ASSESSMENT OF DEVELOPMENT RESULTS

EVALUATION OF UNDP CONTRIBUTION

INDONESIA

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FOREWORD

This is an independent country-level evaluation called the Assessment of Development Results (ADR) in Indonesia, conducted by the Evaluation Office of the United Nations Development Programme (UNDP). This evaluation examined the relevance and strategic positioning of UNDP support and its contributions to the country's development from 2001 to 2010. It assessed UNDP Indonesia's interventions under the five thematic areas of the country programmes, with an intention to provide forward-looking recommendations that are useful for the formulation of the new UNDP country programme in Indonesia.

During the period under evaluation, Indonesia has experienced significant changes in its governance system and marshalled through a number of challenges such as economic crises and natural disasters, including the devastating tsunami in 2004. The decentralization process has advanced rapidly, making Indonesia one of Asia's most decentralized states. Throughout this journey, UNDP has fostered a strong partnership with the Government of Indonesia and proven itself to be a trusted partner in development. UNDP provided critical support in organizing free and fair elections, building accountable institutions, and later in the period, handling emergency and recovery efforts in the areas affected by the tsunami. UNDP Indonesia played a lead role in supporting the government's efforts to draft the Jakarta Commitment, Indonesia's application of the Paris Declaration on Aid Effectiveness. UNDP was also known for sharing innovative approaches and solutions with national partners to advance pro-poor planning and monitoring, and to achieve the Millennium Development Goals. Despite some delays in implementation and efficiency challenges, the UNDP programmes have been well managed, and results-oriented, supported by consultative and dynamic periodic reviews.

The context in which UNDP Indonesia operates continues to evolve, while presenting new challenges and opportunities. In order to support Indonesia's transition to middle-income country status, the ADR recommends UNDP rely more on its strengths, which include the confidence of its partners and capacity for innovation as part of a global knowledge network, and explore new partnerships with the private sector, civil society and local government. The ADR also calls for UNDP to actively engage in a national discussion on policies and measures against Indonesia's growing challenge—climate change. Indonesia is a vast and diverse country, and its middle-income status indicates reduced programme resources for future UNDP programmes. Increasingly, UNDP is required to focus the geographical and thematic areas of its support and shift from service delivery to high-impact policy-level analysis and advice that are complimented by downstream work. In light of this context, the evaluation supports recent efforts made by UNDP, together with the United Nations Country Team, to focus its support on vulnerable regions and communities in terms of the levels of poverty and human development.

This ADR generated a number of lessons that are of corporate importance and demonstrated how UNDP could remain relevant and responsive to the country's changing needs. The findings and recommendations of this evaluation reminded UNDP of the need to constantly engage national partners in dialogue, cultivate strong partnerships, and readjust itself to national development priorities and its people-centred approach to development. UNDP Indonesia's continued success depends on conscious reflection and constant strategic repositioning. The Evaluation Office sincerely hopes that this evaluation has provided an opportunity to 'stop and reflect' and support ongoing and future efforts by UNDP Indonesia and its partners.

CONTENTS

Annexes

Figures and tables

ACRONYMS AND ABBREVIATIONS

ACE	Association for Community Empowerment
ADR	Assessment of Development Results
BAPPENAS	National Development Planning Agency
BNPB	Disaster Management National Agency
BPS	National Bureau of Statistics
BRiDGE	Building and Reinventing Decentralized Governance
BRR	Agency for the Reconstruction and Rehabilitation of Aceh and Nias
CCA	Common Country Assessment
CCF	Country Cooperation Framework
CFC	Chlorofluorocarbon
CPAP	Country Programme Action Plan
CPD	Country Programme Document
CPR	Crisis Prevention and Recovery
CRP	Community Recovery Programme
CSO	Civil Society Organization
DRR	Disaster Risk Reduction
ERTR	Emergency Response and Transitional Recovery Programme
GDP	Gross Domestic Product
GEF	Global Environment Facility
GoI	Government of Indonesia
IMIDAP	Integrated Micro-hydro Integration and Application Project
LEAD	Legal Empowerment and Assistance for the Disadvantaged
MDF	Multi-donor Trust Fund
MDG	Millennium Development Goal
ODA	Official Development Assistance
ODS	Ozone-depleting Substances
PDP	People-centred Development Programme for Papua
PGRI	Partnership for Governance Reform in Indonesia
PMU	Project Management Unit
PTD	Peace Through Development
ROAR	Results Oriented Annual Report
RPJM	National Medium-term Development Plan
TARGET	To Assess, Reinforce, and Gear Efforts Towards (MDGs in Indonesia)
UN	United Nations
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USD	United States Dollar

EXECUTIVE SUMMARY

INTRODUCTION

The Assessment of Development Results (ADR) in Indonesia is an independent country-level evaluation conducted by the Evaluation Office of the United Nations Development Programme (UNDP) in 2009. This ADR aims to assess the overall contribution of UNDP to development in the country during the past two programming cycles (2001-2005 and 2006-2010) and to draw lessons for future strategies, particularly for the next programming cycle of 2011-2015. It was undertaken by an independent evaluation team and a task manager from the Evaluation Office, supported by the work of a research assistant.

The ADR team reviewed existing documents and reports, and interviewed UNDP staff, partners and beneficiaries between July 2009 and October 2009. In December 2009, the ADR presented preliminary findings, emerging conclusions and areas of recommendations at a stakeholder workshop for discussion. The stakeholder workshop held early in the drafting process allowed stakeholders to receive early feedback and be engaged in a substantive discussion. The draft report was reviewed by internal and external reviewers through the Evaluation Office's quality assurance system. It was also shared with the country office, UNDP Regional Bureau for Asia and the Pacific and the Government of Indonesia (GoI) in early 2010 for their comments.

DEVELOPMENT CHALLENGES IN INDONESIA

During the period under review, Indonesia underwent dramatic changes in its system for governance and faced a daunting series of challenges in the form of natural disasters and environmental and economic crises. The 1999 elections marked the definitive end of the Soeharto era of governance and ushered in a period of political uncertainty. A drastic decentralization of authority transferred responsibility for key public-service provisions from the centre to approximately 400 regencies. In a period of five years, Indonesia transformed from a highly centralized state into one of Asia's most decentralized states, where increasingly well-run elections started to make both local and national leaders accountable to the electorate.

Environmental challenges in the country are increasing, with deforestation and emissions from energy production contributing to global warming. Environmental degradation is leading to more flooding and inundation of settlements, severely impacting urban livelihoods, especially in slum areas. Indonesia's unique biodiversity and its marine resources are equally under threat. The earthquake and tsunami in December 2004, which killed 160,000 people and destroyed the homes of 680,000, was a major natural disaster with huge impact on the affected communities as well as the economy. It was followed a few months later by the Nias earthquake and two more earthquakes in Java in May 2006 and July 2006. Indonesia's geographic location on the 'Ring of Fire'[1] exposes Indonesian households to more than 130 natural hazards per year, making it the fifth nation most frequently affected by natural disasters in the past 110 years.

International development assistance does not play a prominent role in Indonesia's economy, although an unprecedented contribution to the reconstruction effort was made by the world community in the year following the 2004

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[1]   An area of frequent earthquakes and volcanic eruptions in the basin of the Pacific Ocean.

tsunami. The net flow of official development assistance per year has averaged 0.3 percent of gross national income and approximately 5 percent of the GoI annual budget during the period under review.

The GoI's National Medium-term Development Plan (RPJM) for 2004-2009 was based on the three broad objectives of making Indonesia: safe and peaceful, just and democratic, and prosperous. The plan also emphasized the need for reconstruction and peace-building in Aceh and for building a strong macroeconomic framework for economic growth.

UNITED NATIONS AND UNDP IN INDONESIA

Based on a common country assessment (CCA)—undertaken in 2001 through a participatory process with GoI, the United Nations Country Team and civil society organizations (CSOs)—the United Nations Development Assistance Framework declared its overarching objective "To support Indonesia in its transition to a decentralized socially just society with a broad-based, competitive market economy." The UNDP 2001-2005 country programme was based on the CCA and included the following priority areas: governance reform; pro-poor policy reforms; conflict prevention; linking relief to development; and environmental protection and management.

The Country Programme Document (CPD)/ Country Programme Action Plan (CPAP) 2006-2010 formulated its objectives in more specific terms, with expected outcomes based on the GoI's RPJM. It identified roughly the same priority areas, but the disasters in Aceh and North Sumatra shifted the balance in the programme towards reconstruction, and the objectives of poverty reduction focused on achieving the Millennium Development Goals (MDGs). The following five thematic components were introduced and UNDP Indonesia made contributions in respective areas:

- **Strengthening human development to achieve the MDGs**—Devoting particular attention to strengthening the capacity of local governments at provincial and district levels to formulate and implement poverty reduction strategies with a focus on building capacity for the delivery of public services to meet minimum standards.

  During the first cycle, UNDP helped address an urgent problem of sudden impoverishment by supporting livelihoods in 200,000 households. This was done by building a sustainable structure of community-based organizations. In the 2006-2010 programme, UNDP helped GoI focus development planning on the needs of the poor, resulting in nine local action plans and two pro-poor medium-term development plans, supported by training 500 officials and community-based organization representatives.

- **Promoting democratic governance**—Deepening of democracy by promoting participatory dialogue and institutions, and continuing to support decentralization at regency and province levels. UNDP would also devote particular attention to poor people's access to justice by promoting legal and justice sector reforms.

  UNDP support to the elections in 2004 and 2009 helped create transparency and international recognition of the results. Its role in establishing and maintaining the dialogue on government reform helped promote a series of democratic reforms, including the ombudsman office and the National Anti-corruption Commission. UNDP was instrumental in the participatory preparation of a National Strategy on Access to Justice, which was launched in 2009.

- **Promoting sustainable development and effective use of energy**—Prioritizing effective use of energy resources and advocacy in favour of international environment agreements.

Imports of ozone-destroying substances were banned in 2008 and the Ozone Layer Protection Programme is being applied in all provinces. UNDP advocacy of sustainable development attracted public attention to the plight of the poor through the publication 'The Other Half of Climate Change.'[2]

■ **Reducing vulnerability to crisis**—To be achieved by applying more conflict-sensitive approaches, and decentralized disaster risk reduction would be promoted by institutional strengthening and supporting community-based risk management of disasters.

Mechanisms for conflict sensitive planning and resource allocation dialogues were established in select locations. Disaster legislation and preparedness plans were developed and piloted. Seven districts were supported to implement the reintegration strategy, which benefited a total of 2,000 individuals. UNDP involvement in legal and institutional reform was key to building a more peaceful and equitable society in Aceh.

■ **Rehabilitation and reconstruction of Aceh and North Sumatra**—To be based on capacity development of governance institutions and civil society, and on support for the peace process.

UNDP helped provide shelter for more than 2,000 households and basic services to 4,000 home-based enterprises. The relief and rehabilitation work entailed 218,636 worker days. Average participation in road rehabilitation and maintenance works was 73 percent men and 27 percent women. Capacity development helped the Agency for the Reconstruction and Rehabilitation of Aceh and Nias successfully complete thousands of reconstruction projects. Living standards increased beyond pre-tsunami levels, although no causal link to reconstruction aid can be established.

CONCLUSIONS

Most UNDP interventions during the two programme periods were in line with Indonesia's development priorities. UNDP Indonesia has effectively responded to two of the most urgent challenges—the democratization process in the first half of the decade and disaster reconstruction and prevention in the second—with great skill, imagination and flexibility, forging strategic partnerships at many different levels and contributing meaningfully to GoI efforts in addressing these challenges.

The first major challenge for Indonesia in the period 2001-2005 was the transformation to democratic forms of governance, which required support in organizing free and fair elections, building accountable institutions, and providing space for developing policies and partnerships. In the later part of the decade, UNDP showed the right leadership qualities in handling the acute emergency situation created by the tsunami in Aceh and contributed to the gradual transition to reconstruction and to building peace and democratic institutions. UNDP managed to meet both challenges by using its strong partnership relations with GoI, other United Nations (UN) organizations, the donor community and the CSOs—leveraging unprecedented levels of non-core funding.

UNDP partnerships with GoI at the national and local level have been mainly centred on the National Development Planning Agency (BAPPENAS), which is the ministry that approves and most often implements UNDP projects and programmes. Over the years, this relationship has become a strategic asset, based on shared values related to development planning as well as mutual familiarity. UNDP has also developed long-term relationships with bilateral donors and UN organizations, including the World Bank, based on mutual confidence and a common appreciation of UNDP relative advantages. UNDP has made a point of engaging

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2   UNDP, 'The Other Half of Climate Change—Why Indonesia Must Adapt to Protect its Poorest', Jakarta, 2007.

with local stakeholders through CSOs, both for delivering services and grants to poor households and for monitoring the outcomes of public policy. These partnerships represent another strategic asset that has helped UNDP both in extending the outreach of its support and in strengthening stakeholder involvement. However, partnership with the private sector has been limited, and this is an area to be further explored for future strategic partnership.

UNDP Indonesia's most important contribution to meeting the challenge of poverty reduction is the multi-stakeholder approach, using CSOs to manage grants and credits to households, and committing local communities to a rights-based approach to public services and access to justice.

Building on experience and lessons from innovative approaches to strengthen pro-poor planning and monitoring, UNDP can show success in fighting poverty, which is still a major challenge despite a reduction in poverty rates since the Asian Financial Crisis a decade ago. GoI is firmly committed to the MDGs, and UNDP is assisting GoI efforts to strengthen a pro-poor approach for achieving its MDG targets. This approach is based on systematic monitoring and targeting, and it aims at engaging local communities in a dialogue about the targets and their fulfillment. The outcome of these efforts has not yet been independently evaluated, but if successful, it could offer an innovative model for poverty-targeted capacity development at the local level.

Considering the enormous challenges Indonesia faces in climate change, threats to biodiversity and natural resources, UNDP Indonesia's environment programme has been relatively modest in size.

In the environment sector, UNDP has mainly been managing projects under the Global Environment Facility, such as the Small Grants Programme, various renewable energy initiatives, natural resource management, and direct support to the government on policy making and

the Montreal Protocol. UNDP should proactively engage in a more structured programme involving key stakeholders. In this regard, the environment programme is currently developing a 'climate change umbrella' as a programme strategy for the next five years. It is critical that this be carried out.

The efficiency of UNDP programming has been mixed, with external observers expressing concerns with aspects such as timeliness and cost effectiveness. UNDP is seen as having very long chains of command, particularly when decisions have to be referred to UNDP Headquarters in New York.

Overambitious plans and unreliable sources of funding have contributed to delays, loss of efficiency, and in some cases, termination of pilot projects at a time when they begin to produce results. In the Environment and Energy and Governance Programmes, in particular, a noticeable number of projects took longer to begin than anticipated but picked up momentum in a short time. Given the geographical coverage of the programme and administrative challenges associated with managing projects in such context, UNDP Indonesia's own administration is quite centralized, leaving the programme offices in Aceh and Papua limited authority regarding resource allocations, recruitment and procurement. In building a constructive relationship with local government bodies and CSOs in the provinces, this limitation places UNDP at a clear disadvantage.

UNDP Indonesia's record of fostering sustainable interventions has been largely satisfactory, mostly due to a systematic multi-stakeholder approach from the planning stage through to the transfer of management to Indonesian hands. However, there were some areas of weakness where projects were terminated due to lack of funding and well thought through exit strategies.

Projects engaging CSOs and local institutions in managing resources and processes have generally led to sustainable results. These were

accomplished either by mainstreaming in GoI (for example, in the case of the Aceh reconstruction) or by transferring responsibility to CSOs or independent institutions (for example, in the Partnership for Governance Reform in Indonesia Project). Election support is a good example of phasing out external support in pace with growing domestic capacity. Conversely, there are examples where UNDP has overestimated the degree of commitment of national stakeholders and where no realistic exit strategies were in place. In particular, there have been too many instances of pilot projects that were abandoned when they ran out of funds.

It is important that Indonesia Country Office management, together with GoI, take a firm grip on the priorities for the next country programme. In addition, potential donors should be informed before the market sets its own priorities, resulting in proliferation of small projects.

During the 2001-2009 period, UNDP mobilization of extra-budgetary resources for its Indonesian programme was exceptional. The ratio of non-core to core resources—often referred to as the leverage—rose from 3:1 in 2001 to 8:1 in 2006. Although non-core funding decreased after the post-tsunami peak, core funding fell faster, resulting in leverage greater than 10 in 2008. With Indonesia attaining middle-income country status, both core resources and leverage are likely to continue to decline. Non-core funding for UNDP projects is also decreasing rapidly, as multi-donor trust funds contributed in the wake of the tsunami are exhausted and Indonesia attains middle-income country status. Most of the remaining projects in the present country programme run out in 2010. This has left programme managers scrambling for funds for new and ongoing projects.

UNDP Indonesia has, in general, developed and managed its programme and projects based on good practice of results-based management. It has also demonstrated clear commitment to supporting the Jakarta Commitment. However,

operationalizing the principles of the Jakarta Commitment in UNDP programming to ensure national ownership, alignment, and application of national systems and practices requires concerted efforts and a clear multi-year strategy.

UNDP Indonesia should be commended for: developing a robust planning, monitoring and evaluation unit; training staff and partners in various project management methods; and institutionalizing regular highly participatory review exercises with implementing partners and other stakeholders. However, there is a need to shift the focus of monitoring and reporting from output to outcome level, and to strengthen the strategic nature of the choice, use and coordination of evaluation activities across the programmes.

Through the Jakarta Commitment of January 2009, GoI and its international development partners have agreed to implement the Paris Declaration on Aid Effectiveness. The implementation of the Jakarta Commitment means the UNDP programme needs to be managed differently, particularly with regard to the UNDP role in providing procurement support for national execution/national implementation modality projects. In many if not most cases, GoI has handed the procurement function back to UNDP, even when the agreement stipulates national execution/national implementation modality. The long-term solution to the procurement problem lies in building capacity in the Indonesian administration, both for conducting the procurement process and for protecting its integrity. UNDP Indonesia has been given an important role in the process as manager of a transitional trust fund to facilitate the harmonization of external assistance with GoI systems and requirements in order to make the most effective use of its resource inputs. This role calls on UNDP to use both its facilitating skills to build confidence in the process and its capacity building abilities to help GoI overcome weaknesses in areas such as procurement.

The performance of UNDP Indonesia has been generally satisfactory in terms of contributing to the promotion of UN values (such as MDGs, rights-based approaches and gender) and crosscutting themes (such as capacity development for decentralization and South-South cooperation) in its programming.

Having adopted the MDGs as targets for its development planning, GoI has invited UNDP to assist in its efforts by making planning instruments more effective and by mobilizing popular support. UNDP has responded well to this invitation by working closely with BAPPENAS and the National Bureau of Statistics and helping produce a series of national and regional human development reports and methods for monitoring MDG achievements at national and sub-national levels.

With regard to a rights-based approach to development, in the CPAP 2006-2010, UNDP cited the importance of an integrated rights-based approach as a priority for future programming. The multi-stakeholder approach involving CSOs and several levels of government has been deliberately used to apply a rights-based approach to the delivery of public services, like in the Building and Reinventing Decentralized Governance Project and support for the reconstruction of Aceh.

In the past two programmes, UNDP has aimed to support efforts to mainstream gender issues in the formulation and execution of all policies and development programmes. UNDP has worked towards the improvement of gender equality with targeted projects, including Support for Mainstreaming Gender into Development Policies and Programmes, as well as through components of other projects, such as the Peace Through Development Project. Many projects in all the four programmes include components or requirements for supporting gender equality, although the degree of mainstreaming varied across the programmes. While there were some good examples of effective South-South cooperation, the practice within the current UNDP programme has not been systematic.

UNDP Indonesia has contributed positively to GoI capacity development efforts for decentralization through a comprehensive approach, which was developed based on systematic needs assessment and analysis of the roles of institutions and incentive structures. UNDP support went beyond time-bound individual training activities with an aim to making the results more owned and sustained. This approach is currently being applied in some Papuan districts under a UNDP supported project, and there are plans for further replication. Despite the positive aspects of this approach, some challenges exist, such as confusion caused by contradictions in the national legislation and a relatively high rotational rate in many local governments, making it difficult to retain capacity developed and knowledge acquired in a medium to longer term. There is a need for the country office to be mindful of these challenges before further replicating this approach.

RECOMMENDATIONS

1. **UNDP Indonesia should support Indonesia's transition to middle-income country status by relying more on its relative advantages in networking and innovative approaches to development than on managing projects requiring big inputs of staff and equipment. UNDP Indonesia should set priorities for its resource mobilization for the next three to five years and discuss them with potential sources of funding with a view to drawing up a medium-term plan for raising and deploying financial resources.**

   The strength of UNDP lies in the confidence of its partners and its capacity for innovation as part of a global network. The availability of non-core resources is likely to decline in the immediate future, commensurate with the shift in national development priorities and Indonesia's middle-income country status. UNDP should review its relative strengths and offer GoI continued and deepened support in areas where those

strengths are in evidence. The shifting resource scenario will challenge UNDP to concentrate on what it is particularly good at. Weaknesses include slow and inefficient delivery of services due to complex procedures involving too many decision makers and unpredictable funding. To oversimplify, UNDP is strong when it comes to designing innovative projects and supporting initiatives at the policy level, but weak when it comes to managing complex projects with many stakeholders in remote areas—particularly when long duration and secure funding are required to produce results. UNDP can continue to remain relevant to GoI national priorities and play a substantial role by being more strategic, continuing to shift its focus at the policy level, and doing more with less resources in the future.

2. **In order to strengthen its strategic focus and use of reducing resources, UNDP Indonesia's geographical focus should be continued.**

   In the CPD/CPAP 2006-2010, UNDP concluded that overstretched interventions in a vast and diverse country such as Indonesia would be less effective than focusing programme resources on specific regions, in particular those with the lowest human development indices, highest poverty rates, and most vulnerability to crisis. In implementing the current country programme, UNDP has successfully established recovery and peace-building programmes in Aceh and Maluku, and has made a long-term commitment to capacity development in Papua. These are deliberate and positive steps in the direction proposed by CPD/CPAP, which should be continued and consolidated in the next country programme. In a situation of rapidly shrinking resources, however, UNDP should think twice before engaging in any new regional venture of the same scope and complexity.

3. **UNDP Indonesia should review its partnership strategy to engage more actively with the private sector and local government, and to strengthen the advocacy role of its CSO partners.**

   In coming years, it is conceivable that the brunt of the UNDP programme will gradually shift from service delivery to policy analysis and advice, in which case the emphasis on its CSO partnerships should move in the direction of advocacy and innovation.

4. **UNDP Indonesia should actively engage major Indonesian stakeholders—including GoI agencies, CSOs and private-sector actors—in a national discussion of policies and measures against climate change.**

   The UNDP Energy and Environment Programme has addressed problems that are very relevant to sustainable development, in particular climate change and ozone depletion. Now the programme needs to sharpen its focus and bring the large number of ongoing projects into a strategic framework. UNDP Indonesia has also, to a large extent, relied on the Global Environment Facility and the Montreal Protocol to fund its programme, where project formulation is relatively structured. Now, the environment programme should work closely with other actors such as CSOs and the private sector to enable the formulation of flexible and innovative initiatives contributing towards the medium- and long-term goals of UNDP and the government.

5. **UNDP Indonesia should improve sustainability of results by working with BAPPENAS, implementing partners and beneficiaries to develop realistic exit strategies at the time of planning. With a wider application of a programme approach to planning UNDP interventions, the changing roles among the partners during the life of an intervention will be better managed through integration in the host administration from the very outset.**

Strategies for sustainability of results must be based on incentives to assume ownership, capacity development and optimal use of existing systems and structures, both at the central government level and in the local administrations where policies affecting the poor are implemented. UNDP has usually built its exit strategies based on capacity development rather than changing the incentive structure. At the project level, particularly with pilot and innovative projects, the financial uncertainty inherent in the highly leveraged programme funding of UNDP is also a factor that can threaten both sustainability and effectiveness. This challenge should be remedied by stricter rules for designing pilot projects, requiring mutual commitment to an exit strategy. Where financing is not secured for the entire life of the proposed project, for reasons of accountability and managing for results, its targets as well as its exit strategy should be regularly reviewed by the partners.

