-time project inputs to reinforce and assess the continuing applicability of new procedures and the capacity to apply them.**

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28 Indonesia Cluster Evaluation, December 1996 on Balitvet, BMS and Bah Bolon Projects.

The above points assume that Australian funded consultants understand the regulatory and institutional framework of GOI. Often, on arrival, this is a confusing subject, and one that induces some degree of frustration and bewilderment. GOI respondents agree that this can happen[29]. They note that often overseas consultants take some time to get to grips with institutional issues. One respondent suggested that the GOI institution should be responsible for providing extensive institutional briefing for new arrivals, although it was admitted that this has never actually eventuated in the past.

AusAID might consider requesting GOI assistance in this regard as part of the MOU. Certainly, any encouragement for counterparts to explain their organisations and their duties would be useful. This need not be an onerous task, and could be done fairly informally. Designers of projects could also attempt to collect this information during the design phase, and Australian managing contractors (AMC) could provide institutional briefings to newcomers (if they do not already do so). All organisations have institutional role statements[30]. However, it should be recognised that there are limits to what can be expected. For instance, whilst some organisations do have individual duty statements (*uraian tugas or daftar susunan personil*), some may be reluctant to hand them over; others may not have them at all.

> **Project advisers must be briefed on the institutional framework in which they are to work, either prior to, or on, arrival. Briefing should be undertaken by the AMC and where possible augmented by inputs from the GOI counterpart agency.**

2.5.2 Variations In Institutional Capacity

In the eastern islands it is evident that institutions are generally less evolved and are weaker than their counterparts in the western part of the country[31]. This is an issue of resource availability. Institutional strengthening activities that are suitable for western Indonesia may not necessarily be suitable for the eastern islands. This also brings about a dilemma for GOI and donors. How much should programs concentrate on improving physical and financial resource allocations

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29 Meetings with Bappeda Level 1 in NTT, 1/12/97; Food Crops Dinas, NTT, 1/12/97; Livestock Dinas, NTB, 8/12/97

30 See section 1.5.6 in Pemerintahan Indonesia, AusAID, February 1993.

31 This point was confirmed by observations from several donors in Jakarta.

in the eastern islands, and how much should they concentrate on human resource development in the knowledge that some of the people trained will move to other parts of Indonesia? Training is clearly important. Perhaps we should accept that a certain number of trainees will inevitably move elsewhere with newfound skills.

The situation of weaker institutions in eastern Indonesia (although this is not universally the case) may actually be exacerbated by the categorisation GOI gives to institutions. Thus one will often find that legislation allows for three categories of agency, an advanced, a medium and a less advanced form. Eastern provinces are more likely to possess the most basic form of the institution. This will have fewer assigned functions, fewer sub-divisions and fewer staff. Whilst this generally recognises that the more populated provinces need larger offices and expansive services, it is also a reflection of the poorer institutional status of eastern islands offices.

It is important for Australian project designers and field staff to appreciate differences in institutional capacity in different regions. It is particularly important to understand the differences in capacity to plan and budget between well resourced and less well resourced offices.

2.5.3 The Importance Of "Bottom-up" Planning

"Bottom-up" planning, in which communities and community organisations are encouraged to develop local development proposals, are mandated by GOI policy. AusAID experience in bottom-up planning (ie. in encouraging community and lower level official participation in planning) in the eastern islands has been very solid. This began with NTTIADP and moved through the NTT Watershed Management Planning Project and into the current Agricultural and Regional Planning Project East Timor (ARPAPET) and planned Bobonaro Highland Area Rural Development Project (BARDEP) projects. It is fair to say that projects have found the system and the reality of "bottom-up" planning to be more difficult and slower to implement than envisaged. It can be concluded that bottom-up planning systems in eastern Indonesia are not particularly strong. They may not be particular strong in other parts of the country either.

The effort to engender truly participatory planning activities is quite considerable. The time required should not be underestimated during project design.

With decentralisation efforts and the attempts to accelerate development in eastern provinces through the Kawasan Indonesia Timur (Eastern Indonesia Development Area) concept, bottom-up planning mechanisms will be of increasing importance. The forefront of decentralisation is now in the one district per year in each province in which increased decentralised powers are introduced (in this way GOI is slowly upgrading all districts). This means more funds for district level development will come from the district level, or will at least be held and controlled at district level through the district (*Anggaran Pendapatan dan Belanja Daerah Tingkat 2*, APBD2) budget.

2.5.4 Planning Realistically For Local Budget Contributions

Delays in GOI funds reaching a project can be a problem, especially at project start-up. This is a lesson that appears to have been incorporated into project designs on a more regular basis in recent years. In some cases it should be noted that GOI contributions to projects have eventually exceeded the original allocations. Part of the problem used to be the unrealistic assessments made in project designs of GOI budgetary timescales. The GOI budget process often takes well over a year from application to receiving funds[32].

Due to the bottom-up, top down nature of the GOI funding system, the nearer the village the funds are targeted, the more likely they are to be late. This is because of the need for a request to go up the system and return down through the system, in both cases involving more steps. The route for proposals is village - sub-district - district - province - central government. The route for finances to be released is basically this in reverse.

The inclusion of National Budget (APBD2) funding in project budgets is likely to become more of a norm in the future, and may already be so in projects like ARPAPET, BARDEP and EIVS. Future project designs may need to concentrate more comprehensively on how district level funding can be incorporated into project implementation.

The inclusion of district level funding in projects to which Australia is contributing in the eastern islands is likely to

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32 Discussions with the ATL for Flores Water Supply and Sanitation Reconstruction and Development Project, 3/12/97 indicate that 18 months from proposal to receipt of funding is indeed not unusual. This concurs with discussions elsewhere (outside of this consultancy).

increase in the future. The turn-around time from budget proposal to funds arriving is often 18 months. Care needs to be taken to ensure that sufficient time is allowed in implementation schedules for this. Designs will be unrealistic otherwise.

Coping with this in project design is discussed in more detail in Chapter 3.

2.6 Coordination - How Much Can Be Achieved?

2.6.1 The Need For Multi-Agency Action

Very rarely is a project dependent on just one GOI institution for its implementation. Projects involving organisations from different sectors are necessarily institutionally complex and require considerable deftness for GOI to ensure that its different agencies work together. We are often in the position of designing projects that require multi agency actions. This may partly arise because what is attempted does not necessarily fit comfortably within one agency. It may also signal a genuine need for inter-sectoral activity to solve development problems[33]. Nevertheless:

> **It might be good to question whether a single institution approach to a project is possible, or indeed to ask what sort of project would result from operating through just one agency.**

Several GOI respondents said that if a project can be single sector it will be so much easier to implement. Several donor respondents agreed with this. However, the reality is that this is rarely going to be the case, although there is a genuine need for trying to restrict the number of agencies involved. Certainly when a multi-agency institutional framework is required across a number of provinces, we are probably biting off more than we can chew. It was clear, however, that the need for multi-sectoral coordination is as much a requirement in multilaterally funded projects implemented by GOI itself outside of bilateral arrangements as it is in AusAID funded activities[34].

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33 At the meeting with the project manager for the World Bank funded WSSLIC Project in NTT, 30/11/97 it was suggested that the need for multi-sectoral activity comes about partly because of the way GOI organises itself (on strictly sectoral lines).

2.6.2 Ways Of Facilitating Coordination

The Women's Health and Family Planning Project reports that workshops can be a very valuable way of strengthening coordination. The real world of coordination issues is often very complex and if handled wrongly can cause confrontation. In Indonesia it is often difficult to resolve these issues. Workshops can be used to bring issues to the fore in a more abstract and less confrontational way. Within institutions there are divisions about who gets funds and who doesn't. Between organisations it is easy to distinguish those that have access to funding and those that do not.

Other donors also report difficulties in securing cross-agency cooperation in GOI. Project workshops can be effective in exploring resource availability and allocation providing they are used sufficiently early and at a sufficiently high level. Furthermore, workshops are always popular events in Indonesia. Technical issues can be used to foster communication about coordination issues, but the workshops must have sufficient status and credibility to get the top people talking[35]. This may be achieved by, for instance:

- Arranging for senior people to convene the workshop and issue the invitations;

- Arranging for senior people to open and close the workshop; and

- Ensuring that prior discussion of the workshop and its issues is sufficiently early.

2.6.3 Budgets For All Participants

A key issue is that if action is required from a range of agencies, they each need to have a budget assigned for their roles. It is no good expecting one coordinating agency (eg. Bappeda which is probably under-funded) to share its project funds, and indeed there is some suggestion that it is actually quite hard in terms of regulation for them to do this.

This situation certainly occurred in the NTTWMPP, in which funds were released from central government for coordination activities by Provincial level Bappeda. Whilst in project terms it seemed sensible

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34 Discussion with WSSLIC, 30/11/97 and with Bappeda in Sikka District Flores, 4/12/97 for instance, indicated that GOI agencies are very familiar with inter-agency coordination activities.

35 Discussion with the ATL of the Women's Health and Family Planning Project, 8/12/97.

for these funds to be utilised by Bappeda and other agencies, instructions with the funds did not make this abundantly clear. It took some time therefore for other agencies, who needed the money to undertake project activities, to actually get it. In fact it was almost at project completion by the time this happened.

> **One overall lesson of integration is that whilst a project may integrate activities between sectors, the recipient government is not necessarily organised to do this and will not necessarily continue to do this after the project is complete.**

The comment in the NTTIADP PCR (p55)[36] that projects such as NTTIADP impose additional requirements and obligations on government agencies that need to be met by funding from the donor appears to have been taken on board by AusAID during project implementation.

> **It is incumbent on project designers to specify very clearly the need for funds to come through different channels. Each participating agency should ideally have a project allocation from central government. It would also be ideal if this could be arranged prior to project inception.**

This rarely happens. There may be a case for the first year of some selected projects to consist entirely of low-key, but strategic, efforts to establish the financial, budgetary and implementation groundrules for the project. This might involve only one Australian adviser. This was commented upon in the PCR of the NTTIADP when it states that at least one year is required to plan for on-the-ground implementation. This design issue is covered in more detail in Chapter 3.

2.6.4 The Value Of Study Tours For Strengthening Coordination

Almost all projects report the success of events like study tours to Australia. At a facile level these can be seen as a reward to counterparts for their involvement in project efforts. Worse still they can be seen as an inducement for same to happen. They will usually have content, however, and in terms of this argument, can have a significant effect on cementing institutional linkages between participating Indonesian institutions, if the study tours can be organised to include a range of institutional players.

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36 NTTIADP Project Completion Report, 1992, AusAID Library reference 738 16 103 CR 06/92.

Institutional linkages are predicated on people within linking organisations understanding each other's organisational viewpoints, and their strengths and weaknesses. The study tour is noted as a potentially useful tool in bringing this understanding about. Nearer to home, the workshop technique, very popular in Indonesia, can have a similar effect.

Institutional linkages are also predicated on avoiding issues of sectoral "ego". Project design needs to incorporate opportunity for people to learn about each other's organisations in a non competitive, non-threatening environment. It also involves sensible discussion between participating agencies at design stage, if these problems are later to be avoided.

2.7 Institutions And People - A Summary

All projects are about institutions and people; about achieving new tasks in old institutions or establishing new institutions to undertake new tasks; about changing attitudes of people within organisations so that new tasks and objectives can be achieved and sustained. Much can be achieved using the project format. Some things are rather harder to achieve. In all projects there are institutional risks, some of which can be minimised through design and implementation practice. In all cases the tendency to be over ambitious should be resisted, and the understanding that attitudinal change always takes longer than anticipated should be borne in mind. In most cases the principle that changing procedures is easier than changing whole institutions should be adhered to.

There is much that can be done to improve our understanding of working within the GOI framework. All parties have a responsibility to ensure that this happens. We need to plan for approvals, as much as we need to plan for realistic time frames in obtaining budgets. The more our projects involve the provincial and district levels of the GOI hierarchy, the more critical these issues will become.

We need also to work at coordination issues. Single sector projects are possible (for instance in the education sector), but are less and less the norm. The more players there are in a project the more attention needs to be paid to coordination issues and to ensuring that everyone has the resources with which to implement the project. In particular there is a need for a link between the operational, project level and the policy making centre in Jakarta in effecting change in the regions.

Above all, there is a continuing need for realism. The more districts, provinces and sectors our projects contain, and the quicker we try to implement them, the greater the risks we take.

Chapter 3
Project Design: Some Selected Issues

3.1 "Lessons" Not "Review"

Project design is the basis of project activities. This chapter is not intended to be a critique of the way AusAID and its contractors have designed current projects. Such is the subject of review and evaluation exercises and requires considerable technical and cross-sectoral expertise for it to be valuable. Indeed project staff interviewed in the preparation of this study were categorically told that their projects were not being reviewed.

Rather, the purpose here is to look at some generalised aspects of projects, with a view to drawing out some of the more obvious lessons from experience in Indonesia and more particularly in the eastern islands. It is worth stating here that there is relatively little in the way of generalised lessons directly related to project design in the literature reviewed. Most design issues noted in evaluations and project completion reports are technically oriented. What has been noted of a general nature is reported here.

Some design issues have already been covered in Chapter 2. These include:

- Establishment of achievable goals for institutional strengthening projects;

- Ensuring quality content in institutional strengthening activities;

- Ensuring sound design of communication mechanisms;

- Allowing sufficient time for participatory planning activities;

- Allowing sufficient time for local level budgets and planning if they are included in project activities;

- Minimising, where appropriate, the number of sectoral agencies involved in implementing projects; and

- Ensuring that all agencies required to implement have budgets with which to do so.

3.2 The Time Factor

There is a clear message on timing that comes from both an examination of AusAID's documentation and discussion with field staff and others in the eastern islands. This is that more time is required for activities than we usually allow.

We have already mentioned time required for participatory planning activities and for ensuring that local budgets are available. To these we can add:

⊕ Ensuring that sufficient time and resources are allocated for project preparations; and

⊕ Adapting designs to allow for the slow nature of attitudinal change or adoption of technologies.

It is easy to suggest that "time is money" and that therefore more time on project design, for instance, means greater overall project costs. This need not necessarily be the case. Well designed projects can save money in the long term by being more acceptable to implementing agencies and communities and by being more focused on the development issues at hand.

3.3 Design Phase Consultations And Resource Allocation

GOI respondents during the field phase of this study reported that they were adequately consulted during recent AusAID project design exercises[1].Comment by them on earlier projects was a little hard to analyse as in many cases staff interviewed were not present during the design phase. The Project Completion Report for the NTT Integrated Area Development Project states as a lesson (p59) that consultation at design stage is essential[2].

We probably do this reasonably well in most cases. There is always a possibility though, that a design mission spending a few days in each project location may not really do justice to its task. It was not possible, however, to ascertain whether this has been the case in specific projects.

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1 This was the case for Bappeda staff in Kupang and Maumere (the issue was not discussed in Mataram) and for staff in Livestock Dinas offices in all locations. Staff in the Food Crops Dinas in Kupang also said they felt sufficient consultation had occurred for earlier projects, although this was somewhat harder to determine given the time elapsed.

2 NTTIADP Project Completion Report, 1992, AusAID Library reference 738 16 103 CR 06/92.

If projects are to involve more levels of government and to involve participatory planning and implementation by communities, design exercises are likely to require more time. Consultation should allow significant time for rural appraisal techniques and workshops for government participants, together with formal introductory and reporting back meetings, field visits and meetings to discuss project issues.

Design phases may need to be lengthened in the future, with more time available for institutional analysis (to assist Australian field staff to understand the institutional framework in which they are to work), as well as for documentation of GOI roles and individual duties[3].

3.4 Overall Design Issues Raised

A number of project design issues have been raised during the conduct of this study.

3.4.1 Establishing Measurable Goals

Consider the following goal statements:-

⊕ To increase net farm income in the Bah Bolon Delta of North Sumatra through increased rice production and to establish a sustainable, replicable model for irrigation development (Bah Balon Project, 1984 to 1993)[4];

⊕ To improve rural living standards, nutrition and health of the people in the project area by reducing livestock diseases and supporting livestock development (EIVS Phase 1, 1989 to 1995)[5]; and

⊕ To contribute to a reduction in the economic loss from livestock and fish diseases in Indonesia through the development of a better understanding of the occurrence, distribution and control of such diseases (Balitvet, 1979 to 1990)[6].

These three goals all aim to improve the economic well being of the target population. In the case of Bah Balon this was to be brought

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3   Some Australian staff also thought this might be necessary.

4   Indonesia Cluster Evaluation December 1996 on Balitvet, BMS and Bah Bolon Projects.

5   Eastern Island Veterinary Services Project Phase 1 Draft Project Completion Report, 1995. AusAID Library reference 738 16 903 CR 11/95.

6   Indonesia Cluster Evaluation December 1996 on Balitvet, BMS and Bah Bolon Projects.

about through increased rice production, in the case of EIVS through reduction of livestock diseases and improvements to livestock systems, and in the case of Balitvet through reductions in fish and livestock diseases through a research approach. None of these goals is undesirable in itself. It should also be noted that all three projects had significant levels of success. Readers should consult project documentation further in this regard.

None of these goal statements is easily measurable, however. The goals do not provide for establishment of performance indicators against which achievements can be easily measured. In the case of Bah Balon, in which a large scale irrigation system was to be established, the evaluation notes that the design did not take into account the likelihood of developments in other parts of Indonesia in rice technology. In reality, much was achieved in terms of agricultural developments in this period of time. It is therefore somewhat problematic to differentiate between what was achieved (in terms of the stated goal) through the project and what was achieved through other developments. It might have been better to recast the goal more in terms of irrigation achievements, which might have been more measurable[7].

Similarly, EIVS Phase 1 could also be said to have a goal which is difficult to measure. Improvements in economic well being could certainly arise because of improvements in combating animal disease and making the livestock industry more profitable. This is reasonable. Devising ways of measuring economic benefit due entirely to improvements in the livestock industry seems more difficult. It is not clear from project documentation whether this was achieved.

At least with EIVS, the project had a reasonably identifiable target population, so some type of test for economic improvement due to project activity should be possible. With Balitvet, however, the eventual target population is effectively the whole country. The evaluation states that the goal of this project required the measurement of economic impacts in the diverse farming systems of Indonesia. No means was provided in the design for this to be done[8]. Whilst it may be possible to estimate this through epidemiological and economic studies over a long period of time, it might have been better to cast the goal in terms of the development

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7   Refer footnote 3, this chapter.

8   Refer footnote 3, this chapter.

of a centre of excellence for animal health research in Indonesia. This was clearly achieved, and therefore a measurable goal.

As a contrast, it is worth looking at the goals for the Bridge Management System Project and the IATVEP B. They were:

⊕ The improvement of Bina Marga's capacity to manage its overall bridge program in a cost effective manner[9]; and

⊕ To contribute to improvements in the quality and relevance of technical and vocational education at the school level through the development of the Directorate of Technical and Vocational Education system's capacity to plan, manage, monitor and evaluate its activities[10].

Both of these goals appear to have been achieved. Both are written as achievable goals, and both can be measured. Both are stated as aiming to change the capacity of an organisation to undertake key tasks through systems introduced through the project. The use of the systems can be observed.

Both projects will presumably have had an economic benefit for Indonesia. The potential for saving large amounts of money through improved road bridge construction, maintenance and upgrading seems logical, as does the wider economic benefit of well placed road bridges. The potential for an upgraded vocational education system to train more graduates for an economic role also seems logical. Whilst an economic estimate of project impacts is possible and desirable if it can be done with sufficient rigour, these goal statements are valid without such analysis.

It is important, at least for monitoring and evaluation (M&E) purposes, to include project goal statements that as far as possible are both realistic and measurable. Realistic performance indicators are also important for AusAID to facilitate its accountability to Parliament.

3.4.2 Establishment Of Useable Data Systems

Many projects have a requirement for data to be collected and analysed. Examples include surveys on ground water availability, baseline data on households, information on disease prevalence amongst animals or humans, or data on soil and land types.

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9   Refer footnote 3, this chapter.

10   IATVEP B Project Completion Report, 1996 AusAID Library reference 738 43 925 CR 02/96.

It is important to identify accurately what data is required for a project and why it is needed. Project design teams also need to identify whether the required data already exists or not. In the case of the Bah Balon project, the evaluation team pointed out that it was possible during evaluation (1996) to collect existing locally available data on social and economic trends going back from 1996 to 1981, which was not utilised by project management. It infers that the costly monitoring and evaluation system put into place for the project duplicated this already available information. Whilst the evaluation team is not specific as to the content of the data, it does seem to raise an important point of utilising existing information where it is available[11].

By contrast, the Bridge Management System Project was designed with the assumption that information of sufficient quality on bridges was available prior to the project upon which to build the BMS information system. In reality, the data available did not prove satisfactory and this necessitated a major additional task of re-inspecting all bridges and replacing existing data[12]. In the event this proved to be a valuable use of the evolving BMS system, but this does show the need for quite rigorous examination of existing data at design stage.

> **One of the functions of project design is to examine rigorously existing data systems and ascertain accurately the need to build data collection systems into the project that ensues.**

3.4.3 The Use Of Research

Data needs of projects are discussed above. Related to this is the inclusion of research elements in a project.

Research included in development projects can be of two broad types:

- adaptive research, in which projects trial development approaches and techniques, adapting them to full-scale implementation as appropriate. Results can be used to determine or refine project courses of action; and

- direct research, in which research results are outputs of the project.

