



Government of Central Kalimantan



Government of Indonesia



Government of the Netherlands



Master Plan for the Rehabilitation and Revitalisation of the Ex-Mega Rice Project Area in Central Kalimantan



PARTNERSHIP AND TECHNICAL FACILITY FOR REHABILITATION AND REVITALISATION OF THE EMRP AREA

Technical Guideline No. 1

MARCH 2009

Euroconsult Mott MacDonald and Deltares | Delft Hydraulics
in association with
DHV, Wageningen UR, Witteveen+Bos, PT MLD and PT INDEC

Master Plan for the Rehabilitation and Rehabilitation of the Ex-Mega Rice Project Area in Central Kalimantan

Technical Guideline Number 1

Partnership and Technical Facility for the Rehabilitation and Revitalisation of the Ex-Mega Rice Project Area in Central Kalimantan

Nick Mawdsley¹ and Aljosja Hooijer²

1) Euroconsult Mott MacDonald

2) Deltares | Delft Hydraulics

Government of Indonesia

Royal Netherlands Embassy, Jakarta

Euroconsult Mott MacDonald / Deltares | Delft Hydraulics

in association with

DHV
Wageningen University & Research
Witteveen+Bos Indonesia
PT. MLD
PT. Indec

March 2009

Table of contents

List of abbreviations	ii
1 Introduction	4
2 Partnership for the Rehabilitation and Revitalisation of the EMRP Area	6
2.1 Background	6
2.2 Partnerships in Development Assistance	7
2.3 A Partnership for the Ex-Mega Rice Area.....	15
3 Technical Facility for the EMRP Area	21
3.1 Background	21
3.2 The Case for a Technical Facility	21
3.3 Tasks of a Technical Facility	22
3.4 Governance, Management and Personnel	24
4 Conclusions and Next Steps	25

List of abbreviations

APBD	Anggaran Pendapatan dan Belanja Daerah (Regional state budget)
APBN	Anggaran Pendapatan dan Belanja Negara (National state budget)
BAPPENAS	Badan Perencanaan Pembangunan Nasional, National Development Planning Board
BRR	Badan Rehabilitasi dan Rekonstruksi Aceh dan Nias
CSR	Corporate Social Responsibility
DFID	UK Department for International Development
EMRP	Ex-Mega Rice Project
GOI	Government of Indonesia
IFAD	International Fund for Agricultural Development
Inpres	Instruksi Presiden, Presidential Decree
IPF	Indonesia Partnership Fund for HIV/AIDS
KFCP	Indonesia-Australia Kalimantan Forest and Climate Partnership
M&E	Monitoring and evaluation
MDTF	Multi-donor Trust Fund
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NAC	National AID Commission
NGO	Non-government organisation
PokJa	Kelompok Kerja, Working Group
UK	United Kingdom of Great Britain and Northern Ireland
UN	United Nations
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WACLIMAD	Water Management for Climate Change Mitigation and Adaptive Development in the Lowlands

Executive Summary

This report presents details for a proposed Partnership and Technical Facility for the rehabilitation and revitalisation of the EMRP area. With the Paris Declaration on aid effectiveness in 2005 and the Jakarta Commitment in 2009, there is a strong political commitment from donors and host countries for external assistance to have strong national ownership, be aligned with country policies and strategies, be harmonized amongst donors, for resources to be managed based on results and for there to be mutual accountability. A number of examples of partnerships in the delivery of development assistance in Indonesia and the region are presented that demonstrate variations in models of partnership and some of the key lessons learnt. The overall conclusion is that partnerships can provide more effective means of utilising external assistance than traditional project-based approaches.

The rehabilitation and revitalisation of the EMRP area also requires significant technical work to be completed. The main tasks identified include (i) capacity development, (ii) data collection and knowledge development, (iii) technical design work, (iv) monitoring evaluation and reporting, (v) provision of technical advice to communities, Inpres working groups, government agencies and other stakeholders. In particular, key tasks that can be considered core include developing local capacities and knowledge, and monitoring and evaluating the impact of interventions and changes in the area as a whole through a Common Monitoring Framework (described in Master Plan Technical Report No. 7) to provide a Consolidated Progress Report for decision-makers and other stakeholders. The provision of technical advice to communities is part of the community-based approach described in Master Plan Technical Guideline No 3.