6. **UNDP Indonesia should continue to strengthen the results orientation of its programme by further improving the outcome orientation of monitoring and reporting, and making the evaluation plan more strategic based on management and strategic information needs.**

UNDP Indonesia has devised innovative monitoring and review systems and mechanisms with close participation of key national stakeholders. This momentum should be kept by maintaining a strong planning, monitoring and evaluation unit that oversees and coordinates results-based management and monitoring and evaluation activities, across the programme units and ensures the strategic use of information for management decision making—making the choice of evaluation more strategic and ensuring the stronger outcome-orientation in its monitoring, reporting and evaluation.

7. **UNDP Indonesia should also review the rules and routines for project management in order to enhance management efficiency of its programme.**

With a view to improving management efficiency and responsiveness, within the parameters of the UNDP corporate prescriptive content in particular, UNDP Indonesia should decentralize decision-making authorities as far as possible to programme managers in the country office and, in the cases of Aceh and Papua, to the programme or project offices.

8. **To speed up implementation of the Jakarta Commitment principles, procurement training and certification should be initiated quickly and without prejudice to the common road map laid down by GoI in the Aid for Development Effectiveness Project.**

UNDP Indonesia should give urgent attention to assisting GoI in removing the obstacles to applying national implementation modality/national execution rules in a 'complete' manner.

Chapter 1

INTRODUCTION

1.1 OBJECTIVE AND SCOPE OF THE ADR

The Assessment of Development Results (ADR) in Indonesia is an independent country-level evaluation conducted by the Evaluation Office of the United Nations Development Programme (UNDP) in 2009. Its objectives are:

- To provide an independent assessment of the progress, or lack thereof, towards the expected outcomes envisaged in the UNDP programming documents; where appropriate, the ADR will also highlight unexpected outcomes (positive or negative) and missed opportunities

- To provide an analysis of how UNDP has positioned itself to add value in response to national needs and changes in the national development context

- To present key findings, draw key lessons, and provide a set of clear and forward-looking options for management to make adjustments in the current strategy and next country programme

This ADR covered the ongoing Country Programme Document (CPD) 2006-2010 and Country Programme Action Plan (CPAP) 2006-2010, as well as the previous country cooperation framework (CCF) 2001-2005, with a closer look at the more recent programme. It also looked at the UNDP projects and initiatives as a part of the broader United Nations Development Assistance Framework (UNDAF) 2006-2010.

The ADR conducted a comprehensive review of the programme portfolio and initiatives, funded by both core and non-core (or third-party) resources, and paid special attention to the role of UNDP in promoting United Nations (UN) values such as gender mainstreaming, rights-based approach and capacity development. Further, the ADR examined the contribution made by UNDP in supporting UN system coordination in programming.

In addition to assessing the UNDP contribution to development results, the ADR assessed the strategic positioning of UNDP, that is: Within the development and policy space in the country, how had UNDP positioned itself and what strategies did it take in assisting the development effort by the country? Table 1 is a compilation of evaluation criteria and questions applied in each theme and crosscutting issues of the country programme.

1.2 METHODOLOGY

The ADR was guided by the 2005 United Nations Evaluation Group norms and standards for evaluation, 2006 UNDP evaluation policy, 2007 United Nations Evaluation Group ethical guidelines and code of conduct, and the draft ADR methodology manual.[3]

The analysis applied in the ADR Indonesia focuses at the level of outcomes[4] and the contributions that UNDP outputs have made towards achieving these outcomes. The aim of the ADR is not to assess the direct attribution of

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[3]   United Nations Evaluation Group Guidelines (UNEG), 'Norms for Evaluation in the UN System' and 'Standards for Evaluation in the UN System', April 2005; UNDP, '2006 Evaluation Policy', available online at: www.undp.org/eo/documents/Evaluation-Policy.pdf. UNEG Ethical Guidelines are available online at: http://www.uneval.org/search/index.jsp?q=ethical.

[4]   Outcomes are defined as "short-term and medium-term effects of an intervention's output: changes in development conditions" in 'UNDP Handbook on Planning, Monitoring and Developing for Development Results', 2009.

Table 1. Evaluation criteria and questions	
Effectiveness	Did the UNDP programme accomplish its intended objectives and planned results? What are the strengths and weaknesses of the programme? What are the unexpected results it yielded? Should it continue in the same direction or should its main tenets be reviewed for the new cycle?
Efficiency	How well did UNDP use its resources (human and financial) in achieving its contribution? What could be done to ensure a more efficient use of resources in the specific country/sub-regional context?
Sustainability	Are the development results achieved through UNDP contribution sustainable? Has national capacity been built to ensure the sustainability of the results achieved? How has UNDP applied the principles of the Jakarta Commitment in support of using national administrative and financial systems rather than *ad hoc* arrangements, and what are the results?
Strategic positioning	Did the UNDP choice of intervention strategy produce optimal outcomes, given the availability of resources and the possible strategic options? In which substantive areas was UNDP position-ing particularly successful, and why?
Relevance and respon-siveness	Has UNDP been addressing the most important development challenges of the country in support of national priorities and plans? Has UNDP used its relative strengths in choosing its responses for producing an optimal result?
Strategic partnerships	Has UNDP leveraged its interventions through a series of partnerships to enhance their effectiveness? Has UNDP worked in partnership with non-state actors to maximize the impact of its projects? Has UNDP been effective in assisting GoI to work with external development partners?
Promoting UN values	To what extent has UNDP contributed to achieving the MDGs? How has UNDP tried to apply a rights-based approach and to further gender equality, and what results were achieved?

UNDP support towards the outcomes. Rather, the aim is to establish plausible and credible links between UNDP support and discernible results. In addition to the projects, the ADR also examined the contribution of UNDP supported non-project interventions.

The ADR is not intended to conduct a compre-hensive review of all projects or outputs, instead it focuses on strategic ones. During the period under review, UNDP Indonesia has supported almost 200 projects[5], which were responsible for delivering certain outputs that contribute towards outcomes. Given the time and resources available, the ADR team concluded that 15 to 20 projects at a maximum should be selected for in-depth review and selected 17 projects for

in-depth review. These projects were selected in a way that broadly reflected: both programme cycles (2001-2005 and 2006-2010), with an emphasis on the later period due to availability of information; all four thematic areas[6]; and projects with wide scope and long duration. Some of the 'projects' are in fact programmes, consisting of several projects and related components, and in some cases extending through both CPDs. This purposive sampling resulted in a list of projects that represents more than half of the resources disbursed by UNDP during the two programme cycles. The list of these projects is found in Annex 4.

The ADR Indonesia is based on qualitative data collection and analysis of primary and secondary

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[5] The development project list generated by Atlas and the country office cannot be used as a frame for random sampling of projects since it contains many short events, such as seminars or studies, different complements of a bigger pro-gramme, or a prolongation of an earlier project. Fifty percent of the total list for 2001-2009 consisted of projects less than USD 1 million.

[6] For the purpose of the ADR, the ADR team combined the fourth and fifth thematic areas identified in the CPD—4) reducing vulnerability to crisis and 5) rehabilitation and reconstruction of Aceh and North Sumatra—and presented the analysis under the UNDP corporate practice/thematic area called Crisis Prevention and Recovery (see Chapter 4.4).

sources. It employed a variety of data collection methods. With support from the research assistant and the country office focal persons, the ADR team collected documents including UNDP corporate and country programming documents, evaluations and results reports by UNDP Indonesia, government development strategies and reports such as the Millennium Development Goal (MDG) and national human development reports, country policy and planning documents of bilateral donor agencies and international financial institutions, and papers produced by academic and research institutions. The ADR also used assessments provided in project evaluations and mid-term reviews, including the mid-term review of the CPD 2006-2010, which was carried out jointly by UNDP Indonesia and the Government of Indonesia (GoI) through an extensive consultative process in 2008.

Another main source of information was semi-structured interviews and group meetings. During the scoping mission, the ADR team identified a cross-section of stakeholders for consultation through the stakeholder mapping exercise. They included UNDP country office staff, central and local government agencies, project officers, civil society, the private sector, the international community, and direct beneficiaries of UNDP interventions. In order to gain balanced and independent perspectives of UNDP work and the national development context, the ADR team also made efforts to interview a small number of observers who were not directly involved in the implementation of the UNDP programmes, had no direct accountability for delivering results, and could share their views in a wider context, such as political personalities, academics and donors. The donor perspective often places major emphasis on the quality of reporting on outputs and expenditures rather than on outcomes, but some donors have independently monitored and evaluated UNDP

performance in a manner that was very useful to the ADR team.

Indonesia is a vast country, and UNDP has been engaged in activities on the ground in a large number of provinces, districts and localities. It was not possible for a small and short mission like the ADR to cover all geographic areas in the three weeks allocated to its work in the country. Therefore, field visits were arranged to provinces where UNDP has been particularly engaged, namely Aceh, Maluku and Papua. Aceh and Papua provinces had been chosen by the United Nations Country Team (UNCT) for developing closer inter-agency cooperation, which also enabled the ADR team to study UNDAF programming and implementation coordination at the province level. Maluku was selected to give a different and balanced perspective of UNDP support in the area of crisis prevention and recovery (CPR).[7] Interviews during the field visits were not limited to the selected projects but included others as well. Telephone interviews were undertaken with stakeholders in some other locations.

1.2.1 LIMITATIONS

The evaluation faced a number of limitations. During the period under review, UNDP, on the whole, presented its development results in a manner that lent itself to evaluation according to the general ADR guidelines. Programming documents specified clearly the objectives of most projects, and outputs were increasingly reported in terms that related to the intervention logic. Since the introduction of the Results Oriented Annual Report (ROAR) reporting format, reporting has taken on a more results-oriented structure. However, regular monitoring and reporting at the outcome level have been limited.

Although all major projects and two outcome areas of the programme themes (governance and environment) in the cycle 2001-2005 had

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[7]   Abundance of assessment and evaluation of poverty reduction unit programmes over the past five years have focused almost exclusively on Aceh. While the Aceh programmes are important, the ADR agreed with the country office colleagues and partners that the crisis prevention and recovery unit portfolio should not be defined specifically by Aceh. The Maluku visit would allow the team to assess the UNDP strategy to shift to longer-term peaceful development support.

been independently evaluated, the utility of these evaluations for the purpose of the ADR varied. The quality of outcome evaluations and some of the project evaluations were found to be acceptable and useful, but the majority of project evaluations were summaries that did not directly assess progress towards specific outcomes. No outcome evaluations, as required corporately, have yet been completed for the cycle 2006-2010, a task that has been scheduled for 2011. A January 2009 mid-term review of the CPD/CPAP provided detailed project-level analysis and progress made towards the delivery of outputs, but information regarding the contribution of these outputs towards the achievement of outcomes was generally hard to find.

Due to the large size of Indonesia and number of projects in the country, the ADR team had to make a strategic selection of projects and sites to visit. Such a selection tends to include more projects with a longer and more successful life and less smaller and shorter ones. The ADR was aware of this potential bias and did its best to compensate for it by drawing from thematic and outcome evaluations, and programme mid-term reviews, and interviewing a wide range of non-project specific stakeholders.

1.3 PROCESS

The ADR in Indonesia was conducted by an independent evaluation team, composed of three external evaluators and a task manager from the UNDP Evaluation Office, supported by the work of a research assistant.

After the preliminary desk research and a one-week scoping mission to the country in July to establish the evaluation framework and methods in concrete terms, the main evaluation mission was undertaken during three weeks in October to collect and examine evidences in the field and to validate the findings. During the main mission, visits to Aceh, Maluku and Papua were undertaken in order to observe the project sites and activities and collect the views of beneficiaries. Findings and emerging conclusions and discussions were discussed at the stakeholder workshop at an early stage of drafting the report. The draft report was revised through the Evaluation Office's quality assurance system by internal and external reviewers. It was also shared with the country office, the Regional Bureau for Asia and the Pacific, and the GoI in early 2010 to ensure there were no omissions or errors in facts or interpretation.

Chapter 2

INDONESIA'S DEVELOPMENT CHALLENGES, 2001-2009

2.1 NATIONAL DEVELOPMENT PLANS AND STRATEGIES

The period under review presented Indonesia with a number of serious development challenges, arising from political, social and economic problems. The Asian financial crisis that started in 1997, combined with an unseasonal drought, affected the Indonesian economy more severely than other regional economies. Production and incomes fell by almost 14 percent, and the number of people in poverty doubled when 36 million more were pushed into absolute poverty. This temporarily raised the poverty rate from 15 percent to 33 percent in 1998-1999.[8] Political uncertainties after the fall of the Soeharto regime combined with sudden deprivation led to communal tensions that exploded in ethnic violence, particularly in Sulawesi. This led to further impoverishment and displacement of people. Although the economy recovered rapidly from 1999 onwards and falling food prices helped poverty rates return to pre-crisis levels, the economy did not stabilize for several years, and the collapse of an authoritarian regime left a political vacuum. Indonesia entered the new millennium under signs of great uncertainty.

The GoI strategy to address development challenges during the period covered by this evaluation was formulated in the National Development Programme (Propenas) for 2000-2004 with the overall goal "the realization of an Indonesian society that is peaceful, democratic, just, competitive, advanced and prosperous." Its five priorities were:

- Developing a democratic political system and maintaining national unity

- Realizing the supremacy of law and good governance

- Accelerating economic recovery and strengthening the foundation of sustainable and fair development on the basis of the popular participatory and grass-roots economic system

- Developing social welfare, increasing the quality of religious life, and strengthening cultural resilience

- Increasing regional development

The GoI National Medium-term Development Plan (RPJM) for 2004-2009 is based on the three broad objectives of making Indonesia: safe and peaceful, just and democratic, and prosperous. The RPJM also emphasized the need for reconstruction and peace-building in Aceh and for building a strong macroeconomic framework for economic growth. It included the main tenets of a previous draft national poverty reduction strategy that focused on poverty reduction through higher growth rates with job creation and environmental sustainability, and activities and investments to achieve the MDGs. It identified nine priority areas to achieve its goals:

- Reducing poverty and income disparities

- Boosting employment opportunities, investments and exports

- Revitalizing agriculture and rural development

- Improving access and quality of education and health services

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[8] Ydo T, Titiheruw IS, Soesastro H, 'Impacts of Global Financial Crisis on Indonesian Economy', Centre for Strategic and International Studies Study submitted to UNDP, September 2009.

- Eradicating corruption, reforming civil service, and improving law enforcement

- Strengthening defense, security, order and conflict resolution

- Disaster mitigation and reconstructing Aceh, Nias and Central Java/Yogyakarta

- Accelerating infrastructure development

- Developing border areas and remote isolated areas

The RPJM included a number of economic and social development targets, many of which were more ambitious than the MDGs. For example, it aimed to halve the 2004 national poverty rate of 16.6 percent to 8.2 percent by 2009. The macroeconomic targets included an increase in economic growth from 5.5 percent in 2004 to 7.6 percent in 2009 and a reduction in open unemployment from 9.7 percent in 2004 to 5.1 percent in 2009. The RPJM aimed to increase school enrollment, especially in the nine-year mandatory basic education program, to more than 99 percent in 2009 and to improve education throughout the system. It also projected a significant increase in enrollment in secondary and tertiary education, and a reduction in illiteracy to 5 percent. The plan targeted an increase in life expectancy from 66.2 years to 70.6 years, a decline in infant mortality from 35 per 100,000 live births to 26 per 100,000 live births, a decline in maternal mortality from 307 per 100,000 live births to 226 per 100,000 live births, and a reduction in malnutrition among children under 5 years from 26 percent to 20 percent. The government's annual work plan, which was to be approved each year by the Cabinet, was used to guide RPJM implementation.

2.2 GOVERNANCE

Although far from perfectly organized, the first free elections for the People's Consultative Assembly created a base for legislative reforms that reduced the chaos after the fall of Soeharto and eased the risks of accelerated disintegration after East Timor's accession to independence. Sweeping decentralization measures were taken, shifting the responsibility for more than a third of the national budget from the centre to 400 districts. Further decentralization followed in 2005, increasing the budgetary responsibilities of local governments and introducing direct elections of their top officials. In a period of five years, Indonesia transformed from a highly centralized state into one of Asia's most decentralized states, where increasingly well-run elections started to make both local and national leaders accountable to the electorate.

Decentralization is still a work in progress. There are serious institutional weaknesses and numerous unclear and conflicting rules continuously added by local legislatures eager to exercise their newly won authority. The sudden transfer of authority to district and municipalities entirely bypassed the provincial level, which has created a lack of clarity about the role of the province, as recently explained in a UNDP study.[9] Local governments have extensive authority to spend resources that they are not responsible for raising. Almost all their funds are currently being transferred from the centre.

In 2004, Indonesia held its first direct elections for the presidency and the national and district legislatures. The processes were not flawless, but the elections were characterized as free and fair. A president with a clear reform agenda was elected, Susilo Bambang Yudhoyono, giving a clear direction to legislative reform and the fight against corruption. Yudhoyono was re-elected in 2009 with a potential for parliamentary majority, which further strengthened the commitment to reform. After taking office, Yudhoyono initiated negotiations to end the long-running war of attrition with the Aceh independence movement, Free Aceh Movement. Negotiations were interrupted by the tsunami that devastated the province on 26 December 2004, but the two

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[9] UNDP, 'The Missing Link: The Province and its Role in Indonesia's Decentralization', UNDP Policy Issues Paper, Jakarta, May 2009.

parties decided to join their efforts at rescue and reconstruction, and they later agreed to continue negotiations under international mediation. A peace agreement was signed in August 2005, opening the possibility for peaceful reconstruction and development of one of the poorest and most vulnerable provinces in Indonesia. Aceh was granted special autonomy, in a form that is yet to be worked out in full detail.

Indonesia's progress towards democracy and human rights during the past decade exceeds even the most optimistic expectations at the time of Soeharto's fall. Political parties and other civil society organizations (CSOs) have flourished, and a free press and an open public debate has emerged without equal in the region. The judiciary has been made at least formally independent from the executive, and a number of new institutions have been created to safeguard the rule of law, including an ombudsman's office. A National Anti-corruption Commission and a special Anti-corruption Court have been established and have gone to work with zeal that has visibly improved the integrity of public spending. Despite these new developments, serious institutional weaknesses remain to be overcome, and corruption is still rampant. The civil service and police are in dire need of reconstruction, and the judiciary system is slow to accept the principle of everyone's equality before the law. These weaknesses affect in particular the access of poor people and remote communities to public services and their rights to land and property. The system is making promising changes, but the promises are yet to be redeemed for the most vulnerable segments of society.

2.3 ECONOMIC GROWTH AND SOCIAL DEVELOPMENT

Unlike many other oil exporting economies, Indonesia invested a sizeable share of its surplus in industry, infrastructure and public services, which contributed to a drop in the poverty rate from 58 percent in 1970 to 15 percent in 1997. The Asian financial crisis caused a drop in gross domestic product (GDP) of 14 percent, but the effect on poverty was extraordinary: the poverty rate rose from 15 percent in 1997 to 33 percent in 1998. It took several years for the poverty rate to return to its previous level, but GDP did not return to its 1997 level until 2005. Key economic and social indicators for Indonesia are provided in Table 2.

The effect of economic growth on the poverty rate has changed with changing patterns of industrialization and income distribution. The last decades of growth left Indonesia with a large segment of low-productive, self-employment and

Table 2. Key economic and social indicators		
	2000/2001	2007/2008
Human development index	0.67	0.73
Life expectancy at birth, years	66.2	70.5
Population increase per year, % (decade averages)	1.7	1.2
Female adult literacy rate, %	82.6	88.8
Male adult literacy rate, %	92.1	95.2
Population, millions	214.4	254.2
Population below the national poverty line, %	18.2	14.2
GDP per capita, USD purchasing power parity	2,940	3,712
GDP per capita, USD	695	1,918
Average GDP per capita growth per year, %	3.4	6.3
Gini index	30.3	39.4

Source: UNDP Human Development Reports 2003 and 2009, and Indonesia National Bureau of Statistics (BPS). USD indicates United States Dollar.

low-paid wage jobs, which means that a large proportion of the households have expenditure rates just above the official poverty rate. While only 10 percent of the households live on less than 1 USD a day, 60 percent live on less than 2 USD a day.[10] This gives Indonesia a relatively even income distribution, but it also leaves a large part of the population vulnerable to price changes in consumer staples, particularly rice and fuel. That is also why the poverty rate increased so much in 1998 and why it has been slow to decrease in recent years, reacting to increases in petrol prices in 2005 and rice prices in early 2008.

Based on household consumption data and a poverty line corresponding to 2,100 calories per person per day, the National Bureau of Statistics (BPS) has calculated the percentages of poor households in rural and urban areas of Indonesia as demonstrated in Figure 1.[11] It shows that poverty is still much higher in rural areas than in urban areas and that the gap widened during the Asian economic crisis. It also shows a slowing and sometimes unstable trend in recent years. Poverty rates are higher than the national average—between 20 percent and 40 percent—in provinces like Aceh, Papua and East Nusa Tenggara, but the largest number of poor people in Indonesia is still found in the densely populated areas of Java and Madura. Statistically, the defining factor in the poorer provinces is not always the depth of poverty but the absence of productive jobs and sustainable livelihoods, which are more frequent in provinces that are better off. The weakening impact of economic growth on poverty reduction in the last decade can mostly be ascribed to its failure to generate sufficient numbers of new jobs and livelihoods.

The National Development Planning Agency (BAPPENAS) estimates the poverty rate in 2009 to be 14.2 percent[12], which is still far from the ambitious target of 8.2 percent set by the RPJM. The poverty impact of the current global financial crisis has so far been relatively mild in Indonesia, manifesting itself mainly in stagnating labour demand in some export industries.

Figure 1. Percentage of poor households by rural and urban areas, 1976-2008
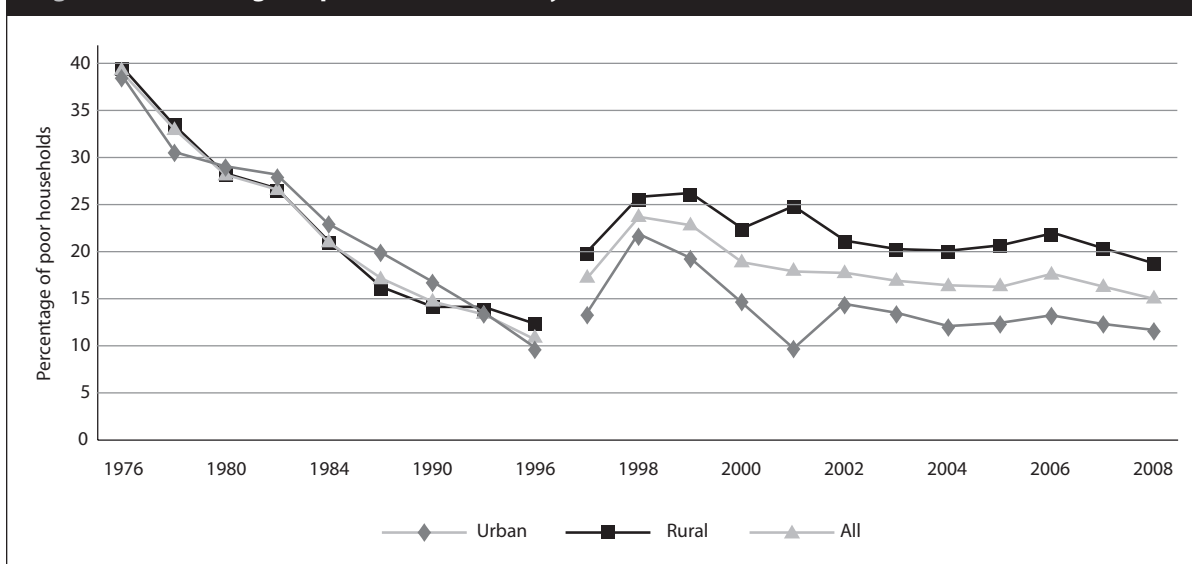
Source: BPS 2003, 2007 and 2008.

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[10] The following section draws on data from Ydo T, Titiheruw IS, Soesastro H, 'Impacts of Global Financial Crisis on Indonesian Economy', Centre for Strategic and International Studies Study submitted to UNDP, September 2009.

