

KOMPAK

Kolaborasi Masyarakat dan Pelayanan untuk Kesejahteraan

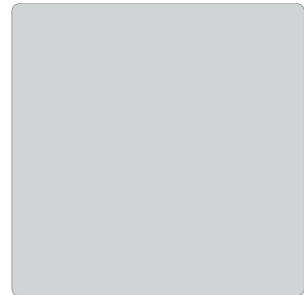
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2016 WORK PLAN FINAL

January - December 2016



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Executive Summary

This KOMPAK 2016 Work Plan reflects our commitment to development in Indonesia and our enthusiasm for the program of work we intend to implement.

The 2016 Work Plan is presented in two parts: Part A is the Operational Plan and Part B is the Implementation Plan.

Chapters 1 to 3 present the strategic context; linking the 2016 Work Plan to KOMPAK's 3-year guiding strategy, describe KOMPAK's governance arrangements and, outline KOMPAK's strategic performance framework. Chapter 4 provides an overview of how KOMPAK will engage with the Government and other key partners.

Chapters 5 and 6 set forth two key strategies to assist us operationalise our commitment: i) implementation instruments that enable us to implement new approaches to development at the activity level and ii) a process for investment decision making that ensures we remain flexible and responsive, yet strategic.

KOMPAK's Project Management Cycle (PMC) is presented in chapter 7. This framework represents a key management tool that will ensure implementation is on track while enable the Facility to reflect, learn, refocus and adapt based on the realities of an ever changing environment.

Chapter 8 provides an overview of our approach to risk management while Chapter 9 summarises our communications strategy. Chapter 10 provides an overview of KOMPAK's approach to achieving Value for Money.

Chapter 11 onwards is Part B – The Implementation Plan and presents finer details of the 2016 Work Plan, including an update of the Government of Indonesia operating context, the priorities for the Senior Management Team for the year ahead, and a summary of projects to be implemented by KOMPAK in 2016 (with Gantt charts annexed). The budget summary is presented in Chapter 18.

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PART A: OPERATIONAL PLAN

1. Introduction

KOMPAK is a new 7 year development initiative funded by the Australian Government. KOMPAK is a Facility to support the Government of Indonesia (GoI) in achieving its RPJMN 2015-2019 targets of reducing poverty by improving the quality and coverage of basic services, and by increasing off-farm economic opportunities for the poor.

Working at both the national and sub-national levels, KOMPAK consolidates and builds on DFAT investments in community empowerment, service delivery, governance, and civil society strengthening by integrating these areas of activities into a single Facility. KOMPAK structures its work around 3 key strategies:

- **Strategy 1 - Responsive and accountable frontline services:** KOMPAK will support the government in closing key accountability loops for better service delivery.
- **Strategy 2 - Inclusive and community-led development.** KOMPAK will support the GoI to build down community and village structures to promote and support community driven development.
- **Strategy 3 - Communities empowered through greater labour mobility and economic choice.** KOMPAK will support the GoI to increase economic opportunities for the poor by increasing options for off-farm employment.

This 2016 Work Plan has been informed by a series of consultations with KOMPAK's five counterpart GoI Ministries (BAPPENAS, Ministry of Finance, Ministry of Home Affairs, Ministry of Villages, Remote Areas and Transmigration and the Coordinating Ministry for Human Development and Culture), and is guided by extensive consultations and joint planning between the Indonesian and Australian Governments.

2. Strategic Performance Framework

The KOMPAK Strategic Performance Framework articulates the End of Facility Outcomes (EOFOs) that KOMPAK intends to achieve by the end of its mandate, and defines the Intermediate Outcomes and the Inputs (projects) for 2016 that will contribute towards achieving these desired changes.

Organising the Facility's interventions around the Performance Framework will help focus our attention on the *outcomes* to be achieved, and the *change* that is needed¹. This encourages flexible investment decisions between Inputs in order to seek and identify those that will contribute towards achieving the desired outcomes.

The Goal-level of KOMPAK's Strategic Performance Framework identifies the broader systemic changes that KOMPAK seek to *contribute* towards. The End of Facility Outcome level is where KOMPAK expects to achieve measurable changes that can be *attributed* to KOMPAK by the end of the Facility. The Intermediate Outcomes are changes KOMPAK expects to be accomplished as part of achieving the Outcomes. The diagram below is a summary of KOMPAK's Strategic Framework.

¹ As recommended by the Strategic Advisory Team in their November 2015 mission, a Strategic Planning, Performance and Monitoring Framework document is being developed. Among other things this document will explain how KOMPAK management will operationalise its strategic goals into plans and delivery, articulate KOMPAK's working hypothesis and determine accountabilities for KOMPAK.

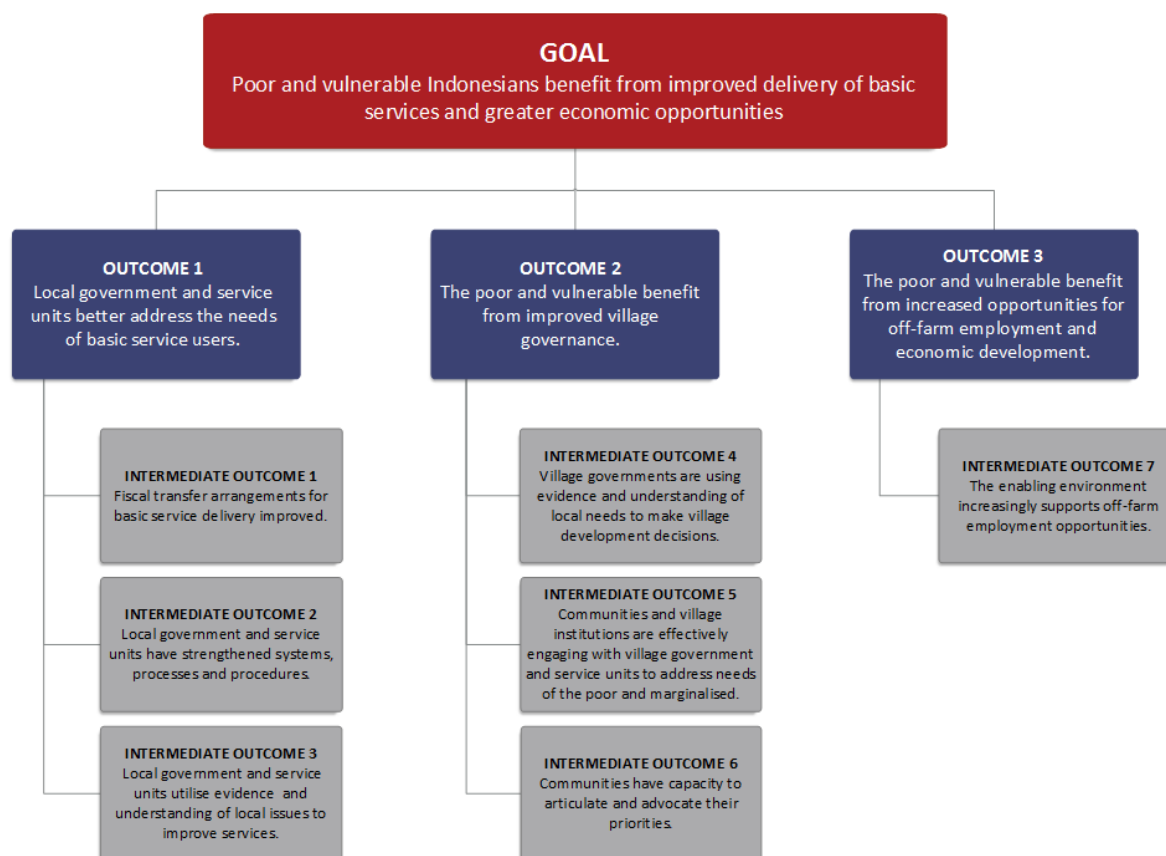


Figure 1 - KOMPAK's Strategic Performance Framework

KOMPAK packages its Inputs as projects containing a number of different activities of which each represents different types of implementation instruments². The budget is defined at the activity level. The diagram below illustrates this hierarchy.



Figure 2 - Projects, Activities and the Strategic Framework Hierarchy

The Strategic Performance Framework enables us to tell the complex KOMPAK story in a single, easy to understand diagram underpinned by a Theory of Change. The Framework also defines and promotes common language and understanding of what KOMPAK does, both within KOMPAK and with our many and varied external stakeholders.

Performance Indicators

Performance Indicators are attached to each of the Outcomes (EOFOs) and to each of the Intermediate Outcomes³. An overview of our Performance, Monitoring and Evaluation Strategy can be found at Annex 1.

The table below lists KOMPAK's EOFO Level Indicators.

² See Chapter 5 on Implementation Instruments.

³ See Part B, Chapters 13, 14, 15 and 16 for more detail on Outcomes and Performance Indicators

Table 1 - EOFO Level Performance Indicators

EOFO	Indicators
EOFO 1 - Local government and service units better address the needs of basic service users.	<ul style="list-style-type: none"> Increasingly effective and efficient use of public expenditure on basic services. Improved quality and enhanced effectiveness of public administration of basic service units. Basic service users are increasingly influencing the use of public expenditure on services. Increased proportion of the poor and vulnerable in target locations have access to basic services.
EOFO 2 - The poor and vulnerable benefit from improved village governance.	<ul style="list-style-type: none"> Improvement in village apparatus and council capacity to address community needs. Increased proportion of village funds allocated towards addressing the needs of the poor and vulnerable. Communities are increasingly influencing the village government to make decisions that benefit the poor and vulnerable.
EOFO 3 - The poor and vulnerable benefit from increased opportunities for off-farm employment and economic development.	<ul style="list-style-type: none"> Increased proportion of the poor and vulnerable utilise savings mechanisms. Increased proportion of the poor and vulnerable in target locations have access to opportunities for formal and informal off-farm employment.

3. Governance

Governance

KOMPAK's governance structure consists of a Steering Committee and a Technical Committee.

