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## **Provincial Governance Strengthening Programme (PGSP)**

### **Final Evaluation Report (January 2014)**

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29/01/2014

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## Acronyms and Abbreviations

Term	Meaning
ACCESS	Australian Community Development and Civil Society Strengthening Scheme
AGTP	Aceh Governance Transformation Programme
AusAID	Australian Agency for International Development (now DFAT)
Bappeda	<i>Badan Perencanaan Pembangunan Daerah</i> , Regional Development Planning Body
Bappenas	<i>Badan Perencanaan Pembangunan Nasional</i> , Ministry for State Development Planning
BR	Bureaucracy Reform
BRIDGE	Building and Reinventing Decentralised Governance Project
CPAP	Country Programme Action Plan
CSO	Civil Society Organisation
Dapodik	<i>Data Pokok Pendidikan</i> , Basic Education Data (System)
DFAT	Department of Foreign Affairs and Trade - Australia
DIALOG	Delivery and Improvement Local Governance
DIM	<i>Daftar Inventarisasi Masalah</i> , List of Noted Issues (for a Bill in the DPR)
DIPA	<i>Daftar Isian Program dan Anggaran</i> , Budget Programme Implementation Form
DPR	<i>Dewan Perwakilan Rakyat</i> , People's Representative Council (Parliament)
DPDR	<i>Dewan Perwakilan Rakyat Daerah</i> , Regional People's Representative Council
DSF	Decentralisation Support Facility
GIZ	<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i> , German Society for International Cooperation
GOI	Government of Indonesia
GR	Government Regulation (se PP)
HDI/HDR	Human Development Index/Human Development Report
IPAR	Internal Project Assurance Report
LAN	<i>Lembaga Administrasi Negara</i> , State Administration Agency
LOGICA	Local Governance Innovations for Communities in Aceh
M&E	Monitoring & Evaluation
MDG	Millennium Development Goal
MenPAN-RB	<i>Kementerian Pendayagunaan Aparatur Negara dan Reformasi Birokrasi</i> , Ministry of State Apparatus and Bureaucracy Reform
MoF	Ministry of Finance, <i>Kementerian Keuangan</i>
MoHA	Ministry of Home Affairs, <i>Kementerian Dalam Negeri</i>
MSS	Minimum Service Standards
NPD	National Project Director
NTT	Nusa Tenggara Timur
P3BM	Pro-Poor Planning, Budgeting and Monitoring
PEACH	Public Expenditure Analysis and Capacity Harmonisation Programme
PGSP	Provincial Governance Strengthening Programme
PNPM	Program Nasional Pemberdayaan Masyarakat, National Program for Community Empowerment

<b>Term</b>	<b>Meaning</b>
PNS	<i>Pegawai Negeri Sipil</i> , State Civil Worker
PP	<i>Peraturan Pemerintah</i> , Government Regulation
Prodoc	Project Document
QMR	Quarterly Monitoring Report
RPJMN	<i>Rencana Pembangunan Jangka Menengah Nasional</i> , National Medium-Term Development Plan
SKPD	<i>Satuan Kerja Pemerintah Daerah</i> , Regional Government Work Units
SMART	Sustainable Management Approach of Regional Tourism
SPADU	<i>Sekretariat Terpadu Untuk Kerjasama Pembangunan</i> , Integrated secretariat for Development Cooperation (NTT)
SPM	<i>Standar Pelayanan Minimal</i> , Minimum Service Standards
STRENGTH	Strengthening Governance to Health
TOR	Terms of Reference
UNDP	United Nations Development Programme
UNPDF	United Nations Partnership for Development Framework
YIPD	<i>Yayasan Inovasi Pemerintahan Daerah</i> , Regional Governance Innovation Foundation

## EXECUTIVE SUMMARY

### Introduction

1. This Final Evaluation Report for the Provincial Governance Strengthening Programme (PGSP) has been formulated by a two person team of independent evaluators and covers the full period of PGSP from 2010 to 2013.
2. PGSP has been executed by Bappenas in close coordination with the Ministry of Home Affairs (MoHA) and with technical and facilitation support from the United Nations Development Programme in Indonesia (UNDP). Strategic partnerships have been established with the three provincial governments in Bangka Belitung, Gorontalo and Nusa Tenggara Timur (NTT). In October 2012, the province of Aceh was included as a target area of PGSP. The programme has received funding to a total of approximately USD 8.5 million.
3. Through PGSP, UNDP supports the Government of Indonesia in re-defining and strengthening the roles and functions of provincial government through participatory policy making, regional development planning, and public service delivery, leading to the realisation of national and local development objectives and the improvement of the quality of life of the poorest. As per the revised Project Document (Prodoc) of 2012, PGSP's outputs are:
  - Enhanced policy and regulatory frameworks that further clarifies and strengthens roles and functions of provincial government;
  - Strengthened provincial government capacity in economic development planning and budgeting; and
  - Enhanced public service delivery through governance innovations, implementation of minimum service standards, and public complaint mechanisms.
4. PGSP's work on enhancing the Policy and Regulatory Framework has been centred around revisions to Indonesia's Law 32/2004 on Regional Autonomy. The project's work on strategic regional planning has involved a range of planning, budgeting and monitoring development activities with the participating provinces. It has linked the national government's aim to strengthen provincial government roles in particular in its functions as the representative of the national government. PGSP's third output has involved a wide range of activities with provincial and district governments including activities related to the implementation of minimum service standards and bureaucracy reform. PGSP has been able to trial a range of tools and methods in an innovative fashion.

### Relevance

5. PGSP has performed well in terms of relevance. It has been relevant to the Government of Indonesia's (GOI) stated needs to harmonise or synchronise efforts at national, provincial and district levels and to redress the balance between provinces and districts/towns in the regional autonomy/ decentralisation context. It has been relevant to the State Development Planning Ministry's (Bappenas) need to plan and budget for developments in decentralisation and regional autonomy, the Ministry of Home Affairs' efforts at improving sub-national systems and processes, the Ministry of Finance's (MoF) work on defining and maintaining fiscal balances between and among levels of

government and the Ministry of State Apparatus and Bureaucracy Reform's work on reforming provincial bureaucracy.

6. PGSP has been relevant to filling policy development gaps and promoting public discourse, both in legal revision and in development of policy papers. It has been relevant to GOI's priority efforts to reform bureaucracy at the sub-national level through working on capacity development, pro-poor planning and minimum service standards and in working with local political and administrative leaders. It has navigated political change in the provinces well. It has been relevant to the achievement of higher UN goals, both in the UN Partnership for Development Framework (UNPDF), particularly around bureaucracy reform and strengthened provincial capacities and in UNDP's Country Programme Action Plan (CPAP). But with its technocratic approach it has been less relevant to public participation in planning and thus to the overall UNPDF aims around participation in democratic governance. It has fitted well within and has been appropriate to the decentralisation programme of its major donor, the Australian Government.

### Appropriateness

7. PGSP has engendered a high level of client satisfaction. Its teams have been able to fit in well with the work culture at national and sub-national levels. Bappenas has been highly appreciative of PGSPs' support in revising national legislation and regulation. If the revision to Indonesia's law on regional autonomy becomes enacted, PGSP will have played a very appropriate role in bringing this to the National Parliament (*Dewan Perwakilan Rakyat* or DPR) and supporting public discourse.
8. Apart from the delays inherent in the process of legal revision (which are not the fault of the project) there have been few major external factors that have affected PGSP and the evaluation has concluded that in terms of external risk, PGSP has been robust because it has successfully involved and engaged political and administrative champions in its work at the sub-national level.
9. The evaluation notes that PGSP would have been more appropriate if it could have engendered more involvement in and development of roles for civil society, particularly in the newer provinces of Bangka Belitung and Gorontalo. This will be a challenge for future PGSP type programmes. PGSP could have more appropriately introduced its gender mainstreaming strategy at an earlier stage in implementation. Aims to mainstream gender within provincial planning, budgeting and monitoring processes appear to require a longer period to attain. Notwithstanding these shortcomings, the evaluation has concluded political, socio-economic contextual factors have been taken into account quite well in the design and implementation of PGSP.

### Effectiveness

10. From an overall perspective, PGSP has been effective in promoting national legal reform for provincial governance and bringing experience from the provinces back to the national government. PGSP has started to help provinces work on promoting better services for the people, but has not yet impacted upon the encouragement of feedback to sub-national governments on how people see the services they receive. Challenges remain for the future in promoting integrated approaches to service delivery that involve national, provincial and district/municipality governments with corresponding learning from this experience feeding back into further policy development. The evaluation has concluded that while PGSP was not specifically set up to encourage

linkages between integrated approaches to service delivery across levels of government and feedback from service delivery into policy development, it would have been more effective if it had done so.

11. We conclude that provincial government roles and functions have been strengthened, and will be further strengthened when (and if) the revised law comes into effect. Provincial governments are now much more aware of what their future roles in representing the national government will be. We do not see that this has involved participatory policy development to any large extent but suggest that PGSP has been effective in enhancing regional development planning. The programme has started to assist provinces to make inroads on service delivery, but this will need significant follow-up in the future in supporting actual implementation of services.
12. We conclude that PGSP has made key contributions to: reform of the national framework for decentralisation; and to empowering and equipping provincial and selectively district governments to plan and budget for pro-poor service delivery. The partnerships inherent in PGSP have been quite effective in engendering reform. Pro-poor planning and budgeting tools add considerable value to provincial efforts to reduce poverty. They also help to engender a service orientation and setting directions for service delivery in health and education. But PGSP has not yet demonstrated effectiveness in bringing about sustained improvement in actual service delivery.

#### **Effectiveness – Output 1:**

13. Output 1 has aimed at “enhanced Policy and Regulatory Framework that further clarifies and strengthens roles and functions of provincial government”. Of PGSP’s three outputs, this is the clearest and the most reform oriented. We conclude that PGSP has been very effective in working towards this output, within the confines of Indonesia’s national and sub-national political and national legislative environments. At the end of PGSP we note that the draft revision of Law 32 has significantly clarified and resolved the roles and functions of national, provincial and district governments and PGSP has contributed consistently and well to this. It has supported this work with a range of useful inputs into associated government regulations and policy development and has done effective work on Roadmaps for Bureaucratic Reform and Master Plans for Human Development in the participating provinces. It has also done useful cooperative work with *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) on reviewing the current National Medium Term Development Plan.
14. One of the challenges for the future is the extent to which GOI will continue to utilise high level policy material of this nature, with particular challenges to follow through on bureaucracy reform and to ensure that the pro-poor viewpoint will be enhanced. Notwithstanding this, participating provinces are now poised to enjoy a more strategic role in regional development. Setting agendas for reform in these areas is clearly the first stage of empowering provinces to reform their bureaucracies. Roadmaps now need to be implemented i.e. again moving on from document production. Provincial governments consulted indicate they are attempting to do this.

#### **Effectiveness – Output 2:**

15. Output 2 has aimed at “Strengthened provincial government capacity in economic development planning and budgeting”. This output has been effective in introducing tools and knowledge products relevant to strengthening provincial government capacity and has been reasonably effective in helping GOI to work out how to resolve planning



mismatches between levels of government. We particularly note the positive contribution that PGSP's work in cooperation with GIZ has produced in terms of reviewing the current National Five Year Development Plan. Essentially the work under this output has provided the national government with tools and knowledge products contributing to national level planning and relating to sub-national planning. However the potential impact of this on regional planning practice may be quite a long way off.

16. Of more direct relevance to provincial (and selected district) governments (which this output is stated as being about) is the introduction and trial of tools for local planning most notably the pro-poor planning budgeting and monitoring (P3BM) tools, as developed by Bappenas, in Bangka Belitung, Gorontalo and NTT; human development index/reports in NTT and Bangka Belitung, including the establishment of Human Development Index (HDI) forums; and Millennium Development Goal (MDG) measurement matrices in Bangka Belitung.. The programme has engendered a high level of enthusiasm among provincial civil servants to use these. The Province of Gorontalo is particularly commended for establishing with PGSP support a "clinic" that is formed from well-trained Bappeda officials who are passing their knowledge and skills in P3BM to service agencies, districts and the municipality on a case-by-case basis.
17. In June 2013, PGSP received additional funding from the Australian Government in a bridging arrangement for another project, the Support to the Acceleration of MDG Achievement in Indonesia (SAMAI). Work has commenced on this but is still ongoing. We conclude that it is probably relevant to include this work under PGSP, but that the arrangements to channel funding on an urgent basis through PGSP have caused some inception problems and have not been entirely appropriate. We can make no statement on the effectiveness of this initiative at this stage.

### **Effectiveness – Output 3**

18. Output 3 has aimed at "Enhanced public service delivery through governance innovations, implementation of minimum service standards, and public complaint mechanism". This output is essentially about innovation and can be seen as a UNDP special contribution to the development of tools and methodologies for sub-national governments. The output utilises an experimental approach and it is refreshing to see an agency and its government partner able to take a few risks in trying out new ideas, even though this has meant that Output 3 has been somewhat unstructured and scattered in implementation.
19. Output 3 is working towards enhanced public service delivery with focus on minimum service standards (MSS) in health and education. It has involved inputs from a variety of ministries in Jakarta. Bappeda planners have taken a lead in the provinces and have worked with local health and education agencies. Tools have been developed for both sectors to measure progress in delivery of basic services. In Bangka Belitung, PGSP has helped to develop an integrated approach to health costing, planning and budgeting involving the province and selected districts, which is being developed into a model by national government.
20. A range of other activities have been implemented under Output 3. Of particular note is the work of PGSP in Bangka Belitung and NTT on promoting a multi-sectoral, cross-jurisdictional approach to tourism development. This still has to result in long-term development programmes but is showing considerable promise. PGSP has also supported to various degrees aid management functions in participating provinces, with associated micro-grants. Aid management support aims at a governance improvement

in capacities to manage and monitor aid flows into a province. We do not think however that the links between aid management, grant funding and governance capacity building have yet been strongly made through PGSP. PGSP has made very little progress on public complaint mechanisms.

### Efficiency

21. Despite an unspent amount of USD753,000 at mid-December 2013, which is scheduled for use in early 2014, PGSP has managed to expend 91%% of its overall allocation. From an overall perspective the evaluation team considers this to have been a reasonable achievement. However, the evaluation acknowledges that from the donor perspective a higher level of expenditure, particularly with the final tranche of A\$500,000 of June 2013 for work on MDG Acceleration, would have indicated a greater efficiency in fund utilisation. In comparison with the funds that GOI is itself expending on its overall budget and specifically on services, PGSP represents a very modest financial investment. If GOI, through the leadership of Bappenas, is able to carry these results forward into the future and in particular to extend achievements into other provinces, the PGSP approach does represent excellent potential value for money. But we have not been able to put a value on the additional services and their additional quality that an initiative like PGSP can bring. It would be useful for the future to develop methods to measure and understand this.
22. One of the findings of this evaluation is that PGSP type programmes could enhance efficiency by focusing on fewer initiatives/tools more intensively (we comment specifically on this in the section on replicability). Notwithstanding the diffusion that concentrating on too many elements can bring, PGSP has utilised resources on what it has attempted quite efficiently. The recent merger of UNDP's governance and poverty units will likely enhance this. The use of analysts responsible for individual outputs has been a good idea. We think that PGSP has been an efficient channel to help national government introduce tools and methods. The provision of office space by Provincial Governments has been a useful and efficient contribution from them. We note that PGSP has encountered some delays in procurement, which have not enhanced programme efficiency.

### Impact

23. Measurement of impact in this programme, either by implementers or evaluators is very difficult. In particular the project has not progressed much in developing systems that can demonstrate progress in providing benefits to the poor. At minimum this means more focus on encouraging monitoring by sub-national governments of the results of efforts in minimum service standards using precisely the tools that PGSP has assisted them to acquire. We do acknowledge that it is likely that these tools will be very useful in impact monitoring. The inclusion of programme elements like work on HDI and MSS have helped to ensure that a perspective of human development needs has been reflected in PGSP's policy, planning and budgeting interventions but PGSP could have done more to encourage poverty reduction in the target areas.
24. There are small direct impacts for the grass roots elements/community from the Micro Grants in NTT (biogas, weaving and sex-education), particularly in having greater access to means of production and to alternative economic activity. The tourism activities in Bangka Belitung and East Flores are likely to bring direct impacts for the people of they are followed through in the future. There is evidence of small scale impact in villages in

Gorontalo that are participating in health MSS activities. These include better understanding of health and environment issues. PGSP has contributed to this in conjunction with other stakeholders. The unfortunate cessation of white pepper and corn development activities in Bangka Belitung and Gorontalo respectively have probably had negative impacts for local participants.

25. If bureaucracy reforms as outlined in roadmaps and in the revision of Law 32/2004 and as implemented through PGSP to date are carried forward into the future there will very likely be major impacts for poorer parts of the population. We believe that PGSP has contributed to improved capacity to deliver services particularly through P3BM and MSS work. Pro-poor planning and budgeting is emerging, but this has yet to lead to real impacts in communities.

### Sustainability

26. We have found little evidence of exit or sustainability planning within PGSP and poor evidence of sustainability analysis during the planning phase. Nevertheless, Output 1 carries its own internal sustainability, in that changes to national policy and legislation, once put into place become mandatory requirements for all levels of government. For Outputs 2 and 3, we conclude that provinces have had significant exposure to PGSP initiatives. But at the end of the current PGSP phase we have still to see firm results in the form of pro-poor budgets being in place. If as hoped this does eventuate in the 2014 budgets, we could be a little more confident of financial sustainability.
27. Capacities in pro-poor planning and budgeting using the various tool and methodologies of PGSP have been built. We suspect that the benefits from this work can be sustained in the future, at least from the perspective of planning and budgeting to achieve standards. There is certainly enough impetus from the national government to continue encouraging achievement of MDGs through MSS. But this will need more support to firmly embed into local institutions. Local economic development initiatives in tourism are not guaranteed to be sustained for similar reasons. It is one thing to facilitate the development of master plans and quite another to actually have those plans implemented. Local grant type initiatives seem not to have been designed to sustain outside support.
28. Ownership by participating provinces and districts has been good. The partnership strategy of connecting national and sub-national stakeholders has worked well and has generated good will. There is a good chance that the linkages that have been made will continue, especially as they are now becoming embedded in national policy and legislation. Output 1 has served to develop links between the national and sub-national levels on the revision of Law 32 as well as undertaking work with provinces on Bureaucracy Reform Roadmaps. Output 2 has served to focus provinces on the important national agenda of bureaucracy reform and the very important use of B3BM tools. By definition it has also focused provinces on the national government's overall efforts to reduce poverty. Output 3 in general has served to focus on service delivery, which is very much a national concern, including from technical ministries as well as central agencies. There is some evidence that experience from the field through PGSP is feeding back into national policy formulation, with one particular example being minimum service standard costings developed in Bangka Belitung now being utilised in a national model by the Ministry of Health. Furthermore, national government has now had experience through PGSP in the use at the sub-national level of important tools such

as P3BM, which will be of use in policy formulation in the future. Nevertheless, in comments in this report, the evaluation team notes that the feedback link between field experience and national policy formulation was not intended to be explicitly developed through PGSP (please refer in particular to discussion on figures 1 and 2 below). Future work evolving from PGSP could usefully address this.

29. An exit strategy should be defining how the programme will progress to the point where it is no longer needed at all. We suggest that the following would be good indicators that PGSP type programmes are no longer needed: a. provinces and districts will be providing services to the minimum standards as defined by national technical ministries; b. civil servants in the provinces and districts will be performing their various tasks to competency standards as defined by the Government; and c. ordinary people will understand the services to which they are entitled, will be demanding that those services are provided and will be critical of local governments that fail to do so and supportive of governments that do.

### Value Added

30. UNDP has many years of experience of working with the Government of Indonesia at the national level and is seen by it as a trusted, neutral partner. UNDP's relationship with Bappenas is particularly close. PGSP has demonstrated the depth of this relationship and has been able to extend this to sub-national governments. To our knowledge PGSP has been in a relatively unique position in that its development focus has been primarily in linking the national and provincial levels of government. It has been able to work in the sub-national context on a consistent basis for almost four years. Teams have been located within provincial government offices and working closely on a day-to-day basis with provincial government colleagues. PGSP has demonstrated familiarity with GOI processes in the provinces and an ability to understand and accommodate the prevailing work culture and schedules, which we suspect is highly complementary with other donor programmes.
31. PGSP offers considerable expertise in a number of key areas related to regional autonomy and decentralisation. At the national level it has consistently worked on legal revision and policy development. At the sub-national level PGSP has consistently worked on pro-poor planning and is building expertise in improvements in minimum service standards and in relating these to achievement of MDGs and the use of HDI.

### General recommendations

32. The following are the general recommendations of this evaluation:
33. **Recommendation 1 - Replicate the PGSP approach:** Acknowledge the appropriateness of PGSP and its partnership approach to governments at national, provincial and district/municipality levels and in particular the role of facilitation<sup>1</sup> teams in providing a bridge between national and sub-national government. Commit to replication in other provinces and continue to work in current provinces, replicating in an increased number of districts.

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<sup>1</sup> "Facilitation" in the context of PGSP covers a variety of activities undertaken by UNDP's PGSP support staff and their government colleagues. These could include workshops, training events, briefings, mentoring or simply helping to bring together people from different stakeholder organisations.

34. **Recommendation 2 - Tighten the rigour of the design process:** The design framework needs to better reflect sufficiency of outputs in reaching the overall provincial governance strengthening outcome. There should also be more specific objectives regarding the involvement of districts and municipalities and also of the DPRDs.
35. **Recommendation 3 - Focus on social and economic development:** Recognise that while PGSP was originally framed in terms of improving economic development, the PGSP approach is as valid to work in social development as it is in economic development. In particular place more focus on public involvement in pro-poor planning and in providing feedback to governments implementing services.
36. **Recommendation 4 – Focus on implementation of services:** Extend the scope to include direct support for implementation of services by provinces and districts and include stronger focus on accountability. Place a much heavier emphasis in the future on poverty reduction as being a major development outcome and seek to engage the public and civil society organisations (CSOs) more comprehensively.
37. **Recommendation 5 – Link with villages:** Consider a more comprehensive inclusion of village or community planning, community voice and demand creating elements in future programming bearing in mind that this requires up-front assessment of local political economy (i.e. what will work and what will not). Consider how top-down and village elements can best work in a complementary fashion. UNDP should consider complementary or parallel activities being undertaken by other UNDP programmes or other GOI or donor programmes that can be adapted to add value to provincial roles in stimulating village voice in development planning and monitoring. Examples include (but are not limited to) UNDP’s own work on village planning through the Peace Through Development (PTD) initiative and the Australian Government’s work through the Australian Community Development and Civil Society Strengthening Scheme (ACCESS).
38. **Recommendation 6 – Follow through on bureaucracy reform:** Recognise that bureaucracy reform is a long term endeavour and that roadmaps are really at the start of the process. Therefore focus in the future on helping sub-national governments to follow through on bureaucracy reform. Also consider integration of civil servant (*pegawai negeri sipil* or PNS) performance measurement in future PGSP style activities.
39. **Recommendation 7 – Follow through on implementing regulations:** UNDP has built experience and expertise to gain a valuable and neutral niche in assisting GOI with upstream policy development for regional autonomy and decentralisation, including revisions to Laws and regulations. If Law 32/2004 is revised, continue to carry forward the results of work on reforming national decentralisation and regional autonomy law and work selectively on implementing regulations that better link programs across sectors and between provinces, districts and towns, recognising the long lead times this may entail. If the revision to the Law is not enacted in the period of the current Government, UNDP should review with GOI the need for PGSP type support for decentralisation and regional autonomy policy development in the future. UNDP should consider that, regardless of the revision being enacted or not, it is likely that there will be further needs for policy development aiming to harmonise national, provincial and district development efforts and that UNDP is in a position to help.
40. **Recommendation 8 – Deploy more resources in the provinces:** Acknowledge that programme resources are required both centrally and in the provinces but endeavour in future support to place more resources at the provincial level so as also to take in more

comprehensive work in districts, municipalities and where appropriate with communities.

41. **Recommendation 9 – Invest in M&E and learning:** Consider a more comprehensive investment in results and outcome monitoring, learning, knowledge management and ongoing evaluation in future phases. This might include more focused research and knowledge management. Note that this implies greater allocation of funds for this area and a notional 10% of programme funding would not be inappropriate.
42. **Recommendation 10 – Immediately document PGSP knowledge gained:** Immediately take forward the body of knowledge that PGSP has helped to produce and prepare it for use in future programmes; i.e. urgently assemble and disseminate knowledge and methods from PGSP, in particular to take advantage of the opportunity to influence thinking by future national leaders as Bappenas works to formulate the next National Medium-Term Development Plan.
43. **Recommendation 11 – Improve rigour in programme changes:** Improve the paper trail in changes made to future programmes during implementation. Institute greater rigour in tracking indicators and targets.
44. **Recommendation 12 – Focus on sustainability throughout:** Focus clearly and logically on sustainability in design documents and define an exit (or sustainability) strategy as part of the design. Recognise the need to develop and keep in mind the exit strategy from the inception of any new programme.
45. **Recommendation 13 – Share knowledge with other programmes:** Consider undertaking, as part of the design process, knowledge sharing with other programs that involve complementary aspects such as village planning and public finance management.
46. **Recommendation 14 – revise funding mechanisms:** Reflect urgently on lessons from previous experiences with DIPA as preparation for future PGSP type work, especially if DIPA is going to be the only or predominant mechanism to channel funds to sub-national governments. Therefore in the future close relations/communications with MoF and MOHA will remain very important.

### **Observations and recommendations on replication**

47. The issue of replication of PGSP is of major importance at this time, given the need for GOI and UNDP to examine strategies for the future. We make the following observations and recommendations on replication:
48. **Follow-up in PGSP's current provinces:** PGSP's work is not finished in the three main provinces in which it has been working. Further strengthening delivery of services, continuing to support the implementation of bureaucracy reform and following-up on thematic plans such as for tourism would be desirable. We also suggest that involvement of more districts in current provinces would also be highly desirable. This means replication at the district level. The selective engagement of people from the three provinces to help facilitate in other provinces is a useful area to think about.
49. **Do not be over-ambitious:** From an overall perspective we consider that PGSP could relatively easily be replicated in other provinces. We are not going to suggest which provinces might be suitable but it would certainly be over-ambitious to replicate PGSP in all provinces. While GOI and UNDP could envisage an expanded PGSP type programme to cover more provinces, we do not believe that it can easily gear up for an across the nation challenge. This also depends on the resources made available, either through GOI

or UNDP. The approach suggested by UNDP to sequence a new phase of PGSP successively across groups of provinces is sensible if a larger programme is to be attempted.

50. **Support for newly created provinces:** We note that PGSP has been appropriate to the needs of the relatively new provinces of Bangka Belitung and Gorontalo. The creation of new provinces implies that one administrative capital will be elevated to become the provincial capital, with the dual challenge of maintaining district or municipality services whilst developing provincial capacity at the same time. Inevitably the human and financial resource base will be stretched while this is happening and it means that the new provincial administration will likely start from a low resource base. The opportunity for support in areas like service delivery has been and will be very attractive for new provinces. One useful strategy for the future would be to support selected new provinces, including new provinces that may be created in the future, provided local leadership can indicate commitment to reform and to meeting MDGs and improving the HDI.
51. **Support for poorer or smaller provinces:** Another strategy element to consider is to support poorer (by percentage poor) or smaller (by population) provinces as priorities, especially where they show a clear commitment to achieving MDGs and improving their HDI. The example of NTT as a relatively resource poor province being able to commit to pro-poor development is pertinent. But we believe such a strategy would depend on being able to more fully articulate poverty reduction within the programme design. PGSP may also be more appropriate to smaller provinces i.e. those with smaller populations and smaller geographical areas. In our presentation of preliminary findings we did suggest that implementing PGSP in a large province (e.g. in Java) would potentially bring benefits in service delivery to a huge number of people. In retrospect we do not recommend this, as the scale of activities required would necessitate a completely different approach with much larger teams of people deployed.
52. **Continue with support for the role of the Governor:** One of the key elements that has made PGSP different from other programmes has been its work to support the development of the Governor's role (and that of the provincial administrations.). PGSP has offered a comparative advantage in this area. This supports an enabling environment for inter-government delivery of services and for better governance more generally and should continue if PGSP is to be replicated. This means continuing to support the provincial role in coordination, guidance and monitoring of development across provinces. For this reason the inclusion of a more structured approach to involving districts, which are on the front-line of service delivery, would also be beneficial. To a large extent district involvement in PGSP to date has been dependent on opportunities arising as work progresses.
53. **Continue with pro-poor approaches:** We view that the core of PGSP has been its work on pro-poor approaches to planning and budgeting. This has started to move into pro-poor service delivery. We suggest that this core of work can be replicated elsewhere. This means further support for the Bappenas P3BM approach and for selected minimum service standards. We suggest strongly that MSS work should be very selective. As more and more technical ministries promulgate minimum service standards there will be tensions within provinces as to which sectors they can actually focus on. The question is simply how many sets of minimum service standards can be implemented by provinces with limited resources. The focus on MSS in health and education to date in PGSP has



been appropriate and the future programme's work on MSS should be limited to this. We do not recommend that the future programme attempts to cover all SKPDs (Satuan Kerja Pemerintah Daerah or Regional Government Work Units) in participating provinces. In general, we note that as PGSP has developed, the programme has moved from a base of economic development to progressively include social development and that this provides a pointer for future design.

54. **Look at downstream implementation issues:** PGSP has worked more in the planning and budgeting phases of development and less in the provision of services. The programme has worked largely on the upstream elements of public finance management and to some extent in the monitoring of services (through work on MSS). We are arguing in this report that the balance should be changed somewhat to include more sustained efforts at helping provinces to support districts and municipalities to actually deliver services. This is the challenge of provincial roles in coordination, guidance and monitoring. There ought to be logical extensions of PGSP's work into public finance management for delivery of health and education services. These are the downstream elements of public finance management and include transparency and accountability for expenditure and abilities to spend to budget, to purpose and on time. We acknowledge that downstream elements of public finance management are harder to reform than upstream elements. Some of the lessons from other programmes (e.g. the World Bank's Public Expenditure Analysis and Capacity Harmonisation Programme or PEACH) might well be appropriate. There may also be opportunities to link with other programmes that do aim at technical assistance in delivering health or education services. There is considerable merit in developing much closer relationships with the Health and Education Ministries in providing PGSP type support for MSS.
55. **Bureaucracy reform:** The PGSP experience in facilitating roadmaps for bureaucracy reform has been useful and could be replicated elsewhere. GOI now mandates exercises of this nature. Future PGSP type work should continue to support this as it is a good way of getting provinces to focus on longer-term bureaucratic realignment. We suggest that roadmaps are only the start of bureaucracy reform and that much will remain to be done to help provinces implement such reform. We suggest that more comprehensively supporting the development and monitoring of administrative competencies as variously defined by MoHA, MoF, MenPAN and LAN would be a useful complementary element.
56. **Follow-up on legal revisions:** In future programming it will be important to follow up on the revision to Law 32/2004 particularly in regard to ensuring that the changes the new law will bring are supported and facilitated in any province in which the programme works. It will also be important to offer support in developing the implementing regulations that flow from the revised law. We do not wish to comment on needs to support revisions of other laws – e.g. the revision of the Law on the Civil Service, as we have not reviewed this. However as per Recommendation 7 above, we do note that the finalisation of revisions to Law 32/2004 is currently uncertain. But regardless of this there is an opportunity for UNDP to engage in discussions about future policy development work at the national level and the implications for work in the future around provincial "*korbinwas*" (coordination, guidance and monitoring) and supporting district/municipality efforts on service delivery.
57. **Development of thematic approaches:** In a broad sense the examples of tourism development within PGSP to date have been thematic in nature. If in the future PGSP or



its successor programme is able, as we have suggested, to follow-up on master plans by supporting their implementation then it may be appropriate to continue to have such thematic elements. Obviously care is needed to determine which thematic elements are appropriate in different provinces. It would also not be appropriate (and would be hard) to develop too many thematic approaches. We are unable to suggest which thematic areas might be appropriate as this depends on a) provincial needs and b) UNDP's capacity to work in such sectors. For UNDP in particular a general suggestion would be to try to work in areas in which UNDP already has sectoral experience through its overall programme as articulated in the CPAP. This would provide an opportunity for synergies within UNDP's wider Indonesia programme.

58. For more detail on key elements, tools and methods of PGSP for replication please see Table 4 in the Recommendations and Suggestions on Replication in the main part of this document.

