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UNDP IN INDONESIA

Indonesia has undergone dramatic changes in its system for governance, including a massive and rapid decentralization of authority for public service delivery. It has faced a daunting series of natural disasters, and environmental challenges are increasing, with consequences such as severe flooding in urban areas. The national medium-term development plan emphasizes a strong macro-economic framework for economic growth.

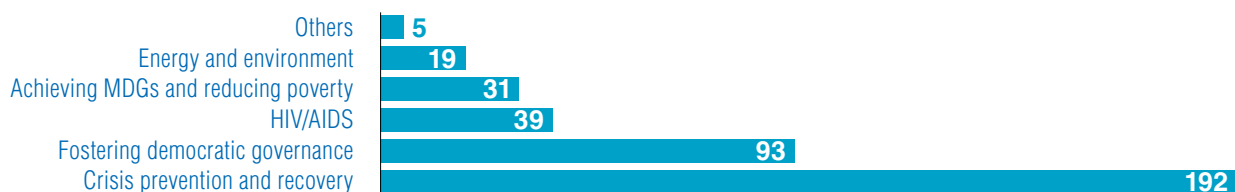
UNDP contributed to human development to achieve the Millennium Development Goals (MDGs), democratic governance, sustainable development and effective use of energy, reduced vulnerability to crisis, and the rehabilitation and reconstruction of Aceh and North Sumatra. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2001 to 2010.

TOTAL PROGRAMME EXPENDITURE, 2004-2008: \$378.8 MILLION

FUNDING SOURCES, 2004-2008



PROGRAMME EXPENDITURE BY THEMATIC AREA, 2004-2008 (\$ MILLIONS)



FINDINGS AND CONCLUSIONS

UNDP has effectively responded to two of Indonesia’s most urgent challenges—its democratization process, and disaster reconstruction and prevention—with great skill, imagination and flexibility, forging strategic partnerships at many different levels and contributing meaningfully to government efforts.

The transformation to democratic forms of governance required support in organizing free and fair elections, building accountable institutions, and providing space for developing policies and partnerships. In responding to the emergency after the tsunami in Aceh, UNDP supported the gradual transition to reconstruction, and to building peace and democratic institutions.

The organization’s most important contribution to poverty reduction was using civil society organizations to manage grants and credits to households, and committing local communities to a rights-based approach to public services and access to justice. This extended support for livelihoods in 200,000 households.

With the Government firmly committed to the MDGs, UNDP also assisted efforts to strengthen a pro-poor approach for achieving MDG targets. This approach was based on systematic monitoring and targeting, and entailed engaging local communities in a dialogue about the targets and their fulfilment.

Considering the enormous challenges Indonesia faces from climate change, threats to biodiversity and natural resources, the environment programme has been relatively modest in size. UNDP mainly managed 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 policymaking and the Montreal Protocol. Imports of ozone-destroying substances were banned in 2008, and the Ozone Layer Protection Programme is being applied in all provinces.

UNDP supported mainstreaming gender issues in all policies and development programmes. Many projects across its programme areas included components or requirements for supporting gender equality, although the degree of mainstreaming varied.

Positive contributions to capacity development during decentralization built on a comprehensive approach based on systematic needs assessment, and analysis of the roles of institutions and incentive structures. UNDP went beyond time-bound individual training activities, seeking to make results more nationally owned and sustained. Some challenges included a relatively high rotational rate in many local governments, making it difficult to retain new capacities and knowledge.

The efficiency of UNDP programming was mixed. External observers expressed concerns with aspects such as timeliness and cost effectiveness. Overambitious plans and unreliable sources of funding contributed to delays, loss of efficiency, and in some cases, termination of pilot projects at a time when they began to produce results.

Given the geographical coverage of the programme, UNDP's own administration was quite centralized, leaving the programme offices in Aceh and Papua limited authority regarding resource allocation, recruitment and procurement. In building a constructive relationship with local government bodies and civil society in the provinces, this limitation placed UNDP at a clear disadvantage.

A robust planning, monitoring and evaluation unit was commendable, and was accompanied by training staff and partners, and institutionalizing regular highly participatory review exercises. The focus of monitoring and reporting needed to shift from the output to outcome level, however, and the choice, use and coordination of evaluation activities needed to be more strategic.

Partnerships with the Government at the national and local level mainly centred on the National Development Planning Agency (BAPPENAS), which approves

and most often implements UNDP programmes. This relationship has become a strategic asset, based on shared values as well as mutual familiarity.

Through the Jakarta Commitment of 2009, the Government and its international development partners agreed to implement the Paris Declaration on Aid Effectiveness. This means managing the UNDP programme differently, particularly with regard to procurement support for national execution/national implementation modality projects. In many if not most cases, the Government has handed the procurement function back to UNDP, but over the long term, capacity should be built in the Indonesian administration both for conducting the procurement process and protecting its integrity.

In general, operationalizing the principles of the Jakarta Commitment in UNDP programming to ensure national ownership, alignment, and application of national systems and practices will require concerted efforts and a clear multiyear strategy. Priorities for the next country programme need to be clearly defined, particularly with Indonesia attaining middle-income country status, and both core and non-core funding rapidly declining.

RECOMMENDATIONS

- UNDP 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 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.
- To strengthen its strategic focus and use of reducing resources, UNDP's geographical focus should be continued.
- UNDP should review its partnership strategy to engage more actively with the private sector and local government, and to strengthen the advocacy role of its civil society partners.
- UNDP should actively engage major Indonesian stakeholders—including government agencies, and civil society and private-sector actors—in a national discussion of policies and measures against climate change.
- UNDP 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.
- UNDP 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 should also review the rules and routines for project management in order to enhance management efficiency of its programme.
- 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 the Government in the Aid for Development Effectiveness Project.

ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

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