The Steering Committee is a bilateral governance mechanism between the GoI and the Government of Australia convened for the specific purpose of providing high level strategic guidance and endorsement for KOMPAK activities and will:

- Provide overall strategic direction to the KOMPAK Facility;
- Promote harmonisation and coordination across GoI agencies;
- Endorse KOMPAK's strategic direction and guiding strategy, Annual Work Plan and Budget;
- Review progress achieved in the implementation of KOMPAK.

The KOMPAK Program Steering Committee will be co-chaired by an Echelon 1 representative of BAPPENAS and a senior official of DFAT. Membership will include one Echelon 1 representative from each relevant GoI Ministry.

The Co-Chairs will be responsible for convening Steering Committee meetings with secretariat support from KOMPAK. Timeliness of Steering Committee meetings is critical to enabling resourcing decisions that trigger implementation of the Work Plan.

The Steering Committee will appoint a **Technical Committee** that provides technical advice to the program on a more regular basis through:

- Providing technical input and oversight and guidance to KOMPAK throughout the implementation of approved Annual Work Plans;
- Promoting synergies between KOMPAK and GoI programs at the management level;
- Preparing reports, materials, documents and recommendations for the Steering Committee based on findings from technical evaluations and monitoring of KOMPAK's programs;
- Communicating progress and results to other parts of GOI and to the Steering Committee based on evaluations and monitoring of KOMPAK investments.

The Technical Committee will be co-chaired by the relevant BAPPENAS Echelon 2 representative and a DFAT official. Permanent members will include Echelon 2 Directors from the relevant Directorates in the partner GoI line ministries and the KOMPAK Chief of Program.

A similar model to the Technical Committee will be adopted at the Provincial level to ensure that KOMPAK taps into available local knowledge and advice in the implementation of activities at the local government level.

Resource Allocations

KOMPAK organises its budget around its Strategic Performance Framework. At the EOFO level, resource allocations will be endorsed or determined by the Steering Committee. The resource split between the three Outcomes will guide KOMPAK in its investment decision making at the project level.

Leaving this decision to the Steering Committee ensures that both GoI and DFAT are actively engaged in, and take responsibility for, the strategic high level budget direction.

The Steering Committee will also be responsible for decisions regarding the resource allocation between national and sub-national projects and allocations between Ministries.

4. Partner Engagement

Engagement with the National Government

As explained in the previous section, KOMPAK's Governance arrangements establish a senior level, bilateral formal engagement with the GoI that includes the Steering Committee and the Technical Committee.

KOMPAK engages with the national GoI counterparts on a daily basis and while arrangements for how KOMPAK will engage with the GOI through the SC and TC are still being developed KOMPAK will ensure that all engagement is professional and effective. This is a key priority for the Senior Management Team throughout the life of the Facility. The Standard Operating Procedures developed by KOMPAK for the Steering Committee's approval will provide guidance on KOMPAK - GoI work planning, project implementation and general communication.

KOMPAKs engagement with the GoI is underpinned by the following operating principles:

- KOMPAK understands that working effectively with GoI Ministries requires an in-depth understanding of partner Ministries':
 - Priority programs and policies.
 - Workplace culture and incentives.
 - Political, economic and bureaucratic constraints and challenges.

- Key personnel and their motivations.
- Staffing structures and the interplay between internal directorates and between ministries.
- KOMPAK engagement with GoI stakeholders requires becoming a trusted partner; willing to provide independent advice sensitively and with integrity;
- GoI counterparts should have clarity on what KOMPAK is doing, why it is being done, and the direction it is taking.
- Clear communication protocols with ministries will be defined jointly at the appropriate level of engagement, and KOMPAK will respect and adopt the communications protocols required of GoI bureaucracies.

Engagement with the Sub-National Government

KOMPAK will adopt a phased approach to building a sub-national engagement that is proportional to the available budget in geographic areas where there is strong GoI drive for change, supported by robust evidence of what works and which is aligned with the KOMPAK Strategic Outcomes Framework.

Sub-national engagement will build on results, achievements and lessons learned from prior and existing programs in the same geographic areas, and will leverage relationships established with local government institutions and officials through other DFAT programs including AIPD, ACCESS, LOGICA, AIPJ, AIPMNH and PRISMA. These relationships will provide entry-points for building KOMPAK's sub-national engagement and identifying appropriate, context-specific activities that support implementation of the RPJMN and complement the work of other programs.

The first phase of sub-national engagement in 2016 will focus on NTB and East Java. These two provinces were selected based on the following criteria:

- Previous relationship with GoA (previous DFAT investments);
- Both provinces are the focus of GoI pro-poor program delivery: NTB is a Frontline Pilot province and the Sustainable Livelihoods Pilot Program is being implemented in East Java;
- Both provinces offer strong prospects for success: provincial governments are capable and committed, as are high-performing district governments and there are strong CSOs to support KOMPAK's activities as well as a range of existing or recent DFAT and other donor investments to collaborate with or to build upon.

KOMPAK will maintain a presence in Tanah Papua through support to continuation of the Landasan program⁴. Whether KOMPAK will have a direct presence or work through an implementation partner in the region will be determined in 2016.

KOMPAK's support to the GoI Frontline Services Pilot means that KOMPAK has presence in the pilot provinces. This includes: Aceh, South Sulawesi and Central Java (NTB is already a dedicated province for KOMPAK). Whether these provinces will become dedicated KOMPAK provinces or not will be a decision for the Steering Committee. In any case, KOMPAK will provide on-going support to other provinces through its support to the GOI Frontline Pilots and Sustainable Livelihoods Pilots.

⁴ A recent review of Landasan conducted by KOMPAK concludes that the Landasan program aligns well with the GoI Frontline Services for the Poor Strategy and had some very positive results in a short period. It is proposed KOMPAK continue support to this initiative drawing on lessons for the Frontline Services Strategy and Pilot.

Leveraging DFAT Investments

KOMPAK will work collaboratively with a number of other DFAT investments in order to exploit synergies and to increase DFAT's overall impact on development in Indonesia. Cross-collaboration will be outcomes-focused and practical. Priority areas of collaborative work are:

- Policy strengthening (including activity design and implementation).
- Capacity/Institutional strengthening.
- Gender and Inclusion.
- Innovation.
- Private sector engagement.

KOMPAK has already commenced cooperation with KSI, PLJ, MAMPU, Peduli, PRSF/MAHKOTA, AIPEG, PSF and Generasi. Throughout 2016, KOMPAK will work towards greater collaboration with other DFAT programs on GOI engagement to eliminate gaps and overlaps and to continue relationship building⁵.

Engagement with Strategic Partners

KOMPAK is already engaging with a number of strategic partners to support the design and implementation of key interventions in the 2016 Work Plan. Engaging a number of Strategic Partners who are experts in their field will ensure KOMPAK is maintaining its commitment of drawing on local capacity and building on what works. Partners are selected through a competitive process based on a thematic focus and must satisfy the following criteria:

- Have expertise in the desired area (examples include: Public Financial Management, Social Accountability, Community Participation, Research, Evaluation and Analytics).
- Are implementing Mission Statements and Goals that align with KOMPAK's broader objectives.
- Have demonstrated experience in designing and implementing relevant and appropriate initiatives.
- Have taken consideration for building sustainability in to the development of initiatives, including building local capacity (through working with local partners, considering GoI take up).
- Are a legal entity with a track record of success in their fields in Indonesia.
- Will ensure that all their activities are GoI-endorsed and must put in place options for GoI take up or scale-up.

5. Implementation Instruments

KOMPAK defines its approaches and methods as *implementation instruments* and these include traditional methods (such as capacity building through training and technical assistance) and Doing Development Differently (DDD) and Thinking and Working Politically (TWP) methods such as using Coalitions for Change, as well as Problem Driven Iterative Adaptation (PDIA). The KOMPAK 2016 Work Plan integrates a number of examples where KOMPAK will apply the principles of DDD, TWP and PDIA. But more broadly KOMPAK will ensure that:

- Ongoing work is always underpinned by a solid political economy understanding.
- Monitoring of progress and learning/applying of lessons is done in real time *as activities and projects are being implemented*; and.

⁵ We have attached a detailed summary of our cross-program collaboration at Annex 3.

- An enabling approach is adopted in facilitating the Gol to implement its own agenda and priorities.

Implementation Instruments will provide our team and partners with:

- An expanded set of options for how to achieve the desired change; which is in line with KOMPAK’s push for more innovation in programming as teams *and* their counterparts are proactively made to seek to change instruments rather than rely on “fall-back” methods (such as TA and training)
- A tool to measure the relative success of each activity against the instruments; each activity will identify a single implementation instrument, specific performance indicators and an activity specific budget.
- Allow value for money measurements at the activity level; we will be able to determine which instruments are the most successful in achieving outcomes and therefore the most cost effective.

This will enable KOMPAK’s management to successively improve performance over the life of the Facility through fine-tuning the selection of instruments across the board. The Implementation Instruments are detailed in the below table.

Table 2 - Implementation Instruments

Instrument	Description
Policy Dialogue	Facilitating Gol to convene policy dialogues with whole-of-government and civil society stakeholders that can inform and support achievement of outcomes that align with KOMPAK outcomes.
Policy Advice	Providing expert policy advice, as trusted advisers, to Gol to assist them in achieving their outcomes that align with KOMPAK outcomes.
Capacity/Institutional Strengthening	Providing technical experts, and/or training to the Gol and/or CSOs to support it to deliver specific outputs that facilitate achievement of shared program outcomes.
Problem Driven Iterative Adaptation	Convening groups of stakeholders at the frontline of service delivery (may include government, civil society, donor programs, and beneficiaries) to identify and solve problems through an iterative and adaptive change process.
Pilots and Demonstrations	Implementing pilots and demonstration activities with Gol to test the application of methods for achieving outcomes, and facilitating the replication and/or scale-up of successes.
Coalitions for Change	Convening individuals and groups of influence (formally or informally) to pursue policy changes that will achieve outcomes.
Leveraging Resources	Drawing upon the wide variety of DFAT investments to promote changes that achieve KOMPAK outcomes.
Research and Analysis	Support research and analysis that brings new insights to KOMPAK, DFAT and Gol for the purpose of achieving shared Outcomes.