## INTRODUCTION TO THIS DOCUMENT

59. This Final Evaluation Report for the Provincial Governance Strengthening Programme has been formulated by a two person team of independent evaluators. The Terms of Reference (TOR) for the Evaluation Team Leader is given as Annex 1.
60. PGSP has been executed by Bappenas in close coordination with the Ministry of Home Affairs and with technical and facilitation support from UNDP. Strategic partnerships have been established with the three provincial governments in Bangka Belitung, Gorontalo and Nusa Tenggara Timur (NTT). In October 2012, the province of Aceh was included as a target area of PGSP and a limited range of PGSP activities have been undertaken there. UNDP has resourced and staffed an office in Jakarta and teams in Bangka Belitung, Gorontalo and NTT for PGSP. The majority of the funding for PGSP has been from the Australian Government<sup>2</sup>.
61. This report is the result of analysis of primary and secondary data including information and inputs from key relevant stakeholders through a series of interviews conducted in Jakarta, Bangka Belitung, Gorontalo and NTT. A teleconference was conducted with a senior respondent in Aceh. This report provides the opportunity to assess lessons learned in order to identify key areas which are replicable for the future. It looks at necessary conditions for sustainability of the key results of the project and provides recommendations that it is hoped will be used as a basis for design and management for results in future UNDP supported activities of this nature.
62. UNDP organised a Reference Group meeting on 21/10/13 at which preliminary findings were presented. Comments from this meeting and a separate presentation with the funder the Australian Government, and follow-up meetings with UNDP have been used in preparing this report. The report also accommodates comments, suggestions and additional information from UNDP as a result of the first draft. Final comments have now been received from UNDP and other stakeholders as a prelude to the production of this final evaluation report.

## DESCRIPTION OF PGSP

63. This description of PGSP draws on the evaluation TOR and the PGSP Project Documents; the Prodoc of December 2009 and the revision of November 2012.
64. In 2010, the Government of Indonesia initiated the Provincial Governance Strengthening Programme executed by the National Development Planning Agency (Bappenas) in close collaboration with the Ministry of Home Affairs (MoHA) and the United Nations Development Programme (UNDP). PGSP follows on from the Building and Reinventing Decentralised Governance Project, (BRIDGE), which was implemented between 2005 and 2007 on the island of Sulawesi.

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<sup>2</sup>In this document, where specific references are made to the funder, the name Australian Government is used. During most of PGSP's implementation this was through the Australian Agency for International Development (AusAID), which has now been incorporated into the Australian Department of Foreign Affairs and Trade (DFAT).

65. Through PGSP, UNDP supports the Government of Indonesia in re-defining and strengthening the roles and functions of provincial government through participatory policy making, regional development planning, and public service delivery, leading to the realisation of national and local development objectives and the improvement of the quality of life of the poorest.
66. The programme has offered technical assistance for policy reformulation and implementation, a focus on the provision of public services, and the participation of a wider group of stakeholders, including non-state actors. PGSP has tried to address both the supply and demand sides of governance, through three outputs (as defined in the more recent Prodoc):
- Enhanced policy and regulatory frameworks that further clarifies and strengthens roles and functions of provincial government;
  - Strengthened provincial government capacity in economic development planning and budgeting; and
  - Enhanced public service delivery through governance innovations, implementation of minimum service standards, and public complaint mechanisms.
67. Because PGSP's Prodoc has been revised it is pertinent at this stage to state the original three outputs which were:
- Enhanced Policy and Regulatory Framework that further clarifies and strengthens roles and functions of provincial government and council (*Dewan Perwakilan Rakyat Daerah* or DPRD);
  - Strategic regional economic development planning strengthened, effectively link planning and budgeting using HDI/HDR (Human Development Index/Report) ; with participatory decision making mechanism in place; and
  - Achievement of better development outcomes at provincial level through governance innovations: implementation of minimum service standards, civil service reform, participatory monitoring and evaluation and sustainable cross province learning.
68. PGSP's work on enhancing the policy and regulatory framework has been centred around revisions to Indonesia's Law 32/2004 on Regional Autonomy, and this has been undertaken in Jakarta with Bappenas, the Ministry of Home Affairs and the Ministry of State Apparatus and Bureaucracy Reform. Work has been undertaken on a range of policy initiatives and papers related to the revision of the law and on a number of related Government Regulations.
69. The project's work on strategic regional planning has involved a range of planning, budgeting and monitoring development activities with the participating provinces and has linked the national government's aim to strengthen provincial government roles in particular in its functions as the representative of the national government.
70. PGSP's third output has involved a wide range of activities with provincial and district governments including activities related to the implementation of minimum service standards and bureaucracy reform. PGSP has been able to trial a range of tools and methods in an innovative fashion.
71. The programme has received funding to a total of approximately USD 8.5 million. It received funding of just over USD 1,700,000 from the Decentralised Support Facility (DSF) for the period of 2010-2011 and AUD 4,900,000 from the Australian Government, for the period of 2011-2013. It has also used UNDP's own resources of around USD

1,100,000 and has received a further AUD 500,000 from the Australian Government in 2013. Please see section e. on Efficiency for further details of received and expended funds.

72. This evaluation covers the full period of PGSP from 2010 to 2013.

## **EVALUATION SCOPE & OBJECTIVES**

73. This section is extracted from the Team Leader's Terms of Reference (as per Annex 1). "The main purpose of this evaluation is to undertake a final, independent evaluation for UNDP, Bappenas, Ministry of Home Affairs, provincial governments, relevant local government units, and key development partners on the project's successes and failures, long-term results, the sustainability of project benefits, synthesise lessons learned, and produce recommendations for a possible extension of the project for period 2014-2015. It will assess key achievements and contributions to the strengthening of institutional capacity of provincial governance in achieving decentralisation, planning and budgeting, public service delivery and bureaucracy reform; as well as support to the national government in establishing regulatory frameworks.
74. Knowledge and information obtained from the evaluation will be used as a basis for better design and management for results of future UNDP-supported initiatives, including a potential extension of PGSP for the period 2014-2015, as well as other areas in institutional capacity building context in general. The evaluation also supports public accountability to the Government of Indonesia, UNDP, and DFAT-AAP.
75. The evaluation will examine the progress, achievements, critical shortcomings, good practices and lessons learned of the three main components/outputs of PGSP, namely: policy support (enabling environment), capacity strengthening for development planning and budgeting, and enhanced public service delivery through governance innovations. The evaluation will also cover the contribution of these outputs to higher-level results (outcomes) laid out in the UNDP CPAP. Evidence will be collected from all PGSP's target provinces and selected districts, including pilot villages where PGSP has supported governance innovations and piloting of planning and budgeting tools. As a final evaluation, the evaluation will cover all project outputs and initiatives implemented since the beginning of the project, in 2010, until the project's current completion date in 2013.
76. The evaluation will also assess the opportunities for a potential extension, including key gaps to be addressed, needs for enhancing the sustainability of project results/benefits, niche areas of support for UNDP, funding availability, and expectations of development partners and project stakeholders. The objectives of the evaluation are as follows:
- a. To review and critically evaluate the achievement of results since the project started in 2010;
  - b. To review and contextualise PGSP efforts and contributions to national efforts of decentralisation (particularly in strengthening the role of the provincial government in its role as both representing the central government and its role as head of autonomous region), bureaucracy reform, planning and budgeting, and public service delivery;

- c. To assess the relevance and effectiveness of strategies and interventions applied by PGSP;
  - d. To determine whether there have been any unexpected results in addition to the planned outputs specified in the project documents;
  - e. To gain insights into the level of satisfaction with the project's results/impacts amongst beneficiaries (direct and indirect), national government partners, and donors;
  - f. To assess PGSP efforts towards ensuring sustainability to enable UNDP and project beneficiaries to sustain the benefits of the project and effectively respond to any future needs for institutional capacity development to delivery public services, policy and regulatory support, and governance innovations;
  - g. To distil and articulate lessons learned from PGSP, including those pertaining to approaches, strategies, gender mainstreaming (where relevant), management and partnerships, both in the context of country specific lessons and those relevant to other governance programmes;
  - h. To assess the effectiveness of capacity development at the provincial level and extent to which this has contributed to overall improvement of governance;
  - i. To determine the added value of the project and potential replicability;
  - j. To provide recommendations and insights to future programming in the areas of bureaucracy reform, decentralisation, planning and budgeting, and public service delivery;
  - k. To provide recommendations on strategic focus area and to review whether additional pilot provinces are necessary to increase coverage of PGSP project".
77. In doing so, the evaluation is using the standard Organisation for Economic Co-operation and Development, Development Assistance Committee (OECD/DAC) Evaluation Criteria for Evaluation of Development Assistance namely, relevance, effectiveness, efficiency, impact and sustainability. As per the TOR, the evaluation has also considered the UNDP criterion of acceptability, plus two additional criteria of value added and replicability.

## EVALUATION APPROACH, METHODOLOGY& DATA ANALYSIS

78. This evaluation has been undertaken based on the use of the eight evaluation criteria of relevance, appropriateness, effectiveness, efficiency, impact, sustainability, value added and replicability which are each covered in turn in below. The evaluation used the following approach and methodology:
79. **Secondary data collection:** The team undertook a desk study of key documents, including the programme design and a selection of reporting materials, written outputs and published documents. The evaluation team is grateful for the volume of material that has been provided by key respondents in Jakarta, Bangka Belitung, NTT, Gorontalo and Aceh. Key documents consulted are listed in Annex 2.
80. **Primary data collection in Jakarta:** Key meetings in Jakarta included those with Bappenas, the Ministry of Home Affairs, the Department of Finance, the Lembaga Administrasi Negara, GIZ and the CSO agency *Yayasan Inovasi Pemerintahan Daerah*

(YIPD or the Foundation for Regional Governance Innovation). The team has undertaken discussions in Jakarta with colleagues from UNDP (both in headquarters and in the project office). Interviews in Jakarta were undertaken both before and after visits to the provinces. It was not possible to meet with the Ministry of State Apparatus and Bureaucracy Reform. Key persons consulted at all stages are given in Annex 3.

81. **Primary data collection in Bangka-Belitung, NTT and Gorontalo:** Meetings and interviews commenced in Bangka Belitung on 23/09/13 and covered a period of two weeks for the three provinces. Primary data collection was done mostly through in-depth interview. The evaluation involved respondents from Bappeda, SKPD and wherever possible participants from civil society. In all three provinces, the team was provided with added perspectives from government officials from selected district administrations. In Bangka Belitung we met officials from the districts of Belitung and Belitung Timur; in NTT from Flores Timur and in Gorontalo from Pohuwato.
82. **Primary data collection on Aceh:** At the commencement of this evaluation it was suggested by UNDP that discussions on PGSP activities in Aceh be undertaken by teleconference (due to availability of participants and time constraints). The team accepted this approach, and given the limited nature of PGSP activities in Aceh, did not subsequently consider a visit necessary.
83. **Key questions:** Key questions for the evaluation are given in Annex 4. This set of questions was adapted to the roles and participation of various agencies involved in the PSGP project. These questions are in addition to (and related to) the extensive set of questions posed in the TOR. The additional questions are pitched at a strategic level.
84. **Data analysis:** The Team undertook regular reflection sessions during the evaluation. The purpose of these sessions was to ensure that the team members had the opportunity to share what they had learned and to establish further data needs on an ongoing basis. Data analysis was undertaken in Jakarta on return from provincial visits and has continued in team members' home bases.
85. **Feedback:** The team prepared a presentation of preliminary findings which was delivered to Reference Group colleagues from Bappenas, the Ministry of Home Affairs and UNDP on 21/10/13. A shorter version of the presentation was given to the Australian Government in the company of UNDP colleagues on 23/10/13. Feedback from these presentations in verbal and written form was provided, and the team was provided with additional documentation. The evaluators used this feedback in the preparation of the first Draft Final Evaluation Report.
86. **Report preparation:** A second draft evaluation was prepared for presentation to UNDP and the Project Board and included updates based on written comments from colleagues in UNDP and response by them to final questions posed by the evaluation team. The final evaluation document was prepared to accommodate comments and suggestions as provided by the Reference Group, which was welcomed by the team. Please note that this report includes Annex 5 looking at specific aspects of PGSP in the three provinces.
87. **Statement of independence and standards from evaluators:** The evaluators have consulted UNDP resources on evaluation, its norms, standards and ethics. These norms, standards and ethics have been adhered to during the evaluation. The evaluators are familiar with the OECD DAC criteria for evaluation. The evaluators are completely independent from UNDP Jakarta and at all times presented themselves as such to respondents.

88. **Limitations to this evaluation:** The following are noted as limitations to this evaluation:

- a. This evaluation was undertaken concurrently with the final stages of PGSP so programme staff have been occupied with a range activities at the same time as the evaluation. Notwithstanding the evaluators were satisfied with and grateful for the level of consultation they were able to have with PGSP staff.
- b. In hindsight, given the number of activities that PGSP has included in the provinces, longer periods of time might have been spent in provincial visits with opportunity in particular to visit more districts. However this has not been critical to the evaluation and its findings.
- c. The evaluation notes that more information has been made available verbally and in written form for the more recent period and activities of PGSP. The team has been able to gain insights for the DSF period, although respondents from both UNDP and government with experience during the earlier period were limited in number (because people have moved on).

## FINDINGS& CONCLUSIONS

### a. Comments on design and monitoring of PGSP

89. The original design of PGSP was prepared in late 2009 in the form of the project's Prodoc. This was revised in August 2012.

90. The design in both Prodocs has responded selectively to Indonesia's policy outcomes as per the National Five Year Development Plan (*Rencana Pembangunan Jangka Menengah Nasional* or RPJMN) 2005 – 2009<sup>3</sup>. These are in Table 1.

**Table 1: GOI Outcomes for 2005 to 2009**

<b>GOI Policy outcomes to which PGSP has responded (RPJMN 2005 – 2009)</b>
Revitalisation of the Decentralisation and Regional Autonomy Process: Attained synchronisation and harmonisation of regulations; Enhanced cooperation among regional governments; Effective, efficient and accountable regional governments; Established capacity in management of resources by professional and competent regional government apparatus; Transparent, accountable and professional management of funds and development funding; and Reformed new autonomous regions. (Chapter 13)
Creating clean and credible governance (Chapter 14)
Realisation of increasingly solid democratic institutions (Chapter 15)

91. In Indonesia's RPJMN for 2010 to 2014 in 2010, the first priority of the government has been bureaucracy and governance reform. The government articulated this priority (inter alia) as:

- a. Reforming regional autonomy through 1) restricting the proliferation of regions, 2) improving the efficiency and effectiveness of the use of regional balancing funds; and 3) improving the implementation of elections of regional heads;

<sup>3</sup>National Medium-term Plan 2004-2009, chapters 13 - 15 related to governance, as formalised through Peraturan Presiden No. 7, 2005. Bappenas website: <http://www.bappenas.go.id>

- b. Acceleration in harmonising and synchronising laws and regulations at central and local levels to achieve alignment in implementation of development (this has included review of local regulations); and
  - c. Synergy between the centre and regions: Determination and application of the system of public service key performance indicators are aligned between the central government and local governments.
92. **Analysis was not revisited for the Prodoc revision:** Despite the publication of Indonesia's new RPJMN for 2010 to 2014, with GOI's own analysis of bureaucracy reform requirements as quoted above, the revised Prodoc of 2012 continued to use analysis that referred in several places to the year 2009 as being in the future. It refers to the Decentralisation Support Facility as still in existence, when it had already been wrapped up in early 2012. Furthermore it continued to use GOI's statements of outcomes from the previous RPJMN. Much of the revised Prodoc is copied from the original. We consider this "copy and paste" to be poor practice as GOI's policy framework had clearly moved on by his time. This calls into question, for instance, why more emphasis was not placed on important measures like key performance indicators for civil servants. We do note, however that the revised results framework in the 2012 Prodoc is useful.
93. **Output statements have changed:** While the overall development outcome for PGSP has not changed over time, its outputs have changed as noted in paragraphs 66 and 67. Notably the reference in Output 1 to working with regional assemblies (DPRD) was removed. Similarly in Output 2 reference to the link between planning and budgeting utilising the human development index tool was removed as was the need to work on participatory decision making mechanisms. In Output 3, which we view as being about innovation, references to civil service reform, participatory monitoring and evaluation and sustainable cross province learning were removed and public complaint mechanisms were added. We can find no explanation in the revised Prodoc for these changes. The paper trail is lacking.
94. **Poor demonstration of sufficiency:** It is useful in a design process to attempt a test of sufficiency, which means in the case of the above framework we ask the question "if the intended results of outputs 1, 2 and 3 are achieved then will this lead to a contribution to UNDP's development objective of the programme being achieved"? For PGSP the intended outcome is:
- Provincial government roles and functions strengthened through effective participatory policy making, regional development planning and public service delivery, leading to realisation of national and local development objectives and the improvement of quality of life for the poorest.
95. This outcome statement is unclear. It contains three separate objectives: strengthened provincial roles and functions; achievement of national and local objectives; and improvement to the lives of the poorest. Also unfortunately, it is not entirely clear from the logical construction of the PGSP framework in its latest version (sometimes referred to as "theory of change") that enhanced policy and regulatory frameworks together with better economic development planning and innovations around minimum service standards and public complaint mechanisms will necessarily lead to the programme outcome.
96. A theory of change might have been constructed that says:



- a. if we help to enhance policy and regulatory frameworks to strengthen the roles and functions of provincial government;
  - b. and if we help provincial governments to improve their economic and social development planning;
  - c. and if we help enhance service delivery;
  - d. then we will have helped the national government to support provincial governments to become more able to improve the quality of life of the poor.
97. However, the intended outcome is still unclear. What was the uppermost intention? Was it to help the national government or the provincial governments? Was it to improve the quality of life of the poor? Outcome statements that use nested objectives of this nature are often unclear. Could this have been stated more simply as “to assist national and provincial governments to better deliver pro-poor interventions” or “to strengthen the position of the Governor as representative of the national government”?
98. We could suggest that other elements might have been necessary (e.g.):
- if we help provincial governments to be more open, administratively efficient and transparent; and
  - if we help communities to understand the services to which they are entitled and to participate in planning, demanding and monitoring services.
99. The framework might also have made reference to district and municipality governments, and to work with DPRDs, but these may together be a bridge too far given the level of resources. An alternative theory of change might have been constructed around the notion of PGSP acting as a laboratory for national government to trial bureaucracy reform measures. The idea that PGSP has sowed a number of seeds and now needs to assess which of them has taken root and which haven't is equally valid at this time. We understand that UNDP will be looking at this closely as it works towards a new phase of PGSP.
100. **Informing design in the future:** Our role here is not to attempt to redesign a programme that is almost finished. However, it is useful for the future to consider how sufficient a design is to achieve its higher aims. These comments on design, made as they are in hindsight, are intended to inform design processes in the future. They do not detract from the achievements of the National Government and UNDP through PGSP at the national and provincial levels, and to some extent at district levels, which are discussed in the remainder of this report.
101. **Joining the PGS dots:** We were asked to comment on whether the project's objectives and its design correctly addressed and identified issues in relation to provincial governance, bureaucracy reform and public service delivery. We were also challenged in discussion by both UNDP and the donor to “join the PGSP dots”, in other words to look from a more holistic perspective at how the different elements of PGSP inter-relate or might have inter-related. This is something that has not been articulated well by anyone in documents reviewed or discussion undertaken during this evaluation and we suspect it has similarly been a challenge in the four years of PGSP implementation.

102. Figure 1 below, which while it is by no means authoritative, presents a visual model of how we see the nexus between governance, bureaucracy reform and service delivery in the PGSP context.
103. The green rectangles are our view of where the PGSP design has correctly addressed the issues. The yellow boxes are areas in which we think the PGSP design has partially met the challenges. The red boxes are the areas in which we think the design has not addressed requirements. This figure needs care in interpretation. We can suggest where we think the design could have been focused (but wasn't), but we cannot evaluate against design elements which were never in place. These suggestions are intended therefore to inform design in the future.
104. The red boxes have simply not been addressed in design (or implementation). It is one thing to encourage better service delivery, but if it cannot be monitored we cannot tell if improvements have been made. Hand-in-hand with monitoring the services is the need to monitor the performance of civil servants in delivering them. Some people are stars and they should be recognised. Others might become stars if they are suitably encouraged. Arguably one of the best forms of incentive for improving services is if the people who receive services are aware of what they are entitled to receive, are critical if they do not and supportive if they do. This would go quite a long way to raising accountability for service delivery.
105. The orange boxes were partially addressed during design and successes in implementation are noted below in the remainder of this report. The shortfalls in design are largely due to a lack of focus on poverty. We suggest in the relevance section that PGSP has adopted a "technocratic" approach, focusing largely on developing policies, capacities and mind-sets in the bureaucracy, and there is no doubt that this has been and continues to be needed. In each of the orange boxes PGSP has helped its colleagues make useful and in some cases significant progress and we explore this in later sections of the report. However, in each of these areas we see that a fuller, more comprehensive underpinning of pro-poor thinking in design would have led to a better PGSP.
106. The green boxes speak for themselves.
107. **Monitoring information is available:** The PGSP project team has been able to present monitoring reports to the evaluation team. We have not requested a complete set, but understand them to be there. These include Internal Project Assurance Reports (IPAR), Quarterly Monitoring Reports (QMR) for UNDP, Semester Reports for Bappenas and the donor, and annual reports. The PGSP National Project Manager is commended also for the consistency of monthly update reports for the National Project Director in Bappenas, a useful and welcome practice. We comment on the monitoring, evaluation and learning processes elsewhere in this document.

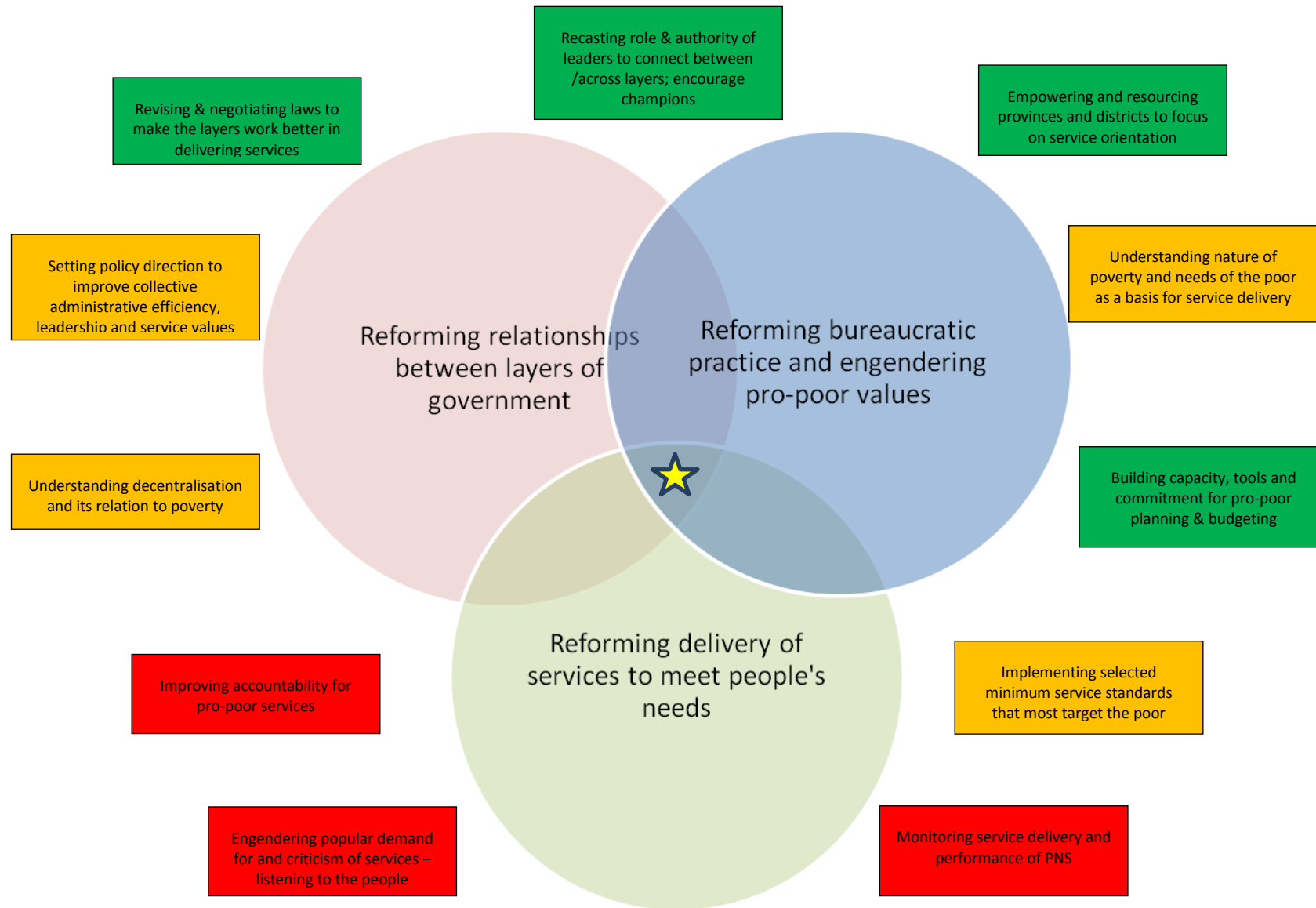


Figure 1: Attaining results in governance, BR and service delivery – A schematic

## b. Relevance

108. As per the TOR, this section is intended to evaluate "The extent to which the expected results of the intervention are consistent with national and local policies and priorities and the needs of intended beneficiaries. Relevance also considers responsiveness to changing and emerging development priorities and needs, human development priorities, and gender equality." Please refer to the TOR for specific questions posed on relevance.
109. PGSP has performed well in terms of relevance.
110. **Relevant to GOI national needs:** In particular PGSP has been clearly relevant to GOI's stated needs to harmonise or synchronise efforts at national, provincial and district levels. This theme comes through in most of PGSP's activities. Discussions with Bappenas showed that the programme has been very relevant to the State Development Planning Ministry's need to plan and budget for developments in decentralisation and regional autonomy from a national perspective. Take-up of PGSP has not been limited to the National Project Director's (NPD) own Directorate (for Regional Autonomy), although this Directorate, as the implementer, has been the main national institutional beneficiary of UNDP support. One of PGSP's successes from a partnership perspective is that the Directorate has had ownership of the programme right from the start, has been involved at all stages and has been able to provide leadership of it from the GOI perspective.
111. We met people from a range of Bappenas directorates who report various degrees of interaction with PGSP. We hope that in the near future the results of PGSP will be relevant to Bappenas' work in the formulation of the sections of the new RPJMN for 2014-2018 dealing with decentralisation and regional autonomy, if PGSP is able to clearly document and present lessons and results. PGSP is also relevant to the Ministry of Home Affairs' efforts at improving sub-national systems and processes and those of the Ministry of Finance to define and maintain fiscal balances between and among levels of government (although the latter has in recent times been indirect). We assume that PGSP has been relevant to the work of MenPAN-RB, the Ministry of State Apparatus and Bureaucracy Reform, in reforming structures and enhancing effectiveness and transparency of the work of civil servants, but have been unable to meet with them to confirm this.
112. **Redressing the balance in decentralisation:** From an overall perspective there is no doubt that the programme has been relevant to Indonesia's need to redress the balance between provinces and districts/towns in the regional autonomy/decentralisation context. The RPJMN of 2005-2009 clearly recognised the need to revitalise regional autonomy after a period during which the provincial role had been eclipsed, with districts and municipalities able to bypass their provincial counterparts in negotiations for resources with the national government. The work under Output 1 on the revision and discussion of Law 32/2004, which national government agencies hope will directly address this issue, has been well aimed. When the revision is finally approved and passed into law, it will make an important contribution to improving the provincial role, encapsulated partly in the notion of "*korbinwas*", coordination, supervision and monitoring, which has been very hard to implement since the onset of decentralisation in 1999.

113. The programme's work in assisting with revisions to the main law, in particular in helping to clarify roles and functions of different levels of government, has clearly been relevant. It has also assisted in revision of Government Regulations (*Peraturan Pemerintah* or PP), most notably on the authority and financial position of Governors as national government representatives, on the division of sectoral responsibilities between different levels of government and on regional organisational structures (all of which will depend for their finalisation on the changes to the main law). We understand that PGSP also contributed up to early 2012 to the revision of Law 25/2004 on national development planning.
114. It could be argued from a perspective of broader relevance that work on governance reform at the *Undang Undang* (Law or Act) level includes involvement in revisions to Law 33/2004, which deals with fiscal balance between national and regional governments and is an essential companion law to the revision of 32/2004. In late 2011, PGSP facilitated mediation between Bappenas, MoHA, and MoF to resolve the issues of fiscal balance and civil service management, which led to an agreement that the Vice President's Office would coordinate the process. PGSP informs us that these issues have been resolved. The programme has not been specifically involved in further developments on the revisions to Law 33/2004, although its work with Bappenas on revisions to Law 32/2004 has been of relevance to Bappenas' discussions with the Ministry of Finance on Law 33. Our discussions with the Ministry of Finance indicate that they have not needed technical support from UNDP. We have not had the opportunity to see drafts of the revision to the fiscal balance law.
115. **Public discourse and policy thinking:** PGSP has played a relevant role in helping to fill policy development gaps, both in legal revision and in development of policy papers. Policy papers have been sighted, including on the second decade of decentralisation (including a white paper), a position paper from civil society on implications of the revised law on regional autonomy, assessment of decentralisation to date, a paper on linking decentralisation to investment, and commentary on Indonesia's Economic Master Plan to 2025. PGSP has also supported the second Decade of Decentralisation Policy Strategy Group. PGSP has told us that direct use of these papers by GOI in public discourse has been somewhat limited, but we understand from PGSP (and concur) that the involvement through PGSP of specialists from universities with policy makers from GOI has resulted in useful dialogue on and contributions to revisions to Law 32/2004. In general terms it is indeed relevant for a programme like PGSP to add to the body of public discourse and policy thinking on such important issues.
116. **Bureaucracy reform:** As Indonesia grapples with essential bureaucracy reform, it is also relevant for PGSP to have played a role in facilitating the process for this at the provincial, and to some extent district levels. Whilst we believe, as mentioned elsewhere, that more sustained effort will be needed on this in the future, PGSP's contribution has been in line with GOI's number one priority in the current medium term development plan.
117. Clearly the provinces of Bangka Belitung, NTT, Gorontalo and Aceh have committed to bureaucracy reform (BR). This was evident in our discussions with them, during which they acknowledged capacity gaps. For PGSP to have worked with them on this is clearly relevant to their aspirations to improve their bureaucracies. It would however be a brave evaluation that suggested that the production of "road maps" for this reform is

the end of the story. Rather, these documents are pointers for the future and will remain relevant to the extent that provinces remain reform minded. Furthermore it would be hazardous to suggest that all 33 provincial governments (likely, we hear, to be more than 33 soon) will find the approach of developing and following BR road maps relevant to their current perceptions and needs, despite the clear pressure from national government to undertake such exercises.

118. **Planning and budgeting:** PGSP has clearly invested heavily in efforts to assist provincial and district governments in planning and budgeting improvements, including what we consider to be the vital thrust towards pro-poor approaches. Bappeda organisations have told us they welcome this assistance and our discussions showed that they do feel that they have gained from this work. It is refreshing to hear from them that P3BM (pro-poor planning, budgeting and monitoring) is beginning to show them with more accuracy where and what the real needs are in their provinces. PGSP's work has been relevant in helping them to gain these insights. PGSP's work in this regard links with and is relevant to overall GOI efforts to attain MDGs, to apply minimum service standards and to benefit the poorest through social and economic development.
119. **Is PGSP relevant to public participation in planning?** We have already suggested that one logical extension from work like P3BM is to engender enhanced involvement from the people in the planning process. We note that the original design of PGSP did include reference to participatory policy development in its impact statement, which was to further link operationally into the "top-down, bottom up planning process" known as *musrenbang* (*musyarawah perencanaan pembangunan*, best translated as "community discussion about local development needs").
120. There is nothing new about *musrenbang*; it has been in place for decades. It would be wrong to comment definitively on its effectiveness, as we do not have the mandate or the data. However, anecdotal reports suggest that it operates better at higher levels and sometimes not at all in villages. Perhaps PGSP's changes in outputs have tacitly responded to such an understanding, because at the completion stage we can find very little in the way of public participation in planning (the exception has been in work on minimum service standards). While we believe PGSP to be generally relevant to poverty reduction, it has not focused predominantly on this. PGSP has not been relevant to participatory planning or particularly relevant or responsive to the voice of the poor, although we acknowledge from an operational perspective that at least in its latter stages it was not particularly implemented to be so. We also acknowledge that PGSP has facilitated focus on the needs of the poor through its work on P3BM. Future PGSP type programs might revisit this issue with fresh eyes perhaps with a view to encouraging linkages between P3BM and *musrenbang*.
121. **Technocratic approach:** In fact, PGSP has utilised a predominantly "technocratic" approach. In the Indonesian context this does not refer to technology or technological power, but rather to the perception that civil servants draw their power and influence to a large extent from practicing and managing their own professional or technical areas, within the structure to which they have been allocated and within local political dynamics. Furthermore they draw legitimacy from the general dictates, structures and innovations of the unitary state. PGSP has focused on improving practice and management, and while this is by nature a work in progress, the programme has had impacts on and is thus relevant to the needs of civil servants in sub-national

governments. PGSP has been relevant to the transfer of technocratic expertise and power from the centre and has played an important role as a bridge/facilitator between national and provincial levels and then to selected districts and towns in helping to develop capacities. This in our view is the largest part of the added value that PGSP brings.

