



Australian Government



# WORK PLAN

2017-2018

## **Work Plan 2017-2018**

### **KOMPAK**

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This 2017–2018 work plan reflects KOMPAK’s commitment to poverty reduction in Indonesia and the enthusiasm for the program of work KOMPAK intends to implement. This work plan builds on the work conducted and lessons learned by KOMPAK at both the national and sub-national levels in 2016.

Like KOMPAK’s 2016 work plan, this work plan is presented in two parts: Part A is the updated Operational Plan and Part B is the Implementation Plan. This work plan covers an 18 month period, demonstrates closer integration between national and sub national activities and has a greater focus on sub national level implementation.

Chapters 1 to 3 present the strategic context, linking the 2017–2018 work plan to KOMPAK’s three-year guiding strategy, describing KOMPAK’s governance arrangements, and outlining KOMPAK’s Strategic Performance Framework.

Chapter 4 provides an overview of how KOMPAK will engage with government and other key partners, while Chapters 5 and 6 set forth two key strategies to operationalise KOMPAK’s commitment, including: (i) implementation instruments and approaches that enable KOMPAK to use a variety of modalities at the activity level; and (ii) a process for investment decision-making that ensures KOMPAK always remains flexible and responsive, yet strategic.

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

Chapter 8 provides an overview of KOMPAK’s approach to risk management, while Chapter 9 summarises KOMPAK’s 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. This presents the detail of the 2017–2018 work plan, including an update of the Government of Indonesia operating context, the priorities for KOMPAK’s Senior Management Team for the 18-month period ahead, a summary of the key issues to be addressed, and projects or activity groupings to be implemented in 2017–2018. The budget summary is presented in Chapter 18.

Annexes include KOMPAK’s most current Performance Indicators, details on KOMPAK’s collaboration with other DFAT-funded programs, Implementation Gantt Charts for the Projects, the Sub-national Scale-up Plan for 2017–2018 (including the operations plan) and an updated research and analytics pipeline.

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# PART A: OPERATIONAL PLAN

## 1. Introduction

KOMPAK is a partnership between the Government of Australia (GoA) and Government of Indonesia (GoI) to support the GoI's poverty reduction efforts. KOMPAK's overarching objective for its first phase<sup>1</sup> (2015–2018) is to support the Government of Indonesia (GoI) in achieving its medium-term development plan (RPJMN 2015–2019) targets of reducing poverty by improving the quality and coverage of basic services, promoting community-led development and participation of communities in governance and by increasing opportunities for off-farm employment and creation of jobs 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 organises its work around three End-of-Facility Outcomes (EOFO)<sup>2</sup> and innovations, and gender, equality and social inclusion (GESI) apply across the board.

**Table 1. KOMPAK's End-of-Facility Outcomes**

EOFO 1:	EOFO 2:	EOFO 3:
Local government and service units better address the needs of basic service users.	The poor and vulnerable benefit from improved village governance.	The poor and vulnerable benefit from increased opportunities for off-farm employment and economic development.

This 2017–2018 work plan is for 18 months, starting January 2017. It is guided by extensive consultations and joint planning between the Indonesian and Australian Governments. This includes consultations with KOMPAK's five counterpart GoI Ministries – Bappenas, Ministry of Finance (MoF), Ministry of Home Affairs (MoHA), Ministry of Villages, Remote Areas and Transmigration (MoV), and the Coordinating Ministry for Human Development and Culture; seven counterpart provincial governments (East Java, Central Java, West Nusa Tenggara, South Sulawesi, Aceh, Papua and West Papua); and KOMPAK's strategic partners – The Asia Foundation (TAF), Institute for Research and Empowerment (IRE), Centre for Child Protection at University of Indonesia (Puskapa UI), The Institute for Child Protection NTB (LPA NTB), and Empowering Female Headed Households (PEKKA). Other consultations will occur with other key stakeholders, including civil society, DFAT funded programs, and relevant implementing partners.

## 2. KOMPAK's Strategic Performance Framework

The Strategic Performance Framework articulates the End-of-Facility Outcomes that KOMPAK intends to achieve by the end of its mandate, and defines the Intermediate Outcomes (IOs) and the Inputs (projects) for 2017–2018 that will contribute towards achieving these desired changes.

A lesson learned from 2016 is that organising the Facility's interventions around the Strategic Performance Framework helps focus all key stakeholders on the outcomes to be achieved, and the *change* that is needed<sup>3</sup>. Structuring projects and activities within the framework allows for flexible investment decisions between Inputs, to seek and identify those that will contribute towards achieving the desired outcomes.

<sup>1</sup> KOMPAK is currently in its first phase (Jan 2015–Jun 2018) and there is possibility of an extension for a second phase of 4–5 years.

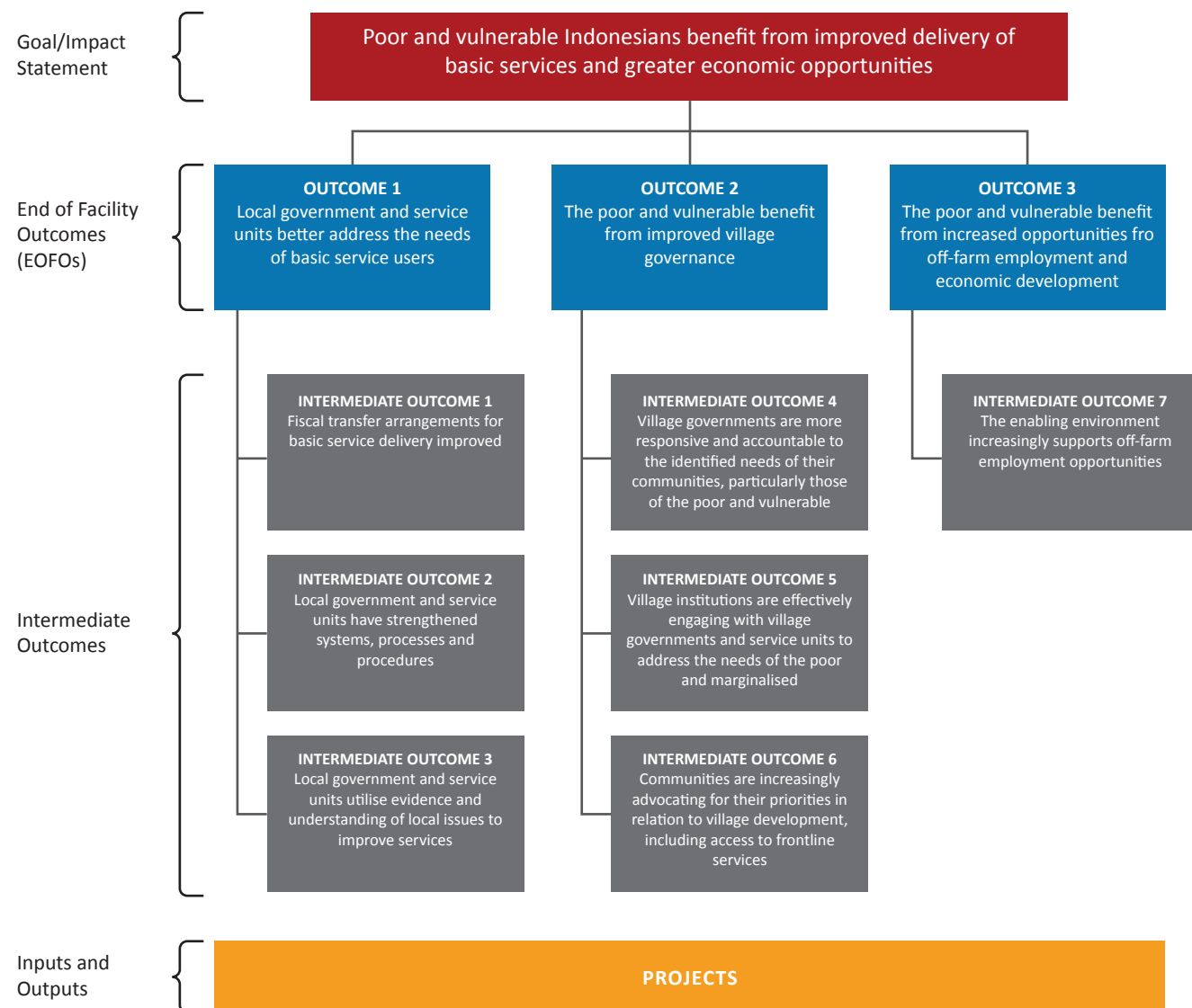
<sup>2</sup> These outcomes are for full Facility implementation of seven or more years.

<sup>3</sup> As recommended by the Strategic Advisory Team in their November 2015 mission, a Strategic Planning, Monitoring and Performance Framework document was developed and operationalised. Among other things, this document explains how KOMPAK management will operationalise its strategic goals into plans and delivery, articulate KOMPAK's working hypothesis, and determine accountabilities for KOMPAK.

The goal and EOFO level of KOMPAK’s Strategic Performance Framework identifies the broader systemic changes that KOMPAK seeks to contribute to. The intermediate outcome level is where KOMPAK expects to achieve measurable changes that can be attributed to KOMPAK by the end of the Facility. In this work plan, KOMPAK focuses its work on specific issues and sub-issues under each intermediate outcome. Central and sub-national interventions will complement each other to address particular issues.

The diagram below is a summary of KOMPAK’s Strategic Framework.

**Figure 1. KOMPAK’s High-level Performance Framework**



KOMPAK inputs represent different types of implementation instruments<sup>4</sup>. In this work plan, each project addresses a specific issue and each activity addresses a specific sub-issue. The budget allocation is made at the project level, with further distribution to the activity level.

<sup>4</sup> See Chapter 5 on Implementation Instruments.

### 3. Governance

KOMPAK's governance structure consists of a Steering Committee and a Technical Committee. This Governance Structure is supported by three Thematic Working Groups that are aligned to KOMPAK's three EOFO areas.

**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's work and to:

- Provide overall strategic direction to the KOMPAK Facility.
- Promote harmonisation and coordination across the cross-sector GoI agencies.
- Endorse and confirm KOMPAK's strategic direction and guiding strategy, annual work plan and other strategic documents.
- Review progress achieved in the implementation of KOMPAK projects.
- Review and provide direction on the resolution of challenges that cannot be resolved at the Technical Committee level.

The KOMPAK Steering Committee is co-chaired by the Deputy for Population and Labour at Bappenas, the Deputy for Community Empowerment, Villages and Regions at Kemenko PMK, and the Minister Counsellor Governance and Human Development at DFAT. Membership includes one Echelon 1 representative from each of KOMPAK's five partner GoI ministries.

In March 2016, the KOMPAK Steering Committee met for the first time and endorsed KOMPAK's overall strategic direction, 2016 annual work plan, and project budget allocations. The steering committee met for a second time on November 9 and endorsed the work plan for 2017-2018.

The Steering Committee is supported by a Technical Committee that provides technical advice to the program on a more regular basis. Technical Committee support includes:

- Providing technical input, oversight, and guidance to KOMPAK throughout the implementation of approved annual work plans.
- Promoting synergies across KOMPAK projects and activities with GoI programs at the central and local government levels.
- Monitoring and analysing findings during the implementation of activities and technical evaluations.
- 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.
- Encouraging learning and the exchange of knowledge between stakeholders.

The Technical Committee is co-chaired by the Director for Labour and Employment Opportunities at Bappenas and the Counsellor for Poverty and Social Development, DFAT. Permanent members include Echelon 2 representatives in the five partner GoI line ministries, and the KOMPAK Chief of Program.

The Technical Committee meets on a six-monthly basis, or as necessary. The first meeting of the Technical Committee was in April 2016, during which the implementing ministries agreed on KOMPAK's 2016 program delivery and coordination mechanisms to ensure ongoing effective collaboration.

Sub-national Technical Committees will continue to be established in KOMPAK's seven dedicated provinces. This is to ensure that KOMPAK taps into available local knowledge and advice in the implementation of activities at the local government level and it is being developed and consulted with TC.



## Thematic Working Groups

The three Thematic Working Groups coordinate policy discussions and activities according to KOMPAK's outcomes. These include the Basic Services Working Group (launched in May 2016), and the Village Governance and Economic Opportunities Working Groups (launched in October and August 2016, respectively).

The Thematic Working Groups are a technical forum for dialogue on relevant GoI policies and programs and other technical issues relevant to that outcome area. Co-led by Bappenas and KOMPAK, the Thematic Working Groups support the Technical Committee with understanding and knowledge of both the technical content of GoI policies and programs, including KOMPAK interventions, as appropriate, as well as the broader context. The three working groups have endorsed KOMPAK's 2017-2018 work plan in November 2016.

## Resource Allocations

KOMPAK organises its budget around its Strategic Performance Framework. Resource allocations are endorsed by the Steering Committee at the EOFO and project levels. The resource split between the three Outcomes and the projects that sit under those outcomes will guide KOMPAK in its investment decision making at the activity and sub-activity levels. 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.

# 4. Partner Engagement

## Engagement with the National Government

KOMPAK's governance arrangements enable senior level, bilateral formal engagement with the GoI that includes the Steering Committee and the Technical Committee, supported by three Thematic Working Groups.

In addition to the formal governance structure and associated meetings and forums, KOMPAK engages with both national and sub-national GoI counterparts on a daily basis. At the central level, and together with DFAT, KOMPAK's Senior Management Team (SMT) and technical outcome leads coordinate all senior-level GoI engagement. Technical and lead contact persons within the five key GoI ministries are appointed to each KOMPAK outcome lead for greater ease in communication. Establishing and maintaining professional and effective relationships was a priority for 2016 and will continue to be a key priority for the Senior Management Team and broader KOMPAK team throughout the life of the Facility. KOMPAK's Standard Operating Procedures endorsed by the Steering Committee in March 2016 provide guidance on KOMPAK–GoI work planning, project implementation, and general communication.

To work effectively with the GoI, KOMPAK's engagement is underpinned by operating principles based on the in-depth understanding of the partner ministries around their:

- 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.

## Engagement with Sub-National Governments

In 2016, KOMPAK adopted a phased approach to building sub-national engagement. The sub-national approach was proportional to the available budget and in geographic areas where there was strong GoI drive for change. This approach was supported by robust evidence of what works and which was aligned with the KOMPAK Strategic Outcomes Framework. In 2017–2018, KOMPAK will enhance its support to the sub-national level through expanded geographical coverage and increased resource allocation.

The first phase of sub-national engagement included a mix of provinces where KOMPAK's entire Strategic Performance Framework was applied (NTB and East Java)<sup>5</sup>; and provinces where more targeted or focused interventions were taking place, such as Tanah Papua where LANDASAN was ongoing; and Aceh, South Sulawesi, and Central Java, where (along with NTB) the GoI Frontline Services Pilot operates.

In 2017, KOMPAK will intensify Outcome 1 and 2 efforts in the Frontline Pilot provinces, which will see greater activity in Aceh, South Sulawesi, and Central Java (NTB is already a KOMPAK-dedicated province). KOMPAK's support to LANDASAN will also begin in late 2016 and this will result in increased activity in both Papua and West Papua provinces.

At the province level, KOMPAK's Provincial Managers lead on GoI engagement with support from a KOMPAK Senior Management Team member based in Jakarta and devoted to supporting engagement and implementation at the sub-national level.

## Leveraging DFAT Investments

KOMPAK works collaboratively with a number of other DFAT investments to exploit synergies and to increase DFAT's overall impact on development in Indonesia. Cross-collaboration is outcomes-focused and practical and priority areas of collaborative work include:

- Policy strengthening (including activity design and implementation).
- Capacity and institutional strengthening.
- Gender and inclusion.
- Innovation.
- Private sector engagement.

In this regard, KOMPAK is already collaborating with the Knowledge Sector Initiative (KSI), PLJ, MAMPU, Peduli, MAHKOTA, Australia Indonesia Partnership for Economic Development (AIPEG), and the World Bank PNPM Support Facility (WB-PSF). Throughout 2017, KOMPAK will work towards greater collaboration with other DFAT programs on GoI engagement to eliminate gaps and overlap, and to continue relationship building<sup>6</sup>. KOMPAK may also support the Government of Australia's specific efforts in the province of NTB for greater coordination and collaboration with other DFAT-funded programs.

## Strategic Partners

KOMPAK is already engaging with a number of strategic partners to support the design and implementation of key interventions in the 2017–2018 work plan. Strategic partners are experts in their field and ensure that KOMPAK maintains its commitment to 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).

<sup>5</sup> Selection Criteria included: 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.

<sup>6</sup> We have attached a detailed summary of our cross-program collaboration in Annex 3.

- 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 built sustainability into the development of initiatives, including building local capacity (through working with local partners, and 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), as well as more recent development approaches, such as Doing Development Differently (DDD), Thinking and Working Politically (TWP), and Problem Driven Iterative Adaptation (PDIA). The KOMPAK 2017–2018 work plan integrates a number of examples where KOMPAK will apply DDD, TWP, or PDIA as appropriate.

More broadly, KOMPAK will ensure that:

- Ongoing work is always underpinned by a solid understanding of political economy.
- Monitoring of progress and learning and applying lessons is done in real time as activities and projects are being implemented, through quarterly reviews, and reflect and refocus exercises.
- An enabling approach is adopted in facilitating the GoI to implement its own agenda and priorities.

Implementation instruments 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 sub-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 table below.