A possible model with options for the development of a partnership and technical facility are provided in sections 2 and 3. These emphasise national and local ownership and build on the existing institutional framework of Presidential Instruction No 2/2007. It is proposed that the vision for the partnership is one that builds cross-agency cooperation and integration (both across sectors and levels of government), while building local capacity for implementation. Local capacity for implementation would be supported through the establishment of a multi-donor fund to provide a mechanism for donors to participate and through capacity building work. Aspects regarding the establishment of the partnership, partner rights and responsibilities, institutional aspects and governance, and management and finance are presented.

The single most important message is for these mechanisms to be developed and led by the Government in an inclusive process. Donors can make an important contribution as partners in the rehabilitation and revitalisation of the EMRP area, but Government has the political authority and potential to contribute to major share of financial resources to make this important goal a reality. For this reason, it is proposed that the Governor of Central Kalimantan and Bappenas in cooperation with donors establish a team to develop and design the proposed Partnership and Technical Facility. The Governor of Central Kalimantan should also establish a team to identify capacity building needs and develop a capacity building action plan. These tasks and design processes will need to take into account likely financial flows for the support of rehabilitation and revitalisation of the EMRP area. Bappenas should work with the main departments responsible for the execution of Inpres 2/2007 and Indonesia's development partners to establish a medium-term financing plan.

1 Introduction

The Master Plan for the Rehabilitation and Revitalisation of the Ex-Mega Rice Project area in Central Kalimantan has highlighted the need for coordinated and integrated action between actors working in the area as well as the need to further develop the knowledge base for successful rehabilitation and revitalization of the area. For this reason, the Master Plan proposed the formation of a 'Partnership for the Rehabilitation and Revitalisation of the EMRP Area' under the leadership of the Governor of Central Kalimantan and the establishment of a Technical Facility to provide technical advice at all levels.

A partnership can be used as a mechanism for the coordination of international, national and sub-national investments in support of a specific government strategy. Generally these are not legally binding arrangements but define the rights and responsibilities of partners to work together towards a common goal. The Governor of Central Kalimantan has already announced at the Provincial Annual Development Planning (Musrenbang) meeting in 2009 that all actors working in the EMRP area should report their activities to the provincial government and that all should work under the Governor's coordination as the person responsible for the implementation of Inpres 2/2007. The formation of a partnership would therefore provide a framework for the coordination and management of rehabilitation and revitalization of the EMRP area and, in particular, provide a platform for a range of actors including donors to join this important initiative.

The proposed Technical Facility is needed to act as a focal point and assist in the development of the knowledge base for the rehabilitation and revitalization of the area. As documented in the Master Plan, there is a range of technical aspects that need further investigation, pilots and trials and well as to ensure that there is effective technical support to GOI and people living in the area in the development of programs and community-based interventions in the area. As an example, owing to a lack of accurate topographical data in the area, it is not possible to accurately assess hydro-topography and therefore land suitability for specific developments as well as detailed interventions for hydrological rehabilitation. The proposed Technical Facility can assist in overcoming the technical challenges of rehabilitating and revitalizing the EMRP area. The overall vision for this is that the Technical Facility would develop a network of technical expertise – made up of experts from Palangka Raya, Indonesia and internationally – to provide timely and effective inputs on demand from policy makers and project implementators and assist with the technical review of progress on an annual basis. This latter task would be closely linked to the development and management of a Long-Term Monitoring Framework for the Rehabilitation and Revitalisation of the EMRP area, which is described in a separate guideline.¹

An overarching principle of the Master Plan and the implementation of associated programs is that they are community-based in order to ensure meaningful involvement of people living in the area and to ensure that their rights are protected. As described in the Technical

¹ See Master Plan Technical Guideline 7 – Long-Term Monitoring Framework for the Rehabilitation and Revitalisation of the EMRP Area.