6. Making Investment Decisions

Investment Criteria

KOMPAK will introduce a practical governance mechanism and investment decision making process, to ensure that investments are well targeted and achieving program outcomes. This will effectively balance the need for flexibility and responsiveness, with the need for structure and direction.

KOMPAK investments will be assessed against the following set of consistently applied criteria, ensuring all existing and new investment decisions are credible and defensible.

Table 3 - Investment Criteria

Investment Criteria	Description	What to consider
Outcomes	Must contribute directly to KOMPAK Outcomes and desired change.	The project/activity should articulate <i>how</i> the activity will produce KOMPAK outcomes (i.e. what is the causal link between inputs, outputs and outcomes), supported by evidence and/or a strong argument to support experimentation.
Ownership	Must be GoI-endorsed and respond to a clearly articulated GoI demand.	Evidence the extent of support within the GoI for the activity, the contribution GoI will make to the project/activity, how GoI intend to utilise and/or sustain the outcomes.
Replicability	Must have the potential for large scale impact and to be replicable and scalable.	Describe how this investment leverages broader impact through replicability or scale-up, and what support is in place for this to be achieved. Consider cost, fiscal space, political economy analysis, organisational capacity and leadership.
VfM	Must be cost-effective and provide good value for money (economy, efficiency and effectiveness).	Present how the investment conforms to KOMPAK's Value for Money Policy, and make the case for why the selection of instrument is a good VfM choice.
Viability	Must be technically feasible and politically possible	Political Economy Analysis should underpin the investment rationale to ensure that interests, incentives and institutions support (or at least do not undermine) the chance for success.

Investment Decision Group

Governance of investment decisions needs to be nimble, and not overly bureaucratic, therefore investment decisions will be made by the **Investment Decision Group (IDG)** which will be convened and chaired by the KOMPAK Chief of Program. The IDG membership depends upon the size of investment under consideration and whether it is in the approved work plan or not as follows:

Table 4 - Investment Decision Matrix

Investment Size	Is it approved in the Work Plan?	IDG composition
up to AUD \$250,000	Yes	Senior Management Team of KOMPAK.
up to AUD \$250,000	No	Senior Management Team of KOMPAK plus one DFAT representative.
over AUD \$250,000	Yes	KOMPAK Senior Management Team
over AUD \$250,000	No	KOMPAK Senior Management Team, Gol representative, DFAT representative

The composition of the Investment Decision Group is designed to provide for responsiveness with accountability and the KOMPAK Chief of Program may include representatives from counterpart organisations or Gol at his/her discretion.

Investment Decision Process

The Investment Decision Process needs will be structured to ensure that it provides for adequate rigour, whilst at the same time providing for agility such that it can respond quickly to urgent requests if necessary. The Investment Decision Group will be convened by the Chief of Program on a quarterly basis and coincide with the quarterly progress meetings. It may also be convened by the Chief of Program or DFAT on an as needs basis to respond to urgent requests.

Requests for investment of funds will be tabled as a “Project Concept Note” or an “Activity Concept Note” (noting that activities are a sub-set of projects). They will be presented in a standardised two-page format and respond to specific criteria (see above).

Activity Concept Notes are the smallest level of investment funds decision making, and are required when an activity sits outside of the approved work-plan, and/or comes with a high degree of political sensitivity. Activity Concept Notes bring structure and rigour to the numerous ad hoc requests that come from within the project, and through Gol channels.

Project Concept Notes will generally be larger investments and may contain numerous activities. The Investment Decision Group will consider whether to approve the Project Concept Note to progress to Project Design. Project Concept Notes will therefore need to include a short description of how the design will be undertaken and the costs associated.

Once a Project Design is complete, it will be annexed to a **Project Approval Request** and submitted to the Investment Decision Group. KOMPAK will introduce templates to standardise designs and ensure they are digestible and consistently apply high quality standards.

7. Project Management Cycle

KOMPAK is putting in place a Project Management Cycle that will provide structure to our management and implementation, ensuring we stay on track and maintain focus. The PMC brings a consistent, predictable, and accountable process to KOMPAK’s set of projects and activities. It also ensures we reflect and learn from our work. The PMC is annual, with quarterly milestone tracking and 6-monthly reflection and refocusing exercises. The PMC is summarised in the following diagram:

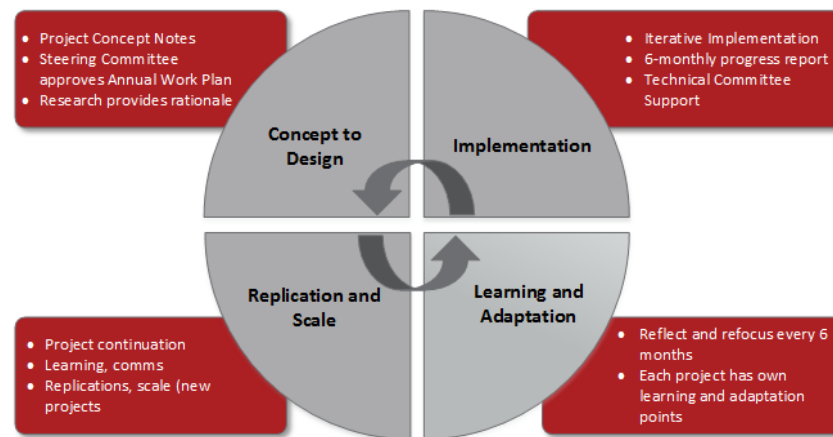


Figure 3 - Project Management Cycle

The Implementation Teams will be supported at each stage of the PMC by the Strategy, Innovation and Performance Team (SIP), the Technical Committee, and KOMPAK internal Advisors⁶.

KOMPAK institutionalises program wide iterative adaptation through a six-monthly **Reflect and Refocus Workshop** as a facilitated workshop that promotes collaborative professional dynamics and learning by bringing KOMPAK stakeholders together to review progress, share experiences, work on challenges, consolidate efforts, and adjust priorities. Reflect and Refocus workshops may at times be conducted for the KOMPAK team, and at alternate times be conducted with staff, counterparts, DFAT and beneficiaries.

Quarterly implementation milestones and KPI tracking reports and meetings will enable KOMPAK to ensure delivery of outputs on time and within budget while enabling the application of a robust quality assurance process on an ongoing basis.

Accountability and Reporting

The **KOMPAK Strategy** sits at the apex of our Program Management Cycle. It provides the Strategic Outcomes Framework describing what success looks like and how it will be measured at the Outcomes level and also defines the key program boundaries regarding geography and expenditure, the Governance Arrangements, Risks, risk mitigation and risk management approach.

This **KOMPAK Annual Work Plan** elaborates upon the KOMPAK Strategy. Part A of the Work Plan will present the Operational Framework and Part B will provide detailed implementation information and scheduling regarding planned projects, performance indicators and measurement tools. The Operational Framework provides the over-arching KOMPAK approach to implementation, and the Program Outcomes Framework. The Annual Work Plan is informed by monitoring and evaluation findings and analysis, and is shaped by way of an annual work planning workshop and series of consultations.

The **KOMPAK Progress Reports** are issued six-monthly and provide an update on how KOMPAK is tracking against their planned implementation schedule and budget, the operating context, and also reports on findings emerging from monitoring and evaluation activities. It will describe how KOMPAK is progressing towards achieving outcomes, and where changes may be required to reach targets. Our Progress Reports will answer key AQC questions for DFAT.

KOMPAK Activity and Project Reports are used by line managers, and KOMPAK Senior Management Team for accountability and progress monitoring purposes. They will be issued to Line Managers and collated across outcome areas for progress reports. They will provide essential tracking information

⁶ Annex 4 provides an overview of how the Project Management Cycles links with reporting and annual planning processes.

and act as an early warning to the Senior Management Team in case of emerging problems. Terms of Reference for individual personnel are linked directly through the Strategic Outcomes Model, articulating the contribution being made to the activity, project and outcome levels.

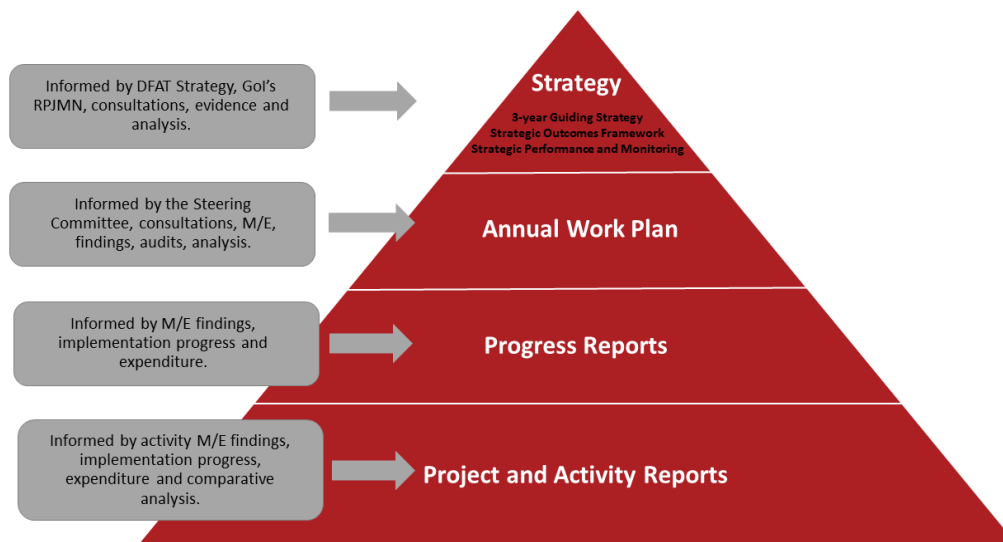


Figure 4 – Accountability and Reporting

8. Risk Management

Ultimate responsibility for ensuring appropriate risk management processes are applied rests with the KOMPAK Contractor Representative. Implementation of the Risk Management Plan will be led on a day-to-day basis by the Chief of Program with delegated accountability to KOMPAK staff (directors and managers). KOMPAK has developed a comprehensive Risk Register⁷ that outlines key partnership, GOI engagement, programmatic, as well as operational risks. The register will be reviewed and updated on a monthly basis and used to inform routine work planning and day-to-day implementation. The risk register is accompanied by an internal risk management plan. Together these documents will be used as a key management tool for KOMPAK's Senior Management team and will be central to on-going strategic discussions and joint decision-making related to the Facility.