**Table 2. Implementation Instruments and Approaches**

Instrument	Description
Policy Dialogue and Policy Advice	Facilitating GoI to convene policy dialogue with whole-of-government and civil society stakeholders who can inform and support achievement of outcomes that align with KOMPAK outcomes. Providing expert policy advice, as trusted advisers, to GoI to assist them in achieving their outcomes that align with KOMPAK outcomes.
Capacity/Institutional Strengthening	Providing technical experts or training to the GoI or CSOs to support delivery-specific outputs that facilitate achievement of shared outcomes.
Research and Analysis	Support research and analysis that brings new insights to KOMPAK, DFAT, and GoI for the purpose of achieving shared outcomes.
Pilots and Demonstrations	Implementing pilots and demonstration activities with GoI to test the application of methods for achieving outcomes, and facilitating the replication and scale-up of successes.

**Table 2. Implementation Instruments and Approaches (continued)**

Approach	Description
Problem Driven Iterative Adaptation	Using issues and sub-issues as the starting and reflection point of a continuously iterative and adaptive process for problem stakeholders to find solutions.
Coalitions for Change	Convening stakeholders (individuals and groups) around KOMPAK's EOFOs to create shared value in pursuing policy changes towards resolution of an issue or sub-issue, while leveraging their resources and individual vested interests. Stakeholders may include government, civil society, donor programs, the private sector, and beneficiaries.
Leveraging Resources	Drawing upon the wide variety of DFAT investments to promote changes that achieve KOMPAK outcomes.

## 6. Making Investment Decisions

### Investment Criteria

KOMPAK applies a practical governance mechanism for investment decision-making. This helps to ensure that investments are well-targeted and achieving program outcomes. This balances the need for flexibility and responsiveness, with the need for structure and direction.

KOMPAK investments are 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 how 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 of the extent of support within the GoI for the activity, the contribution GoI will make to the project/activity, and how GoI intends to use 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.
Value for Money (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.

Governance of investment decisions needs to be nimble, and not overly bureaucratic. Therefore, investment decisions are made after proper reviews of proposed projects and activities have been performed by the Internal Strategy Team (IST). The IST is convened and chaired by the KOMPAK Chief of Program as and when required. The IST membership includes the SMT and Advisers at the minimum, but other members may be invited depending upon the size of investment under consideration, and whether it is in the approved work plan or not. The final sign-off on investments is by the SMT and/or additional members as follows:

**Table 4. Investment Decision Matrix**

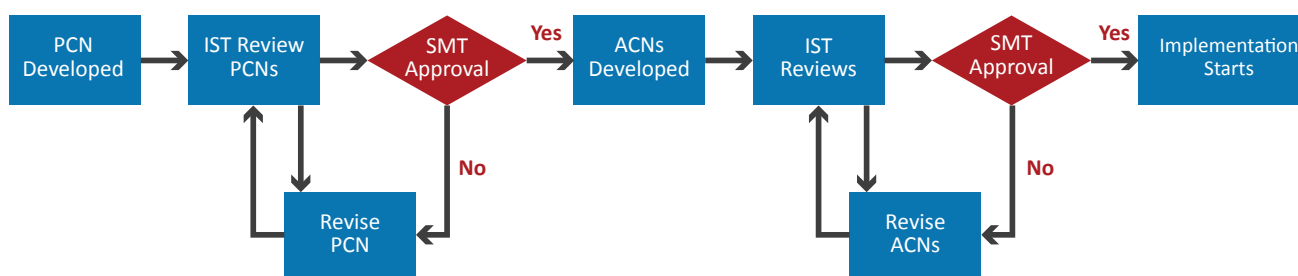
Investment Size	Is it Approved in the Work Plan?	IST Composition
Up to AUD \$250,000	Yes	Senior Management Team of KOMPAK.
Up to AUD \$250,000	No	Senior Management Team of KOMPAK plus one DFAT representative.
Over AUD \$250,000	Yes	KOMPAK Senior Management Team, contractual approval from DFAT
Over AUD \$250,000	No	KOMPAK Senior Management Team, Gol representative, DFAT representative (contractual approval from DFAT)

The composition of decision-makers in the above process is designed to provide responsiveness with accountability, and the KOMPAK Chief of Program may also 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 Internal Strategy Team will be convened by the Chief of Program on a quarterly basis to 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.

**Figure 2. Investment Decision Process**



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 format and respond to specific criteria (see above).



**Project Concept Notes** will generally be larger investments and may contain numerous activities. Projects are approved by the Steering Committee. The Internal Strategy Team will only consider activities that fall within a pre-approved Project. All activities are required to have an Activity Concept Note approved by the Internal Strategy Team.

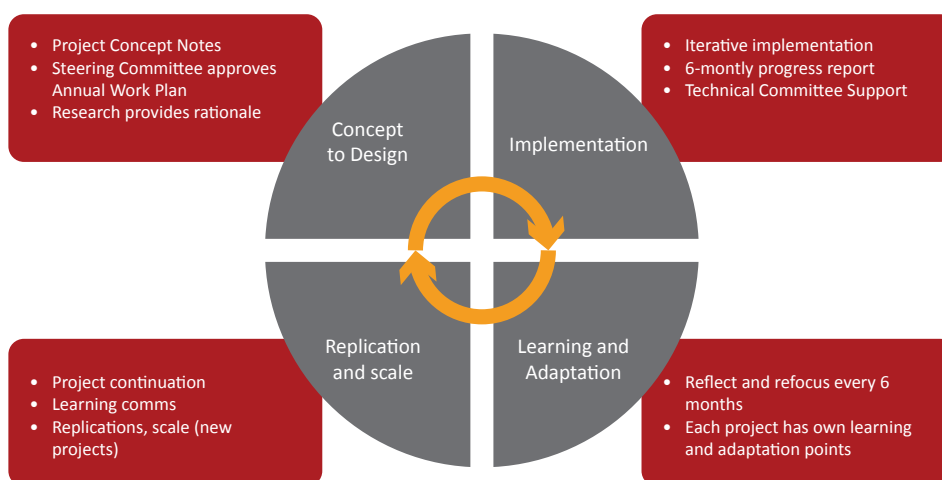
**Activity Concept Notes** are the smallest level of investment funds decision making, and are required for all activities outside of the approved work-plan, and/or comes with a high degree of political sensitivity. Activity Concept Notes bring structure and rigour to the numerous ad hoc requests that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

KOMPAK has introduced templates to standardise activity concepts and sub-activity Terms of Reference to ensure they are digestible and consistently apply high quality standards.

## 7. Project Management Cycle

KOMPAK has put in place a Project Management Cycle that provides structure to overall management and implementation, ensuring KOMPAK stays on track and maintains 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 six-monthly reflection and refocusing exercises. The PMC is summarised in the following diagram:

Figure 3. Project Management Cycle



The Program Implementation and Delivery (PID) Team is supported at each stage of the PMC<sup>7</sup> by the Strategy, Innovation and Performance (SIP) Team, the Technical Committee, and KOMPAK’s internal Advisers.

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.

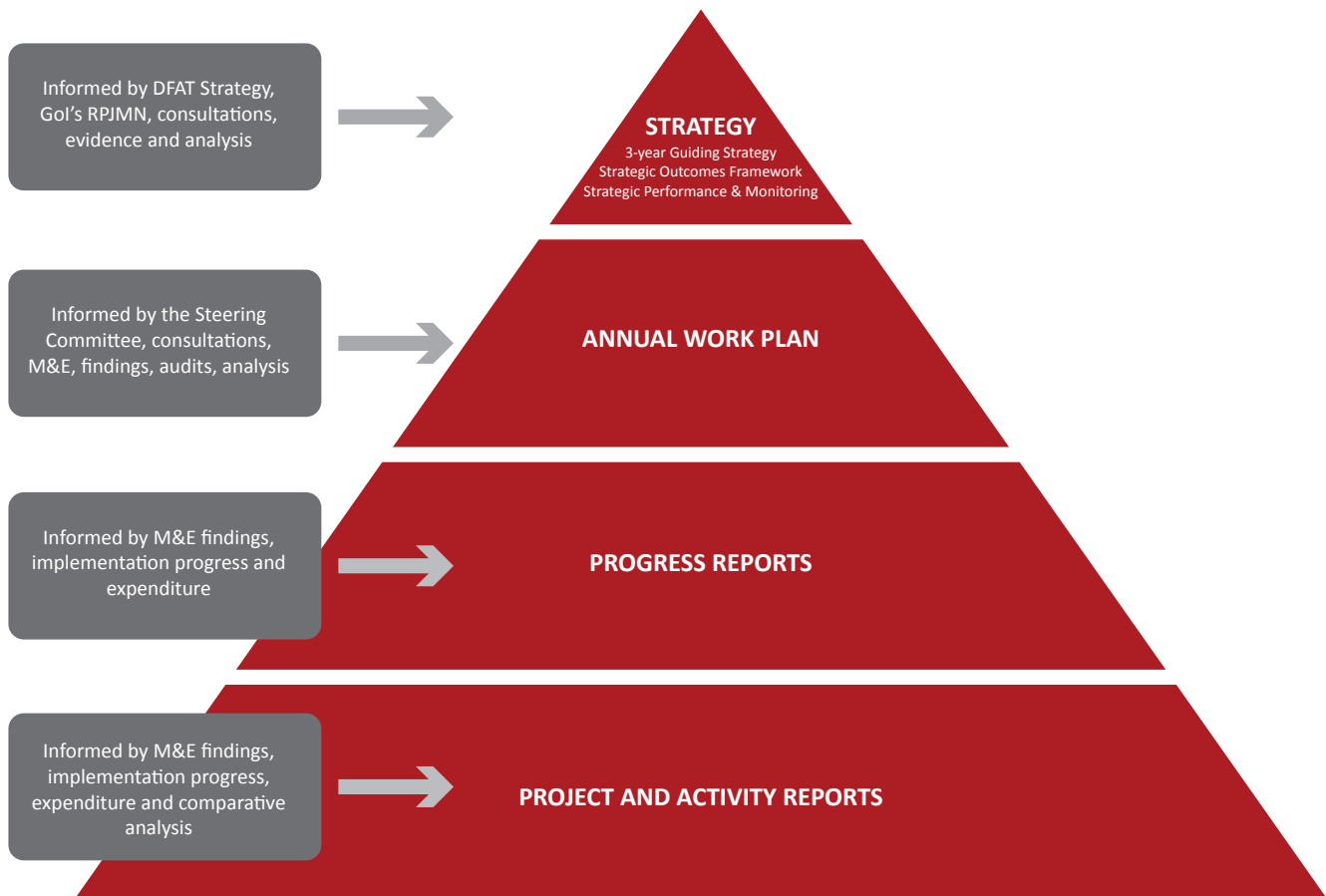
**Quarterly implementation milestones and key performance indicator tracking** reports and meetings enable KOMPAK to ensure delivery of outputs on time and within budget, while enabling the application of a robust quality assurance process on an ongoing basis.

<sup>7</sup> Annex 4 provides an overview of how the Project Management Cycle links with reporting and annual planning processes.

## Accountability and Reporting

The **KOMPAK strategy** sits at the apex of KOMPAK's Program Management Cycle. It provides the Strategic Outcomes Framework, describing what success looks like and how it will be measured at the outcomes level. It also defines the key program boundaries regarding geography and expenditure, the governance arrangements, risks, risk mitigation, and risk management approach.

Figure 4. Accountability and Reporting



This KOMPAK **annual work plan** elaborates upon the KOMPAK Strategy. Part A of the work plan presents the Operational Framework, and Part B provides detailed implementation information and scheduling regarding planned projects, performance indicators, and measurement tools. The Operational Framework provides the overarching KOMPAK approach to implementation, and the Program Outcomes Framework. The 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 the planned implementation schedule and budget, the operating context, and also reports on findings emerging from monitoring and evaluation activities. The reports describe how KOMPAK is progressing towards achieving outcomes, and where changes may be required to reach targets. KOMPAK Progress Reports answer key Aid Quality Check (AQC) questions for DFAT.

**KOMPAK** holds **internal quarterly reviews** within the calendar-year implementation cycle. The quarterly reviews discuss progress towards Outcomes. Input prepared and deliberated includes policy reflections, overall tracking of outputs against KOMPAK outcomes and key performance indicators, significant changes in the operating context, lessons learnt, progress on activities for the just-concluded quarter, whether activities planned are still on track, and recommendations for the next quarter. Two of the quarterly reviews are the six-monthly Reflect and Refocus exercises and they also, where possible, coincide with the Strategic Advisory Team (SAT) missions.

KOMPAK **activity and project reports** are used by line managers and the KOMPAK Senior Management Team for accountability and progress-monitoring purposes. These are discussed monthly within teams and during the quarterly reviews, and provide essential tracking information and act as an early warning to the implementation 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.

## 8. Risk Management

The ultimate responsibility for ensuring appropriate risk management processes are applied rests with the KOMPAK Contractor Representative. The implementation of the Risk Management Plan is led on a day-to-day basis by the Chief of Program with delegated accountability to KOMPAK staff (primarily KOMPAK's Senior Management Team). KOMPAK has developed a comprehensive Risk Register that outlines key partnership, GoI engagement, program-related, as well as operational risks. The register is 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 are used as a key management tool for KOMPAK's Senior Management Team and are central to ongoing strategic discussions and joint decision-making related to the Facility. Key risks for 2017-2018 is in part B of this document.

## 9. Communications

KOMPAK has developed a communications strategy that is 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 for meeting KOMPAK's goals.
- Building a positive perception of KOMPAK by demonstrating and communicating progress, successes, lessons, and results from KOMPAK's work.
- Assisting KOMPAK to effectively and purposefully engage with the GoI, DFAT, and other key stakeholders.
- Working with key stakeholders and staff to maintain a knowledge management platform and to share knowledge.

The Communications team will continue to refine and operationalise the communications and knowledge management strategies developed and operationalised in 2016. In 2017–2018, KOMPAK communications will work with the GoI, strategic partners, and other relevant counterparts through training, development of guidelines, and capacity building where possible to ensure KOMPAK's key message remains on point to its various audiences. The 2017–2018 period will also provide opportunities for KOMPAK communications to cement a wider reach for KOMPAK's emerging results and achievements through various media, and to tell the KOMPAK story better.

## 10. Value for Money Policy

KOMPAK views value for money as the maximising 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 organisation's VfM approach as follows:

- **Activity outcomes:** All activities, missions, and 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 organisation 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, or too large that there is unused capacity.
- **Accountability and 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 and 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

Changes in GoI policy and institutional contexts bring both challenges and opportunities for KOMPAK's 2017-18 work plan. On the policy front, the Republic of Indonesia's President's priority to remove regional disparities through infrastructure development, expansion of public services and social protection remains high on the agenda. However, the fiscal deficit has required GoI to scale back ongoing plans and budgets, including those of the line ministries that are working directly with KOMPAK, spurring an increase in requests for external support. Implications for KOMPAK's are on the balance between focusing these demands against its Strategic Performance Framework as well as mitigating against budget cuts on ongoing activities that depended on GoI funding.

Opportunities for KOMPAK have arisen from the last GoI reshuffle in July 2016, with a stronger focus at the Ministry of Finance on monitoring and assessing the impact of fiscal transfers on service delivery outcomes such as health and education and, more broadly, on reducing poverty and geographic disparities. These are accompanied by increased scrutiny and attention from central government on local government capacities to deliver basic services. More market-oriented approaches to local economic development are being promoted by the Ministry of Villages while increasing industry engagement and innovation in the vocational and skills development centers is a high-level Presidential agenda and of two coordinating ministries (Coordinating Ministry of Economy and the Coordinating Minister of Human Development and Culture).

Progress continues on implementing key reforms under the Village Law No 6/2014, the Regional Autonomy Law No 23/2014 and in revising the Fiscal Balance Law No. 33/2004 all of which are critical to KOMPAK's work on community-led development and decentralized service delivery. Since the Laws were issued two years ago, the implementing regulations under the Village Law continue being revised and only one out of 24 expected implementing regulations related to the Regional Autonomy Law have been issued. This may pose difficulties in KOMPAK's policy work at national level. However, it is promising to find that some local governments in KOMPAK-supported areas have improvised by implementing the principles and spirit of the national laws despite not having the more detailed implementation regulations. KOMPAK's local-level support will continue being very valuable in 2017-2018 in this regard to trigger changes at the local-level while ensuring future conformity as all the national-level policies fall neatly into place over time.

The early 2018 elections of 7 new governors, 18 new mayors and 76 new Bupatis present opportunities for leveraging new political commitment at the local level to support KOMPAK's agenda. Furthermore, there seems to be a growing cadre of and increasing public favor towards reformist, action-oriented local leaders as well as on local innovations. All of these factors are conducive to KOMPAK's plans to expand activities in the seven dedicated provinces over 2017-2018.

KOMPAK's work areas continue aligning strongly with the Australian Government's current Aid Investment Plan for Indonesia, particularly on productive jobs and quality of workforce skills, quality health and education services and on inclusive and effective governance. There is a growing openness to new development approaches, innovation, working with non-traditional development partners (e.g. the private sector), and mainstreaming gender and social inclusion, all of which are important cross-cutting themes for KOMPAK. An opportunity for KOMPAK is on coordinating DFAT's intention to consolidate impact of DFAT support through improved cross-program synergies at the sub national level.



## 12. Priorities for 2017–2018

Informed by internal reflection, as well as feedback and consultations with the SAT, DFAT, and GoI, the KOMPAK Senior Management Team has identified the following key priorities for this work plan period, January 2017 to June 2018:

- Ensuring robust structures and systems are in place for increased activity in KOMPAK’s targeted provinces of East Java, NTB, Aceh, Sulawesi Selatan, Central Java, South Sulawesi, Papua, and West Papua.
- Demonstrating results from KOMPAK’s interventions.
- More effectively addressing Innovations and GESI across KOMPAK.
- Telling the KOMPAK story better and synthesising lessons learnt.