122. **Leadership:** PGSP has gained credence with some of the elected leaders in the provinces and districts in which it has been operating, and where leaders have been able to champion bureaucracy reform, pro-poor planning and the like, PGSP has been very relevant to their aims. This has been excellent and is abundantly clear from our discussions.
123. Less clear to us is how PGSP has responded (and therefore is relevant to) leadership changes. Change of leadership comes frequently in the sub-national context, whether through elections or cessation of office (for whatever reason) and is profoundly disruptive of well-established programmes. At the very least this means in these cases that the programme has had to start again in re-developing its strategic local links. A clearer focus on locally elected members might have helped, but PGSP seems to have largely given up on this.
124. It is not the civil service style to comment publically on leaders. Popular comment is of course another matter and is in full stride at present, but PGSP has not worked extensively in this domain. We have had a challenge from UNDP for this evaluation to comment on political dynamics. We are attempting to do so in general terms in this report. We have been given information to the effect that PGSP has utilised various approaches to respond to political change, albeit without these strategies being documented consistently. In Gorontalo, the approach has been to use an extensive network of local contacts to keep track of changes as they occur. In Bangka Belitung a more formal approach was utilised, when the new Governor was installed, in which PGSP requested and received opportunities to brief incoming officials on the project. In both cases field staff liaised with the PMU in Jakarta. We feel that in the future it would be useful to consistently document strategies to deal with local political change, based on analysis as the changes occur that captures the context and nature of the change. However please see our comment in paragraph 140. Despite a lack of documented strategy, PGSP has navigated well through local political change.
125. **Relevance to UN Higher Level Goals:** The revised Prodoc of 2012 refers to UNDAF (now UNPDF) Outcome #3, which is stated as “People participate more fully in democratic processes resulting in pro-poor, gender responsive, peaceful, more equitable and accountable resource allocation and better protection of vulnerable groups”. PGSP is relevant to this high level UN outcome, but we feel its relevance is somewhat diffuse. Of course, we understand that high level outcomes of this nature in the UN context are intended to encapsulate cross-agency and agency-wide efforts and that no single project will aim at all elements of such an outcome. However the “people” who have been participating in the processes that PGSP has supported are mostly sitting behind desks. Surely UNDAF #3 was meant to refer to the general public. In this sense PGSP’s relevance to democratic process has been limited to how these affect the civil service and their elected leaders (and we note that relevance of this nature has been good). PGSP’s relevance to popular participation is somewhat marginal.

126. CPAP Outcome 3.2, under which PGSP sits, is “Strengthened institutional capacity of provincial governance in achieving objectives of decentralisation policy in more accountable, responsive and effective ways”. PGSP has been highly relevant to this CPAP outcome, in fact forming UNDP’s main vehicle for doing just this. We also suggest that PGSP has relevance to CPAP Outcome 1.1: “National and sub-national authorities and stakeholders are more effective in reducing poverty and vulnerability, accelerating achievement of MDG targets as stated in the RPJMN, and improving overall human development”. There are elements of CPAP Outcome 1.1 in PGSP, especially in the work on pro-poor planning, on minimum services standards, and in small-scale economic development. However other programmes in UNDP manage this outcome.
127. **Relevant to the donor’s program:** The Australian Government’s own recent cluster evaluation shows that it has been keen to develop a sectoral delivery approach (defining governance, decentralisation and regional autonomy broadly as a sector). The cluster evaluation is recommended reading for a more detailed understanding of where PGSP sits in relation to the donor’s wider program.
128. PGSP complements the work of the other programmes evaluated by the Austrian Government. In fact most donor and multi-lateral support for governance in Indonesia seems to have been focused at either national, district and in some cases village levels (although the Australian Government programme does have links to provinces through its decentralisation portfolio). From a wider perspective, PGSP plays a relevant role in supporting bridges between levels of government and as a useful proving ground for a range of planning, budgeting, bureaucracy reform and pro-poor tools.
129. It is clear to us that PGSP has had a strong position within the DFAT portfolio. Our discussions with DFAT suggest that it has focused at the provincial level and has attained excellent buy-in from the three main provinces, in particular by providing a valuable vehicle for strengthening the role of the Governor. It has “filled an important gap” within the Australian Government portfolio at the national level with its capacity to work on legal and policy development and on bureaucracy reform for provinces and has produced some quality knowledge products. It is acknowledged by DFAT that PGSP has been able through its facilitation processes to introduce tools for planning and budgeting at the sub-national level and that it has managed the implications for itself of political change in the provinces very well. DFAT suggests that from its perspective PGSP has been good value for money although it has not focused particularly well on ensuring sustainability. DFAT has suggested that PGSP might have better coordinated with other Australian Government funded programmes, particularly with ACCESS and Local Governance Innovations for Communities in Aceh (LOGICA), although the evaluation team suspects that PGSP cannot be solely responsible for this. It has suggested that the PGSP procurement regime has sometimes been slow, including on occasions at critical activity inception times, although these problems are viewed as having been overcome.
130. We cannot comment on implications for programming in this sector by the Australian Aid Program in the future as AusAID has recently been absorbed into DFAT and will be reflecting the overseas aid priorities of the recently elected Australian Federal Government, which are still somewhat unclear. Suffice it to say we have recommended that PGSP type activity continue in the future and if DFAT programming continues in the sector, PGSP should remain a logical and relevant element.



### c. Appropriateness

131. The inclusion of appropriateness as a separate evaluation criterion is intended to “Consider the cultural acceptance and feasibility of activities or method of delivery of a development initiative. Appropriateness examines whether the initiative as it is operationalised is acceptable and is feasible within the local context”. Please refer to the TOR for specific questions posed on appropriateness.
132. **Client satisfaction has been high:** All interviews with beneficiary agencies have shown a high level of client satisfaction with PGSP. While some beneficiary concerns have been noted in this report, almost everyone we spoke with expressed a hope that PGSP will continue into the future. This indicates a high level of appropriateness of the project among members of the civil service.
133. **Fitting in with work culture:** We have noted the special relevance of PGSP to the work of Bappenas’ Directorate of Regional Autonomy. There has undoubtedly been (and still is) a close working relationship between the Directorate and the PGSP office in Jakarta, and the PGSP team has been able to spread its work out from the Directorate to involve, selectively and at various times other directorates of the Ministry. The NPD and his colleagues also report the appropriateness of PGSP in linking Bappenas with colleagues in the provinces, particularly in the Bappeda agencies.
134. While the “technocratic” approach of the programme has limited the focus on poverty reduction and people’s involvement as we note above, it has certainly been appropriate to drive the thinking behind PGSP at the national level in conjunction with national government agencies and to place relatively small teams in the provinces to develop relationships and work with and inside provincial governments, notably with Bappeda. We consider this approach to have been unthreatening, friendly, professional and supportive and therefore appropriate to prevailing work culture.
135. **Legal revision support highly appropriate:** GOI respondents from Bappenas and the Ministries of Home Affairs and Finance also expressed a high level of appreciation of PGSP’s support to the revision of Law 32/2004. This work has not been particularly easy for the agencies to undertake. As is usual for such legal drafting, the positions and perspectives of the various agencies, in this case in Jakarta and the regions, have had to be taken into account in socialisation processes driven by GOI. Agencies have been able to negotiate and arrive at a draft that is acceptable from a whole-of-administration perspective. Discussion and consultation with the DPR has also taken considerable time and has engendered considerable discussion from the parties and factions. The December 2012 DPR *Daftar Inventarisasi Masalah* (DIM) Chapters 1 to 5 (list of noted issues) runs to almost 600 pages and includes almost 1500 comments, suggestions and issues that have since had to be weighed up. The law is now back with the DPR for final consideration before tabling (this stage is known as “*batang tubuh*”). The support of PGSP in this regard has been ongoing and appropriate.
136. This process concerns one of the most sensitive domestic political issues in Indonesia at this time. We are not sure when the Bill will be tabled and what will actually be in its final draft, and there is a possibility that if the process runs beyond the term of the current government (with elections due in April and October 2014), the Bill in its current form may not be passed. The process has clearly taken longer than anyone expected and this reflects the controversial nature of this legislation.

137. **A radical reshaping of the political landscape?:** From a political perspective, the new Law, when enacted, may considerably change the balance of power at the sub-national level by elevating the authority of the governor and restricting the power of the Bupati (Regent) and Walikota (Mayor). The draft bill that we have seen is wide ranging, but neither the evaluation team nor PGSP staff are privy to the latest version that is currently before the drafting team from DPR and the government. The latest draft has been discussed between the DPR and the government in a stage known as “*masa sidang*” (consultation period) and agreement on its content has been reached, but the latest draft has not yet been issued publicly. We simply note that in addition to enhancing the Governor’s role as representative of the national government, the earlier version intended to (*inter alia*) tighten the conditions and processes under which new regions can be formed, define new arrangements for who will be qualified to stand in elections and to rescind the direct popular vote for the Governor, Deputy Governor, Deputy Bupati and Deputy Walikota in favour of proposal by the DPRDs. Regents and Mayors would continue to be directly elected. Deputy office holders would also have to possess civil service status. However, we emphasise that at this stage the current draft of the revised law is not available to UNDP and therefore we can only report the changes proposed in the earlier version.
138. It is beyond the scope of this evaluation to speculate on what will happen to the Bill before it is passed, and what will happen when (and if) it is enacted. When we last consulted on this, the current target was for the revision to be put to a DPR plenary session in December 2013 with a view to ratification by the President early in 2014. However, we understand that it is currently being considered alongside a revised law on village arrangements and that the new law on villages is currently taking precedence for finalisation. It is pertinent to state that PGSP has played a valuable role as one of many actors involved in this process, by supporting a highly professional team to assist in legal drafting under the direction of Bappenas and MoHA. While it is not appropriate for UNDP as an international agency to directly consult with Parliament, it has been able to support through a grant a team from a number of national NGOs with programmes and interests in the area of regional autonomy. Known as the Coalition for Regional Autonomy, it has contributed a civil society consultation perspective to discussions for the DPR and has provided formal critique through the DIM process. The Coalition has also been involved in TV and press discussion of the proposed revision. This Coalition has been a prominent civil society contributor to the revision of the law alongside the National Human Rights Commission. We view this to be a highly appropriate contribution from UNDP.
139. **Slowness of legal revision:** The slowness of revision of the regional autonomy law is the single most impacting external factor to PGSP’s achievements. There is no doubt that if the revision had been finalised and enacted in (say) the first 18 months or so of PGSP’s implementation, much more certainty would have been possible in the design and delivery of interventions in the provinces. For instance, work could have gone ahead on fleshing out the provincial coordination, supervision and monitoring role, perhaps with the development and trial of a wider range of tools and mechanisms for it. It was simply not possible to do this with any degree of certainty. This was out of the control of PGSP and UNDP. The lesson here is that legal drafting proceeds at its own pace.

140. **Few other major external factors:** With the exception of the legal factor mentioned immediately above, our evaluation has not uncovered a large number of external factors that have affected the performance of PGSP. In this sense the design has proven quite robust. The often mentioned problem of staff transfers (*mutasi*) in the civil service is not really an external factor; it is a given and should always be anticipated (even if, as happened in the province of Gorontalo, a large number of civil servants were rotated after the new Governor was installed; the project appears to have coped well with this). Similarly, in the current political climate of decentralisation, relatively frequent changes of locally elected leaders should also be anticipated. We have already noted however that where this does happen, it can mean considerable disruption for development projects, particularly to hard won strategic local links. *In extremis* this can mean loss of political champions and the emergence of “anti-champions” and could result in early termination of activities. PGSP seems to have navigated through such changes quite well and appropriately, (although we understand that recent political changes and uncertainties in the Municipality and the District of Gorontalo are still causing some difficulties for the implementation of DIALOG, Delivery and Improvement Local Governance, activities). This has included the encouragement of administrative champions as well as political ones. Administrative champions are best placed to encourage the enthusiasm of often younger, capable and dynamic officials and the emergence of focussed teams. The P3BM clinic team in Gorontalo is a good example of such a team. The strategy of encouraging bureaucratic as well as political champions helps to manage political risks and is wise in the light of local political uncertainty. It is also sound development practice.
141. **Civil society and people’s involvement low:** Notwithstanding the involvement of CSOs in helping with legal revision, we have noted in the relevance section that popular involvement in the areas that PGSP has supported in the regions has been weak. Local people have not been involved in planning exercises supported by PGSP and we see no evidence of complaints/ratings mechanisms having emerged as a direct result of PGSP.
142. With the exception of a Governor’s Working Team that has emerged in Gorontalo Province (with support from PGSP) and which has extensive involvement of civil society (including non-government organisations (NGO) and the media), the recipients of micro-grants in NTT and villagers in Pohuwato District, we were not introduced to other people’s groups or civil society organisations. Indeed the PGSP teams in Gorontalo and Bangka Belitung both stated that the civil society sector is relatively unorganised in these newer provinces, in contrast with NTT where a large number of international and local CSOs are active in development. It is not entirely clear why this is so. It may be related to the political dimensions of more recently formed provinces, where there has been less time for civil society organisations to emerge at the provincial level. This might of course change in the future, bearing in mind the role that CSOs can play in promoting governance developments and acting as a channel between government and communities. This is an opportunity to be explored, and does raise the question of whether PGSP could have tried harder to influence the civil society landscape in its work to date, by for instance encouraging and supporting nascent CSOs to engage with provincial authorities on pro-poor planning and budgeting. Our analysis of the design also shows this area to be lacking. The answer to the appropriateness question in our

TOR “were community groups expecting to benefit from improved services and governance performance involved in designing interventions” is largely “no”.

143. **Gender:** The promotion of gender equity has not been particularly pro-active in PGSP. However, there has certainly been some very clear and comprehensive involvement of women in minimum health standards work in Gorontalo and in the micro-grants in NTT. We note also that PGSP introduced a gender mainstreaming strategy, (albeit rather late) in 2012. This articulates an additional set of indicators for PGSP around gender equity issues. The project has commented on these in quarterly monitoring reports with some progress in gender awareness and tracking of women’s participation in programme activities being reported. Aims to mainstream gender within provincial planning, budgeting and monitoring process appear to require a longer period to attain. It is highly appropriate to have a gender strategy for a governance programme of this nature. We only comment that, in principle, such a strategy is better developed at project inception. The evaluation team met a number of women civil servants during provincial visits who have reported that they have taken full parts in the provincial planning exercises and have been able to voice their issues and contribute significantly.
144. **Socio-economic context:** In hindsight it might have been better in the design to cast the PGSP work on planning around social as well as economic development. Certainly from the perspective of districts these two broad planning areas are inter-linked. Healthy, well educated people are in a much better position to grasp economic opportunities. In reality of course, as PGSP has progressed the distinction between these areas of planning has blurred, by for instance focusing on minimum service standards for health and education. In this sense PGSP has shown flexibility to adapt to local realities and has been able to engage with social service providers. The work on the Human Development Index and Report has certainly offered useful analysis of the socio-economic context in the provinces (but was not done by PGSP in Aceh). We do not know whether the baseline such analysis provides will be updated by provinces in the future. They say now that they will do so.
145. In summary, with the exceptions noted above, the political, socio-economic contextual factors have been taken into account quite well in the design and implementation of PGSP. Overall the political context of regional autonomy has been well incorporated in PGSP, at least from the national and provincial perspective. Local political and administrative leadership is clearly an important factor in the success of a program like PGSP. Where districts have participated they report a high level of satisfaction too. This is largely dependent on local political will and ability for leaders to be champions of reform. However time will tell whether less reformist districts or towns will feel the same way, as political leaders in the district and municipalities are likely to feel threatened by changes to the regional autonomy law. As partners move to design a new phase of PGSP, we urge them to consider carefully the socio-economic and political contexts of regions for which they are considering work in the future and not to assume that the current PGSP approach will be successful in all areas. “One size fits all” is not appropriate.

#### **d. Effectiveness**

146. This section comments on the effectiveness of PGSP. The team has been asked to evaluate “The extent to which the project’s intended results were achieved.

Effectiveness measures the extent to which observed changes can be attributed to project activities and outputs." Please refer to the TOR for effectiveness questions.

147. The narrative and analyses in the first Prodoc are the starting point for evaluation of effectiveness. The key question is "what has changed due to PGSP?" We have acknowledged the need for a broader view of results than a simple analysis of achievements in each output. This involves "joining the dots" for PGSP. The results frameworks as defined in the Prodocs are not very helpful for this as the links between different outputs and initiatives are not well established conceptually. Nevertheless PGSP has been organised along the lines of the three outputs and so we must comment using this framework, which includes statements of the baseline at the time of writing.
148. The following discussion on effectiveness does however attempt to join the dots by referring as appropriate to Figure 1 above. Figure 2 shows a broad correspondence between PGSP's output structure and the major notions of reform from figure 1. Figure 2 develops notions of reform and maps PGSP's outputs to the idealised suggestions of Figure 1. While we stress these visualisations are theoretical in nature, we think they are useful tools for us and may be useful for colleagues to consider as PGSP or its successor moves into the future. Figure 2 adds suggestions as to what people in different places and circumstances might get from a governance programme of this nature.
149. Figure 2 shows that in promoting national legal reform for provincial governance and bringing experience from the provinces back to the national government, PGSP has been effective. This is represented in Figure 2 as the linkage between PGSP Outputs 1 and 2. In regard to the linkage between Outputs 2 and 3, PGSP has started to help provinces work on promoting better services for the people, but has not yet impacted upon the encouragement of feedback to sub-national governments on how people see the services they receive. We suggest the linkage between Outputs 3 and 1 has not yet been built (and PGSP did not aim to do this). The figure suggests that challenges for the future lie in promoting integrated approaches to service delivery that involve national, provincial and district/municipality governments with corresponding learning from this experience feeding back into further policy development.
150. **What do people get?** Provincial governments get clearer mandates through legal reform and in return offer experience in practice that can offer lessons to benefit the whole country as well as benefits in pro-poor planning of services. We suggest PGSP has been doing this well (but should meet the challenge to better document this). We suggest that through PGSP, people particularly from poorer communities, are starting to see benefits from pro-poor planning in social and economic development and from work on MSS in health and education. But local government has not been able to benefit through PGSP from feedback from service monitoring and comment from recipients of services. We do not believe the links between service delivery and national policy have existed at all in PGSP (it wasn't actually designed for such). Challenges include the provision of services from all levels of government in an integrated fashion and informed experience of what pro-poor service delivery means for decentralisation in the future. (These links of course may well be being built in other programmes).

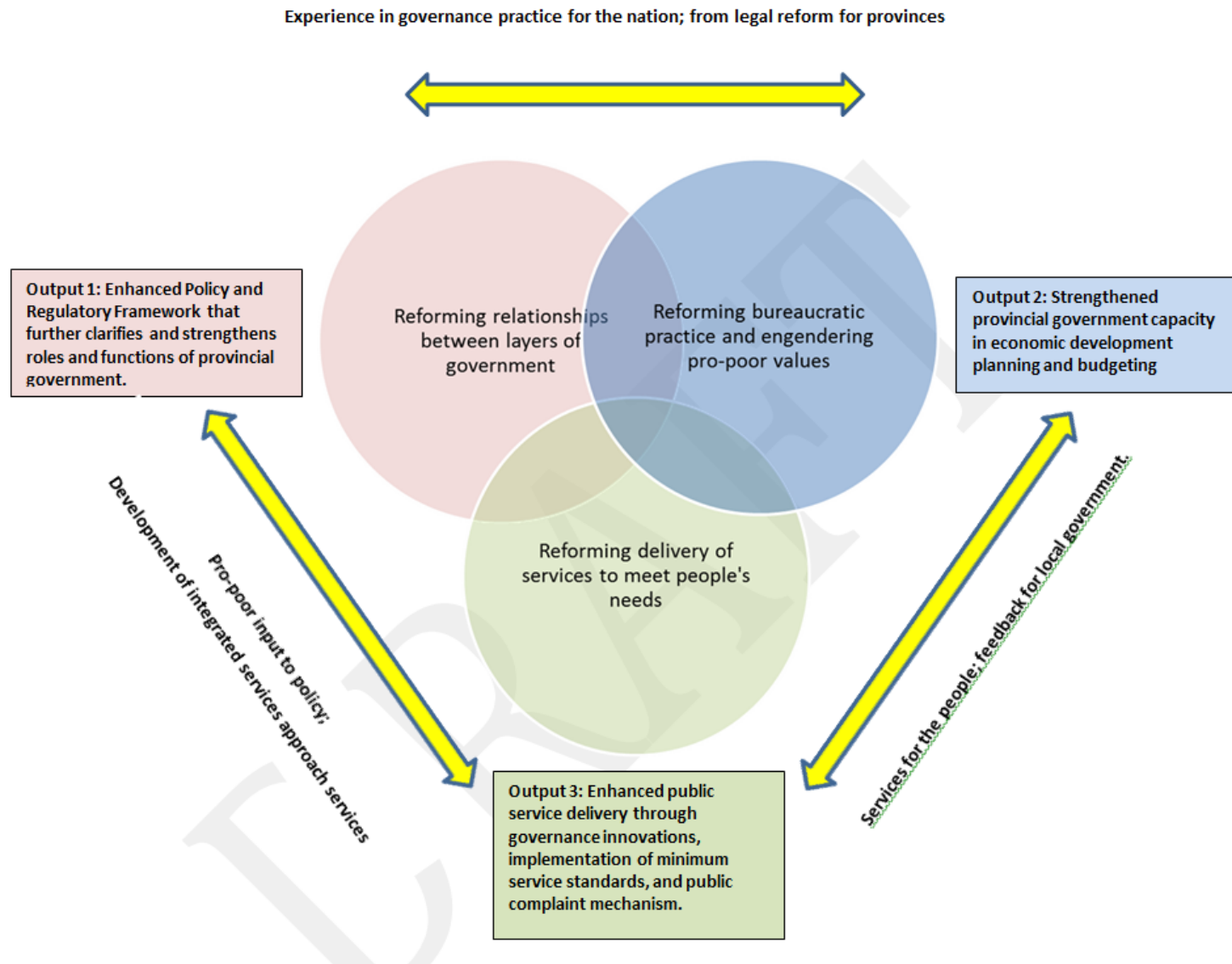


Figure 2: Links in the output structure of PGSP mapped to notions of reform

151. **Success at outcome level unclear and mixed:** The stated outcome of PGSP has been: “Provincial government roles and functions strengthened through effective participatory policy making, regional development planning and public service delivery, leading to realisation of national and local development objectives and the improvement of quality of life for the poorest”. We can make no quantitative comments on PGSP’s achievement of this rather unclear outcome. We do believe impact has occurred, or is likely to, and this is examined from a qualitative perspective (see section on Impact).
152. **Effectiveness in reaching the outcome:** We conclude that provincial government roles and functions have been strengthened, and will be further strengthened when the revised law comes into effect. Provincial governments are now much more aware of what their future roles in representing the national government will be. We do not see that this has involved participatory policy development to any large extent but suggest that PGSP has been effective in enhancing regional development planning. The programme has started to assist provinces to make inroads on service delivery, but this will need significant follow-up in the future in supporting actual implementation of services.
153. Has this led to realisation of national and local development objectives? This entirely depends on which objectives are being considered. Yes, PGSP has been effective in assisting the national government in its objective of improving the role and functions of provinces and to institute a range of tools and methods for better planning and budgeting. But it cannot yet demonstrate effectiveness in meeting national MDG or MSS objectives. PGSP and Bappenas were challenged by us to show progress against poverty related indicators in the three main provinces of PGSP. No consolidated data appears to be available. We acknowledge that other technical ministries may have data on this, but neither we nor project implementers have collected them. Also, in fairness, it is almost certainly too early to be able to measure this for PGSP. This will be, if taken on, a challenge for programme monitoring in the future.

## Output 1

154. Output 1 as most recently defined in the revised Prodoc is: “Enhanced Policy and Regulatory Framework that further clarifies and strengthens roles and functions of provincial government”.
155. **Output 1 effective within current political realities:** Of PGSP’s three outputs, this is the clearest and the most reform oriented. We conclude that PGSP has been very effective in working towards this output, within the confines of Indonesia’s national and sub-national political and national legislative environments. The risks and constraints associated with supporting revision of law are covered in paragraphs 137 following and we believe PGSP has navigated well within this sensitive space.
156. **Output 1 - The situation in 2009:** At PGSP’s commencement the results framework noted that the distinction between devolved, de-concentrated and assistance functions of provincial government was unclear and often ignored by sector agencies and that there was an overlap between functions and roles of provincial and other levels which was at that time unresolved. Work had already started on the revision of Law 32/2004 but at that stage inter-ministerial agreement on the content of the revision to be put up to the DPR had yet to be reached. It was noted that the knowledge base and lessons

learned regarding strengthening roles and functions of provincial government was inadequate.

### Output 1: - Effectiveness Summary

Output 1 has aimed at “enhanced Policy and Regulatory Framework that further clarifies and strengthens roles and functions of provincial government”. Of PGSP’s three outputs, this is the clearest and the most reform oriented. We conclude that PGSP has been very effective in working towards this output, within the confines of Indonesia’s national and sub-national political and national legislative environments.

At the end of PGSP we note that the draft revision of Law 32 has significantly clarified and resolved the roles and functions of national, provincial and district governments and PGSP has contributed consistently and well to this. It has supported this work with a range of useful inputs into associated government regulations and policy development and has done effective work on Roadmaps for Bureaucratic Reform and Master Plans for Human Development in the participating provinces. It has also done useful cooperative work with *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ) on reviewing the current National Medium term Development Plan.

One of the challenges for the future is the extent to which GOI will continue to utilise high level policy material of this nature, with particular challenges to follow through on bureaucracy reform and to ensure that the pro-poor viewpoint will be enhanced. Notwithstanding this, participating provinces are now poised to enjoy a more strategic role in regional development. Setting agendas for reform in these areas is clearly the first stage of empowering provinces to reform their bureaucracies. Roadmaps now need to be implemented i.e. again moving on from document production. Provincial governments consulted indicate they are attempting to do this.

157. **Output 1 - the situation now:** At the end of PGSP we note that the draft revision of Law 32 has clarified these issues and PGSP has contributed significantly. When enacted the law will provide a framework within which sector agencies offer support to provinces and districts. It will provide much more clear-cut distinction between what the national, provincial and district/municipality levels will do and the differences between devolved, de-concentrated and assistance functions. Ministries have agreed on the content of the draft revision and the DPR has reviewed the draft and its comments have been incorporated into the draft. The revision of Law 32 has now returned to the DPR for finalisation. PGSP has also contributed to work on revision of government regulations (GR) including GR23/2011 on the on the authority and financial position of Governors as national government representatives and the revision of GR41/2007 on sub-national organisational structures. Such regulations will depend on finalising the revision of Law 32/2004. Work will still be required in the future to revise sub-national legislation and regulation.
158. Roadmaps for bureaucracy reform have been produced for all four provinces with PGSP support. Papers, including a white paper on the second decade of decentralisation, a broad view of decentralisation issues and policy briefs have been produced by PGSP staff and consultants. This has added to the knowledge about where decentralisation



has come from and where it is going. PGSP has supported socialisation efforts including through the media. Research grants aiming to contribute to the decentralisation dialogue have also been supported.

159. **Work with DPRD's was dropped:** PGSP has not worked extensively with DPRDs in this Output. We have noted above that reference to strengthening roles and functions of DPRDs in the original Prodoc was removed in the final version. We are unclear as to when and why this was dropped as we can find no paper trail explaining this. We can only assume that it was anticipated that work on changes to the roles and functions of DPRDs would follow from the revision of Law 32/2004 and as this revision has yet to become law this was not possible.
160. However, we believe that PGSP has made significant contributions to reforming the relationship between the different layers of government. Paragraphs 161 following are comments on the programme's achievements using the notions of reform given in figures 1 and 2 as an aid to analysis.
161. **Revising and negotiating laws:** The process for legal revision encapsulated in Output 1 has been very clear and focused and PGSP support consistent throughout. The roles and functions of the various governments have been significantly clarified. This has set the scene for a recasting of the roles and authorities of leaders at the various levels. It has also set the scene for more comprehensive coordination and cooperation between provinces, districts and towns (some of which PGSP has engendered under Outputs 2 and 3). The revised law awaits implementation.
162. **Understanding decentralisation and setting policy:** PGSP has contributed to Indonesia's understanding of its decentralisation history, its current challenges and the role that decentralisation measures can play in the future. This is the knowledge base referred to in the Prodocs and we see this as appropriate background for legislative reform. We consider the body of documentation produced through PGSP on these issues to have been useful. There has been consideration of how equity in resources between governments at the same level has been problematic in the past and how this might be addressed in the future. There has been good work on moving into the second decade of decentralisation including analysis of how this will be affected by higher level economic master planning. There has been consideration of the relationship between decentralisation and reduction in poverty. Our concerns about this work are not about the quality of what has been written. But we do question the extent to which GOI agencies will use this material in the future and the extent to which a pro-poor viewpoint has been engendered among the agencies. To be fair, changes in mind-sets are usually generational in nature. One senior respondent suggested to us that it is time to stop producing documents and to get out and make the changes happen (our paraphrase).
163. **Empowering provinces:** Now that the framework of decentralisation between the different levels of government has been clarified, provinces are poised to enjoy a more strategic role in regional development, providing they can meet the challenges of reforming their bureaucracies and focussing more on pro-poor service delivery. The three provinces we visited do understand what this means for them in the future.
164. Provinces now have roadmaps for bureaucracy reform which are quality documents that identify (*inter-alia*) administrative and bureaucratic problems such as non-

conformity with national law/regulations, inconsistencies and overlaps in local agency roles, staffing development needs, the need for changes in mind-sets and improvement in accountabilities and service delivery. These are positive changes in the making and we are told the documents concerned have received positive response from the Ministry of State Apparatus and Bureaucracy Reform (MenPAN-RB). The *Lembaga Administrasi Negara* (LAN) or State Administration Agency has played a large part in producing the four roadmaps. These roadmaps are the first such exercises at the provincial level in Indonesia and we understand that they have value as models for roadmaps for other provinces. We note that PGSP has also facilitated work on master plans for human resources in Gorontalo, Bangka Belitung and Aceh. The province of Aceh received earlier UNDP assistance for a number of related exercises including capacity development planning for a number of agencies and assessment and performance measurement for civil servants under the now completed Aceh Governance Transformation Programme (AGTP).