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11 Indonesia Cluster Evaluation December 1996 on Balitvet, BMS and Bah Bolon Projects.

12 As above footnote 10.

Several AusAID projects in Indonesia have had research elements. These include:

- Balitvet[13], in which a major sequence of project outputs was research into a range of veterinary science issues. In this case the research results are direct outputs of the project;

- NTT Pilot Livestock Development Project[14] (NTTPLDP) in which a significant part of the project's approach was adaptive research; trialing to find the best technical solutions to local livestock development problems;

- NTT Watershed Management Planning Project[15] in which adaptive research techniques were utilised to adapt essentially Australasian catchment management techniques to the planning needs of rural West Timor; and

- The currently operational project for Population Related Research for Development Planning and Development Assistance[16] in Indonesia in which it is intended that direct research outputs will themselves have an adaptive effect on the Indonesia-Australia Development Cooperation Program.

Direct research as a project output clearly depends on there being a development need for research, or more particularly a need to develop research capacities. Adaptive research is a design option available for a wider range of projects (and can include the use of baseline surveys). It is particularly useful where a range of technologies are possible in a development situation and a choice needs to be made. In many cases this choice could not feasibly be made during the design phase.

The NTT Pilot Livestock Development Project used adaptive research extensively as a project tool. The 15 volumes of the

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13 As above footnote 10.

14 Indonesia Australia NTT Livestock Development Project Completion Report March 1986, AusAID Library reference 738 16 103 CR 03/86 V01. This is the first volume of 15 included as a completion report. See comment on the comprehensive nature of this completion report in Section 3.4.3 of this study.

15 A completion report has been produced for the NTTWMPP but has yet to be finalised. Readers may wish to refer to the considerable body of technical and adaptive research oriented material produced by the NTTWMPP.

16 No materials on this project were reviewed during the study. Furthermore the author is unaware of the status of research materials from the project being used in an adaptive manner. The project is included here as it offers an interesting utilisation of research effort in a development program.

completion report (which really contains all of the consultancy reports the project produced) is an excellent resource, not only for the original project but for any other agricultural projects in the eastern islands. AusAID is taking steps to compile all of its rural development research information on the eastern islands. There should be no need to repeat research in this regard.

Nevertheless, there may be cases for inclusion of limited adaptive research activities in future projects, particularly in sectors in which a program approach is followed. This should be completed in the early phases of a project. It is suggested, however, that projects like NTTPLDP are one off in nature. Most rural communities want economic and social results from projects fairly quickly and would be disappointed to see results of research coming at a late stage in project implementation. This effectively happened with the adaptive research activities of the NTT Watershed Management Planning Project in which research results really only came together at a late stage.

> **Adaptive research in early stages of a project to really establish what is required may often be very wise. However research must not get bogged down to the point where it is beyond the capacity of local people to undertake, or where its results are not apparent until late in the project. It must be short in duration, highly focused and immediately relevant.**

3.4.4 Ensuring Documentation Is Available To Counterparts In Bahasa Indonesia

Design teams rarely, if ever, are able to leave people in the project area with anything more than broad recommendations, that rightly, will need approval by GOI and AusAID before they are put into effect. Often the design itself is not completed until the team returns to Australia. Whilst key people in the provinces often do receive copies of the design prior to inception, this is rarely, if ever, translated into Bahasa Indonesia. For reasons of language and distribution difficulty, this effectively means that many GOI project implementors do not see project documentation before project commencement.

This problem is not confined to AusAID. Field discussions indicated that staff (particularly at district level) rarely, if ever, see any design documentation for bi-lateral or multi-lateral projects (although this would be hard to establish categorically). One respondent[17] noted that UNICEF regularly provides translations of project

documentation and suggested that AusAID might consider doing the same.

Clearly the translation of large quantities of design documentation into Bahasa Indonesia is not necessarily a productive task. However, the presentation of summaries and key issues (including budgets) in Bahasa Indonesia as a standard part of designs might be considered. This has been done in the past, but is not a standard procedure.

It is worth considering making available more project documentation in Bahasa Indonesia, particularly summaries of key documents like project designs and annual plans. It is furthermore suggested that distribution of this documentation through GOI should be as wide as possible to cater for the needs of project participants.

On a related issue, it was noted that the Flores Water Supply and Sanitation Reconstruction and Development Project[18] (Flores WSSRDP) standardises its monthly report in a bilingual form. Experience suggests that this is sensible. The inclusion of translator and/or interpreter costs in project designs might also be useful.

3.4.5 Recognising Critical Implementation Points And Activities

Project designs often include critical activities, which if they are not implemented on time will significantly delay other activities or components. An example of such an activity was the construction of dams in the NTTIADP. Dams were essential for much of the livestock and food crop developments aimed at by the project.

Much is mentioned in the literature on project designs concerning the scheduling of this type of critical activity.

In the case of the eastern islands it is pertinent to note that critical delays can be exacerbated by the difficulties inherent in logistics in the region. Projects in the region require longer lead times for the acquisition and delivery of equipment and supplies or the recruitment and deployment of staff. This needs to be noted in analysis of project timing and formulation of schedules.

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17 Bappeda in NTT, 1/12/97

18 The sample monthly report from the Flores Water Supply and Sanitation Reconstruction and Development Project viewed was for September 1997.

Related to this point is the need within project designs to recognise key developmental interventions and to design projects so that other interventions can realistically flow from them. UNICEF reports that literacy for women is a key intervention which can be used to lead to other development initiatives[19]. The World Bank also reports that this is a crucial element of project design[20]. On the one hand, it is important to identify the key initiatives. AusAID has noted in its recent program planning mission that initiatives in the water sector can lead to sanitation, health and agriculture activities[21]. On the other hand, it is important that components of projects are designed as much as possible to be stand-alone, so that they can go ahead without waiting for other activities to be completed. Bank experience would suggest that the worst kind of project is that in which every component is interlocking and where cross conditionality means that every activity requires every other activity to go ahead in order to be effective. There is clearly a balance to be sought in this respect.

Cross-conditionality between components of projects should as much as possible be minimised, especially if there is a chance that one crucial component or activity can delay or prevent others from occurring. However, this should not be at the expense of integrating activities of different components, as this may provide extra value to the project. This states the need to create the opportunity for integration without the necessity for it.

3.5 Pre-Inception Preparations

In the NTTIADP Project Completion Report, the comment was made that at least a year was required to ensure that all resources were available for on-the-ground implementation[22]. It is possible that the time required was lengthy due to the complexity of the project. However, given the length of time required to ensure that counterpart budgets are available and the need to ensure that all participants are trained and ready to play their parts in project implementation, preparation periods of several months are not

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19 Meeting at UNICEF office in Jakarta, 28/1/98.

20 Meeting at the World Bank Jakarta office, 26/1/98.

21 Strategic Directions for Australia's Development Cooperation Program With Indonesia 1997/98 to 2001/02, AusAID, September, 1997.

22 NTTIADP Project Completion Report, 1992, AusAID Library reference 738 16 103 CR 06/92.

unrealistic. All donors with whom this was discussed in Jakarta noted that problems occur with timely arrival of GOI funds.

Some of this activity could commence before the Australian Managing Contractor arrives to begin AusAID's contribution to a project. As discussed in Chapter 1, GOI funds can take up to 18 months to be ready for disbursement. Ideally, all financial inputs should be available for use at project inception. This is unlikely to be the case if AusAID or GOI wishes to fast-track project inception.

In some projects, this may not present a significant problem. However, in others where counterpart funds are critical at an early stage, some preparatory measures may be appropriate. This may especially be so in projects in which a range of GOI agencies are required to act. Preparatory measures could include:

⊕ Providing resources to work on ensuring budgetary allocations are available prior to the AMC's arrival. This might be through, for instance, the appointment of a local period contractor in Jakarta, whose task is to work with GOI agencies to try to ensure that finances are available as near as possible to project inception; and

⊕ Being prepared to cover counterpart activities in at least part of the first financial year of a project from donor funds.

Alternatively designs could be drawn up to avoid this problem, by, for instance:

⊕ Ensuring in design that activities in (say) the first year of project implementation do not require significant counterpart funds; and

⊕ Ensuring in design that the first year of a project is a preparation period, in which only a limited number of Australian personnel are deployed (for instance the Australian Team Leader or ATL). This might be used in conjunction with a design and implement approach similar to that being currently employed in the BARDEP project in East Timor.

These issues were mentioned by Australian personnel as lessons during the field phase of this study[23].

To summarise:

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23 Discussions with staff of the Women's Health and Family Planning Project and the Flores Water Supply and Sanitation Reconstruction and Development Project,

Project designs need a realistic timeframe for the provision of financial inputs from the donor and from the GOI in order that all required inputs can come together in the most effective manner. In some cases this will not be a critical issue, but in some cases special measures may be required such as preparatory work on budgets prior to project inception or the provision of donor funds to cover counterpart requirements for an initial period. In some cases the problem could be avoided through design so that significant counterpart funds are not required in the first phase, or so that the first phase consists of a preparatory period with limited donor personnel deployment.

Chapter 4
Project Implementation: Some Selected Issues

4.1 The GOI Project Concept

In the GOI system, projects (and the sub-projects and packets of which they consist) are considered as discrete funded entities in which there are clearly delineated roles for government and the private sector[1]. Whilst this is similar in concept to the contracting system utilised by AusAID, it should be noted that in most cases roles within individual GOI projects are set out within regulation as well as contract. In other words, a senior official will issue guidelines for individual projects in the form of regulations having the force of law.

Often there are three roles defined by GOI within a project:

⊕ The contractor - who will actually undertake the work concerned;

⊕ The consultant - who will undertake either technical design or works supervision type activities; and

⊕ The responsible GOI office - which has the roles of monitoring, administering and inspecting (*pengendalian* or control in Bahasa Indonesia).

These roles particularly, and most easily, apply to projects in which there is a considerable element of physical work involved, but can apply to other less physically oriented work, for instance the management of community facilitators[2]. Within the responsible GOI office there are a number of prescribed roles for individuals working in projects. These include the project leader (*pimpinan proyek*) and project accountant (*bendaharawan*).

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1 Refer to section 1.4.6 of Pemerintahan Indonesia for more details.

2 An example of this was mentioned by the Public Works Office in Waingapu, East Sumba, and is part of an OECF funded water project in the district.

There are a number of implications of this system that affect the way overseas donor funded activities relate to Indonesian project activities:

⊕ In most multilateral projects, overseas donor funds are substantially handled through the GOI system. Project regulations emanating from GOI cover the use of both its own and the donor funds. Many GOI officials see this as an easily integrated system in which coordination and accountability are not particularly difficult. There is an easier sense of project ownership. Furthermore, overseas consultants are seen as fitting into the normal pattern of government and private sector activity;

⊕ In the case of some bilateral donors, AusAID included, donor funds are substantially handled through non-GOI channels. In the case of AusAID, this is through an Australian Managing Agent. Unless care is taken to avoid it, GOI officials can tend to view the donor's activities as a separate structure, with clearly separate coordination and accountability mechanisms. There is sometimes an understandable confusion as to the role of overseas consultants in this type of system[3]. There may also be problems in ownership of the project by local officials.

⊕ A worst case scenario would be where it appears that donor and GOI are operating two different projects! The danger of new, specialised project management structures has been noted by the World Bank[4];

⊕ Certainly problems of ownership could be exacerbated if there is not considerable and patient coordination from all parties in the preparation of synchronised project documentation. It is always a necessity to obtain drafts of GOI documentation regarding a project in which we are taking part;

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3   This was mentioned as a problem by Bappeda in NTT. The further point was made that this is particularly so in AusAID's system, as AusAID uses a lot of consultant inputs. This is a valid point from the perspective of an organisation that has to deal with both types of aid delivery mechanism on a regular basis.

4   World Bank Internet Sources on Project IDPA37095 Maluku Regional Development Project, due to start soon. The World Bank says "Imperatives from the experience with area development projects outside of Indonesia are: avoid complex designs; resist establishing specialised, new administration structures; and avoid the diffusion of implementation responsibility. The capacity for mid-course corrections raises the probability of success as demonstrated in the Indonesian portfolio and internationally"

⊕ The duties of these officials in regard to officially declared projects are in addition to their substantive roles. The more capable members of the bureaucracy in Indonesia often carry several project roles in addition to their substantive positions. This can make them in high demand and hard to find on occasions;

⊕ Whilst the GOI project concept and system obliges responsibilities for officials appointed to undertake project activities, it also bestows privileges. In the normal case, this will be in the form of allowances and salary supplements, to which an official is quite clearly and legally entitled (there can be misconceptions about this issue on the part of overseas project workers). If donor supported projects do not in some way address the need for this supplementary remuneration, there may not be sufficient incentive for full attention to project activities (In the AusAID context, in which salary supplementation is not usually provided, this is often a problem until GOI funds arrive).

AusAID is committed to its system of Australian managing agents, for good reasons (which are external to the scope of this document). The purpose of the above is not to criticise the system, but to point out some potential pitfalls of which AusAID and Australian project staff should be wary.

The GOI project system, whilst it has similarities with our own, has fundamental differences relating to regulated roles and remuneration, of which we need to be aware. These differences can contribute to mutual misunderstanding of roles between GOI officials and foreign consultants. They may also create an impression that GOI staff and overseas workers are working in different directions. One key to ameliorating this is to work jointly on project documentation from the design stage onwards.

With this is mind, it is worth examining in more detail issues concerning GOI and overseas funded staff.

4.2 Indonesian Staff

The system of project responsibilities and remuneration used by GOI has been mentioned above. GOI personnel salaries are poor by Australian standards, and people rely heavily on project and other officially endorsed activity related remuneration. This includes project remuneration, the possibility of working on consultancy

arrangements for state owned enterprises and reliance on allowances for travel, meetings and conferences. The Government does provide additional assistance to its workers in the form of rice allowances and the like. Nevertheless total remuneration for most public servants is not by any means high.

Neither do most staff have much locational mobility. It is sometimes said that staff get trained, only to find themselves promoted out of the role for which they are trained. However, GOI staff with whom this was broached during the field phase of the mission suggested that, generally, it is quite difficult to move between organisations, whether this is between different sectoral agencies or between districts or provinces[5]. Staff receiving promotion generally move upwards within the same organisation. Career opportunity, then, is predominantly within the one organisation. Discussions with donors in Jakarta supported the view that career enhancement in the form of promotion opportunities and other career development measures are weak and in some institutions are barely functional. This does create an underlying constraint for the implementation of projects.

> **Sensitivity to and understanding of the system under which GOI officials work is one precursor to good project relations. This includes understanding of the constraints of remuneration and career opportunity many people are under.**

It is worth considering this when planning for training activities. It is probably wise to train a wider group of people in the understanding that some of them will eventually move up the system and be aware of the project's activities, and some will, therefore, be ready to move in to take over from their promoted colleagues. It is also worth noting at this juncture that aiming at 50-50 gender representation in training is an ideal and is not always feasible as some skill areas are more biased towards men or women. This reflects employment patterns in Indonesia. For instance, while the engineering profession is more likely to have a majority of males, the legal profession is more likely to have a majority of females.

> **Training should be provided for a wider group than just those who are to implement; this helps to cover for staffing changes.**

It was suggested in fact that it might be sound policy to always train or at least inform senior staff at the same time as training junior staff, even if it is the junior people who will utilise the training in

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5   This was noted, both within the tertiary education system and within local government.

their work.[6] This is probably an issue of ensuring that senior people are not seen as lacking the knowledge that their juniors have. In fact it is always sound policy to clear any activities with senior GOI personnel before involving their subordinates. Providing an overview training session for them is one way of doing this.

> **Training of senior managers in awareness of new skills being acquired by their operational level staff is a sound strategy for institutional strengthening projects or for projects in which institutional strengthening is an element.**

It should come as no surprise that almost everyone interviewed in the field felt that study tours and reciprocal visits, whether these are local or international, are very popular. The value of these in facilitating inter-agency communication and coordination has been noted in section 2.6. However, a note of caution was sounded in the EIVS Phase 1 Project Completion Report[7]. It noted the value of in-Australia training to the people who received it, but noted also that the impact of the training does not tend to be spread to others. This experience seems to be similar to that of the Swiss development cooperation programme in Indonesia, in which it was noted that some difficulties have been experienced by people returning from training abroad. Transfer of skills is often hard, unless people are promoted into positions in which they can influence the spread of skills they have obtained overseas.

In fact it may sometimes be hard to tell what the impact of overseas training actually is. The September 1996 Australian Sponsored Training Scholarships (ASTAS) Review[8] document noted that while student assistance is developmentally effective, a system of follow-up or monitoring of scholarship awardees had not been put into place.

A requirement that all in-Australia fellowships or exchanges must result in a positive outcome for others in the organisation is worthy of more consideration. This might be through linking fellowships with training of trainers, or through a requirement at least that returning fellows provide briefings for their colleagues. The ASTAS Review suggested the first priority might be given to awardees who are likely to pass on benefits of training to other staff members. For

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6   Discussions with the HIV/AIDS and STD Prevention and Care Project, 1/12/97, and with the Livestock Dinas in NTB, 8/12/97.

7   Eastern Islands Veterinary Services Project Phase 1 Draft Project Completion Report, 1995, AusAID Library reference 738 16 903 CR 11/95.

8   ASTAS Review (draft) September 1996, AusAID. p12.

example, in the academic sphere, awardees could train other staff in new research methodologies.

4.3 Australian Staff

The terms and conditions of Australian staff in the field are not subjects of this report. However several issues concerning Australian staff have come to light that affect project implementation and are mentioned accordingly.

Australian field staff sometimes say that long-term staff have to "hit the ground running" as soon as the contractual starting gun is fired. They also report that they have to be "jacks of all trades" in what they do during project implementation. Whilst to a certain extent everyone expects these as facts of life, it is worth stating that perhaps they do not always have to be so.

Several points were made in Chapter 3 concerning preparations for project inception. It was also noted in section 2.5 that GOI might consider providing more in the way of briefing for newly arrived Australians. It is also noted that arrival at a project often requires some time for staff to find accommodation and equip themselves for their stay. All this points to a somewhat hectic first few months. Whilst this may be largely unavoidable, this is also the time when people ought to be thinking most about what they are trying to achieve.

Certainly, the utilisation of a preparatory period for key staff members would assist in improving this situation. It is noted that some contractors also provide cross-cultural training either prior to or after arrival in Indonesia. This should be further encouraged, and is something that AusAID might consider providing on a central basis. The provision of language training should also be further encouraged. It is worth asking whether 3 to 4 weeks of language training is really enough for AusAID staff and consultants some of whom are required to work in a truly uni-lingual environment[9].

Almost everyone with whom it was discussed, agreed that expatriate project staff tend to have to be "jacks of all trades". Again this is expected, although it is worth questioning as to why we require people to undertake specialist tasks in eastern Indonesia that they are not trained to do, and for which, in Australia, a specialist would be hired. Examples of this include technical specialists being required to undertake training evaluation exercises or the development of

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9   This issue has variously been mentioned by AusAID personnel and consultant staff.

marketing materials. Whilst to some extent it would over-costly to bring in specialists to meet every requirement a project has, it is worth considering that if a project requires too many diverse skills from its advisers, it is attempting too much.

This situation is partly brought about because personnel numbers can be limited by the exigencies of the tender system in which AMC organisations must limit the number of people included in their bids. It may also be an issue in project design.

> **Project design needs to be realistic about just what Australian funded advisers can be expected to achieve. Requiring a very diverse range of skills from one person, and expecting specialists to cover too many other fields, are unrealistic. The inception period for staff is also a crucial time for them to assess the task in hand. It should therefore not be overly occupied with housekeeping matters. Similarly staff should not be expected to push their own basic requirements aside for the sake of the project. This requires better planning.**

Having injected a note of pragmatism into the discussion on the use of expatriate staff, it is worth stating that several donors have said there is no substitute for having people on the ground in projects. This was stated in relation to both project implementation and monitoring. Long-term staff clearly can achieve much more than their short-term colleagues. It is noted that this does depend on them being able to fit in with their Indonesian colleagues and to feel happy in the Indonesian cultural and social environment, particularly in the more difficult conditions of the east. The comments that follow are not intended to detract from the valuable contributions being made by Australian (and other donor) staff in the eastern islands.

One donor respondent stated privately that expatriate staff probably need to live and work with local Indonesian people for 2 to 3 years before they become truly effective. The need to be in close and regular contact with Indonesian counterparts was not questioned by anyone.

This also relates to gender balance on teams. In order for women counterparts and participants to have the necessary access to project personnel, and to ensure that their views are properly canvassed, there is a need to ensure sufficient numbers of female advisers are deployed on Australian teams. It is suggested that this is better achieved by including females as professional specialists, rather than

as gender specialists. Women's participation may be marginalised by inclusion of gender advisers on teams. Gender issues can be better mainstreamed by inclusion of women in other professional positions.

> **Care needs to be taken in ensuring gender balance on AusAID teams. This means ensuring that the needs and views of women participants are fully canvassed and incorporated at the design and implementation stages. This can happen if women are used on design, appraisal, review and evaluation teams, and if women are deployed as professional advisers in implementation teams.**

Another respondent stated that if a person comes new to Indonesia they are unlikely to be very effective for the first year. Their last six months may suffer from the distraction of obtaining the next job. A two year contract would on this basis, have a productive period of only six months.