### **Ensuring robust structures and systems are in place for increased activity in KOMPAK’s targeted provinces.**

In late 2016–early 2017, KOMPAK will ensure the appropriate systems and processes are in place to accommodate increased activity, while demonstrating program efficiencies and ensuring quality of interventions. Additional resources (both human and financial) will be allocated to each of KOMPAK’s seven provinces to ensure core program and operational elements can be met (this includes finance, procurement and grant functions, office and administration, technical programs, as well as M&E and Communications). Restructuring program delivery and sub-national teams ensures greater coherence between national and sub-national teams and activities. A robust management system for information, communication, and coordination will also ensure results from the ground can be fed-up to the central level in a timely manner for input to national policy discussions.

### **Demonstrating results from KOMPAK’s interventions**

A significant amount of preparatory work has been done over the past 12 months for both the Frontline and LANDASAN pilots. The focus for 2017–2018 will now be on capturing key results and lessons learnt to feedback into GoI policy and programming. Additional resources will be put in place to ensure KOMPAK is capturing results and lessons from the pilots and bringing this back to central and province level discussion. KOMPAK will be equipping its provincial offices with additional M&E functions to accommodate the need for timely reporting of results and stories from the field.

### **More effectively address GESI across KOMPAK**

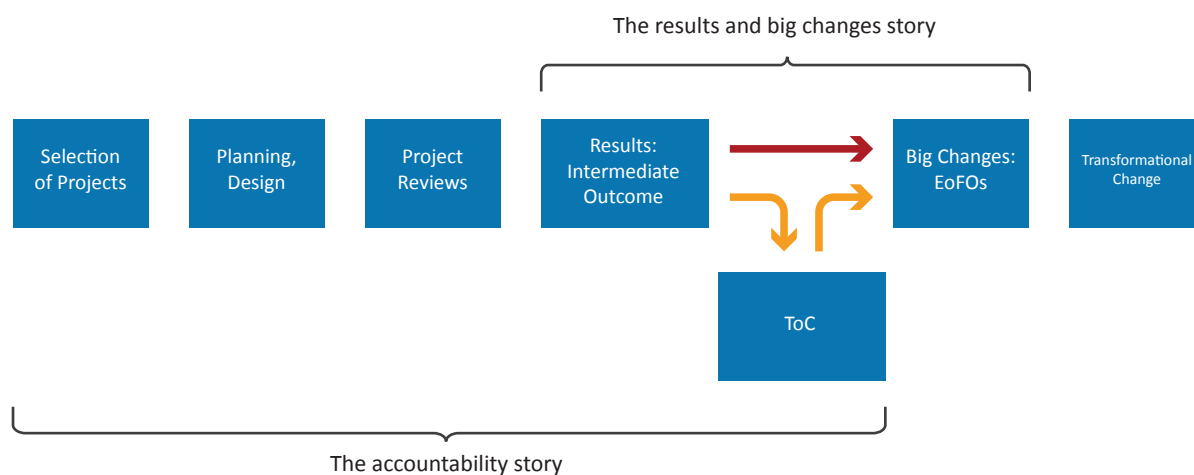
KOMPAK has put in place a number of strategies to address gender and social inclusion in its work, both internally with the development of the GESI strategy, and externally developing partnerships with programs such as MAMPU and Peduli. However, more work is needed to ensure results are realised. Over the next six months, KOMPAK’s GESI Manager will work with the KOMPAK team and partners to ensure practical tools are available to assist in program planning, implementation, and monitoring of activities. KOMPAK will also design activities to improve basic services and employment for specific target groups, namely poor women, indigenous people, and people living with a disability.

### **Telling the KOMPAK story better and synthesising lessons learnt**

KOMPAK continues to invest in developing an unambiguous and clear ‘narrative’ regarding KOMPAK and the results that can be expected. As primarily a governance-oriented, institutionally-enabling facility, there is no simple one-line narrative available to KOMPAK. Articulating KOMPAK requires an appreciation of the audience for whom the message is targeted to and what will resonate with them so that the messages can be both relevant and accurate to the audience and the context. In this regard, KOMPAK will invest in telling better both its “accountability story” and its “results and big changes stories” as shown below.

Key considerations in developing the KOMPAK story are KOMPAK’s Theory of change (ToC), Issues and sub-issues of focus, how activities and sub-activities are chosen and will contribute to the EOFOs, how far on along the results chain KOMPAK is accountable for delivering results, what constitutes a KOMPAK result and what are the big changes that KOMPAK is striving to deliver.

Figure 5. KOMPAK’s Theory of change



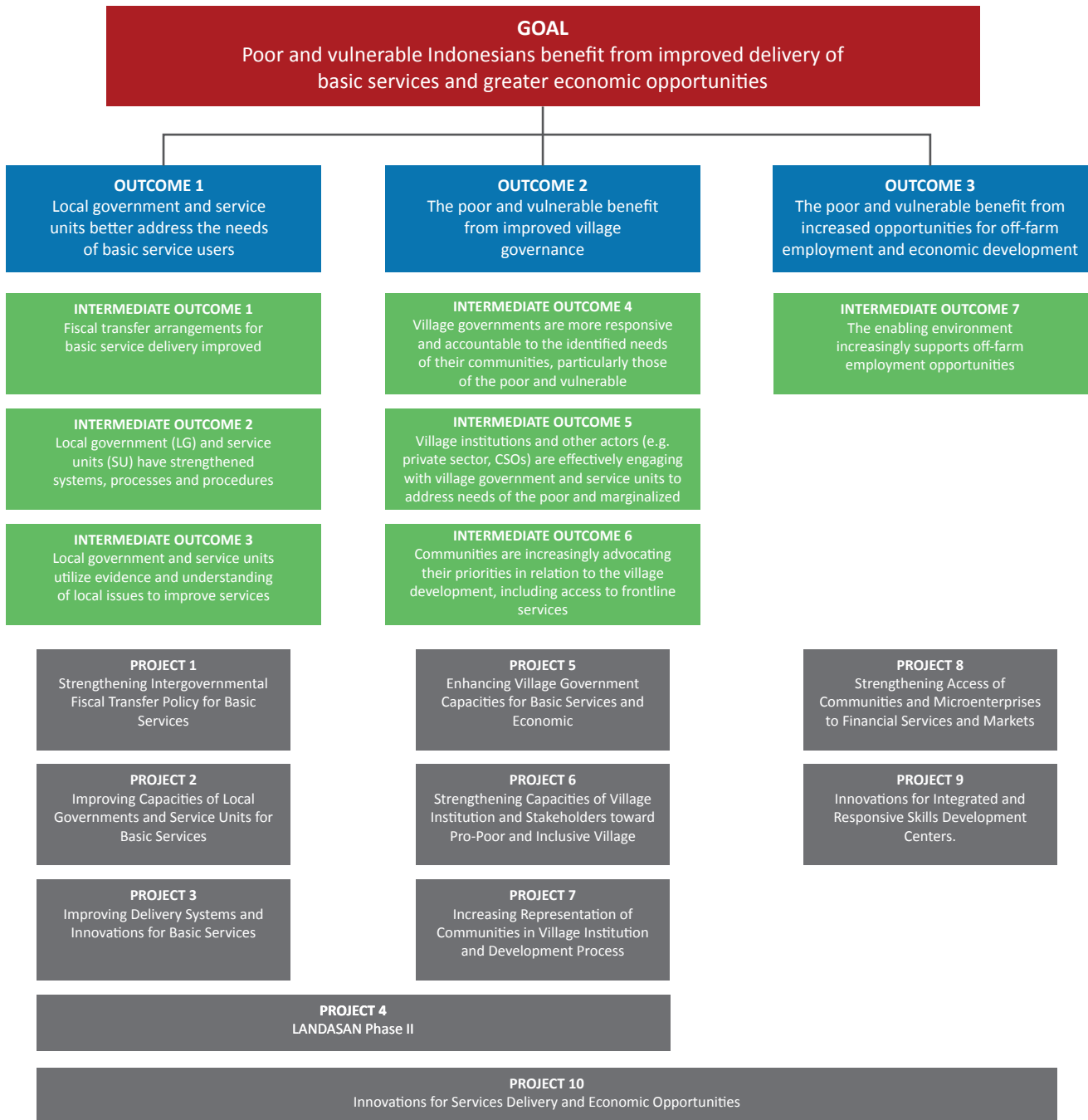
## 13. Projects for 2017–2018

KOMPAK’s project portfolio for 2017–2018 builds on the work already undertaken in 2016, and is based on ongoing learning and the progress achieved so far. As per a PDIA approach, the planning process commenced with identifying key issues that need to be addressed to achieve KOMPAK’s Intermediate Outcomes. A range of potential solutions to these issues were then identified, to which KOMPAK’s investment criteria were applied. In addition, there has been particular emphasis on promoting further integration of national and sub-national activities, GESI, and innovations, to deliver the desired results in the remaining 18 months of KOMPAK’s first phase.

The 10 proposed projects for 2017–2018 and their contribution to the EOFOs are described in the diagram below. Each project is an integrated and complementary set of national and sub-national activities to address the key issues under each Intermediate Outcome. Resolution of the key issue is conceptualised as a project outcome, that is, the change that we would like to see at the end of this 18-month period. Where relevant these are aligned with the outcomes specified in the GoI Frontline Strategy<sup>8</sup>. Note that in the tables following, the project outcomes are limited to the pilot and focus provinces, unless otherwise stated.

<sup>8</sup> Bappenas (2016) Strategy for expansion and improvements in basic service delivery for the poor and vulnerable (The Frontline Strategy): Pilot Phase Implementation Guidelines (draft version 4.2, October).

Figure 6. Projects 2017-2018



In 2017–2018 each project will have inputs from a multi-disciplinary team that is comprised of staff from different units in KOMPAK, including program delivery, SIP, and sub-national, as relevant.

A summary overview of the projects, including expected outputs, budgets and other related information is provided in the next three chapters, organised by EOFO.

## EOFO 1: Local government and service units better address the needs of service users

This EOFO corresponds to the GoI Frontline Outcome #1: Responsive local government and frontline service delivery units that can diagnose and solve service delivery bottlenecks.

### Summary of the theory of change for EOFO 1:

If fiscal transfer policies and budget allocation formulae are clearer, consider local diversity, and are better understood, then the flow of funds to local governments and service units will be more appropriate to the local needs. If financial management systems and procedures at the district level and in service units are improved, then they will be able to attract and absorb more funding to use for service delivery. Similarly, improved staff skills and systems, including performance-based human resource management, at the district level and in service units, will lead to improved service quality. If the Camat and kecamatan staff are mandated with a more active role and responsibility for service delivery coordination, and there are more timely and more comprehensive data and feedback loops, then services will be more aligned with identified needs. Together these factors will contribute to local government and service units better addressing the needs of basic service users. By supporting the government initiated Frontline strategy, KOMPAK aims to contribute to wide-scale change.

### Project portfolio

The EOFO 1 project portfolio for 2017–2018 will strengthen the capacities of sub-national governments and service units, specifically schools and health centres at the kecamatan and village levels, on how to manage their resources (financial and human) effectively towards improving basic services delivery.

Four projects contribute to EOFO 1. These and their contributions to the intermediate outcomes (IOs) are as follows:

	IO1	IO2	IO3
Project #1: Strengthening Intergovernmental Fiscal Transfer Policies for Basic Services.	✓		
Project #2: Improving Capacities of Local Governments and Service Units for Basic Services.	✓	✓	✓
Project #3: Improving Delivery Systems and Innovations for Basic Services.	✓	✓	✓
Project #4: LANDASAN Phase 2 in Papua and West Papua.	✓	✓	✓

## Project 1:

### Strengthening Intergovernmental Fiscal Transfer Policies for Basic Services

#### Intermediate Outcome

1: Fiscal transfer arrangements for basic service delivery improved.

#### Contributes to Gol policy or strategy

RPJMN 2015–2019; Law No. 33/2004 on Fiscal Balance; Law No. 6/2014 on Villages; Law No. 23/2014 on Local Autonomy. Ministry of Finance (MoF): Enhance the quality of policy formulation related to inter-governmental fiscal relations. Ministry of Home Affairs (MoHA) - Medium-term plan: percentage of local budget oriented at basic service.

#### Partners:

MoF, MoHA, Bappenas, MoV, Local Governments

#### Budget:

\$2,485,000

#### Geographic coverage:

National, Aceh, Jawa Tengah, NTB, Jawa Timur, Sulawesi Selatan, Papua, Papua Barat

#### Risks:

Insufficient understanding of the political implications of proposed changes to the fiscal decentralisation laws and policies. Limited fiscal space at national level to allocate adequate resources for Minimum Services Standards and basic services delivery. Gap in understanding and implementation of the central-level policies by the local governments.

#### Project Outcome

##### Focus Issues for 2017–2018

##### Proposed Key Activities

##### Planned Outputs 2017–2018

MoF national-level fiscal transfer policy is more aligned to basic frontline service delivery and implementation of the Village Law in diverse settings.

a. Intergovernmental fiscal transfers have not led to adequate improvements in local government delivery of basic services, particularly due to:

- One-size-fits-all formula does not address regional disparities and sub-national fiscal capacity.
- Various fiscal transfer policies are not harmonised.

Evidence-based policy analysis and advocacy to national government on fiscal transfer policy.

- Key policy analysis provided as input on academic note and draft revision UU 33/2004 on Fiscal Balance between central and local governments.
- Policy recommendation provided on DID allocation (formula, local government ratings).
- Policy analysis as input to DAK proposal based and tested in 1 district per province (5 provinces).
- Policy analysis and input provided on DD formula and ADD.
- Policy analysis on quality of spending and impact of fiscal transfers on basic service delivery and pro-poor developed.
- Key policy analysis for Gol strategy to improve basic services for poor and marginalised provided (input to RPJMN 2020–2024).



Project Outcome	Focus Issues for 2017–2018	Proposed Key Activities	Planned Outputs 2017–2018
Increased district, sub-district and village government staff skills and knowledge related to fiscal transfer arrangements and funds management.	b. Central government does not adequately disseminate new regulations and procedures related to the fiscal transfers.	Policy dissemination and communications on fiscal transfer and public financial management (PFM).	<ul style="list-style-type: none"> <li>– Innovative communication strategy developed and tested.</li> <li>– Policy dissemination forums conducted (1 district per province, 7 provinces).</li> </ul>
MoF and District Financial and Asset Management Office (Dinas Pengelolaan Keuangan Aset Daerah, DPKAD) are using improved financial management systems and processes to better support basic frontline services and implementation of Village Law.	c. Lack of quality data and inadequate monitoring and evaluation system to support implementation of the fiscal transfer policies.	<p>Discussion and support for establishing a coalition for change on fiscal transfer policy.</p> <p>Design and testing of information data systems on regional financing.</p>	<ul style="list-style-type: none"> <li>– Coalition for change on fiscal transfer policy established.</li> <li>– Policy recommendations on fiscal transfer policy advocated to high-level key stakeholders at Gol.</li> </ul>
			<ul style="list-style-type: none"> <li>– Technical input to design of enterprise architecture on SIKD provided.</li> <li>– Policy note on recommendation of enterprise architecture to support operationalisation of SIKD prepared.</li> <li>– District Financial Dashboard model developed and tested in 1 district per 7 provinces.</li> <li>– Monitoring and evaluation system and data feedback mechanism developed.</li> <li>– Business process related to fiscal transfer at MoF developed and operationalised.</li> <li>– M&amp;E system framework on specific fiscal transfer developed (focus on DAK, DD).</li> </ul>

**Project 2: Improving Resource Management Capacities of Local Governments and Service Units for Basic Services**

<b>Intermediate Outcome</b>	2: Local government (LG)1 and service units (SU) have strengthened systems, processes, and procedures.
<b>Contributes to Gol policy or strategy:</b>	MoHA medium-term plan; Law No. 23/2014 on Local Autonomy; Law No. 5/2014 on Civil Service; Law No. 6/2014 on Villages. Local government medium-term plans (RPJMD).
<b>Partners:</b>	Ministries of Home Affairs, Finance, and Villages; Local Governments
<b>Budget:</b>	\$3,104,600
<b>Geographic coverage:</b>	National, Aceh, Jawa Tengah, NTB, Jawa Timur, Sulawesi Selatan, Papua, Papua Barat
<b>Risks:</b>	Lack of political commitment at national level. Insufficient local government buy-in for the activities. Inadequate regulatory framework at sub-national level.