[11] A change in methodology was made in 1997 that makes it difficult to compare the rate of change between the last decades and earlier ones.

[12] BAPPENAS, 'Summary Report, Achievement of the Millennium Development Goals Indonesia 2009', Jakarta, July 2009.

Total GoI revenue collection in relation to GDP is low for a middle-income country but has increased in recent years to approximately 20 percent through a more efficient tax administration. Almost one third of central government outlays were transferred to local governments, most of which have perennial challenges in disbursing the allocated funds. Public investments were low for a middle-income country and were estimated at 6 percent to 7 percent in 2007, with half of capital investment managed by local governments.[13]

Indonesia has reported very positive results in its efforts to achieve the MDG targets. The 2007 report on MDG achievements[14] showed progress towards almost all the socio-economic targets in 2015. The poverty rate fell by more than half in the 1990s and has continued to fall, albeit more slowly. The target for reducing child mortality rates is expected to be reached by 2013, and malnutrition reduction targets are expected to be reached by 2015. School enrolment rates have increased with an improving gender balance, and illiteracy is all but eliminated in the younger generations.

There are some women holding high positions in the public and political forum: two of the three key economic ministers were women in the first term of Yudhoyono, and three of the four were women in the second term of Yudhoyono. However, at present, Indonesia only has 4 female ministers out of 34 cabinet members. Out of 33 governors across the country, there is only 1 elected female governor. In 2008, UNDP set a target of 30 percent women elected to the House of Representatives, based on a quota clause that was inscribed in the election law that year. However, the quota was struck down by the courts as unconstitutional before the elections. This resulted in a strong reaction from the CSO

community. In the 2009 elections, the percentage of women members of the National Parliament rose significantly from 11 percent to 18 percent. However, the degree of women's representation remains low for countries at Indonesia's level of human development.[15] The MDG report also pointed out challenges concerning gender equality and reducing the maternal mortality rate, which remains very high at 307 per 100,000 live births and is unlikely to be decreased to its target of 102 per 100,000 live births by 2015.

There are less than 300,000 registered cases of HIV/AIDS in the country, but there are indications that HIV/AIDS is gathering momentum, particularly through heterosexual transmission. It has spread more widely in Papua and West Papua than in other parts of the country and is currently estimated at 2.4 percent of the population in the age groups between 15 years and 49 years. GoI has established a National AIDS Commission to halt the spread of HIV and an Indonesian Partnership Fund for HIV/AIDS to mobilize resources for its strategy. The fund has managed to mobilize substantial funding from both international and domestic sources and the local coverage of people using existing HIV and sexually transmitted disease services increased according to an evaluation at the end of 2007.

2.4 ENVIRONMENTAL CHALLENGES

The global climate is changing, and Indonesia is already experiencing its impact.[16] Rainfall patterns have become more erratic. In Java, Bali, East and West Nusa Tenggara, South East Maluku and Papua, the dry season is becoming longer while the rainy season is not only getting shorter but also more intense and unpredictable. Erratic rainfall affects most of the Indonesian population by bringing floods, drought, crop failure and wildfires, and is already leading to

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[13]   World Bank, 'Spending for Development: Making the Most of Indonesia's New Opportunities. Indonesia Public Expenditure Review 2007', Jakarta, 2007.

[14]   BAPPENAS, 'Report on the Achievements of Millennium Development Goals Indonesia 2007', Jakarta, 2007.

[15]   UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009.

[16]   UNDP, 'Indonesia Climate Change Programme 2009-2013'.

significant humanitarian suffering such as the loss of livelihoods and acute malnutrition.

Irreversible environmental changes are altering development trends. Rising sea levels combined with land subsidence and environmental degradation are leading to more flooding and inundation of settlements, severely impacting urban livelihoods, especially in slum areas. More erratic rainfall and anticipated higher temperatures allow mosquitoes to spread to new areas, compounding the current increase in dengue and malaria cases. All of these impacts are putting pressure on Indonesia's ability to meet its MDGs. The impact of environmental degradation is weighing most heavily on the poor.[17] Improved environmental management in rural areas will require addressing weaknesses in the rule of law, particularly with respect to land use rights and land titling, as well as strengthening capacity to implement environmental laws and regulations.

Indonesia is a significant contributor to global warming potential, which plays a major role in accelerating climate change. Although there are considerable uncertainties about the exact amount of Indonesia's emissions, it is undeniable that deforestation and peatland degradation are substantial and need to be reduced. Emissions from the energy sector are growing rapidly and should be noted. Emissions from other sectors remain modest, yet the exact level of household emissions (e.g., burning of waste) and agricultural emissions (e.g., burning of rice straw) is still unclear.

In light of current issues, beginning in early 2007 GoI accelerated its response to climate change. One of GoI's initial benchmarks was achieved in late 2007 when the Ministry of Environment launched the National Action Plan on Climate Change. One of the plan's key recommendations was the need to integrate climate change into national development planning. GoI has prepared a book titled Indonesia's National Development Planning Response to Climate Change, also known as the 'Yellow Book'[18], which provides directions about Indonesia's most urgent priorities in terms of adaptation, mitigation, institutional arrangements and financing mechanisms.

2.5 NATURAL DISASTERS

The 2004 earthquake and tsunami that killed 160,000 people and destroyed the homes of 680,000 were singular in destruction, representing two aspects of the challenge disasters pose: physical exposure and human vulnerability. Physical exposure was widespread, affecting both urban and rural areas, and increased with urban and infrastructure development. Public and private assets, including basic services and low-income housing remain at risk. Human vulnerability was reduced due to preparedness but continued to increase due to economic growth in hazard prone areas. Although economic opportunities at higher and middle levels, and political stability in key pockets such as Aceh, Maluku and Papua, have dramatically improved opportunities for millions of households, geographic location exposes these households to more than 130 hazards per year, making Indonesia the fifth most frequently affected nation by natural disasters during the last 110 years.[19] The repeated disasters of tsunamis, floods, earthquakes and others have had a heavy public burden, causing an average of USD 730 million in annual damage between 1980 and 2008.

In 2005, GoI responded to the medium-term reconstruction needs after the tsunami with a Master Plan for the Reconstruction of Aceh and North Sumatra, covering all aspects of infrastructure, and economic and social development during the period of the RPJM up until 2009. In 2008, the Master Plan was revised, identifying capacity development as a priority for the remaining years of the plan.

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[17]   UNDP, 'The Other Half of Climate Change: UNDP–Why Indonesia Must Adapt to Protect its Poorest', Jakarta, 2007.

[18]   BAPPENAS, 'National Development Planning: Indonesia Responses to Climate Change', 2008.

[19]   OFDA/CRED International Disaster Database, Université Catholique de Louvain, Brussels, Belgium, available online at: www.emdat.be.

2.6 THE ROLE OF EXTERNAL ASSISTANCE

External assistance was very important to the Indonesian economy in the 1970s. Large numbers of foreign advisers supported both technology transfers and institution building for policy reform.[20] During the 1980s, Indonesia's oil revenues and direct foreign investments soared, which dampened the rise of official development assistance (ODA) inflows. In the early 1990s, ODA flows hovered at approximately USD 2 billion per year. However, Indonesia's status as an 'emerging economy' led to a gradual decline of concessional funding.

In the years 2000 to 2004, there was increased donor interest in supporting the governance reform process and the elections in 2004. However, the net annual ODA flow fell from approximately USD 1.5 billion to almost zero when GoI was repaying its external debt and the transaction balance was negative in relation to some donors. From the year 2000 to 2009, the outstanding external debt was reduced from 90 percent of GDP to 30 percent, a remarkable achievement for an economy in transition.

The tsunami in December 2004 temporarily broke this declining trend in the ODA flow, in a quite unique humanitarian response to the plight of the affected population. An estimated additional USD 2 billion dollars was received in 2005 in addition to the regular flows. Approximately half of this increment is estimated to have come from development banks and bilateral donors, and the other half from non-government sources. The World Bank and several bilateral donors contributed USD 700 million to a multi-donor trust fund (MDF), which is still supporting reconstruction and rehabilitation after the disaster. The total ODA disbursements per year from all donors are shown in Figure 2.

During the period under review, the biggest single donor was Japan (37 percent), followed by the United States (12 percent), Australia (11 percent) and the Netherlands (7 percent). The multilateral agencies, including the World Bank and Asian Development Bank, contributed a total of 18 percent of the ODA flow.

In 2005, Indonesia's gross national income per capita passed the Organisation for Economic

Figure 2. ODA disbursements to Indonesia, 2001-2007

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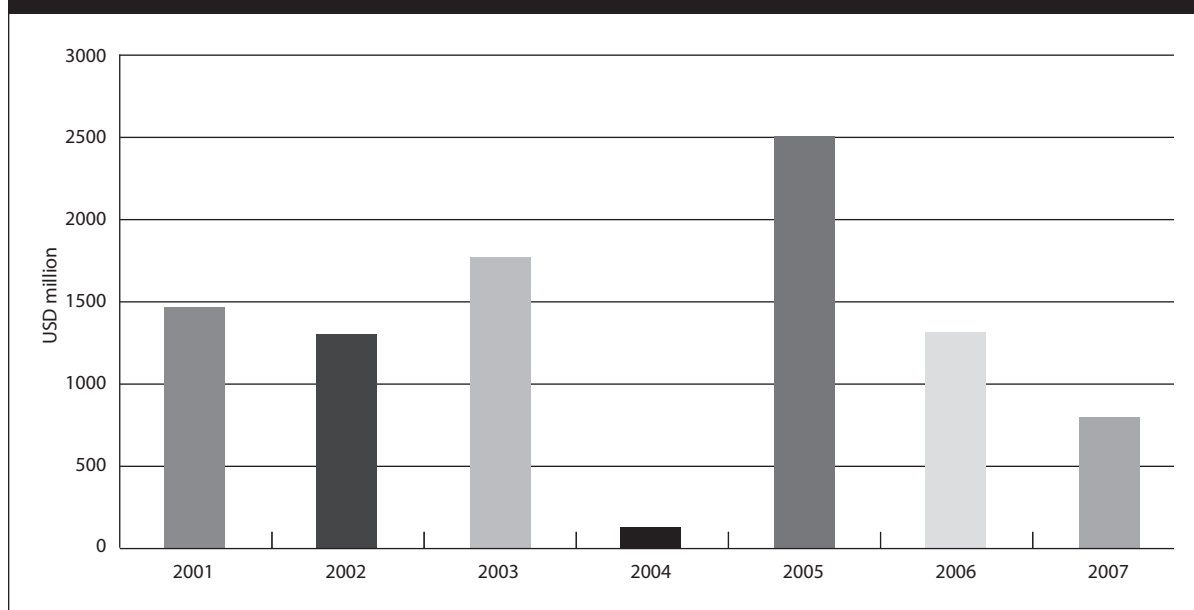
[20]   Hill H, 'The Indonesian Economy', Cambridge University Press, 1996 and 2000.

Co-operation and Development threshold for being classified as a middle-income country. As a result, the development banks practically ceased to give new soft loans and grants to Indonesia as of mid 2008, and UN organizations will reduce their allocations to their country programmes in the next cycle. Several smaller bilateral donors are preparing to reduce or even terminate their programmes. Indonesia's RPJM 2010-2014 will therefore enjoy less ODA support than those of the past decade. However, even at the peak of aid flows in this period, ODA rarely exceeded 0.5 percent of gross national income and 5 percent of the government budget.

Upon reaching middle-income country status, GoI has introduced a number of changes in the way it coordinates and manages foreign aid, including plans for implementing the Paris Declaration on Aid Effectiveness of March 2005 (notably the Jakarta Commitment). The implications of these plans and measures for programme management will be discussed in Chapter 6.

Chapter 3

UNDP RESPONSE AND STRATEGIES

3.1 UNDP RESPONSE TO CHALLENGES

UNCT in Indonesia is led by the Resident Coordinator, who is also the Resident Representative of UNDP. It is composed of 28 agencies including the World Bank and the Asian Development Bank. The Resident Coordinator's office, housed in the UNDP office, is responsible for providing UNCT with coordination support.

3.1.1 CCA AND UNDAF

The UNDAF, a planning document for the UN organizations to ensure coordination and coherence in UN support to Indonesia, for 2002-2005 pledged support for the National Development Programme 2000-2004. UNCT undertook a common country assessment (CCA), in a participatory process with GoI and CSOs, based on which the UNDAF 2006-2010 declared as its overarching objective "to support Indonesia in its transition to a decentralized socially just society with a broad-based, competitive market economy." The UNDAF identified four strategically important areas for UN support to Indonesia: governance and institutional reform; sustainable and equitable recovery; social justice and poverty reduction; and conflict prevention, post-conflict recovery and peace-building. A fifth priority issue was included in this UNDAF, namely the fight against the growing pandemic of HIV/AIDS. The UNDAF emphasized that the UN approach needed policy analysis, strengthened partnerships with GoI and CSOs, and increased efforts to support decentralized governance and development initiatives at regional and local levels.

A separate strategy paper was elaborated for the UN contribution to the GoI Master Plan for Rehabilitation and Reconstruction of Aceh and North Sumatra 2006-2010 and was included in the main UNDAF.

This UNDAF identified a large number of detailed outcomes and sub-outcomes and set resource mobilization targets for each agency and programme. UNDP was named lead agency for sustainable livelihoods, a rights-based approach and human rights, MDG monitoring, the human development report, good corporate governance, CSO participation in pro-poor planning, decentralization of public services, support to recovery in Aceh and North Sumatra, peace-building, and addressing needs of local communities and refugees in West Timor. Mechanisms for inter-agency coordination were specified for each sub-outcome.

3.2 UNDP PROGRAMME AND STRATEGIES

3.2.1 CCF

Based on the CCA, UNDP Indonesia developed the 2001-2005 CCF and reformulated the four practice areas as follows:

- Support to governance reforms

- Promoting pro-poor public policies

- Enhancing capacity for conflict-preventing development

- Environmental management

The CCF summarized its objectives as providing a comprehensive and integrated response to Indonesia's transformation, with an overarching goal of poverty reduction. It emphasized the need to connect initiatives focused on decentralization, HIV/AIDS, gender equality and realizing the potential of information and communication technology for addressing poverty.

3.2.2 CPD/CPAP

The CPD/CPAP for 2006-2010 largely maintained the components of the CCF and incorporated a fifth area in the wake of the devastating tsunami, namely support to the Master Plan for the Reconstruction of Aceh and North Sumatra. The country programme reviewed lessons learned from the previous cycle and suggested that new initiatives focus on geographical sub-regions with the lowest human development indices, high poverty rates, and proneness to crises (whether in the form of conflict or natural disasters). It also introduced the concept of a rights-based approach through formulating specific capacity development support to claim-holders to exercise their claims and duty-bearers to fulfil their obligations.

This ADR examined the two UNDP country programmes under four corporate thematic headings: poverty reduction and the achievement of MDGs, democratic governance, energy and environment, and CPR. CPR includes assistance provided for the reconstruction of Aceh and North Sumatra. The strategic objectives of UNDP for the four thematic areas are briefly summarized below.

Poverty reduction and the achievement of MDGs

CCF 2001-2005 aimed to provide a comprehensive and integrated response with regard to Indonesia's transformation process, with the overarching aim of poverty reduction. It emphasized the need for upstream policy support, but its major operational programme continued to be the Community Recovery Programme (CRP), which supported CSOs in promoting sustainable livelihoods for the poor. The CPD/CPAP 2006-2010 proposed devoting particular attention to strengthening the capacity of local governments at provincial and district levels to formulate and implement poverty reduction strategies with a focus on building capacity for delivery of public services

to meet minimum standards. Local governments would also be capacitated to integrate MDG indicators and targets into local poverty reduction strategies. Participatory and consultative processes and media campaigns would be used to raise public awareness.

The CPD/CPAP would support Indonesia's efforts to reach the MDGs in 2015, both through helping GoI develop pro-poor planning methods and by monitoring progress against the targets. Particular attention would be directed towards those parts of the country where poverty levels were high, such as Papua. UNDP would develop the capacity of CSO networks to monitor and influence policy implementation nationally and locally, and to create strategic alliances for effective service delivery to the most vulnerable in society. In pursuit of the MDGs, UNDP would advance Indonesia's response to the spread of HIV/AIDS and its efforts to achieve gender equality through special programmes.

Democratic governance

The second CCF Governance Reform Programme was designed to enhance the capacity of different types of institutions at the national and regional level, as well as that of CSOs, to make informed choices on the ongoing reforms of governance institutions. UNDP had taken the lead in sponsoring the Partnership for Governance Reform in Indonesia (PGRI), together with the World Bank and the Asian Development Bank, and the CCF foresaw its engagement in reforming law and the judiciary, civil services, parliamentary institutions at national and local levels, CSOs and media, corporate governance, and public security. Decentralization and anti-corruption initiatives were also mentioned as critical components of governance reform, cutting across other thematic areas.

The CCF proposed a programme to strengthen the capacity of the People's Consultative Assembly of Indonesia to engage in revising the

Constitution and to strengthen its capacity to manage its legislative tasks and its oversight of the executive. It also suggested a paradigm shift in the relationship between the state and civil society by strengthening the capacity of CSOs and media to advocate and monitor the reform of public institutions.

CPD/CPAP 2006-2010 focused on three areas of reform: local governance, deepening democracy, and rights-based legal and justice sector reform. Support would be given both to GoI institutions and to stakeholders that would help maintain momentum in the democratization and decentralization processes. The effectiveness of local governance would be promoted through networks of policy makers and practitioners, and by strengthening intermediaries such as CSOs. Deepening democracy would be sought by strengthening the participation of media and citizens in decision making, the capacity of key elected governance bodies, policy dialogue, gender mainstreaming and advocacy. Rights-based reforms were directed at giving the poor access to justice, creating conditions that enable individuals to resolve grievances legitimately, rather than through arbitrary or discriminatory exercises of discretion. This programme would address democracy and governance, gender, and land issues—particularly for the marginalized and conflict-afflicted communities.

Energy and environment

UNDP aimed to continuously integrate strategic environmental considerations into policy formulation and planning processes combined with effective capacity building to support implementation that delivers significant impacts on the ground. Three key areas of focus were: national-level action on climate change adaptation, focusing on analysis, policy advice and strategic planning; community-level action for better management of the environment, focusing on climate change mitigation and adaptation through forestry and watershed

protection, improved environmental management, and promotion of sustainable energy, for instance through micro-hydro technology; and saving the ozone layer by implementing the Montreal Protocol through replacing ozone-depleting technology.

CPR

CCF 2001-2005 aimed to bring about an integration of policy and programming perspectives at the national and local levels, based on better understanding of international experience with coping with crisis and conflicts. CPAP 2006-2010 proposed to change a culture of response to a culture of prevention by helping local governance institutions apply more conflict-sensitive approaches in participatory and consultative processes. Through the Peace Through Development (PTD) Project, it aimed to mainstream conflict prevention and peace-building approaches within local governance institutions. These objectives were guiding UNDP peace-building work in Maluku and reconstruction in Aceh and North Sumatra.

The CPD 2006-2010 also included preparatory assistance and technical support for strengthening national capacity in disaster management. Through a Decentralized Disaster Risk Reduction (DRR) Programme, UNDP aimed to help Indonesia integrate DRR into the core functions of government at all levels and in all stakeholder and partner organizations. The four-year programme would focus on: institutional strengthening to mainstream DRR and management as part of overall development planning; supporting community-based risk management of disasters; and strengthening emergency preparedness and response systems at the national level and in selected provinces. The relationship between Indonesia's national goals and UNDP CPD outcomes and expected outputs is shown in Table 3.

Table 3. Indonesia's national goals and UNDP CPD (2006-2010) outcomes and outputs			
National goals	**CPD outline**	**CPD outcome**	**CPD outputs**
To improve the welfare of families through economic and social sector initiatives	Achieving MDGs and reducing human poverty, and responding to HIV/AIDS	1. By 2010, increased opportunities for achieving sustainable livelihoods through the development and implementation of appropriate participatory policies and programmes	1.1 Development of localized poverty reduction strategy and HIV/AIDS programmes to meet MDGs with specific attention to poorest/women/vulnerable 1.2 Frameworks/capacity of the national and regional institutions established to advance/monitor MDG activities 1.3 CSOs capacity developed in decision making/monitoring national policy
	Energy and environment for sustainable development	2. By 2010, improved environmental living conditions and sustainable use of energy in Indonesia, and establishment of sustainable living conditions in the poorest provinces	2.1 Comprehensive framework and action plans for regional environment management developed 2.2 Comprehensive framework for effective use of renewable energy and energy efficiency in place 2.3 Capacity of government, private sector and civil society to adhere to the international environmental agreements increased
Establishing democracy and achieving justice for all Indonesians	Fostering democratic governance	3. By 2010, pro-poor participatory decentralization policies and mechanisms in place, with public and private institutions adhering to the rule of law and international instruments	3.1 Strengthening democratic governance practices/institutions at the sub-national levels, focusing on increased capacity in public service delivery 3.2 Active citizen's participation in politics and governance 3.3 Enhanced access to justice and ability to comply with international human rights standards 3.4 Strengthened policy dialogue and advocacy on governance at national, regional, and international levels, as well as in multi-lateral organizations
Creating an Indonesia that is safe and peaceful	Crisis prevention and recovery	4. Government and civil society able to design and implement crisis sensitive development responses, reducing vulnerability of communities in target areas	4.1 Conflict prevention strategies mainstreamed in policy and planning of government and key development partners 4.2 Capacities of government and civil society for disaster preparedness and reduction developed
	Crisis prevention and recovery	5. Reconstruction process in Aceh and North Sumatra carried out transparently, and the basis for democratic governance strengthened	5.1 Recovery of livelihoods and economic infrastructure in target areas 5.2 Housing, settlements and associated infrastructure developed in target areas

Programme delivery

The four thematic areas grew and contracted in size during the nine-year period with Indonesia's changing requirements and the willingness of donors to channel their funding through UNDP. During the first of the two cycles, the challenge attracting most of the funds was allocated to governance reform, culminating with the 2004 elections. During the second cycle, relief and reconstruction in Aceh and North Sumatra claimed the majority of the funds, peaking in 2006. The CRP was phased out towards the end of the first cycle, replaced in its thematic area by the MDG-related activities that culminated in 2007. The Energy and Environment theme did not attract significant funding during the period under review. These developments are reflected in Figure 3.

Figure 3. Annual disbursements by thematic area, 2001-2008
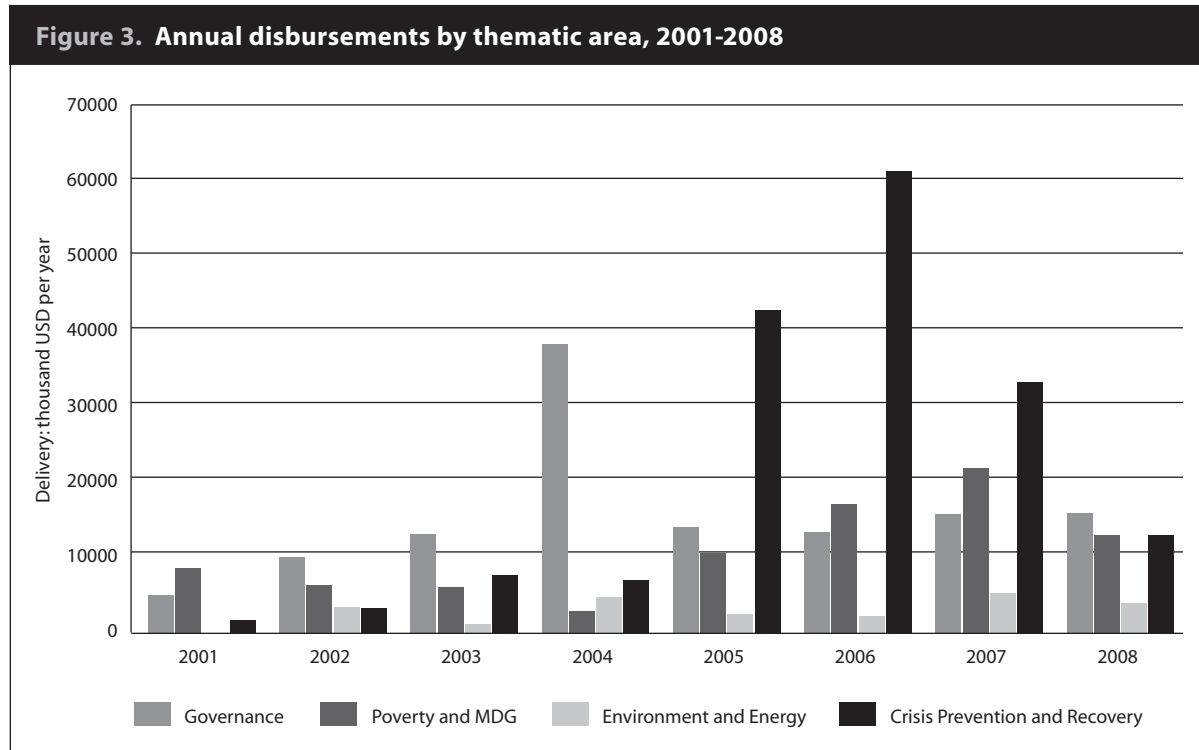
Source: UNDP Indonesia and Atlas, the UNDP corporate financial management system.