While this may be a simplistic picture, obtaining, training and keeping highly skilled and motivated staff suitable for work in eastern Indonesia is a major concern. The ability to live in and enjoy the more difficult conditions of the eastern islands is critical. This has been raised recently in AusAID in regard to the need for more young professional staff to come through the system. It has also been raised in regard to the lack of sufficient numbers of health professionals willing to go to the eastern islands. The latter has become a program constraint.

The JICA approach of having "junior experts" is worthy of consideration in the Indonesian context[10]. It is noted that junior experts or volunteers can often be more flexible in what they can be asked to undertake. In Australian terms this might mean an encouragement of volunteer involvement in project implementation in the eastern islands; it might mean the encouragement of a young professionals scheme. The encouragement of young professionals through the tender process may not be giving the issue the impetus it deserves, especially when at the end of the day, the tender process rewards long-term expertise. AusAID needs to consider this in relation to what has been called the "greying" of the consultant community. The development of tomorrow's cadre of young professionals requires investment by more than just the AMC.

Australian capacity to produce new development assistance specialists is poor. Universities run development education courses but they do

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10 Discussed at a meeting at the JICA office in Jakarta on 29/1/98.

not tend to be geared towards project implementation requirements.. It needs to be recognised that AusAID's policy of leaving the selection and training of "young professionals" to the AMC without a true incentive to do so is likely to reinforce the lack of suitable long-term personnel in the future.

There needs to more consideration of the longer-term expatriate staffing requirements for AusAID projects in the eastern islands, especially given the generally more difficult conditions encountered there. A strategy is required that matches AMC efforts to recruit young professionals with clearer incentives to do so and with Australian government recognition of the importance of developing the body of project staff that represent Australia in the field.

4.4 Client Management And The PCC

The question "who is the client for the project?" was asked of various people during the field visit. Various answers were obtained including:

- AusAID;
- The Central Government in Jakarta;
- The Provincial and District Governments;
- The target population including non-governmental groups; and
- Some of or all of the above.

As noted in Section 2 the ultimate client in terms of agreements is the central government, although from a contractual point of view the AMC will view AusAID as the ultimate client. From the point of view of the team on the ground, however, the local counterpart organisations and the people whom the project aims to assist are the most immediate clients.

It is assumed that there are no significant conflicts within projects concerning client requirements and responsibilities to clients. This aside, the reality is that for each project there is a web of clients or stakeholders, all of whom will need to be satisfied that their requirements are being met. Ultimately, the success of any project depends on the needs of the target population being met as defined through the project's objectives. It is assumed that meeting these needs is supported by meeting the requirements of the other clients

in the project's web. There is, consequently, a need for attention to client management at various levels.

The issue of client management has been raised in regard to IATVEP B. The project's Completion Report noted that it became obvious towards the end of the project that it was necessary to keep all stakeholders fully informed as to project progress and issues[11]. This was essentially a project publicity or client management function.

Several respondents during the field visits mentioned the need to keep GOI in Jakarta involved. From a local provincial or district government perspective, Jakarta is the source of most funding for regional development. From the Australian team perspective also, the support of central government in Jakarta is vital to the continued cooperation of local institutions.

One respondent said succinctly that a close working triangle between AusAID advisers, AusAID and counterpart organisations is vital to smooth project implementation[12]. This working triangle is formalised through the Project Coordinating Committee but is also manifest at an operational level, through routine project implementation and monitoring activities. At this level it is particularly dependent on individual relationships and the capacity to work together on operational issues.

The Project Coordinating Committee is clearly the forum at which the highest level decisions on project operations are made. It is important for a project to have sufficient access to decision makers in GOI and AusAID. The IATVEP B PCR reports that its Project Coordinating Board met too infrequently to have sufficient access to decision makers in the Directorate in which the project was located[13]. (This may have been somewhat exacerbated by day to day operations being undertaken through a centrally located Project Implementation Unit, which may also have shielded project personnel from decision makers).

Getting senior people together for Project Coordinating Committee (PCC) or Project Coordinating Board (PCB) meetings is very

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11 IATVEP B Project Completion Report, 1996 AusAID Library reference 738 43 925 CR 02/96; and IATVEP A and IATVEP B Review/Identification Study, 1993, AusAID Library reference 738 43 931 EV 10/93.

12 Meeting with ATL for the Women's Health and Family Planning Project, 8/12/97.

13 IATVEP B Project Completion Report, 1996 AusAID Library reference 738 43 925 CR 02/96.

difficult and time consuming, because invariably the senior people required for decision making in the project under consideration are same people required for meetings on a range of other projects and administrative issues![14] On an analytical note this could be said to be a product of a system in which authority is concentrated and delegation rarely given. This is clearly a problem for all projects.

The willingness to delegate does vary from department to department, however, and this affects donor ability to obtain decisions essential to project implementation. Delegation of decision making could be encouraged through the PCC system. This might be through the establishment of sub-committees, perhaps on a technical basis, in which real decision making (within agreed) limits is vested. In any case, in Indonesia a high level decision making meeting (such as a PCC) is often not the forum for debate and discussion. The risk of confrontation in formal meetings is the risk of someone loosing face. A meeting may simply not happen if this is likely. Most higher level meetings ratify decisions that have already been made. Debate and agreement on issues should take place as much as possible before PCCs[15]. The comments made in Section 2.6 on the use of workshops are also relevant here.

> **Projects have a range of clients, some formal, some practical. As much as possible, the needs of all client groups should be met. The client group that contains the national level decision makers is a vital link in project success, as decisions made at this level can greatly affect project policy and directions. This group needs careful management. However, it is likely to meet rarely and therefore requires careful support from other project participants authorised by it to contribute to policy making and project direction. Selective delegation of these roles should be encouraged in AusAID projects.**

4.5 GOI Budget Concerns

Our own concerns that budget mechanisms operate and that GOI funds are available for project activities are, not surprisingly, matched

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14 This was agreed by everyone with whom it was discussed and is in any case well known in the AusAID system. The Evaluation Desk Study for the NTTIADP noted that the Project Steering Committee met only twice in the six years of the project. (AusAID Library reference 738 16 103 EV 05/93).

15 This issue was discussed with the ATL of the Flores Water Supply and Sanitation Reconstruction and Development Project on 3/12/97.

by concerns from officers within GOI who have had problems associated with the provision of Australian funds for projects.

Many GOI officials may prefer aid delivery through the mixing of donor and GOI funds in the manner of multilateral projects to the separate provision of funds by the donor as is more common in bilateral projects. This was categorically stated by one senior public works official[16] in relating a timing problem in the late arrival of AusAID purchased materials, which were to be complemented by GOI funded construction activities. While this is probably not common, the potential for this happening in a system in which a donor takes responsibility for the entire provision of one type of input needs to be recognised. It is also pragmatic to realise that many recipient government officials prefer to have control over entire project budgets.

In fact, the problem mentioned above was exacerbated by coinciding with the end of an Indonesian financial year. Australian public servants are not allowed to roll-over funds from one financial year to the next. GOI offices have similar constraints. When this is added to a system that sometimes produces funds as late as six months into a financial year, it can be seen that the window for implementation can be rather small.

It is also very important for GOI officials to feel their due ownership of project activities. One respondent[17] put it as a need for a clearly defined DIP (*Daftar Isian Proyek* or approved GOI project expenditure) component to the project. He compared the recently completed NTB Environmental Sanitation and Water Supply Project with the currently implemented Women's Health and Family Planning Project. The comment was made that the later project has taken a preferable approach in this regard (this was not however a general criticism of either project, both of which have produced results that have been appreciated). Simply put, a well structured and clearly defined DIP for an AusAID supported project is much appreciated and encourages greater project ownership. The responsibility for ensuring this happens rests ultimately with central authorities in Jakarta, although there is a need for Australian design and implementation teams to assist to ensure that GOI counterpart budgets are very clearly delineated.

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16 Head of Public Works for NTT Province, 2/12/97.

17 Bappeda for NTB on 9/12/97.

It should be reiterated that most, if not all funds for regional development, whether they are controlled by regional authorities or not, are sourced from the national government. Various mechanisms exist for this to happen. Paucity of local revenue raising mechanisms is an ongoing concern in Indonesia and eastern provinces are possibly worse off in this regard. Project activities specifically designed to assist local administrative capacity building could be considered in the future.

As an example, this issue was discussed in the district of East Sumba, with the Bupati and some of his senior officials[18]. East Sumba is about to receive support to attain greater autonomy in GOI's drive to bring more control over development to the district level. In this program, it is expected that further revenue raising mechanisms will be delegated to the district. However, it was also noted that revenue collection is a problem for the district (as elsewhere). For the foreseeable future it is likely that districts such as this will have to largely rely on funds from national and provincial sources. It should be noted that most of these funds (such as Inpres or Presidential Instruction) are effectively already under the control of the district.

In regard to local funding arrangements it is perhaps timely to add a comment on ensuring recurrent budgets for essential project activities after bilateral funding has ceased. This is clearly a key to sustainability but is actually quite difficult to do, because of the heavy reliance in the GOI budget system on providing funding through project channels. Once a bilateral project is completed, it is likely that any GOI funding designated as project funds will also cease. This is partly why maintenance funding is so hard to arrange (see section 4.7).

However, projects do overcome this hurdle of transition from project to recurrent activities. The ongoing staffing and maintenance of animal health posts as funded under EIVS and the ongoing utilisation of the Bridge Management System being two good examples[19]. It is assumed this is because these activities and resources were funded sufficiently early as recurrent expenditure items. If these can be designated as recurrent before a project starts so much the better. If not, it is incumbent upon project participants to ensure that the bureaucratic mechanisms to obtain recurrent funding are set

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18 Meeting with Bupati of East Sumba on 5/12/97.

19 Discussions with Livestock Dinas officials in NTT and NTT and in the districts of Sikka and East Sumba; visit to an animal health post in Lombok on 9/12/97; and for BMS the Indonesia Cluster Evaluation, December 1996 on Balitvet, BMS and Bah Bolon Projects.

into motion as early as possible in project implementation. It is no good waiting until the final year of a project to start this process.

Budget sensitivities for GOI officials are as real as our own. Different aid delivery mechanisms cause different constraints within the budgetary system of the recipient government, and project implementors and monitors need to be aware of these constraints. Notably:

- **There may be a preference amongst GOI officials for GOI control of all project funds;**

- **There are significant constraints to the rolling-over of GOI funds from year to year;**

- **There is a need to include significant elements of clearly labelled GOI funding in projects; and**

- **There is need to understand the paucity of local revenue mechanisms and the consequent reliance on funds from higher levels of GOI.**

4.6 Reporting And Monitoring

Part of the TOR for this study has been to comment on appropriate forms of monitoring for projects in the eastern islands. Guidelines for monitoring from the AusAID perspective are included in the AIDAB Programme Operations Guidelines (APOG) and would appear to meet AusAID's requirements for the time being.

In the Indonesia context it is worth remembering that GOI also has its own monitoring requirements, which at a local level are coordinated through Bappeda. Some mention is made of GOI's documentation system in AusAID publications[20]. This author is not sufficiently familiar with monitoring mechanisms used by GOI to comment further on how they are used within the bilateral donor funded project. There would appear to be a need for AusAID to find out more about this aspect of GOI operations, and to examine opportunities for cross-fertilisation between the two monitoring systems.

It is worth commenting that AusAID monitoring is primarily conducted for AusAID's own internal purposes. As mentioned in

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20 "Pemerintahan Indonesia", 1993, on the role of Bappeda and on the regional planning process, and in "Introduction to Government Administration, Planning and Budgeting in Indonesia", 1991, on GOI's documentation system. However neither publication describes GOI mechanisms for monitoring financial and physical progress of projects.

Section 3.4.4, it is by no means standard practice to include summaries of monthly reports in Bahasa Indonesia (or for that matter other periodic reports). If this practice were encouraged it would go some way towards bringing a more joint government orientation to monitoring activities, and could more usefully feed into the PCC process.

AusAID Post does encourage joint monitoring visits with central GOI officials although it is noted that often if this does happen, financial support from AusAID is required (this has also been noted in 2.4.3). Further activity of this nature should be encouraged. One timely initiative is the development by AusAID in Australia of training packages for recipient governments in monitoring and evaluation. These could be utilised to encourage joint monitoring and evaluation exercises.

For instance, during field visits in Flores, it was suggested to the Sikka District Bappeda that perhaps it should be formally involved in AusAID Post monitoring exercises. The idea was warmly received both by Bappeda and by the Assistant 2 to the Secretary of the District[21]. The latter suggested that the Director of the Bureau of Program Preparation (*Biro Penyusunan Program*) in the Bupati's office (*Sekretaris Wilayah Daerah Tkt. 2*) might usefully be involved as well. As it is clear both of these offices have an interest in monitoring bilaterally funded activities, there is merit in pursuing this idea.

> **Greater cooperation in monitoring between AusAID and GOI could have significant benefits for project coordination and success. AusAID should continue to encourage the involvement of central GOI officials, should consider the formal involvement of regional officials with planning and monitoring functions, and should consider building up a more comprehensive picture of GOI monitoring mechanisms.**

Three other comments of note concerning monitoring are pertinent here:

⊕ In general, project staff seem to prefer the Technical Advisory Group approach to making project changes to the mid-term review approach which is seen as potentially more disruptive;

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21 Meeting at Bappeda Sikka District and with the Assistant 2 to the Sekretaris Wilayah Daerah of Sikka District in Maumere, both on 4/12/97.

⊕ It ought to be questioned whether extensive monthly reporting is really necessary. ATL's are spending two days or more per month on monthly reports. Would a three page summary of what has happened in a month together with perhaps a logframe generated exception report be more appropriate? Or would the adoption of a more comprehensive quarterly report system be acceptable?; and

⊕ Other donors are now moving more towards output monitoring systems and away from input monitoring. This includes USAID and GTZ. This reinforces AusAID's recent experience.

The move towards output monitoring is most evident in the USAID program. In the American program in Indonesia, five strategic program areas have been identified. They are economic growth, population planning and health, urban environment, rural environment and democracy and human rights. For each of these of these program areas a range of high level indicators has been developed. Project agreements (with contractor or NGO implementors) now specify the attainment of goals in terms of these indicators and sub-sets derived from them. Project monitoring is geared accordingly. The overall program is monitored by USAID on a six-monthly basis against the highest level of these indicators.

4.7 A Note On Maintenance

Almost everyone, it seems, likes a new project. Not quite so many are concerned about maintaining what was put in during earlier ones. Without trying to make a statement of the obvious, the issue of maintenance has been raised in numerous project documents over the years. As examples the following should suffice:

⊕ In the Bah Balon project evaluation it was noted (in 1996) that there are already problems with sufficient funding for maintaining the irrigation system installed in the project (which finished in 1993). Estimated requirements for river works maintenance were noted as being 4 times what was actually available. In addition, national GOI funding for maintenance of irrigation and drainage already seems to have dwindled[22].

⊕ Evaluation of the NTTIADP called for examination of the issue of recurrent funding as this was seen as crucial for long-

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22 Indonesia Cluster Evaluation, December 1996 on Balitvet, BMS and Bah Bolon Projects.

term sustainability. Certainly, a recent visit to the area indicated a need for maintenance of items like dams and roads (many of which, however, are by provincial accounts still operational over 10 years after installation by either NTTIADP or its predecessor NTTPLDP)[23].

⊕ University officials from Universitas Cendana in Kupang and Universitas Mataram in Lombok indicated that there had been some problems in routine maintenance of specialised equipment provided under recent multi-lateral programs[24]

Maintenance for items like vehicles and smaller items of equipment is probably less of a problem than those stated above. The issue for major infrastructure items, however, can be acute.

The assumption that systems or mechanisms for maintenance of physical infrastructure exist and, moreover, will be used, needs rigorous checking during design and implementation. Plans for maintenance after project implementation finishes should certainly be encouraged during the life of the project.

Furthermore it is noted that the more people feel ownership of project facilities, the more they are likely to try to maintain them. This was noted by the Swiss Embassy in regard to its long-term assistance to the water sector in Indonesia[25]. This was also noted by the UNDP/World Bank Water and Sanitation Program[26]. If people get what they want from a project they are more likely to maintain infrastructure, particularly if they have control from an early point in the process.. This is particularly important for community maintenance of water and sanitation facilities in current and future AusAID projects.

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23 Visit to Besi Pae and SoE, 30/11/97

24 Visit to Universitas Cendana on 2/12/97 and Universitas Mataram on 9/12/97.

25 Meeting at the Swiss Embassy, 26/1/98.

26 Meeting at UNDP/World Bank Water and Sanitation Program office, 26/1/98.

Chapter 5
Community Development: Some Selected Issues

5.1 Community Involvement In Design And Implementation

The flavour of this study report has very much been of project design and implementation and of the institutional framework for project activities. Much of the field work has involved government officials and Australian and other donor advisers. However, as noted in Section 4.4, ultimately the success of any project depends on the needs of the target population being met as defined through the project's objectives. The needs of the target population are the *raison d'etre* of the project.

5.1.1 Encouraging Earlier Community Participation

The need to encourage participatory planning at the community level has been included in GOI policy, and AusAID is gaining experience in assisting with this in projects like the NTTWMPP, ARPAPET and now BARDEP. Water supply and sanitation projects sponsored by AusAID have also encouraged community participation in the planning and implementation of water and sanitation activities. Other rural development projects like the Eastern Islands Veterinary Services Project, and earlier projects like NTTIADP, have had significant elements of community participation.

The World Bank has noted in one of its rural development lessons publications[1] the need for participation of communities at the earliest stages. The need for local ownership and commitment in area projects is crucial in design stages, its says[2]. Full participation starts

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1   WB Lessons and Practices - No3, Sept 1993, Area Development Projects.

with a blank sheet of paper, not a set of proposals for participants to approve. This is an idealistic statement in a development project design environment in which institutional parties must at least agree on the scope of a future project before a design team is funded. However, it is a useful reminder that we should work to improve community involvement at the design stage.

Discussions with the World Bank office in Jakarta also backed this up. Projects are tending to move away from the supply driven approach towards a strategic theme of establishing systems in which villagers can choose whether to obtain services from private, non-government or public sector organisations[3].

The ADB stated the same issue in a 1992 project performance audit report for a water supply project which stated "Inadequate understanding of the demand for piped water, of the price responsiveness of consumers in the face of alternative, lower cost water sources, and of the economic advantages of developing water systems conjointly for towns based on a common water source, exemplify the essentialness of incorporating local knowledge in the project preparation process".[4]

Several respondents reported experience with participatory planning approaches including Rapid Rural Appraisal and Participatory Rural Appraisal techniques[5]. An interesting approach is being undertaken with GTZ sponsorship in NTT and NTB. This is through the project for Self-Help Promotion in Food Production and Land Conservation in Critical Rural Areas of NTB and NTT[6]. The project claims to have worked directly with 65,000 village people through village meetings organised and run through the local offices of Village Development (Pembangunan Masyarakat Desa or PMD).

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2   Dinas of Livestock in NTT also emphasised the crucial nature of community ownership of projects in discussions on 2/12/97.

3   Discussions at the World Bank Office in Jakarta, 26/1/98.

4   Project Performance Audit Report on Small Towns Water Supply Sector Project, Asian Development Bank, 1992.

5   The use of RRA in water projects was stated as useful by Public Works in East Sumba District, 6/12/97. This was in connection with OECF funded water activities. Then use of PRA in the EIVS project was supported by the Livestock Dinas in NTT, 2/12/97, (although it was stated that farmers still need other encouragement to offer their ideas).

6   Refer to the excellent package of program and project publicity material currently available from GTZ in Jakarta, entitled "Partners In Development". AusAID might look at this as a model publicity package.

Very much connected with the need to promote participatory planning processes is the need to ensure that funds are applied as near to the village level as possible[7]. GOI's Inpres schemes, notably Inpres Desa Tertinggal (IDT is literally the "Left Behind Village" fund), recognise this need.

However respondents note that the participatory approach to development, while essential, cannot be hurried. This was particularly noted by CIDA[8]. Non-Government Organisations (NGOs) in particular respond to working in this way it says, noting that project design exercises for NGO projects cannot be rushed.

5.1.2 Recognising The Role Of PMD

The German agency has agreed in the case of the Self Help Promotion Project to work directly with the office of PMD as the counterpart. PMD has an important, but often under-resourced role in local development in Indonesia[9]. This is to prepare the local communities for their roles in development projects. Perhaps a better way of looking at PMD is as a facilitating agency. In this regard, it arranges village meetings, including the attendance of officers from other sectoral agencies, and is often said to coordinate government's development messages to village people. PMD has direct contact with village heads, and is significantly involved with the Village Resilience Organisation (LKMD or *Lembaga Ketahanan Masyarakat Desa*), which is the nearest Indonesian equivalent to a village council.

AusAID has had involvement with PMD in a number of projects in the eastern islands, although the involvement of PMD in AusAID supported activities is suspected as having been a little peripheral at times. Some mention of the organisation was found in evaluations or PCRs (either as PMD or under its earlier name Bangdes), but in general the major concentration of effort has been in working with either sectoral agencies or with planning agencies such as Bappeda[10].

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7   This was discussed with the UNDP/World Bank Water and Sanitation Program on 26/1/98.

8   Meeting at the CIDA office in the Canadian Embassy, 28/1/98.

9   The importance of PMD's role was noted by the World Bank funded WSSLIC Project in Kupang, 30/11/97, Bappeda NTB, 1/12/97, the NTT Food Crops Dinas, 1/12/97, the NTT Livestock Dinas in regard to the EIVS Project, 2/12/97, by the ATL for the Flores WSSRDP, 3/12/97 and the Project Manager for the NTB Environmental Sanitation and Water Supply Project, 10/12/97.