165. Setting agendas for reform in these areas is clearly the first stage of empowering provinces to reform their bureaucracies. Again roadmaps now need to be implemented i.e. again moving on from document production. Provincial governments consulted indicate they are attempting to do this. We are unable given the time available to evaluate the extent to which bureaucracy reform is being implemented across a very wide range of provincial matters, but we suspect it is still early days.
166. **Quick wins:** One good idea has been to identify during formulation of roadmaps a number of “quick wins” for provinces in relation to bureaucracy reform. These appear to have been set in place to provide early and achievable outcomes for the provinces, thus contributing to confidence in going ahead with reform. We are unable to comment in detail on these as there are simply too many of them to evaluate in the time that we have had available. We are unable to categorically verify how many “wins” have been achieved, and we note that some of them have not been particularly “quick” (although please see lessons from PGSP staff in paragraph 294 in which numbers of achieved quick wins are reported by PGSP). The following are comments on a selection of the quick wins. Further information on these is also given in Annex 5.
167. Respondents in Gorontalo told us that they now have an information system for vehicle tax, and a one stop shop for business licensing (which we did see albeit after it had closed for the day). Gorontalo also reports that they have instituted open recruitment for Echelon 2 officials (the “Fit and Proper” approach). Bangka Belitung reports that it has started to integrate data on civil servant attendance and is planning to digitise legal products in 2014. We did not discuss quick wins in NTT but understand that they include revitalisation of the traffic registry, a 24 hour information and complaint centre at a major local hospital and competency training for teachers. Aceh has started to digitise provincial government reporting documents and is working on an SOP for disaster management, the latter of which was a bureaucracy reform initiative of the Aceh Provincial Government, not developed in conjunction with other disaster management work undertaken by UNDP’s Crisis Prevention and Recovery Unit (CPRU).
168. **Links of Output 1 with other outputs:** PGSP work on reforming the relationships between governments and on reforming bureaucracy is not just an Output 1 contribution. The teams in the provinces have made significant efforts through implementing Outputs 2 and 3 to provide a local focus on reforming relationships and

reforming bureaucracy, again within the confines of the revised law still not being finalised. We suspect they would have done more if it had been passed, but we can find no fault in PGSP in this regard. Contributions from these two outputs are covered below.

## Output 2

169. Output 2 as most recently defined in the revised Prodoc is: “Strengthened provincial government capacity in economic development planning and budgeting”. This is a much simpler output than the one used in the 2009 Prodoc, which was “Strategic regional economic development planning strengthened, effectively link planning and budgeting using HDI/HDR; with participatory decision making mechanism in place”. We note again that the reasons for changing this output are not transparent to us; there is no paper trail. We also note that useful work has gone ahead on human development index/report tools, although it is no longer in the output statement. Perhaps in this case the rationale for taking this out of the output was that the HDI/R work had been completed.
170. **Output 2 effective in introducing tools and knowledge products:** We are reluctant to say that PGSP has sustainably strengthened economic planning and budgeting in provinces because it is simply too early to measure results. It has undertaken extensive support work at the national level under this output both for the eventual reform of national planning systems and in preparation for Indonesia’s RPJPN. We particularly note the positive contribution that PGSP’s work in cooperation with GIZ has produced in terms of reviewing the current National Five Year Development Plan (and in helping to develop tools for *korbinwas*). Essentially the work under this output has provided the national government with tools and knowledge products contributing to national level planning and relating to sub-national planning. However the potential impact of this on regional planning practice may be quite a long way off.
171. Of more direct relevance to provincial (and selected district) governments (which this output is stated as being about) is the introduction and trial of tools for local planning. The programme has engendered a high level of enthusiasm among provincial civil servants to use these. We discussed with provinces actual results of PGSP supported planning activities appearing in planning and budgeting documents. We were informed that they are expecting this to be evident in the 2014 budgets, which were not completed when we visited.
172. Output 2 - The situation in 2009: The original results framework for PGSP referred to poor linkages between long-term, medium term and annual plans of the national, provincial and district governments connected with unresolved overlaps in roles at the three levels. It referred to projects being implemented that were not consistent with plans. It talked of capacity gaps in participatory strategic and economic planning and inadequate knowledge bases and lessons documented on how provincial roles and functions could be strengthened.

## Output 2: Effectiveness Summary

Output 2 has aimed at “Strengthened provincial government capacity in economic development planning and budgeting”. This output has been effective in introducing tools and knowledge products relevant to strengthening provincial government capacity and has been reasonably effective in helping GOI to work out how to resolve planning mismatches between levels of government. We particularly note the positive contribution that PGSP’s work in cooperation with GIZ has produced in terms of reviewing the current National Five Year Development Plan. Essentially the work under this output has provided the national government with tools and knowledge products contributing to national level planning and relating to sub-national planning. However the potential impact of this on regional planning practice may be quite a long way off.

Of more direct relevance to provincial (and selected district) governments (which this output is stated as being about) is the introduction and trial of tools for local planning most notably the pro-poor planning budgeting and monitoring (P3BM) tools, as developed by Bappenas, in Bangka Belitung, Gorontalo and NTT; human development index/reports in NTT and Bangka Belitung, including the establishment of Human Development Index (HDI) forums; and Millennium Development Goal (MDG) measurement matrices in Bangka Belitung. The programme has engendered a high level of enthusiasm among provincial civil servants to use these. The Province of Gorontalo is particularly commended for establishing with PGSP support a “clinic” that is formed from well-trained Bappeda officials who are passing their knowledge and skills in P3BM to service agencies, districts and the municipality on a case-by-case basis.

In June 2013, PGSP received additional funding from the Australian Aid Program in a bridging arrangement for another project, the Support to the Acceleration of MDG Achievement in Indonesia (SAMAI). Work has commenced on this but is still ongoing. We conclude that it is probably relevant to include this work under PGSP, but that the arrangements to channel funding on an urgent basis through PGSP have caused some inception problems and have not been entirely appropriate. We can make no statement on the effectiveness of this initiative at this stage.

173. **Output 2 – the situation now:** As a preface to our comments on achievements of Output 2, we view the resolution of the lack of clarity between roles at the three levels of government to which the Output 2 results framework refers, as being heavily dependent from a programme achievement perspective on the work of Output 1. Comments here need to be viewed in the light of our comments above on Output 1.
174. **Reform of planning systems in the future:** The programme has worked, under the direction of Bappenas and through a consultancy company, on draft guidelines and a white paper on alignment of annual national and regional development plans. We understand this is now being used by Bappenas to formulate sections of the forthcoming RPJMN for 2015 to 2019. One of the specific results of this is a recommendation to integrate spatial and general development planning (which are currently separate exercises) in sub-national governments in the future which we note would be a very

useful reform if GOI can implement it. For instance, PGSP has assisted in P3BM work in provinces and P3BM has the capacity to introduce a measure of spatial planning into development planning by more accurately identifying locations for pro-poor service delivery.

175. **Reviewing the RPJMN:** Under the direction of Bappenas, these contributions have fed into the knowledge base and into an overall review in conjunction with GIZ of the current RPJMN. The activity also resulted in policy brief materials for GOI. Comments from GIZ staff suggest that this collaboration has been effective and the working relationship close and productive. In this regard PGSP and GIZ have contributed to planning system development. It is too early to tell whether this will eventually result in substantial reform to Indonesia's overall planning system, but this seems to be the intention. Illustrative of and related to this, the program analyst for regional planning presented us with a technical slideshow on alignment of planning and budgeting between national and sub-national governments and the needs for balancing allocations and efforts in the future. This material is hard for non-economists to understand, but if we are reading it correctly, this shows how resources and economic growth correlate in different provinces. This is also a contribution towards economic planning for the next five year period. It is presumably aimed at helping to identify where government should invest and how.
176. At the provincial level we are seeing quite a different set of activities but we do see a direct link between these and the programme's work on planning at the national level.
177. **Trial of planning tools:** In the participating provinces (not including Aceh) the programme has quite successfully facilitated the introduction and trial of a series of planning tools, most notably the pro-poor planning budgeting and monitoring (P3BM) tools as developed by Bappenas in Bangka Belitung, Gorontalo and NTT; human development index/reports in NTT and Bangka Belitung, including the establishment of HDI forums; and MDG measurement matrices in Bangka Belitung. MDGs and HDI/R are very much a part of core business and methodology for UNDP. The Province of Gorontalo is particularly commended for establishing with PGSP support a "clinic" that is formed from well-trained Bappeda officials who are passing their knowledge and skills in P3BM to service agencies, districts and the municipality on a case-by-case basis. We were told in Pohuwato district that P3BM has been enthusiastically adopted. The clinic has also made inroads with this in the Gorontalo district and municipality governments. So this output is also being of benefit at lower levels of government. As noted above the P3BM tools are able to provide an element of spatial information, which is of considerable use in identifying specific problems faced by the poor across a province (it reportedly will work to a sub-district level). We view this as an element of value added by PGSP. It was able to facilitate Bappenas personnel to go to the provinces to train in P3BM and then to help the province carry this forward. It is noted that PGSP has also planned to facilitate provincial "data forums" with the aim of integrating spatial and tabular data on MDGs for planning purposes. However, while preparatory work has been done, these are yet to be established.
178. The programme has also made inroads on minimum service standards, which we also view as tools for sub-national planning. However these are covered by PGSP under Output 3, so will be discussed in the section on Output 3 below.
179. Summarising the achievements against the original problem analysis for PGSP, we conclude that the programme has been reasonably effective in helping GOI to work out

how to resolve planning mismatches between levels of government. We suggest this is reasonably effective but has yet to produce actual changes in clarity between the levels, as this will still need further regulations in the future. We believe that PGSP has helped provincial governments to trial and adopt local planning techniques that are pro-poor. We believe PGSP has added to the knowledge base on sub-national planning. We cannot comment as to whether this has made a difference to projects being implemented outside of government plans as we have not reviewed provincial projects. And we would like to note that moves towards truly participatory planning have not eventuated.

- 180. The added element of MDG acceleration:** In June 2013, the Australian Government provided an additional \$500,000 to be used through PGSP in what is essentially a bridging arrangement for another project, the Support to the Acceleration of MDG Achievement in Indonesia (SAMAI). In order to address the urgency of supporting the MDG Secretariat, it was decided to provide funds through an available modality, i.e. PGSP. PGSP thus forms a channel for this funding to be used by the MDG Roadmap Project Management Unit which is under the MDG Secretariat in Bappenas. Funding was to be used during the second half of 2013.
- 181.** We do not know whether this will lead to a full implementation of the SAMAI in the future, which has been agreed between UNDP and GOI and according to its Prodoc will require a total of \$14.3 million to help GOI reach Indonesia's MDG aims more quickly. In our discussions with DFAT, UNDP, the MDG Secretariat and the MDG Roadmap Unit it has become apparent that inception of this new element of PGSP's responsibilities has been slow and that it is now clear that the full \$500,000 was not used by the end of 2013.
- 182.** The exact reasons for the slow start are a little unclear. UNDP reports slow uptake by the Unit and some difficulties in obtaining external data from the Central Statistics Agency. The Unit reports difficulties in accessing the new funding. We hazard a guess that there may be a combination of these problems occurring. However we are informed that by the date of this report work has commenced with a workshop on a manual for defining operational indicators for MDGs and a workshop for regions on the production of district and municipality level MDG action plan matrices. PGSP reports that by late November 50% of the funding has been disbursed, and that remaining funds for the development of provincial MDG reports will be disbursed in 2014.
- 183.** This situation is a little complex. PGSP was probably asked to accept responsibility for expending a large additional amount of money at a time when it was urgently working on finalising its existing work. The MDG Unit may have been expecting a larger programme with a longer lead-in time. UNDP does sometimes experience delays in procurement at program inception (see comments under effectiveness) and we have heard that there were problems incorporating this funding within the UNDP Atlas system. We are not surprised that there has been delay.
- 184.** It is probably relevant to include this work under PGSP, particularly as it has itself undertaken work on developing MDG matrices in the past in Bangka Belitung. But we feel at this stage that the arrangements to channel funding on an urgent basis through PGSP have not been entirely appropriate. Given the late start and lack of activity so far we can make no statement on the effectiveness of this initiative save to say it is unlikely to be effective in the short time available and unless a larger amount of funding is made available for it to be implemented on a larger scale. Efficiency may, as noted above, be questionable. Impact and sustainability are unknown.

185. **Summary on Output 2:** We believe that PGSP has made significant contributions to reforming the bureaucratic practice in planning at the provincial level. Coupled with the work under Output 1 on bureaucracy reform more generally this does mean that Output 2 has been quite effective in delivering results as defined by the Prodocs. We will now look at Output 3 before we discuss these achievements and links of both outputs from the wider perspective offered by figures 1 and 2, again as an aid to analysis (see paragraphs 199 following).

### Output 3:

#### Output 3: Effectiveness Summary

Output 3 has aimed at “Enhanced public service delivery through governance innovations, implementation of minimum service standards, and public complaint mechanism”. This output is essentially about innovation and can be seen as a UNDP special contribution to the development of tools and methodologies for sub-national governments. The output utilises an experimental approach and it is refreshing to see an agency and its government partner able to take a few risks in trying out new ideas, even though this has meant that Output 3 has been somewhat unstructured and scattered in implementation.

Output 3 is working towards enhanced public service delivery with focus on minimum service standards (MSS) in health and education. It has involved inputs from a variety of ministries in Jakarta. Bappeda planners have taken a lead in the provinces and have worked with local health and education agencies. Tools have been developed for both sectors to measure progress in delivery of basic services. In Bangka Belitung, PGSP has helped to develop an integrated approach to health costing, planning and budgeting involving the province and selected districts, which is being developed into a model by national government.

A range of other activities have been implemented under Output 3. Of particular note is the work of PGSP in Bangka Belitung and NTT on promoting a multi-sectoral, cross-jurisdictional approach to tourism development. This still has to result in long-term development programs but is showing considerable promise. PGSP has also supported to various degrees aid management functions in participating provinces, with associated micro-grants. Aid management support aims at a governance improvement in capacities to manage and monitor aid flows into a province. We do not think however that the links between aid management, grant funding and governance capacity building have yet been strongly made through PGSP. PGSP has made very little progress on public complaint mechanisms.

186. Output 3, as most recently defined in the revised Prodoc, is: “Enhanced public service delivery through governance innovations, implementation of minimum service standards, and public complaint mechanism”. This is much less complex than the original output statement which was “Achievement of better development outcomes at provincial level through governance innovations: implementation of minimum service standards, civil service reform, participatory monitoring and evaluation and sustainable cross province learning”. We think this an improvement in PGSP’s aims but again we cannot see the reasoning that led to this change. We can only surmise that participatory

monitoring and evaluation and sustainable cross-province learning (whatever that really meant) were too hard to implement.

187. This output is essentially about innovation and can be seen as a UNDP special contribution to the development of tools and methodologies for sub-national governments. The output utilises an experimental approach and it is refreshing to see an agency and its government partner able to take a few risks in trying out new ideas, even though this has meant that Output 3 has been somewhat unstructured and scattered in implementation.
188. **Output 3 in 2009:** The results framework of 2009 stated that it was common at that time for there to be limited facilitation by provincial governments for services at district level and that interrelation between provincial and district performance targets was non-existent. While feedback to government about services was happening in the media, complaints handling mechanisms were either non- or poorly functioning. It was noted that agency and staff functions and their budgets were not directly or clearly related to their roles and functions and that the knowledge base on provincial roles and functions (presumably related to service delivery) was poor.
189. Some of these issues were still reported as being problematic in the results framework of 2012. There was no discernible strategy for the alignment of planning between provincial and district levels in place. Coordination between national and provincial levels in the implementation of MSS was also problematic. This translated into an ongoing lack of local capacity to implement MSS. Given the relatively recent date of the Prodoc revision we suggest these problems are still there.
190. **Output 3: The situation now:** It would be wrong for this evaluation to make sweeping statements about the extent and quality of service delivery in the provinces we visited. We are not technically qualified to judge service delivery performance in any of the three sectors in which we have seen PGSP activity, i.e. health, education and tourism, let alone the wider range of sectors that are supposed to deliver local services. Our discussions were also largely focused on provincial level roles, whereas most of the burden of service delivery is actually on districts and towns.
191. **Output 3 is working towards enhanced public service delivery:** Nevertheless we can make some useful comments about service delivery in health and education which we focused on in Gorontalo and tourism which we discussed in both NTT and Bangka Belitung. We have been able to see that tools promoted by PGSP in these three sectors are starting to make a difference. We doubt very much that the framework for planning and service delivery between provinces and districts is fully functional. We can say that PGSP has facilitated approaches that move provinces and districts towards this and has therefore been effective within the limits of trials. Three elements of PGSP's work under this output have shown significant promise for improving pro-poor services in the future: the work under the DIALOG (Delivery and Improvement Local Governance) methodology in Gorontalo, the STRENGTH approach to health in Bangka Belitung and the SMART (Sustainable Management Approach of Regional Tourism) methodology in Bangka Belitung. Progress is also being made in NTT on tourism for East Flores, but this is not the SMART approach that Bangka Belitung has developed.
192. **Tourism results to date:** There has clearly been coordination between the two Belitung districts in the development of a tourism master plan. If anything the districts have driven this initiative and the province has followed (in this case the province was acting as a regional representative rather than a representative of national government).



But we see the beginnings of a multi-government, cross-sectoral approach to the industry in which health, education, sanitation and public infrastructure considerations are included alongside economic development of tourism. We believe that institutional stakeholders will need further facilitation support in the future. Similarly we see provincial and district cooperation to better exploit and serve the tourism potential of the Easter celebrations in East Flores. We note that PGSP has been involved in the development of a tourism master plan and related food industry developments and in supporting a Tourism Management Authority for the District and that this work has been coordinated with other actors, including SwissContact and the government agencies concerned.

193. **Health and education MSS work:** The health and education work on MSS in Gorontalo is also showing very promising signs of early success. In both sectors PGSP has been able to help the provinces and selected districts to understand the implications of better service delivery. This has involved inputs from Jakarta, including the health, education and religion ministries as well as Bappenas and MoHA. Bappeda planners have taken a lead in the provinces and have worked with local health and education agencies. For both sectors, tools have been extended that are ways of measuring progress in basic services. We also saw a school in Pohowatu District which is utilising the Ministry of Education's online MSS system and a village nearby where local people have been involved in defining their health issues using a format from health authorities (at this level facilitation has been provided by PNPM Mandiri, not PGSP). Neither of these systems has yet resulted in the development of complaints mechanisms, although a health official stated that it is hoped to work on this in 2014.
194. **STRENGTH has national potential:** The Bangka Belitung government has developed and is now implementing the STRENGTH initiative (Strengthening Governance to Health). This builds on earlier training and facilitation by PGSP in health minimum service standards by developing an integrated approach to health costing, planning and budgeting involving the province and the districts and the municipality of Pangkal Pinang. Quoting from the recent semester report for PGSP, the parties formally signed an agreement, to: "a) accelerate the implementation of MSS in health; b) incorporate MSS health plan into strategic plan of health offices; c) integrate MSS health plan into work plan and budget plan of health offices; and d) improve coordination, assistance and monitoring on implementation of MSS in the health sector". We are told that this is now feeding back into development of models by the Ministry of Health (we have not had the opportunity to meet with the Ministry to verify this). The agreement was recognised by the Ministry, which considers Bangka Belitung to be a pilot province and has allocated funds for the province. This is an encouraging initiative that could be effective elsewhere in Indonesia.
195. **Aid management:** The need for provinces to coordinate all the various aid funded activities is well known. Donors (including international NGOs in this definition) variously try to assist in this regard and are usually keen to avoid gaps and duplications and to develop complementarities. Local governments are often keen to develop their own capacity in this regard. The origins of NTT's Integrated Secretariat (SPADU) which handles the aid management issue go back a number of years and reflect the high number of donor, international and Indonesian NGO programs that have worked in the province. SPADU also reflects the Provincial Government's need and right to lead and coordinate outside supported development in the province within the context of its own

plans and programmes and of regional autonomy and decentralisation. PGSP has worked with SPADU notably involving it in the development of a micro-grant program (see below for comments on the grants).

196. In Gorontalo, we met with members of the Provincial Working Group that inter alia is also working to develop an aid management capacity for the province. We do view local aid management as useful, especially if this can be linked to the province's own efforts to plan and budget for services and to attract donor assistance if this is desired. Aid management support aims at a governance improvement in capacities to manage and monitor aid flows into a province. We do not think however that these links have yet been strongly made through PGSP. We also note that it is also necessary for international donors to directly link their grant funding through national agencies and not directly with provinces. International NGOs are less restricted.
197. **Grant funding:** Small grant schemes can be very complementary to governance initiatives (including aid management developments), especially if they clearly link with and can reinforce the main governance innovations being attempted. They are a great way of involving local people and CSOs in governance and of bringing them into productive relationships with government agencies. PGSP has trialled a small grants scheme in NTT under Output 3. The intrinsic development value of the initiatives supported is not disputed. We met with civil society groups involved in providing sex education and alternative incomes for teenagers and sex workers, establishing and operating weaving operations and producing and distributing bio-gas equipment utilising locally available cow dung. The enthusiasm and dynamism of these groups was very evident. We also acknowledge the links with the NTT government through SPADU, which has been a partner with PGSP in establishing and operating the micro-grants scheme (please note that grants have also been implemented in Gorontalo but we did not specifically review them).
198. We do however have one concern about this micro-grant scheme. We do not find it particularly well linked to overall governance aims of PGSP. While there is a broad underlying link with pro-poor economic development because people are being encouraged to participate in the economy through the grants, we have seen no evidence that it links with the P3BM process or more broadly to the development of the role of the province in coordinating with districts. The grants scheme may have been better placed under Output 2 to link more closely with economic development. It would be good to see communities identified through pro-poor planning processes being invited to participate in grants schemes. We understand the approach was through a more usual selection process through the local media in which SPADU, PGSP and UNDP Jakarta participated. It would also be useful to see grants generating a clearer public monitoring and/or complaint role *vis-à-vis* government service provision.

### Concluding remarks on effectiveness

199. **Key contributions of PGSP:** Summarising our comments on effectiveness we conclude that PGSP has made key contributions to: reform of the national framework for decentralisation; and to empowering and equipping provincial and selectively district governments to plan and budget for pro-poor service delivery. We have discussed extensively above the key contribution of Output 1 in establishing an enabling environment for provincial governance and in clarifying for provinces what their roles will be in the future. PGSP has been effective in this. We can clearly see the links Output

1 has with empowering local officials through Output 2. The partnerships inherent in PGSP have been quite effective in engendering reform – notably the partnership between UNDP and the national government, under the leadership of Bappenas and the partnerships between the national government and provinces and the now emerging partnerships between provinces and their districts. PGSP has not been effective in making significant contributions to actual service delivery, which is the challenge for the future.

200. **Empowering a pro-poor service orientation:** Looking at Outputs 2 and 3 together, we conclude that P3BM adds considerable value to provincial efforts to reduce poverty. It also helps to engender a service orientation. It was very encouraging to hear civil servants talk about this in all three provinces we visited. The reason for concluding our comments on effectiveness by looking at these two outputs together is that we view that they actually deal together with the engendering of pro-poor values in sub-national government and the eventual reform of service delivery that meets people's needs.
201. **Setting direction for service delivery:** In NTT we heard about the provincial government's *ANGGUR MERAH* program, which commenced in 2010, whereby provincial funding is being used directly for poverty reduction in villages. P3BM has contributed to the province's work in formulating this program – with PGSP facilitation being useful. Work on MSS through the DIALOG approach also clearly helps provinces to gain a pro-poor orientation in service delivery. Assisting provinces and districts to develop integrated sector development initiatives like SMART or STRENGTH has been effective in starting to change the way provinces plan for pro-poor services. Use of micro-grants, if better linked to pro-poor planning and budgeting and to service delivery by local governments could further help in this regard in the future. These initiatives together are helping to set the direction for service delivery in the future.
202. **The proof will be in implementation:** Notwithstanding the positive comments above, PGSP has not demonstrated effectiveness in bringing about sustained improvement in service delivery which is clearly encapsulated in UNDP's aims at both the CPAP and programme levels. Returning to Figures 1 and 2, it is quite clear to us that if governance improvements in policy and law are combined with improvements in pro-poor planning this will lead to governance improvements in sustainably delivering better services.
203. Figure 2 visualises a cyclical process, and it is clear to us that PGSP has at this stage only helped to make the process links to the point of planning for better services. Modest gains are now possible in better services, but governments still need to deliver on a larger scale and more sustainably. Public participation in planning for services has largely not emerged through PGSP; we see few results yet in monitoring service delivery through the PGSP approach. We also see that the final link between reform of service delivery and reform of inter-governmental relationships has yet to be made. Governance reform is an ongoing process. It will be important in the future to make this final link so that there is a more solid and integrated approach to service delivery from all levels of government and lessons learned in improving services for the poor are fed back into further refinement of policy and regulation in the future. This is a challenge now.

## e. Efficiency

204. The TOR defines efficiency as "A measure of how economically resources/inputs (funds, expertise, equipment, time, etc.) are converted to results." Please refer to the TOR for specific questions posed on efficiency. The following comments are pertinent.

205. **Overall expenditure for PGSP:** Table 2 shows the expenditure by PGSP for its four years of operation, using funds being sourced from the Decentralisation Support Facility, the Australian Government and UNDP. Figures are inclusive of expenditures to December 10<sup>th</sup>, 2013 Table 3 shows expenditure to date as sourced from UNDP's ATLAS financial system.

**Table 2: Expenditure by PGSP 2010 - 2013**

<b>Expenditure (in USD) to December 2013</b>					
Year	UNDP core resources (TRAC + 1188)	DSF	TTF	Australian Government	Sub-total
2010	148,609.15	430,441.05			579,050.20
2011	126,252.95	1,257,191.20	19,234.97	137,689.97	1,540,369.09
2012	446,521.08			2,103,628.45	2,550,149.53
2013	401,902.91			2,658,903.20	3,060,806.11
<b>Total</b>	<b>1,123,286.09</b>	<b>1,687,632.25</b>	<b>19,234.97</b>	<b>4,900,221.62</b>	<b>7,730,374.93</b>

**Table 3: PGSP expenditure against allocated funds**

<b>Allocations versus expenditure</b>					
PGSP Source of funding	Amount allocated	Currency	Amount received USD	Expended USD	Unspent USD
Funding under Decentralisation Support Facility inc TTF	2,000,000	USD	1,719,235	1,706,867.22	12,367.75
Funding from Australian Government	5,400,000	AUD	5,621,348.63	4,900,221.62	721,127.01
Funding from UNDP	800,000	USD	1,123,286.09	1,123,286.09	0.00
Accrued interest			19,403.64	-	19,403.64
<b>Total</b>			<b>8,483,273.33</b>	<b>7,730,374.93</b>	<b>752,898.40</b>

206. **Percentage expenditure to date against allocation:** Despite an unspent amount of USD753,000 at mid-December 2013, which is scheduled for use in early 2014, PGSP has managed to expend 91% of its overall allocation. From an overall perspective the evaluation team considers this to have been a reasonable achievement. However, the evaluation acknowledges that from the donor perspective a higher level of expenditure, particularly with the final tranche of A\$500,000 of June 2013 for work on MDG Acceleration, would have indicated a greater efficiency in fund utilisation.

207. **Value for money:** Our assessment of value for money is basic only; we are unable to attach too many hard figures to this and have not performed financial/economic analysis as part of this evaluation. Neither have we attempted to compare PGSP's financial efficiency with other programmes. We understand that DFAT-AAP's own cluster evaluation of six decentralisation related programmes may be able to cast some more quantitative light on financial efficiency of PGSP. The following is therefore general qualitative comment on PGSP's efficiency.
208. It is interesting to put expenditure on PGSP into a macro context. Indonesia's national budget for 2013 totalled IDR 1,500 trillion or about USD 150 billion. Indonesia's overall national expenditures on provincial and district government, i.e. not including expenditures made with provincial or district sourced funds, is estimated at IDR 528 trillion or close to USD 50 billion. Provincial budgets are of course much smaller. For example, in 2013 Gorontalo has budgeted approximately USD 6.2million for education from its total budget of about USD 113 million. We do not have figures for the districts and the municipality in Gorontalo, but suggest that their total expenditure on education will significantly exceed the province's expenditure as they carry a much larger burden for education services.
209. Put into this context PGSP has spent in total over a four year period not much more than Gorontalo Province spends on education in one year. Therefore overall, if GOI through the leadership of Bappenas, is able to carry these results forward into the future and in particular to extend achievements into other provinces, the PGSP approach does represent excellent potential value for money. However, it is not possible for this evaluation to place a financial value on the changes in governance that PGSP has accomplished.
210. **Need to estimate value of added services in the future:** The most tangible area of value is probably in services delivered but we can make no estimate of either the value of additional services that have been delivered or the savings made in delivering services more efficiently as a result of PGSP (by for instance measures such as Bangka Belitung's uniform costing methods). To our knowledge, this data does not exist. But actual implementation of a bulk of large scale services in health and education, as defined through the programme's MSS related work has not eventuated. But value for money also means taking into account the less tangible benefits of PGSP. What is the long-term financial benefit to Indonesia in having better, more efficient bureaucracies in the regions with clearer divisions of responsibility in tackling service delivery between the layers of government? We suspect that in five years' time this might be quite significant. We also suspect that local economic benefit from initiatives like SMART, if they are followed through, could be quite significant as well. In this sense we view PGSP to be potentially quite an efficient investment. We suggest that a challenge for the future will be to measure the gains in value of services through these approaches.
211. Our TOR asks "How well did PGSP's technical assistance and policy support provide appropriate solutions and develop capacities of relevant stakeholders to produce results?" We have commented extensively above on the appropriateness and effectiveness of the programme. From an efficiency perspective we simply note that PGSP has involved relevant stakeholders. It has helped them to develop capacities; and governments at national, provincial and to some extent district level have been helped to produce results (notwithstanding our suggestions that there are elements of the

picture missing). In the future it would be useful to focus on fewer initiatives/tools more intensively.

212. **Project governance quite efficient:** Board meetings for PGSP (i.e. its own governance arrangements) have in our view been well structured and carried out to plan. Stakeholders all report satisfaction with the process and its results. While we find it difficult to clearly see all the decisions that the Board has made, because minutes have not documented decisions particularly well, the programme has been efficient and timely in its reporting to the Board. The Project Manager's reports to the NPD have been a good feature. The Bappenas/UNDP link is clearly strong, particularly with the Regional Autonomy Directorate. PGSP has tried to involve other parts of Bappenas, with a good degree of success. The project has involved other Ministries as appropriate, notably the Ministries of Home Affairs and Finance and the *Lembaga Administrasi Negara*. We note that MoHA and MoF involvement was more intense and more needed in the earlier stages of PGSP.
213. **Use and deployment of programme resources:** We have noted above that the management arrangements for PGSP have been appropriate to the decentralisation context. We note further that this has meant that generally management arrangements within UNDP and across different government agencies have facilitated programme implementation and the attainment of project results. We do not feel that UNDP's division of labour between the higher CPAP outcomes (i.e. with separate units for governance and poverty reduction) has facilitated the focus on poverty that PGSP should have aimed for, but do note that the recent amalgamation of poverty and governance units should better facilitate this in the future. At the programme level we also note that a greater focus on strategic management of what has become a large number of different activities might have led to fewer and more intensive activities and perhaps greater results. It would also have led to an enhanced ability for PGSP to articulate how all the activities fit together.
214. The use of programme analysts seems to have been quite efficient. Their role in drawing up position and planning documents for implementation is noted. The use of analysts responsible for individual outputs has been a good idea. We think that PGSP has been an efficient channel to help national government introduce tools and methods. It will be important to document methods for the future. Generally documenting lessons is a weakness. In the provinces, the placement of small teams has provided the opportunity for close engagement. In NTT and Bangka Belitung co-location with Bappeda has been quite efficient. In Gorontalo the team was located with Bappeda, but Bappeda has since moved leaving the programme team in the old building, but this has not really affected the team's efficiency. We view the provision of office space by Provincial Governments to have been a useful and efficient contribution from them. Provincial Bappeda agencies have been actively involving other SKPDs: e.g. health, education, tourism etc. This has been efficient and of course reflects the Bappeda coordination role.
215. As can be seen from comments on effectiveness, PGSP has tried a wide variety of activities and to a certain extent this has meant that resources have been somewhat scattered. In the future it will be better to consolidate activities and to focus more thoroughly on a smaller number of methods and tools. However we do acknowledge that PGSP has been a vehicle for trialling these various methods and this has been good

overall. We also think that in terms of distribution of human and other resources in the future, UNDP might consider a greater percentage of project staff deployed in the provinces. Now that a large bulk of national level policy and legislative work has been completed, a more efficient use of resources by concentrating more on work in the provinces will be appropriate. This would allow a more consistent and sustained support of activities involving provinces and districts.

216. **District level:** We acknowledge the successes of PGSP in involving selected districts, particularly in capitalising on the willingness of bureaucracy reform minded leaders. We acknowledge that the successes also come from districts themselves being pro-active. PGSP could probably have developed activities in more districts than it has. However developing useful linkages for bureaucracy reform does seem to depend on the presence of champions and such processes are by nature slow.
217. **Procurement inefficiencies:** Several respondents have mentioned delays in procurement of consultants earlier in the project. We also note recent delays in getting the MDG acceleration element of PGSP started. This is unfortunate. While we do think that overall financial resources have been utilised as planned, they have not always been timely. Now it is becoming apparent that UNDP (and others) will have to use the DIPA funding mechanism in the future, and therefore will not be able to use the relatively efficient Letters of Agreement with provinces, care will need to be taken to ensure that significant delays are avoided in the future. Lessons from the Aceh Governance Transformation Program are pertinent. We also understand that the Australian Aid Program is gaining significant experience in mechanisms for the transfer of funds to sub-national agencies. UNDP should consult them on this.