<b>Project Outcome</b>	<b>Focus Issues for 2017–2018</b>	<b>Proposed Key Activities</b>	<b>Planned Outputs 2017–2018</b>
<p>MoF and DPKAD have improved knowledge and skills related to PFM to better support basic frontline services and implementation of Village Law.</p> <p><b>District Civil Service Office (Badan Kepegawaian Daerah, BKD) and District Education and Health Offices (Dinas Kesehatan and Dinas Pendidikan) are ready to implement performance-based management for Office of Camat and frontline service staff.</b></p>	<p>LG and SU lack capacities to respond to basic services needed in the areas of:</p> <p>a. PFM capacity and related accountabilities to manage and spend effectively the various sources of funding for basic services.</p> <p>b. LG and SU lack the means to plan adequate distribution and promote performance of skilled personnel.</p>	<p>Capacity and institutional strengthening on Public Financial Management at national and sub-national levels.</p> <p>Modelling and Policy support on Human Resource Management and Governance issues.</p>	<p>– Model of business process on fiscal transfer policy and PFM developed and tested in 1 district per province, 5 provinces.</p> <p>– Design of PFM capacity building developed and launched.</p> <p>– At least 3 PFM modules for service units and sub-districts finalised and tested.</p> <p>– Cascade training framework and strategy for PFM developed and tested in 1 district per province, 7 provinces.</p> <p>– Model(s) of human resource and performance-based management system developed and ready to be tested in 1 district per 5 provinces.</p> <p>– Policy analysis regarding national and sub-national policies on human resource management system provided and advocated to key Gol stakeholders.</p>

<p>Relevant new or revised regulations (related to coordination and HRM at kecamatan and frontline services) reflects KOMPAK input from perspective of frontline and kecamatan staff.</p>	<p>c. LG and SU are experiencing constraints in policy and regulatory framework, and planning and budgeting capacities, to achieving optimal distribution of resources to deliver basic services.</p>	<p>Strengthening regulatory framework at sub-national level for resource management to deliver basic services.</p>	<ul style="list-style-type: none"> <li>- Key policies analysis for formulating better and comprehensive strategies improving access to basic services delivery for poor and marginalized (input to development RPJMN 2020-2024) covering various aspects such as institutional, apparatus, fiscal and regulation analysis</li> <li>- Policy input provided on distribution of human resources for health and education at sub-national level.</li> <li>- Policy input provided to local regulation on kecamatan.</li> <li>- Policy input provided to local regulation on delegation authority from Bupati to Camat for service delivery coordination.</li> </ul>
<p>Improved multi-stakeholder coordination for implementation of basic services in accordance with MSS.</p>			<ul style="list-style-type: none"> <li>- Policy analysis/recommendation on optimising resource allocation for achieving MSS targets.</li> <li>- Policy input provided to local government on development and alignment of MSS indicators into local plans and budgets, e.g. RPJMD.</li> <li>- Multi-sector stakeholder coordination forum established at national level (e.g Strategic Forum for Basic Services, MSS, development Papua and Papua Barat, strengthening implementation of apparatus, and SOP for cross-sectoral coordination at kecamatan).</li> <li>- Multi-sector stakeholder coordination mechanisms functioning at sub-national level (SOP for cross-sectoral coordination at kecamatan).</li> </ul>
<p>Bappeda, DPKAD, and Office of Camat using the integrated Pro-Poor Planning, Budgeting and Monitoring (P3BM) tools, and SIMPADU for reference, planning, and budgeting.</p>			<ul style="list-style-type: none"> <li>- Pro-poor planning, budgeting, evaluation and analysis system designed and tested in 1 district per province, 7 provinces.</li> <li>- Relevant Bappeda, TKPKD, and local BPS staff trained on pro-poor planning, budgeting, evaluation in 1 district per province, 7 provinces.</li> </ul>

### Project 3: Improving Delivery Mechanisms and Innovations for Basic Services

**Intermediate Outcome** 3: Local government and service units utilise evidence and understanding of local issues to improve services.

**Contributes to Gol policy or strategy:** Law No. 23/2014 on Local Autonomy.

Local government medium-term plans (RPJMD).

Ministry of Health Medium Term Plan, Ministry of Education Medium Term Plan.

**Partners:** Ministries of Finance, Home Affairs, Bappenas, Local Governments

**Budget:** \$4,460,400

**Geographic coverage:** National, Aceh, Jawa Tengah, NTB, Jawa Timur, Sulawesi Selatan, Papua, Papua Barat

**Risks:** Insufficient local government buy-in and gap between national and sub-national governments' understanding of key policies and regulations.

Inadequate commitment, resources, and institutional arrangements for scale-up and expansion.

#### Project Outcome

Office of the Camat and relevant sectoral agencies have increased access to and skills for using data and information for planning, budgeting, or solving problems and barriers to the implementation of basic services.

LG and SU lack capacities to respond to basic service needs, specifically:

a. To use and analyse available data to develop activities, plans, and budgets to meet service improvement targets (LG and SU).

Strengthening capacities and tools for LG and SU to maximise resource use.

- Modules on increasing technical and management capacities of kecamatan ready and tested in at least 16 districts.
- Model for accountability mechanism at service units to improve people's access to basic services developed and tested in at least 16 districts.
- Information on basic services and village profile available and used for problem solving at kecamatan level (Kecamatan Dashboard).
- Monitoring and evaluation tools developed to review quality of services delivery at Kecamatan level.

#### Planned Outputs 2017–2018

#### Proposed Key Activities

#### Focus Issues for 2017–2018

Relevant Gol systems, policy, and strategy encourage and support innovative, pro-poor, participatory, inclusive frontline service delivery and village development.

b. Greater knowledge of good practices (sub-national, national, regional, international) needed to tackle service delivery bottlenecks.

c. Limited decision space (ability, authority, and acceptance) and constraints (structural and bureaucratic) to experiment with low-cost, high-impact innovations.

– Policy input to regulatory framework for local innovation (RPP on local innovation) developed and disseminated.

– Database management system of local innovation developed, including tools of verification and monitoring system.

– National–Sub-national mechanism of Innovation Hub established and tested at provincial level.

– Local innovation for service delivery identified, endorsed, and tested.

– Model for acceleration and institutionalisation of legal identity – Civil Registry and Vital Statistics (CRVS) –developed and tested.

– Legal identity and BPJS registration integrated into one-stop services facilities (PATEN/PTSP).

– ICT innovations for improving access to basic services developed and tested.



**Project 4:****LANDASAN Phase 2****Intermediate Outcome**

- 1: Fiscal transfer arrangements for basic service delivery improved.
- 2: Local government (LG) and service units (SU) have strengthened systems, processes, and procedures.
- 3: Local government and service units utilise evidence and understanding of local issues to improve services.
- 4: Village governments are more responsive and accountable to the identified needs of their communities, particularly those of the poor and vulnerable.

**Contributes to GoI policy or strategy:** Law No. 23/2014 on Local Autonomy.

Local government medium-term plans (RPJMD).

Ministry of Health Medium Term Plan, Ministry of Education Medium Term Plan.

**Partners:** Bappenas, Local governments, implementing partners (BAKTI)

**Budget:** \$3,900,000

**Geographic coverage:** Papua, Papua Barat

**Risks:** Unfavourable political environment.  
High turnover of government officials.

**Project Outcome****Focus Issues for 2017–2018****Proposed Key Activities****Planned Outputs 2017–2018**

PO 1.1: Annual Kabupaten education and health plans and budgets adhere to mandatory budget allocations for basic services in health and education and are developed in accordance with established MSS.

Planning and budget allocation for services delivery are not sufficient for service units and legal identity services in improving their services.  
Local Planning Information System has not been functioning in kabupaten level, due to lack of data and limited capacities of district officials in using data for planning.

Training and mentoring for provinces and districts in data management, planning, and budgeting for achieving MSS in health, education, and legal identity sectors.

- Annual district budgets adhere to mandatory budget allocations for basic services in health and education and are developed in accordance with established MSS.
- Districts conduct annual monitoring and evaluation of Puskesmas and primary school service quality and sector compliance with established MSS and service quality regulations.
- Provincial/District Data available for planning and budgeting purposes in selected areas.

PO 2.1: Selected frontline service units are increasingly able to access the training and mentoring support they need from local providers.

Training and mentoring system for health, education, sub-district, and villages are available, but not functioning well and accessible at local level.

Piloting of system of local training and mentoring program for health and education service units, kecamatan, and villages.

- System of local training and mentoring for service units, kecamatan, and villages piloted.

Project Outcome	Focus Issues for 2017–2018	Proposed Key Activities	Planned Outputs 2017–2018
<p>PO 2.2: Selected frontline service units are implementing improved procedures that increase their compliance with established MSS and agreed performance indicators.</p>	<p>Poor services delivery at local level due to:</p> <ul style="list-style-type: none"> <li>– Limited capacity of services unit staff in services planning and budgeting, implementation, monitoring, and reporting.</li> <li>– Data is not used in planning and budgeting.</li> <li>– Incentives or reward system is not available.</li> <li>– Limited innovation in connecting the services delivery system with local context.</li> </ul>	<p>Piloting of innovations to increase performance and outreach of service units.</p>	<ul style="list-style-type: none"> <li>– Service units prepare annual planning and budgeting in accordance with MSS and service delivery standards and in line with community priorities.</li> <li>– Service units deliver programs and services in accordance with annual plans and budgets.</li> <li>– Data management, analysis and reporting system piloted in target service units.</li> <li>– Performance incentive system piloted at targeted service units.</li> <li>– Innovations for services delivery tested.</li> <li>– Kecamatan legal identity services and referral system piloted.</li> </ul>
<p>PO 2.3: Men and women in communities are increasingly engaged in local service delivery through health and school committees.</p>	<p>Services delivery has not been addressing local community needs.</p>	<p>Training and mentoring for health and education cadres/committees.</p>	<ul style="list-style-type: none"> <li>– Health and education cadres/committees trained and functioning.</li> </ul>
<p>PO 2.4: Improved services and support system for HIV and AIDS prevention and care.</p>	<p>Twenty per cent of all new HIV infection in Indonesia is estimated to be occurring in Papua and Papua Barat provinces, which account for only one per cent of Indonesia's population.</p> <p>The HIV and TB epidemics are fuelling each other and multi-drug resistance is growing rapidly, representing a significant health security threat, including to neighbouring PNG and to Australia.</p> <p>The Papuan provinces also have the highest levels of poverty in Indonesia, with close to one-third of people living below the poverty line, almost three times the national average.</p>	<p>Training, mentoring and advocacy in HIV policy, planning, and budgeting at province and district level.</p> <p>Engagement with indigenous women's groups, FBOs, CSOs, and villages (through Dana Desa, Prospek, and ADD) at village and sub-district level.</p>	<ul style="list-style-type: none"> <li>– Policy, planning, and budgeting developed to support HIV prevention, care and support needs.</li> <li>– Community engagement in HIV prevention, care, and support.</li> </ul>
<p>PO 3.1 Distrik utilise evidence and understanding of local issues to improve services</p>	<p>Lack of data at distrik/kecamatan level.</p> <p>Kecamatan/distrik has not functioned well in coordinating integrated planning</p> <p>Kecamatan/distrik has not functioned well in monitoring services delivery and villages programs.</p>	<p>Piloting of improved data, planning, and monitoring systems at distrik-level.</p>	<ul style="list-style-type: none"> <li>– Kecamatan information management system piloted.</li> <li>– Integrated planning between villages and service units at kecamatan level piloted.</li> <li>– Service units and villages monitored by kecamatan.</li> </ul>

**Project Outcome**

**Focus Issues for 2017–2018**

**Proposed Key Activities**

**Planned Outputs 2017–2018**

<p>PO 4.1: Improved collection, management, and analysis of gender disaggregated data for development purposes by village apparatus and cadre.</p>	<p>Data has not been used in planning and budgeting at village level.</p>	<p>Establishment of village information system.</p>	<ul style="list-style-type: none"> <li>- Information system with gender disaggregated data at targeted villages established and updated.</li> </ul>
<p>PO 4.2: Increased evidence of village contributions to gender-sensitive local service delivery in village plans and budgets.</p>	<p>Village planning and budgeting has not addressed the local needs, including gender-sensitive service needs. Women are not fully involved in identification of issues and in village decision-making processes.</p>	<p>Training and mentoring in planning and budgeting for villages with a focus on separate training and support for indigenous women's groups.</p>	<ul style="list-style-type: none"> <li>- Budget allocations for education and health sectors at the village level reflects the priority needs of the poor in the village, especially indigenous women and girls.</li> </ul>
<p>PO 4.3: Village apparatus is increasingly applying accountable and transparent procedures for implementing village plans and budgets.</p>	<p>Limited capacity of village apparatus in planning, budgeting, implementation, monitoring, and reporting of village programs. Performance incentive system for villages is not available.</p>	<p>Training and mentoring for villages, especially indigenous women, in planning, monitoring, and evaluation of village plans and budgets.</p>	<ul style="list-style-type: none"> <li>- Implementation of village plans and budgets in line with approved plans and budgets.</li> <li>- Villages, especially indigenous women, are monitoring delivery of village plans and budgets.</li> <li>- Village performance incentive system piloted.</li> </ul>

## EOFO 2: The Poor and vulnerable benefit from improved village governance

This EOFO corresponds to the Gol Frontline Outcome #2: Empowered citizens and communities who can access quality basic services.

### Summary of the theory of change for EOFO 2:

If village governments have better systems, and more control combined with clearer guidance, then they will be able to absorb more funding and be more confident to make expenditure decisions. If village governments better understand the needs of the poor, women, and marginalised groups, and they are supported through supervision and facilitation, then village funds will be increasingly allocated to supporting service delivery and village development that aims to benefit the poor, women, and marginalised groups. If there is increased engagement of the poor, women, and other marginalised or vulnerable groups, and supporting institutions such as CSOs, in village discussions, decision-making, and planning, then village decisions and plans will be more accountable to the needs and interests of these populations.

### Project portfolio

The Outcome 2 portfolio for 2017–2018 aims to build the capacity of both village governments and institutions to identify, understand, and respond to the needs of communities, and of communities to better engage with village governments and institutions about those needs. Three projects contribute to EOFO 2. These, and their contributions to the intermediate outcomes are as follows:

	IO4	IO5	IO6
Project #5: Enhancing Management Capacities of Village Governments for Basic Services and Economic Opportunities.		✓	
Project #6: Strengthening Capacities of Village Institutions and Stakeholders toward Pro-poor and Inclusive Village Development.			✓
Project #7: Increasing Representation of Communities in Village Institutions and Development Processes.			✓

### Project 5: Enhancing Village Government Capacities for Basic Services and Economic Opportunities

Intermediate outcome: 4: Village governments are more responsive and accountable to the identified needs of their communities, particularly those of the poor and vulnerable.

Contributes to Gol policy or strategy: RJPMM 2015–2019 priority: Capacity development and facilitation of village government apparatus and village government institutions. Law No 6/2014 on Villages. Local government medium-term plans (RPJMD).

Partners: Ministries of Villages, Home Affairs, Bappenas, Kemenko PMK, Local governments

Budget: \$3,817,200

Geographic coverage: National, Aceh, Jawa Tengah, NTB, Jawa Timur, Sulawesi Selatan, Papua, Papua Barat

Risks: Delivery structures and modalities for village-level implementation are not working well, including facilitators and staff. Guidelines and tools not well disseminated and used. Inadequate oversight, support, and incentive for village governments to perform well.

#### Project Outcome

Gol – specifically MoHA, MoV, and Coordinating Ministry for Human Development and Cultural Affairs (CMHDCA) – has improved the strategic and regulatory framework to support implementation of the Village Law/ District governments have improved policy to support implementation of the Village Law.

#### Focus Issues for 2017–2018

Village funds are not optimally used to address community priorities on the delivery of and access to basic services, as well as the creation of economic opportunities, because:

- a. Existing policies do not sufficiently encourage and support village governments and officials (aparap desa) in their roles.

#### Proposed Key Activities

Support for improvements to regulatory and guiding frameworks.

#### Planned Outputs 2017–2018

- Key policy analysis provided on VfM and village governance, including: Road Map, Grand Design training, template PerBup and practice/lessons learned material, and manuals and guidelines.
- TA and policy advice to support PMK's Tim Koordinasi for coordination on the monitoring and evaluation of Village Law and implementation of the Joint Road Map for UU Desa, under the Presidential Decree for Monitoring and Evaluation of Village Law and SKB
- Policy review of key regulations at the national and local level for improved implementation of Village Law and quality use of Dana Desa for poverty reduction

Project Outcome	Focus Issues for 2017–2018	Proposed Key Activities	Planned Outputs 2017–2018
Improved use of resources (e.g. Village Fund) by the community to address gaps in access to and quality of basic services).	<p>b. Village governments and officials (aparatur desa) do not have sufficient information, capacity, and support (from kabupaten and kecamatan) to execute their roles and functions in implementing the Village Law for the benefit of poor communities.</p>	Capacity strengthening on village inclusive planning and budgeting for village governments and officials.	<ul style="list-style-type: none"> <li>– Financial management training for district and subdistrict</li> <li>– Innovation and knowledge exchange mechanism developed (Klinik, UMD, learning material for village government apparatus, including through social media).</li> <li>– Learning Communities and platform (Sekolah Desa) clinics for capacity strengthening and peer learning of apparatus desa and village institutions.</li> <li>– Technical book for use of Dana Desa developed (adopt from PNPM Generasi).</li> <li>– Buku Bantu on village infrastructure used.</li> </ul>
Improved collection, management, and analysis of gender disaggregated data for development purposes by village governments.	<p>c. Village governments do not have adequate data and mechanisms to improve planning and budgeting on use of the village funds.</p>	Design and scale-up of information data systems on village inclusive planning and budgeting.	<ul style="list-style-type: none"> <li>– Tools and analysis provided on village level planning and budgeting.</li> <li>– SID and village financial system established in KOMPAK areas.</li> <li>– Data used for planning and budgeting.</li> </ul>



**Project 6: Strengthening Capacities of Village Institutions and Stakeholders towards Pro-poor and Inclusive Village Development**

**Intermediate outcome:** 5: Village institutions and other actors (e.g. private sector, CSOs) are effectively engaging with village government and service units to address needs of the poor and marginalised.

**Contributes to GoI policy or strategy** RJPMM II Strategy 5: Capacity development and facilitation of village government apparatus and village government institutions. Law No 6/2014 on Villages. Local government medium-term plans (RPJMD).

**Partners:** Ministries of Villages and Home Affairs, Bappenas, Local Governments

**Budget:** \$954,000

**Geographic coverage:** National, Aceh, Jawa Tengah, NTB, Jawa Timur, Sulawesi Selatan

**Risks** Limited capacity of facilitators.  
Limiting power structures and elite capture within the village institutions.  
Inadequate involvement of communities and village institutions.