10 As above.

It appears that more work will need to be done in conjunction with PMD, as more and more GOI agencies are mentioning the role of PMD as crucial to their work. Whether this is as a result of a deliberate campaign by the Department of Home Affairs to boost the role of PMD, or whether it merely reflects a move towards more participatory community activities in projects generally is unclear, but it may be timely to invest in a updated understanding of the role of PMD[11]. This is a lesson for project design in rural development particularly. In fact the UNDP and UNICEF programs in Indonesia appear to work very closely with several branches of the Department of Home Affairs and their offshoots in the regions. Both note the need for close relationships with Home Affairs[12].

A good starting point for this might be more contact with the GTZ project mentioned above[13]. It does work directly with PMD as the counterpart. It is also useful to note German experience in working with LKMD (naturally through PMD) has been positive. The project reports that working with smaller groups at village level is very positive, and emphasises that time and care must be taken to ensure that village people are accepting of and ready for their roles in development activities. It also, interestingly, suggests that village implementation groups should be operated as private (not government) organisations, although the LKMD will need to be involved in establishing village activities.

5.1.3 Attention To The Detail Of Community Participation

Finally in regard to community participation it should be remembered that other community organisations have roles in development at the village level. The role of NGO's in facilitation is examined below. It is worth stating at this juncture that the role of religious leaders in village development is also very important.

With renewed focus on rural development in the Indonesia program and with GOI efforts to decentralise development, will come increased requirements to work with the agencies

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11 During discussions with the office of PMD in Kupang on 2/12/97, it was stated that Australian involvement in rural development in the province in the past, particularly through NTTIADP, had fully recognised the role of LKMD. It seems then that we do have good experience of working with PMD and LKMD.

12 Meeting at UNDP in Jakarta on 26/1/98 and at UNICEF on 28/1/98.

13 Through its Lombok office. Comments here concerning this project come from discussions in Mataram on 9/12/97.

most closely linked to village development, PMD and the LKMD. Attention to the detail of community participation in design and implementation will be increasingly important.

5.2 User Pays Principles

In this era of economic rationalisation, it is not surprising to see the strengthening of user pays policies in donor supported projects in Indonesia. Indeed the principle has been adopted in many sectors of the Government of Indonesia for quite a number of years. From a development perspective, it is now more fashionable to assume that if users cannot pay for services they require, the services are too expensive and government cannot be relied upon to continue to subsidise them, nor indeed should it do so. This has some merit. However, it does not appear to take into account those who are so poor they cannot purchase services at all and there may be a tacit understanding that the poorest will continue to need society's support.

Nevertheless, the ability to mobilise community resources through the catalytic effects of well designed projects is an important element in sustainable development and there is a clear lesson that services established through development projects must be affordable by the vast majority of the people for whom they are designed[14]. This analysis uses water as an example. It is likely that similar conclusions can be drawn from other sectors.

The consumer's ability to pay for water is quite critical. If consumers are either not willing to pay or are unable to, the facilities and the water become subject to pressure for subsidy. This is more critical in an era when governments are becoming less likely to continue to subsidise and indeed, when fiscal constraints limit the government's capacity to subsidise. Either the costs of systems must be reduced or the quality and reliability of systems must be maximised so that more people are willing to pay full costs. To obtain a good balance in this requires rigourous socio-economic analysis at design stage and this requirement in itself is becoming more critical.

The June 1995 World Bank Indonesia Country Report[15] highlighted this issue. It unambiguously called for adequate pricing of public sector services. Furthermore, using water as an example, it noted

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14 Discussions with the Project Manager of the recently completed NTB Environmental Sanitation and Water Supply Project, 10/12/97, indicated that this project may have contributed to bringing about the formal adoption at a water policy level in Indonesia of mobilisation of community resources through project activities.

that low prices for groundwater usage lead to overuse and depletion of aquifers. Low prices for piped water mean low levels of maintenance and sustainability. Adequate pricing is also seen as critical to private participation and improved public sector performance.

There is increased pressure for privatisation of public services, like water. Build, operate and transfer type projects are now appearing in the urban water sector in Java. However, significant privatisation of services such as these in the more rural eastern islands appears unlikely for some time. This is partly because the private sector needs a clear profit incentive and a clear regulatory framework to provide investment security. Given the generally poorer institutional framework in the east this is unlikely to happen quickly. Perhaps more to the point, markets in eastern island areas are generally smaller than Java, profit margins may not be as high and financial risks may be greater.

Australia's experience of water in rural areas of Indonesia has become quite substantial in recent years. Issues of user payments, privatisation and community mobilisation in water supply and sanitation projects are becoming ever more topical in the changing economic environment in Indonesia. The recent el Nino has highlighted the issue of water availability in the future.

The issue of user ability to pay for services encouraged through development projects will continue to become more critical in the future. This is likely to be in the context of government's dwindling capacity or willingness to subsidise such services, and also in the context of pressure for privatisation. Projects need to be rigorously designed to ensure that services provided are priced within the capacity of the community to pay.

5.3 NGOs And Facilitation

Ten to fifteen years ago the idea of a bilateral program in Indonesia containing significant elements of local NGO activity would have been unusual to say the least, and any proposal for such would have been unlikely to attract full support of the GOI. Official thinking in this regard has moved significantly in the intervening years, to the point where GOI very actively encourages the use of NGOs in many

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15 Indonesia, Improving Efficiency and Equity: Changes in the Public Sector's Role, June 1995, World Bank.

development projects across the nation. Indeed all indications are that NGO involvement in development projects can be of very great benefit.

Donor perception of NGO involvement in bilateral and multilateral projects is very positive at this stage. Several donor respondents noted that the value of utilising NGOs is in some respects even greater in eastern Indonesia than other parts of the country. This is because NGOs in the eastern islands tend to be more localised and consequently closer to the communities. This is especially so in the case of religious based NGOs which tend to operate on a parish-by-parish basis. While NGO closeness to the community is somewhat of a generalisation, it is still a useful perception. Furthermore, in the eastern islands, regional government structures tend to be under-resourced and, as noted elsewhere, more in need of institutional strengthening assistance. NGOs can particularly assist government at the community level in eastern Indonesia by providing additional skilled and motivated manpower and, from all accounts, GOI seems to be happy for this to happen.

However, NGO involvement in bilateral programs in Indonesia should not be seen as an alternative delivery mechanism to government. Rather it should be seen as a complementary one. It appears that government is very willing to encourage NGO involvement in development, but does reserve the leadership role for itself, and certainly views what NGOs can do as complementary to, or part of its own programs. The role of the Office of Village Development or PMD in this leadership and guidance function for NGOs is noted[16].

There is clearly a need for participating NGOs to possess technical competencies, whether this be in water supply, agriculture or community planning. Technical competencies naturally complement skills in facilitating community motivation. In some cases, AusAID may have to provide training in both community facilitation and technical skills. However, as participating NGOs become more experienced this is likely to decrease.

Undoubtedly, technically competent NGOs are an important way of adding quality and substance to the development process. The inclusion of such an NGO in the Flores WSSRDP has quite clearly

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16 It is understood, however, that formal registration of local NGOs is also with other agencies including Bappeda, the local office of the Social Affairs Department (DepSos) and the local office of Social and Political Affairs (SosPol).

proven to be of value. The work of the Alpha Omega NGO in NTT during the NTT Watershed Management Planning Project is another example. NGO facilitation was vital to the NTB Environmental Sanitation and Water Supply Project. Discussions with Australian project staff indicate that while NGO motivation is very important, NGOs clearly need to have a capacity for technical competence as well, preferably pre-existing or quickly attainable[17].

The use of NGO personnel as facilitators is not necessarily sustainable, however. Discussions with the Village Development office in NTT (PMD)[18], showed that this office was very satisfied with the involvement and product of NGOs in various development programs. However, there do not appear to be obvious and appropriate mechanisms to continue use of NGOs in this way under routine funding.

The lack of routine GOI funding for ongoing facilitation by NGOs was noted in discussion with the Health Dinas in NTB[19]. Facilitators and technical officers (largely drawn from local NGOs) were employed extensively on the NTB ESWS project. Government is now no longer able to continue their employment, and indeed if the project's aims have been met there may be no need for them. When asked whether this was a flaw in the model used for water supply and sanitation through community participation, it was suggested "The model relies on facilitation, not facilitators." This is a fair comment. It seems that local government employees including sanitarians are to some extent picking up the role. The need for continued facilitation and the prospect for government to pick it up could form a useful topic in any evaluation of this and similar projects.

The use of NGO personnel as community facilitators and extension workers is likely to continue to be a useful aspect of AusAID's program. GOI is now more comfortable with the use of NGOs in development projects than it was in recent years. The value of technically competent and motivated NGO staff to the program should not be under-estimated. However, it should not be assumed that NGO facilitation is a sustainable activity in all cases. In this regard it should be stressed that planned withdrawal of NGO

17 This was most succinctly stated in discussions with the Flores WSSRDP, 3/12/97.

18 Meeting with PMD, Kupang, 2/12/97.

19 Meeting with Project Manager for the recently completed NTB Environmental Sanitation and Water Supply Project, 10/12/97.

facilitation services from development activities encouraged through projects should be considered in project design.

Appendix 1
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Asian Development Bank	Project Performance Audit Report Sumatra Fisheries Development Project in Indonesia	Sep-90	Manila
Asian Development Bank	Technical Assistance Performance Audit Report for the Preparation of the second Health and Population Project in Indonesia	Dec-90	Manila
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Asian Development Bank	ADB Environment Paper no. 8, Environmental Evaluation of Coastal Zone Projects, Methods and Approaches	Jun-91	Manila
Asian Development Bank	Project Performance Audit Report Small Towns Water Supply sector Project in Indonesia	Dec-92	Manila
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Australian Agency for International Development	Commercial Benefits from Development Cooperation with Indonesia	1995	Canberra
Australian Agency for International Development	Indonesia-Australia Technical Vocational Education Project (IATVEP) Part B Project Completion Report (Draft?)	1996	Canberra

Agency/Publisher	Title of Publication	Date	Location
Australian Agency for International Development	IATVEP A and IATVEP B Review/Identification Study (Preliminary Draft) (AusAID Library Reference (738 43 931 EV 10/93)	Oct-93	Canberra
Australian Agency for International Development	Indonesia AusAID Water Supply and Sanitation Effectiveness Study (Draft)	May-95	Canberra
Australian Agency for International Development	Nusa Tenggara Timur Watershed Management Planning Project Technical Advisory Group Visit Report, January 1996	Jan-96	Canberra
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Australian Agency for International Development	Nusa Tenggara Timur Watershed Management Planning Project Technical Advisory Group Visit Report, June 1996	Jun-96	Canberra
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Australian Agency for International Development	Flores Water Supply and Sanitation Reconstruction and Development Project Monthly Report, September, 1997	Sep-97	Flores

Agency/Publisher	Title of Publication	Date	Location
Australian Agency for International Development	Strategic Directions for Australia's development Cooperation Program With Indonesia 1997/98 to 2001/02	Sep-97	Canberra
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Australian International Development Assistance Bureau	Indonesia Australia NTT Livestock Development Project Completion Report (AusAID Library Reference 738 16 103 CR 03/86 V01)	Mar-86	Canberra

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Australian International Development Assistance Bureau	Indonesian-Australian Technical and Vocational Education Project (IATEP) Evaluation Report (AusAID Library Reference 738 43 931 10/88 P1)	Oct-88	Canberra
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Griffiths, Pamela	A Study of Perceived Barriers in the Implementation of Women in Development (WID) Policies and Strategies Among selected Official Bilateral Development Cooperation Agencies Within Indonesia	Oct-93	
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World Bank	Lessons and Practices - No3, Sept 1993, Area Development Projects	Sep-93	Washington
World Bank	Indonesia: Environment and Development: Challenges for the Future	Mar-94	Washington
World Bank	Performance Audit Report, Indonesia, Provincial Health Project (Loan 2235-IND) and Nutrition and Community Health Project (Loan 2636-IND)	Dec-94	Washington
World Bank	Project Completion Report, Indonesia, Second Health (Manpower Development) Project (Loan 2542-IND)	Dec-94	Washington
World Bank	Indonesia, Improving Efficiency and Equity: Changes in the Public Sector's Role	Jun-95	Washington
World Bank	Staff Appraisal report Indonesia Nusa Tenggara Agricultural Area development Project	Jan-96	Washington
World Bank	Indonesia Country Assistance Strategy Progress Report	May-96	Washington

Appendix 2
Study Itinerary

Day	Date	Location	Description of Activity
Thursday	27th November, 1997	Jakarta	Team assembles in Jakarta
Friday	28th November, 1997	Jakarta	Preparatory meetings with Dr. McCawley, Mrs. Regnault and Mr. Mitra of AusAID, at Australian Embassy
Saturday	29th November, 1997	Jakarta/ Kupang	Flight to Kupang.
Sunday	30th November, 1997	West Timor	Field visit to Besi Pae, Kolabano and Soe (West Timor)
		Kupang	Team briefed on meetings and logistics arrangements by Bapak (Bpk) Agus Bale, Co-Team leader of AusAID funded Eastern Islands Veterinary Project (who joined the mission).
		Kupang	Evening meeting with Bpk. Domisianus L. Kale, Project Leader of the World Bank funded Water Supply and Sanitation for Low-Income Communities Project in the Dinas of Health for NTT
Monday	1st December, 1997	Kupang	Meeting at Bappeda Level 1 NTT Province with Bpk. L. Therik, Chairman, Bpk. Herman Ballo, head of Social and Welfare Section, and Bpk. John, Head of Economics Section and Bpk. Domi Djemaun, Deputy Chairman.
		Kupang	Meeting at the Dinas for Food Crops for NTT with Bpk. Siagian, Bpk. Fransiskus, Bpk. Berabus Ugur and Bpk. Ngasi Hasan.
		Kupang	Meeting with Ms. Wendy Miller of the AusAID funded HIV/AIDS Project
Tuesday	2nd December, 1997	Kupang	Meeting at the Dinas for Livestock for NTT with Bpk. E. Th. Salean, Head of Dinas

Day	Date	Location	Description of Activity
		Kupang	Meeting at Dinas of Public Works, NTT with Bpk. Frankie Tayu, Head of Dinas.
		Kupang	Meeting at the Village Development Office (PMD) for NTT with Bpk. Agus Bebok and Bpk. Tinus Kanasi. Bpk. Tinus formerly a project leader for Village Development as part of the NTTIADP.
		Kupang	Meeting at the Cendana University with 1st assistant Rektor, Dr. Ir. J. I. Manafe and ADB Higher Education Project Manager Bpk. Maximillian Kapa.
		Kupang	Meeting with Ms. Helen Ashwell, Deputy Team Leader of the AusAID funded Women's Health and Family Planning Project.
		Kupang	Meeting with Bpk. Sol Therik of the Ministry of Home Affairs/UNDP/UNICEF Eastern Indonesia Decentralised Development Project.
Wednesday	3rd December, 1997	Kupang/ Maumere	Flight from Kupang to Maumere in Flores.
		Maumere	Meeting with Mr. Terry Quinlan, Australian Team Leader, Steve Leenhouts, Planning and Institutional Specialist and Graham Jackson, Urban Water Supply Engineer on the AusAID funded Flores Water Supply and Sanitation Reconstruction and Development Project.
		Maumere	Meeting at the Dinas of Livestock for Sikka District, with Insinyur (Ir.) Felix Radja Head of Dinas.
		Maumere	Meeting at the Dinas of Food Crops for Sikka District with Bpk. Frans Borgias, Head of Dinas.
		Maumere	Meeting at the Dinas for Public Works in Sikka District with Bpk. L. Johny Lalo acting Head of Dinas.

Day	Date	Location	Description of Activity
		Maumere	Field visit to east of Maumere to view dry conditions and discuss with farmers. Visit to village dam site.
		Maumere	Evening meal and discussion with members of the Flores WSSRDP and the redesign team for the Women's Health and Family Planning Project (headed by Mr. Leslie Watters).
Thursday	4th December, 1997	Maumere	Meeting at the Bappeda office for Sikka District with Secretary of Bappeda, Bpk. Joseph Seda.
		Maumere	Meeting with Assistant 2 for Administration of Development, Bpk. Umbu Anagoga and with Economics Bureau Chief Bpk. R. Ruanat Pelang (also incumbent head of local water authority).
		Maumere/ Kupang	Flight to Kupang.
Friday	5th December, 1997	Kupang/ Waingapu	Flight to Waingapu, East Sumba.
		Waingapu	Brief meeting at airport with DG Livestock of Department of Agriculture and his senior staff members on their way to Jakarta, and with the Bupati of East Sumba (Bpk. Lukas Mbadi Kaborang).
		Waingapu	Meeting at the Dinas of Livestock for East Sumba with Head of Dinas.
		Waingapu	Meeting with Bupati of East Sumba Bpk. Lukas Mbadi Kaborang.
		Waingapu	Visit to remote village on Sasar Point with Bupati and a range of district officials. Present for Bupati's distribution of seed and fishing equipment to villagers.
Saturday	6th December, 1997	Waingapu	Meeting at Health Dinas for East Sumba with Sister Margarita of Health Recovery Unit and Bpk. Moh. Fatlul of Communicable Diseases Control.

Day	Date	Location	Description of Activity
		Waingapu	Meeting at Bappeda Level 1 for East Sumba with Bpk. M. J. Sitaniapessy, Head of Physical Infrastructure Planning.
		Waingapu	Meeting at Dinas of Public Works, West Sumba with Bpk. Samudji of Bina Marga and Bpk. Bular Arif and Bpk. Yudi of Cipta Karya.
		Waingapu	Meeting at Dinas of Food Crops with Bpk Marten of the Crop Protection Section.
Sunday	7th December, 1997	Waingapu/ Mataram	Flight to Mataram, NTB via Denpasar, Bali.
Monday	8th December, 1997	Mataram	Meeting at the Dinas for Livestock for NTB Province with the Head of Dinas Bpk. Jamaluddin H. Usman and Head of Animal Health and EIVS Liaison Officer Bpk. Abdul Muthalib.
			Meeting at the Dinas for Food Crops for NTB with Head of Dinas Bpk. Agil Husein.
			Meeting at the Women's Health and Family Planning office with Australian Team Leader Mr. Terry Murphy.
			Field Visit to Serong in East Lombok and Praya in central Lombok.
Tuesday	9th December, 1997	Mataram	Meeting at Bappeda Level 1 for NTB with Bpk. Katsel Aritonang, Head of Economics Section and with Bpk. Rai Sukarta, Head of Social Department of Bappeda.
			Meeting at Public Works Dinas NTB cancelled as all senior officers out of the office.
			Meeting at Mataram University with Dr. Yusuf Sutaryono of the Indonesia Australia Eastern Islands Universities Project.
			Meeting at the office of the Self Help Promotion in Food Production and Land Conservation in Critical Areas of NTB and NTT project with Herr Klaus Peters and team.

Day	Date	Location	Description of Activity
			Field visit to Animal Health Post at Pujut Sub-District in the Southern part of Central Lombok and to view dryland areas of S. Lombok.
Wednesday	10th December, 1997	Mataram/ Jakarta	Meeting with Bpk. Gufran Muhammad of the Dinas of Health, formerly Project Leader for the NTB Environmental Sanitation and Water Supply Project.
			Courtesy call to the Head of Dinas of Livestock to thank him for arranging meetings for team.
			Bpk. Agus Bale departs for Kupang.
			Remainder of team flies to Jakarta.
Thursday	11th December, 1997	Jakarta	Meeting at CARE Indonesia with Country Director Ann Thomson and Disaster Management Consultant, Charles Kelly.
			Meeting at World Vision Indonesia with Bpk. James Tumbuan, Director and Bpk. Trihadi Saptoadi, Associate Director for Operations.
Friday	12th December, 1997	Jakarta/ Australia	Preparation of Cable and other wrap-up documentation for drought assessment in Australian Embassy.
			Meeting in Australian Embassy with M. Henri Fournier of the International Committee for the Red Cross, Jakarta.
			Meeting at UN Building with Mr. Gordon Hurrell of the United Nations Department of Humanitarian Affairs.
			Wrap up briefing for Mrs. Margaret Regnault, Counsellor, AusAID, Jakarta.
			Departure for Australia on evening flight.
Saturday	13th December, 1997	Australia	Arrival in Cairns for M. Freeman and Canberra for S. Darvill.
Sunday	25th January, 1997	Jakarta	Arrival in Jakarta for M. Freeman and C. Brennan
Monday	26th January, 1997	Jakarta	Meeting with M. Francois Binder, Counsellor, Development Cooperation, Swiss Embassy.