Chapter 4

CONTRIBUTIONS TO DEVELOPMENT RESULTS

4.1 POVERTY REDUCTION AND THE ACHIEVEMENT OF MDGS

The Poverty and MDG Programme was the largest in size in 2001 but declined until 2004. It gained momentum in 2005 and reached its peak in 2007. It was the third largest programme in 2008 in terms of delivery.

In this thematic area, the ADR selected the large CRP/Association for Community Empowerment (CRP/ACE) from the first programme cycle for in-depth assessment. This project assisted GoI in overcoming the consequences of the Asian Financial Crisis in 1997-1998 by building CSO networks to promote sustainable livelihoods. Two medium-sized projects were selected for assessment from the 2006-2010 cycle: People-centred Development Programme for Papua (PDP) and To Assess, Reinforce, and Gear Efforts Towards MDGs in Indonesia (TARGET MDGs). PDP aims to improve the poverty focus of local level development planning and to engage CSOs in improving public-service delivery. TARGET MDGs is strengthening GoI capacity at national and sub-national levels to collect and analyse statistical data for MDG targeting, benchmarking and policy debate.[21]

4.1.1 EFFECTIVENESS

The CRP/ACE objectives were achieved, and UNDP made a substantive contribution through the CRP/ACE. CRP supported a consortium of 27 CSOs in a decentralized undertaking to reach the poor. More than 2,000 community-based organizations were engaged in the delivery of the grants, and the programme, with support from UNDP, conducted capacity development workshops for the regional offices and the implementing CSOs. In 2004, the founding consortium of non-governmental organizations changed its status from a foundation to an association, and took over the responsibility for implementing the programme, which was subsequently renamed ACE. The CSOs distributed cash grants to poor households—approximately 200,000 in total—forming groups to administer the grants as revolving funds. The effectiveness of CRP/ACE in delivering the grants to local community groups and the effects of those grants on the livelihoods of recipients was fed back to UNDP only through summary reports from the local CSOs. An evaluation in 2006 suggested that the programme had contributed to reduction of poverty in Indonesia during the period 2001-2005, although it was not possible to establish a statistical correlation between CRP/ACE activities and the reduction in poverty.[22] What was established, however, was that UNDP helped the CSO community build a self-sustaining critical mass of community groups and support facilities in each of the regions where the programme was active.

The objectives of the two poverty reduction projects selected from the 2006-2010 country programme, PDP and TARGET MDGs, were

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[21] During the scoping mission, the ADR team proposed that the in-depth assessment should also include UNDP support to the Indonesian Partnership Fund for HIV/AIDS, but the ADR mission later found that UNDP had not contributed to the funding of the Indonesian Partnership Fund for HIV/AIDS and that its role had rather been that of a fund manager. Hence, at the analysis stage, the ADR did not consider it appropriate to assess the achievements of the Indonesian Partnership Fund for HIV/AIDS in this ADR.

[22] Bhattarai, DP, 'Evaluation of UNDP Outcome in Indonesia on Progress towards Poverty Reduction, Increased Capacity of CSOs to Address the Causes and Effects of Poverty. Long Term Sustainable Recovery from the Asian Financial Crisis for the Period 2001-2005', UNDP Jakarta, November 2005.

formulated in terms of: building capacity in government institutions—particularly at the local level—for monitoring and implementing human development as defined in the MDGs; and enhancing the capacity of CSOs to achieve tangible results in focus areas related to the MDGs. Cooperation with the CSO community for outreach is not only related to poverty reduction but also to projects aiming to improve the quality of local services and to increase the local ownership of the MDGs.

As an organizing concept for a programme for pro-poor development, the attainment of MDGs was well chosen in view of GoI's strong commitment to the MDGs and the way in which the goals help officials and communities focus on critical development issues. The UNDP approach was to help GoI make the development plans and government budgets at the district and regency levels pro-poor. This was achieved by training planning officials as well as stakeholders in CSOs and political bodies on where to find information on progress towards the MDGs, how to use it, and how to ensure that action plans and annual budgets support further progress. This approach was being tried on a pilot basis in a number of districts across the country, most widely under PDP in Papua, and UNDP plans to use the same approach in Aceh under its recently adopted Aceh Strategy 2009-2011. The TARGET MDGs Programme introduced pro-poor planning, budgeting and monitoring methodologies that enabled the pilot provinces to improve targeting of social policies and local budgets and, more important, led to the production of the National Guidelines on Pro-poor Planning and Budgeting, which gave the government an opportunity to take this methodology to scale across the country.

A weakness in this approach to building a capacity development initiative for UNDP may be that in practice it tends to focus more on outputs in terms of planning documents rather than on outcomes—real change in people's lives,

sustainable livelihoods and improved public services. The ADR found, however, UNDP has clearly contributed to raising the capacity for and standards of monitoring, planning and budgeting in those areas where the projects have been active.

The objectives of reducing poverty in Papua and West Papua are eminently relevant to Indonesia's development needs, since the two provinces are among the poorest with poverty rates greater than 40 percent. The PDP Project was designed after a participatory needs assessment process in 2004-2005, and its main purpose was to build capacity for development management, at the regency and province level as well as in the CSOs that deliver the grants for generating livelihoods. The project had a slow start due to common problems of budget and staff management in local government, but according to UNDP activity reporting, it has resulted in nine local action plans and two pro-poor medium-term development plans, supported by training of 500 officials and CSO representatives.[23] A review of the employment policies in cooperation with the International Labour Organization led to reforms benefiting the indigenous population.

UNDP is trying to raise standards and scale up efforts at the district and province level by inviting practitioners to share a best practice approach to planning and monitoring. It has to overcome many deep-seated obstacles in the bureaucracy, partly because the approach requires critical analysis and partly because the resource problems it identifies are political rather than management problems. Without local political support, there will be little incentive to maintain the effort.

4.1.2 EFFICIENCY

The rather turbulent decentralization of development management in Indonesia after the 1999 elections continues to create serious efficiency problems. Not only was the authority to take

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23   ROAR 2008, 1.7 Summary of Progress for Outcome 1.

decisions devolved to government agencies and individuals without the proper experience and training to handle it, but a very centralized system of government rules and regulations was suddenly replaced by locally designed processes that in many regions were changing in an unpredictable fashion. The challenges were greatest in the poorer provinces, where uncertainty about rules and a rapid circulation of staff hampered sustainable capacity building and made governance sometimes opaque.

The CRP/ACE to some extent bypassed these obstacles by delivering all grants through CSOs. A study was made by UNDP at the end of the project[24] comparing the effectiveness and efficiency of CRP/ACE with a similar but larger and more ambitious project called the Kecamatan Development Project, supported by the World Bank. CRP/ACE used its relative advantages in building a flexible and decentralized organization of community-based organizations with an outreach that in all likelihood was faster and more effective at the community level per dollar spent than the more centralized approach followed by the World Bank. While the Kecamatan Development Project had a broader range of objectives than CRP/ACE, its more complicated procedures required more time and facilitation, which raised programme costs per unit of delivery. The disadvantage of the CRP/ACE approach from the point of view of the project's strategic objectives was that it did not establish standardized rules and hence did not provide an institutional base for scaling up operations. In 2007, the Kecamatan Development Project was transformed into the National Programme for Community Empowerment (Mandiri), which provides country-wide support for infrastructure and social service on a scale that would have been impossible to attain with the CRP/ACE approach.

UNDP has been generally efficient in developing and disseminating methods and tools like planning systems and knowledge products supporting activities in the provinces. It has been less successful in rapidly and reliably deploying personnel and delivering equipment in remote districts and provinces due to its lengthy procedures, often compounded by those of GoI. The ADR team was informed that the programme office in Papua, for instance had to rely on the country office in Jakarta, and in some cases even on Headquarters in New York, to take decisions on recruitment and procurement. In some cases, financial problems have caused delays or revision of projects. Already at the start, TARGET MDGs was subject to a funding constraint that caused a reduction in coverage, with an inevitable setback to the efficiency of implementation. Similar problems have occurred with PDP in Papua, where part of the budget is supposed to be provided by the local government and even UNDP funds are slow to percolate through the financial system.

A high rate of local government staff turnover affected both efficiency and effectiveness of staff training in both projects. Difficulties in recruiting competent staff is a problem in Papua, and the mid-term review of CPD/CPAP in 2008 found significant shortcomings caused by vacancies and skill shortages.[25] This situation also had implications for the sustainability of UNDP investments. Delays in disbursements of grants to the CSOs inevitably led to interruptions, since smaller CSOs have no or limited cash reserves.

PDP includes an innovative component of engaging local UN volunteers in collaboration with the State University of Papua, but this activity has suffered from low efficiency due to a lack of competence criteria for the recruitment of candidates. Capacity development for 'junior' CSOs managed by the more experienced CSOs

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[24] Gujadhur V, 'The ACE and KDP: A Comparative Study of Two Community Driven Projects', UNDP/PMEU, August 2006.

[25] UNDP, 'Mid Term Review, People-Centered Development Programme, A Government of Indonesia and UNDP Partnership', July 2008.

was reported as inefficient by the CPD mid-term review, since the 'senior' CSOs were too busy with operational tasks. However, the ADR found that it now seems to be functioning better.

4.1.3 SUSTAINABILITY

In all externally supported development projects there is a trade-off between the ambition for major change and the potential for sustainability when the external support is phased out. This dilemma can become acute in the case of projects designed to reduce poverty, where both the institutional culture and financial resource allocations will be changed. Exit strategies must be based on incentives to assume ownership, both at the central government level and in the local administrations where policies affecting the poor are implemented. UNDP has generally built its exit strategies on capacity development and more rarely on changing the incentive structure.

The CRP/ACE Project created a sustainable CSO structure that is capable of delivering services to a sizeable number of local communities, a structure that can support government policies and programmes but not replace them. Methodologies like TARGET MDGs and pro-poor planning are attractive to planning officers to the extent that they facilitate their work and win recognition among higher officials and politicians. By setting quality standards for the local action plans, UNDP made commendable efforts to offer incentives for good results. It is unclear, however, what will happen when the more ambitious approach to planning will have to be funded by local government resources. So far, not many local politicians have been engaged in the project.

In the case of PDP in Papua, interviews by the ADR team and the CPD mid-term review indicate that ownership among participants and beneficiaries differs between components. One lesson learned in this region is that it takes time for any project in Papua to win the confidence of all stakeholders, and the ADR team suggests that this threshold has now been crossed, with

stronger partnerships forming between CSOs and local authorities. BAPPENAS also has a strong sense of ownership, which is a great asset. The recruitment of more nationals than internationals has strengthened the sense of local ownership, even though the mid-term review saw some disadvantages from the point of effectiveness.

The techniques of pro-poor analysis and planning have been adopted by some local staff, but their value is not generally understood, and their sustainability is uncertain. However, there are signs that the provincial and regency authorities are beginning to see PDP resources as their own, which could signal new directions and increased sustainability for the effort.

4.2 PROMOTING DEMOCRATIC GOVERNANCE

The programme on promoting democratic governance has maintained a steady level of expenditures during the period, with a peak in 2004 when UNDP played a critical role in supporting the 2004 election. In 2008 it was the largest programme amongst the four.

The projects selected for in-depth assessment include two large projects in size that supported the election processes in 2004 (Elections 2004 Support Programme) and 2009 (Elections Multi-donor Project 2008-2009). Another major project that continued through both cycles was the PGRI, which functioned both as a think tank and an incubator for reform proposals. The Building and Reinventing Decentralized Government (BRiDGE) Project engaged local communities in a dialogue about improving the quality of health and education services and lasted from 2004 to 2008. Two projects aiming to build grass-roots support for access to justice were started in the present cycle, Legal Empowerment and Assistance for the Disadvantaged (LEAD) and Strengthening Access to Justice for Peace and Development in Aceh (Aceh Justice Project). The Aceh Justice Project was linked to the peace process in the province.

4.2.1 EFFECTIVENESS

The objectives of the programme on promoting democratic governance have been to strengthen democratic institutions by developing capacity, increasingly focused on local levels. Improving the delivery of public services has been an important aspect of the objective, particularly through the promotion of community participation. Increased participation of citizens and local communities in the political processes has been another important aspect of the programme, applying a multi-stakeholder approach to most if not all its projects.

The Support to Indonesia Elections 2004 Project was designed to coordinate all foreign technical assistance to the electoral process; help mobilize resources for election assistance; provide support to electoral management, focusing on capacity building within the national, provincial and district election commissions; and provide support to the National Elections Commission for implementing voter education and information programmes. While UNDP was directly involved in many aspects of mobilizing support for and organizing the 1999 elections, its role as well as the donor support was progressively reduced in the 2004 and 2009 elections, with GoI and the independent General Elections Commission managing the process. There were separate elections for the president's office and for national and regional bodies, a huge operation that entailed the training of 5 million poll workers and an electorate of 150 million handing in approximately 1 billion ballots. Both the 2004 and 2009 elections were successful from the point of view of the integrity of the process and contributed to a gradual stabilization of the political climate.

Apart from mobilizing and coordinating donor support for the trust fund, the role of UNDP was to train officials engaged in all parts of the process to engage CSO networks in reaching out to the public with official voter information, and to support the production of voter information material. An evaluation of the 2004 Elections Project[26] concluded that the assistance provided by the international community helped ensure a better trained electoral administration and staff, a better informed public as regards the new electoral systems and voting procedures, and a smoother and more transparent administration of the electoral process. On the whole, UNDP support "provided significant support to the consolidation of Indonesia's democratic transition through its assistance to the 2004 electoral process."

The objectives of the UNDP Election Multi-donor Project 2008-2009 were to: strengthen the capacity of the National Elections Commission and 400 district election commissions round the country; promote political participation and voter education; and support inter-ministerial and donor coordination. UNDP did not mobilize more than half of the funds it deemed necessary for maintaining the quality of support in this round of elections, partly because the donors felt that GoI had now built sufficient capacity to manage the process on its own, and partly because many donors preferred to support their bilateral implementing agencies. The shortfall led to less involvement from the CSOs than GoI and UNDP had desired, but the objectives were achieved according to the work plan and the operational counterpart in BAPPENAS expressed satisfaction with the final outcomes. UNDP commissioned a comparative evaluation of election support delivered by the international agencies in January 2009, which gave UNDP a satisfactory rating for effectiveness.[27]

The PGRI Project was launched in 2000 after the significant 1999 elections, with the general purpose of promoting governance reform in areas such as anti-corruption, decentralization, civil service reform, legal and judicial reform,

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[26] Nelson S, Juliani L, 'Programme Evaluation, UNDP Election 2004 Programme, Final Report', Jakarta, October 2004.

[27] Indonesian Foundation to Strengthen Civil Society Participation, Initiatives and Partnership (YAPPIKA) Team, 'An Assessment of International Donors' Support for the 2009 Election', Jakarta, January 2009.

security and police reform, and representational reform. By using its existing partnerships with Indonesian CSOs and civic leaders (one of them now the current president) and international donors, UNDP created a space for engaging all forces supporting the ongoing political and institutional reforms. Its governing board was originally composed of Indonesian eminent persons, UNDP, World Bank and Asian Development Bank, and ambassadors from donor countries, but its governance and secretariat became increasingly Indonesian. In 2003, the Partnership became an Indonesian non-profit institution, still supported by UNDP and the donors. Because of generous external funding, the Partnership could undertake serious studies on subjects that were too sensitive for official GoI agencies, and it could give technical assistance to pilot projects undertaken by CSOs as well as GoI institutions.

Several major government reforms germinated in the Partnership. According to reports confirmed by an evaluation carried out for UNDP in 2006[28], it was instrumental in building the necessary commitment for creating the National Anti-corruption Commission and getting the institution off the ground. It facilitated the Law Summits Process that helped secure the commitments to legal reforms of key officials in justice sector institutions, like the establishment of the Judicial Commission and the ombudsman offices. The Partnership supported several research projects by universities and non-governmental organizations to review certain aspects of police operations, and it influenced important aspects of police reform. Despite these positive results, the 2006 evaluation concluded that the Partnership could have been even more effective if it had ensured that different lines of activity had supported each other in a more coordinated manner and followed a comprehensive reform strategy.

Access to justice is strategically relevant to all pro-poor development, and UNDP prepared

itself well by undertaking thorough field work for its LEAD and Aceh Justice Projects. LEAD has mapped out the needs and attitudes among poor and vulnerable communities in five provinces and engaged CSOs in giving them legal assistance. LEAD has also assisted the Ministry of Law and Human Rights in raising the level of technical expertise and in involving the public in legislative processes and supported the participatory preparation of a National Strategy on Access to Justice, which was launched in October 2009 and will be part of the 2010-2014 Medium-term Plan. The Aceh Justice Project supports seven CSOs that assist poor claim holders. It has also conducted legal awareness campaigns and developed training material for the formal and informal justice systems. It demonstrates that significant contributions can be made to governance reform with relatively small resource inputs, provided that they are sharply focused on problems of strategic importance.

Over the years, UNDP has used an approach of multi-stakeholder engagement for generating dialogue between agencies delivering public services and their users in the form of CSOs and other local stakeholders. One example of this was the BRiDGE Project. Like other attempts to 'reinvent' government that were made at the time, it aimed to encourage public agencies, in this case schools and health centres, to engage in substantive dialogue with users, civil society and local media about the quality of services and what could be done by both sides to raise them to an agreed minimum standard. The project was designed to support decentralized public services as well as the rights-based approach, and thus was highly relevant. Unfortunately, it got off to a slow start, and by the time it was beginning to produce a constructive dialogue it had run out of funding and had to close down. One problem that had not been foreseen in the design was that local discussion about the quality of services would inevitably raise issues of resource allocations.[29] To be effective, an intervention of this type should

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28   'Outcome Evaluation: Agenda for Governance Reform in Indonesia 2000-2005', Final Report to UNDP, April 2006.

29   Wicacsono Sarosa and Hizrah Muchtar, 'End of Project Evaluation, BRiDGE', Jakarta, December 2007.

be able to fall back on other support measures, through UNDP or local government resources.

4.2.2 EFFICIENCY

There are some general efficiency problems that occur in many UNDP projects, the Governance Programme not excluded. Some of them are systemic and may not be easily revealed by UNDP management information systems, but they have been referred to by donors supporting the programme, some of which made comparisons with their own bilateral programmes. While UNDP is usually very efficient in its dealings at the central level with other partners and GoI agencies—in particular with BAPPENAS—its delivery of support for projects is regarded as slow and not cost effective. Long chains of authority delay decision making in the country office and, in particular, when Headquarters in New York is involved. A high turnover rate among project management staff has also been noted as a contributing factor.

These concerns were not raised about the Election 2004 Support Project or PGRI. In the case of the PGRI, the evaluation of the project raised concerns about UNDP managing the two different parts of the PGRI (the facility and the trust fund) as two separate projects without creating synergy by letting one activity support the other. Conversely, the Elections Multi-donor Project 2008-2009 was affected by slow delivery, in one case to a degree that jeopardized the objectives of the project (when information material was delivered too late to be of any use for an information campaign). The Aceh Justice Project was very slow to get off the ground primarily because of delays within UNDP administration. Even more serious delivery problems affected the BRiDGE Project, which was unable to catch up with time lost in the first half of the project period, even though it began to show promise in the second half.[30]

4.2.3 SUSTAINABILITY

The outcome evaluation of the 2001-2005 Governance Programme found a high degree of ownership in some of the major projects like the Election Support 2004 and the PGRI, while there were some difficulties with a number of smaller projects that lacked an exit strategy and had not managed to institutionalize their achievements.

In the 2006-2010 Governance Programme, the same pattern seems to have been replicated. The Elections Multi-donor Project was an example of a successful and gradual exit, through which the technical support for the National Elections Commission, the Election Supervisory Committee and the training of poll workers were fully taken over by GoI and managed with minimal technical assistance from UNDP in 2009. There remains a mutual interest in institutionalizing the civic education part as a final step in mainstreaming the functions for which UNDP mobilized international support.

After a partly donor-driven start, the PGRI soon developed into a forum that was owned by Indonesians. But the absence of a clear exit strategy shared by all partners led to a leadership crisis that could have wrecked the project. A sustainable solution was found by establishing the PGRI as an independent non-profit institution, funded by voluntary contributions. The PGRI is trying to find its niche as a think tank and an implementing agency for pilot undertakings in the governance field. To some extent, it will compete for funding from the same donors that are supporting the UNDP Governance Programme. There is a need for UNDP to be careful to avoid crowding its own offspring out of that market.

The remainder of the Governance Programme had more mixed findings. The two projects, LEAD and Access to Justice, have developed a good base in local communities and institutions. The adoption of a National Strategy on Access

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[30] Ibid.

to Justice has given them the official recognition they require to continue their progress in building capacity from the bottom of the judiciary system. A number of smaller pilot projects have been less successful in institutionalizing their achievements and building ownership, even though most of them have used the time-honoured approach of engaging the community-based organizations in dialogue with government agencies. Apart from the more ambitious BRiDGE Project, this seems to hold true for other projects like Enabling the Partnership for Local Government Reform Through Inter-governmental Cooperation and Breakthrough Urban Initiatives for Local Development. Unclear exit strategies seem to be one reason why some of those projects failed to leave any institutional traces behind. In a few cases, including support to a parliamentary body, the stakeholder analysis failed to discover that some host agencies had an agenda that differed from the objectives of the project. The pattern of abandoning pilot projects without sustainable results replicates a weakness already found in the 2001-2005 Governance Programme.

The financial uncertainty inherent in UNDP's highly leveraged programme funding is also a factor that can threaten both sustainability and effectiveness. Pilot projects like BRiDGE have, in more than one case, been terminated at a point when they have started to yield results, because the commitment of funding was too strictly limited in time. At the time this report was being developed, an unexpected acute bridging problem had occurred in the strategic project Aceh Justice, the premature demise of which would be a severe setback for all parties involved.

4.3 SUSTAINABLE ENVIRONMENT AND EFFECTIVE USE OF ENERGY

Compared to sustainable natural resource management, the effective use of energy has been the latest focus of the programme in the environment unit, following the climate change discussion at COP 13 in Bali. Therefore, the effective use of energy has been relatively small in size. Nevertheless, the programme has helped set up the baseline conditions for promoting renewable energy use and efficiency in Indonesia and facilitated GoI to access Global Environment Facility (GEF) funding on renewable energy.

The projects chosen for in-depth study in this sub-programme were directed towards the phase-out of ozone-depleting substances (ODS) funded by the Montreal Protocol and towards climate control through the Integrated Micro-hydro Integration and Application Project (IMIDAP) funded by GEF. Both projects were included in the two cycles under review. A smaller project from the first cycle, Capacity 2015 in Papua, was also chosen by the scoping mission, but the ADR team could not find sufficient evidence or interview sources for a results analysis of the project.

In the first cycle (2001-2005), the environment unit focused on complying with international agreements, such as the Montreal Protocol, and sustainable natural resource management programmes. In the second cycle (2006-2010), effective use of energy and climate change were added to the earlier focus.