9. Communications

KOMPAK has developed a Communications Strategy that will be continually updated throughout the lifetime of the Facility and is grounded in the following objectives:

- Establishing awareness and understanding of KOMPAK programs to internal and external audiences through appropriate methods and tools;
- Deepening collaboration with relevant stakeholders to gain and maintain support in order to meet KOMPAK's goals;
- Building a positive perception of KOMPAK by demonstrating and communicating progress, successes, lessons and results from KOMPAK's work;

⁷ KOMPAK's Risk Register and Risk Management Plan are attached as Annexes 5 and 6 respectively.

- Assisting KOMPAK to effectively and purposefully engage with the GoI, DFAT and other key stakeholders;
- Working with key stakeholders to maintain a Knowledge Management Platform.

The key messages to be communicated to stakeholders at all levels are that:

- KOMPAK's role is to support GoI programs to reduce poverty and inequality in Indonesia through various projects, activities and implementation instruments;
- KOMPAK strongly values partnerships and working collaboratively with other DFAT-funded Facilities and Investments in this regard;
- Gender and social inclusion are central to the KOMPAK's approaches.

The Communications team will work closely with an internal knowledge management team and a Knowledge Management (KM) Strategy will be developed and operationalized in 2016.

10. Value for Money Policy

KOMPAK views value for money as the maximizing of the impact of each dollar spent towards achieving desired outcomes. KOMPAK provides training and tools to all staff to enable them to make sound VfM assessments. Through its systems and processes, KOMPAK has adopted and will enforce the following key principles of the organization's VfM approach as follows:

- **Activity Outcomes:** All activities, missions, travel are justified by activity outcomes and then by other criteria;
- **Cost Consciousness:** KOMPAK always considers the outcomes required and only then investigates the possible options available to realise these outcomes;
- **Economy, Efficiency and Effectiveness:** KOMPAK ensures that inputs bought are of the appropriate quality and priced at the right price whether procured by the organization or by its agents, that inputs are used to deliver required outputs in the best way possible and that outputs from an activity are geared towards contributing to the desired outcomes in the best way possible;
- **Proportionality:** All KOMPAK activities are modelled upon desired activity outcomes so they are not insufficient to achieve outcomes, nor too large that there is unused capacity;
- **Accountability & Transparency:** KOMPAK's staff are accountable for the performance outcomes of all of activities while avoiding conflicts of interests;
- **Encouraging Competition:** KOMPAK prefers open-competition for all procurements and will avoid sole-sourcing to the greatest extent possible;
- **Experimentation & Innovation:** KOMPAK acknowledges that there is no single path towards achieving VfM for any given activity; KOMPAK processes and systems allow staff to challenge established ideas and methods and to propose new and more effective approaches where applicable.

PART B: IMPLEMENTATION PLAN

11. The Operating Context

The operating context⁸ for 2015 has been influenced by the high expectations placed on President Jokowi's leadership and administration, coupled with the challenging reality of setting up a new administration under a coalition government.

Pressure for the President to "deliver" economic and legal reforms will continue into 2016 as Indonesia continues to face a number of challenges to poverty reduction and economic growth. A rising number of Indonesia's poor, a tighter fiscal space, and, concerns of weakening of support for Jokowi by the political elite, may all impact on a period of further institutional uncertainty.

This context brings forth medium-term challenges to a development Facility like KOMPAK. As noted by KOMPAK's Strategic Advisory Team, KOMPAK has an ambitious agenda. It is trying to facilitate increased levels of effective planning, delivery and implementation of public services across many levels of government. Institutional uncertainty, power bargaining and elite capture of reform processes all need to be navigated carefully.

12. Identified Priorities for 2016

Informed by internal reflection, as well as feedback from the SAT and DFAT, the KOMPAK Senior Management Team has identified the following key priorities for 2016:

- Strengthening KOMPAK's engagement with the GoI
- Establishing and operationalizing KOMPAK's Governance Structure
- Improving the management and use of embedded technical advisors
- Developing an outcomes-oriented culture in KOMPAK and its partners
- Institutionalising consistent and high-quality systems and processes in KOMPAK
- Developing KOMPAK's economic development portfolio to fulfill Outcome 3

Strengthening KOMPAK's engagement with the GoI

KOMPAK is designed to support the GoI to achieve its development aims. It is therefore critical for the KOMPAK team to possess real and effective working relationships with GoI counterparts working within relevant Ministries. Our selection of human resources prioritises the ability to build effective working relationship with GoI, and we are developing a GoI Engagement Strategy. However, KOMPAK is a relatively new Facility and relationship building takes time. Throughout 2016, the Senior Management Team will prioritise implementation of the strategy, strengthen our team capability, and ensure regular reflection and learning to inform our approach.

Establishing and operationalizing KOMPAK's Governance Structure

The KOMPAK Governance structures (see chapter 3) are not formalised. The Steering Committee and the Technical Committee have not yet met to provide high level direction setting and endorsement for current projects. Given the close engagement between KOMPAK and the GoI across numerous Ministries; bilateral senior backing provides the mandate for KOMPAK project implementation. It is hoped that these Governance arrangements will be functioning by the end of 2015 as this will provide

⁸ See Annex 9 for more details on the operational context.

further clarity to KOMPAK, including on the allocations of resources. Throughout 2016, the KOMPAK Senior Management Team will continue to provide support to DFAT and GoI in establishing and maintaining these key structures.

Improving the management and use of embedded technical advisors

The KOMPAK Facility integrated a number of pre-existing initiatives under its umbrella, including numerous embedded technical advisers that were attached to other programs. KOMPAK has been progressively introducing greater managerial control over the embedded TA in order to introduce and strengthen a consistent direction, and define more clearly the contribution that each TA makes to the KOMPAK outcomes. Throughout 2016, the KOMPAK Senior Management Team will focus attention on further integration and more disciplined management of embedded TA.

Developing an outcomes-oriented culture in KOMPAK and its partners

KOMPAK has united a number of diverse teams, projects and approaches under a single Facility, but work remains to be done in developing and embedding a unified organisational culture. Throughout 2016, the Senior Management Team will make determined efforts to promote an outcomes-orientated organisational culture in order to unify the team and ensure we are all heading in the same direction. The development of this Work Plan, together with the guidance provided by the Strategic Advisory Team, has contributed to pursuing this priority to date. In 2016, this will continue through the six-monthly Reflection and Refocus workshops, the monitoring and tracking of project milestones on a quarterly basis and the application of research and analytics in evidencing KOMPAK's Theory of Change and project interventions.

Institutionalising consistent and high-quality systems and processes in KOMPAK

As a relatively new project, and because of the inheritance of numerous other programs (and the diverse ways of working they bring), KOMPAK continues to develop, strengthen and bed down our organisational systems and processes. The Senior Management Team understand the importance of ensuring effective and efficient systems and processes, and will be actively promoting them throughout 2016.

Developing KOMPAK's economic development portfolio to fulfill Outcome 3

The economic development portfolio is in its infancy and will require leadership and support to ensure it develops a robust set of projects that achieve the EOFO. The Senior Management Team will invest energy to ensure that work towards defining this portfolio, and putting substance around it, continues to gather pace throughout 2016. This Work Plan includes a number of activities that are in the early stages of discussion with the GoI. At this time, the Work Plan has primarily included the design of activities. If they proceed to implementation, the Work Plan will be updated to reflect the activities and tasks.

13. 2016 Project Portfolio

The diagram below demonstrates how our project portfolio contributes to the desired EOFOs. Each project consists of a number of activities, an organising approach that allows Projects to shift, reduce or add activities depending upon the relative success of the various implementation instruments selected to deliver an activity output.

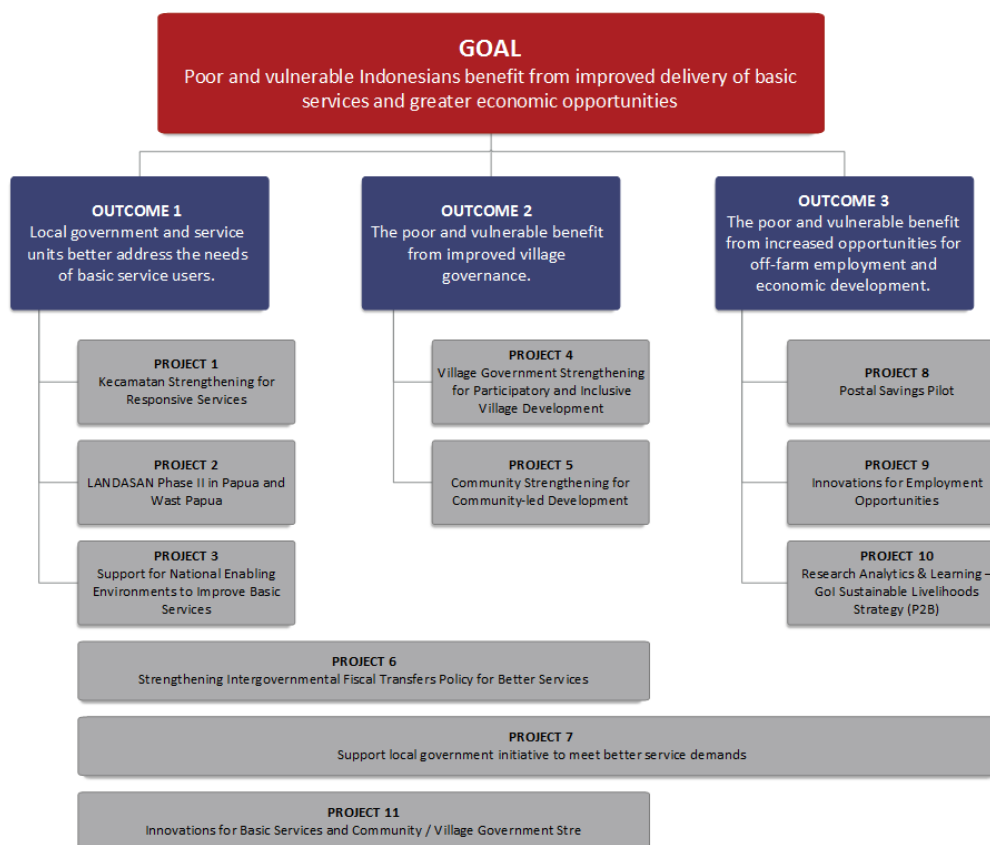


Figure 5 - KOMPAK's Projects

KOMPAK recognises that many of the above projects contribute to the achievement of more than one EOFO; in the above diagram, the projects have been grouped to align with those EOFOs that they *most* make a contribution towards. This will assist the project team to maintain a clear line of sight between their project inputs and the outcomes they are aiming to achieve.