Day	Date	Location	Description of Activity
			Meeting with Mr. Dennis de Tray, Country Director, World Bank, and with Mr. Ben Fisher, Country Program Coordinator, Mr. Bas Bengoteku, Operations Officer (Education and Training) and Mr. Scott Guggenheim, (Social Issues)
			Meeting with Mr. Rick Pollard, Senior Program Officer, UNDP/World Bank Water & Sanitation Program.
			Meeting with Mr. Ravi Rajan, UN Resident Coordinator for Operational Activities, Mr. Fritz Loebus, Deputy Resident Representative, UNDP and Mr. Edwin Willemsen, Program Manager Urban Development UNDP.
Tuesday	27th January, 1997	Jakarta	Meeting with Mr. Ted Patterson, Resident Representative, Asian Development Bank and Mr. Dieter Lepper, Senior Project Implementation Officer
			Meeting with Mr. Mark Johnson, Director, Program Officer, USAID
Wednesday	28th January, 1997	Jakarta	Meeting with Mr. Steve Woodhouse, Representative, UNICEF
			Meeting with Mr. Norman Macdonnell, Counsellor Development, CIDA, Canadian Embassy
			Meeting with Mr. Eric Jones, First Secretary, and Ms. Jane Corfield, Third Secretary, DfID, British Embassy
			Meeting with Mr. Oliver Auge, Director, and Bpk. M. Riza Tadjoedin, Deputy Director, GTZ.
Thursday	29th January, 1997	Jakarta	Meeting with Mr. Takashi Tsuji of the Japan International Cooperation Agency, JICA
			Write up of document
Friday	30th January, 1997	Jakarta	Write up of document

Appendix 3
Project Profiles and Lessons

Project	Bah Bolon Project
Sector	Rural Development - Water Resources
Location	Bah Bolon Delta North Sumatra
Dates and duration	1984 to 1993 (Evaluation says 11 years - design originally for 5)
Implementors	Consortium of ACIL Australia and Hassall and Associates
Costs to GOA	$51.7m at end project. Real costs increased by 233% from appraisal to completion.
Costs to GOI	$45m at end project.
Documents reviewed	Indonesia Cluster Evaluation December 1996

Brief Statement of Goals/Objectives:

To increase net farm income in the Bah Bolon Delta of North Sumatra through increased rice production and to establish a sustainable replicable model for irrigation development.

Components were:

Flood Control
River Management
Irrigation and Drainage
Agriculture
Institutional Strengthening and Training
Project Management

Outcomes or Outputs achieved:

Flood Control: 112 kilometre (km) of flood protection levees were constructed to withstand 1 in 25 year river flows.

River Management: Remedial levees and river training works constructed. Iver levee design work undertaken, together with

hydraulic river modelling. Catchment management plan prepared. Land acquisition undertaken for Pagurawan River.

Irrigation and Drainage: 135km primary/secondary canals. 126 km primary/secondary drains. 507km tertiary/quaternary canals. 439 km tertiary/quaternary drains. 3 bifurcation structures to manage river flows. 7982ha of irrigated land. 1400 hectare (ha) of partial irrigation. 185km of access roads. 4 weirs for river regulation/diversion. Design of works for areas removed from project.

Agriculture: Extension services expanded. 2 rice crops produced by over 90% of farms. Third soy or other crop by some farms. Rice yields up to 6.5 tonne/hectare (t/ha). Buffalo, ducks, goats and chickens distributed. Fruit trees distributed. Women's agricultural activities expanded.

Institutional Strengthening and Training: Ongoing in-service training undertaken. Training provided in operation and maintenance (O&M), irrigation, rivers and equipment. Training provided for user groups, gatekeepers, Cabang Dinas, Ranting Dinas and farmer groups. Overseas training for selected staff.

Project Management: Team management, liaison with GOI and GOA, etc. etc.

Lessons Learned (stating source)

1. Quite clearly there was a major problem in underestimating the scope, timeframe and cost of this project prior to commencement. A cost over-run of 133% and a time over-run of in excess of 100% indicates that the original cost and implementation schedules were seriously flawed, even if the project concept and strategies were not. Questions are: are we good at project estimations in general; does the output contract mitigate against these types of problems? The evaluation states "the result of inadequate appraisal was a technically good design but with gross underestimation of project costs, benefits and completion time". The evaluation suggested that Bah Bolon would have benefited from an extended design phase.

2. This project ended up with a team leader in one place and a project in another. Is this a problem? Can this be avoided?

3. The evaluation team points out that a lesser cost option as originally proposed by GOI would have been viable. At what point in the design process was GOI's concept abandoned for Australian best practice? Can we assume Australian best practice is best for

Indonesia? The evaluation team stated " that had the original Indonesian request been followed, a less costly, shorter and more coherent project would have resulted, with a significantly higher economic internal rate of return."

4. Already it seems there are problems with sufficient funding for maintenance of the system (p15 evaluation). This is a funding problem at the Cabang Dinas level (ie. district level in the North Sumatra context). The evaluation says (for instance) that the estimated requirement for river works is 4 times that currently allocated. In addition Anggaran Pendapatan dan Belanja Negara (APBN or national) funding for maintenance of irrigation and drainage seems to have dried up. Do we pay sufficient attention to the long-term costs of O&M in our projects? See also the comments on p26 of the evaluation regarding the fact that lack of maintenance funding was seen as a problem right from the start of the project. Ten years of effort did not solve the problem. What will?

5. The progressive devaluation of the Rupiah (Rp.) added to Australia's costs in the project. The evaluation states "this could not have been foreseen." Why not. The Rupiah has been progressively devaluing over a long period of time.

6. Setting the goal of Bah Bolon in agricultural production terms missed the key benefits of the project in flood control for the population in general. The evaluation states that project goals set by AusAID must be very carefully developed, be fully operational in terms of the project and as much as possible encompass expected project benefits.

7. The agriculture component and much of the irrigation component of the project could have been done almost entirely within Indonesian resources. The design ignored developments in other parts of Indonesia in rice technology and irrigation.

8. "Appraisal and design reports assumed a poor, static and technologically weak economy." This was not proven to be the case. With this comment and with comments on the appropriateness of the original GOI request, is it possible that this project suffered badly from an overdose of Australian cultural and technological assumptions?

9. The project apparently did not collect some locally available information that would have significantly informed project management. Instead it undertook major surveys and was unable to adequately cope with the volume of information returned. Project

monitoring systems should take into account existing information, not duplicate it.

10. Bah Bolon identified catchment management as an issue early on in implementation. It was not able to elicit the inter-agency cooperation required for catchment management, however. The evaluation sees this problem as potentially being the greatest long term risk.

11. The Bah Bolon project was somewhat overtaken by GOI policy changes (not actually surprising given the length of time involved). Large scale irrigation is no longer a GOI policy.

12. The above probably gives a negative impression of Bah Bolon. The evaluation is positive however in stating that Bah Bolon was eventually able to achieve its objectives in flood control and irrigation. It goes as far as to say "The Bah Bolon project has been a very good development project" with quite a good economic rate of return. In addition the evaluation reports client satisfaction on behalf of farmers and local people and that farmers responded very quickly to the opportunities the project provided.

Project	Balai Penelitian Veteriner (Balitvet)
Sector	Rural Development - Livestock
Location	Bogor, West Java
Dates and duration	1979 to 1990
Implementors	James Cook University and Balitvet (part of the Agency for Agricultural Research and Development of Dept. of Agriculture
Costs to GOA	$21.7m (underspent by approx $1.5m)
Costs to GOI	$20.1m
Documents reviewed	Indonesia Cluster Evaluation December 1996

Brief Statement of Goals/Objectives:

To contribute to a reduction in the economic loss from livestock and fish diseases in Indonesia through the development of a better understanding of the occurrence, distribution and control of such diseases.

NB Goal, Components and Outcomes taken directly from cluster evaluation document.

Components were:

Research and Support Capacity: This aimed to result in well managed sustainable departments with effective and productive research and support programs, staffed by an appropriate balance of skilled scientists and professionals.

Postgraduate Training: Training of around 20 PhDs and 25 MScs by 1995.

Diagnostic Services: Diagnostic laboratories provided with an efficient and accurate diagnostic service by Balitvet.

Central Reference Laboratory: Other laboratories provided with an effective and well utilised reference laboratory serviced by Balitvet.

Collaborative Research: Strong working relationship established between Balitvet, regional and provincial laboratories and field personnel. Improved ability to identify priority research problems.

Planning and Management Capability: Improved ability to identify research priorities. Improved ability to identify benefits of research projects and therefore to justify funding. Better coordinated

research program. Better allocation of staff resources. Business or organisational structure which is effective for attracting and accepting external funds. Improved financial management information systems.

Communications and Information Dissemination: Well managed Communications Section with effective research dissemination and promotional programs, appropriately staffed and skilled, while drawing on specialist expertise from the scientific departments.

Physical Infrastructure: Adequate and stable power supply. Increased supply of GOI vehicles and AusAID vehicles phase out. Improved and more hygienic waste disposal system.

Outcomes or Outputs achieved:

Research and Support Capacity: Improved research and support capacity in 7 departments. Technical training of laboratory, workshop and administrative staff. In-service training of staff at all levels. English language training. Attendance at national and international conferences. Training of staff of other organisations.

Postgraduate Training: 13 overseas PhD. and 10 MScs by 1991.

Diagnostic Services: Improved capability as the National Diagnostic Centre, to provide diagnostic services to regional laboratories, industry and veterinary services.

Central Reference Laboratory: Increased database and collections of reference material. Collections of lesions, organisms, antigens and sera expanded. International and national networks established.

Collaborative Research: Joint projects and linkages were developed with several national and international agencies. Weak capacity to identify research problems. Working relationship established between Balitvet, regional and provincial laboratories and field personnel improved.

Planning and Management Capability: A system of internal research approval and review initiated, National Research Coordinating Committee (NRCC) set up to coordinate research with the Directorate General of Livestock Services (DGLS) through Ministry (Department) of Agriculture. Low capacity to identify research priorities and benefits of research projects. Little assistance in funding justification (eg. research proposal preparation). Indonesia International Animal Science Research and Development Foundation set up. (INI ANSRADEF). Financial management information and systems improved.

Communications and Information Dissemination: Library upgraded to a national reference library in animal health. Communication unit established. Improvement of production quality of information disseminated. Improvement in the Balitvet scientific journal.

Physical Infrastructure: Research equipment provided. Administrative equipment upgraded. Language laboratory equipment. Vehicles provided. Library materials provided. Standby generator to protect biological material. Incinerator for disposal of contaminated waste.

Lessons Learned (stating source)

1. The evaluation states that the goal of this project required the measurement of economic impacts of project activities in the diverse farming systems of Indonesia. In fact the design was flawed in that it did not provide for the means for this to be done. In fact a system of epidemiological and economic data would also have allowed Balitvet to become more able to develop appropriate research priorities. This tends to support the overall lesson that where projects require data inputs, either to measure their own success or to further project aims, a system for this must be carefully designed.

2. In hindsight it appears that this project should have taken a more management development approach, instead of the traditional academic discipline approach that was used. There seems little doubt that the project established Balitvet as a centre of excellence in research, with well trained and dedicated staff but did not really get to grips with all pressing managerial issues. Hence there are problems still with defining research aims and justifying funding and research proposals. Perhaps there is a lesson that designers need to consider the management development needs more carefully (although perhaps this is a truism!)

3. There is evidence that early implementation was more oriented to expatriates doing rather than teaching. This is possibly a common problem in projects, and possibly could bear some scrutiny.

4. The evaluation reports difficulties in essential equipment maintenance.

5. The evaluation suggests that an organisation should not be technically strengthened through a long-term aid project, without increasing its capacity to utilise these strengths to be more sustainable and developmentally useful in its own environment.

Major constraints which can be removed or ameliorated should be identified and addressed at project design stage.

6. Balitvet has confirmed weaknesses in the livestock sector in most developing countries (including Indonesia) as identified in AusAID's 1989 sector review. It states that when these weaknesses are combined with areas in which Australia does not have a comparative advantage there is a tendency for weak or patchy performance in project design and implementation. The evaluation supports review recommendations: that AusAID should continue to support the livestock sector, but focusing on areas where Australia has a comparative advantage; increased emphasis on livestock planning, extension and applied research; and support for livestock research which emphasises applied research programs with a focus on adaptation and adoption of technology.

7. The evaluation states that livestock research projects require very careful design, appraisal and monitoring. AusAID teams should include non-livestock personnel who are specialists in these areas.

8. This project did not have a normal AusAID project management structure and rather relied on the James Cook University's (JCU) own management system. The evaluation suggests this should not happen and that AusAID should insist on its usual arrangements for project management.

9. Projects of this size would often have a training specialist. This one did not. This tends to support the lesson that specialist staff cannot be experts in everything. Other projects have reported this.

10. Ironically the commercial benefits of this project have gone to INI ANSRADEF and not to Balitvet even though the project helped to establish INI ANSRADEF. The issue here is probably one of gauging likely commercialisation activity down the line. This is becoming an increasingly relevant issue as governments everywhere are expecting commercial benefits and cost recovery measures from government institutions. There is also probably a need to clearly establish the legal entitlement to profit at an early stage.

Project	Bridge Management System Project
Sector	Transport infrastructure
Location	Jakarta for project development; all provinces in Indonesia for implementation
Dates and duration	1989 to 1992
Implementors	SMEC/Kinhill with Ditjen Bina Marga
Costs to GOA	Estimated at evaluation to have been $25.2million.
Costs to GOI	Estimated at evaluation to have been $40.0 million (approx).
Documents reviewed	Indonesia Cluster Evaluation December 1996.

Brief Statement of Goals/Objectives:

The improvement of Bina Marga's capacity to manage its overall bridge program in a cost effective manner.

Components were:

There were five technical components:

Planning and Programming
Inspection, maintenance and rehabilitation
Investigation and design
Construction and supervision
Stores management

The project was supported by three ancillary components:

Training
Implementation and provincial advisers
Project management

Outcomes or Outputs achieved:

Planning and Programming: A database inventory of 25,000 national and provincial bridges, with details on asset values, conditions, types etc. The ability to plan and program bridge rehabilitation and replacement works based on economic principles and to justify these to national government and donors. A BMS planning and programming manual. BMS Management Information System (MIS) manual and computer maintenance guidelines. The ability to monitor bridge replacement and rehabilitation programs at national and provincial level.

Inspection, maintenance and rehabilitation: The institutionalisation of bridge rehabilitation as a management option. The formal adoption of a program of regular bridge inspections using project prepared procedures. An understanding of the importance of early and sustained maintenance in extending bridge life. Bridge inspection manual and field handbook for bridge inspectors.

Investigation and design: Standard bridge designs (completed since end of BMS project). Public works and national design codes (completed since end of BMS project). Standard specifications for bridge construction and rehabilitation. Guidelines for preparation of specifications. A bridge design manual. A bridge investigation manual.

Construction and supervision: Bridge construction supervision and techniques manuals. Short-term assistance in the erection of special truss bridges.

Stores management: The development of a computerised stores inventory system and provision of materials handling equipment.

Training: Training was provided to over 2000 staff. In Australia training for 143 staff. In country training of 82 staff trainers.

Implementation and provincial advisers: Provision of office and training equipment, computer hardware and software, local area network (LAN) and computer aided design (CAD) hardware and software (with training). Provision of vehicles.

Project management: A feasibility study for the implementation of BMS to kabupaten level. The evaluation also claims the project enhanced cultural and technical ties between Indonesia and Australia. It is not clear what was meant by this.

Lessons Learned (stating source)

1. This project was ambitious in its attempt to produce manuals and specifications etc. in a 15 month period, which could then be extended to the provinces for the remainder of its 3.5 years. In fact development of the various documents took in some cases the full period of the project. Consequently the concept of placing advisers in the provinces from early on in the project was flawed. The placement of advisers was also significantly delayed by approval problems and in the end only 8 came instead of 12.

2. The design severely underestimated the time required for clearances of documentation. The classic case was the general

procedures manual which took 3 years, not 4 months, to finalise. It is possible we tend to base our design times on Australian experience (although that is not to assume we always do things quickly ourselves!). It is possible also that the imperatives of project funding and adviser terms of service tend to make us over ambitious. The evaluation states "designs for institutional strengthening projects should investigate and take into account the time taken for consultation and approval for new procedures and practicalities such as printing, translation and dissemination." This is probably a broader issue and includes considerations of having a consensus on project outputs, and having the right people to approve them.

3. Provincial advisers in some cases had poor language skills. They were sometimes poorly located. And, above all, for much of their time they had little to extend to their provincial counterparts. Nevertheless the evaluation reports that at the end of the project provinces have adopted the BMS and much that it set out to do has been achieved. Nevertheless there is a case for saying that regardless of significant implementation difficulties, things do happen because the beneficiaries (in this case provincial bridge planners, inspectors etc.) see value in the project and adopt it. Maybe this is an issue of enabling environment also.

4. The evaluation questions whether one group of people (in this case provincial advisers) can be expected to have language, engineering, training, institutional development skills plus a sufficient knowledge of the Indonesian administrative system. This is a significant lesson area that is worthy of some thought. Do we expect too much from our advisers? The evaluation suggests that the complexities of operational change (to which we could add organisational change) are better conveyed by well trained Indonesian staff. The evaluation also notes that policy towards decentralisation also changed rapidly during the project. This would have caused instability in project achievements.

5. In the case of this project, it was assumed that information on bridges did exist prior to the project. It was very poor. In the case of Bah Bolon the opposite happened. Both caused problems. There is a case for very accurately assessing available data at design stage.

6. The BMS system has been made sustainable because it is now decreed it shall be used for all decisions regarding national funding for bridges. Furthermore people are able to see that it produces efficiencies in how limited funding is used.

7. The evaluation reports that the major lesson from BMS is that it was a highly focused development assistance project which strengthened a national institution and enabled it to implement new systems on a national basis. There are several key elements identified for this success: - the careful production of manuals, training materials and software in an integrated fashion has enabled the BMS's adoption by creating a significant knowledge base upon which bridge personnel all over Indonesia can draw; this system of information is coherent, logical and integrated and has engendered personal, professional and institutional commitment. The BMS allows fairly immediate and tangible benefits.

8. In addition, the evaluation records that the BMS fulfils an expressed need for funding only those bridge works that were constraining transport development; there was a sound base of technologically competent staff at Bina Marga, Jakarta who participated fully in the project (they did not need preliminary training). By having control over the use of national bridge funds and stipulating that BMS must be used for these funds to be accessed, Bina Marga virtually ensured the adoption of BMS, and in a manner much quicker than the Australian staff could have achieved. The equipment provided is maintainable.

9. The evaluation comments that the model of introducing technology at a national level and strengthening the national agency to deal with it is quite common. The capacity of provincial organisations to implement the technology is very varied and this is also normal. There was a dilemma here: whether to include provincial implementation in the design, whether to choose pilot provinces or whether to leave provincial implementation entirely to the central agency. In hindsight the evaluation notes that the capacity of Australians to implement a provincial program that involves changing existing practice, understanding the nuances of central-provincial relations as well as the variations in workplace culture throughout the country is questionable. It questions whether sufficient Australians actually have these elements of skill as well as being technically competent. In the end Bina Marga Jakarta proved more capable of extending the package than the Australians (because they had the regulatory power).

10. The evaluation notes also that the technological package should be fully developed and tested with appropriate training materials in Indonesian developed before provincial implementation commences.

Project	Eastern Islands Veterinary Services Project Phase 1
Sector	Rural Development - Agriculture - Livestock
Location	Provinces of NTB, NTT and East Timor (plus support to Bali)
Dates and duration	September 1989 - September 1995
Implementors	NSW Agriculture
Costs to GOA	$7.8 m Projected. Actual not ascertained in this study
Costs to GOI	Not ascertained in study
Documents reviewed	738 16 903 CR 11/95 Draft Project Completion Report

Brief Statement of Goals/Objectives:

The goal was to improve rural living standards, nutrition and health of the people in the project area by reducing livestock diseases and supporting livestock development.

This was to be achieved through the provision of veterinary services that can maintain adequate levels of health for all livestock so that disease constraints on productivity are minimised.

Components were:

There were four components:

1. Improved delivery of animal health services to village and commercial farmers - this revolved around the development of the role of animal health posts particularly in preliminary diagnosis and specimen collection, the development of class B and C local laboratories to support animal health posts (AHP) and increasing the level of contact between animal health post staff and farmers.

2. Define constraints on cattle productivity in target cattle groups - this mainly involved the conduct of a cattle health and productivity survey (CHAPS) over a period of time.

3. Improve cost effective control or eradication of major livestock diseases - this component was essentially a study of livestock diseases in order to assess the potential for more effective control or eradication.

4. Efficient and effective operational support - This aimed to ensure the timely and proper use of resources and accountability. Essentially this was project management.

Outcomes or Outputs achieved:

1. Improved delivery of animal health services to village and commercial farmers - The number of operational animal health posts in the project area increased from 54 to 96 with a further 5 under construction at project completion. Designs for animal health posts were refined. The project assisted in the training of veterinarians and others to staff the animal health posts. Significant amounts of equipment for AHP's were provided including transport facilities. Duty statements for staff were prepared and systems for AHP operations improved. Laboratory requirements were assessed and equipment provided for class C and B labs. Training in specimen analysis and diagnosis was provided. A number of veterinarians were sent to Australia for training and significant numbers of training courses were delivered for animal health post and extension staff. This included epidemiology, preparations for cattle surveys, brucellosis surveys, parasitology, as well as AHP management related training. The number of farmer meetings were boosted during the life of the project, and there was a greater emphasis in later years on the training and other project related needs of women. This component was viewed at evaluation as being successful.

2. Define constraints on cattle productivity in target cattle groups - The CHAPS survey was undertaken in the three provinces over a period of three years and survey reports prepared for input into the design of Phase 2 of the project. However the evaluation concluded that the design of CHAPS was seriously flawed. It was intended to be a baseline survey but after three years parts of it were incomplete. This view differed from that expressed in the PCR which concluded that CHAPS would provide invaluable reference material for years to come. It did admit however that planning for CHAPS had incurred problems.