4.3.1 EFFECTIVENESS

The expected outcome of the first cycle was formulated as "Increased capacity to formulate a comprehensive and integrated set of policies and legal framework for environmentally sustainable development in the context of regional autonomy, with emphasis on good environmental governance." The UNDP outcome evaluation[31] in this area concluded that individual projects led by UNDP during the assessment period had contributed to achieving the desired outcome, particularly in the urban environmental management and ODS phase-out sub-sectors.

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31 Bansgrove AJ, Hendarmini M, 'Outcome Evaluation, UNDP Indonesian Environmental Management Programme, Strategic Results Framework 2001-2003 and 2004-2005', UNDP, December 2004.

However despite UNDP contributions, the evaluation concluded that progress towards achieving the outcome within each sub-sector over the evaluation period had been mixed. While urban environmental management showed only slight progress towards achieving the outcome, the ODS phase-out showed significant progress. Yet from a broader environment-sector perspective, there was not significant progress. Despite ongoing efforts, environmental degradation in Indonesia has continued, and according to some external observers, the situation has been getting worse. The environmental management capacity to respond to these issues has likely deteriorated or at best remained stable, but this bleak assessment can not necessarily be considered a failure of UNDP.

The expected outcome of the Environment and Energy Sub-programme in country programme 2006-2010 was formulated as follows: "By 2010 improved environmental living conditions and sustainable use of energy in Indonesia, and establishment of sustainable living conditions in the poorest provinces." The outputs were formulated in terms of frameworks, action plans, regulations, and national capacity for implementing international conventions.

Activities directed towards this outcome have taken place through numerous projects, including the IMIDAP, Capacity 2015 in Papua, and Support to Indonesia's Implementation of the Montreal Protocol.

The IMIDAP Project was implemented between 2007 and 2010 with a budget of USD 3.012 million. Its partners include UNDP, GEF (as a donor), the Directorate General of Electricity and Energy Utilization, and the Department of Energy and Mineral Resources. The project's objectives are to: increase the micro-hydro business opportunities for local SMEs; implement a number of community-based micro-hydro projects in rural Indonesia; and increase private

sector and rural community interest in joining project implementation. On a small scale, the project has helped accelerate commercialization and growth of renewable energy in rural Indonesia. It increased micro-hydro manufacturing businesses from 6 in 2005 to 11 in 2008. Local developers are reported to have secured agreements with the state-owned electricity company for electricity distribution. IMIDAP reduced more than 280 kilotons of greenhouse gases nationwide through 2008 through technical and engineering training, institutional capacity building, and business development services provided to the micro-hydro stakeholders.

The project is far sighted and focuses on stimulating a scalable and viable model for energy generation. Awareness of renewable energy options, like micro-hydro, are growing and the Directorate General of Electricity and Energy Utilization has asked local governments to identify micro-hydro as an important option for rural electrification. Micro-hydro is an important example of low-hanging fruit that UNDP has successfully plucked. The importance of work in this area and this well-targeted initiative suggests that UNDP is in tune with its comparative strengths. The IMIDAP Project was effective in terms of developing a concept to meet a growing need—energy—based on a local asset such as moving water. UNDP expanded the access of local authorities and businesses to micro-hydro energy. However, micro-hydro work supported by UNDP was not fully coordinated with the national plans for settlement development and building construction.

The project[32] regarding the phase-out for the elimination of chlorofluorocarbons (CFCs) was implemented as a partnership between UNDP, the Ministry of the Environment, and the Multilateral Fund between 2003 and 2009 with a budget of USD 12.820 million. The project's aim was to see changes in production and import systems to ensure that CFCs are no longer a part

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[32]   In the ADR, it is presented as a single 'project' for the purpose of the assessment, although in Atlas, it is presented as multiple 'projects', which correspond to various components of this particular intervention.

of the Indonesian production and service scheme for refrigeration products. Through this project, UNDP was a central partner in the GoI phase-out of CFCs. CFCs have been banned since January 2008 per the Ministry of Trade.[33] UNDP has been working with the GoI to reduce the national level of CFC consumption, while also coordinating with local level groups to change the actions of small- and medium-scale manufacturers and service providers.

Key reported results were: the establishment of a National Ozone Unit; more than 400 companies assisted and trained to use new technology; more than 500 CFC recycling units distributed to workshops and service providers across provinces of Indonesia; 113 CFC recycling units distributed to training institutions; more than 2,000 technicians exposed to international knowledge on ozone protection and ODS and trained to use updated technology; government officials trained in-country and abroad to ensure their monitoring activities on ODS imports and exports were in accordance with the Montreal Protocol; and increased public awareness of ODS and its impacts on human health and environment. UNDP coordination with the World Bank on CFC projects worked well and most targets were achieved. The three agencies—UNDP, World Bank and United Nations Industrial Development Organization—organized the national level work clearly and had their own budgets and direct links with the relevant GoI departments.

4.3.2   EFFICIENCY

Interviewees pointed out that there were instances where UNDP slowed down when it should have accelerated its efforts after the 2007 Bali conference—a time when donors were open to ideas, follow-up and more proposals. The "ramping up of efforts" took too long in the eyes of some observers. However, given the large amount of funding involved, the Indonesia Climate Change Trust Fund is a politically

sensitive process, with many actors angling to be part of the action. UNDP is now using its neutral standing to bring together not only external institutions but also departments within ministries to push environmental financing capacity of Indonesia.

Overall project duration estimates and schedules were often too ambitious. Almost all projects took longer to begin than anticipated but picked up momentum in a short time. Planned outcomes were complex and often involved a range of stakeholder processes. Staff members were required to comply with many administrative tasks, taking time away from technical work. The efficiency was often low due to longer procurement processes required of national execution projects, and there were some instances where approval from Headquarters further delayed the process.

4.3.3   SUSTAINABILITY

The projects in this programme were designed to address long-term issues and many were developed with the GoI to ensure ownership. In general, UNDP has succeeded in building sustainable national capacity, an enabling environment, and individual capabilities in energy and environment. The projects under review have set into law approaches that contribute to a healthier environment, and most of the local governments and related agencies now possess sufficient capacity to implement ODS regulations. The Ministry of Environment is capable of enforcing the ban on CFC imports. UNDP has also contributed toward the removal of barriers against locally produced sustainable energy and electricity. However, the sustainability of some capacity development efforts was questionable, particularly when UNDP brought in foreign consultants who took the capacity with them when they left.

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33   Ministry of Trade, Regulation no. 24/M-Dag/Per/6/2006 on the Import of ODS, effective 1 January 2008.

4.4 CPR

The programme in CPR was relatively small until 2005. Relief and reconstruction in Aceh and North Sumatra claimed the majority (between 55 percent and 65 percent) of the programme expenditures during the second programme cycle.

One project was selected from the first cycle for in-depth assessment: the Post-conflict Recovery Project in North Maluku and Maluku 2001-2004. The PTD Project for North Maluku, Maluku and Central Sulawesi 2005-2010 continued supporting this recovery effort by engaging the affected communities in crisis-sensitive development activities. The UNDP Emergency Response and Transitional Recovery (ERTR) Programme was one of the first full-scale programmes to be established in the aftermath of the disaster in Aceh and the island of Nias. It was also UNDP's biggest programme in the cycle in terms of delivery. Technical assistance to the Agency for the Reconstruction and Rehabilitation of Aceh and Nias (BRR) was closely related to the ERTR and has been included in the in-depth assessment, with references to the Tsunami Recovery Waste Management Programme and the support given to the 2008 Master Plan for Reconstruction and Rehabilitation of Aceh and Nias, Aceh Government Transformation Project. The ADR has also selected the Safer Communities through DRR in Development 2007-2011 Project, which was designed to make DRR a normal part of the development process, especially at the local level. The project contributes to a Joint UN Strategic Plan on DRR for Sustainable Development.

4.4.1 EFFECTIVENESS

UNDP has been successful in reaching programme output targets in CPR. According to project progress reports, UNDP helped provide shelter for more than 2,000 households and basic services to 4,000 home-based enterprises. The relief and rehabilitation work entailed 218,636 worker days. Average participation in road rehabilitation and maintenance works was 73 percent men and 27 percent women. Living standards reportedly[34] increased beyond pre-tsunami levels, although the ADR was not able to establish a causal link to reconstruction aid or specific UNDP interventions. Capacity development support provided by UNDP helped BRR successfully complete a large number of reconstruction projects. Seven districts were supported to implement the reintegration strategy, which benefited a total of 2,000 individuals.

Yet, output achievements did not fully equate to accomplishment of the broad programme outcomes, which called for wider results. For example, development of disaster management legislation was a relevant output and is critical for national effectiveness, but does not ensure that "capacity of government and civil society for disaster preparedness and reduction" is developed. This issue is an equal challenge at the outcome level. The achievement of the set targets indicates government and CSO capability to design and implement crisis sensitive development responses. But a longer term observation will be needed to observe the GoI ability to independently lead action in these areas. The GoI response to the Padang earthquake in October 2009 will show how this outcome is achieved.

The North Maluku and Maluku Recovery Programme aimed to assist the return of internally displaced persons after the ethnic unrest in an atmosphere of reconciliation and to rehabilitate community-level infrastructure and public services. It also aimed to promote social and economic activities, particularly involving the most vulnerable parts of the population. An independent assessment commissioned by the Netherlands Embassy in 2004[35] found

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[34] Swedish International Development Agency, 'A Ripple in Development? Long Term Perspectives on the Response to the Indian Ocean Tsunami 2004: A Joint Follow-up Evaluation of the Links between Relief, Rehabilitation and Development (LRRD)', May 2009.

[35] Griffin R, Nasution I, Widyastuty D, Siregar I, 'The Royal Netherlands Embassy of Indonesia's Assessment of the UNDP North Maluku and Maluku Recovery Programme (INS/01/A29)', March 2004.

that observed and reported results were satisfactory for most infrastructure and CSO community-based work, but weak in the area of livelihood promotion. Since the programme objectives were never expressed in terms of expected results and benchmarks and indicators were not identified, the Dutch assessment found it impossible to make an objective evaluation of the project achievements.

The PTD Project builds on partner experience with conflict resolution in the North Maluku and Maluku Recovery Programme and aims to strengthen governance capacity in conflict-sensitive planning. Covering aspects of peace-building, government capacity, and economic opportunity, PTD relates closely to several aspects of the GoI work to achieve the MDGs and the RPJM, which emphasizes creation of a safe and peaceful Indonesia. The project has resulted in an academic draft of conflict management legislation; integrated conflict-sensitive planning in two districts, including conflict sensitivity training of 255 women leaders and 25 local government officials; and contributed to the *musrenbang*[36] process. BAPPENAS allocation of funding for PTD monitoring and evaluation indicates the process is perceived as valuable for local needs. However, minimal involvement of additional stakeholders may be limiting effectiveness, and security officials and media are insufficiently engaged.[37] The effectiveness of using the English name of 'Peace Through Development' with local communities that do not know what it means was also brought into question. So far, the emphasis has been on development rather than on peace, which may be a good tactic for beginning but not sufficient for a successful completion next year.

The Safer Community through DRR Project directly and logically works toward CPAP output 4.2, "Capacities of government and civil society for disaster preparedness and reduction developed." Activities such as the following indicate significant progress towards country programme output 4.2, "Enactment of Disaster Management Law 24/2007 in April 2007; the National Action Plan on DRR for 2006-2009 developed and a mid-term review available in Bahasa, Indonesia; guidelines for a community-based disaster risk management framework endorsed by the Disaster Management National Agency (BNPB); and institutional systems in project coordination and implementation support in BAPPENAS and BNPB."

Outputs have reached higher levels of completion in national-level activities and have made less progress (in terms of indicators[38]) on community and local outputs. This was corroborated in interviews with donors. This may be the planned sequence but may also indicate difficulties in the programme reaching local stakeholders. The intention to work with local CSOs caused challenges as "the programme often found that the existing CSOs in the areas do not have adequate knowledge and/or experience for implementing community-based disaster risk management activities."[39]

Significant progress was made towards outcome 5, "Achieving transparent reconstruction in Aceh and North Sumatra." Interviews confirmed that CPAP targets are largely met or exceeded as reported in UNDP ROARs. But the translation of targets to outcomes is not direct. The achievement of 230,000 person-days of employment is a short-term output and indirect proxy for overall recovery of livelihoods or the outcome on transparent reconstruction. Wider data would

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[36]   The local development planning process.

[37]   Eri Trinurini-Adhi et al., 'Final Report of Mid Term Review, Peace Through Development Project', Jakarta, June 2009.

[38]   UNDP and BAPPENAS, 'Safer Communities Through DRR (SC-DRR) in Development Programme, Progress Report November 2008-April 2009', May 2009, pp 7-17.

[39]   Ibid, p 16.

be needed to determine to what extent livelihood and economic infrastructure is recovered and through what process this has been done. A comprehensive medium-term assessment on linking relief, rehabilitation and development[40] project found that while poverty has decreased in Aceh Province since before the tsunami, livelihood improvements were not a result of external reconstruction aid.

Through the ERTR Project, UNDP has achieved the planned number of beneficiaries in this project, if not more. BAPPENAS estimated that more than half of the beneficiaries were needy women. ERTR has reached the most affected livelihoods, including fishermen, farmers, small traders and urban casual labourers.

Regarding the Tsunami Recovery Waste Management Programme, field interviews confirmed project reports that the work has reached out to the people, done something concrete, built rapport with the local people and the administration, and created the visual impact that was psychologically valuable to help communities see that recovery was progressing. BRR found the early visual impact of the cleaning important. The local administration found the growing scale on which the work was being done impressive. Two donors found the seamless move from debris cleaning to waste management efficient. The CSOs in Aceh valued that money was directly going to needy and local people in the early days of recovery causing "capital formation at the household level." BNPB found that it would be useful to understand the economic impact of this work on the local economy.

UNDP technical assistance to BRR through the Technical Assistance to BRR Project has been effective in building the organization's capacity to lead recovery. BRR has coordinated more than 12,000 projects with more than 60 bilateral and multilateral donors and hundreds of non-governmental organizations. More than 94 percent of the programmes outlined in the original master plan have been completed.[41] Still, as of May 2009, there were more than USD 800 million worth of projects in the process of being undertaken. Outcome 5 emphasizes transparency. Two publications have been produced on good practice in BRR, but there has been no public report on the effectiveness or completion of BRR activities.[42]

More complementarity is possible between different UNDP thematic areas. UNDP work with its partners addresses risk but could do better to target those most at risk and the poor. The mid-term review of CPD/CPAP 2006-2010 recommends combating poverty as the first of five priorities for recovery in Aceh and Nias. However, the poor are not at the centre of many DRR efforts.

4.4.2 EFFICIENCY

Within CPD output areas, the ADR found that projects tend to be planned and implemented independently from each other. Within these projects, components were also often implemented independently. While this pillaring is helpful in focusing on specific achievements at the programme level, it creates inefficiency in terms of overhead costs. For example, in PTD, crisis-sensitive planning and peace-building were not clearly linked and, within ERTR, output components are managed around four areas: cash for work, livelihood recovery, shelter and capacity building.[43] Although these components

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[40]   Swedish International Development Agency, 'A Ripple in Development? Long Term Perspectives on the Response to the Indian Ocean Tsunami 2004: A Joint Follow-up Evaluation of the Links between Relief, Rehabilitation and Development (LRRD)', May 2009.

[41]   UNORC. 'End of an Era—BRR Closes its Doors', May 2009, available online at: http://reliefweb.int/rw/rwb.nsf/db900sid/MUMA-7T68KB?OpenDocument.

[42]   With the exception of the overall MDF review.

[43]   UNDP Indonesia and BAPPENAS, 'Assessment Mission Report Emergency Response and Transitional Recovery Programme', draft, December 2007.

all relate to CPD outputs 4 and 5, they are implemented independently of parallel support in these areas and many have different donors. In some cases, results have been coordinated across projects. For example, gender-sensitive reporting has been included in wider development projects more recently, including Phase II of the Technical Assistance to BRR Project and joint land titles between husbands and wives have been possible through the ERTR Project.

Project duration estimates and schedules were found to be ambitious. As was the case in the environment and energy programme, many projects took longer to begin than anticipated but picked up momentum in a short time. Additionally, peace-building and institutionalization of development are slow processes that take several years. Planned outcomes are complex and often involve a range of stakeholder processes.

UNDP has made significant progress towards results-based management. Earlier projects such as the North Maluku and Maluku Recovery Programme, formulated in 2001, stated 'objectives' but did not translate these into statements of desired outcomes or outputs. This made result monitoring "not possible"[44] and reviews became collections of best practices. The 2004 assessment of the North Maluku and Maluku Recovery Programme found that the programme included too many small and unrelated sub-projects to be efficiently managed.

Strategic engagement with a larger number of CSOs can be expected to enhance programme efficiency. Many CSOs are working to address human rights, gender equality and CPR, and UNDP may work with the government to convene these common interests towards specific programme outputs.

4.4.3 SUSTAINABILITY

The ADR found that UNDP projects in CPR were designed to ensure a high degree of sustainability. This has been achieved through responses to clear priorities, targeted support to government, and leveraging the resources of markets and other partners. The earthquake and tsunami in 2004 resulted in a strong national commitment to manage successful and broad disaster recovery. The government revised the BRR to lead the recovery process and coordinate government and donor support in doing so. The government requested UNDP support in organizing BRR to fulfil this national need, and technical assistance was designed to assist the GoI in achieving this.

Sustainability of development support can be achieved when designed to be absorbed in ongoing government work. The projects Technical Assistance to BRR, Safer Community through DRR, ERTR, PTD, and the North Maluku and Maluku Recovery Programme were all designed with considerable governmental financial investment and were organized around established government institutions. UNDP support has explicitly targeted government capacity development through departmental organization, staff training, management development and assistance in needs assessment. In the case of BRR, the Technical Assistance Project became possible through relations established in ERTR.[45] Since all projects were not designed to be fully sustainable, beyond technical assistance, it was decided that BRR would require additional support through the Aceh Government Transformation Project for transition to mainstream institutions. This presented a good example of DRR projects leading almost seamlessly to regular forms of local governance.

UNDP has also designed projects for sustainability through creating market-based components that generate revenue and by engaging partners with significant resources. The Tsunami Recovery

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44   Griffin et al., op. cit.

45   UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009.

Waste Management Programme and Aceh Partnership for Economic Development have created processes that employ local authorities and cooperatives to generate marketable services and products. Since these processes were created, they have employed more than 50,000 people in pursuit of outcomes 4 and 5 in CPR. These, and other, project components have attracted bilateral and multilateral support and publicity. These outputs indicate UNDP capability to design projects with processes that are viable beyond project duration.

CHAPTER 4. CONTRIBUTIONS TO DEVELOPMENT RESULTS

Chapter 5

STRATEGIC POSITIONING

5.1 STRATEGIC RELEVANCE AND RESPONSIVENESS

UNDP country programmes were developed in close cooperation with GoI in a process that ensured that projects and initiatives were aligned with the government's plans and priorities.

A good example of UNDP using accumulated social capital in the form of global experience, GoI confidence, and strong partnerships with civil society and international donors, is the Governance Programme, which responded to a number of urgent requests from GoI and attracted support from many international donors. UNDP involvement in the election process was obviously key to this position, although its scope has been reduced in pace with growing Indonesian capacity to manage the process. It spawned a number of highly relevant projects. The most strategically important among them was the Partnership for Governance Programme, which built on UNDP networking skills and contributed to maintaining the agency's strategic position in the development dialogue well into the 2006-2010 cycle. Promising attempts were made in the second cycle at deepening democracy, multi-stakeholder management of public-service delivery, and access to justice for poor and vulnerable groups. Many of those projects addressed relevant problems, but some of them suffered from unreliable or short-term funding or were not effectively delivered. The Governance Programme's most promising positioning during the later period seems to be for access to justice, which resulted in an official strategy, largely based on UNDP work.

Another good example of rapid response and strategic positioning was disaster relief and reconstruction in Aceh. Thanks to its close relations to BAPPENAS and the swift establishment of MDF, UNDP was operational in Aceh at an early stage and developed close contacts with the local government and CSOs. The ERTR Project opened relations with policymakers in the administration and with institutions, and the Technical Assistance to BRR Project provided access to institutional structures. After two years of successful clearing and reconstruction work, UNDP helped the local government prepare for taking over the management of the reconstruction programme, positioning UNDP through the Aceh Government Transitional Programme (AGTP) for more long-term support to the provincial government's development planning and public-service delivery. Its involvement in legal and institutional reform is key to building a more peaceful and equitable society in Aceh.

The Programme for Poverty Reduction and Achievement of MDGs got off to a very well-positioned start in 2001, continuing and completing a successful implementation of the CRP, which played a central role in Indonesia's ambitions to engage civil society in restoring livelihoods in communities affected by the Asian Financial Crisis. CRP also built strong partnerships between UNDP and the Indonesian CSOs, which were essential for a number of community-based programmes in all the four major programmes. The GoI is committed to achieving the MDGs, and UNDP found the task of assisting GoI in monitoring MDG achievements at both central and local levels to be of high strategic relevance. UNDP placed MDG monitoring at the centre of its pro-poor development efforts, which has been very useful in demonstrating to planners and the general public the strengths and weaknesses of public policy. The main component in the programme now at the end of the cycle is the PDP Programme in Papua, which is being integrated into a joint UN

effort to raise living standards in a region with some of the highest poverty rates in the country. This is an undertaking for the long term, and its relevance can't be questioned.

While UNDP has positioned itself in a technically important niche in development planning, there is no evidence that it has managed to influence the policy parameters that ultimately determine the outcomes of the government's development plans and budget allocations. Important economic policies seem to have been decided and budget allocations made without substantive inputs from UNDP.

The UNDP Energy and Environment Programme has addressed problems that are relevant to sustainable development, in particular climate change and ozone depletion. However, the projects have not been large or innovative enough to give UNDP a strong strategic position. UNDP in Indonesia has to a large extent relied on the GEF Small Grants Programme and the Montreal Protocol to fund its programme. This was not a very proactive way of positioning that, in many cases, left project formulation to other actors. Rather than gaining strength through sharpening its focus, the operational programme scattered into a large number of very small projects.[46]

At the policy level, UNDP has supported Indonesia in leading the global Climate Change agenda through the 2007 United Nations Framework Convention on Climate Change Bali Conference; helping the government develop its Climate Change Plan of Action; and recently working closely with the government to establish the Indonesian Climate Change Trust Fund by facilitating policy dialogue and the design of key Trust Fund components. Further, imports of ozone-destroying substances were banned in 2008 and the Ozone Layer Protection Programme is being applied in all provinces. Innovative alliances with the private sector

and UNDP regional initiatives have resulted in piloting sustainable forest and resource management in eight key provinces: Aceh, Nias, Lampung, South Sumatera, West and East Java, Central Sulawesi, and East Nusa Tenggara. UNDP advocacy of sustainable development attracted public attention to the plight of the poor through the publication of 'The Other Half of Climate Change'.[47] On climate change mitigation, various initiatives on renewable energy and energy efficiency are starting up, including a bold scheme to label household appliances with energy efficiency ratings.

As will be explained further in section 6.1, UNDP has also assumed a lead role in making technical cooperation work more effectively in line with the Jakarta Commitment, Indonesia's application of the Paris Declaration on Aid Effectiveness. Its position as manager of the Transitional Trust Fund for undertaking these reforms has given UNDP a special opportunity to show its usefulness to GoI and the development community at large.

The ability of UNDP to remain relevant by responding rapidly and appropriately to the country's emerging needs is closely linked to its ability to mobilize resources for proposed activities. UNDP core funding during the nine years under review amounted to little more than USD 55 million, which meant that its response to Indonesia's development challenges would be contingent upon its ability to mobilize additional funds from other donors, an aspect that will be dealt with in section 6.2.

5.2 PARTNERSHIPS FOR DEVELOPMENT RESULTS

UNDP has systematically and successfully developed its partnerships with GoI, multilateral and bilateral donor agencies, and with CSOs to support its development effectiveness.

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[46] Half of the 43 projects on the environment programme's project list for 2001-2009 had budgets less than USD 300,000.

[47] UNDP, 'The Other Half of Climate Change—Why Indonesia Must Adapt to Protect its Poorest', Jakarta, 2007.