Guideline on Community-Based Rehabilitation and Revitalisation of the EMRP Area, there is a need to provide technical expertise to communities living in the area as part of community-based land and development planning processes. The proposed Technical Facility could also provide this resource and ensure that a pool of qualified experts is available to work with community facilitators and communities.

Building on the Master Plan and current developments in Central Kalimantan and with Inpres 2/2007, this Technical Guideline sets out in more detail the proposed Partnership and Technical Facility as a basis for discussion and possible development of these in the future implementation of Inpres 2/2007. Section 2 of this report considers the Partnership and the need for a dedicated secretariat to support the Partnership and overall coordination of the rehabilitation and revitalisation of the EMRP area. Section 3 focuses on the Technical Facility and provides a model of how this may help provide ongoing technical support. The final section presents the overall conclusions of this report and some suggestions for next steps.

2 Partnership for the Rehabilitation and Revitalisation of the EMRP Area

“External assistance is not simply a financial supplement to domestic resources, but complementary to these resources – playing a catalytic role in allowing Indonesia access to international knowledge and best practices, to enhance institutional capacity, and bring about strategic systems improvements.” From The Jakarta Commitment, January 2009

2.1 Background

Partnerships are seen as an effective way of fostering more effective development cooperation but require a considerable amount of effort for their establishment in order that they can function effectively. In particular, the formation of a partnership needs to involve people looking beyond their own sectoral and project-based interests.

The Paris Declaration

The emphasis on partnerships in the delivery of development assistance was highlighted in the Paris Declaration of 2005, which was signed at the High-Level Forum on Aid Effectiveness between developed and developing countries including Indonesia. Building on previous meetings, the Paris Declaration reflected that there was a major need to make development assistance more effective through the development of effective partnerships between donor and recipient countries based on five key principles:

1. **Ownership** – Partner countries exercise effective leadership over their development policies and strategies and coordinate development actions.
2. **Alignment** – Donors base their overall support on partner countries national development strategies, institutions and procedures. This also includes commitments to strengthen institutions and procedures and build capacity so that aid is used for agreed purposes and partner countries own effectiveness is increased.
3. **Harmonisation** – Donors actions are more harmonised, transparent and collectively effective. This includes a commitment from donors to implement common procedures and simplify procedures, seek complementarity in the division of tasks and projects, and develop incentives for complementary approaches.
4. **Managing for Results** – Managing resources and improving decision-making for results. Partner countries commit to strengthen the linkages between development strategies and budgets through results-orientated reporting and performance assessment frameworks. Donors commit to align their assistance with partner country reporting and performance assessment frameworks and to harmonise their monitoring and reporting.
5. **Mutual Accountability** – Donors and partners are accountable for development results. Partner countries and donors commit to increasing transparency to parliaments and citizens through greater transparency and citizen participation.

A total of 90 countries signed the Paris Declaration and include donors such as Netherlands, Australia, Finland, Korea and UK that have expressed interest in supporting the rehabilitation and revitalisation of the EMRP area. Multi-lateral donors including the World Bank, Asian Development Bank, United Nations agencies and IFAD as well as a number of NGOs also signed the Paris Declaration.

The Accra Agenda for Action produced at the 2008 High-Level Forum on Aid Effectiveness strengthened calls for greater country ownership, more inclusive partnerships including civil society organisations and the private sector and for greater accountability for development results. Consequently, there is clear political will from donors and recipient countries to better harmonise their programs and align them to recipient country needs through the formation of partnerships. The rehabilitation and revitalisation of the EMRP area in Central Kalimantan presents a good opportunity to create a partnership between national and regional governments, donors, civil society and the private sector to achieve the goals of Inpres 2/2007 as articulated in the Master Plan.