Each project has a project team and comprises of activities each of which may be implemented by different KOMPAK Units⁹.

The following chapters provides a high level overview of each of the projects and the associated budgets and performance indicators, organised by the EOFO that the projects most contribute to.¹⁰

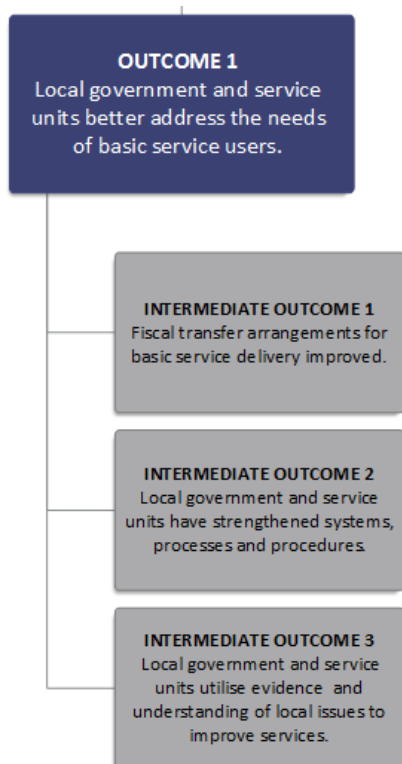
14. EOFO 1 - Local government and service units better address the needs of basic service users

Under this Outcome area, KOMPAK will help the government close key accountability loops for better service delivery. KOMPAK will combine informed experimentation, as well as regulatory and incentive reforms to re-align incentives and build the systems needed to better finance and manage performance of service delivery units. KOMPAK will support the government to clarify objectives and build in performance management monitoring, so that service providers become accountable for service delivery.

⁹ A description of KOMPAK's organizational structure and corresponding functions can be found at Annex 2.

¹⁰ Annex 7 sets out the implementation Gantt chart for each project where details of proposed activities for 2016 can be found.

Theory of Change



As in the diagram, there are three Intermediate Outcomes that KOMPAK believes play a critical role in achieving EOFO 1 and the Theory of Change is that:

- Increased facility-level budget flexibility will lead to more efficient service delivery;
- Improved quality, accessibility and accountability will lead to greater uptake of services;
- Performance contracts increase both supply and demand of services;
- Increased monitoring of service delivery through ICT will improve performance;
- Legal identity will increase access to social assistance by the poor;
- More timely data and feedback loops will lead to service improvements;
- Performance-based incentives will improve quality and coverage of services; and,
- Clearer accountabilities and aligned incentives between different levels of government will improve service delivery.

Figure 6 – EOFO 1 Intermediate Outcomes

Performance Indicators

Table 5 – DRAFT Performance Indicators for EOFO 1 Intermediate Outcomes

Intermediate Outcome	Performance Indicators
Intermediate Outcome 1: Fiscal transfer arrangements for basic service delivery improved.	<ol style="list-style-type: none"> 1. Improved quality of expenditure on basic services by target districts (multi-year and annual estimates) 2. Improved alignment of regulations for intergovernmental fiscal transfers for service delivery 3. Increased number of Districts adhering to mandatory budget allocation for Basic Services (health and education). 4. Increased % of districts in target areas which have improved overall PFM¹¹.
Intermediate Outcome 2: Local government and service units have strengthened systems, processes and procedures.	<ol style="list-style-type: none"> 1. Increase in number of districts aligning their human resourcing to required functions. 2. Increased number of districts collecting and utilising data to inform decisions. 3. Increase in % of districts applying merit based standard operating procedures to manage human resources.

¹¹ KOMPAK will report against DFAT GSD's indicator on "Percentage and number of districts in which DFAT contributed to improvements in public financial management".

KOMPAK will report against the indicator "Number of districts with improved service delivery practices and policies" adopted by DFAT GSD

	4. Increased number of forums and or mechanisms for communication and feedback between district agencies and service units.
Intermediate Outcome 3: Local governments and service units utilise evidence and understanding of local issues to improve services	<ol style="list-style-type: none"> 1. Feedback mechanism in place and informs local and national policy making. 2. Increased number of Districts and Service Units that have improved institutional and organisational capacity (SOPs) to better address frontline service needs.

Projects

There are four projects that primarily contribute to the achievement of EOFO 1, a summary of each is presented here and the implementation of each is presented as a Gantt chart in the Annexes¹².

- Project #1: Kecamatan Strengthening for Responsive Services.
- Project #2: LANDASAN Phase II in Papua and West Papua.
- Project #3: Support for National Enabling Environments to Improve Basic Services.
- Project #6: Strengthening Intergovernmental Fiscal Transfers Policy for Better Services (Contributes to both EOFO 1 and EOFO 2).

Table 6 - Project #1 Summary

Project #1: Kecamatan Strengthening for Responsive Services. (AUD 2,368,800)	
Project Description	<p>This project supports the GOI to pilot innovations in Kecamatan strengthening and social accountability. Ten districts have been selected to take part in the GOI frontline services pilot for 2016. More specifically this project will:</p> <ul style="list-style-type: none"> • Assist the GoI ensure that government, service delivery units and communities work collaboratively to remove bottlenecks and increase efficiencies for more accessible and higher quality basic services (health, education, and legal identity). • Develop appropriate tools and / or mechanisms to test social accountability at the service unit. This will enable communities to be actively involved with providers through feedback mechanisms to ensure service providers are accountable for the delivery of services. KOMPAK will build on the smart practices around citizen participation in ensuring quality of services introduced through other programs such as KINERJA, LOGICA and ACCESS. Activities under this project will raise community awareness of their rights to basic services and support their involvement in addressing many of the bottlenecks at the service unit (school, clinic etc.). • Provide input and advice to the regulatory framework regarding the role of the Kecamatan to support more responsive service units and encourage achievement of quality basic services.
Timeframe	Multi-Year (Frontline Service Delivery pilot is in RPJMN 2015-19)
GoI Policies Supported	RPJMN 2015-2019; UU 23/2014; UU 6/2014; PP 19/2008; UU 5/2014.

¹² Annex 7 sets out the implementation Gantt chart for each project.

Partners	MoHA, MoF, MoV, IPDN, local governments, Pulse Lab, KOMPAK Strategic Partner (TBD), Bappenas, Mahkamah Agung.
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> Local government and service units have strengthened systems, processes and procedures (Intermediate Outcome 2). Local government and service units utilise evidence and understanding of local issues to improve services (Intermediate Outcome 3).
Level of Intervention	National, Province, Districts, Sub-districts, Village
Geographic Coverage	Aceh (Bireun, Bener Mariah, Aceh Barat); Central Java (Pemalang, Pekalongan, Brebes), South Sulawesi (Bantaeng, Pangkajene Kepulauan), NTB (Lombok Utara, Lombok Timur)
Key Outputs for 2016	<p>National, District and Sub-district:</p> <ul style="list-style-type: none"> Results of Kecamatan Study (underway) and Legal Identity-CRVS study (underway) incorporated into PP 19/2008 on Kecamatan <p>Province, District, Sub-district and Village:</p> <ul style="list-style-type: none"> Sub-national team (facilitation structure) established and functioning; <p>District, Sub-district and Village:</p> <ul style="list-style-type: none"> Baseline Data Collection and Monitoring-Evaluation Framework for Frontline 10 district pilot completed; <p>District and Sub-districts:</p> <ul style="list-style-type: none"> Regulation on delegation of authority to Camat is drafted

Table 7 - Project #2 Summary

Project #2: LANDASAN Phase II in Papua and West Papua. (AUD 824,300)	
Project Description	<p>This project supports improvements in frontline service delivery in Papua and West Papua by performing direct interventions with key frontline units, as well as facilitating vertical integration and coordination between the Local Government (District and Sub-District) and the village level in terms of development planning and budgeting. The project has a focus on health, education, legal identity and village development. This project will:</p> <ul style="list-style-type: none"> In early 2016 conduct extensive consultation with provincial and district governments to ensure the design of Landasan Phase 2 is in line with the local context, local government priority programs, and the regulatory environment. Continue the effective practices that were developed under the first phase of the Landasan program, with additional focus on Monitoring and Evaluation and Quality Assurance of implementation. This will increase the ability to identify capacity development gaps and target capacity development activities where they are most needed.
Timeframe	Multi-Year

GoI Policies Supported	UU 23/2014; UU 6/2014; UU 25/2009
Partners	Bappenas, MoV, Provincial and District governments, village governments, KOMPAK implementing partner
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> Local government and service units have strengthened systems, processes and procedures (Intermediate Outcome 2). Local government and service units utilize evidence and understanding of local issues to improve services (Intermediate Outcome 3). Community have capacity to articulate and advocate their priorities (Intermediate Outcome 6).
Level of Intervention	Province, District, Sub-district, Village
Geographic Coverage	Papua (Jayapura, Merauke, Supiori) West Papua (Manokwari, Kaimana, Fakfak)
Key Outputs for 2016	Provincial, District, Sub-district, and Village: <ul style="list-style-type: none"> Redesign of Landasan completed and endorsed by Provincial Government; Landasan team / implementing partner engaged and implementation underway.