## f. Impact

218. Impact is defined as: "The measured changes in human development and people's well-being brought about by the project, indirectly or directly, intended or unintended." Please refer to the TOR for specific questions posed on impact.
219. **Quantitative measurement of impact of PGSP:** Measurement of impact in this programme, either by implementers or evaluators is very difficult. In particular the project has not progressed much in developing systems that can demonstrate progress in providing benefits to the poor. We need to remind ourselves that this is the underlying reason for having programmes like PGSP and we hope that in the future considerably more attention (and resources) can be placed on this. A yardstick of 10% of programme funding for knowledge management, including reporting, impact monitoring, evaluation and management of the learning process would not be unreasonable.
220. At minimum this means more focus on encouraging monitoring by sub-national governments of the results of efforts in minimum service standards using precisely the tools that PGSP has assisted them to acquire. We do acknowledge that it is likely that these tools will be very useful in impact monitoring. Similarly focus on measuring the results of efforts like SMART will be very important. Also critical would be for UNDP to develop the current report formats used, i.e. the QMR and the IPAR, as tools for evaluation and impact monitoring. At present they do not do this.
221. This also implies a greater rigour in measuring against agreed indicators. It is not acceptable from a monitoring and evaluation (M&E) perspective for indicators to simply

be changed when attaining the associated targets becomes difficult. We suspect that this has happened in PGSP. Does this mean that the indicators and targets originally set were inappropriate and that people simply gave up trying to attain them (and therefore does this flag problems in design and implementation of monitoring systems)? While changes to indicators and targets are inevitable during implementation, it is not appropriate to do this without documenting what has changed and why, in other words acknowledging that there have been problems and explaining reasons for formal changes to the measures used.

222. **PGSP focus on human development and service delivery:** As a preface to further comments on impact we note that the inclusion of programme elements like work on HDI and MSS have helped to ensure that a perspective of human development needs has been reflected in PGSP's policy, planning and budgeting interventions. PGSP could certainly have done more to encourage poverty reduction in the target areas and we have noted this throughout this report.
223. This means in the future being prepared to go further than just policy, planning and budgeting and to move into assisting sub-national governments in pro-poor service implementation. We have noted above that it is too early to determine the extent to which PGSP's impact has included better service delivery. We have also noted the need to develop methods for measuring such impact. We have asked PGSP to provide us with examples of pre- and post-programme planning and budgeting documents from the provinces. This information has not been provided. In its absence we can only assume that provincial government planning documents that show that service delivery will improve have yet to be produced (some may be available in early 2014).
224. **PGSP shows some direct impacts for people:** There are small direct impacts for the grass roots elements/community from the Micro Grants in NTT (biogas, weaving and sex-education), particularly in having greater access to means of production and to alternative economic activity, but we have noted above that this has not been well linked to local government planning, budgeting and program implementation. We suggest that the tourism activities in Flores Timor are likely to bring direct impacts for the people but we have been unable to measure this. It is likely however that these activities are providing stimulus for NTT's ANGGUR MERAH initiatives. The cross sectoral, multi-district approach to tourism in Belitung will very likely bring direct benefits for communities and businesses. Again, we have no way of measuring this and hope that this evidence can be produced in the future.
225. There is evidence of small scale impact in villages in Gorontalo that are participating in health MSS activities. These include better understanding of health and environment issues. PGSP has contributed to this but we must acknowledge that this is the "Desa Siaga Aktif" program for which other implementing stakeholders are providing the major inputs (including PNPM Mandiri). MSS work in education in Gorontalo may bring direct benefits to local people, but it is really too early to tell. We do note that the project provided support for the recent agreement in Pohuwato between the Bupati and the Ministry of Religion for local education funds to be provided to madrasah. This could have significant impact for children from poorer villages. PGSP has supported this, but we view this as an unintended positive impact of the programme. In Pohuwato, the Bupati and Asisten II are encouraging people to directly message them with complaints and suggestions. We think this is a great innovation. However we suspect that PGSP was



not directly instrumental in this initiative, but do urge UNDP to look closely at this kind of approach (or similar) to stimulating demand for and criticism of service delivery. Indonesia is now rapidly moving into the era of the public demanding accountability, and for example this is clearly happening on quite a large scale in Jakarta.

226. **Some negative impact:** Not all PGSP activities have had positive impact for local people. We have not commented on ARTGOLD's early activities above. Local economic development activities were undertaken in the earlier stages of PGSP around corn in Gorontalo (as an extension of the World Bank's DIALOG work, which PGSP took over) and white pepper in Bangka Belitung. While we understand that ARTGOLD was eventually and unfortunately discontinued due to funding problems, these individual activities appear to have run into difficulties of their own. The corn activities were "inherited" from the World Bank's DIALOG activities in Gorontalo, but it appears that PGSP was unable to extensively follow-up on this even though the district of Pohuwato had allocated money for corn development and PGSP had paid for an element of South-South cooperation for the corn industry with a visit to Sri Lanka. For white pepper in Bangka Belitung, PGSP arranged a sectoral study and discussions with stakeholders, but it became apparent that inter-sectoral approaches to pepper development were technically very difficult (for detailed reasons we have not had explained). The Bangka Belitung Provincial Government opted to pursue inter-sectoral approaches to tourism instead, given that the Belitung Districts were pushing for support on this. These activities must have created expectations in communities that most unfortunately have not been met. We view this as wasted funding and wasted opportunities.
227. **Potential major impact in the future:** If bureaucracy reforms as outlined in roadmaps and in the revision of Law 32/2004 and as implemented through PGSP to date are carried forward into the future there will very likely be major impacts for poorer parts of the population. We believe that PGSP has contributed to improved capacity to deliver services particularly through P3BM and MSS work. Pro-poor planning and budgeting is emerging. We believe that PGSP has influenced provinces to seek bureaucracy reform including enhanced accountability. This has yet to lead to real impacts in communities knowing what services to expect and being able to demand them.
228. There is potential for the PGSP approach to be replicated and multiplied around Indonesia. Please see the recommendations on replication below. However PGSP as a project does not currently possess methods to measure such impact. It would be good in the future if PGSP or similar projects can offer this evidence and promote their own value and important role in this. Local government (particularly Bappeda) acknowledged the importance of reliable data through MSS, P3BM and MDG tools for their own jobs in planning and budgeting and as an effective tool for communication with SKPDs, with the legislature and to some extent the community. UNDP needs to help document such value. Progress is being made and there is now an opportunity to tell others about it.

## **g. Sustainability**

229. Sustainability is defined as: "The extent to which project benefits will continue after assistance has come to an end. Sustainability looks to the relevant social, economic, political, institutional and other conditions present and, based on that assessment, assess whether capacities are in place to maintain, manage and ensure the development results in the future". Please refer to the TOR for specific questions posed on sustainability.

230. **Poor evidence of an exit strategy:** The Australian Government cluster evaluation that included PGSP stated: “There has been little planning for sustainability of the activities of the program”. We agree. The PGSP evaluation was asked to assess whether the project has successfully developed and implemented an appropriate exit strategy. Unfortunately we cannot find evidence of an exit strategy. One exception has been the definition of baselines in the PGSP results framework, which could have been utilised to help define an exit strategy, but weren’t used in this way. Rather we have been told by almost all respondents that they hope that PGSP will be able to continue into the future. But requesting and receiving an extension or a bridge into a new phase of PGSP does not in itself constitute an exit strategy.
231. **Poor analysis of sustainability issues:** The Prodoc format does not have a section on sustainability and thus does not lend itself to a good analysis of sustainability issues. In the 2009 document there are only a few references to conditions for sustainability, but these are not consolidated into an exit strategy. The “risks” section of the Prodoc states: “A three year project may be too short for significant contribution to achieving the intended impact. It is considered that three years will be sufficient to effectively contribute to Output 1. Outputs 2 and 3 at provincial level in three provinces will also have sufficient exposure to PGSP encouragement of relevant initiatives.” While this does not specifically address sustainability it hints at it.
232. **Output level sustainability:** Output 1 carries its own internal sustainability, in that changes to national policy and legislation, once put into place become mandatory requirements for all levels of government. But the revised law is not yet in place, so we have to conclude that there is still no guarantee that Indonesia will achieve the intended realignment of decentralisation and regional autonomy. PGSP cannot be blamed for this; we have noted that its work on Output 1 has been consistent and solid throughout. For Outputs 2 and 3, we conclude that provinces have had significant exposure to PGSP initiatives. But at the end of the current PGSP phase we have still to see firm results in the form of pro-poor budgets being in place. If as hoped this does eventuate in the 2014 budgets, we could be a little more confident of financial sustainability.
233. **Will capacity benefits continue?** Capacities in pro-poor planning and budgeting using the various tool and methodologies of PGSP have been built. The effectiveness section above comments on achievements in this. We suspect that the benefits from P3BM and MSS (including STRENGTH) work can be sustained in the future, at least from the perspective of planning and budgeting to achieve standards. There is certainly enough impetus from the national government to continue encouraging achievement of MDGs through MSS. The participating provinces have shown commitment already and as an example in Gorontalo we are seeing sufficient expertise built in provincial Bappeda to transfer and extend project benefits to districts and other government agencies. But this will need more support to firmly embed into local institutions. The creation of a competent team is not a guarantee that the capacity the team offers will exist five years in the future. We are recommending that further support to cement these processes in the three provinces is highly desirable.
234. We have noted that large scale investment in meeting MSS, or to developing monitoring systems that can inform governments that their MSS aims have been achieved have yet to emerge. It is unfair to suggest that this could have been realistically achieved in the programme timeframe, given that the PGSP was always intended to be technocratic and to focus on building planning and budgeting capacity. However, UNDP

might look seriously at the needs for support in downstream implementation in future initiatives.

235. **Local economic benefits not guaranteed yet:** Local economic development initiatives in tourism are not guaranteed to be sustained for similar reasons. It is one thing to facilitate the development of master plans and quite another to actually have those plans implemented. We are unsure whether it would be a UNDP role to support downstream implementation of tourism plans, although this would be desirable from a sustainability viewpoint. Local grant type initiatives seem not to have been designed to sustain outside support. We are unable to comment as to whether these initiatives have reached the point where outside support is unnecessary.

236. **Partnership and ownership:** The PGSP design recognises that ownership by the national government and participating sub-national governments is prerequisite for an effective programme. This should probably have been extrapolated to state that ownership is a pre-requisite for sustainability as well. Ownership by participating provinces and districts has been good. The partnership strategy of connecting national and sub-national stakeholders has worked well and has generated good will. There is a good chance that the linkages that have been made will continue, especially as they are now becoming embedded in national policy and legislation. Output 1 has served to develop links between the national and sub-national levels on the revision of Law 32 as well as undertaking work with provinces on Bureaucracy Reform Roadmaps. Output 2 has served to focus provinces on the important national agenda of bureaucracy reform and the very important use of B3BM tools. By definition it has also focused provinces on the national government's overall efforts to reduce poverty. Output 3 in general has served to focus on service delivery, which is very much a national concern, including from technical ministries as well as central agencies. There is some evidence that experience from the field through PGSP is feeding back into national policy formulation, with one particular example being minimum service standard costings developed in Bangka Belitung now being utilised in a national model by the Ministry of Health. Furthermore, national government has now had experience through PGSP in the use at the sub-national level of important tools such as P3BM, which will be of use in policy formulation in the future. Nevertheless, in comments in this report, the evaluation team notes that the feedback link between field experience and national policy formulation was not intended to be explicitly developed through PGSP (please refer in particular to discussion on figures 1 and 2 above). Future work evolving from PGSP could usefully address this. As with all governance and capacity type initiatives there will still need to be provision for the fact that individual leaders and implementers and their institutions change over time. Bappenas and its counterparts in the provinces will need to take responsibility for maintaining the momentum. It should not be a UNDP role to ensure that good relationships between institutions are sustained.

237. **What should an exit strategy define?** An exit strategy should be defining how the programme will progress to the point where it is no longer needed at all. For PGSP this would have necessitated analysis on a province-by-province basis and for national support as well. What will tell us that a province no longer needs PGSP? We suggest that the following would be good indicators that PGSP type programmes are no longer needed:

- a. Provinces and districts will be providing services to the minimum standards as defined by national technical ministries;

- b. Civil servants in the provinces and districts will be performing their various tasks to competency standards as defined by the Government; and
  - c. Ordinary people will understand the services to which they are entitled, will be demanding that those services are provided and will be critical of local governments that fail to do so and supportive of governments that do.
238. If these suggestions are correct, we conclude that participating provinces have some way to go. Follow-up work in future programmes like PGSP therefore needs to be considered on helping provinces to implement MSS strategies and to meet national competency standards and at the same time to develop capacities for public involvement. It is axiomatic that governance reform is ultimately about changing mind-sets. Can we envisage in the long-term that civil servants (*Pegawai negeri sipil*; literally “civil state workers” in the Indonesian context) will have come to view themselves as public servants? We suspect changes in mind-set are generational. While we do not suggest that an agency like UNDP needs to or should provide PGSP type support for a generational period, as this is surely a national government responsibility, we do suggest that attention to the three indicators in the paragraph immediately above would be highly beneficial for future UNDP support.
239. **The PGSP message:** One respondent said to us that Indonesia’s success as a nation now depends on the quality of its governance. That’s why bureaucracy reform is the number 1 priority in the current RPJMN. We are told that it is highly likely that this reform will remain at the top of the list in the new plan. This is a golden opportunity for PGSP and related projects to ensure that their voices are heard by the new leaders that Indonesia is about to elect. So why not trumpet this right now? To do this for PGSP will involve clearly documenting and disseminating the lessons that have been learned and the methods that have been developed. Sustainability of PGSP’s work and results in the future (and indeed access to funding) may depend on doing precisely this now.

#### **h. Value added**

240. Value added is included in the TOR as follows: “The extent to which the project has complemented efforts of other UN agencies, Australian Government programmes, and other internationally funded initiatives”. Please refer to the TOR for specific questions posed on sustainability. There are two caveats here. Firstly, we have established with UNDP that this evaluation cannot address other agency programmes in detail without a thorough review of all their programme documentation, which is beyond the scope of its work. We have been able to draw upon DFAT-AAP’s recent cross-programme evaluation for decentralisation initiatives in Indonesia. Secondly, we note that during discussion and desk study, we have discerned no significant links with other UN agencies. PGSP was simply not set up to work in this way.
241. However, we have noted throughout this document where we feel PGSP has added value to government policies, capacities and processes. Our views on value added are summarised below and are wider in scope than the issues of complementarity with other programmes. A brief summary of our discussions with DFAT have already been included at the end of this section on relevance.
242. **UNDP is a trusted and neutral partner for GOI:** UNDP has many years of experience of working with the Government of Indonesia at the national level and is seen by it as a trusted, neutral partner. UNDP’s relationship with Bappenas is particularly close. PGSP has demonstrated the depth of this relationship and has been able to extend this to sub-

national governments and their agencies (particularly the Bappeda regional planning agencies). We cannot comment as to the extent to which other donor programmes enjoy such a position, as we have not reviewed this aspect. However, it is clear that PGSP has been able to act as a bridge to help link national agencies (particularly Bappenas) with sub-national agencies within a programme context. We view this as being particularly beneficial.

243. **PGSP has provided a focus on the national-provincial nexus:** To our knowledge PGSP has been in a relatively unique position in that its development focus has been primarily in linking the national and provincial levels of government. It has made some inroads to extending this to the district/city level. We suggest that PGSP provides a body of knowledge and experience that is complementary to other Australian Government programmes by adding a more in-depth understanding of the national-sub-national context for regional autonomy and decentralisation. This experience will be useful for the future.
244. **Consistently close to provincial government:** While we assume that other programmes have been able to field competent, skilled and acceptable facilitation teams, one of the strengths of PGSP has been its ability to do this on a consistent basis for almost four years and for the teams to be located within provincial government offices and working closely on a day-to-day basis with provincial government colleagues. This has extended to close relationships and regular contact with a selection of districts, although without the facility to permanently base staff in district headquarters. This translates into an ability to understand and work within sub-national government systems.
245. PGSP has demonstrated familiarity with GOI processes in the provinces and an ability to understand and accommodate the prevailing work culture and schedules, which we suspect is highly complementary with other programmes. We have noted in this report that PGSP can now offer extensive experience in working in new provinces (Bangka Belitung and Gorontalo). We also note that PGSP has now worked extensively in the context of strengthening the roles of the governor and the provincial administration, as representing both the national government and regional interests. This is extending into working on programme elements that bring together multiple sectors and jurisdictions and into greater exposure to and understanding of local political dynamics and change. The work specifically addressing strengthening provincial government roles is an important and likely unique contribution.
246. **PGSP has built-up solid expertise/experience in key areas:** PGSP offers considerable expertise in a number of key areas related to regional autonomy and decentralisation.
247. At the national level it has consistently worked on legal revision and policy development and has been able to engage and partner with national CSOs to provide advocacy inputs as part of public policy discourse. It has developed an understanding over a long period of the policy and legal development processes and of the need for redress in the regional autonomy balance between provinces and districts/towns, including through major contributions to knowledge products, to the extent that it is reasonable to expect from international agencies which are outside of the direct policy/legal decision making environment. We suggest PGSP's position in this regard is likely unique.
248. At the sub-national level PGSP has consistently worked on P3BM and is building expertise in improvements in minimum service standards and in relating these to

achievement of MDGs the use of HDI. DFAT has acknowledged the value of PGSP in helping to develop these tools. PGSP is also developing an understanding of front-line public service delivery constraints and opportunities. This is within the unfolding efforts in sub-national bureaucracy reform. PGSP is not entirely unique in this regard as we note that other Australian Government programmes are working in areas like minimum service standards and public service delivery and have developed approaches to assisting bureaucracy reform. However, PGSP has been very instrumental in helping instil national government sanctioned tools and methods into provincial governments.

## GENERAL RECOMMENDATIONS

249. The following are general recommendations resulting from this evaluation. More specific recommendations and suggestions are provided on how the programme might be replicated elsewhere in the section immediately following this one.
250. **Recommendation 1 - Replicate the PGSP approach:** Acknowledge the appropriateness of PGSP and its partnership approach to governments at national, provincial and district/municipality levels and in particular the role of facilitation<sup>4</sup> teams in providing a bridge between national and sub-national government. Commit to replication in other provinces and continue to work in current provinces, replicating in an increased number of districts.
251. **Recommendation 2 - Tighten the rigour of the design process:** The design framework needs to better reflect sufficiency of outputs in reaching the overall provincial governance strengthening outcome. There should also be more specific objectives regarding the involvement of districts and municipalities and also of the DPRDs.
252. **Recommendation 3 - Focus on social and economic development:** Recognise that while PGSP was originally framed in terms of improving economic development, the PGSP approach is as valid to work in social development as it is in economic development. In particular place more focus on public involvement in pro-poor planning and in providing feedback to governments implementing services.
253. **Recommendation 4 – Focus on implementation of services:** Extend the scope to include direct support for implementation of services by provinces and districts and include stronger focus on accountability. Place a much heavier emphasis in the future on poverty reduction as being a major development outcome and seek to engage the public and civil society organisations (CSOs) more comprehensively.
254. **Recommendation 5 – Link with villages:** Consider a more comprehensive inclusion of village or community planning, community voice and demand creating elements in future programming bearing in mind that this requires up-front assessment of local political economy (i.e. what will work and what will not). Consider how top-down and village elements can best work in a complementary fashion. UNDP should consider complementary or parallel activities being undertaken by other UNDP programmes or other GOI or donor programmes that can be adapted to add value to provincial roles in stimulating village voice in development planning and monitoring. Examples include (but

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<sup>4</sup> “Facilitation” in the context of PGSP covers a variety of activities undertaken by UNDP’s PGSP support staff and their government colleagues. These could include workshops, training events, briefings, mentoring or simply helping to bring together people from different stakeholder organisations.

are not limited to) UNDP's own work on village planning through the Peace Through Development (PTD) initiative and the Australian Agency for International Development's (Australian Government) work through the Australian Community Development and Civil Society Strengthening Scheme (ACCESS).

255. **Recommendation 6 – Follow through on bureaucracy reform:** Recognise that bureaucracy reform is a long term endeavour and that roadmaps are really at the start of the process. Therefore focus in the future on helping sub-national governments to follow through on bureaucracy reform. Also consider integration of civil servant (*pegawai negeri sipil* or PNS) performance measurement in future PGSP style activities.
256. **Recommendation 7 – Follow through on implementing regulations:** UNDP has built experience and expertise to gain a valuable and neutral niche in assisting GOI with upstream policy development for regional autonomy and decentralisation, including revisions to Laws and regulations. If Law 32/2004 is revised, continue to carry forward the results of work on reforming national decentralisation and regional autonomy law and work selectively on implementing regulations that better link programs across sectors and between provinces, districts and towns, recognising the long lead times this may entail. If the revision to the Law is not enacted in the period of the current Government, UNDP should review with GOI the need for PGSP type support for decentralisation and regional autonomy policy development in the future. UNDP should consider that, regardless of the revision being enacted or not, it is likely that there will be further needs for policy development aiming to harmonise national, provincial and district development efforts and that UNDP is in a position to help.
257. **Recommendation 8 – Deploy more resources in the provinces:** Acknowledge that programme resources are required both centrally and in the provinces but endeavour in future support to place more resources at the provincial level so as also to take in more comprehensive work in districts, municipalities and where appropriate with communities.
258. **Recommendation 9 – Invest in M&E and learning:** Consider a more comprehensive investment in results and outcome monitoring, learning, knowledge management and ongoing evaluation in future phases. This might include more focused research and knowledge management. Note that this implies greater allocation of funds for this area and a notional 10% of programme funding would not be inappropriate.
259. **Recommendation 10 – Immediately document PGSP knowledge gained:** Immediately take forward the body of knowledge that PGSP has helped to produce and prepare it for use in future programmes; i.e. urgently assemble and disseminate knowledge and methods from PGSP, in particular to take advantage of the opportunity to influence thinking by future national leaders as Bappenas works to formulate the next National Medium-Term Development Plan.
260. **Recommendation 11 – Improve rigour in programme changes:** Improve the paper trail in changes made to future programmes during implementation. Institute greater rigour in tracking indicators and targets.
261. **Recommendation 12 – Focus on sustainability throughout:** Focus clearly and logically on sustainability in design documents and define an exit (or sustainability) strategy as part of the design. Recognise the need to develop and keep in mind the exit strategy from the inception of any new programme.
262. **Recommendation 13 – Share knowledge with other programmes:** Consider undertaking, as part of the design process, knowledge sharing with other programs that

involve complementary aspects such as village planning and public finance management.

263. **Recommendation 14 – revise funding mechanisms:** Reflect urgently on lessons from previous experiences with DIPA as preparation for future PGSP type work, especially if DIPA is going to be the only or predominant mechanism to channel funds to sub-national governments. Therefore in the future close relations/communications with MoF and MOHA will remain very important.

## RECOMMENDATIONS AND SUGGESTIONS ON REPLICATION

264. Replicability is not an evaluation criterion. It has been added to this evaluation to help in designing future PGSP type activities. This is addressed primarily to GOI in its efforts to carry forward the results of PGSP within a wider context, but is also aimed at UNDP as it is understood that UNDP has an appropriate place in future PGSP type operations. Replicability has been defined in the TOR through a series of questions. We have interpreted replicability as being two-fold: the identification of elements of PGSP that could usefully be implemented in other provinces or districts of provinces in which it has already worked; and broad considerations for how PGSP type activities could be approached in the future. Please note the suggestions throughout this document on strengthening linkages in the design between programme elements as they also offer pointers for replicability. We have summarised our suggestions on programme elements at the end of this section.
265. **Follow-up in PGSP's current provinces:** PGSP's work is not finished in the three main provinces in which it has been working. Further strengthening delivery of services, continuing to support the implementation of bureaucracy reform and following-up on thematic plans such as for tourism would be desirable. We also suggest that involvement of more districts in current provinces would also be highly desirable. This means replication at the district level. The selective engagement of people from the three provinces to help facilitate in other provinces is a useful area to think about.
266. **Do not be over-ambitious:** From an overall perspective we consider that PGSP could relatively easily be replicated in other provinces. We are not going to suggest which provinces might be suitable but it would certainly be over-ambitious to replicate PGSP in all provinces. While GOI and UNDP could envisage an expanded PGSP type programme to cover more provinces, we do not believe that it can easily gear up for an across the nation challenge. This also depends on the resources made available, either through GOI or UNDP. The approach suggested by UNDP to sequence a new phase of PGSP successively across groups of provinces is sensible if a larger programme is to be attempted.
267. **Support for newly created provinces:** We note that PGSP has been appropriate to the needs of the relatively new provinces of Bangka Belitung and Gorontalo. The creation of new provinces implies that one administrative capital will be elevated to become the provincial capital, with the dual challenge of maintaining district or municipality services whilst developing provincial capacity at the same time. Inevitably the human and financial resource base will be stretched while this is happening and it means that the new provincial administration will likely start from a low resource base. The opportunity for support in areas like service delivery has been and will be very attractive for new provinces. One useful strategy for the future would be to support selected new



provinces, including new provinces that may be created in the future, provided local leadership can indicate commitment to reform and to meeting MDGs and improving the HDI.

268. **Support for poorer or smaller provinces:** Another strategy element to consider is to support poorer (by percentage poor) or smaller (by population) provinces as priorities, especially where they show a clear commitment to achieving MDGs and improving their HDI. The example of NTT as a relatively resource poor province being able to commit to pro-poor development is pertinent. But we believe such a strategy would depend on being able to more fully articulate poverty reduction within the programme design. PGSP may also be more appropriate to smaller provinces i.e. those with smaller populations and smaller geographical areas. In our presentation of preliminary findings we did suggest that implementing PGSP in a large province (e.g. in Java) would potentially bring benefits in service delivery to a huge number of people. In retrospect we do not recommend this, as the scale of activities required would necessitate a completely different approach with much larger teams of people deployed.
269. **Continue with support for the role of the Governor:** One of the key elements that has made PGSP different from other programmes has been its work to support the development of the Governor's role (and that of the provincial administrations.). PGSP has offered a comparative advantage in this area. This supports an enabling environment for inter-government delivery of services and for better governance more generally and should continue if PGSP is to be replicated. This means continuing to support the provincial role in coordination, guidance and monitoring of development across provinces. For this reason the inclusion of a more structured approach to involving districts, which are on the front-line of service delivery, would also be beneficial. To a large extent district involvement in PGSP to date has been dependent on opportunities arising as work progresses.
270. **Continue with pro-poor approaches:** We view that the core of PGSP has been its work on pro-poor approaches to planning and budgeting. This has started to move into pro-poor service delivery. We suggest that this core of work can be replicated elsewhere. This means further support for the Bappenas P3BM approach and for selected minimum service standards. We suggest strongly that MSS work should be very selective. As more and more technical ministries promulgate minimum service standards there will be tensions within provinces as to which sectors they can actually focus on. The question is simply how many sets of minimum service standards can be implemented by provinces with limited resources. The focus on MSS in health and education to date in PGSP has been appropriate and the future programme's work on MSS should be limited to this. We do not recommend that the future programme attempts to cover all SKPDs (Satuan Kerja Pemerintah Daerah or Regional Government Work Units) in participating provinces. In general, we note that as PGSP has developed, the programme has moved from a base of economic development to progressively include social development and that this provides a pointer for future design.
271. **Look at downstream implementation issues:** PGSP has worked more in the planning and budgeting phases of development and less in the provision of services. The programme has worked largely on the upstream elements of public finance management and to some extent in the monitoring of services (through work on MSS). We are arguing in this report that the balance should be changed somewhat to include more sustained efforts at helping provinces to support districts and municipalities to

actually deliver services. This is the challenge of provincial roles in coordination, guidance and monitoring. There ought to be logical extensions of PGSP's work into public finance management for delivery of health and education services. These are the downstream elements of public finance management and include transparency and accountability for expenditure and abilities to spend to budget, to purpose and on time. We acknowledge that downstream elements of public finance management are harder to reform than upstream elements. Some of the lessons from other programmes (e.g. the World Bank's Public Expenditure Analysis and Capacity Harmonisation Programme or PEACH) might well be appropriate. There may also be opportunities to link with other programmes that do aim at technical assistance in delivering health or education services. There is considerable merit in developing much closer relationships with the Health and Education Ministries in providing PGSP type support for MSS.

272. **Bureaucracy reform:** The PGSP experience in facilitating roadmaps for bureaucracy reform has been useful and could be replicated elsewhere. GOI now mandates exercises of this nature. Future PGSP type work should continue to support this as it is a good way of getting provinces to focus on longer-term bureaucratic realignment. We suggest that roadmaps are only the start of bureaucracy reform and that much will remain to be done to help provinces implement such reform. We suggest that more comprehensively supporting the development and monitoring of administrative competencies as variously defined by MoHA, MoF, MenPAN and LAN would be a useful complementary element.
273. **Follow-up on legal revisions:** In future programming it will be important to follow up on the revision to Law 32/2004 particularly in regard to ensuring that the changes the new law will bring are supported and facilitated in any province in which the programme works. It will also be important to offer support in developing the implementing regulations that flow from the revised law. We do not wish to comment on needs to support revisions of other laws – e.g. the revision of the Law on the Civil Service, as we have not reviewed this. However as per Recommendation 7 above, we do note that the finalisation of revisions to Law 32/2004 is currently uncertain. But regardless of this there is an opportunity for UNDP to engage in discussions about future policy development work at the national level and the implications for work in the future around provincial "*korbinwas*" (coordination, guidance and monitoring) and supporting district/municipality efforts on service delivery.
274. **Development of thematic approaches:** In a broad sense the examples of tourism development within PGSP to date have been thematic in nature. If in the future PGSP or its successor programme is able, as we have suggested, to follow-up on master plans by supporting their implementation then it may be appropriate to continue to have such thematic elements. Obviously care is needed to determine which thematic elements are appropriate in different provinces. It would also not be appropriate (and would be hard) to develop too many thematic approaches. We are unable to suggest which thematic areas might be appropriate as this depends on a) provincial needs and b) UNDP's capacity to work in such sectors. For UNDP in particular a general suggestion would be to try to work in areas in which UNDP already has sectoral experience through its overall programme as articulated in the CPAP. This would provide an opportunity for synergies within UNDP's wider Indonesia programme.

275. For more detail on key tools and methods of PGSP for replication please see Table 4 in the Recommendations and Suggestions on Replication in the main part of this document.

276. **Key elements for replication:** The following table makes suggestions as to the key features that should be replicated in PGSP type activities in the future. This is based on the suggestions made in this section and also includes points made elsewhere in this evaluation report.