2.2 Partnerships in Development Assistance

Development partnerships typically have the following in common:

1. Partnerships can provide a framework for voluntary engagement and/or legally binding funding and programming.
2. Structures for coordination regardless of implementation modalities.
3. They are not static but can evolve based on review and learning about the needs of partners, in particular those of the host government.
4. While voluntary, they have established frameworks for agreed activities (e.g. strategies, plans and monitoring frameworks) – thus they go beyond providing a platform for policy dialogue but are orientated towards programming through contractual agreements between donors, recipient countries and third parties.
5. All are fully inclusive – in principle all relevant government agencies, international partners, civil society organisations and the private sector can join.

Legal Basis and Membership

As voluntary institutions, partnerships are typically based on Memoranda of Understanding or Agreement with or without a commitment of funding to support the goals of the partnership or relevant sector / strategy. Membership can be limited (e.g. only government and donors) or broad (government, donors, civil society and private sector). More open partnerships create higher levels of transparency and accountability and also provide the opportunity to develop better outcomes through the contribution of a wider range of ideas, perspectives and actions. More open partnerships require greater management but these higher costs should be compensated by the greater political benefits of transparency and accountability as well as overall performance of the partnership.

At the initiation of the partnership, there can be an initial non-binding MOU/MOA. Partners joining later can do through exchange of letters with the partnership leadership. Official “signing-on” through MOU/MOAs is seen as important for generating a sense of ownership. This is true for international partners as well as government agencies, civil society organisations and private sector partners.

Governance and Management

An effective partnership needs to be led by those with political responsibility in the partner country for the goals of the partnership. Typically a steering committee or board is established comprised of senior government officials with donor representation. The steering committee could be focused on an existing institution that has responsibility for the activities of the partnership. For example, the National AIDS Commission Secretariat has responsibility for ensuring that the Indonesia Partnership Fund for HIV/AIDS is effectively governed and managed in lines with the goals of the national commission.

Greater transparency can be provided through representation of other groups involved in the partnership such as civil society and the private sector. In order to accommodate other parties, not all members of the steering committee may have equal rights depending on the precise governance arrangements agreed in the establishment of the partnership and steering committee.

While the steering committee would provide overall direction to the activities of the partnership, some partnerships may also establish an executive committee that meets more regularly than the steering committee. The executive committee would have responsibility for executing the policy and program decisions of the steering committee and resolving issues during execution. An executive committee might meet 4-6 times a year, while a steering committee might meet 1-2 times a year.

The overall management of a partnership is typically given to a partnership director. The director can be a government official or a person appointed and often paid for by government. The advantage of the latter is that the director is in the direct employment of government and can focus fully on the task of managing the partnership. A partnership management team or secretariat would be led by the partnership director.

Program-based Fund Management

Usually a partnership is formed to complete a program of work that involves the management of funds. There are at least three possible approaches for fund management: (i) funds can be managed directly by the recipient government using normal procedures, (ii) funds can be managed by a third party under government management or co-management with a donor representative or (iii) funds can be managed by a third party independent of government but under the direction and governance of the partnership. In Indonesia, the second and third options have been the most common approach including the use of Multi-Donor Trust Funds administered by multi-lateral agencies such as the UN and World Bank. The multi-donor trust fund approach involves the pooling of donor resources so that no project or activity earmarking occurs – decisions over this remain the responsibility of the steering committee. Beyond the multi-lateral agencies, any third party organisation that has the capability and experience to administer a fund could be appointed by the steering committee to undertake this role.

Technical Support and Capacity Building

External assistance is more than additional resources. Donor funds present opportunities for sharing international experience, knowledge and skills and for building the capacity and capabilities of national and local organisations as well as piloting new approaches to address the specific development challenges of the recipient country. Donor funds should therefore contribute more than just a series of activities but should be used to overcome specific barriers to success that national and local resources cannot effectively address. The use of donor funds for technical support, capacity building and scalable pilots need to

be aligned and targeted to enable the improved use of national and local resources. The importance of scalability (i.e. being able to expand new approaches using government resources) should be a priority for the use of donor resources.