Partnerships with government agencies at the national and local level have been mainly centred on BAPPENAS as the ministry that approves and most often implements UNDP projects and programmes. Over the years, this relationship has grown strong, based on shared values related to development planning as well as mutual familiarity. Its political neutrality and lack of obtrusiveness have given the United Nations a special position in the confidence of Indonesia, where relations with aid donors have sometimes been less cordial. The partners know that they can approach each other with a problem and be certain that their views will be given serious consideration, whether it is a request for project support or advice for producing better outcomes. Some outside observers have expressed concern that the partnership is perhaps so close that UNDP is unable to turn down a proposal from BAPPENAS, but the ADR did not find any indication of a systematic imbalance in the relationship. It has facilitated policy dialogue and has helped remove bureaucratic obstacles and make project management more transparent. UNDP's close access to BAPPENAS is also seen as an asset by some specialized UN organizations, whose main contacts with GoI usually go through sector ministries.

UNDP has also developed useful partnerships with local governments, through its provincial engagement in Aceh and Papua and through the Art Gold Indonesia Programme, which supports decentralized cooperation partnerships between Indonesian and European municipalities and regions. These partnerships will have to be strengthened in order to ensure full local ownership of operational projects.

UNDP cooperation with the World Bank has been important both for resource mobilization and for implementing projects, the latter in particular in connection with the reconstruction of Aceh. The World Bank contributed to and managed both the MDF and the Decentralization Support Facility, both of which financed UNDP projects. With the end of International Development Association credits for Indonesia, the World Bank is gradually withdrawing from funding traditional UNDP concerns, but it is likely to remain in the important role of manager of certain MDFs.

A major proportion of the funds for the UNDP programme in Indonesia come from bilateral donors. Every donor has its own objectives and constraints, and its reasons for choosing UNDP as a conduit are sometimes different from those of other donors. It is necessary for UNDP to develop long-term relationships with each potential donor, based on mutual confidence and a common appreciation of UNDP relative advantages. The major donors presently supporting UNDP projects in Indonesia see its strengths in its good working relationship with GoI, its accountability, and its network of partnerships. They are also aware of its weaknesses in terms of slow delivery, and they are disappointed when public recognition is not given to their sponsorship. On the whole, UNDP seems to have managed its relations with the donors well, judging both from their continued financial support and from the interviews undertaken by the ADR team.

During the whole period under review, UNDP has made a point of engaging with local stakeholders through CSOs, both for delivering services and grants to poor households and for monitoring the outcomes of public policy. UNDP already helped build capacity in CSOs through the CRP and is now using experienced organizations to build capacity among less experienced ones, for instance in Maluku, Papua and Aceh. These partnerships have helped UNDP both in extending the outreach of its delivery and in strengthening stakeholder involvement.

CSOs with different fields of specialization revealed that the smaller and financially less endowed organizations regard UNDP rules for expense reimbursements as a disadvantage, since they have to wait a long time to be reimbursed. Likewise, bidding for implementation of projects was only open to well-established organizations. The general finding, however, was one of

close and fruitful cooperation between UNDP and its partners. In coming years it is conceivable that the brunt of the UNDP programme will gradually shift from service delivery to policy analysis and advice, in which case the emphasis in its CSO partnerships should move in the direction of advocacy and innovation.

UNDP is also working with private-sector organizations and enterprises to stimulate pro-poor investment and sustainable development. This has been a feature of the rehabilitation programme for Aceh, and it is being practiced more widely by the Growing Sustainable Business Programme that is hosted by UNDP with participation from approximately 20 large private enterprises operating in Indonesia. Moreover, private enterprises have been actively engaged in the preparation of the CFC Phase-out Management Plan in Indonesia.

5.3 CONTRIBUTION TO UN VALUES AND CROSSCUTTING ISSUES

In addition to reviewing UNDP results against its own programme goals and Indonesia's development objectives, the ADR has also examined whether UNDP has contributed to the advancement of UN values, such as supporting the attainment of the MDGs and promoting a rights-based approach and gender equality. Other crosscutting concerns of importance to UNDP Indonesia programme are supporting capacity development for decentralization and South-South cooperation.

5.3.1 MDG

Indonesia has unequivocally adopted the MDGs as targets for its development planning and has invited UNDP to assist its efforts, both by making the planning instruments more effective and by mobilizing popular support. Working with BAPPENAS and BPS, UNDP has helped produce a series of national and regional human development reports and methods for monitoring MDG achievements at national and sub-national levels. In the PDP Project in Papua,

an approach to 'pro-poor development planning' was introduced that explained the relationship between planning targets, budgets and pro-poor outcomes to district planning officials and CSOs in a simplified manner. Intensive training efforts involving both officials and CSOs (but few local politicians) have resulted in planning documents of a higher quality, which UNDP is trying to replicate within Indonesia through other projects.

The focus on linking resource allocations to planning targets is welcome in a country where the planning and finance functions have often operated separately from each other. It is important that planning officials, politicians and civil society be able to follow this connection up to an analysis of outcomes, in terms of reaching the MDGs and reducing poverty. The analytical capacity of local administrations is still weak, and there is a risk that the objective of the whole operation is seen by participants as producing a planning document. The objective should be to demonstrate to participants the effectiveness of pro-poor planning on outcomes that are in some way verifiable.

It is important to point out that the UNDP model for laying down specific standards for the planning documents is a promising step towards providing a kind of quality assurance for the results of capacity development. Another means towards this end has been the attempts in many different projects (CRP, BRiDGE, Access to Justice and PTD) to encourage CSOs to monitor the quality of public-service delivery. When local communities set and monitor outcomes, this acts as powerful feedback on the results of capacity development. To deliver sustainable results, this approach requires an iterative process, with repeated reviews of achievements and revision of targets.

5.3.2 HUMAN RIGHTS-BASED APPROACH

In CCF 2001-2005, the UNDP approach to judicial reform in Indonesia was distinctly top-down, like in the support for the National Law Commission and for constitutional reform. In the CPAP 2006-2010, however, UNDP cited

the importance of an integrated rights-based approach as a priority for future programming: "UNDP will make conscious efforts to promote and apply a rights-based approach to development, by capacity building of claimants to exercise their claims and duty-bearers to fulfil their obligations." UNDP identified the CPD output 3.3 as "Enhanced access to justice and ability to comply with international human rights standards."

The multi-stakeholder approach involving CSOs and several levels of government has been deliberately used to apply a rights-based approach to the delivery of public services, like in the BRiDGE Project and the support for reconstruction of Aceh. The Aceh Justice Project has supported adherence to the Helsinki Memorandum of Understanding for peace in Aceh by building legal infrastructure, dialogue and awareness. The Aceh Justice Project increases access to human rights and human rights protecting agencies. Some efforts have organized and highlighted human rights issues in local *adat* (customary law), though the role of women and their rights is repeatedly questioned.

UNDP has worked to strengthen the capacity and role of CSOs in expanding human rights concepts and a rights-based approach to development. Of the 181 collaborating CSOs, several directly do human rights work and several do work that builds capacity for human rights. A short-term assessment against the baseline in the Aceh Justice Project indicates a 10 percent increase in those who report that they have access to justice. PTD is another project that focuses directly on rights. This project has facilitated a rights-based approach in conflict areas around land rights, basic education and basic services.[48] The Aceh Justice Resource Centre supports the government and CSOs with research services and roundtables around emerging challenges, including the recent debate on stoning women in public for adultery. The centre maintains links with Majelis Adat Aceh and others but does not have any joint work with the other three components of the Aceh Justice Project. This project faces a funding gap that may result in the discontinuation of the work of the centre when UNDP support ends.

Other UNDP projects contribute to rights-based development in unique ways. The Tsunami Recovery Waste Management Programme also covers the right to a safe and clean environment for recovering victims as well as the right to work after disaster for the communities who recycle the plastic bottles and other material. The MDF-supported Aceh Government Transformation Project goes deeper into governance and provides the conditions for future human rights initiatives as well as conditions for protecting human rights in recovery, development and conflict. The focus and emphasis on a demand-driven approach has greatly contributed towards this. Similarly, though the Aceh Partnership for Economic Development is about economic development, it also supports the rights of small coffee producers to access local and global markets. The Strengthening Sustainable Peace and Development in Aceh Project provided protection to the former combatants, supported the rights (through claims) of the conflict victims, and created human-rights enabling conditions through planned reintegration process.

New approaches have been developed through UNDP projects and partners on human rights, disasters and conflict resolution. The experience of the field staff and the partners is valuable but remains to be captured. There is a need to include building country office capacity as well as the knowledge of UNDP partners with international rights-based standards and helping CSOs monitor rights-based recovery. Several of the CPR team members mentioned the high value of the experience for future programme planning, especially capturing this in methodology and tools for human rights-based assessments and analysis of loss and damage and recovery capacity.

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48   UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009.

It was suggested that UNDP should study the impact of rights-based approaches in disaster and conflict recovery in Indonesia and see what has worked and why. Discussions around the Aceh Justice Project also brought up the need to conduct such a study by UNDP with the GoI. UNDP may find it useful to put together a review of what it has done to protect and promote human rights after disaster and conflicts. Likewise, it is important to introduce a rights-based approach more deliberately in other UNDP programme areas, particularly environment and energy projects, where it is not always easy to trace.

5.3.3 GENDER EQUALITY

In the past 10 years, UNDP has aimed to support efforts to mainstream gender issues in the formulation and execution of "all policies and development programmes." Country programme output 1.1 is the "Development of localized poverty reduction strategies and HIV/AIDS programmes to meet MDGs with specific attention to poorest/women/vulnerable." The planned indicator of achievement was the establishment of a national gender mainstreaming policy, which has now been completed and adopted by the GoI.

In the period under review, UNDP has worked towards these results with targeted projects, including Support for Mainstreaming Gender into Development Policies and Programmes, as well as through components of other projects, such as the PTD Project in CPR. These particular projects and other initiatives have demonstrated UNDP recognition of this issue. A National Action Plan for Gender Mainstreaming has been developed, and three provinces and five districts support gender mainstreaming in local budgets.[49] Several projects include components on supporting gender equality.

Many projects in all the four programmes include components or requirements for supporting gender equality. The Safer Community through DRR Project has conducted a gender-sensitive baseline study on public awareness, public education and public participation in DRR. This will allow for gender-sensitive outcome assessments of programming in these areas. The Technical Assistance to BRR Project assisted the government in issuing legal certificates of land title with joint husband and/or wife ownership. The PTD Project conducted training for women leaders,

Table 4. Gender-related outputs and select achievements		
2006-2010 Country Programme Outcome 1		
By 2010, increased opportunities for achieving sustainable livelihoods through the development and implementation of appropriate participatory policies and programmes.		
Output	**Target indicator**	**Select achievements**
1.1 Development of localized poverty reduction strategy and HIV/AIDS programmes to meet MDGs with specific attention to poorest/women/vulnerable	Indicator: National gender mainstreaming policy established	1. National Action Plan for Gender Mainstreaming has been developed in three provinces 2. A training manual on gender budgeting was developed 3. Five districts support gender mainstreaming in local budgets 4. Reports on gender assessment in Papua and Indonesia are published 5. 1.7 percent increase in proportion of women in public institutions (legislative institutions at national, provincial, and regency/city level) between periods of 1999-2004 and 2004-2009[50] 6. Gender Mainstreaming Module developed 7. Trainings conducted for women leaders

[49]   UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009.

[50]   National Election Commission (2005) in GoI and United Nations, 'Report on the Achievement of Millennium Development Goals Indonesia', 2007, p 42.

developed a Gender Mainstreaming Module, supported gender-sensitive livelihood reintegration, supported a study on economic recovery for women, and promoted a law on domestic violence. A training manual on gender budgeting was developed and reports on gender assessment in Papua and Indonesia were published.[51] A joint working group between UNDP, GoI and CSOs on Balanced Access to Justice produced a series of inputs relating to land, natural resources and gender, elaborating issues of gender and vulnerability that were later included in the National Strategy for Access to Justice.

Progress has been slow, but change is evident. By June 2007, women's participation in community decision making was reported to have increased by 27 percent within one project.[52] Discussions with government officials in Aceh indicate that women's rights in disaster recovery are well addressed in Aceh. Similarly, CSOs in Aceh requested UNDP help in developing programming resource material for human rights in disaster response. A similar request came from the mayor's office in Maluku, which sought support to address women's rights in the peace process with the PTD Project.

In some cases, results have been coordinated across projects. For example, gender-sensitive reporting has been included in wider development projects more recently, including Phase II of Technical Assistance to BRR Project, and joint land titles between husbands and wives have been possible through the ERTR Project. The project on Mainstreaming Gender into Development Policies and Programmes was reported to have built on the work of several earlier projects: specifically, Mainstreaming Gender Concerns in Policies and Programmes at Central and Regional Level (2002-2005),

Gender Mainstreaming in Policy and Programme Planning (2002-2003) and Gender Mainstreaming Programme (2000-2004).[53]

Even if UNDP can show positive outcomes for women from many of its projects, not many of those outcomes are the results of a deliberate gender focus. Some are the consequence of providing relief and services to poor and vulnerable communities, where a large number of beneficiaries will naturally be women. But there are not many examples of deliberately targeting problems affecting women. Gender aspects have been secondary in the design of many projects in governance and environment protection, and gender targeting is rare even in poverty alleviation and disaster relief projects. In order to enhance the gender-focus in UNDP programming and synergies of efforts across the programmes in this area, towards the end of 2009, the country office established a mechanism for designated gender focal points in all four programmes, which is an indication of a change in emphasis.

5.3.4 CAPACITY DEVELOPMENT FOR DECENTRALIZATION

UNDP has adopted a comprehensive approach to developing capacity for decentralization, based on systematic needs assessments and analysis of the roles of institutions and incentive structures.[54] By taking into consideration not only the training needs of beneficiaries but also the organizational environment within which the enhanced knowledge is supposed to work, and by enabling the owners of the activity to monitor both its costs and results, UNDP hopes to make the outcomes more effective and sustainable. This approach is being applied in some Papuan districts under PDP. UNDP has also developed a number of knowledge products that are useful for bringing officials up to date on current development issues.

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[51] ROAR 2008.

[52] UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009.

[53] GoI and UNDP, 'Support for Mainstreaming Gender into Development Policies and Programmes', March 2005.

[54] The approach is presented in the UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009, p. 27.

Decentralization to the districts has released great creativity and ambition, but it has also created a considerable degree of uncertainty in many parts of the Indonesian administration. UNDP has contributed to the national debate by suggesting in a policy issues paper[55] that the province should be given a stronger monitoring and coordinating role in the decentralized governance structure of Indonesia, in order to eliminate some of the confusion in the present structure.

Confusion has arisen from both contradictions in the national legislation and adoption of new laws and regulations by the regencies that make it even more difficult for local officials to decide what rules to follow. In addition, many local governments have taken to frequently rotating their officials. Participants in both TARGET MDGs and the PDP Project reported that staff turnover in some places was as fast as once a year. The options for sustainable capacity development in such cases would be either to train all members of the cadre in every speciality, or to devote more attention to CSO representatives, who tend to be less mobile.

UN policy is to support the poorest and most vulnerable populations and provinces of Indonesia, and joint programmes are being prepared for the three regions of Aceh, East Nusa Tenggara and Papua. This undertaking is very important in light of the UN mandate to help the most vulnerable parts of the population. It is important to support UNDP plans for a continuation of capacity development in Aceh, where a promising beginning has been made. Considering the fluid and unpredictable situation in many provinces and regencies, however, building capacity in some of these places will require more time and resources than usual, including deeper preparatory analysis and bigger budget reserves for revisions. UNDP Indonesia's own administration is quite centralized, leaving the programme

offices in Aceh and Papua limited authority regarding resource allocations, recruitment and procurement. In building a constructive relationship with local government bodies and CSOs in the provinces, this limitation places UNDP at a clear disadvantage.

5.3.5 SOUTH-SOUTH COOPERATION

The ROAR 2008 has described South-South cooperation as "rather sporadic" and this ADR agrees—there was no evidence of a systematic approach to South-South cooperation in UNDP programming.[56] Nevertheless, the example of Indonesia's early warning system that was established after the 2004 tsunami has attracted considerable attention and exchange of information with countries in the region. Another example is a study tour that officials from the GoI Ministries of Home Affairs and Planning undertook with officials of Gorontalo Province to study decentralization in Sri Lanka, followed by workshops and agreements to continue the cooperation. A few other projects are in the pipeline, none of them big enough to revise the ROAR's general judgement.

The recent CPD mid-term review suggests that "Urgent work needs to be done to systematically develop the South-South portfolio, perhaps in conjunction with a senior government advisory group."[57] Many of Indonesia's achievements in cooperation with UNDP should be of interest to other countries in the region and elsewhere, such as approaches to integrate disaster relief with peace and development. But some of those solutions may not be feasible in countries with other political conditions or administrative systems. Exchange of technical information is usually very vibrant among Association of Southeast Asian Nations countries, with Indonesia often playing an active role. It is possible that the problem of marketing the UNDP experience in Indonesia

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55   UNDP, 'The Missing Link: The Province and its Role in Indonesia's Decentralization', UNDP Policy Issues Paper, Jakarta, May 2009.

56   ROAR 2008.

57   UNDP and GoI, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009, p. 25.

lies on the demand side rather than in the GoI agencies. As always in international exchanges, it is important to examine the market before designing a new product.

5.4 CONTRIBUTING TO COORDINATION

In January 2007, GoI dissolved the Consultative Group on Indonesia with the explanation that the country was now capable of handling its debt management problems alone and that GoI preferred to deal with each donor individually rather than in roundtable discussions. This decision has given aid coordination a different division of roles among donors, government and civil society than in many other countries in the region. However, an exception to the rule was made in the wake of the tsunami when GoI found itself overrun with offers of emergency relief, while trying to cope with the task of recovery in Aceh and North Sumatra. UNDP was asked to manage aid coordination in the early phase of recovery, a task that was handled efficiently.

A lot of the exchange of information common in aid coordination took place on the governing boards of the MDFs that were established: first the Decentralization Support Facility to support decentralization and later in the MDF for Aceh and Nias. GoI was represented on the boards of these funds, together with the World Bank, UNDP, bilateral donors and CSOs. UNDP played an active role in the coordination of programmes financed through these funds and assisted other UN organizations that were not represented on the boards to get access to support. Donors expressed some bewilderment about the dual role of UNDP as both a board member and a recipient of project funding from the MDF, although no one suggested any wrong-doing or negative outcomes. Although the Resident Coordinator's office is common to all UN organizations, the distinction between the Resident Coordinator and the UNDP country office is not always easily understood.

The Resident Coordinator's Office has brought the UN organizations and programmes together in the spirit of the UNDAF. The UNCT has found practical approaches to their coordination, for instance by undertaking joint planning exercises in the cases of the special regions of Aceh, East Nusa Tenggara and Papua. Coordination at the working level often works better in the field than at the level of national headquarters.

Cooperation at the policy level between UN organizations is maintained on a regular basis through UNCT meetings in Jakarta. There are many good examples of close and effective cooperation also at the project level, for instance between UNDP and the International Labour Organization in support of employment projects in Aceh and Papua. Under the ERTR Project, UNDP helped coordinate assistance to the recovery, involving the International Labour Organization; United Nations Agency for Human Settlements; United Nations Educational, Scientific and Cultural Organization; and World Bank support for components. Close cooperation between UN organizations is also being developed through a joint UN framework in Papua.

Members of the UNCT expressed the view that inter-agency coordination in emergencies gradually improved following the overwhelming events of the tsunami, quoting the cases of the Yoghyakarta in 2006 and West Sumatra in 2009 as examples of a more effective process. A common theme in feedback from UNDP and other members of UNCT is that coordinated planning and implementation is far more effective than joint programmes in which each agency is dependent on the other for decisions and the delivery of inputs.[58] This approach compounds the bureaucratic problems of all participating agencies and slows down implementation to an unacceptable degree.

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[58] See for instance GoI and UNDP, 'UNDP Country Programme in Indonesia 2006-2010: Mid-term Review Report', January 2009, p. 27.

Chapter 6

PROGRAMME MANAGEMENT

6.1 ROAD MAP FOR IMPLEMENTING THE JAKARTA COMMITMENT

In 2008, GoI and its 20 largest donors participated in a survey initiated by the Organisation for Economic Co-operation and Development – Development Assistance Committee to monitor the progress made against the targets set by the Paris Declaration on Aid Effectiveness in March 2005.[59] The survey showed that the development partners in Indonesia had quite a lot to do before the principles of the Paris Declaration could be properly implemented. The links between national strategies and aid were often weak and donors were unconvinced that national systems could meet their accountability requirements. There was a need for improved systems for reporting and performance assessment, and there was a lack of agreement as to how mutual accountability could be assured.

These findings prompted GoI to set more precise targets for the undertaking, and in January 2009 the development partners signed the Jakarta Commitment, which explains the objectives and principles of the Paris Declaration in an Indonesian context. From the point of view of UNDP and the donor partners, the most challenging departure from current practices would seem to be: the application of a programme approach and bringing all aid-funded activities on to the GoI budget; streamlining of the current plethora of independent trust funds into a few centrally managed MDFs; phasing out the practice of managing development activities in separate project management units (PMUs); providing direct support, particularly in the area of recruitment and procurement for national execution/national implementation modality projects; and

phasing out the practice of tying procurement to equipment produced by the donor country.

The road map of January 2009 did not contain any milestones or other indications of a progression leading to full implementation of the Commitment in 2014. This caused uncertainty among the donors regarding what immediate steps to take, and even about the seriousness of the whole undertaking. To operationalize the road map, BAPPENAS established an Aid for Development Effectiveness Secretariat with UNDP support and the Aid for Development Effectiveness Project with the objective of improving development coordination processes, public finance and procurement systems, and building capacities in GoI to meet Indonesia's Paris Declaration targets. A Transitional Trust Fund was set up to finance the programme, to be managed by UNDP until an Indonesian entity has been groomed to take over. Bilateral donors have expressed interest in supporting this attempt to get the process started.

GoI chose UNDP to advise on the programme and to initially manage the fund. This was a recognition of UNDP's strategic position and competence in capacity development. If it is to succeed, it is very important—as has been explicitly declared by UNDP management—that the reform process must be owned by all development partners. This point is critical, since some donors expressed concern that too much of the discussion might take place between UNDP and BAPPENAS. The ADR found no evidence of a lack of transparency, but worries like these could derail such a sensitive process. It is also evident that if UNDP is to play a coaching role in the implementation of the Jakarta Commitment it must be prepared to lead by example.

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[59] '2008 Survey on Monitoring the Paris Declaration: Making Aid More Effective by 2010', available online at: www.oecd.org/dac/effectiveness/monitoring/survey.

In the case of the overuse of direct support to national implementation modality projects, almost all UNDP project agreements with GoI stipulate national execution/national implementation modality, which means direct support from UNDP in procurement, recruitment, and payments should only be used in exceptional cases. In practice, however, this convenient exception has become the rule, and the frequency of such direct support from UNDP is currently too high to be ignored. This is not simply a matter of the most convenient choice, since the capacity for transparent and effective management of competitive bidding is very low in Indonesia. This is particularly the case at the sub-national level, to which an increasing share of project expenditure is being directed. Ironically, the problem has at least temporarily been exacerbated by the zeal of the corruption courts, which has made many procurement units reluctant to handle large externally funded projects. In many cases, GoI has handed the procurement function back to UNDP, even when the agreement stipulates national execution/national implementation modality.

The long-term solution to the procurement problem obviously lies in building capacity in the Indonesian administration, both for conducting the procurement process and for protecting its integrity. The Aid for Development Effectiveness Project proposes a three-to-five year road map for examining the problem jointly between the partners, and for removing bottlenecks and building capacity. Given the nature and depth of the problem at sub-national levels, this time table may be too optimistic, but what is most important is that a serious effort be made soon to address the problem. It might be most practical to start immediately to build capacity at the central level, in close proximity to the National Procurement Agency, and to agree between the partners on a plan for expanding this capacity to selected provincial agencies in accordance with a specific time table leading up to and beyond 2014.

A similar plan should be made for the integration of PMUs in the mainstream administration

of GoI. At the time of writing, the country office has 66 project management staff funded by projects, and the government's PMUs have 204 UNDP-funded staff. Since most UNDP project agreements will run out during the next couple of years, the immediate task is not one of changing the status of present project staff but of introducing a set of rules for the transition to a new model for project management during the period 2010 to 2014. Even in the future it will be necessary temporarily to manage certain pilot activities in separate projects, but if the partners are serious about GoI assuming full ownership, stricter rules and limitations for such exceptions must be agreed on soon and be clearly defined.