**Table 4: Key PGSP elements for replication**

<b>Replication features</b>	<b>What should be done</b>	<b>Why it should be done</b>
Minimum Service Standards	Mainstream health and education MSS within future PGSP type initiatives. Avoid supporting other sectoral MSS. Continue to use the DIALOG approach and the harmonised costing approach of STRENGTH. Increase focus on monitoring and accountability issues. Develop techniques to help districts/municipalities to spend to target, purpose, and budget and on time in chosen service areas. Develop the use of MDG indicators and HDI as measures. Develop tools and techniques for community complaint and comment on service delivery including focus on women’s views. Help sub-national governments to implement these. Selectively use micro-grants to reinforce work on MSS and as examples for sub-national governments to replicate.	This is the front line for better service delivery to the people and an area to which GOI is committed. Health and education MSS are well developed. UNDP is gaining experience in working in this area and should exploit this in the future. Note that this implies a much more structured inclusion of districts and municipalities.
Participatory Planning	Continue to work on P3BM and where possible develop the “clinic” approach (or something similar) to extending P3BM to SKPDs and districts/ municipalities. Continue to develop approaches and tools for harmonising development and spatial planning using the spatial capabilities of P3BM. Develop methods /tools /approaches for enhanced community input via <i>musrenbangdes</i> drawing where possible on other UNDP experience. Link these tools to public complaint mechanisms for services. Develop methods to involve CSOs and ensure that women’s voice is an integral part of participatory planning. Selectively use micro-grants to reinforce participatory planning and as examples for sub-national governments to replicate.	P3BM is a standard GOI technique that is being developed throughout Indonesia. <i>Musrenbangdes</i> is supposed to be done in all villages (but isn’t done universally). Pro-poor planning, budgeting and monitoring should be firmly linked to village consultations and should not be the exclusive domain of technocrats. CSOs have a valuable role to play in these processes and should be encouraged to develop in this regard. UNDP has experience of both P3BM and <i>musrenbangdes</i> through PGSP and Peace Through Development respectively. It should be in a good position to make the linkage.
Bureaucracy Reform	Continue to support BR Roadmaps. Explore downstream implications with	BR Roadmaps are mandatory but are only the start of reform. Ultimately this

Replication features	What should be done	Why it should be done
	partner governments, including where appropriate human resource planning, PNS performance and competency improvement as per MoHA and LAN methods and policies. Ensure that gender equity considerations are taken into account from the start of such activities.	is about changing mind-sets, but this is a long-term aim. UNDP has experience now of working on Roadmaps and has started to move into downstream BR exercises. AGTP offers complementary experience and techniques.
Legal revision and policy development	Regardless of whether Law 32/2004 is finally revised, continue to work with GOI on priority legal and policy developments relating to regional autonomy and decentralisation, particularly focusing on how to harmonise national, provincial and district/municipality programmes for service delivery. Attempt to make the missing link between service delivery and popular response to it and the national policy framework (this is a feedback link, which has been missing in PGSP). Also focus on strengthening the role of governors and provincial administrations as representatives of the national government ( <i>Korbinwas</i> ) and representatives of their regions. Continue to support CSO roles in public discourse regarding these policies. Revive efforts to involve DPRDs in PGSP type activities, particularly in regard to <i>Korbinwas</i> .	UNDP is in a unique position to work with the national government on these of legal and policy developments. It should continue to offer this type of support. Even if Law 32/2004 is not revised there will be plenty of opportunities to work on Indonesia's decentralisation and regional autonomy measures, which are after all still a work in progress.
Thematic developments	Learn the lessons from the tourism sector work in Bangka Belitung and NTT. Note that the provincial role here is primarily as regional representative. Selectively choose thematic areas for master planning and downstream implementation support. Focus on areas where it is feasible and realistic to develop inter-sectoral, cross jurisdictional approaches to thematic development.	Well-chosen thematic areas can offer important opportunities for proving harmonised planning, budgeting, monitoring and implementation measures. UNDP has built experience in this and should selectively continue to support this.
Gender mainstreaming	See comments above in this column. Ensure that gender strategies are built right from the start i.e. in the design and early implementation stages. See also comments in the following section of this report.	Gender mainstreaming tends to be left as a separate issue and for later during implementation, which of course negates the whole point of mainstreaming.

## GENDER

277. Gender issues are not included in the criteria for evaluation of PGSP. However it is considered useful to draw together evaluation comments on gender in one place.

278. Gender hasn't been the strongest element of PGSP. This issue was not articulated particularly well in visited provinces. Perhaps there is still a lack awareness of gender issues. Perhaps gender mainstreaming has not yet been well understood. The PGSP gender strategy was introduced quite late (December 2012). Nevertheless there is evidence in the provinces that the involvement of men and women has been considered during implementation.
279. The balance of involvement of both men and women in the Provincial Working Group (and from Bappeda) in Gorontalo was noted as good. The women who were involved in the working group voiced clear and strong opinions and understood governance and development well. They also articulated and raised gender issues quite well in our interviews with them. This demonstrated that there has been an enabling environment within the provincial government in Gorontalo for both men and women to be actively involved in the processes of governance.
280. Opportunities for the involvement of women were clearly demonstrated in the micro grants in NTT. This initiative has benefited both men and women in the community in villages where biogas initiatives is taking place, the target groups of the sex education campaign; and the community weavers). We also note that women have been involved in the training for micro-entrepreneurs in relation to tourism in Flores Timur.
281. There was strong participation of women in *Desa Siaga Aktif* cadres in Buhujaya Village in Gorontalo in data collection/mapping on health issues in their village. Needs have been identified on a sex disaggregated basis with women's specific needs in health noted. This has required sustained facilitation. Some women cadres in the village were also brave enough to voice their thoughts and needs on the health related activities within *Desa Siaga Aktif*, despite a paternalistic handling of our meeting by village leaders and facilitators. There is an indication that the villagers (both men and women) are now starting to acknowledge the health services that they are entitled to. We hope therefore that this will raise demands for better health services in the future.
282. **Good gender balance in project teams:** The programme's teams in Jakarta, Bangka Belitung, Gorontalo and NTT have had a good gender balance.

## LESSONS LEARNED

283. The following are considered to be key lessons learned during this evaluation regarding the implementation of PGSP. Please note that these lessons are drawn from materials offered by PGSP staff as well as those noted by the evaluators. We have taken the view that PGSP staff are in a better position than us to note the lessons that have been learned in the last four years and are grateful for their contributions. The evaluators have edited these lessons for inclusion here and have acknowledged their contributions below.

### On the position of PGSP

284. **PGSP works within the framework of national policy:** PGSP staff have suggested that this helps the project to ensure sustainability of its activities. An example is PGSP work on implementation of MSS, which is a national programme. This means local governments have a greater chance, given national support, to allocate budget to follow up PGSP work on implementation of MSS. The effort to adjust indicators provide by line ministries provides access to those ministries for discussion and consultation. Another

example is the PGSP work on bureaucracy reform. The national guidelines are not perfect but working using line ministry policy makes it easier for the project to follow up and advocate bureaucracy reform. The evaluation agrees this is important.

285. **Inter-government relations:** PGSP staff suggest that From a different perspective, work within inter-government relations has been a PGSP strength because it allows focus on inter-government implementation of better service delivery. There are not many interventions that currently look at inter-government relations; most are specifically intended to build capacity for specific government agencies be it at district, provincial or national level. We agree this also an important lesson and is an indicator of UNDP comparative advantage.

### **On elements and approaches within PGSP**

286. **Linking MSS and MDGs:** We note that governance programs like PGSP are really aiming at poverty reduction through better delivery of services. It is important therefore to develop ways to more clearly link MSS to MDGs and to measure progress. To date this program capacity has not emerged. PGSP notes: “The implementation of MDGs at the local level can be considered a model for the alignment of planning and budgeting processes. The achievement of MDGs is a national priority that has been translated into local development plans and budgets. In combination with targets for MSS, also a national priority, MDG targets will guide local governments to formulate and implement sustainable development, in line with the agenda of the national government”.
287. **Unclear assignment of roles and responsibilities among local governments (functional assignment) and poor data management system:** PGSP notes that these are the key challenges of implementation of MSS in the health and education sectors. The revision of GR No. 38/2007 on Functional Assignment is critical for providing the basis for clear division of roles and responsibilities for public service delivery. In achieving quality public service delivery, strong data management systems (integrated databases and data forums) are required to ensure that local government offices are able to plan and budget properly for required services.
288. **Linking spatial data into P3BM:** PGSP notes (and the evaluation concurs) that a more comprehensive tool with integrated indicators is needed to improve planning and budgeting at the local level. During the P3BM training, the project learned that there are still areas for improvement of the P3BM tool. Currently, P3BM is partially focused, and limited to linking MDG target to poverty. By incorporating spatial data into P3BM (which the evaluation notes has started in Gorontalo), there is an opportunity to include issues relating to environment and disaster risk reduction into the tool (MDG target 7<sup>5</sup>). This could further improve the sustainability of development plans by making them pro-poor, pro-growth, pro-jobs and pro-environment. Government feedback also shows a need and interest in enriching the planning and budgeting tools. This is in line with the bureaucracy reform agenda that promotes local competitiveness.
289. **Evidence-based policy making** is as important as top-down policy making. PGSP’s efforts in Gorontalo to support *Desa Siaga Aktif* and the village-based health maps have been highly appreciated by the district and provincial government. Both governments

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<sup>5</sup> Target 7 of MDGs is to ensure environmental sustainability.

have begun to use data to inform planning and regulations. This comment has been contributed by PGSP and we concur.

290. **Looking at downstream service delivery:** We have also noted that PGSP has largely pursued the “upstream” aspects of public finance management – planning and budgeting leading to appropriation by DPRD. Downstream public finance management is internationally acknowledged as harder and includes spending to purpose and on time, accounting, reporting, auditing, public transparency etc. For better public service delivery downstream work will be very important.
291. **Linking the technocratic and community approaches:** We have noted that the PGSP approach has largely been “technocratic” and top-down to date. There are now opportunities to develop community and CSO involvement to help cement bureaucracy reform as progress is made. These two approaches can be highly complementary. In Indonesian terms this means putting flesh on the bones of the top-down/bottom-up dialogue. PGSP to date has had experience in top-down aspects. It is important to seek advice on the bottom-up aspects.
292. **CSO involvement is valuable:** The evaluators note that CSO involvement on a consistent basis is important, especially of those who have links to the local leaders, legislature and grass-root elements. The work of YIPD and the Coalition at the national level through PGSP has been excellent in engendering dialogue with political decision makers. This could usefully be replicated locally within provinces and districts.

### On relations with partners and leaders

293. **Strengthened ownership and increase buy-in** is a key element for sustainability of PGSP’s initiatives. As an example, PGSP’s team in Gorontalo has worked on advocacy and has been encouraging the involvement of government officials in the process of all PGSP’s activities. These efforts have built the sense of ownership of the government and the government has allocated their local budget to continue PGSP’s initiated activities. (Contributed by PGSP)
294. **Good relations with local leaders:** The evaluators note that close contact/relations with the local leaders (Governor, Bupati, Walikota, Sekda) is important to fostering the achievement of targets. This has been a major contributory factor in PGSP’s achievements. It is important to work with local champions or potential champions (who can be supported) to add to impact and sustainability. The strategy of encouraging bureaucratic as well as political champions helps to manage political risks and is wise in the light of local political uncertainty. It is also sound development practice.
295. **Commitment of higher echelon GOI staff:** The above lesson is complemented by the PGSP comment that commitment of senior GOI officials is key to the success of sub-national bureaucracy reform. In Gorontalo, the Provincial Secretary (*Sekretaris Daerah – Sekda*) was very much engaged and involved in bureaucracy reform work. Since the Secretary holds an Echelon 1 position, it was easier to coordinate Heads of SKPDs to be involved in the formulation and implementation of the bureaucracy reform roadmap (as they are of lower rank). This also resulted in better implementation of quick wins, where Gorontalo has implemented five out of the six quick wins stated in the province’s bureaucracy reform roadmap. The implementation of the quick wins in other provinces has been slower (Aceh has only implemented 2 out of 8 quick wins, while Bangka Belitung 1 out of 8) since only lower level echelon officials have been successfully



engaged. Ensuring the commitment of higher-level officials allows for easier expansion and escalation of activities supported by the project. During the launching of Gorontalo's Bureaucracy Roadmap, the Vice Minister of National Planning and Vice Minister of State Apparatus mentioned that best practices from Gorontalo will be replicated in other provinces.

296. **Building capacity of administrative leaders:** PGSP also notes that from the perspective of bureaucracy reform, there is a need to build capacity of the Provincial Secretary in bureaucracy reform. The Provincial Secretary is the linkage between the Governor and the local bureaucracy. This position plays the role of coordinator and liaison between the two. In the future, MenPAN-BR and development partners should include focus on advocating to and providing capacity building support for Provincial Secretaries on bureaucracy reform.
297. **Making the budget work for reform:** PGSP reports that in Gorontalo, after reflecting on work facilitated by PGSP over a period of two years, the Provincial Government and City of Gorontalo have allocated between them funding of Rp 6.8 billion for follow-up work in education, health and planning. While this funding has yet to be finalised, it is anticipated that the DPRD will approve of this for 2014. PGSP facilitated a meeting with the Chairman of the DPRD and the Chairman of the relevant DPRD commission and with members of the provincial Budget Agency to explain the context of proposed activities and to build an understanding of the need for such activities. PGSP was able to work with champions within the governments who have been actively involved in PGSP's work in the province in the past. This also illustrates the timeframes require to bring about budgetary change for reform.

### On provision of specialist assistance

298. **Specialist expertise:** The evaluators feel that engaging competent nationally recognised expertise such universities/research centres and consultancy companies to work at the national and sub-national levels has proven to allow broadening of knowledge in national and local government. The involvement of local universities could also be encouraged in the future. PGSP staff back this up by saying that "the project's efforts to engage consultants through sharing sessions, or colloquiums, are strategic and useful. These efforts not only ensure linkage among different groups through sharing results on the above-mentioned issues, but also ensure linkage of work undertaken by different consultants. While the objectives and deliverables of each consultant are specific, their outputs are linked to each other, and it is the project's responsibility to ensure knowledge sharing and consistency among them".

### On project management issues

299. **Flexibility versus rigour in M&E:** We have noted that flexibility to change (based on local needs) has been good for PGSP, but changes need to be properly monitored, evaluated, and recorded in a disciplined way.
300. **Knowledge products have a vital role:** PGSP complements the above lesson by saying that there is a need to capitalise on results and capture them through knowledge products that can be disseminated to government counterparts. For example in developing the BR road maps there was a missed opportunity to develop a "how to" guide for provincial governments. Another knowledge product that could have been developed was to capture human interest stories from the field on how the project has



changed the practices of government officials (i.e. most significant change stories). This can be well integrated into monitoring frameworks.

301. **“One size fits all” is not appropriate:** We suggest that all provinces and districts are different and have different needs. While PGSP-like programmes should have a common basic set of approaches and tools in the future, local differences need to be taken into account in the design of specific interventions. This requires solid analysis which may require specialist assistance.
302. **The need to avoid becoming a “repository for loose ends”:** As an evaluation team we have been surprised by the number of elements that have been included in PGSP. It has been suggested that the project became a “repository for loose ends”, some of which are legacies from other programmes, others of which have been included for administrative expediency. Our suggestions in table 4 show which of the elements of PGSP have been crucial and should be replicated. We have acknowledged that PGSP has been a proving ground for a wide range of trials of techniques and methods, and that at this stage in the development of regional autonomy and decentralisation this has been appropriate. However, we suggest that in the future, PGSP type programmes should hone down on a set of initiatives and tools which are as coherent and inter-linked as possible under a clear outcome for poverty reduction through regional autonomy and decentralisation.

### **A final note**

303. **PGSP role as a catalyst and bridge:** As noted in the lesson immediately above, PGSP has played a very valuable role in developing and trailing tools and approaches for the nation. We suggest that primary factors for success include activities that have coherence within national frameworks for regional autonomy, development of national/sub-national partnerships, the development of harmonised planning, budgeting and implementation between and among the layers of government, the encouragement and support of champions of reform and the development of linkages between policy, planning and implementation for the benefit of Indonesia’s communities. PGSP has been a catalyst in this and has acted as a bridge bringing partners together. It is ultimately to the project’s considerable credit that a coherent set of initiatives is now visible and can be taken forward. We hope our suggestions for further work in the future will help in this endeavour.

Thank you to everyone for all the contributions, support and help we have had at all stages of this evaluation.

Mike Freeman & Hizrah Muchtar, 29/01/14.

## Annex 1: Evaluation Terms of Reference for Team Leader

### Terms of Reference



#### I. General Information

**Title:** Consultant for the evaluation of Provincial Governance Strengthening Programme (International: Team Leader)

**Project Name :** Provincial Governance Strengthening Programme (PGSP)

**Reports to:** Head of Planning, Monitoring and Evaluation Unit (PMEU) – UNDP Country Office

**Duty Station:** Jakarta

**Expected Places of Travel (if applicable):** Jakarta, Gorontalo, Nusa Tenggara Timur, Bangka Belitung and Aceh

**Duration of Assignment:** Expected start in August 2013 (30 effective working days)

#### REQUIRED DOCUMENTS FROM HIRING UNIT

TERMS OF REFERENCE

**CATEGORY OF INTERNATIONAL CONSULTANT, please select:**

(1) Junior Specialist

(2) Specialist

(3) Senior Specialist

**CONFIRMATION OF CATEGORY OF LOCAL CONSULTANT, please select:**

• Junior Consultant

• Support Consultant

• Support Specialist

• Senior Specialist

• Expert/ Advisor

#### REQUIRED DOCUMENTATION FROM CONSULTANT

CV

Copy of education certificate

Completed financial proposal

Completed technical proposal (if applicable )

#### **Need for presence of IC consultant in office:**

partial (the consultant is required to consult with PMEU, programme and project staff, and present his/her evaluation plan and findings)

Intermittent (explain)

Full time/office based (needs justification from the Requesting Unit)

**Provision of Support Services:**

Office space:  Yes  No  
Equipment (laptop etc):  Yes  No  
Secretarial Services  Yes  No

If yes has been checked, indicate here who will be responsible for providing the support services:

Signature of the Budget Owner: (Budiati Prasetyamartati – Programme Manager Decentralization)

## II. Background Information

In 2010, the Government of Indonesia initiated the Provincial Governance Strengthening Programme (PGSP) executed by the National Development Planning Agency (Bappenas) in close collaboration with the Ministry of Home Affairs (MoHA) and the United Nations Development Programme (UNDP). Strategic partnerships have been established with the three provincial governments, including the Government of Bangka Belitung in the west, and the Government of Gorontalo (Gorontalo) and the Government of Nusa Tenggara Timur (NTT) in the east. In October 2012, the province of Aceh was included as a target area of PGSP.

Through PGSP, UNDP supports the Government of Indonesia in re-defining and strengthening the roles and functions of provincial government through effective participatory policy making, regional development planning, and public service delivery, leading to the realization of national and local development objectives and the improvement of the quality of life of the poorest. Having received funding of 1,700,000 USD from Decentralized Support Facility (DSF) for the period of 2010-2011 and 4,900,000 AUD from Australian Agency for International Development (Australian Government) for the period of 2011-2013 as well as UNDP's own resources, this project offers technical assistance to resolve the aforementioned issues. Through policy reformulation and implementation, a focus on the provision of public services, and the participation of a wider group of stakeholders, including non-state actors, PGSP tries to address both the supply and demand sides of governance, through three outputs:

1. Enhanced policy and regulatory frameworks that further clarifies and strengthens roles and functions of provincial government;
2. Strengthened provincial government capacity in economic development planning and budgeting; and
3. Enhanced public service delivery through governance innovations, implementation of minimum service standards, and public complaint mechanism.

After three years, PGSP has contributed to the revision of Law 32/2004 on Local Government. A more clearly defined role and function of the governor and provincial governments is now visible in the draft revision of Law No. 32/2004, which mandates that the provincial government is authorized to coordinate and monitor local development at the city/regency level. This authority will allow provincial governments to better coordinate and monitor local development, and ensure that district and city governments will be able to provide better public services for the community. PGSP has also provided tools to help local government strengthen their planning and budgeting processes, which has resulted in the application of the Provincial Human Development Report (and monitoring indices) into development planning and budgeting, as well as supporting the participation of communities in planning. These tools, as well as the capacity building activities, are crucial to improving participatory mechanisms in development planning and budgeting so that communities can understand and contribute more effectively in public service delivery.

PGSP activities resulted in some important first steps towards the development and implementation of Minimum Service Standards in public service delivery, at both the provincial and district level, including initial assessments and the development of strategies to address gaps. The policy papers developed by PGSP also lay an important foundation for the government in moving forward, as they provide essential clarifications and recommendations for next steps. The provincial governments have expressed an interest in and commitment to MSS and the support from PGSP will ensure that action plans are

implemented, guaranteeing an improvement in communities to have better access to and quality of public services. PGSP has also contributed to formulation of policy paper and research paper on tools, mechanism, and guideline to enhance and strengthen provincial government role and functions, and facilitate capacity building for provincial governments.

As of June 2013, the project's cumulative results are summarized below in accordance with their respective project components.

### **1. Enhanced Policy and Regulatory Frameworks**

PGSP has supported the national government to put in place conducive legal frameworks to clarify and strengthen the role of provincial governments. Results achieved include:

- Revision of Law No. 32/2004 on Local Government has been drafted, clarifying the concepts of decentralization, roles and functions of the province, public participation and service delivery. While the draft law is currently being deliberated by the national parliament, the project have been supporting to increase public awareness through medias such as TV and radio talkshows;
- Position papers produced to assist policy makers in the identification of issues around functional assignments and governance structures. The position papers and their recommendations have been taken up by the Ministry of Home Affairs into the academic papers that will accompany policy revisions (Government Regulations No. 38/2007, No. 23/2011 and No. 41/2007);
- Provincial Bureaucracy Reform Roadmaps developed for the provinces of Gorontalo, Bangka Belitung, NTT and Aceh. The roadmaps will guide improvements in governance systems and administration required for the governments to achieve their development goals.
- Policy briefs disseminated on Indonesia's decentralization process have been widely disseminated in an effort to influence policy makers.

### **2. Strengthened Planning and Budgeting**

One of the key challenges in Indonesia's decentralization has been the disharmony between national and sub-national planning and budgeting. To address this, the project advocates for better participatory mechanisms to improve the integration between policy, planning and budgeting. Strategic advice and recommendations are provided to the Government of Indonesia through a number of important policy documents that have been produced, including Policy Paper on Special Allocation Funds (*Dana Alokasi Khusus*); Working Paper on Identification and Diversion of Ministerial Funds (Balancing Funds – Deconcentration/ Co-administration Fund); Evaluation of Local Government Budget Proposal (*Usulan Pendanaan Pemerintah Daerah*) to synchronize proposed balancing funds between national and local governments; Working Paper on Utilization of Balancing Funds on Strengthening the Role of Governor in 2011 in Bangka Belitung and East Java Province; and Concept Paper on Local Regional Economic Development Support Facility (Value Chain Study in West Sumatera, Riau Island and West Kalimantan). PGSP provides tools and technical assistance to the provincial governments of Bangka Belitung, Gorontalo and Nusa Tenggara Timur to help them strengthen planning and budgeting processes that address local needs and priorities, especially achieving more effective public service delivery. The following results have been achieved:

- Enhanced consideration for human development and Millennium Development Goals (MDGs) in planning and budgeting. Provincial governments have formulated and endorsed Local Action Plans for MDG achievement;
- Enhanced understanding of Human Development Index measurements amongst local government officials;
- Utilization of Pro-Poor Planning, Budgeting and Monitoring (P3BM) in formulating and evaluating development plans;
- Improved Mid-term Development Plans (RPJMD) with the use of the tools provided through the project;

### **3. Enhanced Public Service Delivery**

PGSP supports local governments apply innovative solutions for the improvement of public service delivery so that communities will have better access to and quality of public services. The project has supported the following:

- Field studies, information and data collection on role of governor as representative of central government as input to the development of the Coordination, Assistance and Monitoring (*Koordinasi, Pembinaan dan Pengawasan* – Korbinwas) mechanism;
- A Provincial Development Database in Bangka Belitung, which allows community members the opportunity to provide inputs on governance issues, particularly in decision-making processes and public service delivery;
- A strategy for Bangka Belitung to achieve minimum services standards in health sector;
- A strategic study in Bangka Belitung on strengthening provincial role for the improvement public service delivery, using tourism as an entry point;
- An Alignment Strategy for the Government of East Nusa Tenggara (NTT) to deliver better MSS to achieve MDGs targets;
- A Minimum Service Standards (MSS) roadmap in the province of Gorontalo to guide provincial and district administrations in institutionalizing minimum standards in health and education;
- Inputs for the formulation of presidential decree on Public Complaint Mechanism; and
- The database management system that will help provincial government in prioritizing development plan to provide better public services (this is under Delivery and Improvement of Local Governance – DIALOG initiative) in Gorontalo.

This evaluation constitutes the first comprehensive review of the project. Therefore this evaluation is expected to review the results achieved thus far, provide valuable feedback and guidance to PGSP, identify how to move forward, and provide recommendations on how to improve implementation and achievement of results. In accordance with PGSP's project documents, the project as a whole is subject to a final evaluation undertaken by an independent evaluation consulting team. This document details the Terms of Reference for the final evaluation mission team.

### III. Objectives of Assignment

The main purpose of this assignment is to undertake a final, independent evaluation for UNDP, Bappenas, Ministry of Home Affairs, provincial governments, relevant local government units, and key development partners on the project's successes and failures, long-term results, the sustainability of project benefits, synthesize lessons learned, and produce recommendations for a possible extension of the project for period 2014-2015. It will assess key achievements and contributions to the strengthening of institutional capacity of provincial governance in achieving decentralization, planning and budgeting, public service delivery and bureaucracy reform<sup>6</sup>; as well as support to the national government in establishing regulatory frameworks.

Knowledge and information obtained from the evaluation will be used as a basis for better design and management for results of future UNDP-supported initiatives, including a potential extension of PGSP for the period 2014-2015, as well as other areas in institutional capacity building context in general. The evaluation also supports public accountability to the Government of Indonesia, UNDP, and Australian Government.

The proposed evaluation will recommend key areas for future interventions, particularly for a possible extension of the project. The resulting evaluation findings and report will include detailed recommendations for prescribed activities and results for a possible extension.

### IV. Scope of work

#### Evaluation scope

The evaluation will examine the progress, achievements, critical shortcomings, good practices and lessons learned of the three main components/outputs of PGSP, namely: policy support (enabling environment),

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<sup>6</sup> As stated in the UNDP Country Programme Action Plan (CPAP) 2011-2015 under Outcome 3.2

capacity strengthening for development planning and budgeting, and enhanced public service delivery through governance innovations. The evaluation will also cover the contribution of these outputs to higher-level results (outcomes) laid out the UNDP Country Programme Action Plan (CPAP). Evidence will be collected from all PGSP's target provinces and selected districts, including pilot villages where PGSP has supported governance innovations and piloting of planning and budgeting tools. As a final evaluation, the evaluation will cover all project outputs and initiatives implemented since the beginning of the project, in 2010, until the project's current completion date in period 2013.

The evaluation will also assess the opportunities for a potential extension, including key gaps to be addressed, needs for enhancing the sustainability of project results/benefits, niche areas of support for UNDP, funding availability, and expectations of development partners and project stakeholders.

### **Specific Objectives**

The specific objectives of the evaluation are as follows:

1. To review and critically evaluate the achievement of results since the project started in 2010;
2. To review and contextualize PGSP efforts and contributions to national efforts of decentralization (particularly in strengthening the role of the provincial government in its role as both representing the central government and its role as head of autonomous region), bureaucracy reform, planning and budgeting, and public service delivery;
3. To assess the relevance and effectiveness of strategies and interventions applied by PGSP;
4. To determine whether there have been any unexpected results in addition to the planned outputs specified in the project documents;
5. To gain insights into the level of satisfaction with the project's results/impacts amongst beneficiaries (direct and indirect), national government partners, and donors;
6. To assess PGSP efforts towards ensuring sustainability to enable UNDP and project beneficiaries to sustain the benefits of the project and effectively respond to any future needs for institutional capacity development to delivery public services, policy and regulatory support, and governance innovations;
7. To distil and articulate lessons learned from PGSP, including those pertaining to approaches, strategies, gender mainstreaming (where relevant), management and partnerships, both in the context of country specific lessons and those relevant to other governance programmes;
8. To assess the effectiveness of capacity development at the provincial level and extent to which this has contributed to overall improvement of governance;
9. To determine the added value of the project and potential replicability;
10. To provide recommendations and insights to future programming in the areas of bureaucracy reform, decentralization, planning and budgeting, and public service delivery.
11. To provide recommendation on strategic focus area and to review whether additional pilot provinces is necessary to increase coverage of PGSP project.

### **Evaluation criteria**

In doing so, the evaluation exercise shall use the standard OECD/DAC Evaluation Criteria for Evaluation of Development Assistance namely: relevance, effectiveness, efficiency, impact and sustainability (For details see pages 168-170 of the Handbook on Planning, Monitoring and Evaluating for Development Results: <http://www.undp.org/evaluation/handbook>. In addition, other criteria to be used in this evaluation are value added and replicability. The criteria and detailed relevant questions per criteria are outlined below.

**Relevance:** The extent to which the expected results of the intervention are consistent with national and local policies and priorities and the needs of intended beneficiaries. Relevance also considers responsiveness to changing and emerging development priorities and needs, human development priorities, and gender equality.

- To what extent have the project's objectives and its design (results chain) correctly addressed and identified issues in relation to provincial governance, bureaucracy reform and public service delivery?
- How well did the project relate to governance priorities at local, national and regional levels? Were key areas of intervention identified on the basis of relevant national and local development priorities; did they meet the expectations of the local government?
- Has the project demonstrated flexibility and adaptability to address institutional capacity issues?
- To what extent has stakeholder participation and engagement (including government ownership) in the design and implementation of the project been appropriate and successful?
- Were the project's analysis of assumptions and risks appropriate? Have monitoring and evaluation

- arrangements been appropriate?
- How has gender been incorporated into PGSP's work (shortcomings and achievements)?

**Appropriateness:** Considers the cultural acceptance and feasibility of activities or method of delivery of a development initiative. Appropriateness examines whether the initiative as it is operationalized is acceptable and is feasible within the local context.

- Were contextual factors (political environment, socio-economic conditions, etc) taken into account in the design and implementation of PGSP?
- What external and internal factors influenced the success of the project, and what can be learnt from this experience?
- Were community groups expecting to benefit from improved services and governance performance involved in designing interventions?

**Effectiveness:** The extent to which the project's intended results were achieved. Effectiveness measures the extent to which observed changes can be attributed to project activities and outputs.

- Have the project objectives and outputs been achieved?
- What are PGSP's key contributions to achieving national results in the areas of decentralization, bureaucracy reform and public service delivery?
- To what extent has PGSP been successful in creating a more enabling environment for provincial governance?
- To what extent has PGSP been successful in strengthening the position and capacity of the provincial government in planning and budgeting, and service delivery? Have the pilot provinces integrated the regional action plan on MDGs (*Rencana Aksi Daerah – RAD*) into their planning and budgeting documents (RPJMD and APBD)?
- How effective is the integration of data and data management in planning and budgeting? Are data forums, established through the project, likely to be sustained?
- Have provincial governments in target provinces understood and implemented their roles as representatives of the national government and heads of autonomous regions?
- How effective has the project's partnership strategy been?
- What strategies, approaches and innovations have proven successful and can be scaled up or replicated? What further improvements are needed?

**Efficiency:** A measure of how economically resources/inputs (funds, expertise, equipment, time, etc.) are converted to results.

- To what extent have project management arrangements within UNDP and across different government agencies facilitated or constrained implementation and the attainment of project results?
- Were inputs (financial, human, material, technological and information resources) provided as planned?
- How well did PGSP's technical assistance and policy support provide appropriate solutions and develop capacities of relevant stakeholders to produce results?
- How cost-effective were project components in achieving observed benefits/results?

**Sustainability:** The extent to which project benefits will continue after assistance has come to an end. Sustainability looks to the relevant social, economic, political, institutional and other conditions present and, based on that assessment, assess whether capacities are in place to maintain, manage and ensure the development results in the future.

- Has the project successfully developed and implemented an appropriate exit strategy?
- Have the project's capacity development interventions contributed to sustainability?
- How have partnership models and collaboration influenced sustainability?
- To what extent will policy changes and planning and budgetary changes continue after the project's withdrawal?
- Have the project's interventions been successfully embedded into local institutions?
- Are there indications of financial sustainability – will government counterparts continue financing project results?
- Is there sufficient technical expertise and knowledge in place to continue using tools and systems introduced by the project?



- Have relevant crosscutting issues been appropriately managed from the outset?

**Impact:** The measured changes in human development and people’s well-being brought about by the project, indirectly or directly, intended or unintended.

- What are the results of the project – intended and unintended, positive and negative?
- How well have human development needs been reflected in PGSP’s policy, planning and budgeting interventions?
- Have improvements in provincial government institutional capacity translated into better performance in delivering public services? (Review provincial budgeting plans: before and after PGSP’s intervention)
- What are observable changes amongst community groups expected to benefit from the interventions in the health and education sectors that are attributable to the project?
- How has the project contributed to increased capacity, accountability and responsiveness of the provincial government to provide public services? Is there a greater public demand?

**Value added:** The extent to which the project has complemented efforts of other UN agencies, Australian Government programmes, and other internationally funded initiatives.

- Has the project been in line with the larger Australian Government programme in the country?
- Has coordination with other relevant development partners been successful in creating complementarity and synergy?