3. Improve cost effective control or eradication of major livestock diseases - The costs and benefits of eradicating haemorrhagic septicaemia were assessed and a vaccination program commenced through the project. Field surveys and pilot studies were undertaken into brucellosis and options for eradication or control formulated. It was concluded in NTT and TimTim that the disease was widespread, whilst in NTB incidence was low. The project reviewed the implementation of anthrax vaccination programs and made recommendations on continuation of the program. It also

assisted in trials of Newcastle disease vaccine for poultry and undertook field trials and reviews of internal parasite prevalence and control. This component appears to have produced very useful results.

4. Efficient and effective operational support - 4 long term advisers and 14 short-term inputs provided. Procurement undertaken for project activities. The PCR concluded that GOI support for this project was very good, despite the fact that there did not appear to have been an effective PCB.

Lessons Learned (stating source)

1. The provision of training for women in this project appears to have been added somewhat late in the day. Presumably this coincided with growing awareness of the need for women's activities in the project and gender specific training. The lack of enhancement of careers for women through the project was noted in evaluation.

2. This project raised some questions about what evaluators called "good news reporting" in which reporting was considered to reflect the optimism of those implementing the project. This was noted about other projects in the (unpublished) cluster evaluation (NTTIADP and Lombok RWSS).

3. This project was said at evaluation to have had a poorly defined goal. This certainly seems at a superficial level to have been true. To "raise the living standards of people through...." Seems to be a common goal statement. Achieving this through the reduction of livestock diseases certainly seems possible but measurable only with difficulty. This project may have benefited from a goal more focused on the specific sub-sector the project is dealing with.

4. The evaluation for this project raised the issue of Australian advisers having to be jacks of all trades. Whilst they were trained vets they may not have had the flair for other activities, it says, (eg. evaluation of training programs or development of effective marketing material). Is there much we can do about this? Does this require extensive and costly additional short-term inputs? Or should the AMC train its advisers?

5. The PCR raises the issue of in-Australia training as being valuable for the people who get it but its impact does not tend to get spread to others. This is probably a good general statement about all projects. Australia based training brings significant good will and good training for those lucky enough to get it. It may have limited impact on organisational issues because its impact does not necessarily spread to other individuals.

Project	Indonesia-Australia Technical and Vocational Education Project B (IATVEP B)
Sector	Education - Vocational Education
Location	Within the Directorate of Technical and Vocational Education (DTVE) in Jakarta and in six Technical Teacher Upgrading Centres throughout Indonesia.
Dates and duration	June 1991 to November 1995
Implementors	SAGRIC/OPCV/IDP with DTVE
Costs to GOA	$17.2m was approved cost. $16.3m was final cost to AusAID.
Costs to GOI	Rp4.6b was approved cost to GOI. Final cost unknown.
Documents reviewed	738 43 925 CR 02/96 IATVEP B Project Completion Report 1996
	738 43 931 EV 10/93 IATVEP A and IATVEP B Review/Identification Study

Brief Statement of Goals/Objectives:

The goal of the project was to "contribute to improvements in the quality and relevance of technical and vocational education at the school level through the development of the Directorate of Technical and Vocational Education (DTVE) system's capacity to plan, manage, monitor and evaluate its activities".

This seems to be an entirely achievable goal.

Components were:

There were six components:

HRD Planning & Management: This aimed to produce a systematic method for designing and managing the training process within the technical and vocational education system. It included the design, implementation and review of a human resource development (HRD) plan, training of counterpart staff and the production of a HRD planning manual. It included fellowships for senior officials involved in the human resource development effort in technical and vocational education from central and provincial offices, as well as other in-Australia training for key personnel.

Management Information System: This involved the design of a management information system, production of an operator's manual and training of counterpart staff in the use of the system. It required the provision and commissioning of hardware and software with which to run the system. It required the development of procedures for monitoring and evaluation of routine and project activities in DTVE and in the provinces.

Curriculum Development: This involved the design of curricula models and procedure manuals, and curriculum development training for provincial officials, principals, vice principals and heads of department. As a check, tracer studies were designed, modified and eventually implemented.

Facilities and Equipment Planning: This involved the design and introduction of planning procedures for educational facilities through the conduct of training and the use of a manual. Similar activities were planned for equipment specification, layout etc. The component aimed to produce an inventory of DTVE facilities and equipment and training in its use; together with an associated assets and maintenance system.

Management Development: Management fellowships (in Australia) were included in the design for provincial TVE chiefs and others, as was training in Indonesia in management issues. Pedagogical and technical training was to be provided in Australia. Training in maintenance programming was to be provided along with design and introduction of a written communications manual with associated training.

Project Management: This covered the provision of long and short-term adviser inputs, administrative services to the project implementation unit and the project coordination board, provision of reports and provision of support services in Australia.

Outcomes or Outputs achieved:

HRD Planning & Management: 13 working groups were convened in the various levels of DTVE. These produced HRD plans for various targeted issues and sub-sectors. This led to the development of training packages and their implementation. This was a considerable increase in scope of the activity originally intended and resulted from the enthusiasm of the counterpart organisation. Training was provided in Australia for a Principal Selection Program which then went ahead in Indonesia. 11 females and 44 males received HRD fellowships under this component and a

further 1 female and 15 males received fellowships for "key persons" (which means for management personnel).

Management Information System: Existing management information in manual (ie. non-computer) form was converted to computer format and incorporated into an MIS. Since inception the MIS has evolved along with client requirements. Over 100 staff were trained in the use of the MIS. A 45 station network was procured and installed and software programs written for the MIS to achieve a wide range of functions. An MIS was also designed and installed in the Bandung Technical Teacher Upgrading Centre. A six month training program was conducted in 1993 for provincial staff in use of the MIS. Training was led by a long-term adviser, assisted by a team of Indonesian trainers. Guidelines were prepared for the MIS to be used for derivation of educational planning indicators; these were delivered to provincial and national staff at a workshop. A system for school profiling and evaluation was trialed in six schools and in the 6 upgrading centres.

Curriculum Development: The project was instrumental in the production of a curriculum management plan and in the production of school production unit guidelines. The latter were however not implemented. The project assisted in the establishment of educational media units which produced competency based training materials and in the establishment of school industry linkages programs. Training was provided for provincial office managers and school managers in curriculum development. The tracer study designed under the project was not implemented. Instead a model developed under an associated project was adopted and implemented.

Facilities and Equipment Planning: Procedures for equipment specification and facilities planning were designed but unable to be implemented in some schools because of project timing. However inventory and maintenance manuals and procedures were introduced as planned.

Management Development: 3 females and 28 males received management fellowships in Australia. Two of the three phases of training in management for provincial and school managers were implemented at which over 975 schools were covered. 26 females and 39 males received fellowships for master teachers in Australia and a needs analysis was undertaken with provincial managers for maintenance training. The written communications manual and training went ahead as planned.

Project Management: Usual project management activities undertaken.

Lessons Learned (stating source)

1. This project demonstrates an achievable goal, which although evaluation information is not available, is likely to have been successfully achieved.

2. The PCR reports that the location of the project at central level was correct but that in reality much of the development and implementation occurred through the regional upgrading centres. This does not seem to have been a problem, more an opportunity grasped.

3. The PCR reports that the PCB with limited numbers of meetings and day-to-day administration through a PIU meant in effect insufficient access to Directorate decision making mechanisms. In turn, this affected the efficiency with which inputs became outputs. In addition, no formal structures for coordination between IATVEP B and IATVEP A and the associated VOCED 2 project were established. This seems a little surprising given that both IATVEP A and B were AusAID projects.

4. The project completion report is self critical about the extent to which training had occurred in some areas and to which project outputs became sustainable. It lauded the use of local consultants from within the DTVE system and the placement of advisers to work with all members of a functional unit however.

5. The PCR notes that it became obvious towards the end of the project that project publicity was necessary. Other projects have mentioned this, and there may be a lesson that project publicity and outreach are important issues that may be appropriate in some cases to improve the project profile amongst its clients.

6. Interestingly the project completion report mentions that language is a barrier. While this is a truism, the comment is made in the context of a language training policy helping in this regard. This means language training for advisers. The PCR notes that intensive training in country after a few months in place was the most effective approach. This may be OK in a project environment in which the majority of the client's personnel probably speak some English, but would not necessarily be an appropriate approach in other circumstances.

Project	Lombok Rural Water Supply and Sanitation Project Phase 1
Sector	Water Supply and Sanitation
Location	NTB - Lombok - Lombok Tengah
Dates and duration	May 1985 - December 1987
Implementors	Coffey and Partners with Indonesian Department of Health
Costs to GOA	$3.7m
Costs to GOI	Rp733.2m
Documents reviewed	738 10 503 CR 06/98 RWSS Lombok Tengah Final Report
	Indonesia Cluster Evaluations December 1993 (unpublished)

Brief Statement of Goals/Objectives:

The goal was:

To establish a program for the effective and efficient installation of water supplies, latrines and waste disposal in rural areas of Indonesia with consequent improvement in health status and reduction in mortality rates.

The first purpose was to develop a pattern of work in Kabupaten Lombok Tengah which could be seen as a model for rural water supply and sanitation. This was to include elements of community participation, technology and construction, health education, training, institutional development and M&E.

The second purpose was to provide water supply and sanitation (WSS) facilities in Lombok Tengah at a rate of installation and continued operation consistent with GOI targets for Repelita 4.

The third purpose was to produce recommendations for further RWSS work in Lombok Tengah, in other kabupaten in NTB and other areas of Indonesia.

Components were:

There were six components:

Community Participation: This included the identification and awareness training of key village and government officials in water supplies and sanitation issues. Community organisers were to be identified and trained in order to facilitate community participation

under a senior community organiser. Water users groups for each facility were to be set up to take responsibility for the planning, construction and maintenance of facilities. From each group two motivators were selected to act as local facilitators.

Technology and Construction: Physical implementation of new piped water systems to serve up to 30,000 people, rehabilitation of existing piped systems, implementation of non-piped water systems for about 40,000 people and installation of latrines and other sanitation facilities. The actual targets were not specified in the logframe and were to be determined during implementation.

Training: This component aimed to assist project and GOI staff to become competent in all aspects of project implementation. Training called for in the design covered community participation, health education, institutional development, technical aspects, water quality surveillance, management and administration and M&E.

Health Education: This component aimed to educate recipient communities to use safe water practices and demonstrate clean personal hygienic and domestic behaviour. This required a comprehensive strategy of strengthening health education institutions, the incorporation of health education into all project training activities and the identification of social and cultural practices and factors associated with health education.

Institutional Development: This aimed to establish a kabupaten level organisation that could effectively implement rural water supplies and sanitation activities. This assumed that a new agency would be required, but was recognised (according to final report) as being a potentially sensitive area. The project was required to examine the roles of Health, Home Affairs and Public Works and local authorities, look at career structures for RWSS personnel and manpower development and financing systems for RWSS. The component also called for recommendations to be drawn up for possible RWSS activities in Loteng, NTB and elsewhere in Indonesia.

Monitoring and Evaluation: This aimed to incorporate in the RWSS model an internal system for ongoing monitoring and evaluation.

Outcomes or Outputs achieved:

Community Participation: A model for the planning, design, construction, operation and maintenance of WSS facilities in communities was developed, which became known as the "Lombok

model". According to the final report this incorporated a community process, management systems oriented towards the people, appropriate and affordable technology and planning based on an overall strategy for water resource use. It also incorporated roles for central and regional government. Training was conducted for community organisers, cadres and water user group trainers. A related HOMDAF (Ambassador's Discretionary Fund) sub-project provided inputs for women's economic development.

Technology and Construction: A number of fairly major piped systems were either rehabilitated, upgraded or constructed. This included the construction of flow measuring weirs, pumping stations and spring cappings together with extensive pipe works at several locations. It is estimated that 25000 people received access to public standpipes. The project was instrumental in the construction or upgrading of 648 wells (of which about 50% were new). The project estimated about 150 users per well which suggests some 65000 people were assisted with non-piped systems. Some 27 local septic tank facilities were constructed to service some 1500 people (nominal figure). This commenced late in the phase. Bathing facilities were provided to some 5000 people.

Training: Training was provided for almost 3000 although this was largely composed of 2500 participants who received training in ferro-cement construction. A wide range of training was provided varying from technical aspects to community participation and facilitation to study tours and conferences.

Health Education: The final report for phase 1 states that the project integrated health education into community education programs and into health department training. It says that water users groups received training in hygiene and that demand was stimulated for water and sanitation projects and facilities.

Institutional Development: The project was able to establish management teams at provincial and kabupaten level to assist its activities and was instrumental in strengthening the activities of an NGO in facilitating WSS activities. It worked with a wide range of national, provincial, kabupaten and village institutions.

Monitoring and Evaluation: Review and planning workshops were undertaken 3 times during the project. These discussed the complex range of issues arising from project activities. M&E methods used in the project include contact reports, consultant meetings, field staff

meetings and ongoing discussions with counterparts. It is not clear as to the extent of the effectiveness of these methods.

Lessons Learned (stating source)

It should be noted that the project ran for a second phase from 1988 to 1991. The evaluation was conducted after Phase 2. The lessons learned here are therefore taken from the project final report for 1988.

1. The final report recommends that Australia is well placed to undertake WSS activities in the eastern islands of Indonesia.

2. The project's activities in self-publicity were congratulated as assisting Australia to gain recognition for WSS activities.

3. The use of NGOs was seen as essential for the development of meaningful community participation.

4. The final report mentions that the project had good personal contacts between consultants and GOI officials and that this was important for the project.

(See also lessons learned in phase 2 - see next sheet).

Project	Lombok Rural Water Supply and Sanitation Project Phase 2
Sector	Water Supply and Sanitation
Location	NTB - Lombok - Lombok Tengah
Dates and duration	January 1988 - June 1991
Implementors	Coffey and Partners with Indonesian Department of Health and later Department of Public Works
Costs to GOA	
Costs to GOI	Rp733.2m
Documents reviewed	738 10 503 CR 07/91 RWSS Lombok Tengah Draft Project Completion Report
	Indonesia Cluster Evaluations December 1993 (unpublished)

Brief Statement of Goals/Objectives:

The goal is stated in the July 1991 PCR as "to establish a program for the effective and efficient installation of water supplies, latrines and waste disposal in rural areas of Indonesia with consequent improvement in health status and reduction in mortality rates". This was the original goal of Phase 1. This was extensively revised at the purpose level in a mid-term review (MTR) and a project implementation document (PID) in 1990 to read:

To provide an additional 160,000 people in Lombok Tengah with an improved safe water supply, and in doing so meet the GOI's water supply targets for 1990.

To validate the RWSS Approach by implementing project activities based on principles of community participation, appropriate technology, health education, training, institutional development, monitoring and evaluation.

On the basis of experience gained in Phase 1 and 2 prepare a proposal for replication of the RWSS in Lombok Timur and Lombok Barat.

Components were:

Component structure at the end of the project was:

Management: Included the management of the Australian advisory team and of local staff and project offices. It interestingly included

the validation of the Lombok model through activity monitoring and evaluation of economic, social and health impact. (Were the same people required to validate as were required to implement?). This component also subsumed the institutional strengthening aspects of phase 1 and required the design of a Lombok wide extension (which effectively resulted in NTB ESWS - which utilised a different approach).

Piped Water Supply: This was basically the planning, design and implementation of a very large piped system supplying some 60,000 people (Nyederep). This system has 130km of pipe.

Point Source Water Supply: Point water source work aimed for the construction, operation and maintenance by communities of wells, small springs, and hand pumps. It included training for GOI to implement community based programs as well as the development of appropriate technologies for wells, springs and hand pumps.

Environmental Sanitation: This provided for a community based program of implementing latrines, bathing facilities and housing improvements (the latter involving things like reducing damp, increasing light and ventilation etc.) Similar to the previous component this had elements of training for GOI and development of appropriate technologies.

Water Quality Surveillance: This included planning for/implementation of a water quality testing program for piped systems and sanitary survey for the point sources.

Health Education: This was to encourage safe use of water and hygienic personal and domestic behaviour . Teaching materials were developed.

Community Development: This component aimed to support other components in which the community were involved through the development of a capacity to plan, construct and operate WSS facilities and the development of GOI capacity to implement a community based rural WSS program. It aimed to develop capacity of local groups for self help and to promote the role of women in project activities. It supported the development of the capacity of a local NGO to support project efforts.

Outcomes or Outputs achieved:

Management: Offices established in provincial and kabupaten capitals. An M&E system was designed related to the new logframe. Baseline surveys carried out in economics, social impacts and health

impacts. Training programs designed and implemented (through other components). Project MIS designed and implemented.

Piped Water Supply: Almost all of the Nyeredep system was installed and commissioned. This totaled some 115km of piped system. 13 km were delayed beyond the end of the project. 333 public standpipes installed and 1739 house connections (based on 10 per household and 100 per standpipe this would indicate a coverage of about 17000 plus 33000 = 50,000 people). Training was given to public works officials in the BPAMs (predecessors of public water companies). This included training in design and implementation of piped systems. At the end of the project it was claimed that the BPAM was financially viable and able to self fund expansion.

Point Source Water Supply: Some 1400 point source systems resulted from this component. The use of hand pumps was eventually discouraged by the project after research and experience indicated potential problems.

Environmental Sanitation: Over 1100 latrines were constructed, 286 bathing units and improvements to ventilation to 462 houses. Some 60 GOI staff were trained in appropriate ES technology. This tends to suggest that somewhat less people actually received environmental sanitation support than received water support. This is a lesson that may need stating - toilets are harder than taps.

Water Quality Surveillance: Water testing training was delivered to Health officials and a program of sanitary surveys instituted. This appears to only have been partially successful (staff did not get extra money to do it). Water testing went ahead it was claimed.

Health Education: The project adopted the social marketing approach and resulted in radio and print messages to communities. Materials were developed alongside Health materials.

Community Development: The PCR claims that 1417 well systems were installed and that each had a system of community management. This does not quite say there were 1417 Waster User Groups however. The PCR claims to have assisted 793 women (although it is not clear in what they were assisted). 44 small scale economic opportunity program (SSEOP) groups were started with 678 active members (small compared with the 10's of thousands the project aimed to assist). The role of the local NGO was significantly developed and strengthened.

Lessons Learned (stating source) -

1. It is possible to say that projects in which the onus for evaluation is on management may have pressures upon management to produce what the cluster evaluation calls "good news reporting". This is not a criticism of the project, rather of a system that allows this.

2. The cluster evaluation suggests that the original goal of LRWSS was challenging but realistic. (A succinct statement of the original goal has not been sighted). In reality the second phase abandoned this in favour of a very mechanistic goal of meeting pipe and well targets. It is possible that original community participation intentions became subsumed?

3. If there is an overarching lesson from this project it is that an engineering "supply" driven approach to RWSS can be problematic. The problem was defined in technical terms and solutions developed to that technical problem. A more appropriate way of dealing with this (with the benefit of hindsight) is to define the problem in social terms and utilise marketing techniques to define a "demand" driven approach to RWSS. This lesson seems to have been learned in more recent water projects.

4. The cluster evaluation also says that this project in reality bypassed GOI especially in regard to the way the NGO was used. Projects cannot assume an approach in which NGOs are an alternative to government, seems to be the message from the evaluation.

5. The cluster evaluation states that the LRWSS did not manage its client (GOI) well. The consultant was convinced he had implemented a good project. The client was less so. If a project is to be replicable the major client must be listened to.

6. Many projects would benefit from marketing inputs says the evaluation. "In this case it was critical".

Project	NTT Integrated Area Development Project
Sector	Rural Development - Multi-sector
Location	NTT - Kabupaten Timor Tengah Selatan (TTS) and Kabupaten Timor Tengah Utara (TTU)
Dates and duration	April 1986 - March 1992
Implementors	ACIL with a variety of provincial agencies in NTT. Directorate General of Rural Development (Bangda) in Home Affairs Jakarta.
Costs to GOA	Budget $26.5m. Actual $25.9m
Costs to GOI	Rp8.4b. Actual not ascertained.
Documents reviewed	738 16 103 CR 06/92 NTTIADP Project Completion Report;
	738 16 103 EV 05/93 NTTIADP Evaluation Desk Study
	Indonesia Cluster Evaluations December 1993 (unpublished)

Brief Statement of Goals/Objectives:

Goal to MTR was "To improve the living standards of rural people in dryland farming areas of NTT through improvements to water, livestock and food crops and contribution to environmental stability. The project MTR considerably adjusted the project design. As a result the goal became: "To improve the living standards of villages in the dryland areas of kabupaten TTS and TTU through improved supplies of water, roads, productivity of agriculture and animal husbandry, improved quality of environment and also improved transfer of the technology.

The intended outputs of the project are numerous, both before and after the changes of the MTR. The change frame attached to the PCR gives both component level and output level statements of intention. Readers should refer to this. Basically component structure shows the overall outcomes expected of the project. See below.

Components were:

There were nine components corresponding to counterpart agencies. The component structure did not significantly change at MTR with the exception of the inclusion of an advisory position and component in Bangda, Jakarta.

Bappeda (Provincial regional planning) - improved development planning and inter-agency coordination. Largely institutional strengthening in terms of data collection, planning, coordination and monitoring capacities.

Dinas Pengairan (Public Works Water Resources) - development of rural water supply/dams infrastructure. Improving capacity to plan and implement water supplies (read dams). Significant redesign in MTR in 1988 to strengthen this component. Improved capacity to maintain and service equipment.