6.2 MOBILIZING RESOURCES FOR INDONESIA'S DEVELOPMENT PRIORITIES

During the period 2001-2009, UNDP mobilization of extra-budgetary resources for its Indonesian programme was exceptional. The ratio of non-core to core resources—often referred to as the leverage—rose from 3:1 in 2001 to 8:1 in 2006. Although non-core funding decreased after the post-tsunami peak, core funding fell faster, resulting in leverage greater than 10 in 2008. The progression is shown in Figure 4.

There are several reasons why UNDP was so successful in mobilizing non-core resources, apart from the skills and credibility of its fund raisers. In the first half of the decade, a number of donors (including the United Kingdom, Australia, Netherlands, European Union, and Sweden) wanted to support the political reform process and found UNDP well positioned to have an impact. This phase peaked with the elections in 2004 and receded towards the end of the decade. Disaster relief, and in particular reconstruction in Aceh, attracted rapid and large-scale financing through the MDF, which became UNDP's largest source of funding in 2005-2007 and is presently fading. The United Kingdom, Japan and Germany were the largest bilateral contributors to this effort, but a large number of other donors also gave sizeable amounts.

Figure 4. UNDP core and non-core disbursements, 2001-2008
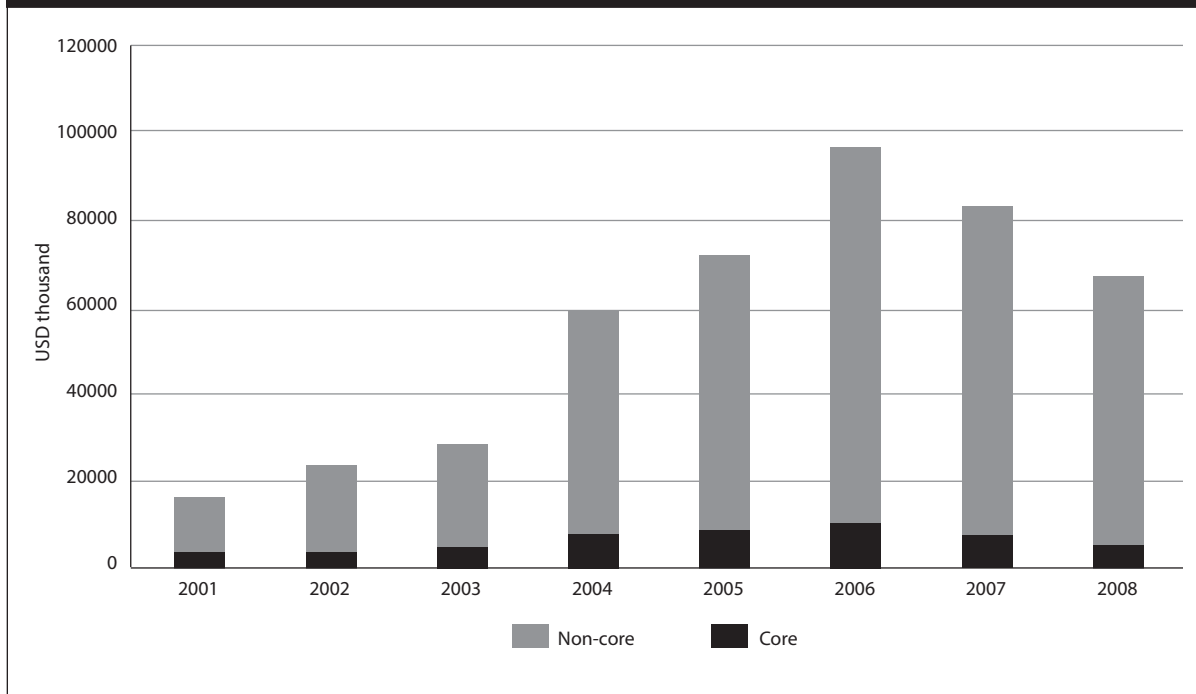
Source: UNDP Atlas.

Political stabilization and the attainment of middle-income country status are creating a resource situation for the next CPD/CPAP 2011-2015, which will be radically different from the period under review. The World Bank and Asian Development Bank have virtually ceased giving grants and International Development Association credits, many bilateral donors are reducing their allocations, and the UN programmes will reduce their core support for Indonesia. It will no longer be possible to leverage large amounts of cost sharing with a relatively small amount of core funding.

This is no news to UNDP, and several donors reported that they had been approached by programme managers looking for funding for "just about anything we want to pay for." The donors were aware that funding will be in short supply and wanted to know the core priorities of UNDP, which would enable them to weigh UNDP proposals against their own bilateral options and interests.

It would do great harm to the UNDP record of positioning and sensitivity to GoI priorities if it were to let the money choose the development priorities rather than the other way round. It is a more credible position—and indeed more compatible with the Jakarta Commitment—to make a comprehensive assessment of relative advantages and assets and to engage GoI and donors in deploying them where they can be most effective in supporting Indonesian development priorities.

While the availability of extra-budgetary funding from ODA sources is likely to be radically reduced in the next decade, there is no reason for alarm regarding the ability of UNDP to continue to play a constructive role in Indonesia. As the national economy continues to grow, UNDP's usefulness to Indonesia will grow in terms of innovative approaches and new partnerships—including with the private sector—and diminish in terms of projects with large components of equipment and foreign experts. Moreover, Indonesia's geopolitical importance is not likely

to decline, which makes it hard to believe that its middle-income country status will put an end to the inflow of ODA resources.

6.3 COUNTRY OFFICE CAPACITY

The Indonesia Country Office is one of the largest in the region in terms of the number of staff. According to the information provided by the country office, the UNDP programme was delivered with the work of approximately 6 international and 60 national staff members. This would give a total volume per person of USD 1 million per year, based on the 2008 level of delivery. Individual projects involved project-funded staff, recruited through various modalities. GoI counterparts appreciated that some key positions in the Jakarta Office have been recently 'nationalized' to tap into knowledge and skills of the Indonesians. The sustainability of UNDP supported initiatives and their benefits have been, at times, compromised due to a relatively high turnover rate of staff. The Human Resources Unit of the country office reported that the average tenure of project management staff was 1.8 years for international staff based in the country office as well as for all PMU staff based in ministries and agencies. The tenure of national staff in the same units of the country office was three years. Considering the temporary nature of the projects, these averages are not alarming, but this was raised as an area of concern by partners.

The changes in programme emphasis that the ADR team foresees for the coming cycle will also have effects on the requirements for human resources. The programme structure of the past decade has required relatively large numbers of project management staff in relation to personnel with expertise in socio-economic analysis, science and technology. While the need for competent project managers will continue to be present, other types of professional skills will become more important for UNDP competitiveness. UNDP relevance and effectiveness will depend on its ability to engage in a policy-level dialogue and provide relevant substantive advice as a knowledge-based organization while the role of

UNDP as a project implementation agency or trust fund manager will diminish. UNDP will need to prepare for a gradual transition in the profile of its staff as it moves to a more programmatic approach to development.

6.4 MANAGING FOR DEVELOPMENT RESULTS

With regard to managing for development results, the UNDP country office has made efforts. It is one of the few UNDP offices with a unit dedicated to planning, monitoring and evaluation. UNDP and GoI have fully operationalized joint projects, as well as CPAP review meetings, which involve other development partners on a regular basis. The recent CPD mid-term review, conducted jointly by UNDP and GoI, was conducted through extensive consultations with stakeholders in the thematic areas of UNDP work. It is an example of a strong partnership between UNDP and GoI in managing for results.

As mentioned in the section on evaluability, UNDP has commissioned a number of project reviews in accordance with corporate requirements. Project evaluations take place, but in an *ad hoc* manner. The demand for evaluation seems to be derived from the need to fulfil donor requirements, particularly for future funding. While project evaluations are no longer mandatory, UNDP should still carry out independent evaluations for flagship projects with large resources and strategic significance. Independent evaluations that apply methodological rigour serve different purposes from reviews, since they support UNDP public accountability for results and provide learning to support evidence-based decision making.

At the time of the ADR, no outcome evaluation of the current programme (2006-2010) had been completed. The ADR does not look at projects in detail, and it would have been useful for the ADR team to have the outcome evaluations. While CPAP reviews are useful, they are no substitutes for programmatic evaluations at the level of the CPD/CPAP outcomes.

Outcome evaluations of the sub-programmes support learning at the outcome level and allow the country office to address the issues of synergies between projects and assess its overall 'strategy' to make contributions at the outcome-level. Evaluations are systematic activities and do not happen without proper planning. There is a need to create clear incentives for evaluations. The choice of what and when to evaluate should be based on information needs of management to support its strategic decision making, as opposed to *ad hoc* demands from financiers of the projects.

Chapter 7
CONCLUSIONS AND RECOMMENDATIONS

7.1 CONCLUSIONS

Most UNDP interventions during the two programme periods were in line with Indonesia's development priorities. UNDP Indonesia has effectively responded to two of the most urgent challenges—the democratization process in the first half of the decade and disaster reconstruction and prevention in the second—with great skill, imagination and flexibility, forging strategic partnerships at many different levels and contributing meaningfully to GoI efforts in addressing these challenges.

The first major challenge for Indonesia in the period 2001-2005 was the transformation to democratic forms of governance, which required support in organizing free and fair elections, building accountable institutions, and providing space for developing policies and partnerships. In the later part of the decade, UNDP showed the right leadership qualities in handling the acute emergency situation created by the tsunami in Aceh and contributed to the gradual transition to reconstruction and to building peace and democratic institutions. UNDP managed to meet both challenges by using its strong partnership relations with GoI, other UN organizations, the donor community and the CSOs—leveraging unprecedented levels of non-core funding.

UNDP partnerships with GoI at the national and local level have been mainly centred on BAPPENAS, which is the ministry that approves and most often implements UNDP projects and programmes. Over the years, this relationship has become a strategic asset, based on shared values related to development planning as well as mutual familiarity. UNDP has also developed long-term relationships with bilateral donors and UN organizations, including the World Bank, based on mutual confidence and a common appreciation of UNDP relative advantages. UNDP has made a point of engaging with local stakeholders through CSOs, both for delivering services and grants to poor households and for monitoring the outcomes of public policy. These partnerships represent another strategic asset that has helped UNDP both in extending the outreach of its support and in strengthening stakeholder involvement. However, partnership with the private sector has been limited, and this is an area to be further explored for future strategic partnership.

UNDP Indonesia's most important contribution to meeting the challenge of poverty reduction is the multi-stakeholder approach, using CSOs to manage grants and credits to households, and committing local communities to a rights-based approach to public services and access to justice.

Building on experience and lessons from innovative approaches to strengthen pro-poor planning and monitoring, UNDP can show success in fighting poverty, which is still a major challenge despite a reduction in poverty rates since the Asian Financial Crisis a decade ago. GoI is firmly committed to the MDGs, and UNDP is assisting GoI efforts to strengthen a pro-poor approach for achieving its MDG targets. This approach is based on systematic monitoring and targeting, and it aims at engaging local communities in a dialogue about the targets and their fulfillment. The outcome of these efforts has not yet been independently evaluated, but if successful, it could offer an innovative model for poverty-targeted capacity development at the local level.

Considering the enormous challenges Indonesia faces in climate change, threats to biodiversity and natural resources, UNDP Indonesia's environment programme has been relatively modest in size.

In the environment sector, UNDP has mainly been managing projects under the GEF, such as the Small Grants Programme, various renewable energy initiatives, natural resource management, and direct support to the government on policy making and the Montreal Protocol. UNDP should proactively engage in a more structured programme involving key stakeholders. In this regard, the environment programme is currently developing a 'climate change umbrella' as a programme strategy for the next five years. It is critical that this be carried out.

The efficiency of UNDP programming has been mixed, with external observers expressing concerns with aspects such as timeliness and cost effectiveness. UNDP is seen as having very long chains of command, particularly when decisions have to be referred to UNDP Headquarters in New York.

Overambitious plans and unreliable sources of funding have contributed to delays, loss of efficiency, and in some cases, termination of pilot projects at a time when they begin to produce results. In the Environment and Energy and Governance Programmes, in particular, a noticeable number of projects took longer to begin than anticipated but picked up momentum in a short time. Given the geographical coverage of the programme and administrative challenges associated with managing projects in such context, UNDP Indonesia's own administration is quite centralized, leaving the programme offices in Aceh and Papua limited authority regarding resource allocations, recruitment and procurement. In building a constructive relationship with local government bodies and CSOs in the provinces, this limitation places UNDP at a clear disadvantage.

UNDP Indonesia's record of fostering sustainable interventions has been largely satisfactory, mostly due to a systematic multi-stakeholder approach from the planning stage through to the transfer of management to Indonesian hands. However, there were some areas of weakness where projects were terminated due to lack of funding and well thought through exit strategies.

Projects engaging CSOs and local institutions in managing resources and processes have generally led to sustainable results. These were accomplished either by mainstreaming in GoI (for example, in the case of the Aceh reconstruction) or by transferring responsibility to CSOs or independent institutions (for example, in the Partnership for Governance Reform in Indonesia Project). Election support is a good example of phasing out external support in pace with growing domestic capacity. Conversely, there are examples where UNDP has overestimated the degree of commitment of national stakeholders and where no realistic exit strategies were in place. In particular, there have been too many instances of pilot projects that were abandoned when they ran out of funds.

It is important that Indonesia Country Office management, together with GoI, take a firm grip on the priorities for the next country programme. In addition, potential donors should be informed before the market sets its own priorities, resulting in proliferation of small projects.

During the 2001-2009 period, UNDP mobilization of extra-budgetary resources for its Indonesian programme was exceptional. The ratio of non-core to core resources—often referred to as the leverage—rose from 3:1 in 2001 to 8:1 in 2006. Although non-core funding decreased after the post-tsunami peak, core funding fell faster, resulting in leverage greater than 10 in 2008. With Indonesia attaining middle-income country status, both core resources and leverage are likely to continue to decline. Non-core funding for UNDP projects

is also decreasing rapidly, as MDFs contributed in the wake of the tsunami are exhausted and Indonesia attains middle-income country status. Most of the remaining projects in the present country programme run out in 2010. This has left programme managers scrambling for funds for new and ongoing projects.

UNDP Indonesia has, in general, developed and managed its programme and projects based on good practice of results-based management. It has also demonstrated clear commitment to supporting the Jakarta Commitment. However, operationalizing the principles of the Jakarta Commitment in UNDP programming to ensure national ownership, alignment, and application of national systems and practices requires concerted efforts and a clear multi-year strategy.

UNDP Indonesia should be commended for: developing a robust planning, monitoring and evaluation unit; training staff and partners in various project management methods; and institutionalizing regular highly participatory review exercises with implementing partners and other stakeholders. However, there is a need to shift the focus of monitoring and reporting from output to outcome level, and to strengthen the strategic nature of the choice, use and coordination of evaluation activities across the programmes.

Through the Jakarta Commitment of January 2009, GoI and its international development partners have agreed to implement the Paris Declaration on Aid Effectiveness. The implementation of the Jakarta Commitment means the UNDP programme needs to be managed differently, particularly with regard to the UNDP role in providing procurement support for national execution/national implementation modality projects. In many if not most cases, GoI has handed the procurement function back to UNDP, even when the agreement stipulates national execution/national implementation modality. The long-term solution to the procurement problem lies in

building capacity in the Indonesian administration, both for conducting the procurement process and for protecting its integrity. UNDP Indonesia has been given an important role in the process as manager of a transitional trust fund to facilitate the harmonization of external assistance with GoI systems and requirements in order to make the most effective use of its resource inputs. This role calls on UNDP to use both its facilitating skills to build confidence in the process and its capacity building abilities to help GoI overcome weaknesses in areas such as procurement.

The performance of UNDP Indonesia has been generally satisfactory in terms of contributing to the promotion of UN values (such as MDGs, rights-based approaches and gender) and crosscutting themes (such as capacity development for decentralization and South-South cooperation) in its programming.

Having adopted the MDGs as targets for its development planning, GoI has invited UNDP to assist in its efforts by making planning instruments more effective and by mobilizing popular support. UNDP has responded well to this invitation by working closely with BAPPENAS and the National Bureau of Statistics and helping produce a series of national and regional human development reports and methods for monitoring MDG achievements at national and sub-national levels.

With regard to a rights-based approach to development, in the CPAP 2006-2010, UNDP cited the importance of an integrated rights-based approach as a priority for future programming. The multi-stakeholder approach involving CSOs and several levels of government has been deliberately used to apply a rights-based approach to the delivery of public services, like in the BRiDGE and support for the reconstruction of Aceh.

In the past two programmes, UNDP has aimed to support efforts to mainstream gender issues in the formulation and execution of all policies and

development programmes. UNDP has worked towards the improvement of gender equality with targeted projects, including Support for Mainstreaming Gender into Development Policies and Programmes, as well as through components of other projects, such as the PTD Project. Many projects in all the four programmes include components or requirements for supporting gender equality, although the degree of mainstreaming varied across the programmes. While there were some good examples of effective South-South cooperation, the practice within the current UNDP programme has not been systematic.

UNDP Indonesia has contributed positively to GoI capacity development efforts for decentralization through a comprehensive approach, which was developed based on systematic needs assessment and analysis of the roles of institutions and incentive structures. UNDP support went beyond time-bound individual training activities with an aim to making the results more owned and sustained. This approach is currently being applied in some Papuan districts under a UNDP supported project, and there are plans for further replication. Despite the positive aspects of this approach, some challenges exist, such as confusion caused by contradictions in the national legislation and a relatively high rotational rate in many local governments, making it difficult to retain capacity developed and knowledge acquired in a medium to longer term. There is a need for the country office to be mindful of these challenges before further replicating this approach.

7.2 RECOMMENDATIONS

1. **UNDP Indonesia should support Indonesia's transition to middle-income country status by relying more on its relative advantages in networking and innovative approaches to development than on managing projects requiring big inputs of staff and equipment. UNDP Indonesia should set priorities for its resource mobilization for the next three to five years and discuss them with potential sources of funding with a view to drawing up a medium-term plan for raising and deploying financial resources.**

The strength of UNDP lies in the confidence of its partners and its capacity for innovation as part of a global network. The availability of non-core resources is likely to decline in the immediate future, commensurate with the shift in national development priorities and Indonesia's middle-income country status. UNDP should review its relative strengths and offer GoI continued and deepened support in areas where those strengths are in evidence. The shifting resource scenario will challenge UNDP to concentrate on what it is particularly good at. Weaknesses include slow and inefficient delivery of services due to complex procedures involving too many decision makers and unpredictable funding. To oversimplify, UNDP is strong when it comes to designing innovative projects and supporting initiatives at the policy level, but weak when it comes to managing complex projects with many stakeholders in remote areas—particularly when long duration and secure funding are required to produce results. UNDP can continue to remain relevant to GoI national priorities and play a substantial role by being more strategic, continuing to shift its focus at the policy level, and doing more with less resources in the future.

2. **In order to strengthen its strategic focus and use of reducing resources, UNDP Indonesia's geographical focus should be continued.**

In the CPD/CPAP 2006-2010, UNDP concluded that overstretched interventions in a vast and diverse country such as Indonesia would be less effective than focusing programme resources on specific regions, in particular those with the lowest human development indices, highest poverty rates and most vulnerability to crisis. In implementing the current

country programme, UNDP has successfully established recovery and peace-building programmes in Aceh and Maluku, and has made a long-term commitment to capacity development in Papua. These are deliberate and positive steps in the direction proposed by CPD/CPAP, which should be continued and consolidated in the next country programme. In a situation of rapidly shrinking resources, however, UNDP should think twice before engaging in any new regional venture of the same scope and complexity.

3. **UNDP Indonesia should review its partnership strategy to engage more actively with the private sector and local government, and to strengthen the advocacy role of its CSO partners.**

   In coming years, it is conceivable that the brunt of the UNDP programme will gradually shift from service delivery to policy analysis and advice, in which case the emphasis on its CSO partnerships should move in the direction of advocacy and innovation.

4. **UNDP Indonesia should actively engage major Indonesian stakeholders—including GoI agencies, CSOs and private-sector actors—in a national discussion of policies and measures against climate change.**

   The UNDP Energy and Environment Programme has addressed problems that are very relevant to sustainable development, in particular climate change and ozone depletion. Now the programme needs to sharpen its focus and bring the large number of ongoing projects into a strategic framework. UNDP Indonesia has also, to a large extent, relied on the GEF and the Montreal Protocol to fund its programme, where project formulation is relatively structured. Now, the environment programme should work closely with other actors such as CSOs and the private sector to enable the formulation of flexible and innovative initiatives contributing towards the medium- and long-term goals of UNDP and the government.

5. **UNDP Indonesia should improve sustainability of results by working with BAPPENAS, implementing partners and beneficiaries to develop realistic exit strategies at the time of planning. With a wider application of a programme approach to planning UNDP interventions, the changing roles among the partners during the life of an intervention will be better managed through integration in the host administration from the very outset.**

   Strategies for sustainability of results must be based on incentives to assume ownership, capacity development and optimal use of existing systems and structures, both at the central government level and in the local administrations where policies affecting the poor are implemented. UNDP has usually built its exit strategies based on capacity development rather than changing the incentive structure. At the project level, particularly with pilot and innovative projects, the financial uncertainty inherent in the highly leveraged programme funding of UNDP is also a factor that can threaten both sustainability and effectiveness. This challenge should be remedied by stricter rules for designing pilot projects, requiring mutual commitment to an exit strategy. Where financing is not secured for the entire life of the proposed project, for reasons of accountability and managing for results, its targets as well as its exit strategy should be regularly reviewed by the partners.

6. **UNDP Indonesia should continue to strengthen the results orientation of its programme by further improving the outcome orientation of monitoring and reporting, and making the evaluation plan more strategic based on management and strategic information needs.**

   UNDP Indonesia has devised innovative monitoring and review systems and mechanisms with close participation of key national stakeholders. This momentum should be kept by maintaining a strong planning,

monitoring and evaluation unit that oversees and coordinates results-based management, and monitoring and evaluation activities, across the programme units and ensures the strategic use of information for management decision making—making the choice of evaluation more strategic and ensuring the stronger outcome-orientation in its monitoring, reporting and evaluation.

7. **UNDP Indonesia should also review the rules and routines for project management in order to enhance management efficiency of its programme.**

   With a view to improving management efficiency and responsiveness, within the parameters of the UNDP corporate prescriptive content in particular, UNDP Indonesia should decentralize decision-making authorities as far as possible to programme managers in the country office and, in the cases of Aceh and Papua, to the programme or project offices.

8. **To speed up implementation of the Jakarta Commitment principles, procurement training and certification should be initiated quickly and without prejudice to the common road map laid down by GoI in the Aid for Development Effectiveness Project.**

   UNDP Indonesia should give urgent attention to assisting GoI in removing the obstacles to applying national implementation modality/national execution rules in a 'complete' manner.

Annex 1

TERMS OF REFERENCE

INTRODUCTION

The Evaluation Office of the UNDP conducts country programme evaluations called Assessments of Development Results (ADRs) to capture and demonstrate evaluative evidence of UNDP contributions to development results at the country level. ADRs are carried out within the overall provisions contained in the UNDP Evaluation Policy.[60] The overall goals of an ADR are to:

- Provide substantive support to the Administrator's accountability function in reporting to the Executive Board

- Support greater UNDP accountability to national stakeholders and partners in the programme country

- Serve as a means of quality assurance for UNDP interventions at the country level

- Contribute to learning at corporate, regional and country levels

In particular, the Evaluation Office plans to conduct an ADR in Indonesia during 2009. The ADR will contribute to a new country programme, which will be prepared by the concerned country office and national stakeholders.

This Terms of Reference has been slightly modified as a result of the findings from the scoping mission, which took place in July 2009.

BACKGROUND

Indonesia is the world's largest archipelago, with more than 17,500 islands scattered between 6 degrees north latitude to 11 degrees south latitude and from 9 degrees to 141 degrees east longitude. Indonesia bridges two continents, Asia and Australia/Oceania. This strategic position profoundly influences the country's culture, social and political life, and the economy. Spanning the length of 3,977 miles from the Indian Ocean to the Pacific Ocean, if its territorial waters were included, the total area of Indonesia would cover 1.9 million square miles.