**Replicability (for government and UNDP):**

- What aspects of the project are replicable or should be included in a possible second phase of the project?
- How should linkages between project components be strengthened?
- Are there any practical recommendations for improving the project management and implementation set up?
- What are some key recommendations for a possible project extension (2014-2015) focusing on (but not limited to):
  - Implementing quick wins in bureaucracy reform
  - Replicating provincial bureaucracy reform road maps
  - Supporting the implementing regulations of the revised Law 32/2004 and Law on Civil Service
  - Institutional capacity of the provincial government for inter-district coordination on, but not limited to, health, education, tourism.
  - Enabling role and institutional capacity of the provincial government in better provision of public services
  - Data management systems and tools for development budgeting and planning
  - Expanding the application of MSS to all local government units (SKPDs)
  - Acceleration of key national priorities related to the improvement of human development
  - Potential for linking sectoral and spatial planning for regional economic development
  - Extent to which pilot initiatives have been or are planned to be expanded by the government in other districts or provinces, and what factors in (enabling environment, policy framework, resource, etc.) need to be in place to promote this replicability
- Given that UNDP is developing a new strategic framework, how should a possible project extension (2014-2015) be consistent and aligned with this global strategy?
- To what extent are recommended future interventions in line with interests and mandates of relevant development partners and donors?

## V. Evaluation Questions and Methodology

### Evaluation questions

Evaluation questions must be agreed upon by the project board that commissioned the evaluation.

The consultant will work in a team to develop list of questions based on the criteria above section and the following broad questions, which are the minimum that need to be addressed in this evaluation:



- What has been achieved and has this been done right? (Were stated outputs and outcomes achieved and were they done effectively and efficiently? Can success, or lack of it, be attributable to the project's design, theory of change and implementation logic?)
- Have the right things been done? (Were the activities, outputs and the outcomes relevant, appropriate and strategic to development priorities, national goals and UNDP's mandate?)
- Have the right things been done with the right people and partners? (Has the partnership strategy been appropriate and effective?)
- What have been the benefits of the projects on individuals (men and women), institutions and the enabling environment?
- Are the results sustainable? (Will the results be sustained by the beneficiaries and will they lead to benefits beyond the life of the existing project?)
- What should we continue doing, what is replicable or can be scaled up, and how might we do things better in the future? (What lessons and findings are relevant for future programming or for other similar initiatives elsewhere?)
- Has the project properly addressed crosscutting issues (like gender)? How might we do things better in the future?

### **Methodology**

The team of the evaluators will design a detailed step-by-step work plan that specifies the methods the evaluation will use to collect the information needed to address its purpose and objectives. The overall approach and methodology should ensure the most reliable and valid answers to the evaluation questions and criteria within the limits of resources (for more details see pages 172-177 of Handbook on Planning, Monitoring and Evaluating for Development Results: <http://www.undp.org/evaluation/handbook>).

The evaluation will consist of three main stages: 1) preparation and planning, 2) in-depth data collection, and 3) analysis and report writing.

#### ***Preparation and planning stage***

**Desk review of existing project documents:** The evaluation team will review important primary and secondary documentation, including the Project Document (Prodoc), Results and Resources Framework (RRF), Country Programme Action Plan, project reports (Quarterly Monitoring Reports and Internal Project Assurance Reports), relevant government planning documents, donor reports, financial reports, project reviews, studies conducted by the project, training materials, etc. Introductory meetings with UNDP, Australian Government, MOHA, and Bappenas will be arranged.

Following the desk review, the evaluators will develop an inception report. An evaluation matrix should be included in the inception report and used as a reference in planning and conducting the evaluation. The evaluation matrix should summarize the evaluation design and methodology and should include data sources, data collection, analysis tools or methods appropriate for each data source, and the standard or measure by which each question will be evaluated (For details see pages 199-200 of the Handbook on Planning, Monitoring and Evaluating for Development Results).

#### ***In-depth data collection stage***

**Field visits:** Field visits to selected project locations will be undertaken, during which the evaluation team will use selected techniques and instruments for data collection that will enable them to respond to the questions in the evaluation framework (as indicated in a detailed evaluation matrix to be included in the inception report).

Suggested methods include:

- Direct observations
- Semi-structured and individual interviews
- Focus group discussions
- Case studies
- Questionnaires

- Before and after comparison assessments (for example, in the context of planning and budgeting)
- Stakeholder consultation

**Sampling:** The sample must be selected on the basis of a rationale or purpose that is directly related to the evaluation purposes and is intended to ensure accuracy in the interpretation of findings and usefulness of evaluation results. Sampling criteria should take into account types of activities implemented in the districts and quality of results. Likewise, the evaluators should develop sampling procedures for beneficiaries, which is a representative sample on the basis of a rationale and purpose that is directly related to the purpose of this evaluation. A sampling plan and sample selection criteria (including size, characteristics and methodology) should be included in the inception report submitted by the evaluators. At minimum, stakeholders to be consulted should include principal beneficiaries, project board members, UNDP staff and management, Australian Government, and other development partners working in the same field.

**Data analysis and report writing stage**

During this stage, the evaluation team will use the results from the data collected to answer the evaluation questions and criteria. Any additional consultations with key informants can be held at the national level during this stage. A debriefing will be held with project board members to present and confirm findings.

In the evaluation report, findings should be presented as factual statements based on an analysis of the data. They should be structured around the evaluation questions and criteria. Conclusions should be comprehensive and balanced, and highlight both strengths and weaknesses. Recommendations provided should be targeted, practical and feasible. The report should include a discussion on lessons learned, which should be concise and based on specific evidence presented in the report.

**VI. Deliverables / Final Products Expected**

At minimum the evaluation team is accountable for the following products:

- Evaluation inception report: An inception report should be prepared by the evaluators before going into the full-fledged data collection exercise. Based on the Terms of Reference, initial meetings with UNDP programme staff and PMEU, and desk review of relevant documents, the evaluators should develop the inception report. The report should include, at minimum, a detailed description of the evaluation purpose and scope, evaluation criteria and questions, methodology, sampling, evaluation matrix, and a revised workplan.
- Draft Evaluation report: PMEU of UNDP Indonesia and the Project Board of PGSP will review the draft evaluation report to ensure that the evaluation meets the required quality criteria. PGSP will facilitate the review process by organizing a mini workshop for UNDP, project boards, and key partners in Jakarta to review the draft report and discuss the findings and provide inputs. The final report will reflect the results of the workshop and feedback from participants.
- Final evaluation report

Review/approval time required to review/approve the outputs prior to authorizing payments:

No	Deliverables	Payment	Due date
1	Inception report: <ul style="list-style-type: none"> <li>- Project Evaluation Approach and Methodology</li> <li>- Implementation Arrangement</li> <li>- Evaluation work plan</li> <li>- Annex 1: Proposed list of respondents</li> <li>- Annex 2: Proposed agenda</li> </ul>	20%	Day 6
2	Draft evaluation report and presentation of draft report	40%	Day 23
3	Final evaluation report	40%	Day 30

Submit the expected written outputs above in printed and soft versions; MS Word (.doc) format including

power point presentation.

## VII. Requirements

The evaluation team will consist of one international consultant as team leader and one national as member of the team.

The international consultant should possess the following competencies:

- Experience in monitoring and evaluation including demonstrated experience with program assessments;
- A background in development;
- Familiarity with monitoring and evaluation techniques including in-depth interviews; focus group discussions and participatory information collection techniques;
- Strong analytical skills;
- Experience in working with government agencies (central and local), civil society organizations, international organizations, UN Agencies, and Donors. Direct experience working in Indonesia is an asset;
- Experience in evaluating projects, particularly on governance related issues like decentralization, bureaucracy reform, and public service delivery;
- Understanding of policy-making and capacity development issues in Indonesia;
- Understanding of Indonesian government systems, especially policy and budget development at the national, district and provincial level;
- Good interpersonal and cross-cultural communication skills
- Ability to work efficiently and independently under pressure, handle multi tasking situations with strong delivery orientation;
- Experience in leading evaluation teams. A good team player committed to enhancing and bringing additional value to the work of the team as a whole;
- Advance proficiency in operating Microsoft office applications;
- Fluent written and oral English.

## VIII. Recruitment Qualifications

Education: Master degree or higher in public policy, political science, public administration, economics, regional planning, or other relevant field

Experience: Minimum of 10 years, in design, monitoring, management and evaluation of development projects. Experience working in policy and advocacy works on development issues, particularly in developing countries, experienced in Indonesian context is an advantage.

Specific skills: Ability and experience to lead evaluation teams, and deliver high quality reports

Language Requirements: Excellent command of the English language, spoken and written. Knowledge of Bahasa Indonesia is an asset.

Understanding of cultural and socio-economic context and development challenges in Indonesia.

## IX. Time Frame for Evaluation Process

Activities	Time Frame
Briefing of evaluators	Day 1
Desk Review and Finalizing the evaluation design and methods and preparing the detailed inception report	Day 1-5
Finalizing the evaluation design and methods and preparing the detailed inception report	Day 6
In-country evaluation mission (visit to the field, interviews, questionnaire)	Day 7 - 17
Preparing the draft report	Day 18 - 23
Stakeholder meeting and review of the draft report (for quality assurance)	Day 26
Incorporating comments and finalizing the evaluation report	Day 27 to day 30

## XI. Implementation Arrangements

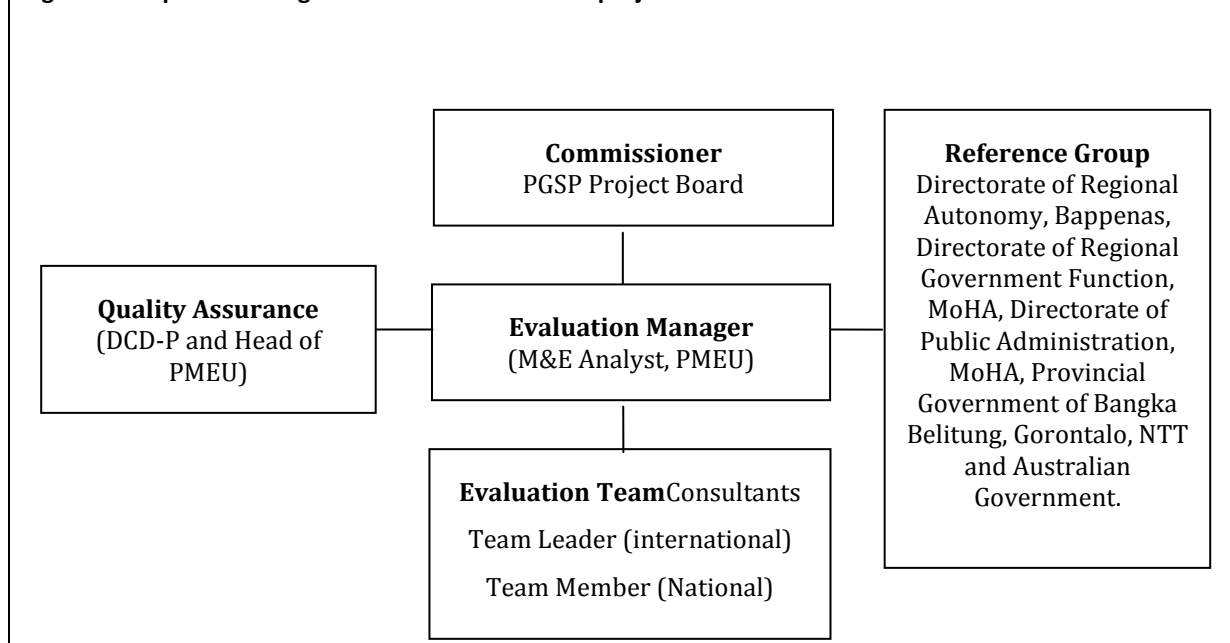
The consultant will compose an evaluation team under the supervision of the evaluation manager. The roles of evaluation team and its relations vis-à-vis other evaluation stakeholders are described in the table below and in the management structure.

**Table 1: Key roles and responsibilities in the evaluation process**

Person or Organization	Roles and Responsibilities
PGSP Project Board as <b>commissioner of the evaluation</b>	<ul style="list-style-type: none"> <li>• Determine which output will be evaluated and when</li> <li>• Provide clear advice to the evaluation manager at the onset on how the findings will be used</li> <li>• Respond to the evaluation by preparing a management response and use of findings as appropriate</li> <li>• Take responsibility for learning across evaluation on various content areas and about evaluations</li> <li>• Safeguard the independence of the exercise</li> <li>• Allocate adequate funding and human resources</li> </ul>
<b>Quality Assurance (DCD-P and Head of PMEU)</b>	<ul style="list-style-type: none"> <li>• Review documents as required and provide advice on the quality of the evaluation and option for improvement</li> </ul>
<b>Evaluation Manager: M&amp;E Analyst (PMEU)</b>	<ul style="list-style-type: none"> <li>• Lead the development of the evaluation TOR</li> <li>• Manage the selection and recruitment of the external evaluators</li> <li>• Manage the contractual arrangements, the budget, and the personnel involved in the evaluation</li> <li>• Provide executive and coordination support to the reference group</li> <li>• Provide the evaluators with administrative support and required data</li> <li>• Liaise and respond to the commissioners</li> <li>• Connect the evaluation team with the wider programme unit, senior management and key evaluations stakeholders, and ensure a fully inclusive and transparent approach to the evaluation</li> <li>• Review the inception report and the draft evaluation report; ensure the final draft meet quality standard</li> </ul>
<b>Reference Group:</b> Representative of the stakeholders: Directorate of Regional Autonomy, Bappenas, Directorate of Regional Government Function, MoHA, Directorate	<ul style="list-style-type: none"> <li>• Define or confirm the profile, competencies and roles and responsibilities of the evaluation team</li> <li>• Participate in drafting and review of draft ToR</li> <li>• Assist in collecting required data</li> <li>• Oversee progress and conduct of the evaluation</li> <li>• Review the draft evaluation report and ensure final draft meets quality standard</li> </ul>

of Public Administration, MoHA, Provincial Government of Bangka Belitung, Gorontalo, and NTT, and Australian Government.	
<b>Evaluation Team:</b> One international and one national consultant	<ul style="list-style-type: none"> <li>Fulfil the contractual arrangements in line with the United Nations Evaluation Group (UNEG) norms and standards and ethical guidelines; this includes developing an evaluation matrix as part of the inception report, drafting reports, briefing the commissioner and stakeholders on the progress and key findings and recommendations as needed.</li> </ul>

**Figure 1: Proposed management structure for PGSP project evaluation**



**Annex 1: The Report should include the following headings**

Title and opening pages

Table of contents

List of acronyms and abbreviations

Executive summary

Introduction

Description of the intervention

Evaluation Scope and objectives

Evaluation approach and methods

Data analysis

Findings and conclusions

General Recommendations

Specific recommendations for replication within existing government institutions and programmes

Lessons learned

Annexes

The report should also contain boxes with case studies.

## **Annex 2: Key documents consulted**

This is a selection of the key documents consulted by the evaluation team.

### **Key Planning Documents:**

Rencana Pembangunan Jangka Menengah Nasional, National Medium Development Plan, 2010 -2014, Government of Indonesia, 2010

United Nations Partnership Development Framework for Indonesia, 2011-2015, Government of Indonesia and United Nations, 2011

Country Programme Action Plan, 2011 – 2015, Government of Indonesia and UNDP, 2011

PGSP Project Document, Government of Indonesia and UNDP, 2009 and revised 2012

### **Key Legislation and Policy Documents:**

Undang-Undang 32, 2004 Tentang Pemerintahan Daerah, Law 32, 2004 on Regional Governance, Government of Indonesia, 2004

Draft revision to the above, working document.

Kertas Posisi Rancangan Revisi Undang-Undang tentang Pemerintahan Daerah, Position Paper on the Revision of the Law on Regional Governance, Working Group 6 Non-Government Organisations, 2013.

White Paper: “Delivering the Promise of Political Decentralisation during Indonesia’s Second Decade of Decentralisation”, Annotated Outline, Strategic Asia for Bappenas and UNDP, 2013

Bureaucracy Road Maps, Aceh, NTT, Gorontalo and Bangka Belitung, provincial Governments, Bappenas and UNDP, Various dates.

### **Key Reports:**

PGSP Final report for DSF, 2011

Various Quarterly Monitoring reports (QMR) and IPAR for PGSP, various dates.

PGSP Semester Report January 2013 - June 2013 prepared for the Australian Government

Selection of reports prepared by the National Project Manager for the Bappenas and the National Project Director

### **Key evaluation reports:**

Australian Government’s Decentralisation Initiative in Indonesia: An Independent Cross Program Evaluation of the ACCESS, CPDA, LOGICA, PEACH and PGSP Programs, Draft, Australian Government, September 2013

Art Gold Indonesia (AGI) Project Evaluation, Government of Indonesia and UNDP, 2012

BRIDGE Independent Final Evaluation, UNDP and Government of Indonesia, 2007





## Annex 3: Persons and agencies consulted

### JAKARTA

Time	Activity	Venue
<b>Monday, 16 September 2013</b>		
10:00– 12:00	Kick-off Discussion on PGSP with Nurina Widagdo ( <i>Head of DGPRU</i> ), Sirman Purba ( <i>PMEU</i> ), Budiati Prasetiamartati ( <i>Programme Manager DGU</i> ), Savitri Soegijoko ( <i>Programme Officer</i> ), Hester Smidt ( <i>Monitoring &amp; Reporting Officer</i> )	UNDP Office, Menara Thamrin
14:30 – 16:30	Presentation & Introduction to PGSP by PGSP-PMU Team with Mellyana Frederika ( <i>Project Manager</i> ), Iskhak Fatoni ( <i>Public Policy Analyst-Output 1</i> ), Faisar Jihadi ( <i>Regional Planning Analyst-Output 2</i> ), Agung Yudhawiranata ( <i>Public Service Analyst, Output 3</i> ), Mariski Nirwan ( <i>ART Analyst, Output 3</i> ), Ari Lesmana ( <i>Monitoring &amp; Reporting Officer</i> )	PGSP-PMU Office, Graha Mandiri
<b>Tuesday, 17 September 2013</b>		
09:15 – 10:30	<b>Output 1</b> DR. Anwar Sanusi ( <i>Pusat Kajian Manajemen Kebijakan- Lembaga Administrasi Negara (LAN)</i> ) Septianadwiputrianti ( <i>Head of Center, Pusat Kajian Manajemen Kebijakan- Lembaga Administrasi Negara (LAN)</i> )	PGSP-PMU Office, Graha Mandiri
10:30- 11:00	DR. Khalil Khairi ( <i>Consultant, Staf ahli Pemerintah-IPDN, Output 1</i> )	PGSP-PMU Office, Graha Mandiri
11:15- 12:45	<b>Output 2</b> Faisar Jihadi ( <i>Regional Planning Analyst-Output 2</i> ),	PGSP-PMU Office, Graha Mandiri
14:00- 15:30	<b>Output 3</b> Agung Yudhawiranata ( <i>Public Service Analyst, Output 3</i> ) Mariski Nirwan ( <i>ART Analyst, Output 3</i> )	PGSP-PMU Office, Graha Mandiri
16:00- 17:30	<b>Wrap-up session</b> Mellyana Frederika ( <i>Project Manager</i> ) and the team	PGSP-PMU Office, Graha Mandiri
<b>Wednesday, 18 September 2013</b>		
08:30- 09:30	Dr. Ir. Astia Dendy, MSc ( <i>GIZ- Senior Adviser Fiscal Decentralisation</i> )	GIZ Office
10:30- 11:30	Mellyana Frederika ( <i>Project Manager</i> )	PGSP-PMU Office, Graha Mandiri
14:30- 15:45	Woro Srihastuti Sulistyaningrum ( <i>BAPPENAS Director Directorate of Poverty Reduction</i> )	BAPPENAS office
12:00- 12:45	Drs. Wariki Sutikno, MCP, ( <i>PGSP National Project Director; BAPPENAS-Director for Regional Autonomy</i> )	BAPPENAS Office
<b>Thursday, 19 September 2013</b>		
13:00- 14:00	Dadang Rizki Ratman ( <i>BAPPENAS- Director, Directorate Religion, Culture, Sports and Youth</i> )	BAPPENAS Office
15:45-	Leo Simanjuntak ( <i>Australian Government-Manager</i> ,	Australian

16:30	<i>Decentralisation Policy Support Unit)</i> Irene Insandjaja ( <i>Australian Government- Program Manager on Decentralisation, Poverty Reduction &amp; Rural Development Section</i> )	Government Office
<b>Friday, 20 September 2013</b>		
14:00- 15:15	Dr. I Made Suwandi M.Soc.Sc ( <i>MoHA-Directorate General of Public Administration, Lecturer at IPDN</i> )	PGSP-PMU Office, Graha Mandiri

### Pangkal Pinang- BANGKA BELITUNG

Time	Activity	Venue
<b>Monday, 23 September 2013</b>		
10:15- 12:30	M. Ikhsan, ( <i>PGSP Development Officer</i> ) Fakhrul Rozi ( <i>Administration &amp; Finance Assistant</i> )	PGSP Office, BAPPEDA
16:45- 18:30	Suhadi ( <i>lecturer- representative of local university</i> ) Syarif ( <i>tourist guide- representative of tourism business</i> )	Aston Marina Hotel
<b>Tuesday, 24 September 2013</b>		
09:15- 10:00	Ir. Sarjulianto, Dip. SE. ( <i>BAPPEDA-Head of BAPPEDA</i> )	BAPPEDA Office
10:15- 11:00	Dr. Hendra Kusuma, M.Epid ( <i>ex-Head of Dinas kesehatan/Health Office</i> )	PGSP Office
11:15- 12:00	Annyta ( <i>Tourism Office- Belitung District, Kabid Pemasaran Wisata</i> )	Fave Hotel
13:00 - 14:30	Sofian Effendi ( <i>Senior Decentralisation Advisor</i> ) M Haris AR, AP ( <i>Head of Organisation Bureau, Provincial Secretariat</i> ) Dr. Yan Megawandi, M.Si ( <i>Ex Head of Tourism Office</i> )	Raja Laut Restaurant
15:30- 16:15	Yenny, ( <i>Head of Bappeda, East Belitung District</i> ) Hermanto ( <i>Head of Bappeda, Belitung District</i> )	Aston Marina Hotel

### Kupang - NUSA TENGGARA TIMUR (NTT)

Time	Activity	Venue
<b>Wednesday, 25 September 2013</b>		
08:30- 09:15	Ir. Wayan Darmawa, MT (Head of BAPPEDA)	BAPPEDA Office
10:30- 11:30	Lucius Luly ( <i>Organisation Bureau- Kepala Bagian Tata Laksana Pemerintahan</i> )	Biro Organisasi Office
<b>Thursday, 26 September 2013</b>		
13:50 - 15:30	Drs. Andreas Kedang, ( <i>Head of Tourism &amp; Culture Office-Flores Timur District</i> ) Bpk. Wis ( <i>Tour Management Organisation</i> )	BAPPEDA Office
15:30- 16:30	Eduardus Manek ( <i>Head of SPADU-KPLI Bappeda NTT</i> )	BAPPEDA Office
17:30- 18:00	Fransiska Sugi (UNDP PGSP-Development Officer)	PGSP Office
<b>Friday, 27 September 2013</b>		
09:30- 10:30	Marius Jelamu (Secretary PHDR Forum)	BAPPEDA Office

11:30-13:00	Meeting with 3 Micro grants grantees from local NGOs: Agus Turisuasani ( <i>Yayasan Mitra Tani Mandiri-Kefa</i> ) Mien Pattimau & Donna ( <i>Yayasan Nusa Bunga Abadi-Kupang</i> ) Phillipus Mart & Anni ( <i>Suryakanta-Kupang</i> )	BAPPEDA Office
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### Kota Gorontalo & Kab. Pohuwato- GORONTALO

Time	Activity	Venue
<b>Monday, 30 September 2013</b>		
15:30-16:15	Sudirman Habibie ( <i>Head of Bappeda of Gorontalo</i> )	BAPPEDA Office
17:30-18:30	Syamsir Djafar Kiyai ( <i>UNDP PGSP-Development Officer</i> ) Dewi Biahimo ( <i>UNDP PGSP-staff</i> )	PGSP Office
<b>Tuesday, 1 October 2013</b>		
10:00-10:45	dr. Hi. Triyanto S. Bialangi ( <i>Head of Provincial Health Office</i> ) Sofyan Tambipi ( <i>Senior Staff Planning Unit, Provincial Health Office</i> )	Provincial Health Office
11:00-11:30	Sumarwoto, MSc. ( <i>Vice Head of provincial Education Office</i> ) Ricky Susanto ( <i>Provincial Education Office</i> )	Provincial Education Office
14:50-16:30	Meeting with members of Provincial Working Group (PWG): IrvanKatili, ST. MSi ( <i>BAPPEDA- Head of Economic Planning Division</i> ) Dessy Rahmayanti ( <i>BAPPEDA- staff Economic Planing Division</i> ) Fitri ( <i>Provincial Education Office</i> )	PGSP Office
<b>Wednesday, 2 October 2013 - POHUWATO DISTRICT</b>		
11:30-13:00	Lahmudin Laparaga ( <i>Pohuwato District Assitant 2- Economic &amp; Development</i> ) Budiman Soejono ( <i>Head of Pohuwato District Education Office</i> ) Fidi Maulana ( <i>Pohuwato District Health Office</i> )	Pohuwato District, Bupati Office
14:00-14:30	Fitria ( <i>Head of School, SMP1 Kabupaten Pohuwato</i> )	SMP1 Kabupaten Pohuwato
14:50-15:45	Meeting with Head of Village and representatives of community at Buhujaya Village—"Desa Siaga Aktif"	Buhujaya Village office
<b>Thursday, 3 October 2013</b>		
11:30-13:00	Meeting with P3BM Clinic Team Wahab ( <i>BAPPEDA- Head of Social &amp; Culture division</i> ) IrvanKatili, ST. MSi ( <i>BAPPEDA- Head of Economic Planning Division</i> ) Dessy Rahmayanti ( <i>BAPPEDA- staff Economic Planing Division</i> ) Triyono ( <i>BAPPEDA</i> ) Zainal ( <i>BAPPEDA</i> )	Provincial BAPPEDA office

### JAKARTA

Time	Activity	Venue
<b>Friday, 4 October 2013</b>		

09:30-10:15	Drs. Dwi Wahyu Atmaji, MPA ( <i>BAPPENAS-Director for State Aparatur</i> )	Akmani Hotel
12:30- 14:00	Budhi Santoso( <i>ex NPD PGSP periode October 2010- November 2012</i> )	Urban Kitchen, Plaza Indonesia
15:00-16:00	A. Sirajuddin Noncy, Msi, (MoHA-Director for Deconcentration and Regional Cooperation)	PGSP Office, Graha Mandiri
<b>Monday, 7 October 2013</b>		
15:30-16:45	Ari Lesmana ( <i>PGSP-Monitoring &amp; Reporting Officer</i> ) Savitri Soegijoko ( <i>Programme Officer</i> ), Hester Smidt ( <i>UNDP-Monitoring &amp; Reporting Officer</i> )	Buddha Face
<b>Wednesday, 9 October 2013</b>		
15:00-16:30	Nurina Widagdo ( <i>Head of DGPRU</i> ), Budiati Prasetiamartati ( <i>Programme Manager DGU</i> ),	UNDP Office, menara Thamrin
<b>Thursday, 10 October 2013</b>		
	Meeting with representatives of CSOs: Yayasan Inovasi Pemerintahan Daerah (YIPD) Eko Susi Rosdiana Sari Reslian Pardede	PGSP Office, Graha Mandiri
10:00-10:40	Teleconference with Ronny from BKPP Aceh	PGSP Office, Graha Mandiri
<b>Wednesday, 16 October 2013</b>		
10:00-11:15	Meeting with representatives of CSOs: Yayasan Inovasi Pemerintahan Daerah (YIPD) Eko Susi Rosdiana Sari Reslian Pardede	PGSP Office, Graha Mandiri
14:00-14:30	Mr. Wedar (BAPPENAS- Perkotaan & Pedesaan)	BAPPENAS office
<b>Thursday, 17 October 2013</b>		
15:30-16:15	Arum Atmawikarta, M.P.H.(Sekretaris Eksekutif - Sekretariat Nasional MDGs)	Secretariat MDGs Office
17:30-18:30	Syamsir Djafar Kiyai( <i>UNDP PGSP-Development Officer</i> ) Dewi Biahimo ( <i>UNDP PGSP-staff</i> )	PGSP Office
<b>Friday, 18 October 2013</b>		
13:00-13:45	Stephen Rodrigues ( <i>UNDP- Deputy Country Director</i> )	UNDP Office, Menara Thamrin
<b>Tuesday, 22 October 2013</b>		
13:00 - 15:30	Evaluation Findings Presentation	Aceh Meeting Room, UNDP Office
<b>Wednesday, 23 October 2013</b>		
	Evaluation Findings Presentation and Discussion with Australian Government Leo Simanjuntak ( <i>Australian Government-Manager, Decentralisation Policy Support Unit</i> ) Syaiful (Australian Government) Nurina Widagdo ( <i>UNDP-Head of DGPRU</i> ), Sirman Purba ( <i>UNDP-PMEU</i> )	Australian Government Office
<b>Thursday, 24 October 2013</b>		

10:15- 11:15	Prof. Heru Subiyantoro, Ph.D ( <i>Ministry of Finance- Secretary Directorate General of Equalisation Fund</i> )	Ministry of Finance Office
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## Annex 4: Key questions from the inception report

The following are the key evaluation questions posed by the team in the inception report for this evaluation. These are in addition to the large number of questions posed in the terms of reference.

### Key evaluation questions:

The following key question sets (with the main DAC criteria to which they relate) will be used to inform interviews by the team. Together with the extensive set of questions provided in the TOR, they will be chosen from, adapted and augmented as required to reflect the roles and participation of different stakeholders in the project:

1. To what extent has PGSP contributed to strengthening the role of the Governors in the provinces to be visited? Is such work welcomed in the districts and municipalities? What are people's perceptions of the role of the Governor and of the intentions of the revised law?
2. In retrospect should PGSP have worked on other areas of legislative change in addition to revision of Law 32/2004? Examples might be in fiscal decentralisation, functional assignments and organisational structures either at Law or Government Regulation level.
3. What does UNDP feel should be in an exit strategy for a programme such as PGSP and when does it think it is best to commence work on this? What should the exit strategy be if there is to be no extension of PGSP? What should the exit strategy be for PGSP between now and its conclusion at the end of 2013 if there will be another phase of the programme?
4. Have the various elements of Outputs 1,2, and 3 of PGSP been tightly focused on reaching outcomes? To what extent has it been appropriate to add elements to PGSP as its implementation has progressed?
5. Have the practical pilot activities of PGSP been sufficiently strategic to inform national and sub-national government about bureaucracy reform, public service delivery and improvements in coordinated economic development planning?
6. Do achievements in outputs 1,2, and 3 of PGSP add up to the achievement of programme and CPAP outcomes?
7. To what extent are the stakeholders (including the wider stakeholders of GOI) collecting and analysing data that informs them of progress in attaining minimum service standards or more widely in improvement in service delivery, which is an aim of PGSP? Has PGSP assisted in this regard?
8. Are the aims of bureaucracy reform, for instance in the current National Medium Term Development Plan, sufficiently clear to give a picture of what reformed bureaucracies should look like and therefore what PGSP should be contributing to?
9. Has change in mind-sets and organisational culture implied by reformed bureaucracies been taken into account in the implementation of PGSP? If so, how is this being measured and over what period of time would progress reasonably be expected?

10. How is sub-national government performance measured either by the national government or by PGSP in association with government?
11. Has the PGSP modality (or modalities) been appropriate to effective adoption of PGSP tools and pilots by stakeholders? For instance have financial transfer mechanisms been appropriate?
12. Does the approach to donor liaison and coordination (as being trialled in NTT) provide evidence for the need for such work in the future or for changes to how this is done in the future at sub-national levels (recognising current national government requirements for donor fund flows)?
13. Do UNDP and GOI monitoring data for PGSP provide stakeholders with strategic information that they can use in the future? Who is coordinating this and how?
14. Has PGSP been aligned to donor aims and other programmes (in this case Australian Government and UNDP itself)? Has coordination on PGSP with other development partners been successful in creating complementarities or synergies?

## Annex 5: Provincial observations

### GORONTALO

As a new province in Indonesia (established circa 2001), any support for governance strengthening and capacity building is likely to be appreciated, including UNDP's PGSP (and previously BRIDGE).

Based on our interviews, many of the civil servants previously worked as teachers therefore it was relevant for the programme to focus on strengthening their capacity to pursue good governance conditions in the 32<sup>nd</sup> province of Indonesia.

That fact alone probably made Gorontalo province open and willing to work hard to catch up with other provinces. Because of the reportedly good leadership of governors (past and present), PGSP entered the province at a strategic moment. The strong mutual relationship has been quite effective for both PGSP and the provincial government to reach the common goal of promoting democratic governance for the benefit of the people, especially poor and vulnerable groups.