**Project Outcome**

**Focus Issues for 2017–2018**

**Proposed Key Activities**

**Planned Outputs 2017–2018**

Increased engagement and oversight of BPD and other community institutions for transparent, accountable, and pro-poor development.

Village councils and institutions (including facilitators) are not adequately functioning to ensure transparent and inclusive village development processes.

Strengthening village institution capacities for pro-poor and inclusive planning and budgeting.

- Policy analysis on village council provided.
- Technical guidelines/modules developed for BPD strengthening.
- Training and knowledge sharing of BPD conducted.
- Tools tested with BPD on transparent and accountable planning.
- Collaborative engagement with village government for inclusive evidence-based planning.

### Project 7: Increasing Representation of Communities in Village Institutions and Development Processes

Intermediate outcome: 6: Communities are increasingly advocating their priorities in relation to the village development, including access to frontline services.

Contributes to Gol Strategy or Policy  
 RJPVN 2015–2019 Priority: Development of human resources, improvement of empowerment, and the establishment of social and cultural capital of village community.  
 Law No 6/2014 on Villages.  
 Local government medium-term plans (RPJMD).

Partners: Ministries of Villages and Home Affairs, Local Governments, CSOs

Budget: \$2,341,800

Geographic coverage: National, Aceh, Jawa Tengah, NTB, Jawa Timur, Sulawesi Selatan

Risks  
 Information asymmetry in community.  
 Most vulnerable populations are still not identified in the system.  
 Weak social networks in the community.

#### Project Outcome

Establishment and improvement of social accountability mechanisms between community, service providers, and local government.

#### Focus Issues for 2017–2018

Communities, civil society and private sector do not have adequate representation and voice in village institutions and village processes:  
 Communities, civil society and private sector lack mechanisms to engage and hold village governments accountable for village development and basic services delivery.

#### Proposed Key Activities

Social accountability mechanisms for inclusive village development and basic services delivery.

#### Planned Outputs 2017–2018

- Tools and modules for social accountability developed and tested.
- Cadres trained in additional locations including Frontline Pilot districts.

Women and vulnerable groups have greater involvement in decision-making and village development.

Mobilising and training female cadres to engage with village government on planning and use of funds.

- Women identified and trained and working collaboratively with village government for inclusive village development.
- Campaign designed and implemented involving women, youth, and PKK for transparency under UU Desa.
- Community insitutions for better monitoring health and education services established and functioned

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

#### **Summary of the theory of change for EOFO 3:**

If links between industry and vocational training centres are strengthened, and they have good local recruitment programs, then they will contribute to a vibrant local economy.

If low income communities have increased access to and knowledge of affordable and convenient financial services, then they will have some of the key tools for moving out of poverty.

If community based enterprises are established using community focused planning methods and up-to-date market information, then they will provide economic benefits to the whole community through reduced cost or increased economic opportunities.

By experimenting with a range of low cost approaches, and combining this with research and evaluation, KOMPAK will be able to provide strategic advice to the Government of Indonesia for scale-up of promising initiatives.

#### **Project portfolio**

The Outcome 3 portfolio for 2017–2018 aims to contribute to creating a conducive regional context for pathways out of poverty, enable collective community responses to opportunities, and develop individual capacities. It will employ an experimental, research-based methodology, implementing a series of pilots to inform later recommendations for scale-up. Two projects contribute to EOFO 3, and intermediate outcome 7.

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Project #8: Strengthening access of communities and microenterprises to financial services and markets.	v
Project #9: Innovations for Integrated and Responsive Skills Development Training Centres.	v

**Project 8: Strengthening access of communities and microenterprises to financial services and markets**

Intermediate outcome:	7: The enabling environment increasingly supports off-farm employment opportunities.
Contributes to Gol strategy or policy	RPJMN 2015–2019. Presidential Regulation No. 82/2016 on National Strategy for Financial Inclusion. Cooperatives & MSME Regulation No.7/2015 on Strategic Plan on Development Cooperatives and MSME.
Partners:	Bappenas, Ministry of Villages, Local Governments, OJK, CSOs
Budget:	\$2,936,400
Geographic coverage:	National, East Java, NTB (selected districts to be confirmed)
Risks:	Macroeconomic conditions may impact government's ability to continue pro-poor programs. Difficult to demonstrate impact/results, as outputs require long-term change process. Lack of local government commitment to support these initiatives.

OJK has disseminated good quality tools and are supporting financial institutions to improve financial literacy and inclusion for specific target groups. Financial service institutions have increased their outreach to rural communities and people with disabilities (2 provinces, 4 districts).

Communities, particularly the poor and vulnerable microenterprises, lack capacity to access financial services and markets:

a. Poor and vulnerable community groups lack capacity to access financial services. Financial service institutions lack information on rural poor and vulnerable community needs, and capacity on financial services

Financial inclusion for poor women and vulnerable communities.

- Policy recommendation for Bappenas and OJK to strengthen the implementation of SNKI for inclusive economic growth particularly for women, people with disabilities, rural communities, and elderly.
- Financial literacy materials developed and are publicly available for use by women, , people with disabilities, and elderly).
- Pilot project of branchless banking in at least 4 villages in East Java and NTB
- Pilot project on strengthening financial services for people with disabilities in one district of KOMPAK working areas

Policy advice/prototype designs available for Ministry of Villages and Bappenas on appropriate models for linking rural livelihoods to markets. An increasing number of BUMDesa in KOMPAK areas are using the tools and networks developed for BUMDesa implementation.

b. Communities and villages lack information on economic opportunities, market awareness, and interaction with market stakeholders.

Strengthening communities and microenterprise capacities.

- Policy input for Bappenas, Ministry of Social Affairs, and Ministry of MSE and Cooperatives on appropriate models for linking MSE and livelihoods to markets
- Pilot project of pro poor access-to-market prototypes of livelihoods in three districts
- Pilot project of strengthening micro and small enterprises (MSE) facilitators in three districts

c. Community enterprises (livelihoods and villages institutions) lack capacity to meet market needs.

Best practices shared to village communities for options to develop village enterprises

- Peer to peer capacity building mechanism established to support village communities to develop village enterprises

**Project 9:****Innovations for Integrated and Responsive Vocational Education and Training Centres**

Intermediate outcome: 7: The enabling environment increasingly supports off-farm employment opportunities.

Contributes to Gol strategy or policy

RJPMN 2015–2019.  
Manpower Regulation No. 11/2013.  
Presidential Instruction No. 9/2016.

Partners: Bappenas, Ministry of Labour, Kadin, Industry Association, Ministry of Villages, Local Governments

Budget: \$780,600

Geographic coverage: National, 5 pilot locations – KOMPAK (East Java, NTB, South Sulawesi), and non-KOMPAK areas (2 TBC)

Risks: Gap in policy guidance between government and private sector.  
Difficult to demonstrate impact/results, as outputs require long-term change process.  
Lack of local government commitment to support these initiatives.

**Project Outcome**

Appropriate model(s) for industry-led technical and vocational training designed and tested, with specific attention to increasing women's employment opportunities.

**Focus Issues for 2017–2018**

Poor and vulnerable lack information and capacity to access quality technical vocational training and employment opportunities.

**Proposed Key Activities**

Strengthening technical training for the poor and vulnerable communities.

**Planned Outputs for 2017–2018**

- Design and strategy to strengthen the national vocational training.
- Capacity building training conducted for industry associations to develop industry standard competencies.
- National work competency standards are completed and approved
- Design for pilot projects on local skills developers coordination including a model of vocational stakeholders coordination mechanism, training program, and skills development center
- Pilot the market-driven vocational training and skills development project in at least 5 districts.



### Project 10: Innovations for Service Delivery and Economic Empowerments

Intermediate outcome: 5: Village institutions and other actors (e.g. private sector, CSOs) are effectively engaging with village government and service units to address needs of the poor and marginalised.  
7: The enabling environment increasingly supports off-farm employment opportunities.

Contributes to GoI strategy or policy: RJPMN 2015–2019; RPP Inovasi.

Partners: Private sector, state-owned enterprises, ‘angel investors’, local governments, Ministry of State Apparatus and Bureaucratic Reform, Ministry of Finance

Budget: \$ 460,000

Geographic coverage: KOMPAK working areas: Aceh, Jawa Tengah, Jawa Timur, NTB, Sulawesi Selatan, Papua and Papua Barat

Risks: Lack of capacity of public service providers to support technology-based innovation to improve service delivery.  
Conventional donor or government program design and procurement systems may hinder testing or implementing innovation.  
Gaps in policy guidance, particularly public-private engagement and partnership.

#### Project Outcome

#### Focus Issues for 2017–2018

#### Proposed Key Activities

#### Planned Outputs 2017–2018

Increased examples of engagement between the private sector, social entrepreneurs, and public service providers to improve service delivery or village development.

There are private sector actors who share the vision to improve the life of the poor and to improve service delivery, but they lack engagement with public service providers.

Support for the development of the enabling environment for innovations on service delivery and creating of employment opportunities.

- Innovation Knowledge Sharing Forums conducted.
- Creating Shared Value (CSV) networks established for private sector and public service providers.
- Scaling-up private or public sector-led innovations through creation of shared value between the two sectors.
- Scalable innovative ideas developed and tested that improve service delivery and economic empowerment.

Interventions are not sufficiently problem-driven and don't sufficiently recognise and draw on the diverse local resources available.

Innovation Challenge Fund (ICF) to improve public service delivery and create economic opportunities.

- Hackathon on Civil Registration and Vital Statistics.
- Innovation Challenge Fund implemented.
- Social entrepreneurs and investors have tested different interventions in public service delivery and economic opportunities for the poor.
- Innovation Hub platform established at local government level.

## 14. Risks for the 2017 – 2018 Work Plan Implementation

As with any large complex program like KOMPAK, there are some anticipated risks and challenges that have to be mitigated. KOMPAK will continue using and improving the comprehensive risk management process that is in place to apply mitigating measures as and when required. Some key risks and their mitigation strategies are highlighted below:

- **Competing GoI agendas limit KOMPAKs ability to successfully support the GoI's poverty reduction agenda:** KOMPAK will continue seeking clarity and garnering ownership of its mandate by the GoI through intensive communication and consultation on strategy. Clear lines of communication that are established between KOMPAK and GoI counterparts will be strengthened. Consensus and guidance on overall direction will continue being validated through the Steering Committee, it's Technical Committee and with input from the Technical Working Groups where required.
- **KOMPAK does not demonstrate results in key outcome areas:** KOMPAK will continue to strive to deliver outstanding results that are continuously validated through its internal quality assurance processes. This includes conducting Quarterly Reviews as well as through the Reflect and Refocus forums. Managing expectations from stakeholders will be a key mitigation approach and the monitoring and evaluation implementation will be used to report progressive results as they happen. KOMPAK is also further investing in boosting its communications to tell the KOMPAK story better by focusing on upwards and outwards socialising of KOMPAK results.
- **Sub-national rollout is not effectively executed:** KOMPAK is in the process of putting in place an implementation structure for the scaling up of the sub-national program that involves strengthening the COB and SIP supporting structures as well as the delivery structure. A re-organization of the sub-national team is ongoing in anticipation and there are actions being taken to enhance the internal communications and M&E functions at the sub-national level to support the scale-up. Further, consultations with local partners are in place and ongoing as explained in this work plan.
- **Strategic partners do not deliver as expected:** As KOMPAK is relying heavily on delivery through strategic partners in some areas, there is a risk that the delivery may not occur as envisioned. KOMPAK is putting in place a rigorous reporting structure and is investing in capacity building of the partners on communications and monitoring and evaluation. As per the original grant agreements, the KOMPAK implementation team continues to work closely with the strategic partners on co-designing of the activities and will further focus on enhancing the already ongoing GoI endorsement of the same.

## 15. Strategic Partners

KOMPAK engages strategic partners when there is an identified need or demand by KOMPAK and GoI partners for additional technical skills and implementation capacity to support an area of work. KOMPAK has engaged five strategic partners who will all play an integral role in implementing KOMPAK's 2017–18 work plan. A list of KOMPAK's five partners, their area of focus, sub-partners, and geographical locations can be found below. KOMPAK may engage additional partners to support implementation in 2017.

**Table 5. KOMPAK Strategic Partners**

Strategic Partner	Program Focus	Local Partner	Location
PEKKA ( <i>Pemberdayaan Perempuan Kepala Keluarga/Empowering Female Headed Households</i> )	Paradigta Academy – Leadership training for female village cadres	PEKKA Regional Network	Aceh, Bali, Banten, Central Java, West Java, West Kalimantan, West Nusa Tenggara, East Nusa Tenggara, South-East Sulawesi, Yogyakarta, North Sumatera, North Maluku, Maluku, and Riau.
PUSKAPA UI ( <i>Pusat Kajian dan Perlindungan Anak Universitas Indonesia/ Centre for Child Protection, UI</i> )	Legal Identity (Frontline Pilot) – Civil Registration and Vital Statistics	Ongoing selection process LPA NTB	Frontline Pilot provinces and districts.
The Asia Foundation (TAF)	Social accountability for basic services	YASMIB Makassar; SOMASI NTB; FORMASI Central Jawa; GERAK Aceh	Frontline Pilot provinces and districts.
Institute for Research and Empowerment (IRE)	Social accountability with a focus on village development	<i>Koalisi Perempuan Indonesia</i> (KPI/Indonesian Women's Coalition) and Lakpesdam NU.	Jawa Timur, NTB, Jawa Tengah (NB different districts to TAF).
LPA NTB ( <i>Lembaga Perlindungan Anak Nusa Tenggara Barat/ The Institute for Child Protection NTB</i> )	Legal Identity (Frontline Pilot) – Civil Registration and Vital Statistics	N/A	NTB.

KOMPAK and its strategic partners each bring substantial resources to the KOMPAK program. Where possible, efforts will be made to maximise and leverage respective resources and contributions, including technical expertise and networks for the benefit and success of the Partnerships' joint objectives.

A KOMPAK strategic partnership abides by the following principles and values:

- a. A commitment to results, sustainability, and strengthening of local capacity.
- b. Making genuine efforts to understand each other, including risk, value adding, roles and responsibilities, organisational culture, and ways of working.
- c. Mutual accountability, including shared problem-solving and shared risk.
- d. Being a learning partnership, jointly committed to continuous improvement.
- e. Trust and respect.
- f. Effective, regular, open, and honest communication.

KOMPAK's national and sub-national teams both play a role in the management and coordination of partners and in the provision of technical inputs. While overall management and strategic direction tends to sit with the national team, as strategic partners' program locations generally span more than one province, day-to-day coordination and oversight rests with the sub-national teams.

## 16. Cross-Cutting Projects and Activities

### Gender Equality and Social Inclusion

Promoting gender equality and social inclusion (GESI) is central to achieving the Government of Indonesia's Medium Term Development Goals on economic growth and poverty reduction. KOMPAK has adopted a twin-track approach, involving mainstreaming of GESI activities into ongoing projects, as well as the design of GESI-specific interventions. Within the main target group, which is the poorest 40 per cent of the population, KOMPAK will focus its interventions on three main vulnerable groups: women, people with disabilities, and indigenous people, as follows:

**Women.** In terms of health status, Indonesia's most recent Demographic Health Survey in 2012 shows a Maternal Mortality Rate of 359/100,000<sup>9</sup>, which is far behind the SDG target of 70/100,000<sup>10</sup> live births by 2030. In education, the average years of schooling for women in poor districts is 6.1 years, compared with 7 years for men<sup>11</sup>. The labour force participation rate for women is 51.4 per cent, compared with men at 84.2 per cent<sup>12</sup>. The proportion of women in Indonesia's parliament has also decreased from 18 per cent in 2009, to 17 per cent in 2014. This figure is still far behind the national target of 30 per cent.

**People with disabilities** face multiple barriers and discrimination in almost all social sectors including health, education, economy, social, politics, and culture. The actual number of people with disabilities in Indonesia is not fully known. The Ministry of Social Affairs estimates that 4.87 per cent of the total Indonesian population are living with a disability. However, the World Health Organization (WHO) and World Bank estimate that 15 per cent of the total world population are living with a disability, and that 82 per cent of these people are in developing countries<sup>13</sup>. The real situation in Indonesia may therefore be different. Internal DFAT-commissioned research on inclusive education in Indonesia identified that 65 per cent of children with disabilities cannot access education.

<sup>9</sup> <http://www.depkes.go.id/article/print/201404300001/jadilah-kartini-indonesia-yang-tidak-mati-muda-pencanangan-kampanye-peduli-kesehatan-ibu-2014.html>.

<sup>10</sup> <http://www.unwomen.org/en/news/in-focus/women-and-the-sdgs/sdg-3-good-health-well-being>.

<sup>11</sup> National Census-the Statistic Indonesia 2015.

<sup>12</sup> United Nations Development Program 2015.

<sup>13</sup> [http://www.who.int/disabilities/world\\_report/2011/report.pdf-p.10](http://www.who.int/disabilities/world_report/2011/report.pdf-p.10).

**Indigenous people** in Indonesia still face discrimination and barriers to being actively involved in the development process and governance. The Indonesia National Alliance for Indigenous People estimated that 20 per cent of the total population, or around 50 million people, are indigenous. The Ministry of Social Affairs recorded that in 2012 the indigenous population is spread across 2,304 villages in 263 districts throughout 24 provinces. The GoI acknowledges that indigenous people in Indonesia have limited access to housing, legal identity, religious practices, farming, health, education, and other aspects<sup>14</sup>.