2.2.1 Development Partnerships in Indonesia

Indonesia has had many experiences of partnerships over the last decade, which allows lessons to be learnt about the nature and effectiveness of the partnership approach. The partnerships have varied in the extent to which they are “Indonesian ideas” or “donor ideas” but have generally involved working together to develop the institutional basis for the functioning of the partnership. In response to these experiences and the desire to increase the effectiveness of donor aid in Indonesia, the Government formulated the Jakarta Commitment that sets out the Government’s policy in terms of strengthening aid effectiveness (see Annex 2).

The Jakarta Commitment

The Jakarta Commitment, signed by Deputy Ministers in the Coordinating Ministry of Economic Affairs, Bappenas and the Ministry of Finance and adopted by 22 of Indonesia’s development partners (see Annex 2) in January 2009, presents a road map and strategic vision for strengthening development aid effectiveness in Indonesia. The Jakarta Commitment also emphasises the importance of addressing gender issues. The main themes of the document are:

I. Strengthening country ownership over development through *inter alia*:

- Strengthening capacities and using stronger government systems, in which the Government will articulate capacity development objectives;
- Development partners aligning themselves with Government programs and systems including commitment from development partners to transparently state their rationale for not using government systems and how they will align in the future;

II. Building more effective and inclusive partnerships for development through *inter alia*:

- Developing a new partnerships paradigm within which development partners can assist in finding creative solutions to Indonesia’s development challenges, making new knowledge and international best practices available based on country demands;
- Putting higher priority on programme-based approaches including the use of multi-donor support modalities that support government programs and link to the priorities of Bappenas, Ministry of Finance and other departments;
- Strengthening the alignment of multi-donor support to government systems supported by guidelines from Government for the mobilisation and management of multi-donor funds;
- Diversifying the development resources available to Government to include alternative sources of financing such as public-private partnerships, corporate social responsibility, global and domestic foundations, global funds, trade and foreign investment;
- Expanding the dialogue to include new actors including civil society and the private sector.

III. Delivering and accounting for development results through *inter alia*:

- Strengthening the focus on and capacity to manage results-based development based on strong frameworks for measuring and monitoring results with the Medium-Term Plan (RPJM) and linked sector plans;
- Establishing social accountability mechanisms that solicit, monitor and ensure implementation of feedback on the Government's performance;
- Establishing institutional frameworks for monitoring and evaluation to reduce parallel efforts at monitoring national development targets;
- Working together to review progress across development partnerships and seeking support from donors based on their comparative advantage where critical needs exist within a common results-based framework that focuses on sustainable results beyond traditional project-based support.

Past Experience of Partnerships in Indonesia

Three partnerships are highlighted here as examples of the use of partnerships in Indonesia. Although other examples exist, the three examples provide contrasts and lessons for Central Kalimantan.

1. Partnership for Governance Reform

The Partnership for Governance Reform (*Kemitraan*) was established in 2000 by government and donors working with UNDP to enable a broad-based and nationally owned governance reform process that could draw on international technical and financial support. *Kemitraan* started with a Governing Board of reform minded individuals, a number of Ambassadors and donor organisations. Donor funds were administered by UNDP and an Executive Office with an Executive Director was established. The Executive Office undertook policy analysis, dialogue and advocacy and managed the donor Trust Fund that was under UNDP administration. In 2003, *Kemitraan* gained legal status as a not-for-profit association and its governance institutions modified to grant greater national ownership and capacity to manage its resources and programs. By 2006, *Kemitraan* had used USD 33.5 million to support 262 projects nationally (see www.kemitraan.or.id).