Table 8 - Project #3 Summary

Project #3: Support for National Enabling Environments to Improve Basic Services. (AUD 2,314,000)	
Project Description	<p>This project will help the GoI to strengthen decentralised government structures, systems, and processes to enable improved basic service delivery through support to national policies. This project will focus on:</p> <ul style="list-style-type: none"> Minimum Service Standards (MSS) for basic services; this includes supporting the national agenda to implement MSS for GoI services across the country. Activities will support the MSS Joint-Secretariat in Ministry of Home Affairs (MOHA) to fulfil two important functions: (1) coordination and operationalization of MSS agenda across sector Ministries (e.g. MOH, MOE, MOSA); (2) technical resource hub for sub-national governments to develop and monitor local development planning on MSS. Improving the policy on Public Financial Management at the national level and strengthening of PFM systems and processes at the districts, sub-districts and frontline service units (planning, budgeting and monitoring). Bureaucratic Reform (BR) at the service unit (reform through the bureaucracy), with a focus on performance of human resources. Supporting the national regulation on local innovation, as a trigger to improve competitiveness in basic service improvement.
Timeframe	Multi-Year
GoI Policies Supported	UU 25/2009; UU 23/2014; UU 5/2014; PP 56/2005 (with some amendment in PP 65/2010); PP 58/2005; PP 65/2005; PP 19/2008; Presidential Decree 2/2015 on National Development Plan 2015-2019
Partners	Bappenas, MoHA, MoF, Ministry of Civil Service and Bureaucratic Reform, local governments

Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> ● Local government and service units have strengthened systems, processes and procedures (Intermediate Outcome 2). ● Local government and service units utilize evidence and understanding of local issues to improve services (Intermediate Outcome 3).
Level of Intervention	National, District, Sub-district
Geographic Coverage	Bappenas frontline pilots (Aceh, Sulawesi Selatan, Jawa Tengah) and KOMPAK dedicated regions (NTB and Jawa Timur)
Key Outputs for 2016	<p>National:</p> <ul style="list-style-type: none"> ● A functioning MSS Joint-Secretariat ● Final modules of the pro poor planning, budgeting and monitoring, and draft of strategic plan for scaling up ● Final draft MoF decree on result-based monitoring and evaluation for specific transfers ● Deployment and system enhancement for the Regional MIS ● Policy recommendation on draft of Government Regulation on local innovation ● <p>National and District:</p> <ul style="list-style-type: none"> ● KOMPAK PFM and Governance strategy developed (outlined key intervention areas) <p>District and Sub-district:</p> <ul style="list-style-type: none"> ● Final model of competency-based system at frontline services ● Establishment of coalition of visionary leaders

Table 9 - Project #6 Summary

Project #6: Strengthening Intergovernmental Fiscal Transfers Policy for Better Services. (AUD 597,400) (Contributes to both EOPO 1 and EOPO 2).	
Project Description	<p>One of Gol's priority objectives with decentralization is to bring the government closer to the people. The recent reforms of the Local Government and the Village law are clearly reflecting this priority and these reforms have significant consequences for the fiscal capacities, frontline service delivery governance and human resource management at the district and at the village level.</p> <p>This project will provide support to the Gol on strengthening policies on intergovernmental fiscal transfers, particularly on specific transfer allocations that are linked to basic service delivery, the performance-based incentive fund and the village fund to ensure that allocations are increasingly needs and performance-based. In 2016, this project will support the Gol on regulatory and incentive reforms needed for:</p> <ul style="list-style-type: none"> ● Better financing and performance management of service delivery units. ● Ensuring that appropriate systems and structures are in place for the efficient flow of funds. ● Helping the central government ensure accountability for the use of village funds at the local government levels.

Time frame	Multi Year
GoI Policies Supported	UU 33/2004, UU 23/2014, UU 6/2014
Partners	MoF, MoHA, MoV, Bappenas, local governments
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> ● Fiscal transfer arrangements for basic service delivery is improved (Intermediate Outcome 1). ● Village governments are using evidence and understanding of local needs to make village development decisions (Intermediate Outcome 4).
Level of Intervention	National and District governments (for piloting)
Geographic Coverage	KOMPAK dedicated regions (NTB and Jawa Timur) and Bappenas frontline service pilot (Aceh, Jawa Tengah and Sulawesi Selatan) for piloting and demonstrations
Key Outputs for 2016	<p>National:</p> <ul style="list-style-type: none"> ● Input to academic Note for revision Law 33/2004 ● Input to Draft revision Law 33/2004 ● Policy recommendations on DAK governance, performance-based incentive fund and village fund ● Monitoring tools on village fund disbursement reporting system ● Monitoring Report on the implementation of village fund 2015 <p>National and District:</p> <ul style="list-style-type: none"> ● Input to recommended formula and mechanism of village funds from DD and ADD <p>District:</p> <ul style="list-style-type: none"> ● Model of performance-based incentive ready to be promoted to pilot project ● Draft Peraturan Bupati on the PFM implementation on village fund for 2017

15. EOFO 2 - The poor and vulnerable benefit from improved village governance

Under this Outcome area KOMPAK will help the GoI establish community and village structures to promote and support community driven development. KOMPAK will work with the GoI to ensure the appropriate systems and structures are in place to ensure that village funds are delivered, local governments are held accountable, and communities benefit from greater access to basic services and economic opportunities.

KOMPAK will support the GoI to ensure that the priority implementing regulations are in place for the village law and are being implemented. KOMPAK will provide technical assistance to the GoI on critical aspects such as facilitator structures, technical infrastructure quality, village-level provision of basic services, social accountability mechanisms, community-government partnerships, and village and district government capacity.

Theory of Change

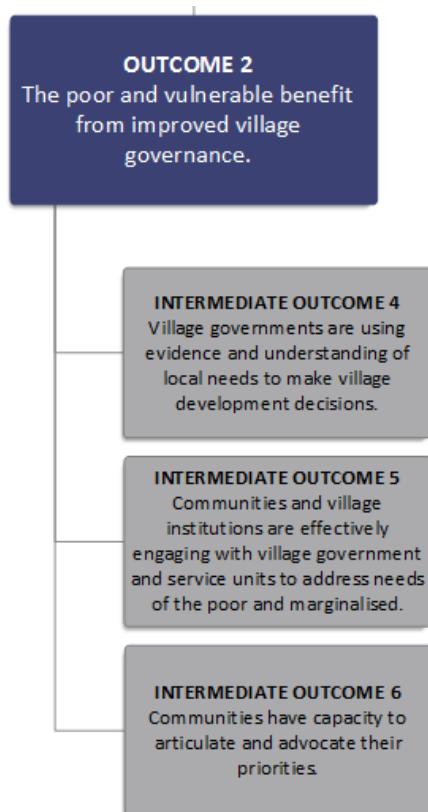


Figure 7 - EOFO 2 Intermediate Outcomes

As in the diagram, there are three Intermediate Outcomes that KOMPAK believes play a critical role in achieving EOFO 2 and the Theory of Change is that:

- Public information on village budgets will reduce corruption;
- Competitive procurement in villages will lower unit costs;
- Village utilities for private and semi-private goods (water and electricity) will increase sustainability;
- Predictability of transfers will lead to more inter-village projects;
- Reducing the unit of allocation from the Kecamatan to the village will lead to smaller projects; and
- Community and facilitator understanding of social services will improve allocations for health, education and other non-infrastructure priorities.

Performance Indicators

Table 10 – DRAFT Performance Indicators for EOFO 2 Intermediate Outcomes

Intermediate Outcome	Performance Indicators
Intermediate Outcome 4: Village governments are using evidence and understanding of local needs to make village development decisions.	<ol style="list-style-type: none"> 1. Village data (including SPM) is increasingly used in village decision meetings. 2. Increased number of approved APBDES reflect local development priorities. 3. Increased capacity for Village government to fulfill their functions and roles.
Intermediate Outcome 5: Communities and village institutions are effectively engaging with village government and service units to address needs of the poor and marginalised.	<ol style="list-style-type: none"> 1. Social accountability mechanisms in villages are increasingly integrated into village planning and implementation processes. 2. Information on village budgets and decision making is increasingly available in villages.
Intermediate Outcome 6: Communities have capacity to	<ol style="list-style-type: none"> 1. Increase in the proportion of poor and marginalized trained village cadres.

articulate and advocate their priorities.	<ol style="list-style-type: none"> 2. Increased number of village projects addressing needs and priorities of the poor and marginalized. 3. Increase in the number of people from marginalised groups, especially women, participating in policy influencing activities.
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Projects

There are three projects that primarily contribute to the achievement of EOFO 2, a summary of each is presented here and the implementation of each is presented as a Gantt chart in the Annexes¹³.

- Project #4: Village Government Strengthening for Participatory and Inclusive Village Development.
- Project #5: Community Strengthening for Community-led Development.
- Project #6: Strengthening Intergovernmental Fiscal Transfers Policy for Better Services. (contributes to both EOFO 1 and 2 – see previous chapter for the details).

Table 11 - Project #4 Summary

Project #4: Village Government Strengthening for Participatory and Inclusive Village Development. (AUD 1,752,400)	
Project Description	This project supports the GoI as it establishes the regulatory framework and foundations for implementation of Village Law. This project will support the core village government structures and systems to enable inclusive village development. The project works primarily with the Directorate for Village Development in the Ministry of Home Affairs and complements capacity strengthening of village and sub-district governments with analytics on the situation on the ground, and support to government to test scalable tools for improved village oversight and support.
Timeframe	Multi-Year
GoI Policies Supported	UU 6, UU 23 (div of authorities), UU 5 (competencies)
Partners	Bina Pemdes and MOV. Support Partners: PSF, KSI, KSI, and CSO networks (through MAMPU, PEDULI, PEKKA).
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> • Village governments are using evidence and understanding of local needs to make village development decisions (Intermediate Outcome 4).
Level of Intervention	National, Province, Sub-district, Village.
Geographic Coverage	NTB, East Java, plus 10 provinces for tools testing (TBD).
Key Outputs for 2016	National: <ul style="list-style-type: none"> • Support to GoI Village Law Road Map • Strategy designed for village strengthening, including support from sub-district government (together with Bina Pemdes). • Technical support provided to MOHA and MOV to draft implementing regulations under Village Law.

¹³ Annex 7 sets out the implementation Gantt chart for each project.