In implementing this strategy, KOMPAK has established GESI Focal Points in the various teams across KOMPAK, including Program, Strategy Innovation and Performance, and the Corporate Operations backbone, which are responsible for identifying opportunities to integrate GESI, develop and monitor GESI Action Plans within each project, and to share learning and good practice across project teams

KOMPAK will **mainstream GESI** in the 2017–2018 work plan in activities, including those with strategic partners, such as:

- **Social Accountability.** Partnering with a consortium of CSOs under IRE, KOMPAK will support the testing of tools, approaches, and mechanisms for social accountability to promote transparency and accountability on use of village funds. Under this consortium, Koalisi Perempuan Indonesia (KPI) will develop specific and tailored interventions working with women's groups and Lakpesdam NU will develop specific and tailored interventions that reach the most vulnerable groups.
- **Frontline Pilot.** Within the Frontline Pilot design, specific interventions will directly engage and target benefits for women and people living with disabilities to improve their access to basic education, health and legal identity services. Through the social accountability partnership with the TAF consortium, specific interventions will also target accountability of service delivery units and local governments to women and the most vulnerable, building on the consortium's networks and experience.
- **Financial Inclusion.** Expansion of financial services to the village level and 'unbanked' groups is a new activity in the EOFO 3 portfolio for 2017–2018. Specific interventions to target people with disabilities with branchless banking and other financial services innovations will be an important component of this project.

In addition, **GESI-specific interventions** supported by KOMPAK and its strategic partners include:

- **Paradigta Academy** training for women's leadership implemented by PEKKA. In 2017, this project will be scaled-up in an estimated 14 provinces: Aceh, Bali, Banten, Central Java, West Java, West Kalimantan, West Nusa Tenggara, East Nusa Tenggara, South-East Sulawesi, Yogyakarta, North Sumatera, North Maluku, Maluku, and Riau. This project targets PEKKA cadres and non-PEKKA cadres to help diffuse their learning and good practice and strengthen women's networks outside of PEKKA.
- **Public Campaign** to increase community involvement of women, people with disabilities and indigenous people in the oversight of village funds. KOMPAK will collaborate with *Saya Perempuan Anti Korupsi* volunteer network that was previously supported by AIPJ to support them in piloting the Jaga Desa campaign. This campaign was recently endorsed by The Anti-Corruption Watch and supported by MoV, BPKP, MoF, Kemenko PMK, and MoHA.
- **LANDASAN Phase 2** in Papua and West Papua aims to increase access and coverage of frontline services for approximately 12 Papuan tribes in 24 indigenous villages. An assessment of women's and indigenous people's issues will be conducted during the start-up of Phase 2, in consultation with representatives from indigenous communities, CSOs, and female leaders, to identify their priorities, the barriers they face, and opportunities that could be taken up by the project.

<sup>14</sup> [http://www.bappenas.go.id/files/7014/2889/4255/Masyarakat\\_Adat\\_di\\_Indonesia-Menuju\\_Perlindungan\\_Sosial\\_yang\\_Inklusif.pdf](http://www.bappenas.go.id/files/7014/2889/4255/Masyarakat_Adat_di_Indonesia-Menuju_Perlindungan_Sosial_yang_Inklusif.pdf)

The Corporate Operations backbone ensures systems and processes are inclusive through, for example:

- **Human Resources/Operations.** KOMPAK encourages recruitment of staff who have disabilities or are from indigenous communities to apply GESI into its management and operational practices. KOMPAK also provides room for breastfeeding and accessible working spaces for people living with disabilities.
- **Communication.** KOMPAK's website uses Screen Reader software that enables people who are visually impaired to navigate the site and access information. KOMPAK will add a GESI page in the current website to highlight GESI activities and results.
- **Finance Systems.** To ensure meaningful participation and involvement of people with disabilities and indigenous people, KOMPAK accommodates budget items in the system for: a sign-language interpreter, personal assistance/companion, and other related costs for specific needs.

## Innovation in KOMPAK

It is globally acknowledged that there is need to look closely at the efficiency and cost-benefit of development activities. The traditional tools of aid, and those used by governments to find solutions for pressing problems could easily have their impact magnified through innovation. In this regard, KOMPAK is mandated to use innovation as a tool to develop, build on, and scale-up lessons and good practice to better address new, unarticulated, or existing needs in its areas of work.

KOMPAK's definition of innovation is: *Fostering, piloting and implementing the replicable and cost-effective application of old or new sustainable practices and technologies (ICT and non-ICT) to create direct improvements, or opportunities for improvements, in KOMPAK's areas of work.*

KOMPAK adopts a 4-stage innovation system as follows:

- **Identification of issues/challenges:** Issues and challenges to which innovation can be applied are identified, and KOMPAK works with traditional and non-traditional actors to create shared value. KOMPAK gathers, encourages and convenes interest from the different actors in working together for a common and mutually-beneficial solution.
- **Selection of innovations and/or technology solutions:** KOMPAK works with traditional and non-traditional actors to identify useful innovations applicable as solutions to selected issues. The main criteria applied in the selection of innovations and technology solutions is the KOMPAK investment criteria<sup>15</sup>, but additional criteria may be applied on a case-by-case basis.
- **Capacity building/incubation:** For selected innovations and technology solutions that may require nurturing and capacity building, KOMPAK works with different actors to provide inputs in anticipation of the implementation and scale-up. KOMPAK also tests different incubation and capacity-building approaches.
- **Implementation and scaling-up:** KOMPAK works with different actors to test and apply different approaches and methods to leverage resources, provide investments, or to create the enabling environment necessary to support the implementation and scale-up of selected activities. All implementation and scale-up of activities will be done as part of the 80 per cent investment on successful evaluation post-testing phase.

<sup>15</sup> KOMPAK's investment criteria: conforms to KOMPAK's Outcomes, has Gol buy-in/endorsement and responds to a clearly articulated Gol demand, is replicable, has value for money, and is viable.



Key principles for on-boarding activities in innovation are:

**Table 6. Principles for KOMPAK Innovation Activities**

Principle	What to Consider
Activities are good investments.	Activities conform to KOMPAK’s investment criteria, and have signed-off ACNs with clear articulation of which KOMPAK team is leading and which KOMPAK team supports.
Activities have clear pathways to scale.	All innovation activities must clearly demonstrate how they will compel the Gol or other public sector players to scale the innovation, and how targeted outreach, rigorous evaluation, and evidence of cost-effectiveness will result in action, and/or how the activities will achieve widespread adoption through private sector commercialisation without long-running support from KOMPAK, with evidence that KOMPAK outcomes will occur. Activities in the 20 per cent must have a clear pathway to be on-boarded into the 80 per cent and must have definite testing periods and clearly-articulated anticipated end results and/or outputs. All innovation interventions will have at least Gol endorsement and respond to the issues and sub-issues identified in this work plan.
Activities leverage partnerships/funding where possible.	All innovation activities strive to create shared value and to leverage funding and resources from traditional and non-traditional actors where possible.

Eighty per cent of KOMPAK resources will be spent on interventions that have clear demand and ownership from the Gol. Twenty per cent of the resources will be spent on the identification, testing, and piloting of experimental approaches, methods, and technologies that are deemed useful for KOMPAK to implement towards achieving its objectives, but which are not yet fully developed or understood for full-scale implementation by the Gol or others.

Where possible, KOMPAK’s innovation activities are implemented through leveraging resources from the Gol, private sector, and non-traditional actors, through encouraging and building capacities in social entrepreneurs, creating coalitions of change around issues of KOMPAK’s interest, creating shared value with traditional and non-traditional actors, and promoting both traditional and non-traditional scale-up, investment, and sustainability options.

On-boarding activities in both the 80 per cent and the 20 per cent is solely through the annual work-planning process, starting with input from the design process, or by extension through regular brainstorming sessions held along the calendar year of implementation or through the Quarterly Reviews where being opportunistic is necessary.

While KOMPAK applies innovation in its thinking across board, some examples of areas where KOMPAK will be applying this thinking for the 2017–2018 work plan are in helping the Gol improve capacity on data on MIS systems, an Innovation Challenge Fund, mechanisms of identification of smart practices at the sub-national level, and promoting knowledge sharing and their replication by other local governments, promoting multi-stakeholder forums as input into the innovation regulations, and working with non-traditional actors to test, implement, and scale-up social entrepreneurship.

# Annex 1. Performance Management and Measurement

## Performance Indicators

Performance Indicators are attached to each of the EOFOs and IOs (Table 7). These are aligned with DFAT PAF indicators where relevant. Generally indicators at the EOFO level will only be measured at the baseline and endline points, and those at the IO level will be tracked at least annually through a range of data collection processes (see following section).

**Table 7. KOMPAK High Level Indicators**

All EOFOs	
KOMPAK #0/DFAT #21: Number of instances where DFAT (KOMPAK) support resulted in improved policy.	
<b>EOFO 1: Local government and service units better address the needs of basic service users.</b>	
1. Examples of changes in availability of and access to selected frontline services at sub-district level.	
2. Number and proportion of villages where poor and vulnerable state that they have been able to access selected frontline services in accordance with their needs.	
<b>Intermediate Outcome 1: Fiscal transfer arrangements for basic service delivery improved.</b>	
3A. Annual budget allocation and expenditure for: <ul style="list-style-type: none"> <li>- Dana Alokasi Khusus (DAK) (central → district)</li> <li>- Dana Insentif Daerah (DID) (central → district)</li> <li>- Alokasi Dana Desa (ADD) (district → village)</li> <li>- Dana Desa (DD) (central → district → village).</li> </ul>	3B. Annual district budget allocation and expenditure associated with increased delegation of responsibilities to the sub-district (district → sub-district).
3C. Annual district and sub-district budget allocation and expenditure on selected frontline services.	
4. Examples of improvements in fiscal policy relevant to frontline service delivery or implementation of the Village Law to which KOMPAK has contributed (corresponds with DFAT PAF #7).	
5. Number of districts demonstrating full, partial, or non-compliance with fiscal transfer policies and procedures for village fund (DD) and village fund allocation (ADD) (corresponds with DFAT PAF #8).	
<b>Intermediate Outcome 2: Local government and service units have strengthened systems, processes and procedures.</b>	
6A. Examples of improvements in management systems, processes, and procedures related to supervision and support to village governments and selected frontline services to which KOMPAK has contributed (evidences DFAT PAF #16).	6B. Number/proportion of target districts with examples of improvements in management systems, processes, and procedures related to supervision and support to village governments and selected frontline services to which KOMPAK has contributed (corresponds with DFAT PAF #16).
<b>Intermediate Outcome 3: Local governments and service units utilise evidence and understanding of local issues to improve services.</b>	
7. Examples of coordination, information exchange, or advocacy, between (any of) sub-district, selected frontline services, and villages being used to improve frontline service delivery or village planning and budgeting.	
<b>EOFO 2: The poor and vulnerable benefit from improved village governance.</b>	
8. Number and proportion of sampled males and females that state that decisions made by village governance structures are responsive to their needs.	
9. Community perceptions of changes in village governance and frontline services.	
<b>Intermediate Outcome 4: Village governments are more responsive and accountable to the identified needs of their communities, particularly those of the poor and vulnerable.</b>	
10. Examples of shifts in funding allocations in village plans towards addressing service delivery issues or inequality.	

11A. Number and proportion of village plans that include funding for delivery and/or access to frontline services, or addressing other inequality.

11B. Proportion of village funds: (i) allocated; and (ii) spent on selected frontline services or addressing other inequality as per the village plan.

12. Examples of new accountability and transparency initiatives relevant to village planning and budgeting or service delivery (linked also to IO 5 and IO 6 through social accountability initiatives).

**Intermediate Outcome 5: Village institutions are effectively engaging with village government and service units to address needs of the poor and marginalised.**

**Intermediate Outcome 6: Communities are increasingly advocating for their priorities in relation to village development, including access to frontline services.**

13A. Examples of changes in community engagement and influence in village planning and budgeting processes.

13B. Number/proportion of villages in target areas with examples of changes in community engagement in village planning and budgeting processes.

14. Examples of initiatives to improve representativeness of village governance structures in target sub-districts/villages.

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

**Intermediate Outcome 7: The enabling environment increasingly supports off-farm employment opportunities.**

18. Examples of improvements in policy and procedures relevant to the enabling environment for off-farm employment to which KOMPAK has contributed.

19A. Number and proportion of village plans that include funding for economic development activities.

19B. Proportion of village funds: (i) allocated; and (ii) spent on economic development activities as per the village plan.

[19A and 19B analysis to consider disaggregation by funds for general community/women/people with disability/poor and vulnerable/other marginalised groups' activities].

## An Overview of Performance Measurement Tools and Processes

KOMPAK has established a simple set of tools for performance measurement, and has commenced rolling these out across the sub-national offices, as well as for Jakarta-based activities. These are as follows:

**Tool #1: Baseline Study:** This includes four main elements: a specific survey, primarily at a community level; budget analysis – of village plans (in collaboration with PSF), and of a small number of sub-district and district line items; compilation of relevant information from other studies; and compilation of data from secondary sources such as Susenas and PODES.

**Tool #2: Policy Engagement Review:** This will contribute to KOMPAK's six-monthly report and documentation of achievement of policy change for DFAT. This is an internal facilitated discussion focusing on issues or problems the policy reform is seeking to address, and lessons for future engagement. Completed policies will be reviewed against KOMPAK input to identify specific areas of contribution.

**Tool #3: After Event Report:** This is used for documenting events (e.g. workshops, missions, presentations, piloting, and training), and is important for collecting quantitative data on participation in various events, as well as for identifying any changes or emerging results that are observed.

**Tool #4: Participant Assessment Survey and Follow-up Survey:** This is customised depending on the type of event and desired outcomes. It is used to assess immediate outcomes from training and other events, as well as changes in practice (through follow-up of a sample of participants). Together with the After Event Report, the Participant Assessment Survey is the source of data relevant to DFAT PAF quantitative indicators.

**Tool #5: Stories of Change or No Change:** This is the key mechanism for collecting data against KOMPAK's qualitative indicators (that are primarily examples of particular kinds of change). The template prompts for coding against particular kinds of change and statements related to the KOMPAK main assumptions, to facilitate later analysis.

**Tool #6: District/sub-district scan:** The purpose of this is to systematically identify changes that have occurred in relation to KOMPAK outcomes or indicators. Examples can be further developed into stories of change or be part of more in-depth analysis.

Analysis and use of this data will be through a range of informal and formal processes. In particular, KOMPAK conducts a quarterly review. Every second review process is a 'Reflect and Refocus' exercise. This is more in-depth and includes a cross-program workshop to allow discussion of progress, challenges, and lessons.

In addition, specific activities will be selected for more detailed evaluation. This will be on the basis of the size of the investment, GoI and KOMPAK information needs, and the opportunity for learning.

## Annex 2. Opportunities for KOMPAK Collaboration with Other Programs

KOMPAK's cross-collaboration will be outcomes-focused, practical, and will align with DFAT development program priorities. KOMPAK's EOFOs are used to structure the examples of where KOMPAK is collaborating (or has potential to) with other DFAT supported programs. A section on cross cutting collaboration is also provided below.

**Table 8. Opportunities for Collaboration, or Collaboration that is Underway**

Opportunities for KOMPAK Cross-Program Collaboration
<p><b>EOFO 1: Local Governments and Service Units better address the needs of basic service users.</b></p> <ul style="list-style-type: none"><li>– With MAHKOTA, support GoI to better target social assistance and enhance graduation, including through opportunities to increase the poor's access to legal identity documents (Peduli), strengthening SNG/village ability to collect accurate community/village data, and link the Integrated Referral System with the GoI Frontline Pilot. Discussions underway regarding locations for more intentional collaboration.</li><li>– KOMPAK/KSI and MAHKOTA are exploring policy options for integrating and linking MIS with national GoI partners to improve data collection by local (district and village) governments.</li><li>– Discussions are underway with AIPEG's national level engagement on quality of spending, e.g. by using evidence from KOMPAK's sub-national work to support relevant national policy reforms (DAK, DD, DID).</li><li>– Opportunities to align AIPEG efforts to strengthen the national framework for public spending and KOMPAK work to improve planning and budgeting at provincial, district, and village levels.</li><li>– KOMPAK officer engaged in Generasi IE to feed in lessons to support Frontline Pilot and Village Law implementation; cadre and facilitator training could also draw on Generasi approach.</li><li>– Discussions underway with Inovasi to work in same geographic locations and collaborate support at service units in NTB.</li><li>– Work with Pulse Lab on development of Kecamatan dashboard for the GoI Frontline Pilot.</li><li>– With PSF, provide technical assistance to MoF on strengthening policy formulation and M&amp;E systems related to decentralised fiscal transfers.</li></ul> <p>KOMPAK and PSF are coordinating investments and activities on social accountability, particularly related to health services and PFM.</p>
<p><b>EOFO 2: The poor and vulnerable benefit from improved village governance.</b></p> <ul style="list-style-type: none"><li>– With MAMPU, KSI, PSF and Peduli, monitor the impact of the Village Law on women and marginalised groups, and identify inputs that can help counter negative trends.</li><li>– Engage MAMPU and Peduli in development and delivery of village level training aimed at ensuring women and the most marginalised benefit from village planning and development (linking this cadre training to KOMPAK's village apparatus training and broader village apparatus capacity building strategy).</li><li>– Use Generasi, MAMPU, and Peduli evidence and networks to help identify and design solutions for service delivery bottlenecks to improve the health of women and the most marginalised (e.g. reproductive health, victims of violence).</li><li>– Learn from PSF/KSI/MAMPU/Peduli support to Village Law implementation, and jointly explore participatory tools that can support facilitators and villages to reach marginalised groups in planning and budgeting processes.</li><li>– With MAMPU, KSI, and Peduli, ensure programs are using tools (e.g. gender profiles) and building on lessons from other programs like AIPD to support gender (and marginalised group)-sensitive budgeting that engages both supply and demand side actors.</li><li>– Use MAMPU's grassroots networks to test and strengthen gender approach in KOMPAK's local activities.</li><li>– With MAHKOTA (and possibly MAMPU and Peduli), share information and identify overlapping interests in ensuring social protection is better targeted towards women and marginalised groups to improve their uptake of basic services (e.g. through legal identity).</li><li>– Engage in and learn from Generasi IE and ECED pilot to strengthen KOMPAK's gender programming, in particular as it relates to Village Law implementation and the Frontline Pilots.</li></ul>

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

- Explore scope for collaboration and knowledge sharing on seasonal migration (MAHKOTA), international migration (MAMPU), and KOMPAK's economic opportunities (employment) agenda.
- Further work to determine if/how this could link to market efficiency or PRISMA on market linkages, e.g. by improving inter-village connectivity or business licensing reforms.