Dinas Bina Marga (Public Works Roads) - development of access/rural roads infrastructure. Improving capacity to design, construct, maintain or supervise construction and maintenance of kabupaten level roads. Improved capacity to maintain and service equipment.

Dinas Peternakan (Livestock Services) - development and extension of improved livestock farming systems. Largely a continuation of activities begun under NTTPLDP. See separate sheets on NTTPLDP.

Dinas Pertanian (Food crop services) - development and extension of improved food crops farming systems. Demonstration activities to show improved management and productivity of rainfed crops and vegetables, including alternatives to shifting cultivation. Improved systems for inputs supplies for crop production. Collection of data on food crop productivity.

Bangdes (Village Development now PMD) - Community and village development. Improved capacity to plan and implement community development works. Community surveys undertaken. Work on improving community participation in development.

SBRLKT (Soil conservation and land rehabilitation) a) land rehabilitation and conservation and erosion control management. Improved capacity to plan, design, supervise watershed management activities, monitor land degradation. Assessment of land capability. This component moved towards catchment management planning after MTR.

SBRLKT (Soil conservation and land rehabilitation) b) conservation, regreening and check dams/water management. Improved effectiveness in planning regreening activities. Construction of check dams for water resource management. Demo plots for regreening and soil conservation. Collection of data on check dams and demo plots and project impacts including downstream effects on catchment stability.

UNDANA (Local university) dryland agriculture education. Provision of facilities for field work at Besi Pae. Improved government officer university linkages. Improved graduate output.

Bangda (Jakarta). Improvements in planning and budgeting for provincial development at national level utilising NTTIADP.

Outcomes or Outputs achieved:

Bappeda (Provincial regional planning) - PCR reports improvement in the capacity to plan coordinate and monitor. Otherwise difficult to tell what happened in this component. Reports that bottom-up planning was poorly established in NTT at that time.

Dinas Pengairan (Public Works Water Resources) - PCR states that Pengairan had taken over the function of dam construction at the end of this project. Some 60 dams were constructed by the project. However PCR reports that quality of construction by Public Works may have left something to be desired. Public Works also did not embrace the community approach to water resources development. The PCR recognised that sustainability of dams was a problem although equipment maintenance was taken on board. Note that there are dams constructed by NTTIADP and NTTLDP still being used but maintenance has proven to be a problem. Public Works did not fully integrate its activities with other institutions in this project says the PCR.

Dinas Bina Marga (Public Works Roads) - 141 km of drained and paved gravel road were constructed. The PCR states that this was in excess of targets. Some reluctance by Bina Marga to take on the issue of road maintenance was noted, although equipment maintenance seemed to be OK.

Dinas Peternakan (Livestock services) - A revised provincial livestock policy was produced. Livestock services took on role of increased coordination with other agencies and are reported to have developed a better focus on farmer needs and wants. Women's training in poultry specifically mentioned. Lots of training was provided including in training needs assessment.

Dinas Pertanian (Food crop services) - PCR reports that there was insufficient time for the wholesale adoption of alley cropping. However vegetable production seems to have been adopted in significant measure. This spread to points outside the project area. PCR reports that Dinas Pertanian integrated its activities well with Bangdes, Bappeda and Livestock. PCR reports women's income opportunities assisted by fruit and vegetable work of the project. However incorporation of research into implementation not noted as significant.

Bangdes (Village development) - This component regarded as a major success in the PCR. Bangdes played a major role in the formation of water users groups and income generating groups. Formation of NGOs was encouraged somewhat later in project implementation and seems to have been successful. On the downside a large WID program was designed but did not attract funding. However WID activities at the small scale women's group level were considered successful. For some strange reason the MTR called for Bangdes to take a role in spring development (water). This seems institutionally inappropriate but there may be a reason that is not apparent.

SBRLKT (Soil conservation and land rehabilitation). Coordination of SBRLKT into the project was difficult, especially at the district level. This was because partly SBRLKT is effectively a national institution with links through Bali to Jakarta. However, technical analysis of technologies and planning methodologies suitable for soil conservation in Timor was undertaken with associated training for SBRLKT. This component became the basis for the later NTTWMPP project.

SBRLKT regreening - Changes to check dam technology were lauded as a major achievement as were the establishment of conservation demo plots. The project also helped to achieve an acceptance that bench terracing is not appropriate to Timor.

UNDANA (Local university) dryland agriculture education. PCR says this component could have gone ahead as a separate project. This was a straightforward component in that it dealt with graduate quality (and eventually fed into the Eastern Universities Project). Besi Pae was set up as a student field work centre (although it is not clear how long it was used as such, as it is not being used as such now). The collaboration between university and dinas offices does not seem to have really eventuated. Curriculum development in agriculture for UNDANA undertaken.

Bangda (Jakarta) - PCR reports improved ability to budget and monitor. Work carried out on IAD plans for Sumba and Irian Jaya. HRD proposal for Bangda presented to AusAID (this was taken to pre-feasibility by AusAID but did not proceed.

Lessons Learned (stating source)

There ought to be several volumes of lessons to be learned from this project! Pages 55 to 60 of the PCR deal with many of these and should be consulted by the reader. The following are highlights:

1. Quite clearly this was an ambitious project in its scope and within the time available. Notwithstanding this the NTTIADP obviously had a lot of successes. The ambitious nature of NTTIADP is confirmed by the evaluation desk study (p22).

2. One overall lesson of integration is that whilst a project may integrate activities between sectors, the recipient government is not necessarily organised to do this and will not necessarily continue to do this after the project is complete. The comment in the PCR (p55) that projects such as NTTIADP impose additional requirements and obligations on government agencies that need to be met by funding from the donor appears to have been taken on board by AusAID during project implementation.

3. The comment in the PCR that at least one year is required to plan for on-the-ground implementation is salient. This is connected also with the point made in both documents reviewed that a flexible (program) approach may be more appropriate to these types of project.

4. Requiring a range of agencies to work together in one location at a given time is unrealistic and will rarely happen. This came from the NTTIADP's definition of integration. Integration probably happens at the village level because village people do not necessarily view their development as being able to be split into sectors.

5. NTTIADP clearly shows that water is the entry point for development. Like NTTLDP before it, without access to water, in this case in dams, very little else was going to be achieved in physical terms in the villages.

6. Problems with water facilities being located in the wrong places and without reference to community participation would certainly have impacted on AusAID's later policy of encouraging community participation in water in Indonesia. This issue was raised by the cluster evaluation as well which recognised that the process of

implementing dams did not engender sufficient degree of community ownership.

7. It may be that insufficient attention was paid in the design phases of NTTIADP to the actual roles and functions of GOI agencies with the result that some project activities were incorrectly located. This again is a lesson that AusAID has now largely taken on board.

8. GOI's policy to consider projects as packets requiring hired expertise rather than as extensions of existing agencies makes institutional sustainability of project activities more difficult. Contract staff as the PCR states, are often lost on completion.

9. NTTIADP was possibly ahead of its time in that it aimed to impact at district level at a time before the district's importance in development was recognised fully and officially (ie. prior to the instruction by the President to more comprehensively focus rural development at the district level). While this comment is valid it ought to be recognised that at the time of project design the project should have aimed more at cementing the national and provincial linkages because they controlled the money flow (and indeed still do despite decentralisation).

10. On the basis of comment 10 it is possible the whole concept of long-term advisers would be better rethought. Short-termers with the capacity to come in when conditions are ready for them may be a better way of undertaking the support. This will bring development at an Indonesian pace, not an Australian one. It may just be more sustainable. (However, note that in general GOI staff prefer long termers.)

11. The PCR states (page 59) that consultation at design stage is essential. In other words, it hints that enough was done at MTR but not at original design because of time constraints. Ownership of aid funded projects is a crucial aspect that the expert-led approach to design may not necessarily encourage with its strict time constraints.

12. Page 60 of the PCR points to a large body of data available for ex-post evaluation. The ex-post evaluation was undertaken but not published. That aside, this raises the issue of the vast body of information lying in archives that should be available to consultants and implementors.

13. The PCR states that AusAID did not take on board the need for further work on marketing and processing of agricultural commodities. This may eventually be happening now with recent moves to examine this aspect of rural development.

14. The Evaluation desk study (EDS) states that phase one (ie. NTTLDP) was not a true pre-cursor to NTTIADP. It only really led to part of NTTIADP ie. the agricultural aspects.

15. The EDS states that women's positions were advanced through the project regardless of the little attention paid to this in design. Nevertheless the project showed poor attention to this aspect at design.

16. The EDS refers to the fact that the PSC only met twice during the whole project. PSCs are almost universally difficult to organise and almost always involve people too high up the chain of command. Why do we insist on having them.

17. EDS refers (p14) to local institutions not having enough involvement in project activities and refers to occasions when adviser or locally hired people were used rather than government extension officers. This caused resentment. It needs to be asked whether in fact the GOI extension staff were asked to come along or not.

A number of important lessons were also identified by the cluster evaluation:

1. The primary client for the project was GOI in Jakarta which largely failed to appreciate the project's benefits until steps were taken to place a project adviser in Jakarta.

2. There were problems of lack of linkages in the logframe which reduced project effectiveness. This is connected with the need to market a project well so that people can see the benefits and linkages being offered them. This is probably a widespread problem. The evaluation suggests that professional marketing activities might have benefited the project.

3. Technological change in remote areas is slow. Projects like NTTIADP tend to be too short to really drive home changes.

4. Continuing budget from the recipient government is crucial for long term sustainability. This is a recurrent budget issue. The evaluation called for AusAID to address this in a strategic sense. It is not clear what was done.

5. There is a need in a project of this nature to undertake adaptive research to identify the most appropriate systems rather than "just guessing".

6. There was a need for a technical certifying committee to examine technological options for the project and to check them. This is

possibly now encompassed in the TAG approach. The evaluation also criticises the lack of risk analysis particularly in the ongoing management and maintenance of dams. Risk analysis is now also more likely to be used at design stage.

7. The evaluation says that institutional strengthening should occur at the organisation level and is a top down process. While this may be true, does this allow for sufficient emphasis on ownership of organisational change at the lower levels?

Project	NTT Livestock Development Project (also known as NTT Pilot Livestock Development Project). Phase 1.
Sector	Rural development - agriculture.
Location	NTT - West Timor - Timor Tengah Selatan
Dates and duration	March 1982 to March 1984 - 2 years (advisers on ground May 1982. See also sheet on extension.
Implementors	ACIL with Dinas Peternakan in Timor. DGLS in Jakarta.
Costs to GOA	Budget cost was $5.3m, actual was $5.7m. This was for Phase 1 plus Phase 1 extension.
Costs to GOI	Budget cost was Rp1.2b. for Phase 1 and Phase 1 extension
Documents reviewed	738 16 103 CR 03/86 V01 Indonesia Australia NTT Livestock Development Project Completion Report March 1986.

Brief Statement of Goals/Objectives:

Goal was to "raise the standard of living of small farmers in the dryland areas of NTT by improving water supplies, increasing productivity of livestock and slowing the present deterioration of the environment.

In the reconnaissance mission that designed the project this was stated to be achieved through:

a) increasing the efficiency of the existing land use management and better integrating livestock into the farming system; and

b) improving livestock husbandry and management methods and widening the distribution of livestock ownership.

Components were:

Pilot Land Development - surface water storage in earthen dams with reticulation for livestock and human use; improved grazing and pasture systems with introduced crops; steel and living fences; stabilised food cropping systems (human and forage); improved livestock ownership systems including credit packages; integration of

small animals into farming systems; and development of group management units, a form of cooperative farm management system.

Small Animal Production - increase production of small animals through breeding units in project area and also in Sumba. Demonstration to farmers of small animal management systems. Distribution of animals to farmers.

Strengthening Institutional Support - Training and extension for government institutions involved in the livestock industry. Provision of facilities for breeding stock, growing plant materials and provision of extension and credit.

Project Preparation and Future Studies - Formulation of an integrated livestock development project and the development of appropriate strategies.

Outcomes or Outputs achieved:

Pilot Land Development - 12 dams constructed although implementation slower than envisaged. 400ha of improved forage land established through use of introduced crops such as leucena. New grasses introduced. Seed production established and seed packages distributed. Food crops trials were limited. Cassava trials did not happen. Unclear as to achievements in group management units. Original concept had new villages to be established in unit areas. This did not happen.

Small Animal Production - Delays noted due to delays in dam construction. However, 50 km of fencing erected, 3 cattle yards established. Lively poultry program implemented including credit program. Grazing trials undertaken. Breeding stations did not get established.

Strengthening Institutional Support - This component appears not to have been clearly defined and in Phase 1 was largely restricted to on-the-job training connected with project activities.

Project Preparation and Future Studies - This resulted in the design for Phase 1 extension - see separate sheet.

Lessons Learned (stating source)

1. PCR states that there were significant problems with GOI funding delays, although GOI eventually provided more than initially programmed. The matching of funding to commence projects in Indonesia has often been a problem and leads to a lesson noted at program level - namely the need to allow lead times or to plan for a period of no GOI funding.

2. PCR states that there was a significant problem of filling the Indonesian Program Manager's position. It is not clear whether this means the person didn't come or that the wrong person came. However the net result was that "In reality, the project was managed at the local level by the Australian advisers and implemented through the joint efforts of Australians and Indonesians in the Project Management Unit."

3. PCR states that significant difficulties were encountered in involving other agencies apart from the GOI livestock services. The original intention was to involve a development bank, agricultural research units, the lands administration, other parts of the agricultural extension service (food crops and fisheries), public works, forestry and home affairs officials. However these agencies had no formal instruction to participate and no funds with which to do so. The budget for livestock services was not able to be used for other agencies. A lesson was clearly learned at this stage, as budgets were carefully arranged for all participating agencies in the ensuing NTTIADP.

4. The MOU for the first phase was never signed and the coordinating board did not meet. Despite this the project went ahead.

5. Inferred from the PCR but not stated is that much care is required if an early element of the project (in this case dams) is a definite precursor to later elements. If the dams are late the project is late.

6. This project had the luxury of a design element for future phases. Few, if any AusAID projects allow this now.

7. Institutional strengthening was not defined in this phase of the project beyond the need to ensure that counterparts could do the jobs the project called for. Sustainability of this approach is questionable.

8. The group management unit concept did not result in the movement of villages and villagers. In any case, the PCR does not make it clear what it aimed to achieve.

9. One of the major unstated outputs of this project was an immense outpouring of research material. This consultant only reviewed volume 1 of 15 volumes of the completion report. These 15 volumes are in the AusAID library and are a compilation of materials that ought to be summarised and available to future project workers.

Project	NTT Livestock Development Project - Phase 1 extension
Sector	Rural development - agriculture.
Location	NTT - West Timor - Timor Tengah Selatan
Dates and duration	March 1984 to March 1986 - 2 years. See also sheet on Phase 1.
Implementors	ACIL with Dinas Peternakan in Timor. DGLS in Jakarta.
Costs to GOA	See Phase 1 sheet for total project costs
Costs to GOI	See phase 1 sheet for total project costs
Documents reviewed	738 16 103 CR 03/86 V01 Indonesia Australia NTT Livestock Development Project Completion Report March 1986.

Brief Statement of Goals/Objectives:

The goal was amended from Phase 1 to be in line with national planning objectives for NTT and was:

a) To improve living standards of small farmers in dryland pasture areas

b) To increase agricultural production (with emphasis on beef export to other islands) by improving livestock and food crop production systems; and

c) To reduce environmental deterioration due to soil erosion and improve soil fertility.

This was to be achieved in the same way as for Phase 1.

Components were:

Component structure was changed to be:

Water Storage - 5 more dams at least with associated reticulation. Water testing and analysis.

Pastures and Crops - Development of recommendations for improved pasture and food crop production to lead away from traditional shifting cultivation to more stable farming systems. Required extensive agronomic, crop, pasture inputs.

Livestock Management - Identification of the potential and requirements for equitable rural development based on improved

management practices for cattle and small animals. Aimed at poor smallholders. Included grazing and breeding trials and establishment of credit scheme. More fencing and cattle yards included.

Group Management Units - Establishment of group land management units at Besi Pae and nearby settlements. Development of tenure arrangements and livestock/cropping incentives.

Institutional Strengthening - Improved capacity of Indonesian staff to undertake development of recommended farming systems. Training for GOI staff in technical and extension skills and for farmers in introduced techniques.

Phase 2 Planning - Design for a Phase 2 Project

Outcomes or Outputs achieved:

Water Storage - Project exceeded its quota of dams by about 6. By this stage the technology was well established. There were problems however in transfer of dam investigation and design skills to Public Works. See below.

Pastures and Crops - 46 pasture trials conducted with demonstrations. 1000ha of pasture established at Besi Pae. Seeds produced and distributed. Land classification and capability studies undertaken. Research into leguminous crops undertaken.

Livestock Management - Livestock survey undertaken. This identified that cattle were a wealth reserve not so much a commercial concern for farmers. Productivity of herds identified as low. Grazing and breeding trials were undertaken but not considered particularly successful by PCR. Credit program begun October 1984, with some success. Fencing constructed for group management unit, dams and demo garden boundaries. 8 cattle yards established. As in Phase 1 a very lively small animal program.

Group Management Units - 7 units established in project area with 5 outreach units elsewhere. By project completion this concept had not been fully trialed. The PCR concluded that it was a difficult concept to put across. See below.

Institutional Strengthening - Some 40 formal courses were run and links developed to local educational institutions. This component now more structured.

Phase 2 Planning - Resulted in design for NTTIADP (seem separate sheet)

Lessons Learned (stating source)

These are in addition to those on Phase 1 sheet.

1. The transfer of key technical skills to an agency that is not formally funded in the project is problematic. In this case dams were a key part of farming systems development. Other parts of project sponsored development hangs on the provision and operation of those dams. Ultimately Public Works is responsible for this aspect of development, not the livestock service. Public Works did not receive formal funding.

2. The concept of group management units was difficult to get across to farm communities. It is not easily understandable in the PCR as well. This seems to have been an exercise in the establishment of cooperative land groups to lead people away from a more nomadic past (but without further reading this is not clear). People obviously responded well to issues of income, small animals, construction of dams and establishment of vegetable gardens. They may have been less enthusiastic about being told where and how to live.

Project	Second Indonesia Australia Polytechnic Project (SIAPP)
Sector	Education - Higher
Location	Jakarta and 18 Polytechnic locations throughout Indonesia
Dates and duration	January 1992 to December 1996
Implementors	SAGRIC International with the Polytechnic Education Development Centre of the DG Higher Education
Costs to GOA	$14m approved cost reduced to $11.9m at MTR. Actual costs was $11.7m.
Costs to GOI	Rp. 6.7b actual and approved cost
Documents reviewed	SIAPP Project Completion Report May 1997.

Brief Statement of Goals/Objectives:

This project ran to two phases. Phase 1 was from January 1992 to December 1993. The second phase was from January 1994 to December 1996. The MTR of mid 1993 resulted in a major redesign for phase 2. This sheet summarises phase 2, but draws lessons from both phases.

The goal was: "to improve the performance of the polytechnic education system and extend and strengthen the commerce programs in eastern Indonesia". This was unchanged from the first phase.

Components were:

1. Polytechnic Education Development Centre support functions and structures: Staff training in production of teacher training modules; staff training in preparation of competency standards; review of diploma structures.

2. Polytechnic planning, support services and commerce teaching operations: teacher training modules production and trial; documentation of competency standards; encouragement of use of standard educational documentation in polytechnics; development of commerce program development plans for three polytechnics; review of commerce program implementation; establishment and/or development of industry links in the 3 polytechnics.

3. Eastern Indonesia polytechnic managers and teachers: Staff development plans in each linked polytechnic; short-term fellowships for staff in linked polytechnics; provision of short-term advisory services to linked polytechnics; local training provision to staff; long-term fellowships in Australia; specific advisory support to Dili Polytechnic in systems establishment.

4. Professional linkages between polytechnics and Australian institutions: This was to be mostly through staff exchanges (but did add extra inputs - see below).

5. Application of GOI gender policies: A research project on women in polytechnic education

6. Project management: Plans, reports, budgets, advisers, coordination meetings etc.

Outcomes or Outputs achieved:

1. Polytechnic Education Development Centre support functions and structures: Training in production of modules for computer training undertaken. Three staff given training in general competency based education skills. 194 undertook workshops to prepare specialised standards. Diploma structures reviewed as planned.

2. Polytechnic planning, support services and commerce teaching operations: 11 individualised computing workbooks produced and trialled. Competency standards prepared for 51 subjects/modules. Significant inputs into use of standardised educational documentation were found to be unnecessary and did not involve major adviser time. Standard polytechnic planning documents were found to be an adequate basis for planning and were further developed. One commerce department undertook a mission statement exercise. Monitoring of commerce programs was a day-to-day activity. In all 11 cities in which commerce programs are being run industry consultations were undertaken and industry was involved in validating competency standards for accounting and office administration subjects. Work experience placements and systematic curricula inputs from industry proved difficult however.

3. Eastern Indonesia polytechnic managers and teachers: Staff development plans produced for all polytechnics. 55 men and 16 women trained through short-term fellowships. 16 male and 9 female advisers worked in the linked institutions. Significant inputs into local training which AMC claims benefited almost all relevant staff. Long-term fellowships undertaken as planned. Significant

adviser inputs undertaken in Dili, particularly in computing, office administration, accounting but not all inputs utilised as doubts raised on usefulness of further visits. Resources transferred to funding extra participation of Dili staff at workshops. Funds also provided for Dili for purchase of books, repair of computers and commissioning of a computer network.