	<ul style="list-style-type: none"> ● Socialization materials for Village Law completed and socialized for use by Gol line ministries and CSO partners. ● SMS Policy Tool tested in 10 provinces to provide real time information from village governments to Bina Pemdes on implementation status and updates. <p>Province:</p> <ul style="list-style-type: none"> ● Pilot of provincial-based capacity development support and oversight to village government (with Bina Pemdes) <p>National and Village:</p> <ul style="list-style-type: none"> ● Web-based game simulating Village Law finalized and used in more than 10 provinces as a post training and capacity assessment tool (with Bina Pemdes). <p>Village:</p> <ul style="list-style-type: none"> ● Study completed on village leaders’ perceptions and experiences of Village Law implementation.
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Table 12 - Project #5 Summary

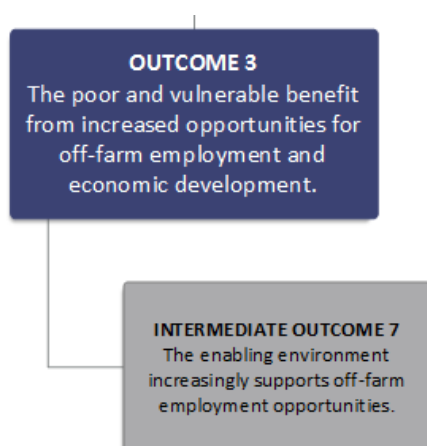
Project #5: Community Strengthening for Community-led Development. (AUD 1,421,200)	
Project Description	<p>This project works with community cadres, local organizations and village institutions to support women and the most marginalized to engage in and benefit from community-led development. It aims to contribute towards RPJMN targets for poverty reduction and inclusion. The project:</p> <ul style="list-style-type: none"> ● Supports national government to institutionalize the principles of community driven development in to the Village Law regulatory framework; with a focus on learning from the field; ● Supports both formal and informal community structures to strengthen engagement of communities – particularly women and the most marginalized – with their village governments to promote transparent, accountable and community-led village planning and development.
Timeframe	Multi-Year
GoI Policies Supported	RPJMN targets related to poverty reduction and inequalities, and implementation of Village Law
Partners	BinaPemdes and Ministry of Village Support Partners: PSF, KSI, KSI, TNP2K, CSO networks through MAMPU, PEDULI, PEKKA and KSI), BAPPENAS, PMK, LSP.
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> ● Village governments are using evidence and understanding of local needs to make village development decisions (Intermediate Outcome 4). ● Communities and village institutions are effectively engaging with village government and service units to address needs of the poor and marginalized (Intermediate Outcome 5). ● Community have capacity to articulate and advocate their priorities (Intermediate Outcome 6).
Level of Intervention	National, Province, District, Village,

Geographic Coverage	Aceh, East Java, West Java, Central Java, NTB, NTT, West Kalimantan, Central Sulawesi.
Key Outputs for 2016	<p>National:</p> <ul style="list-style-type: none"> ● Support to MoV to develop training modules for technical training on village led infrastructure. ● Technical support to MOHA and MOV to draft implementing regulations under Village Law. ● Study completed on women in Village law Year One. <p>National and Village:</p> <ul style="list-style-type: none"> ● Support to MoV to develop and socialize 6 technical books on village-led infrastructure. ● Support to Bina Pemdes' strategy for strengthening Village Councils (BPDs). <p>Province:</p> <ul style="list-style-type: none"> ● Training Academy (PEKKA Akademi) for training of cadres established. <p>District, Sub-district, Village:</p> <ul style="list-style-type: none"> ● Social accountability and community monitoring tools developed and tested in more than 4 provinces (including NTB and East Java). <p>District and Village:</p> <ul style="list-style-type: none"> ● 420 female cadres trained in 7 provinces. <p>Village:</p> <ul style="list-style-type: none"> ● Study conducted on perceptions and experiences of marginalized communities under Village Law.

16. EOFO 3 - The poor and vulnerable benefit from increased opportunities for off-farm employment and economic development

Under this Outcome area, KOMPAK will help the GoI increase economic opportunities for the poor by increasing options for community-based livelihoods and employment opportunities including off-farm employment. KOMPAK will work with the government to improve the sustainable livelihoods strategy. KOMPAK will work with the GoI, communities, and the private sector to trial a number of frontline, non-distorting experimental activities to expand information about economic opportunities and the poor's access to them.

Theory of Change



As in the diagram, there is 1 Intermediate Outcome that KOMPAK believe plays a critical role in achieving EOFO 3 and the Theory of Change is that:

- More job opportunity information will increase off-site job seeking;
- Community childcare facilities will lead to more employment by women;
- Mobility grants will lower risks and increase job seeking by poorest quintiles;
- Off-farm employment for women increases household investment in their health and education;
- Off-farm employment increases total household welfare against comparators (home-working and farm labour); and
- Off-farm employment increases investments in children’s education.

Figure 8 - EOFO 3 Intermediate Outcomes

Performance Indicators

Table 13 – DRAFT Performance Indicators for EOFO 3 Intermediate Outcomes

Intermediate Outcome	Performance Indicators
Intermediate Outcome 7: The enabling environment increasingly supports off-farm employment opportunities.	<ol style="list-style-type: none"> 1. An increased number of households have financial security through diversification of income and employment. 2. Savings opportunities available to the poor and vulnerable have increased and are effective.

Projects

There are three projects that primarily contribute to achievement of EOFO 3, a summary of each is presented here and a Gantt chart is presented in the Annexes¹⁴.

Table 14 - Project #8 Summary

Project #8: Postal Savings Pilot (AUD 700,000)	
Project Description	The GoI and PT Pos Indonesia are piloting a new initiative to encourage the use of postal savings accounts and accounts-based mobile financial services for the poor and near poor in 30 districts across 6 provinces of Indonesia. The long-term objective of the pilot is to promote economic opportunities through accessing a savings function at the local post office (at the sub district level). The GoI is seeking support from KOMPAK to:

¹⁴ Annex 7 sets out the implementation Gantt chart for each project.

	<ul style="list-style-type: none"> Promote and enhance the demand side, as an integral part of the Postal Savings Pilot. Activities proposed include: technical assistance, capacity building, developing evidence base through piloting demand side initiatives with civil society organization and developing monitoring and evaluation mechanism. Initial discussions have taken place between KOMPAK and GoI, however further design work and consultation is needed.
Time Frame	Multi Year
GoI Policies Supported	RPJMN targets related to poverty reduction and inequalities, and implementation of Village Law
Partners	Bappenas, PT Pos Indonesia, OJK, GIZ
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> The enabling environment increasingly supports off-farm employment opportunities (Intermediate Outcome 7).
Level of Intervention	National, Sub-district and Village
Geographic Coverage	Pilot is operating in 6 Provinces
Key Outputs for 2016	<p>National</p> <ul style="list-style-type: none"> Design for demand side intervention completed (first quarter) <p>Sub-district and Village</p> <ul style="list-style-type: none"> Implementing partners engaged (April 2015) Pilot underway (May/June)

Table 15 - Project #9 Summary

Project #9: Innovation for Employment Opportunities (AUD 400, 000)	
Project Description	<p>This project will work with the GoI, communities, and the private sector to trial a number of frontline, non-distorting experimental activities to expand information about economic opportunities and the poor's access to them. It will trial a number of innovations and compare results, including:</p> <ul style="list-style-type: none"> The use of ICT for Information campaigns Together with the MAMPU program develop a childcare pilot, funded from village funds to allow women to enter/re-enter the labor market. Support to the GoI vocational training centers trialing interventions to maximize their effectiveness Work with both communities and employers to identify constraints and apply solutions to making labour markets work for the poor. Scoping for opportunities to support increase labor mobility (may include design and piloting of an activity to enhance the benefits for the poor of domestic and international migration.
Time Frame	Multi Year
GoI Policies Supported	RPJMN targets related to poverty reduction and inequalities, and implementation of Village Law

Partners	Bappenas, Ministry of Labor (including District vocational training centers), Private Sector
Contributes to Outputs	<ul style="list-style-type: none"> • The enabling environment increasingly supports off-farm employment opportunities (Intermediate Outcome 7).
Level of Intervention	Province, District, Village
Geographic Coverage	TBD
Key Outputs for 2016	<p>Province</p> <ul style="list-style-type: none"> • Technical Assistance in place <p>National and District</p> <ul style="list-style-type: none"> • Design for employment BLK intervention complete <p>National and Village</p> <ul style="list-style-type: none"> • Design of Child Care pilot complete

Table 16 - Project #10 Summary

Project #10: Research, Analytics and Learning - GoI Sustainable Livelihoods Strategy (P2B) (AUD 850, 000)	
Project Description	Under KOMPAK's strategy to help the GoI increase economic opportunities for the poor KOMPAK will work with the government to improve its sustainable livelihoods strategy, with a particular focus on ensuring a robust mechanism for documenting and evaluating results and lessons learned. KOMPAK will support the GoI to conduct analysis of what approaches are working under the P2B strategy, document lessons learned and develop the appropriate tools to support design improvement. KOMPAK will also provide technical and operation support for implementation of the strategy.
Time Frame	Multi Year
GoI Policies Supported	RPJMN targets related to poverty reduction and inequalities, and implementation of Village Law.
Partners	Bappenas, MoV, Ministry of Labor, Ministry of Fisheries
Contributes to Outputs	<ul style="list-style-type: none"> • The enabling environment increasingly supports off-farm employment opportunities (Intermediate Outcome 7).
Level of Intervention	National, District, Village
Geographic Coverage	TBD
Key Outputs for 2016	National

	<ul style="list-style-type: none"> • Technical Assistance in place • Design for Employment component complete <p>National and District</p> <ul style="list-style-type: none"> • Review conducted of Labor and Fishery programs under P2B <p>National and Village</p> <ul style="list-style-type: none"> • Baseline Study of PKKPM completed • Process monitoring Report of field implementation Completed
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17. Cross-Cutting Projects

There are two cross-cutting projects that contribute to achievement of all three EOFOs, and most of the Intermediate Outcomes. They are the subnational project and the SIP project that supports innovation and ICT use across the program.