#### **Cross Cutting**

- Draw on Global Pulse and MAMPU lessons from its innovation agenda (e.g. how to mainstream innovation into activities and with program partners) and in developing the proposed Innovation Challenge Fund.
- With KSI and MAHKOTA, ensure DFAT-funded support to Gol innovations on IRS and on other MIS efforts to improve collection of quality data at different levels is complementary and – to the extent possible – integrated.
- Explore with KSI, MAHKOTA, MAMPU, and Peduli scope to use above-mentioned data and other information to raise awareness of SNG performance on service delivery, and even to hold politicians to account.
- Engage AIPEG in exploring innovations to help Gol improve oversight and monitoring of fiscal allocations (e.g. to help increase accountability of village funds).
- Explore how other program partners (e.g. Global Pulse or KSI and MAMPU CSOs) can participate in supporting KOMPAK's proposed intern program for young leaders and innovators.
- Engage/share information with other programs in: mapping and shortlisting innovations; establishing innovation spaces in NTB and East Java provincial offices (e.g. to facilitate outreach through MAMPU and Peduli networks); and in planning for the proposed Innovation Expo.
- Engage KSI partners to undertake research, analytics, and evaluation on areas of mutual interest (e.g. frontline services, Village Law).
- Coordinate with KSI on its 'knowledge communities' to strengthen knowledge demand, production, and uptake on shared priorities, e.g. frontline services, Village Law, and relevant public sector reforms.
- Integrate relevant KSI tools (e.g. Knowledge–Policy–Practice) into pilots and activities to capture evidence of what works (e.g. with Village Law implementation and in the Frontline Pilots); then work with KSI, MAMPU, and MAHKOTA where there are shared priorities to feed this evidence into Gol policy.
- Build on local understanding from MAMPU, Peduli, PSF, and Generasi in identifying and supporting locally-driven solutions (e.g. joint pilot with MAMPU to establish childcare centres with village funds).
- Leverage local networks and champions of MAMPU and Peduli to support sub-national activities.
- Share information across GSD programs (and others as relevant) on various DFAT-funded TA.
- Engage KSI in identifying (and even assessing) partners for research, analytics, and evaluations.
- Draw on KSI and MAMPU resources and lessons to strengthen KOMPAK CSO partners.
- Ensure grant-giving builds on lessons from KSI and MAMPU's experience.
- Work with KSI (and possibly other programs) to address systemic factors constraining the production of high quality knowledge outputs in Indonesia (e.g. procurement regulations, financing).
- Childcare centre pilot with MAMPU may use village funds to target private-sector partnerships.
- Activities to improve access to finance at the village and district level (e.g. financial inclusion, livelihoods) may offer scope to engage private sector and support AIPEG's aim of helping Gol strengthen its underdeveloped financial sector.
- As economic opportunities agenda is clarified, explore ways to leverage PRISMA's work with private sector to increase farmers' competitiveness (KOMPAK is likely to focus on off-farm employment).
- Draw on PRISMA's expertise in market development to develop, test, and support private sector engagement through KOMPAK, including possible training for targeted groups.
- Collaborate with PSF and KSI in applying PDIA, DDD, and TWP approaches in programming, and documenting these experiences.



## Annex 3. Scale-Up Plan (including Sub-national Operations Plan)

### KOMPAK's Approach to Sub-national Level

#### KOMPAK Dedicated Provinces

KOMPAK's sub-national engagement builds on the work of previous DFAT investments and is targeted to align with key GoI poverty reduction policies and pilot programs that underpin KOMPAK's three End-of-Facility Outcomes:

- EOFO 1: Local government and service units better address the needs of basic service users.
- EOFO 2: The poor and vulnerable benefit from improved village governance.
- EOFO 3: The poor and vulnerable benefit from increased opportunities for off-farm employment and economic development.

While KOMPAK's support to GoI is national, KOMPAK also targets interventions in a number of dedicated provinces to maximise resources, ensure efficiencies, and consolidate results from its support to both central level and sub-national policy.

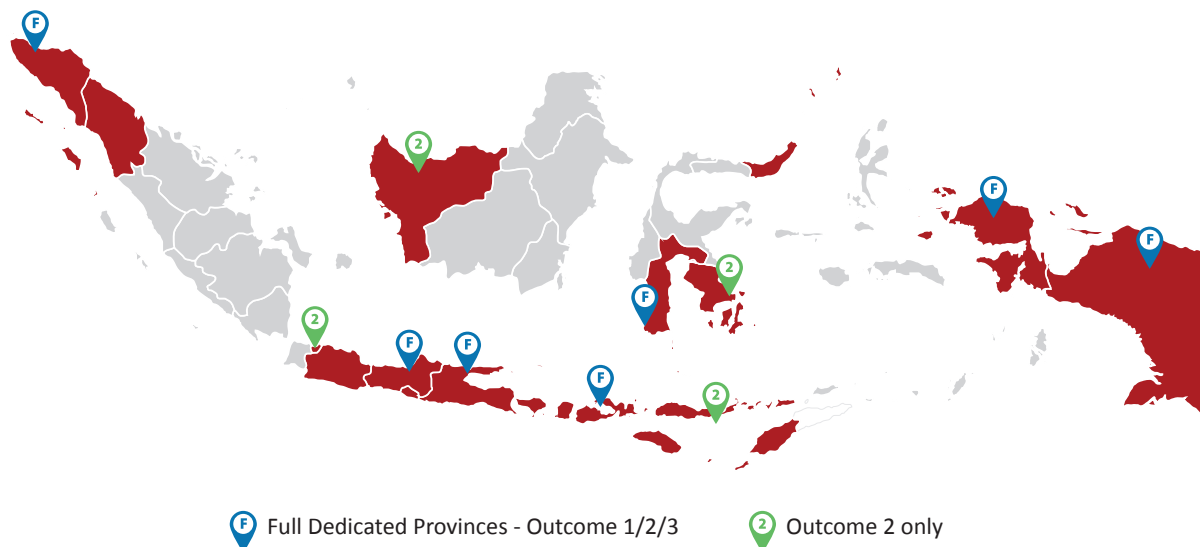
#### 2016

In 2016 KOMPAK took a phased approach to building dedicated sub-national engagement in two provinces<sup>16</sup>: East Java and NTB. Provincial offices were established in the provincial Bappeda office, and field teams were put in place. Provincial and District Government technical teams were formalised and an initial work plan encompassing KOMPAK's three outcome areas was developed. Activities and implementing partners of previous DFAT investments were mapped and opportunities for KOMPAK were identified. Implementation in these two provinces began in July 2016.

KOMPAK maintained a minimal presence in the provinces of Papua and West Papua, throughout 2016, while KOMPAK undertook a review and design of the next phase of LANDASAN program.

KOMPAK also provided support to GoI's Frontline Services Pilot in the provinces of Aceh, South Sulawesi, Central Java, and NTB throughout 2016. KOMPAK's presence was limited and the approach implemented was one of a supporting role to Bappenas and MoHA in the implementation of the Frontline Pilot. The map below illustrates KOMPAK's reach in 2016.

Figure 7. KOMPAK'S Reach, 2016



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Selection was proportional to the budget available, aligned to where there is strong GoI drive for change, and supported by robust evidence of what works.

**Table 9. KOMPAK Intervention Location**

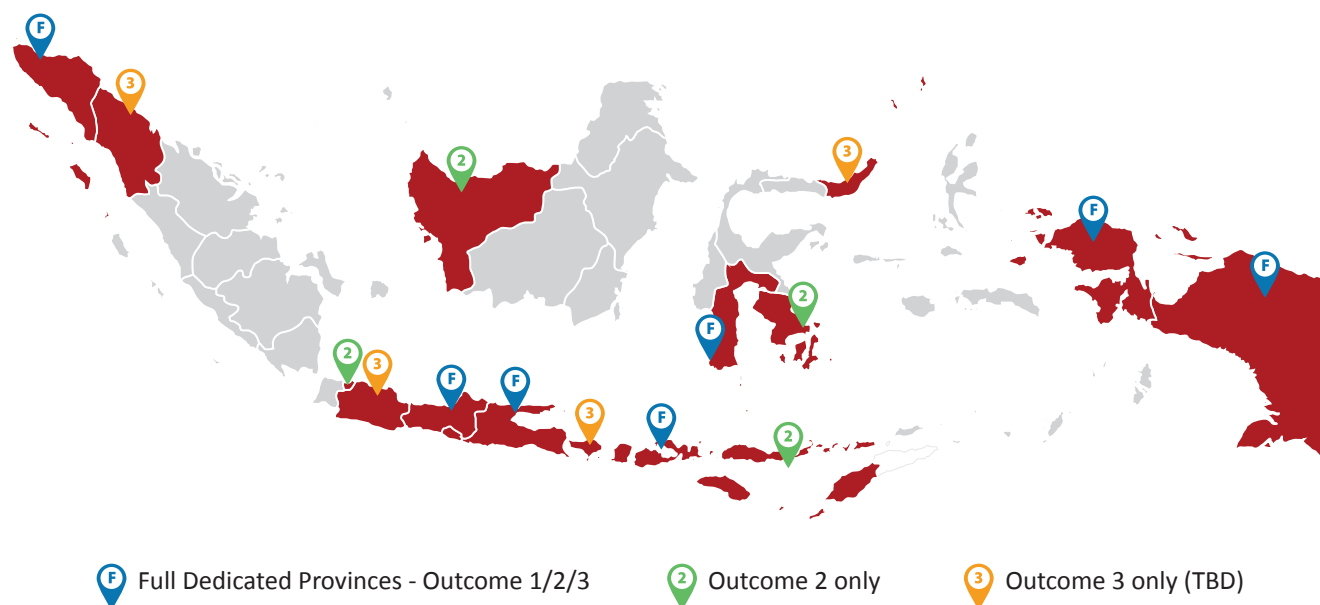
Province	Intervention
East Java & West Nusa Tenggara.	<ul style="list-style-type: none"> <li>– Strengthening capacity of Local Government and service unit</li> <li>– Frontline services pilot</li> <li>– Strengthening governance and community empowerment</li> <li>– Increasing economy opportunities</li> </ul>
Central Java, South Sulawesi and Aceh	<ul style="list-style-type: none"> <li>– Strengthening capacity of Local Government and service unit</li> <li>– Frontline services pilot</li> <li>– Strengthening governance and community empowerment</li> </ul>
Papua and West Papua.	<ul style="list-style-type: none"> <li>– Strengthening capacity of Local Government and service unit</li> <li>– Strengthening governance and community empowerment (Landasan Phase II)</li> </ul>
South East Sulawesi, West Java, West Kalimantan, West Nusa Tenggara, Central Java, DI Yogyakarta.	Paradigma Academy - women cadre training.
Potential Location (TBD): North Sumatera, West Java, Central Java, East Java, Bali, South Sulawesi, North Sulawesi	Potential location for pilot of integrated and responsive skills development centers.

**2017–2018**

In 2017–2018 KOMPAK will increase the number of provinces it provides dedicated support to from two to seven provinces. This means an increased number of provinces where support encompasses more than one of KOMPAK’s End-of-Facility Outcome areas. Building on the work to date in 2017–2018, KOMPAK will have dedicated support and a presence in NTB, East Java, Central Java, South Sulawesi, Aceh, Papua, and West Papua.

Support to NTB and East Java will include interventions to support all three EOFOs, while the provinces of Central Java, South Sulawesi, Aceh, Papua, and West Papua will focus initially on EOFO 1 and EOFO 2. The map below illustrates KOMPAK’s reach and presence in 2017–2018.

**Figure 8. KOMPAK’S Reach, 2017**



## One KOMPAK – National and Sub-national Cohesion

In 2017 KOMPAK's sub-national work will be fully integrated into both KOMPAK's Strategic Performance Framework and Project Structure – where high-level issues and sub-issues guide all KOMPAK interventions (national and sub-national). Projects and activities for 2017 have been developed jointly between the national and sub-national teams. This approach will help ensure a more coherent program of work within a province and across KOMPAK more generally. While activities can be implemented to address the local context and political economy, the ultimate goal of a sub-activity will align to the same activity goal from one province to another.

KOMPAK's Jakarta-based Program Implementation Delivery Team will be responsible for setting the strategic direction for the whole of KOMPAK (against EOFOs) and leading on national policy engagement and programming (which will also include piloting at the sub-national level). KOMPAK's sub-national team will be responsible for coordinating and managing province- and district-level initiatives, including those driven from the central level, and locally-led initiatives, as well as supporting their respective local governments to test and trial approaches and models that contribute to KOMPAK's EOFOs. At all times the KOMPAK Senior Management Team will be advocating and promoting one cohesive and coherent KOMPAK team.

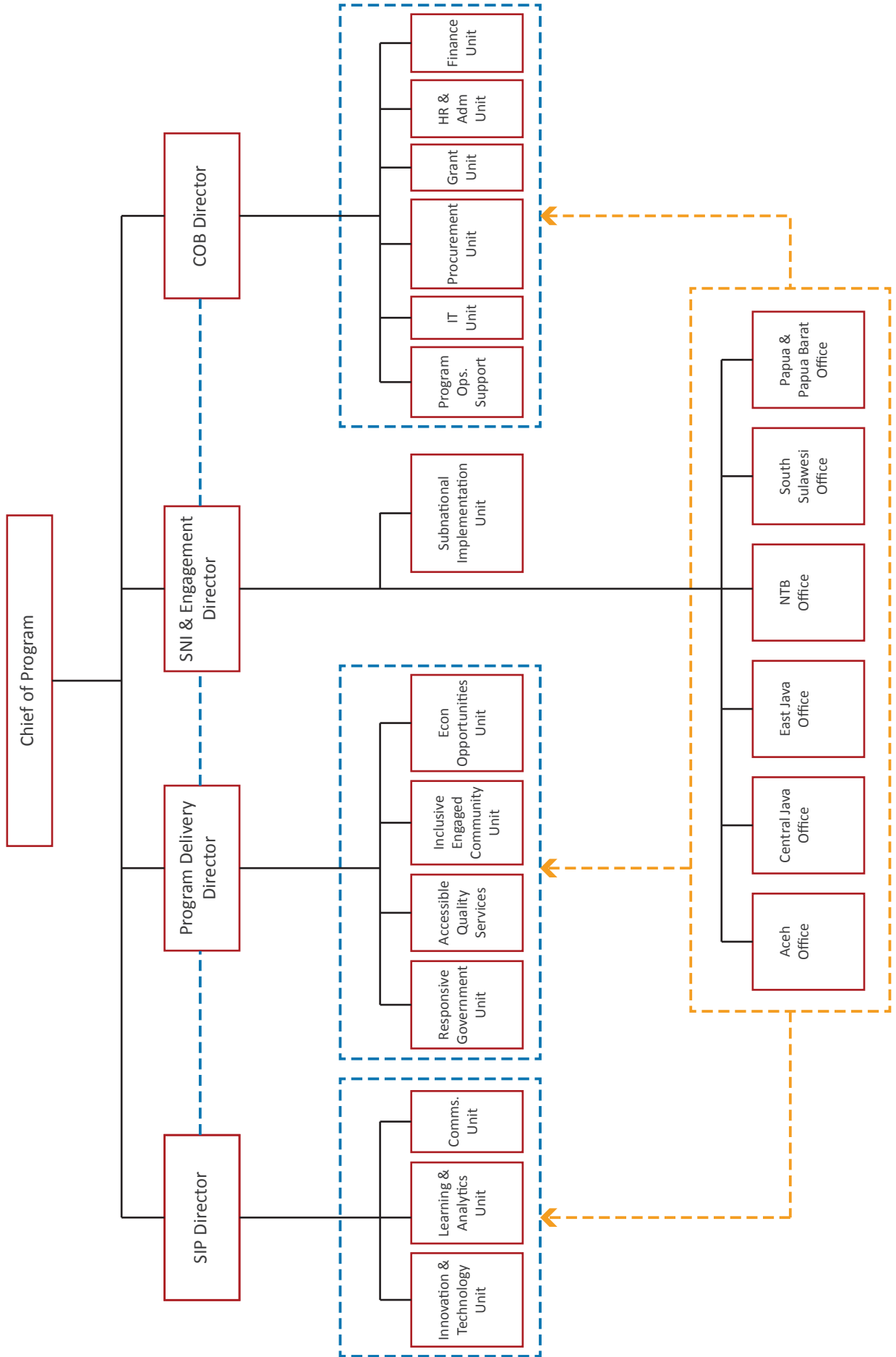
### Sub-national Staffing

In 2017, KOMPAK provincial staff numbers will increase to cater for increased activity. The staffing structure for the province will comprise of variations of these positions depending on needs:

- Provincial Manager
- Community Driven Development Coordinator
- Responsive Governments Coordinator
- Frontline Services Pilot Coordinator
- Economic Opportunities Coordinator
- M&E Officer
- Finance and Grants Officer
- Office and Administration Officer
- Driver
- District Coordinator – one per KOMPAK intervention district.