The Governing Board of *Kemitraan* includes Indonesian and donor representatives and has authority over the general policies and affairs of *Kemitraan*. The Executive Board of Indonesian members provides management oversight of *Kemitraan* and represents *Kemitraan* to the wider public. Lessons learnt include the importance of multi-stakeholder approach in the development and execution of the partnership, especially in the development national ownership, working with local partners is vital to ensure local realities and capacities are addressed, and combining 'capacity from within' and 'pressure from without' is required to accelerate reform.²

2. Multi-Donor Trust Fund for Aceh and Nias

The MDTF for Aceh and Nias responded to the recovery and reconstruction needs following the Indian Ocean tsunami in 2004. The MDTF is governed by a Steering Committee with three Co-chairs (Head of the Rehabilitation and Reconstruction Agency (BRR), Head of the EU Delegation and Country Director of the World Bank) and voting and non-voting members. Voting members include Government of Indonesia representatives (Bappenas, Ministry of Finance, Governors of North Sumatra and Aceh, BRR); donors to

² Indonesia: Utstein donor support to the Partnership for Governance Reform (www.U4.no). See also Jepri Edi and Ayu Setianingtias (2007) Donor proliferation and donor coordination in Indonesia: the case of governance reform (Paper prepared for Centre for the Future State, Institute of Development Studies, University of Sussex).

the fund (including government, non-government and private sector donors); two civil society representatives from North Sumatra and Aceh; the World Bank as Trustee. Non-voting members included a representative from international NGOs, which themselves raised large amounts of finance for Aceh and Nias, and the United Nations. The fund is managed by the World Bank, which established a secretariat to undertake this task. The total amount of funds managed by the MDTF was over USD 700 million, much larger than *Kemitraan* reflecting the nature of the goal of the MDTF.

The strategy for the use of MDTF funds was to be based on the Government's Master Plan for the Rehabilitation and Reconstruction of Aceh and Nias as executed under the leadership of the BRR. The MDTF Recovery Assistance Policy outlined the expected goals and benefits of the MDTF as a response mechanism, highlighted the disadvantages (low cost effectiveness) and highlighted the need for MDTF funds to be used to fill gaps in finance that were not being met by Government and others.

The MDTF as a mechanism to mobilise and harmonise significant funds for the rehabilitation and reconstruction of Aceh and Nias was seen as a success, especially in terms of using existing approaches to promote community-driven implementation, gender equity, conflict-sensitive approaches and anti-corruption and fiduciary oversight.³ The MDTF has made many significant achievements on the ground and helped reduce the coordination load for government of donors that contributed to the MDTF. Nevertheless, given the emphasis on rapid response, issues such as an effective, consolidated monitoring framework, local decision-making and coordination involving provincial and especially district governments, and capacity building were addressed only to a lesser extent.

The BRR was proactive in registering all agencies working in Aceh & Nias, requiring projects to be approved through submission of a project concept note, and holding a Coordination Forum for Aceh & Nias (CFAN). These initiatives helped to coordinate and direct work amongst government, the UN agencies, NGOs and the MDTF, but there were still a myriad of unmet coordination and policy issues, some of which were resolved in time, which probably had an effect on the effectiveness of the overall response. In particular, international NGOs had limited coordination mechanisms.⁴ The response in Aceh and Nias was also marked by contributions in finance and other resources from the private sector. In particular, USAID, which did not join the MDTF, used public-private partnerships to mobilise finance from the private sector and this approach forms part of its overall strategy for as part of the US-Indonesia Partnership.

3. Indonesia Partnership Fund for HIV and AIDS

The Indonesia Partnership Fund (IPF) for HIV and AIDS was established in 2005 to promote and strengthen the development of an effective and sustainable multisectoral response to the epidemic.⁵ The IPF aimed to strengthen the National AIDS Commission (NAC) and undertake a range of activities to support the national response. A Programme Steering Group (PSG) – chaired by the Coordinating Minister of People's Welfare – was established to oversee the Fund. At the request of the NAC, UNDP agreed to be responsible for financial management and procurement services while the NAC retained responsibility for managing the Fund's technical programme. Based on evaluations by

³ European Commission (2006) Progress Report on the European Commission Post Tsunami Rehabilitation and Reconstruction Programme.