UNDP Indonesia works to advance human development; fight poverty and inequality; consolidate democratic governance at both national and local levels; support CPR; and promote environmentally smart development. UNDP is also fully engaged in the fight against HIV/AIDS and the promotion of gender equality. UNDP is committed to supporting Indonesia's national priorities and the implementation of GoI's Medium-term Development Plan 2000-2009 and other national and local development visions, strategies and plans.

During the period under review, Indonesia has gone through a lot of transformation. The UNDP country programme has continued to evolve in its efforts to respond to emerging priorities and needs of the government and national partners through the two programme periods.

Following the 2004 tsunami, UNDP experienced a significant increase in its resources and shift in its programmatic focus to provide timely support to the recovery efforts. UNDP engagement with the government in mitigating the effects of the 2004 tsunami and the earthquake in Central Java in 2006 developed into a comprehensive strategy for building national and local capacities for DRR, integrated in the core functions of government at all levels as well as with institutions and organizations of civil society.

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[60] Available online at: www.undp.org/eo/documents/Evaluation-Policy.pdf.

Indonesia recently graduated into a middle-income country and adopted the Jakarta Commitment, which set out directions for "aid for development effectiveness." This development has implications for UNDP in Indonesia: the Jakarta Commitment defined the government's expectations for aid in the new middle-income country context, and UNDP has been playing and continues to play in the formulation, adoption and now implementation of the Jakarta Commitment. The Jakarta Commitment brings the cooperation between donor partners and the host country up to a new level and suggests ways of using aid for maximizing national development effectiveness.

During the period under ADR review, the sweeping decentralization of development management to the districts that started in 1999 and the emergence of acute development needs in provinces affected by natural disasters and social strife have gradually shifted the balance in the CPD from national to local implementing agencies and organizations. Three provinces have been chosen as concentration areas by the UN system, namely Aceh, East Nusa Tenggara and Papua. Given the downward trend in external funding, the dynamic decentralization process presents both challenges and opportunities to the UN system and UNDP. The ADR should consider this balancing problem and discuss whether and how the shift towards the provinces has affected UNDP clout and programme focus.

In this context, the completion of the 2006-2010 CPD in Indonesia presents an opportunity for the ADR to evaluate the UNDP contributions and shortcomings over the last programme cycle and before. In addition to regular routine CPAP reviews and other monitoring and reporting instruments, the Indonesia Country Office conducted a mid-term review of CPAP in 2008/early 2009 through a consultative process involving a wide range of key partners and stakeholders. The mid-term review paid particular attention to the analysis of capacity development, knowledge management and gender. The ADR exercise will build on these past and ongoing monitoring, reporting, reviews and decentralized evaluations, and provide added

value to these existing instruments and studies to help UNDP improve its programming and strategic positioning. The findings of the ADR will be used as inputs to the 2011-2015 CPD within the context of the UNDAF.

OBJECTIVES, SCOPE AND METHODOLOGY

The objectives of the Indonesia ADR include:

- To provide an independent assessment of the progress or lack of, towards the expected outcomes envisaged in the UNDP programming documents; where appropriate, the ADR will also highlight unexpected outcomes (positive or negative) and missed opportunities

- To provide an analysis of how UNDP has positioned itself to add value in response to national needs and changes in the national development context

- To present key findings, draw key lessons, and provide a set of clear and forward-looking options for management to make adjustments in the current strategy and next country programme

The ADR will review the UNDP experience in Indonesia and its contribution to the solution of social, economic and political challenges. The evaluation will cover the ongoing and previous country programmes (2001-2005 and 2006-2010). Although it is likely that greater emphasis will be placed on more recent interventions (due to better availability of data, etc.) efforts will be made to examine the development and implementation of UNDP programmes since the start of the period. The identification of existing evaluative evidence and potential constraints (lack of records, institutional memory, etc.) will occur during the initial scoping mission (see Section 4 for more details on the process).

The overall methodology will be consistent with the ADR guidelines prepared by the Evaluation Office (dated January 2009). The evaluation will undertake a comprehensive review of the UNDP

programme portfolio and activities during the period under review specifically examining the UNDP contribution to national development results across the countries. It will assess key results, specifically outcomes—anticipated and unanticipated, positive and negative, intentional and unintentional—and will cover UNDP assistance funded from both core and non-core resources. Detailed approach and methods applied in the evaluation are and will be described in the inception report, as well as the methodology section of the final evaluation report.

The evaluation has two main components, the analysis of development outcomes and the strategic positioning of UNDP.

DEVELOPMENT RESULTS

The assessment of the development outcomes will entail a comprehensive review of the UNDP programme portfolio of the previous and ongoing programme cycles. This includes an ADR achieved and the contribution of UNDP in terms of key interventions; progress in achieving outcomes for the ongoing country programme; factors influencing results (UNDP positioning, capacities, partnerships and policy support); achievements, progress and contribution of UNDP in practice areas (both in policy and advocacy); and analysing the crosscutting linkages and their relationship to MDGs and UNDAF. The analysis of development results will identify challenges and strategies for future interventions.

Besides using the available information, the evaluation will document and analyse achievements against intended outcomes and linkages between activities, outputs and outcomes. The evaluation will qualify UNDP contribution to outcomes with a reasonable degree of plausibility. A core set of criteria related to the design, management and implementation of UNDP interventions in the country will be used:

■ **Effectiveness:** Did the UNDP programme accomplish its intended objectives and planned results? What are the strengths and weaknesses of the programme? What are

the unexpected results it yielded? Should it continue in the same direction or should its main tenets be reviewed for the new cycle?

■ **Efficiency:** How well did UNDP use its resources (human and financial) in achieving its contribution? What could be done to ensure a more efficient use of resources in the specific country/sub-regional context?

■ **Sustainability:** Are the development results achieved through UNDP contribution sustainable? Has national capacity been built to ensure the sustainability of the results achieved? How has UNDP applied the principles of the Jakarta Commitment in support of using national administrative and financial systems rather than ad hoc arrangements (like direct execution, PMUs and freestanding trust funds), and what are the results?

It should be noted that special efforts will be made to examine the UNDP contribution to capacity development, knowledge management and gender equality.

STRATEGIC POSITIONING

The evaluation will assess the strategic positioning of UNDP both from the perspective of the organization and the development priorities in the country. This will entail: a systematic analysis of UNDP's place and niche within the development and policy space in Indonesia; the strategies used by UNDP Indonesia to strengthen the position of UNDP in the development space and create a position for the organization in the core practice areas; and, from the perspective of the development results for the country, the policy support and advocacy initiatives of the UNDP programme *vis-à-vis* other stakeholders. In addition, the evaluation will analyse a core set of criteria related to the strategic positioning of UNDP:

■ **Strategic positioning:** Did the UNDP choice of intervention strategy produce optimal outcomes, given the availability of resources and the possible strategic options? In which substantive areas was UNDP positioning particularly successful, and why?

- **Relevance and responsiveness:** Has UNDP been addressing the most important development challenges of the country in support of national priorities and plans? Has UNDP used its relative strengths in choosing its responses for producing an optimal result?

- **Strategic partnerships:** How has UNDP leveraged partnerships within the UN system as well as with national civil society and the private sector?

- **Promoting UN values:** To what extent has UNDP contributed to achieving the MDGs? How has UNDP tried to apply a rights-based approach and to further gender equality, and what results were achieved?

The scoping mission made it clear that the ADR needs to be conscious about the declining resources of UNDP (in comparison to the period immediately following the tsunami) and to provide some analysis as to how best to enhance its effectiveness and relevance in the coming years, given the changing development context and national priorities in the country (see section on background).

The evaluation will also consider the influence of administrative constraints affecting the programme and specifically UNDP contribution (including issues related to the relevance and effectiveness of the monitoring and evaluation system). If during initial analysis these are considered important, they will be included in the scope of the evaluation. Within the context of partnerships with the UN system and overall UN coordination, the specific issue of the development of joint programmes will be highlighted.

EVALUATION METHODS AND APPROACHES

DATA COLLECTION

The evaluation will use a multiple method approach that could include desk reviews, workshops, group and individual interviews (at both Headquarters and the country office), project and field visits, and surveys. The appropriate set of methods would vary depending on country context, and the precise nature would be determined during the scoping mission and detailed in an inception report.[61]

VALIDATION

The evaluation team will use a variety of methods to ensure that the data is valid, including triangulation. Precise methods of validation will be detailed in the inception report.

STAKEHOLDER PARTICIPATION

The ADR will have a strong participatory approach, involving a broad range of stakeholders. The identification of the stakeholders, including government representatives of ministries and agencies, CSOs, private-sector representatives, UN organizations, multilateral organizations, bilateral donors, and beneficiaries will take place. To facilitate this approach, all ADRs include a process of stakeholder mapping that would include both direct partners of UNDP as well as stakeholders who do not work directly with UNDP.

EVALUATION PROCESS

The ADR process will also follow the ADR guidelines, according to which the process can be divided in three phases, each including several steps.

Phase 1: Preparation

- **Desk review:** Initially carried out by the Evaluation Office (identification, collection and mapping of relevant documentation and other data) and continued by the evaluation team. This will include general development-related documentation related to the specific country as well as a comprehensive overview of the UNDP programme during the period being examined.

- **Stakeholder mapping:** A basic mapping of stakeholders relevant to the evaluation in the

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[61] The scoping mission and inception report are described in Section 5 on the evaluation process.

country carried out at the country level. These will include state and civil society stakeholders and go beyond UNDP partners. The mapping exercise will also indicate the relationships between different sets of stakeholders.

■ **Inception meetings:** Interviews and discussions in UNDP Headquarters with the Evaluation Office (process and methodology), the Regional Bureau for Asia and the Pacific (context and county programme), as well as with other relevant bureaux (including Bureau for Development Policy, the Bureau for Crisis Prevention and Recovery, and others as appropriate including UN missions).

■ **Scoping mission**: A mission to Indonesia in order to:

—Identify and collect further documentation

—Validate the mapping of the country programmes

—Get key stakeholder perspectives on key issues that should be examined

—Address logistical issues related to the main mission including timing

—Identify the appropriate set of data collection and analysis methods

—Address management issues related to the rest of the evaluation process, including division of labour among the team members

—Ensure the country office and key stakeholders understand the ADR objectives, methodology and process

The task manager will accompany the team leader on the mission.

■ **Inception report:** The development of a short inception report including the final evaluation design and plan, background to the evaluation, key evaluation questions, detailed methodology, information sources, instruments and plan for data collection, design for data analysis, and format for reporting.

Phase 2: Conducting the ADR and drafting the evaluation report

■ **Main ADR mission:** The mission of two (possibly three) weeks will be conducted by the independent evaluation team and will focus on data collection and validation. An important part of this process will be an Entry Workshop where the ADR objectives, methods and process will be explained to stakeholders. The team will visit significant project/field sites as identified in the scoping mission.

■ **Analysis and reporting:** The information collected will be analysed in the draft ADR report by the evaluation team within three weeks after the departure of the team from the country.

■ **Stakeholder meeting:** A meeting with the key national stakeholders will be organized to present the results of the evaluation and examine ways forward in Indonesia. The main purpose of the meeting is to facilitate greater buy-in by national stakeholders in taking the lessons and recommendations from the report forward and to strengthen the national ownership of development processes and the necessary accountability of UNDP interventions at the country level. It may be necessary to incorporate some significant comments into the final evaluation report (by the evaluation team leader).

■ **Review:** The draft will be subject to: factual corrections and views on interpretation by key clients (including the UNDP country office, Regional Bureau for Asia and the Pacific, and the government); a technical review by the Evaluation Office; and a review by external experts. The Evaluation Office will prepare an audit trail to show how these comments were taken into account. The team leader, in close cooperation with the Evaluation Office task manager, shall finalize the ADR report based on these final reviews.

Phase 3: Follow-up

■ **Management response:** The UNDP Associate Administrator will request relevant units (in the case of ADR, the relevant country office and regional bureau) to jointly prepare a management response to the ADR. As a unit exercising oversight, the regional bureau will be responsible for monitoring and overseeing the implementation of follow-up actions in the Evaluation Resource Centre.

■ **Communication:** The ADR report and brief will be widely distributed in both hard and electronic versions. The evaluation report will be made available to the UNDP Executive Board by the time of approving a new CPD. It will be widely distributed in Indonesia and at UNDP Headquarters and copies will be sent to evaluation outfits of other international organizations as well as to evaluation societies and research institutions in the region. Furthermore, the evaluation report and the management response will be published on the UNDP website[62] and made available to the public. Its availability should be announced on UNDP and external networks.

The time-frame and responsibilities for the evaluation process are tentatively as follows:

MANAGEMENT ARRANGEMENTS

UNDP EVALUATION OFFICE

The UNDP Evaluation Office task manager will manage the evaluation and ensure coordination and liaison with the Regional Bureau for Asia and the Pacific, other concerned units at Headquarters level and the Indonesia Country Office management. The Evaluation Office will also contract a research assistant to facilitate the initial desk review and a programme assistant to support logistical and administrative matters. The Evaluation Office will meet all costs directly related to the conduct of the ADR. These will include costs related to participation of the team leader, international and national consultants, as well as the preliminary research and the issuance of the final ADR report. The Evaluation Office will also cover costs of any stakeholder workshops as part of the evaluation.

THE EVALUATION TEAM

The team will be constituted of three to four members:

■ Consultant team leader, with overall responsibility for providing guidance and leadership, and in coordinating the draft and final report

Activity	Estimated date
Collection and mapping of documentation by the research assistant	March-May
Desk review by the evaluation team	May-June
Scoping mission to Indonesia	July
Inception report	August
The following are tentative and will be firmed during the scoping mission in consultation with the country office and the government:	
Main ADR mission to Indonesia	September 28 for 3 weeks
Submission of first draft report to Evaluation Office	Early November
Comments from Evaluation Office and Advisory Panel	Mid November
Stakeholder workshop	December
Submission of second draft report	January
Factual corrections from country office, regional bureau, and government	February and March
Publication	April

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[62]   Available online at: www.undp.org/evaluation

- Consultant team specialist, who will provide the expertise in the core subject areas of the evaluation, and be responsible for drafting key parts of the report

- National consultant, who will provide the expertise in the core subject areas of the evaluation, and be responsible for drafting key parts of the report

The team leader must have a demonstrated capacity in strategic thinking and policy advice and in the evaluation of complex programmes in the field. All team members should have in-depth knowledge of development issues in Indonesia. While the team leader has the overall responsibility for putting the report together, each team member is responsible for providing detailed inputs regarding topics and thematic areas of the country programme. The division of labour is spelled out in the inception report.

The evaluation team will be supported by a research assistant based in the Evaluation Office in New York. The task manager of the Evaluation Office will support the team in designing the evaluation, participate in the scoping mission, and provide ongoing feedback for quality assurance during the preparation of the inception report and the final report. Depending on the needs, the Evaluation Office task manager might participate in the main mission too.

The evaluation team will orient its work by UNEG norms and standards for evaluation and will adhere to the ethical Code of Conduct.[63]

THE INDONESIA COUNTRY OFFICE

The country office will take a lead role in organizing dialogue and stakeholder meetings on the findings and recommendations, support the evaluation team in liaison with the key partners, and make available to the team all necessary information regarding UNDP activities in the country. In order to safeguard the independence of the evaluation, while the in-country interviews are organized through the country office, all the data collection efforts, including interviews and group meetings will be conducted in the absence of the UNDP country office staff members. The office will also be requested to provide additional logistical support to the evaluation team as required. The country office will contribute support in kind (for example office space for the evaluation team) but the Evaluation Office will cover local transportation costs.

EXPECTED OUTPUTS

The expected outputs from the evaluation team are:

- An inception report (maximum 20 pages)

- A comprehensive final report on the Indonesia ADR (maximum 50 pages plus annexes)

- A two-page evaluation brief

- A presentation for the Stakeholder Workshop

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63   UNEG, 'Norms for Evaluation in the UN System' and 'Standards for Evaluation in the UN System', April 2005.

Annex 2
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Annex 3

PERSONS INTERVIEWED

GOVERNMENT OF INDONESIA

MINISTRY OF PLANNING (BAPPENAS)

Dewo Broto, Director for Multilateral Cooperation

Suprayoga Hadi, Director for Special Regions

Sanjaya Harwo Hadi, Deputy Director for State Apparatus

Himawan Hariyoga, Director for Regional Autonomy, BAPPENAS /NPD

Basa Hernowo, Director for Forestry and Water Resources Conservation

Deddy Koespramoedya, Director for Tata Ruang and Pertanahan

Endah Murniningtyas, Director for Poverty Reduction

Rd Siliwanti, Director for Politics and Communications

Anton Tarigan, Kasubdit Regional Autonomy

Augustin Arry Yanna

MINISTRY OF FINANCE

Maurin Sitorus, Directorate for Loans and Funds, Ministry of Finance

MINISTRY OF FOREIGN AFFAIRS

Ghafur Dharmaputra, Director, Development Economic and Environmental Affairs

MINISTRY OF ENVIRONMENT

Dadang Hilman Fitrya, Adaptation for Climate Change on Agriculture and Coastal Areas

Ir. Sulistyowati, Assistant Deputy for Climate Change Impact Control

Tri Widayati, KBPKL Ozon, Ministry of Environment

MINISTRY OF ENERGY AND MINERAL RESOURCES

Dadan Kusdiana, Directorate of Renewable Energy and Energy Conservation

MINISTRY OF FORESTRY

Agus Sarsito, Head of International Cooperation Bureau

NATIONAL PUBLIC PROCUREMENT AGENCY (LKPP)

Agus Prabowo

NATIONAL AIDS COMMISSION (NAC)

Nafsiah Mboi, Secretary[64]

DISASTER MANAGEMENT NATIONAL AGENCY (BNPB)

Amin Subekti, former Deputy Head of BRR

Sugeng Triutomo, Deputy for Prevention and Preparedness

MICRO-HYDRO CLEARING HOUSE (IMIDAP)

Ratna Ariati, Director for New Renewable Energy and Energy Conservation

Zendra Permana Zen

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[64]   Met by the ADR team during the scoping mission.

DECENTRALIZATION SUPPORT FACILITY

Jana F. Hertz, Deputy Programme Manager

Daan Pattinasarany

DANA MITRA LINGKUNGAN (DML) FOUNDATION

Kemal Taruc

UN COUNTRY TEAM (UNCT)

Marc Beckmann, Consultant, UN Resident Coordinator's Office

Dwi Faiz, United Nations Development Fund for Women (UNIFEM)

Chris Hoban, Manager of Operations Service, World Bank

Zahidul Huque, Representative, United Nations Population Fund (UNFPA)

Angela Kearny, Representative, United Nations Children's Fund (UNICEF)

Shamima Khan, MDF Manager, World Bank

Parissara Liewkeat, Senior Programme Officer, International Labour Organization (ILO)

Ina Binari Pranoto, World Bank

Douglas Ramage, Senior Governance Advisor, World Bank

Stefania Sini, United Nations Volunteers (UNV)

Man Ho So, Representative, Food and Agriculture Organization (FAO)

Benni H. Sormin, Food and Agriculture Organization (FAO)

Amin Subekti, Senior Economist, World Bank

DONORS AND INTERNATIONAL DEVELOPMENT PARTNERS

Victoria Coakley, Director AusAid

Kenny Dick, Department for International Development Director

Scott Guggenheim, AusAid

Sakane Koji, JICA

Onno Koopmans, First Secretary Political Affairs, Royal Netherland Embassy

Patricia McCullagh, Director, CIDA

John Penny, Head of Europe House, Aceh, EU Secretariat

Benita Sommerville, Manager, Strategy and Policy Coordination, AusAid

CIVIL SOCIETY ORGANIZATIONS (CSOs)

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Sudibyo Markus, Chairman, National Executive Board of Muhammadiyah

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Dipa Signbagai, Capacity Development Specialist

Pauline Tamesis, Practice Leader, Democratic Governance

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[65]   Met by the ADR team during the scoping mission

PROJECTS SELECTED FOR IN-DEPTH REVIEW

Area	Project title	Period and modality	Stakeholders
Poverty and MDG	To Assess, Reinforce, and Gear Efforts Towards MDGs in Indonesia (TARGET MDGs)	2006-2011 NEX	BAPPENAS, local authorities, donors, NGOs, Coordinating Ministry of People's Welfare, BPS, local government, local parliament, national and local CSOs, local universities
	Papua Development Programme (PDP)	2006-2010 NEX	BAPPENAS, NAB, UN family, donors, CSOs, local government, Provincial Planning Body, international and local CSOs, local universities, Village Community Empowerment and Family Welfare Body
	The Indonesia Partnership Fund (IFP) for HIV/AIDS	2005-2010 NEX	National AIDS Commission, Coordinating Ministry of People's Welfare, donors, international NGOs, CSOs (including network of PLHIV, positive women)
	Community Recovery Programme (CRP)	1998-2006 NEX	State Secretariat, BAPPENAS, national and local NGOs, donors
	Support for mainstreaming gender into development policies and programmes	2005-2006 NEX	MWE, provincial units of women empowerment and NGOs, donors, training institutes, academics
Governance	Building and Reinventing Decentralized Governance (BRiDGE)	2004-2009 NEX	BAPPENAS/DRA, CSOs, donors
	Support to Justice for Peace and Development in Aceh	2007-2010 NEX	BAPPENAS/DLHR, IDLO, supreme court, local judiciary, CSOs, MAA, AJRC, UNSYIA
	Partnership for Governance Reform (PGR)	2001-2009 NEX	BAPPENAS/DSA, donors, NGOs, universities, research institutions, Pemda, MOHA/RA, KPK, KPU, BAWASLU, POLICE, MENPAN, TRADE, BPN
	Support to Indonesia Elections 2004, Aceh Local Elections and the 2008-2009 Election Project	2003-2010 NEX	BAPPENAS/DPC, KPU, BAWASLU, MOHA/Kesbangpol, NGOs, donors
Energy and environment	Integrated Micro-hydro Development and Application (IMIDAP)	2007-2010 NEX	MEMR, local governments, local hydro-turbine manufacturers, micro-hydro investors
	Capacity 2015 in Papua	2001-2008 NEX	BAPPEDA, MEA, provincial and district authorities, CSOs
	Sector phase-out for the elimination of CFCs in Indonesia (multiple projects)	2003-2010 NEX	Ministries of Environment, Trade, Industry and Finance (customs); private sectors; academics
		2007-2010 NEX	MEMR, local governments, local hydro-turbine manufactures, microhydro investors

Notes: BAPPEDA indicates Regional Development Planning Agency; DEX, Direct Execution; IDP, internally displaced persons; KPK, National Anti-corruption Commission; NAB, National Advisory Board; NEX, national execution; NGO, non-governmental organization; PLHIV, people living with HIV/AIDS.

Area	Project title	Period and modality	Stakeholders
Crisis prevention and recovery	Emergency Response and Transitional Recovery Programme (ERTR)	2005-2009 DEX	BAPPENAS, BRR staff, World Bank, bilateral donors, CSOs, IDPs, local government
	Technical Assistance to the BRR (TA-BRR)	2005-2009 NEX	BAPPENAS, BRR staff and local authorities in Aceh and Nias, UN organizations and bilateral donors, NGOs, MDF
	Safer Communities Through Disaster Risk Reduction in Development (SC-DRR) Programme	2007-2012 NEX	BAPPENAS, BNPB, MoHA, local governments, MoNE, MoH, BMKG, CSOs
	Peace Through Development (PTD) in the Provinces of Maluku, North Maluku and Central Sulawesi	2005-2010 NEX	BAPPENAS, BAPPEDA, UN and bilateral donors, CSOs
	North Maluku and Maluku Recovery Programme	2001-2006 DEX	Provincial and district governments, CSOs, donors, UN organizations, IDPs, international and local NGOs

Notes: BAPPEDA indicates Regional Development Planning Agency; DEX, Direct Execution; IDP, internally displaced persons; KPK, National Anti-corruption Commission; NAB, National Advisory Board; NEX, national execution; NGO, non-governmental organization; PLHIV, people living with HIV/AIDS.