Projects

Table 17 - Project #7 Summary

Project #7: Support for local Governments to better meet service needs (AUD 1,250,000)	
Project Description	<p>KOMPAK has established a modest presence in NTB and East Java Provinces. KOMPAK will work closely with the respective provincial governments to support innovation and coordination of their frontline service delivery and economic opportunity agendas. The objectives of this project are twofold:</p> <ul style="list-style-type: none"> • to support locally-led initiatives, including support for the promotion and replication of innovations in service delivery. • in addition to supporting the sub-national governments in meeting their relevant development priorities in frontline services and economic opportunities, the sub-national work, is also intended to inform our assistance around policy advisory and policy dialogues at the national level – including work with individual and or inter-ministerial ministries.
Time Frame	Multi Year
Goal Supported	RPJMN targets related to poverty reduction and inequalities, and implementation of Village Law.
Partners	Bappenas, Provincial & District governments, service delivery units, Local CSOs, universities and other non govt or private or organizations.
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> • Fiscal transfer arrangements for basic service delivery improved (Intermediate Outcome 1). • Local government and service units have strengthened systems, processes and procedures (Intermediate Outcome 2). • Local government and service units utilise evidence and understanding of local issues to improve services (Intermediate Outcome 3).

	<ul style="list-style-type: none"> ● Village governments are using evidence and understanding of local needs to make village development decisions (Intermediate Outcome 4). ● Communities and village institutions are effectively engaging with village government and service units to address needs of the poor and marginalized (Intermediate Outcome 5). ● Communities have capacity to articulate and advocate their priorities (Intermediate Outcome 6). ● The enabling environment increasingly supports off-farm employment opportunities (Intermediate Outcome 7).
Level of Intervention	Province, district, sub-districts and villages
Geographic Coverage	East Java (Lumajang, Bondowoso & Pacitan districts) & NTB (Lombok Utara, Lombok Timur and Lombok Barat districts)
Key Outputs for 2016	<p>Province</p> <ul style="list-style-type: none"> ● Innovation hub established <p>District</p> <ul style="list-style-type: none"> ● Local regulatory frameworks developed and reviewed <p>District and Sub-district</p> <ul style="list-style-type: none"> ● Local innovations for basic services identified, strengthened and replicated across districts <p>Sub-district</p> <ul style="list-style-type: none"> ● Baseline Study for new Kecamatan role ● Pilot for Kecamatan level Information system ● Integrated complaints mechanism established at Kecamatan level <p>Sub-district and Village</p> <ul style="list-style-type: none"> ● Study on BUMDES best practices conducted <p>Village</p> <ul style="list-style-type: none"> ● Study on use of village fund conducted ● Village information system pilot underway

Table 18 - Project #11 Summary

Project #11: Innovations for Service Delivery and Community/Village Government Strengthening. (AUD 350,000)

Project Description	<p>This project works with the national government and with other partners, public and private sector, to identify, pilot and assist the scale-up and replication of ICT and other innovations through the Gol or other interested parties. Projects include the Innovation Challenge Fund, the Young Innovators Program, Data to Policy Change approaches through the use of technological advances, e-learning for Village Law and Communications for better-targeted government outreach programs. This project is opportunistic as it will identify areas of concern within the KOMPAK Strategic Outcomes Framework and propose innovative approaches to test solutions in and thereafter explore a match-making approach to ensure Gol or private sector buy-in towards implementation and scale-up of successful pilots.</p>
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Time Frame	Multi Year
Goal Policies Supported	RPJMN targets related to poverty reduction and inequalities, and implementation of Village Law.
Partners	Provincial & district governments, service delivery units, PLJ, Local CSO, universities and public/private sector organizations.
Contributes to Intermediate Outcomes:	<ul style="list-style-type: none"> ● Fiscal transfer arrangements for basic service delivery improved (Intermediate Outcome 1). ● Local government and service units have strengthened systems, processes and procedures (Intermediate Outcome 2). ● Local government and service units utilise evidence and understanding of local issues to improve services (Intermediate Outcome 3). ● Village governments are using evidence and understanding of local needs to make village development decisions (Intermediate Outcome 4). ● Communities and village institutions are effectively engaging with village government and service units to address needs of the poor and marginalized (Intermediate Outcome 5). ● Communities have capacity to articulate and advocate their priorities (Intermediate Outcome 6).
Level of Intervention	National and Subnational
Geographic Coverage	National, East Java, NTB, Tanah Papua
Key Outputs for 2016	<p>National</p> <ul style="list-style-type: none"> ● New ICT framework offerings ready for deployment ● Products developed together with PLJ ● Launched call for proposals for the Young Innovators Program ● Launched call for proposals for the Innovation Challenge Fund <p>National and Sub-national</p> <ul style="list-style-type: none"> ● Selected young innovators provided with mentoring/coaching to develop prototypes and field testing of creative solutions to contribute to basic services improvements ● Selected innovation proposals provided with support for further development, prototyping, and testing

18. Budget

KOMPAK's proposed budget for 2016 is \$22.16 million. However, this is subject to approval of the Steering Committee, as well as DFAT's final Financial Year 2016/2017 funding allocations.

KOMPAK organises its budget around its Strategic Outcomes Framework. Resource allocations across the three outcomes for 2016 are proposed in Figure 9 below:

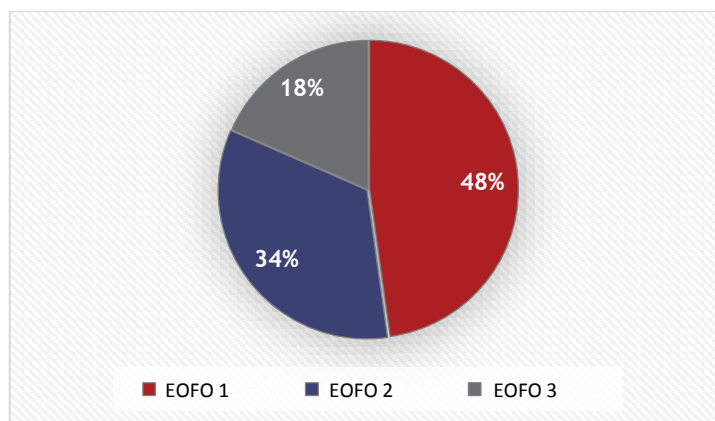


Figure 9 - 2016 Resource Allocations across EOFO Outcomes

This resource allocation across the three outcomes illustrates KOMPAK’s understanding of the respective priority areas for the facility for 2016; and recognises that EOFO 3 is at a different stage of maturity within KOMPAK. The ongoing resource allocation across the three outcomes will be endorsed or determined through the Steering Committee.

The delineation of expenditure between national and subnational level is represented in Figure 10 below:

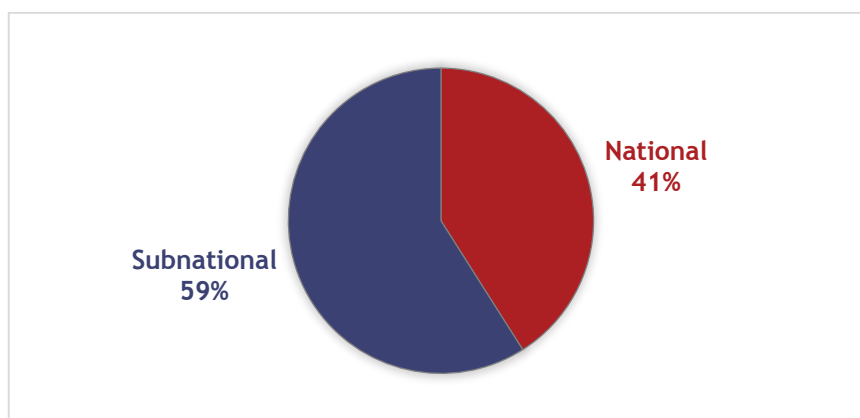


Figure 10 - KOMPAK funding allocation – National vs. Subnational

While 59% of funding is allocated to sub-national level interventions in 2016, it is envisaged that the proportion of activities at a subnational level will increase in subsequent years as KOMPAK’s interventions increasingly focus on the service unit and as Village Law implementation accelerates.

KOMPAK’s core work is divided across eleven Projects in 2016. The funding allocation across these eleven projects is proposed as follows in table 19 below:

Table 19 - KOMPAK Project Budgets (AUD)

Project No.	Project Title	Budget (AUD)	Notes
1	Kecamatan Strengthening for Responsive Services.	2,368,800	
2	LANDASAN Phase II in Papua and West Papua.	824,300	

3	Support for National Enabling Environments to Improve Basic Services.	2,314,000	
4	Village Government Strengthening for Participatory and Inclusive Village Development.	1,752,400	
5	Community Strengthening for Community-led Development.	1,421,200	
6	Strengthening Intergovernmental Fiscal Transfers Policy for Better Services.	597,400	50% allocated to Outcome 1 50% allocated to Outcome 2
7	Support for local Governments to better meet service needs.	1,250,000	40% allocated to Outcome 1 40% allocated to Outcome 2 20% allocated to Outcome 3
8	Postal Savings Pilot.	700,000	
9	Innovation for Employment Opportunities.	400,000	
10	Research, Analytics and Learning - GoI Sustainable Livelihoods Strategy (P2B).	850,000	
11	Innovations for Service Delivery and Community/Village Government Strengthening.	350,000	50% allocated to Outcome 1 50% allocated to Outcome 2

A Budget summary for KOMPAK 2016 is provided at table 20 below:

Table 20 - Budget Summary

Category	Subcategory	Subtotal (AUD)	Total (AUD)
EOFO 1			
	Projects	6,480,800	
	Core Team	1,178,650	
	SIP support costs	648,700	
	TOTAL		8,308,150
EOFO 2			
	Projects	4,147,300	
	Core Team	1,093,760	
	SIP support costs	648,700	
	TOTAL		5,889,760
EOFO 3			
	Projects	2,200,000	
	Core Team	217,300	
	SIP support costs	648,700	
	TOTAL		3,066,000
Whole of Program Support			
	Executive Team	720,000	
	Corporate Operations Backbone	2,705,000	
	SAT	120,000	
	SubNational Office Operations	1,356,000	
	TOTAL		4,901,000
GRAND TOTAL			22,164,910