4. Professional linkages between polytechnics and Australian institutions: Links were established in accordance with the MTR report. This involved the choice by public tender in Australia of suitable interested educational establishments to host Indonesia exchange participants. Final choices were made by the DGHE in Jakarta and administration of this aspect of the project was outside the standard management arrangements for the project (however the AMC reports no major problems). The project also engendered a TAFE (Australian Technical and Further Education college system) volunteer program that the AMC claims provided 18 months of cost free adviser time.

5. Application of GOI gender policies: Four research projects undertaken, against one as intended. Polytechnics were invited to submit proposals. 49 were received. Four gender analysis tracer studies were undertaken; two on business administration or studies graduates, one on engineering graduates, and one on graduate skills and the workplace.

6. Project management:

Lessons Learned (stating source)

This PCR has several well considered lessons worthy of consideration in a wider context:

1. The PCR asks why SIAPP experienced institutional problems whereas the earlier IACPP which was in an almost identical institutional context did not. One major difference was that IACPP was pioneering new approaches. By the time SIAPP was implemented approaches had been adopted and people's positions more cemented within those approaches. SIAPP called for a strengthened central unit, which not all players actually wanted. "The project therefore required bureaucratic innovation, a difficulty in any culture". Furthermore the PCR suggests that institutional development of bureaucratic structures is a risky strategy. The institutional development of schools by contrast is much less risky as changes in their roles are unlikely and benefits to students are immediately delivered. The PCR suggests that the risks of

institutional strengthening at the central level can be minimised by implementing change as a related but incidental part of producing concrete outputs. The outputs will have use in the field even if the institutional development ultimately fails.

2. SIAPP had problems with focus of adviser tasks. These were so broad as to be impossible to achieve everything. The advisers had to choose priorities with which reviewers later disagreed.

3. The PCR muses that perhaps the project could have had more design flexibility and that the original design did not have enough time to take everything into account. It calls therefore for a small separate team approach to the PID. Now that the PID is out of favour in AusAID's contractual context, this is obviously difficult and needs some thought. The PCR also suggests that a more rigorous analytical approach is required for strengths, weaknesses, opportunities and risks at the design stage, and that this might have avoided the lack of focus in the design of SIAPP.

4. Somewhat in line with lesson 1 above, the PCR suggests that the production of materials is a content intensive activity and that process change can happen as a by-product of producing content. This has the benefit of producing concrete examples.

Appendix 4
Field Visit Discussion Questions

The following are issues selected as a basis for discussion with field respondents during the period 27 November and 13 December 1997 and with donors between 26th and 29th January 1998. All questions were submitted to AusAID and approved prior to the visits.

It should be noted that it was not possible to ask all questions of all respondents. This was not the intention.

The list of issues for the eastern islands visit is derived from earlier reading (see Preliminary Analysis) and was intended to form a prompt for discussion in eastern island locations. The results of discussions utilising this list are contained in the main body of this report. Two sets of questions are given, one for Australian field staff. The set for GOI respondents has slightly different emphasis, but essentially raises the same issues.

The set of questions for donors was designed to confirm issues raised in the earlier visit, as well as to prompt discussion on aid delivery mechanisms.

Questions for Australian field staff

The key issue is to promote discussion, not elicit stock responses.

We should explain:

We are trying to establish the lessons that can be learned from the design and implementation of AusAID projects particularly in eastern Indonesia? This is not a review exercise. We are not trying to find out what is currently wrong with any particular project. We are trying to establish broad lessons that could be incorporated into future project designs for the eastern islands. These are things that could apply to all projects, or projects of a particular type. We are not checking on the performance of individuals or individual projects. We are looking at the way AusAID and other donors deliver aid programs. We are not looking at what happened yesterday, last month, or even last year, but at what happens

generally over a period of twenty years or more. Your help in identifying broad lessons for projects would be gratefully received.

Typical questions are:

A. Institutional

1. Are there things that Australian projects always get wrong? This might be to do with project designs, or methods of implementation. It might be to do with the way projects interact with GOI institutions or with recipient communities.

2. Conversely, are there things that Australian projects tend to do well?

3. How do we tend to deal with Indonesian institutional issues? Do we tend to understand them well enough to be able to fit our project activities easily into what the GOI does? Or do we make life hard for ourselves? Do we try to change too much in Indonesian institutional systems, or do we pitch this right (ie. the things we try to help change really need changing)?

4. How much do we tend to understand what our counterparts actually do for their jobs? Do we ever see duty descriptions? Do we understand what they are allowed and not allowed to do?

5. Is Australian assistance in the area of bottom-up planning a good idea? Or is it too hard? Does your project involve the use of local funding (District or province)? What is the experience of its timely arrival and application? How does this affect your work? How could Australian projects ameliorate funding timing problems?

6. What do you think about the statement "The institutional difficulty of a project is inversely proportional to the amount of concrete physical development the project aims to achieve. "?

7. As we move eastwards is it fair to say that institutions are more basic? What is your view on this?

8. Does your project rely on linkages with Jakarta for its success? What is the nature of the linkages? Are these adequate? How might they be improved (if they need to be)? Does your project have any input into policy formulation or decision making? How does this happen? Does it happen well? Are there ways this could improve?

9. Does your project involve implementation by a range of GOI agencies? How many? How does the project ensure coordination of activity between agencies? What kind of problems of coordination

are there? Or does your project and the institutions with which it works have a successful formula for institutional coordination?

10. Is sufficient time given to staff preparation for projects? Do projects expect staff to hit the ground running?

B. Project Design and Implementation

1. Does the long-term sustainability of your project rely in any way on the establishment and operation of maintenance systems? How is this going? Do you come across machinery and / or equipment provided by earlier Australian funded projects?

2. Have there been any critical inputs to your project, which if they were late would have held up implementation of the whole project or significant portions or components of it? How would you avoid having these critical constraints to implementation in a project?

3. Were you part of the inception and/or early phase of project implementation? What was not in place at that stage that prevented people doing an efficient job? How could project inception or early implementation be organised to prevent critical problems like this occurring?

4. Do you work with Indonesians who have been taken on expressly for project purposes? Are their skills critical to the project? More importantly are their skills vital for ongoing sustainability of what the project is trying to achieve?

5. What are the pros and cons of using long-term as opposed to short-term Australian funded advisers on a project?

6. Is there sufficient flexibility to your project's design to allow it to deal with contingencies? How is this issue of flexibility best approached within the AusAID framework? Did your project design allow for any period of adaptive research, or any capacity for trailing technologies and methodologies?

7. Are there occasions when you need to undertake tasks for which you do not have the relevant training? If so, what sort of tasks are these.? How have you learned to carry these tasks out?

8.For team leaders and project directors - is the PCC arrangement the best way of achieving consensus and coordination for projects? Are there other ways or amended forms of PCC that might be more effective?

9. Who is the major client of your project?

10. What steps are taken to ensure that central GOI staff are aware of what the project is doing? Do they visit? Enough? Are other measures used to keep them informed of the project's activities and achievements? In general terms how can projects improve upon client relations?

C. Community participation issues

1. Are there any user pays elements to the developments your project is bringing to the community? Are the community able to pay for the services being offered? Even the poorest members of the community? Are there any measures in place to help the poorer members of the community pay for the services they need? Are these measures sustainable?

2. Are community members sufficiently aware of what the project is trying to do? Is this a problem in general for projects? Do communities see the priorities in the same way as government or other facilitators? Was the community sufficiently consulted, or even better involved in the design of the project?

3. Is sufficient attention paid to gender issues in projects? Are women in the communities sufficiently aware of what the projects are offering them? Are women's priorities the same as men's as far as the implementation of your project is concerned? Does the project offer sufficient scope for the aspirations of both women and men to be met? What about children?

4. Does the project offer implementation roles for community members? Is the project implemented for them or by them?

5. Does the project involve NGOs? What roles do they play? Are they being used in roles that once would have been filled by government? Does this affect the relationship between the NGOs and government? How does the project coordinate and liaise with both NGOs and government agencies?

6. Do religious leaders play any part in project activities? Is their influence vital to the success of project activities? What roles do they play? Who are the other community leaders active in the project? What roles do they play?

Questions for GOI respondents

These are similar to the above but framed in a more appropriate way for GOI respondents.

A. Institutional

1. How long have you been involved with projects that have had Australian funding? Which projects have you been involved in?

2. Have you been involved in project design in connection with any Australian projects? What role did you play in the design? Were you consulted? A team member?

3. What role are you playing in the implementation of the project? Coordination, management, facilitation? Is this role sufficiently well thought out? Do you have enough say in what happens?

4. What do you want from Australian support for the project? Is this being provided? Is Australia providing assistance in the right way?

5. Do Australian field staff tend to understand Indonesian institutional issues? If not, what are the things they tend to misunderstand most?

6. Do Australian funded projects approach institutional change or development in the right way? Are they realistic in what can be achieved in a project time frame? Or do they try to change too much?

7. Do Australians tend to understand what Indonesian officers do in their jobs? Have you ever given them a duty description? Do you have one?

8. Is bottom-up planning a part of this project? (Should say top-down, bottom-up planning actually). What is the experience of utilising local sources of funding in projects? Is this feasible or desirable? Australians sometimes say that funding arrives late. Is this a problem? How can we improve this situation in projects?

9. "Hardware" projects seem easier than "software" projects. Is this right? Why?

10. In the eastern parts of Indonesia do institutions tend to be more basic in structure and function? Why is this? How does this affect project activities?

11. What are the linkages with Jakarta like for your project? Could there be more links? How would you achieve this within a project design? Does your project have any role in the formulation of policy? If so, is this adequate. Could it be improved? How?

12. What measures are utilised for the coordination of projects between GOI agencies? Is it possible for one agency to give money

to another agency for project implementation? How could coordination be improved in Australian funded projects.

13. When Australians arrive in Indonesia to work on projects, are they ready for their roles? What could be improved?

B. Project Design & Implementation

1. Have there been any critical inputs to the project which if late have held up the implementation of the project or parts of the project? How can we avoid these in the future?

2. When the project started, were Indonesian and Australian participants able to start work straight away, or were there delays during which they had little to do? How can we improve this?

3. Does the project employ Indonesians on contract basis. Are they in positions that will need to be continued after project funding is finished? How will they be paid for then?

4. Is it easier to work with short-term or long-term Australian staff? Why?

5. Is it better to have the ability to trial techniques in projects rather than choose them before the project starts?

6.Are you involved in Project Coordination Committees or Groups? Are these useful meetings? What do they achieve? Could this type of coordination be improved?

7. Do Jakarta staff have a good idea of what the project is about? Do they visit often? How can projects improve this?

C. Community Participation

Ask same questions as for Australian field staff:

1. Are there any user pays elements to the developments your project is bringing to the community? Are the community able to pay for the services being offered? Even the poorest members of the community? Are there any measures in place to help the poorer members of the community pay for the services they need? Are these measures sustainable?

2. Are community members sufficiently aware of what the project is trying to do? Is this a problem in general for projects? Do communities see the priorities in the same way as government or other facilitators? Was the community sufficiently consulted, or even better involved in the design of the project?

3. Is sufficient attention paid to gender issues in projects? Are women in the communities sufficiently aware of what the projects are offering them? Are women's priorities the same as men's as far as the implementation of your project is concerned? Does the project offer sufficient scope for the aspirations of both women and men to be met? What about children?

4. Does the project offer implementation roles for community members? Is the project implemented for them or by them?

5. Does the project involve NGOs? What roles do they play? Are they being used in roles that once would have been filled by government? Does this affect the relationship between the NGOs and government? How does the project coordinate and liaise with both NGOs and government agencies?

6. Do religious leaders play any part in project activities? Is their influence vital to the success of project activities? What roles do they play? Who are the other community leaders active in the project? What roles do they play?

Questions And Issues For Other Donor Organisations

A. Exploration of aid delivery mechanisms - the project cycle

1. How are project identification, design and appraisal handled?

- ⊕ Do you bring in specialists to undertake this, or is it handled in-house?

- ⊕ Do you support community consultation at the design stage? How is this done?

- ⊕ What are the advantages and disadvantages perceived for the various systems used?

2. Are project goals stated in terms of overall economic needs or in terms of more limited, but maybe more measurable, development aims?

- ⊕ How are goals measured?

- ⊕ How do you ensure that goals have a strong possibility of being realised?

3. Are donor funds channelled through GOI project mechanisms, or are they designed for separate administration? If they are designed for separate administration, how is coordination of activities ensured?

- Do your funding systems directly fit in with the GOI system of "projects" and "packets"?

- Are your funds utilised directly by GOI participants?

- Are funds handled via a managing agent?

- What will your agency pay for?

- What will your agency not pay for (in terms of expenditure categories)?

4. Does your agency experience timing difficulties in the matching of funds with disbursement of GOI funds.

- How do you accommodate arrival of counterpart funds within project designs in terms of adequate preparation for project inception and in ensuring that regulations, documentation, funding, budgets etc are in place.

- How do you deal with requirements for matching documentation from GOI with its own documentation?

- Are your project design documents translated into Bahasa Indonesia and then used directly by GOI as their basis for project implementation, or are separate documents drawn up?

- What involvement do you have in drawing up GOI documentation for the project?

B. Project Implementation Issues

- Does your agency sign individual MOU's used for projects or operate an umbrella agreement with GOI?

- What coordination procedures are used?

- Is there a Project Coordinating Committee? How often does it meet?

- How are project policy decisions made?

- Who in GOI needs to be involved? At what level are these people?

- Does your system encourage delegation of decision making on project issues, or is it centralised through a mechanism such as the coordinating committee?

⊕ Are monitoring mechanisms shared between the donor and GOI? How is GOI involved in project monitoring? In the case of regional projects, are regional officials involved? If so, how?

⊕ What evaluation systems are utilised? Who undertakes evaluation? How are lessons from evaluation exercises fed back into future work? Is there a lessons learned database? Does the donor feed information into the DAC database? What access do project designers and implementors have to evaluation materials?

C. Institution strengthening issues

⊕ Is institutional change ever the primary goal of projects, or is it intended to come about as result of other physical outputs?

⊕ How much does the donor attempt direct institutional change in its projects?

⊕ What are the lessons to be learned from this experience?

⊕ Do any of the donor's projects aim at supporting policy development at the central level?

⊕ Does the donor have experience of working in the regions on projects that have central policy implications?

⊕ If so, how are the linkages between regions and centre created and maintained for this to happen?

⊕ Have any of the donor's projects had a major influence on policy change or has policy change usually happen outside of the project environment?

D. Institutional Issues

⊕ Has the donor experienced delays in approvals for project activities by central authorities

⊕ How could these delays be avoided?

⊕ Has the donor been successful in involving senior officials in projects?

⊕ Has that involvement assisted the approval process?

⊕ Does the donor have experience of the different capacities of institutions in different regions? This is particularly with regard to capacities in the eastern islands and refers to availability of trained personnel, financial and other resources with which to support development activities.

⊕ Are the eastern islands regarded by the donor as generally lacking in administrative and financial resources?

⊕ Does the donor have any experience of utilising participatory planning mechanisms within projects, or of mobilising district level resources for development projects.

⊕ What lessons have been learned from this experience?

⊕ Does the donor support multi-sector projects? If so who coordinates and what are the mechanisms utilised for coordination? How does the GOI ensure the availability of funds to all participating institutions in projects which the donor supports?

⊕ What benefits do GOI personnel receive through the donor's support? Do they receive allowances or salary supplementation? Do they receive training, overseas or in Indonesia? How are people chosen for training and other benefits? How does the donor ensure that senior people are sufficiently informed of, and comfortable with, activities their juniors are undertaking?

⊕ What is the role (if any) of expatriate staff in the donor's supported projects? Are expatriate staff ever required to undertake activities for which they have not been formally trained? What inception training is provided for these staff?

⊕ Who is considered to be the client in projects?

⊕ What is the donor's experience of community mobilisation in projects? How is this best handled? Which GOI agencies are involved?

⊕ Does the donor encourage community contributions in projects? Are these in kind, or do the participating communities have to pay for services provided through the projects? What is the policy on user ability to pay? What experience does the donor have of community ability to contribute?

Appendix 5
Study Terms Of Reference

INDONESIA: EASTERN ISLANDS:

STUDY OF LESSONS LEARNED IN AID DELIVERY BY AUSAID AND OTHER DONORS

1. Background

The Indonesia-Australia Development Cooperation Program supports the Government of Indonesia's efforts to achieve sustainable development and equitable distribution of the benefits of economic development. An AusAID Programming Mission, which visited Indonesia from 28 July to 15 August 1997, confirmed with the Government of Indonesia that the eastern islands should continue to be the focus of Australia's development cooperation program. Under this arrangement, the core focus of the program will continue to be on the provinces of West Nusa Tenggara, East Nusa Tenggara and East Timor. It was agreed that the program should retain sufficient flexibility to assist other eastern provinces should that be required. In addition, the mission confirmed that the Australia Indonesia Development Area (AIDA) would continue to receive Australian support. AIDA was launched by the Minister for Foreign Affairs and Trade, Mr Downer, in 1997 and refers to all of Australia and the Indonesian provinces east of Java. The governments of both countries agree the private sector should be the prime mover for the development of commercial opportunities in this area. Both governments have also agreed they will act to facilitate commercial relationships.

Priority sectors for Australia's development cooperation program with Indonesia will include education, health, rural development and environment. A cross-cutting theme of good governance is also being developed.

Projects and activities in the sectors of education, health, water supply and sanitation, agriculture and forestry have been implemented in the eastern islands. New projects and activities in

the sectors of environment, water supply and sanitation, health and rural development, including agricultural extension, are in the pipeline for implementation in the same region. Some activities may be implemented in conjunction with multilateral donors. Future assistance may also be provided with small to medium enterprise development and downstream processing. Of additional concern to both the Indonesian and Australian Governments, is illegal fishing in Australian waters, and the need to assist fishing communities in the eastern islands of Indonesia to find alternative sources of income.

AusAID has, therefore, decided to assess the lessons learned from our own program that of other donors to ensure all new projects and activities reflect those experiences and can respond quite directly to the needs of the peoples in the eastern islands.

2. Objectives Of The Study:

In cooperation with the Government of Indonesia and other donors, the study will:

- identify the principal lessons learned from the delivery of aid projects and activities by Australia and other donors in the eastern islands of Indonesia (West Nusa Tenggara, East Nusa Tenggara and East Timor);

- recommend suitable delivery mechanisms for Australian aid to the target area; and

- recommend appropriate forms of monitoring of AusAID-funded projects and activities in the target area.

3. Scope Of The Study

Under the direction of AusAID, the consultant will:

In Australia

a) conduct a desk review of the literature available on AusAID projects in the target area including project pre-feasibility and feasibility/design documents, annual plans, review reports, sector reviews and evaluation reports as well as project completion reports. The review should also include studies which did not result in project implementation;

b) review all documents relating to Australia's development cooperation strategies with Indonesia and discuss these with Indonesia Program officers to ensure the strategies inform the report arising from the study;

c)   identify major lessons learned by AusAID from the implementation of aid projects and activities in the target area from the desk study and through interviews with relevant AusAID officers and consultants;

d)   conduct a desk study of the lessons learned by other donors from the implementation of aid projects in the target area. Sources of information will include the OECD/DAC Inventory of Evaluation Reports and written reports of other bilateral donors and multilateral organisations;

e)   make contact with other donors and multilateral banks and agencies as appropriate;

f)   compile a set of core questions for interviews in Indonesia with AusAID, other donors, BAPENAS and other GOI departments as appropriate (eg Home Affairs)

In Indonesia

a)   interview AusAID officers and consultants implementing AusAID projects in order to clarify lessons learned from the implementation of aid projects and activities in Indonesia generally, and in the target area in particular. In addition, identify issues relating to project monitoring in the target area;

b)   interview representatives of other donors to identify lessons to be learned from their experiences with the implementation of aid projects in the target area;

c)   interview GOI officials in BAPENAS, other GOI departments, and other agencies (ADB, WB) as appropriate, to obtain their views on key aspects of aid delivery (including monitoring) they see as appropriate for emphasis in future AusAID projects and activities; and

d)   compile a report for AusAID on the key lessons learned through our own delivery of projects and activities in the eastern islands together with lessons learned by other donors. The report should also identify any other issues, such as monitoring, which would assist the implementation of a successful program of development cooperation in the target area.

4. Duration Of The Study:

The study will take 6 weeks:

⊕ three weeks in Australia for the desk study;

⊕ one week in Jakarta for the interviews;

⊕ one week in Australia to produce a draft report; and

⊕ one week to produce a final report following receipt of AusAID's comments on the draft.

5. Reporting

The consultant will -

⊕ provide AusAID with a draft report at the end of the fifth week of the study; and

⊕ provide AusAID with a final report within one week of receiving AusAID's comments on the draft report.

6. Selection Criteria For The Consultant:

a) extensive and recent knowledge of aid delivery in Indonesia;

b) appropriate academic qualifications;

c) good knowledge of project design and essential content;

d) good knowledge of aid delivery mechanisms and monitoring of aid projects and activities;

e) extensive knowledge of Indonesia and Indonesian government institutions and networks for delivery of government programs to rural areas such as the eastern islands; and

f) capacity to write to a standard suitable for publication.