It was reported to us<sup>7</sup> that in the early years of the province, the level of poverty was 34% and this has now been reduced to 17%. In order to continue to reduce poverty, Gorontalo has been focusing its development in three priority areas, which are: human development capacity, agriculture and fisheries. Based on our interviews with the Head of Bappeda, the provincial budget Gorontalo is now looking very promising in terms of good governance, with only 30% of the budget allocated for *Belanja Pegawai* or personnel expenditure whilst the remaining 70% is for *Belanja Non Pegawai* or non-personnel expenditure, which aims to improve public service delivery quality, providing public facilities and greater welfare for the people. This achievement is reported as the best APBD allocation across the country.

Being there since 2010 and working together with the provincial (and to some extent: district) government, PGSP certainly has been contributing to some good achievements<sup>8</sup>. Some of them are elaborated below:

#### **BUREAUCRACY REFORM**

*Please see the diagram 1 below*

**[A] Reforming bureaucratic practice and engendering pro-poor value**

**[C] Reforming relationships between layers of government**

**[1] [9] [10] [11]**

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<sup>7</sup> Please note that this facts and figures are solely based on interviews the evaluator team conducted in the field

<sup>8</sup> although we cannot verify that these achievements have been reach solely because of PGSP assistance



As a commitment for implementing bureaucracy reform (BR) in Gorontalo, and in line with BR as the number one priority in RPJMN 2010-2014, the province with the assistance of PGSP has produced a BR Road Map. They launched the 2013-2017 Provincial BR Road Map early this year (February 2013) along with other PGSP pilot provinces: Bangka-Belitung and Aceh. Gorontalo is said to be the first province in Indonesia to produce such document.

The PGSP team also facilitated the province to formulate “Quick Wins” identified in the Road Map and (trying to be) in line with the priority sectors of maize production, education and health. They have started to implement 5 out of 6 quick wins, and the other one, open recruitment for Echelon 2, will be implemented next year.

It is far too early to state that the implementation of the Quick Wins is working well towards BR in Gorontalo, but the province has chosen strategic areas for quick wins: human resource management, health and education.

Based on interviews, in order to accelerate BR, Gorontalo province is reported to implementing these activities:

- Streamlining the institutional organisations through proposing a new Sistem Organisasi dan Tata Kerja (SOTK) in order to be more efficient in their performance and public service delivery;
- Trimming the unnecessary cost for administration, for instance from ‘14 desks to only 3 desks’;
- Sharing the financial system through mass media as an example of financial transparency;
- Revitalising of e-procurement unit (Unit Layanan Pengadaan – Procurement Services Unit)

From the evidence above, it looks like Gorontalo province is moving in the right direction for BR. One of the key elements to accelerate BR in Gorontalo is the leadership of the governor.

## **DATA MANAGEMENT and Its Relation to PLANNING & BUDGETING and PUBLIC SERVICE DELIVERY**

*Please see the diagram 1*

**[B] Reforming delivery of services to meet people's needs**

**[C] Reforming relationships between layers of government**

**[2] [4] [5] [7] [8] [9] [10] [11]**

There is evidence at both provincial and district levels that the local government has acknowledged the importance of reliable, disaggregated data and its proper management for making their tasks more effective and efficient. This has been taken seriously at least at Bappeda, Health and Education Offices in both the province and the

districts.<sup>9</sup> This shows that PGSP has been effective in changing provincial and to some extent district perceptions on the importance of good data.

Most of the interviewees in both the province and the district also acknowledged the relevant and effective assistance from PGSP in helping to gain more understanding on the application, implementation and harmonisation of development tools introduced by line ministries at national level into their own tasks (including planning and budgeting). This includes Pro-Poor Planning Budgeting Monitoring (P3BM) introduced by Bappenas and the MDG database. PGSP has been taking a strategic approach to assist this. This assistance has help government to prioritise their development goals and programmes and to try to link them into their respective RPJMD or Medium-term Development Plans.

### **On Pro-Poor Planning, Budgeting & Monitoring (P3BM)**

There is evidence that pro-poor planning techniques (P3BM), introduced by Bappenas, are becoming accepted and used, especially for planning and budgeting purposes. The data gathered from the tools becomes a channel for a better communication among provincial government entities, including the legislature. It also helps people to make comparison between available budget and poverty levels, helping to ensure that budget allocations will hit the right targets.

Previously the *Tim Panitia Anggaran Eksekutif Daerah* (TPAED) or Team for the Provincial Executive Budget had difficulty formulating and compiling work plans and budgets for SKPD due to the quality of the work. Now they say it is easier for both TPAED and SKPDs since they are using the same database system.

Apart from conducting training to mainstream the P3BM tool, PGSP has also facilitated the establishment of “Klinik P3BM” within the Bappeda office, which is aimed at assisting other SKPDs (within the province) and also districts to be better in utilising the P3BM technique/tool for their own purposes. It helps Bappeda to prioritise programs and allocate budget according to targets based on proper data collected by districts.

The team itself consists of capable and enthusiastic people, who are able to articulate their tasks and link them into the planning and budgeting mechanism in the province. Pohuwato, as a champion district with pro-active leadership, has also established a similar clinic in collaboration with the one in the province. Pohuwato district itself now has availability data on MDGs down to the *kecamatan* or sub-district level.

This is considered as a ‘bonus’ for PGSP, as Pohuwato stands out among others as a pro-active districts in Gorontalo under the good leadership of the Bupati. The involvement of districts can help in giving evidence to link the good achievement in province to the districts, and vice versa.

### **On MDGs**

Even though PGSP was late to insert the MDG component into their programme, Gorontalo had already started to formulate *Rencana Aksi Daerah Penerimaan Percepatan Tujuan* MDGs (RAD-MDGs) or Regional Action Plan to Accelerate MDG Achievements, as it is actually compulsory for all provinces in Indonesia. But the process was not very

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<sup>9</sup> The Evaluation Team only visited Pohuwato District during the evaluation field visit

efficient since districts were confused as to what to do, what data to input, etc. PGSP helped in facilitating training for districts on the formulation of the first drafts.

Based on our interviews, Gorontalo is now recognised as one of the provinces with the best RAD-MDGs (6<sup>th</sup> place). With this statement it is assumed that the districts have done their homework in compiling MDG data for their respective areas.

The results of P3BM efforts are reported to be contributing to the revision of the RPJMD or Medium-Term Regional Development Plan.

### **On Minimum Service Standards**

PGSP also contributed in assisting the province and selected districts for piloting<sup>10</sup> to achieve *Standar Pelayanan Minimal* (SPM) or Minimum Service Standard (MSS) targets on health and education through “Delivery Improvement and Local Governance” (DIALOG), aimed to improve public service delivery.

PGSP has facilitated the province to develop operational definitions of MSS for health and education. This aimed to help districts to allocate funds for activities that will contribute to achieving MSS targets.

Some technical line ministries at the national level have their own MSS targets and indicators, such as on health and education. There are MSS targets to be fulfilled by the sub-national level governments, and they also need to allocate their own funding to carry out the process. Therefore the MSS targets/indicators have to be aligned with the local planning and budgeting mechanism and outcomes. In this regard, PGSP has contributed to assist the province and piloted districts<sup>11</sup>, in both sectors, which is a great start for measuring MSS progress.

#### **On health,**

PGSP works closely with provincial the *Dinas Kesehatan* or Health Office and assisted them to conduct an initial assessment on key issues, targets and priorities as well as facilitating the piloting DIALOG at the district level. PGSP also facilitated data gathering on this issue inviting all the districts and municipality in Gorontalo to participate. Based on our interviews, there has been a slight change in the mindset of government staff, particularly those who work on planning at district level, on the importance of reliable data along with performance measurements. The provincial Health Office acknowledges this as strategic support from PGSP to pursue the targets of MSS on health sector.

There are approximately 400 villages (out of 729) in Gorontalo that are categorised as “Desa Siaga”<sup>12</sup> from which 16% are categorised as “Desa Siaga

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<sup>10</sup>Pohuwato District, Gorontalo District and City of Gorontalo

<sup>11</sup> On health: Pohuwato District, Gorontalo District, and City of Gorontalo

<sup>12</sup> “Desa Siaga” is a program that was introduced by the Ministry of Health, and is a re-vitalisation initiative which inserts a community participation element. The program is implemented at the village level by the community and coordinated by the Head of Village with technical assistance from and in coordination with the provincial and District Health Offices.

Aktif'<sup>13</sup>. PGSP contributed in supporting the development of village-based health maps in three pilot Desa Siaga Aktif villages<sup>14</sup> in Pohuwato District.

Based on evidence we received, in Pohuwato district MSS work in health is progressing well, with the Health Office actively seeking to develop further systems (e.g. in complaints or community monitoring). 3 villages from 104 are participating in trials. In Buhujaya village we saw evidence that facilitated local mapping of health issues has been undertaken recently. Village people did articulate the activities they have already undertaken.

Nevertheless, in the future, the concepts around community demand for better services and holding government accountable clearly need much more work. Perhaps the next programme should be more focused on this issue.

### **On Education**

PGSP support for the provincial Education Office is helping them to develop a mechanism for monitoring and financing of MSS in three pilot districts. The support has included technical assistance in detailing the operational definition and developing a web-based application for accelerating the achievements of MSS targets.

The Ministry of Education has an integrated national wide data entry system for primary education called *Data Pokok Pendidikan* (Dapodik) where the operator at school level can input data directly into the system. PGSP helped in providing technical assistance in combining the Dapodik with MSS indicators into a more integrated database management system. However, unfortunately the province has run into a problem of accessing the data itself because of the lack of a local server and there have recently been problems due to central changes in the Dapodik data systems.

Based on interviews, previously those who worked on school management, especially at the district level, did not completely understand MSS. But now they<sup>15</sup> say they are able to input the data and also measure the indicators. Furthermore, they can now also understand the gaps they found from measurement, and if they have their own resources they can solve the problem by themselves.

The Education Office in Pohuwato District said that they have received benefits from PGSP support. They now can insert programs/activities that focus on MSS indicator achievement into their APBD *Perubahan* or Revised Regional Budget.

PGSP also took part in facilitating the process of building mutual understanding through a memorandum of understanding between the Education Office of Pohuwato District and The Ministry of Religion on the issue of budget allocation for *madrasah*<sup>16</sup>. This is believed to be a unique example of such cooperation between two different levels of government: the national and the district.

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<sup>13</sup> A village can be categorised as “Desa Siaga Aktif” when it has achieved all MSS indicators/targets

<sup>14</sup> The Evaluation Team only visited one village: Buhujaya in Gorontalo District

<sup>15</sup> the evaluation team only visited one school at Pohuwato District: SMP1 KabupatenPohuwato

<sup>16</sup> Islamic school

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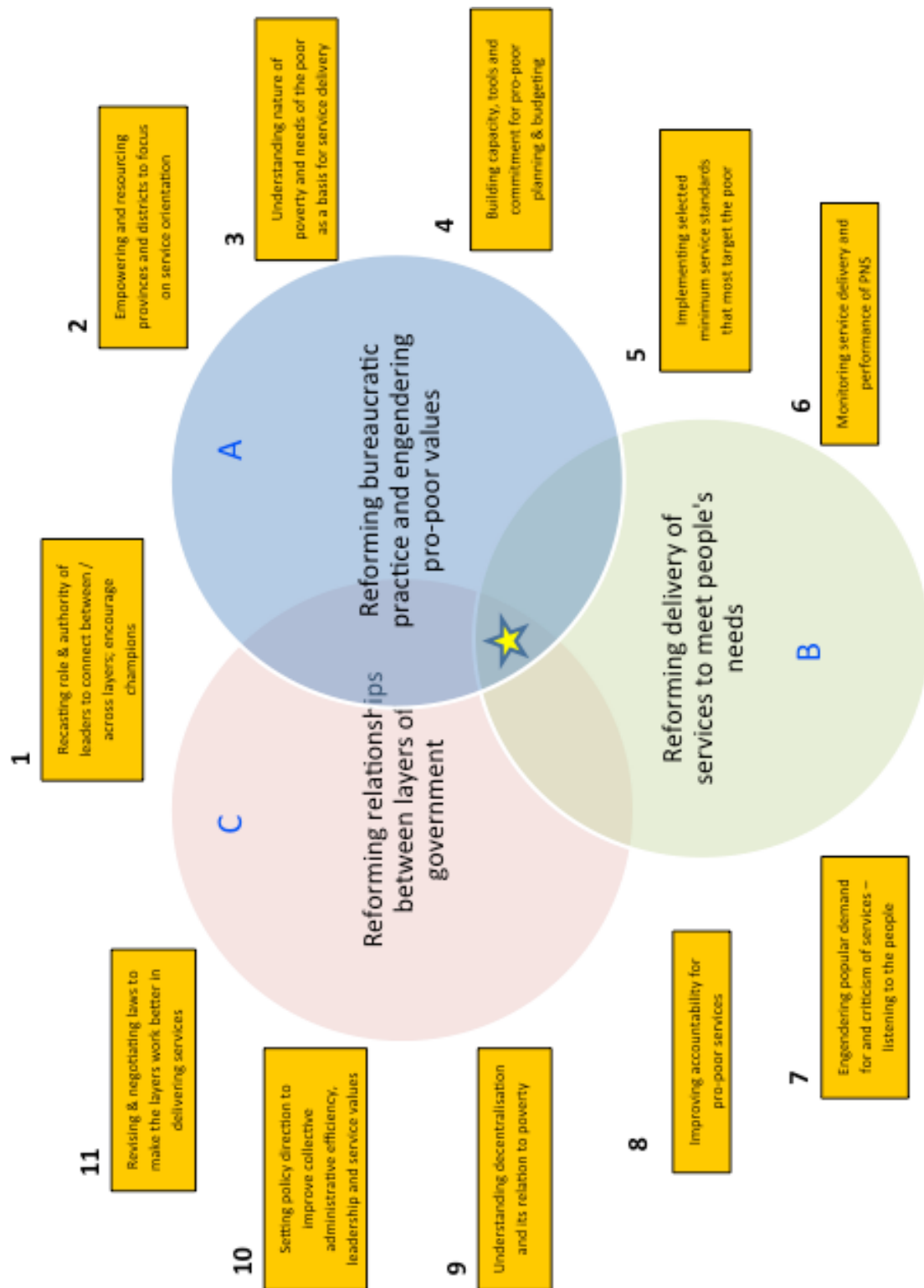
In general terms however, the measurement of MSS indicators seems to have some way to go in Indonesia. This is a challenge for the future. UNDP might also be challenged to more clearly link work in MSS with pro-poor planning and other support for local planning development.

### **Provincial Working Group**

*Please see the Diagram 1*

**[1][9] [10]**

PGSP has helped to revitalise the Provincial Working Group in Gorontalo consisting of members from different SKPD (offices) and it is now emerging as a development coordination unit (including in donor coordination). The PWG articulated its role quite well. It is now in the process of change from a more *ad-hoc* unit into a formal and structural unit (under coordination of provincial Bappeda): “Unit Pelaksana Teknik Badan” (UPTB). The plus side of this change is making the unit into a more focused entity with its own *tupoksi* (or main duty and roles); and being acknowledged properly as a formal government structure. On the negative side, perhaps, is the possibility that it would not be as flexible as ‘the think tank’ and may have limited ‘room for manoeuvre’ to seek effective ways for development partnerships as it seems to have been to date. Nevertheless, this is a positive development and PGSP is acknowledged as facilitating the process of proposing legal change for this working group.



## BANGKA BELITUNG ISLANDS

*Kepulauan* Bangka Belitung or Bangka Belitung Islands province is a new province (the 31<sup>st</sup>) at the eastern end of Sumatera. It consists of 470 islands and is famous for its tin production and beautiful white beaches.

Similar to the situation in Gorontalo, Bangka Belitung (abbreviated as Babel) as a new province in Indonesia (established circa 2001), any support for governance strengthening and capacity building has been appreciated, including through PGSP;

The economic growth of this new province is above the average of the national economic growth, and the tin mining sector has been a great contributor to this.

This region is also known for its white pepper production and had its own heyday for this in the 1980s. Despite the province's effort with a "*Revitalisasi Lada*" or "Revitalisation of Pepper" programme with the formulation of a roadmap in 2012, it still did not succeed as expected due to several problems. The initiative was thought to be too sectoral and only focused on product from one area (Muntok, West Bangka). There was low level of involvement of the middle level government officers (such as *Kepala Dinas* or Head of Office). The programme didn't follow up to the regulation level. The pepper industry has been mostly operated and driven by the business/private sector rather than government.<sup>17</sup>

Acknowledging these problems and the potential of the province's natural beauty potency and future economic development, along with awareness for a more environmentally friendly and sustainable development post tin mining, the province then switched to focus on the tourism sector. It is believed that tourism will be a strategic sector and will need more involvement from other sectors such as health, education, infrastructure, etc. It seems that the switch was heavily influenced by the concept of enhancing regional competitiveness from the economic development point of view, rather than providing minimum service standard delivery or achieving MDGs targets. But some good things have been emerging from this sector at both province and district level.

Being there since 2010 and working together with the provincial (and to some extent: district) government, PGSP has certainly been contributing to some good achievements<sup>18</sup>. Some of these are elaborated below:

### **Bureaucracy Reform**

PGSP has strategically helped the province to formulate its Bureaucracy Reform Road Map, which helps them to understand their own problems in this regard. PGSP has also assisted them to formulate the eight Quick Wins as a tool to sharpen their annual action plans to enhance regional competitiveness (through economic-tourism) and changing the mind-set of the government apparatus. They realise that changing mind-sets will take long time, but they said that they are ready for the 'homework' and challenges of

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<sup>17</sup> Compare this with Gorontalo, where the Government has always been serious in developing the local maize industry

<sup>18</sup> Although we cannot verify that the achievements have been made solely because of PGSP assistance

bureaucracy reform. We were told that the province has allocated approximately IDR 1,2 billion from the 2013 APBD or regional budget to implement selected quick wins, which include *Pelayanan Terpadu Satu Pintu untuk Perizinan* or the integrated licensing system. They have a plan to implement and therefore allocate funding for the Digitalisation of legal products in 2014.

The *Biro Organisasi* or Organisation Bureau is one office that particularly acknowledged good support from PGSP. They particularly noted how PGSP has widened their perspectives on the importance of changing the mindset of PNS or civil servants through disciplinary measures, position analysis, and competency standards etc. They also understand that in order to gain these achievements this needs to be institutionalised through some supporting regulation and instruments.

One added value of PGSP, according to the province, is its role as a facilitator for bridging information between different level of government (for instance between the national and regional level).

## **Understanding The Decentralisation & Regional Autonomy: In Performing Roles & Responsibilities**

Many of the local government officers that we interviewed answered evaluation questions as a reflection on their own position within the context of decentralisation and regional autonomy. They expressed their expectations will be based on clarification of respective authority, for instance from district to province and *vice-versa*.

### **ON HEALTH**

It seems that the *Dinas Kesehatan* or Health Office didn't quite understand their role in Minimum Service Standards before PGSP stepped in. They just waited and collected the data from districts.<sup>19</sup> Within a regional autonomy framework, the implementation of MSS is the duty and responsibility of the district/municipality. Based on the provincial point of view, previously the districts didn't make MSS their priority. The data was there, but the implementation that was supposed to be carried out by the district was weak. Monitoring and evaluation was particularly weak. The province felt that this is a weakness of regional autonomy, where the province's role is only limited to "korbinwas" and the real implementation is within the authority of districts. Now things are different. The province is more pro-active and knows its roles in 'assisting'<sup>20</sup> the districts on to properly collect such data. They also know how to utilise the data in the planning and budgeting mechanism. The districts collect the "Health Profile Reports" and send them to the provincial planning section in the Health Office.

Supported by PGSP, they took the role further by giving training to the districts to calculate the costing for MSS. The costing of MSS is also reported to have been done at the *Puskesmas* or community health center level. Now it is much easier for them to formulate plans and allocate budget based on the costings.

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<sup>19</sup>even though the MSS from the Ministry of Health has been introduced for 10 years

<sup>20</sup>derived from Koordinasi Pembinaan dan Pengawasan (Korbinwas) or coordination, assistance and Monitoring concept/mechanism, introduced by Ministry of Home Affair in strengthening the role of province and governor



PGSP has fostered the provincial health office to promote MSS. They are now capable of combining two different formats on MSS from different line ministries: The Ministry of Health and The Ministry of Home Affairs into their own strategic plan, using MSS database costings. Bangka Belitung is reported to be the first province to implement this and it involves all 7 districts and the municipality. The Ministry of Health has chosen Bangka Belitung as a model for an integrated process (data, plans, costing) for MSS achievements.

Nevertheless, despite all the good achievements, the Head of Health Office is still concerned about the validity of the data (collected and reported by districts, *kecamatan*, *puskesmas*, etc). That is why he hoped that in future the monitoring and evaluation component on MSS will take place for better public service delivery in health in Bangka Belitung.

### **ON TOURISM**

Through “Sustainable Management Approach of Regional Tourism” (SMART), the province now acknowledges its roles in introducing “integrated regional tourism”, and has integrated tourism with other related sectors within the province as well as between districts/municipality. This is an example of changing attitudes towards performance of the Heads of Office and Heads of Division that are now reported to be working on optimum targets and are willing to work beyond their routine tasks.

PGSP facilitated them to formulate the *Rencana Strategis* (Renstra) or strategic plan on tourism. The tourism office is one of the few SKPDs in Bangka Belitung with a strategic plan.

PGSP also facilitated a study to support the SMART concept which was done by *Pusat Pengembangan Perencanaan Kepariwisata* (P2PAR) from Institut Teknologi Bandung (ITB). They provided recommendations for the provincial government on the adoption of flagship tourism and village tourism models. The province then conducted roadshows to districts to socialise the results of the study which also is promoting a model for collaboration between the province and districts on tourism.

The Tourism Office of Belitung District said that they got benefits from PGSP support by participating in various training and socialisation on tourism issues carried out by the Province and supported by PGSP. They are now aware of their own natural potential for tourism, such as “geo-parks”.<sup>21</sup> Furthermore, they are now having direct contact with acclaimed tourism experts (such as from P2PAR ITB) for their own purposes, therefore not having to rely on the province all the time. The Head of the Tourism Marketing section also acknowledged benefits on building up her personal capacity through many events conducted by the Province and PGSP. It was reported that the *Bupati* or Head of District is fully supportive if tourism as the district’s number one development priority. Belitung District is developing their *Rencana Aksi Pengembangan Pariwisata* Belitung or Action Plan on Tourism Development in Belitung in which all SKPDs or sectors are involved and provide support.

This has been an interesting experience that has emerged from the two neighboring districts in Belitung island: Belitung and Belitung Timur. Being aware of their tourism

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<sup>21</sup> this “geo-park” concept was introduced by P2PAR-ITB

destination potential and the effectiveness of collaboration within a “one island” concept, they initiated a mutual agreement on issues such as: “*geo-wisata*” or “geo-tourism” for Belitung Island and defined what they called the “north track”. This has clear definition of roles and responsibilities, including cost sharing etc.

The two districts claimed that they developed the partnership without assistance from the province, even though they realised this was the province’s responsibility and under their authority. In their opinion, the province is sometimes is slow in response to the needs of districts. Nevertheless, the MOU between those two districts is acknowledged and signed by the Governor.

Districts still hope that the province will take a more pro-active approach on tourism and provide the necessary support to enhance integrated tourism developments such as: the determination of provincial wide destination flagships; inter-district infrastructure development etc. They realise how important it is for mediation and facilitation to assist them to sit together with the province and the other district. They said that UNDP (through PGSP) can play a significant role in that.

### **ON DATA MANAGEMENT, PLANNING & BUDGETING**

It seems that some districts in Bangka Belitung understand their roles within a regional autonomy context perfectly well. They seem to know the limitations as well as capacities and resources of both themselves (as districts) and the province. Therefore they can demand better support from the province which hopefully will enable them to better perform in providing services to the people. They understood the concept of mutual understanding. The Belitung District and Belitung Timur District are examples of such districts.

Belitung Timur, in this case the Bappeda office, claimed that they are the only district that has pro-actively initiated a partnership with PGSP. After attending the Pro-Poor Planning Budgeting and Monitoring (P3BM) training conducted by the province and PGSP, they decided to move forward and proposed a partnership to expand their knowledge on P3BM to be implemented in their own district. They wanted to have poverty data based (data and spatial) down to the sub-district level so it can be used as indicators of MDGs and MSS achievements. This can be used for formulating their own RPJMD or regional medium-term plan. They conducted P3BM training with participants from BAPPEDA and representatives from other SKPDs or offices, and 7 sub-districts, as well as BPS and CSOs. The training was conducted with a share-cost financial between Belitung Timur district and PGSP, where the district used their 2013 APBD or local budget.

## NUSA TENGGARA TIMUR

Nusa Tenggara Timur is located in the eastern part of the Lesser Sunda Islands, and consists of 566 islands with Flores and Sumba as the largest.

Despite the numerous international aid programmes<sup>22</sup> that have been taking place for a long time in NTT, it still sits as the fourth poorest province in Indonesia after Papua, Papua Barat and Maluku<sup>23</sup>. The position has not changed much since 2003, which means there have been no significant changes in people's welfare in 10 years.

By several economic indicators, the provincial economy is weaker than the Indonesian average. The Human Development Index in NTT always falls in the lower group, and with a score of 67.75 sits at number 31 out of 33 provinces in Indonesia.

The dependency of local governments on central government is very large. The balancing funds from *Dana Alokasi Umum* (General Allocation Fund) are the main source of regional finance for the districts/municipality, to the degree of approximately 75% of APBD or regional budget<sup>24</sup>

Within this context, it is unsurprising that some respondents in the provincial government have different perspectives about 'strengthening' the provincial capacity. They are more supportive of programmes that focus on the village level and which hope to provide direct impact on people's welfare. This context alone should have made the approach of PGSP in this province slightly different from other pilot provinces.

Some administrative leaders in provincial government have the opinion that PGSP should focus on strengthening districts instead of the province. Within the context of NTT as explained above, they thought that it is better to give support to those who are the weakest in resources, which in their opinion are the districts (for instance Flores Timur and Savu) and who have direct access to the sub-districts and villages. The province thinks that the village should be the locus of all development in NTT. However, they do feel that the support from PGSP is valued for its flexibility to adjust/harmonise their programme based on the local needs.

### On Bureaucracy Reform

Even though the support of PGSP in NTT is quite limited compared to other pilot provinces, it doesn't mean that the provincial counterparts don't appreciate the assistance. In fact, some of them are very pro-active and enthusiastic to make the best out of the support.

The *Biro Organisasi* or Organisation Bureau is one of them. In their mind, reforming the bureaucracy is a must. NTT now has 47 SKPDs or offices, which is considered inefficient and ineffective. They understand that it is a long way to reach the performance and mindset change that they would like to see, but they are prepared to start on this road.

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<sup>22</sup> Based on Sekretariat Terpadu (SPADU): there are 42 organisations (bi-lateral, multi lateral, and international NGOs) that is currently working in NTT

<sup>23</sup> according to BPS

<sup>24</sup> during the period of 2004-2006, source: Smeru

PGSP has facilitated a team consisting of 30 people<sup>25</sup> who led the formulation of a draft Bureaucracy Reform Road Map through various meetings/discussions with capable speakers from national level, such as *Lembaga Administrasi Negara* (LAN). The non-state actors or CSOs were also involved at some stages to give input for instance through public consultation events. They have also decided on four “quick wins” two of which are SAMSAT on-line and a programme called “*Anggaran untuk Rakyat Menuju Sejahtera*” (ANGGUR MERAH). The DPRD or local legislature has heard about and has supported this effort for bureaucracy reform. NTT planned to launch the BR Road Map on the anniversary of NTT on 20th November 2013.

Bappeda in the province said that the key to achieve bureaucracy reform within decentralisation era is fiscal efficiency. They need to select effective development programmes that could cut out unnecessary funds. The Road Map is one way to achieve this. They also thought that the province needs to perform a more effective role in coordination to ensure that the sub-districts and villages are getting benefits of development. They believe this could be achieved more effectively though strengthening the role of both governor and province.

### **On Tourism and Local Economic Development (LED)**

According to the Culture and Tourism Office of Flores Timur district, PGSP support came at the right moment. Tourism in Flores Timur was usually overlooked and considered not as important as other sectors. Some of the problems they have been facing in the tourism sector are: insufficient infrastructure and public facilities; low capacity and skills of human resources and institution; and difficulties to coordinate with other relevant SKPDs or sectors.

Together with PGSP, they have tried to find solutions with optimum “leverage effects” such as capacity building activities through proper training on specific skills (local economic /local business/ development). The community is reported to have direct benefits from community/home-based entrepreneurship training; from snack production to improving homestay services. Non-state actors such as the tourist management organisation are also involved to support the programme in tourism.

Flores Timur now has its *Rencana Induk Pelestarian Kebudayaan Daerah* (RIPDA) or district tourism master plan, which consists of five strategic tourism areas that need to be developed, including the famous religious tourism event “Semana Santa” in Larantuka. They considered this as a ‘breakthrough’ initiative that has been able to gather all relevant SKPDs to support tourism as one of priority programmes of Flores Timur.

Furthermore, they are now open to the opportunity for communities to submit proposals to get funding from government on activities that support or relate to tourism development. This year they allocated fund to about thirty (30) art studios/communities (on traditional music, dances, theatre, etc.).

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<sup>25</sup> Consists of different SKPDs, representatives from Hospital, all representing 8 areas of change in bureaucracy reform by Ministry of Administrative Reform and Bureaucracy Reform

In their point of view, the added value from PGSP<sup>26</sup> was giving them opportunities to gain knowledge and open up wider perspectives on tourism that aligned with the planning process.

### **On SPADU**

*Sekretariat Terpadu untuk Kerjasama Pembangunan* (SPADU) or Secretariat for Development Cooperation with International organisations was inherited from the AGI<sup>27</sup> period. The Secretariat consisted of six people from provincial BAPPEDA and was established to coordinate international organisations (bi-lateral, multi-lateral, NGOs, donor agencies) that work in NTT. SPADU also plays a role as a facilitator between international organisations and technical SKPDs or offices at both province and district level. They also have a duty to provide information and reports to the provincial government.

PGSP contributes to support the process of formulation of formal/legal documents on coordination mechanism.

In early 2012 PGSP started to proposed to insert some activities such as Local Economic Development (LED), Micro Grants, Forum Data and also Provincial Human Development Report (PHDR) activities. In 2012, PGSP also gave support in establishing SPADU in four districts/city: Alor, TTU, Flores Timur and city of Kupang, through a series of socialisation and advocacy activities.

### **On Provincial Human Development Report (PHDR)**

PGSP supported the establishment of PHDR Forum in NTT. The Forum has begun to formulate PHDR themes. The Forum conducted several discussions with other stakeholders (SKPDs, universities, NGOs, etc) on a PHDR Background paper that will be the basis for selected themes. In NTT it was agreed that the theme was “Developing NTT’s Economy from The Village: Entrepreneurship for Human Development”. It was said that the PHDR report has become a reference for provincial and district government for selecting their focus of development.

The added value of PGSP support, from their point of view, was that PGSP has brought a balance of knowledge from different levels: local-national-international (UNDP), in a less ‘technocratic’ way. Having said that, they also suggest involving more local experts in the formulation of reports.

### **On Micro Grants**

PGSP in collaboration with SPADU selected three grantees from local CSOs/NGOs who worked on varied activities/themes: (1) counselling on HIV AIDS and safe sexual behaviour for teenagers and sex workers in Kupang City; (2) promoting local weaving industry through quality and design improvement; (3) Implementing alternative energy through community bio-gas.

These actually are good examples or exercises on how far a stimulus fund could give benefits to the community/grass root level. These activities also fit quite well with the provincial grand plan to be more focusing on empowering economy in village and to

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<sup>26</sup> This is particularly through the P2PAR-ITB as expert in tourism, that introduced by PGSP

<sup>27</sup> ARTGold Indonesia

some extent the community level. But it is far too early to see the connection between these activities to local government plans. More long term assistance is needed to seek the sustainable linkages between these type of grass root activities and local government planning and budgeting mechanisms, or giving inputs to policy formulation to enhance the local economic development.

Even though the time span and fund to implement activities are very limited (only IDR 65 million each, for 4-5 months), the grantees were very enthusiastic about the results. They, as CSO representatives, also show willingness to support government in local economic development if there was a mechanism to do so.