While province work plans will align to KOMPAK's overall project structure, plans and implementation will be context-specific and, where feasible, align with and support local-level policies and programs. KOMPAK's Jakarta-based Outcome Leads will continue to ensure project coherence and activity quality to ensure achievement of KOMPAK's IOs and EOFOs. All province staff will report to the Provincial Manager, with regular communication with all aspects of the KOMPAK team in Jakarta. Provincial Managers report to the Director Sub-National Implementation. The reporting lines between an example province and the Jakarta team are illustrated in the following diagram.

# KOMPAK ORGANISATION STRUCTURE



## Corporate Operations Backbone

With the increase to seven dedicated provinces in 2017, the operational functional requirements in Jakarta and in the field will also be enhanced. All seven provinces are engaging two new additional positions to support operations:

1. Finance and Grants Officer
2. Office and Administration Officer.

For 2017, the Jakarta COB team will appoint focal experts (by function) to support specific provinces with their operational functional areas. This will ensure a quick and easy point of contact for the operations staff in the province. Additional COB support in Jakarta will be considered at the end of Quarter 1 in 2017<sup>17</sup>.

While all province staff report to the province manager on a day-to-day basis, compliance with corporate systems, processes, and procedures will be monitored by the Jakarta COB team. Monthly meetings between all provincial operations staff and our designated COB support focal points will take place. On an inter-month basis, daily communication will be promoted between the relevant provincial operations staff and their relevant and direct COB focal points in Jakarta.

## Sub-national Coordination Platform or Forum Koordinasi

DFAT has a number of programs operating at the sub-national level<sup>18</sup> and in many cases within the same province. DFAT is initiating a more targeted and more intensive approach to promote collaboration and coordination between DFAT-funded programs operating in the same province.

This approach will address a number of issues identified at the sub-national level<sup>19</sup>, including:

- Multiple program meetings with same local government partner.
- Lack of coherence between programs and their contribution to local level priorities.
- Different program planning, monitoring, and reporting mechanisms and cycles.
- Different governance structures and approaches to engagement with sub-national governments.
- Multiple implementing partners.

DFAT has asked KOMPAK to consider options and identify opportunities to help ensure improved coordination and collaboration between DFAT programs. It has been proposed that NTB be the first province to trial this.

In early October DFAT and KOMPAK had an initial brainstorming session to identify issues, needs, and actions to address the issues mentioned above. The following three areas were identified:

- Comprehensive province level update of program interventions (results, achievements etc.)
- Targeted program collaboration on a certain issue within a certain district (this could be two programs working together to achieve the same outcome in the same location).
- Support for Local Governments for better coordination of donor programs.

<sup>17</sup> It is anticipated that the focus of additional COB support would be in the areas of Finance and Procurement and Grants.

<sup>18</sup> Programs include KOMPAK, MAMPU, Peduli, MAHKOTA, KSI, PRISMA, and INOVASI.

<sup>19</sup> Issues identified in the DFAT Sub-national Platform Discussion Note.

The below table represents the results of that discussion, and will guide the following discussion scheduled for mid-November 2016.

**Table 10. Coordination and Collaboration Issues**

Potential Action Items <sup>a</sup>	Expected Result	Potential Focus or Activity	Timeframe
Province information update.	Key stakeholders informed of DFAT portfolio (multiple programs) achievements and results within a certain province.	Consolidate report/materials on DFAT activities within any given province – this could be through quarterly to six-monthly updates (infographics etc.) or through an interactive database/platform that can be updated by respective programs to produce a consolidated report for key stakeholders. Six-monthly and annual forums, hosted by DFAT and facilitated by KOMPAK, to present consolidated report from all DFAT programs.	Immediate – 2017.
Targeted collaboration on certain issues within a certain geographical location.	Greater or speedier impact/achievement of outcomes. Greater program efficiencies due to leveraging of resources (financial and human) between programs.	Identification of where opportunities exist (locations and partners have been sharing with both MAMPU and Peduli programs).	Immediate – 2017.
Support for LG for better coordination of donor programs.	Increased capacity of Bappeda (or relevant agency) to coordinate donor programs.	Development of tools and coordination mechanisms to assist local governments.	Consideration for longer-term engagement.

<sup>a</sup> Still requiring further consultation and agreement with DFAT.

# Annex 4. Research and Analytics Pipeline

## KOMPAK Studies

Study	EOFO	Phase	Partner Agency (GOI and Others)	Primary Objective	Related Activities	Communications/ Dissemination Plan
<b>Underway in 2016</b>						
Assessment of Flow of Funds and Governance Arrangements in Frontline Service Units (PFM-study)	1	Completed; Policy briefs in development.	DJPK	In-depth assessment regarding vertical, horizontal, and external flow and timing of funds, governance, and human resources arrangements for health and education service units. Find out potential implications of village funds (ADD and DD) to frontline service units (public schools and Puskesmas).	Case study planning, design, and implementation. Collection and analysis of qualitative and quantitative data regarding public financial management and human resources in frontline service units. This study contributes to baseline for KOMPAK PFM related activities.	Two policy briefs are being drafted; policy briefs will be shared with relevant GoI counterparts in planned dissemination workshops. Findings will be incorporated into a summative End of Year report, integrating learnings across all of KOMPAK.
Roles and Capacities of Kecamatan	1	Phase 1 completed; Phase 2 completed, report in progress.	Bappenas	To understand the Kecamatan role in frontline service delivery and identify potential entry points as well as challenges for the Frontline Pilot design and implementation.	Learnings will inform policy dialogue and the Frontline Strategy planning, design, and implementation.	As per KOMPAK's Communication Strategy, a variety of communication/ dissemination products will be created from each study's final report, including: summaries posted on the website; research briefs; two-pagers to distribute to partners; presentations; and BBLs.
Back to What Counts: Birth and Death in Indonesia (A Study to Institutionalize Civil Registration and Vital Statistics in Basic Services)	1	Study completed	Bappenas	To understand bottlenecks, gaps, strengths, and opportunities in the existing civil registry systems, and recommend strategies to increase access to civil registration across Indonesia.	Learnings will inform the CRVS intervention design as a part of the Frontline Strategy and policy dialogue.	Final report and five related research briefs published: <a href="http://kompak.or.id/2016/07/28/back-to-what-counts-birth-and-death-in-indonesia-a-study-to-institutionalise-civil-registration-and-vital-statistics-in-basic-services/">http://kompak.or.id/2016/07/28/back-to-what-counts-birth-and-death-in-indonesia-a-study-to-institutionalise-civil-registration-and-vital-statistics-in-basic-services/</a> .  <a href="http://kompak.or.id/2016/07/28/legal-identity-crvs-basic-services-policy-brief-series/">http://kompak.or.id/2016/07/28/legal-identity-crvs-basic-services-policy-brief-series/</a> .



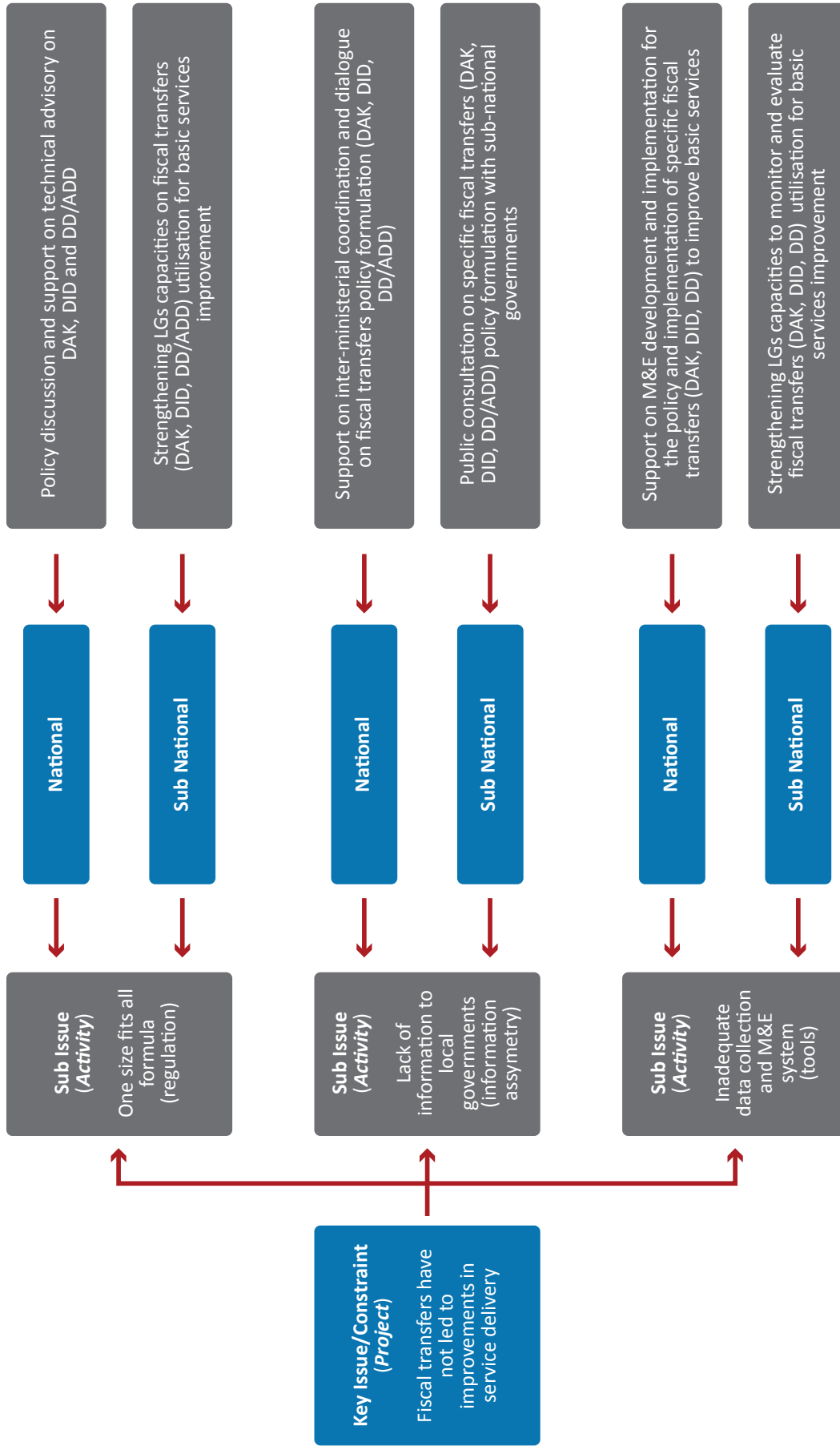
Study	EOFO	Phase	Partner Agency (GOI and Others)	Primary Objective	Related Activities	Communications/ Dissemination Plan
Reality Check Approach Report: Local Perspectives and Experiences of the Village Law in Indonesia	2	Completed; Policy Brief under final review.	Bina Pemdes	To develop an understanding of the perspectives of village governments on their experiences with the implementation of Village Law.	<p>Study findings will inform:</p> <ul style="list-style-type: none"> <li>– Bina Pemdes Training for Village and Kecamatan Governments</li> <li>– Bina Pemdes development of Capacity Development Strategy of Village Government and piloting in KOMPAK locations</li> <li>– Bina Pemdes development of Strategy for Strengthening Village Councils and piloting in KOMPAK locations.</li> </ul>	Final report published: <a href="http://kompak.or.id/2016/09/01/rca-report/">http://kompak.or.id/2016/09/01/rca-report/</a> .
Child Care Study	3	Phase 1 report under review.	KOMPAK in partnership with MAMPU	To understand how availability of child care can increase women's participation in the workforce.	<p>Learnings will inform potential piloting of child care to enable women to enter workforce, using Dana Desa.</p>	
Politics of Social Delivery	1	Phase 1 – Political Economy Analysis and Desk Review in progress; Phase 2 – Action research.	KOMPAK	To identify political factors that constrain or improve the political salience of basic service delivery, propose approaches to address factors, and test and evaluate the approaches.	<p>Inform Frontline Strategy implementation and Action Research implementation.</p>	As per KOMPAK's Communication Strategy, a variety of communication/dissemination products will be created from each study's final report, including: summaries posted on the website; research briefs; two-pagers to distribute to partners; presentations; and BBLs.

Study	EOFO	Phase	Partner Agency (GOI and Others)	Primary Objective	Related Activities	Communications/ Dissemination Plan
P2B-PKKPM (baseline data collection)	3	Data collection and analyses completed.	Bappenas and DFAT	To measure the economic (consumption, income, labour supply), economic empowerment (quality of livelihoods, gender participation, access to training), and social empowerment (intra-household decision-making, networks and participation in local government) of the core component (PKKPM) of Gol's new sustainable livelihoods approach (P2B).	Efforts will be made to include the data as part of KOMPAK's baseline, based on KOMPAK's pilot locations and indicators.	No further data collection will be conducted; program cancelled.
P2B-PKKPM/ SMERU (field and process monitoring)	3	Report completed; program cancelled, no additional data to be collected.	Bappenas and DFAT	To qualitatively track program impact, to monitor, processes and to observe the implementation staff's performance of the core component (PKKPM) of Gol's new sustainable livelihoods approach (P2B).	PKKPM Baseline. The results will also inform the planned livelihoods related pilots related to Dana Desa, coastal communities, and labour market.	Ten Most Significant Change Stories published: <a href="http://kompak.or.id/2016/10/05/msc-stories/">http://kompak.or.id/2016/10/05/msc-stories/</a> . Executive Summary published. PKKPM was discontinued. SMERU contract is revised (see below).
Community-led Infrastructure	2	Completed.	MoV	Rapid assessment on village infrastructure quality and village capacity to manage infrastructure activities, including procurement, standard price, technical support from facilitators or cadres.	Policy brief related to community-led infrastructure will inform village training (apparatus and facilitators).	Policy Brief published.
Rapid Study: Profiles of Desa and Kecamatan	2	Phase 1 survey data collection in progress.	Bina Pemdes (MoHA)	To provide updated data on village and kecamatan profiles where KOMPAK operates also about their experiences implementing Village Law and Village Fund.	Profiles will be used to inform as baseline, as well as capacity strengthening activities for village apparatus.	Analyses and results shared with Gol (MoHA).

Study	EOFO	Phase	Partner Agency (GOI and Others)	Primary Objective	Related Activities	Communications/ Dissemination Plan
<b>Planned for 2017</b>						
Education Pilot with Zenius	1	Planning in progress.	KOMPAK (as response to Problem Mapping in kecamatan)	To understand the feasibility of providing additional curricula content and support to teachers in the form of an online platform (linked to internet or situated on local service).	Pilot data will be used to inform feasibility of scale-up.	As per KOMPAK's Communication Strategy, a variety of communication/ dissemination products will be created from each study's final report, including: summaries posted on the website; research briefs; two-pagers to distribute to partners; presentations; and BBLs.
BLK Pilot	3	Planning in progress.	Bappenas	This is a rapid assessment on existing partnership of BLK and private sectors. It was already conducted in August. The assessment team comprises of Bappenas, Ministry of Labour, and KOMPAK.		As per KOMPAK's Communication Strategy, a variety of communication/ dissemination products will be created from each study's final report, including: summaries posted on the website; research briefs; two-pagers to distribute to partners; presentations; and BBLs.
Positive Deviance Livelihoods Research	3	Planning in progress.	KOMPAK Bappenas	To identify the contributing factors to an enabling economic environment. To identify the minimum requirements to establish an enabling economic environment.	Research will be used to inform GoI's rural livelihoods policies. KOMPAK will also use this research to identify which areas of intervention will bring maximum impact and create transformational change.	
e-Warung	3	New SMERU scope of work is under discussion.	KOMPAK Bappenas	To provide general information on 6 month implementation of e-warung program: socialisation aspect, planning and field implementers, capacity of beneficiary to use ATM card, their satisfaction, complaint handling system, etc.	Results will be used to improve the program and consider expansion.	

Study	EOFO	Phase	Partner Agency (GOI and Others)	Primary Objective	Related Activities	Communications/ Dissemination Plan
Market Linkages Study	3	New SMERU scope of work is under discussion.	KOMPAK, Bappenas	To understand the political economy of three of KOMPAK's sub-districts, in the context of the district's priority sectors. To analyse the potential of the three districts' priority sectors for participation of poor livelihoods groups. To understand the processes and issues faced by existing rural livelihoods groups/ institutions and individuals.	Research will be analysed to develop at least one prototype per sub-district which will link existing livelihoods groups/ institutions/individuals to the market in their Kabupaten's priority sector. These will be piloted with a PDIA approach.	
Study to Design Activity of Strengthening the Capacity of the Village Apparatus and Rural Community to Manage Financial Transactions through Layanan Keuangan Digital (LKD) and Laku Pandai	3	TOR is in review.	KOMPAK Bappenas OJK Bank Indonesia	To understand how to strengthen access and usage of formal financial services in rural areas through LKD and Laku Pandai within the framework of inclusive and equitable economic development.	Results will be used to design a strategy for strengthening demand for formal financial services in rural areas (demand-side) and increasing outreach in rural communities for branchless banking (supply-side)	
Study for Policy Formulation on Linkage of Financial Inclusion to Inclusive Economic Growth	3	TOR is in review.	KOMPAK Bappenas	To provide inputs for the Government of Indonesia to design and implement financial inclusion related programs that will support the RPJMN 2015–2019, leading to inclusive economic growth.		

## Annex 5. Project and Activity Flow (Example)





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