⁴ Harry Masyrafah and Jock MJA McKeon (2008) Post-Tsunami Aid Effectiveness In Aceh: Proliferation And Coordination In Reconstruction. Wolfensohn Center For Development.

⁵ Indonesia Partnership Fund For HIV and AIDS 2008–2015 - Framework Document.

DFID, the main donor, the IPF has proven a successful model for aid effectiveness and a mechanism through which partners coordinate more effectively.

In 2007, the IPF Steering Committee appointed a consultant team to develop the IPF from 2008-2015, which resulted in the production of a Framework Document, which presents the objectives, components, management and governance of the IPF. The Framework Document is accompanied by a Project Document, which describes in more detail the program of work, an operations manual and a tool for fundraising. The fund works within the context of the National HIV/AIDS Action Plan 2007-2010 and promotes the Paris Declaration and 'Three Ones' principle (one national action framework, one national coordinating authority, one country-level monitoring and evaluation system). The IPF in 2008-2015 aims to:

- Strengthen AIDS Commissions and Secretariats at national and sub-national level to oversee, coordinate and facilitate a scaled-up, results-focused response to the HIV epidemic;
- Support strategic, high quality and results-focused interventions;
- Increase human, technical, management and financial resources and partners for the HIV response.

A strong focus is given to capacity building, resource mobilisation, advocacy and policy development. The IPF has (a) a Rapid Response Facility to respond to immediate needs and (b) a Grants Program to support strategic, high quality and appropriate interventions to achieve longer-term sustainability.

The institutional framework of the IPF consists of:

National AIDS Commission Secretariat – With the IPF Management Committee, defines the role of the IPF in the context of the national response to identify the most appropriate use of funds.

IPF Director – Works to oversee the effective management of the IPF and may be the Secretary of the National AIDS Commission or an alternative.

IPF Steering Committee – Provides high-level policy direction and oversight to the IPF. Comprised of 4 members of Government, up to 5 donors, 2 UN representatives and 4 civil society representatives.

IPF Management Committee – Responsible for the day-to-day decisions on the management of the IPF including decisions on project approval and fund disbursement. The Management Committee provides support to the IPF Director and is composed of 3 member of Government, donors that contribute to the IPF, 2 UN representatives and 4 civil society representatives.

Fund Manager – The fund manager for the IPF is UNDP and is responsible for the execution of the program under the direction of the Program Director.

IPF Administrative Support Unit – Supports the Program Director in the administration of the program.

Expert Resources – The IPF will draw on expert resources to complete the work program.

In accordance with the Paris Declaration, donors are also expected to agree to a standard reporting format and for all monitoring and evaluation to be in accordance with the national M&E framework.

4. Conclusions

The three examples of partnerships offer lessons learnt for Central Kalimantan in designing an effective mechanism to engage donors and others in the rehabilitation and revitalisation of the EMRP area. Each has strengths and weaknesses in terms of Indonesia's position as articulated through the Jakarta Commitment.

None of the three partnerships uses government systems and with the exception of the Kemitraan, ownership is shared between the Government and donors. In general, these partnerships do not appear to have been effective in diversifying financial resources, which should be considered for the EMRP area. This might relate to either the high dependence on donor funding or the role that donors play in the partnership. Multi-stakeholder dialogue is a common feature but it is noted that representation in the MDTF and IPF is dominated by donors and government: expanding the dialogue and representation of civil society and the private sector should be encouraged in Central Kalimantan. These examples also show that improved designs can be made for social accountability mechanisms and single national monitoring and evaluation frameworks. In relation to M&E, the Master Plan provides a proposed Common Monitoring Framework that could form the basis for consolidated reporting and monitoring of implementation of Inpres 2/2007.

Table 1: Comparison of the Three Partnership Examples and Criteria of the Jakarta Commitment.

Partnership Criteria	1. Kemitraan	2. MDTF	3. IPF
National ownership	Yes	Shared between GOI and donors	Shared between GOI and donors
Capacity development	Yes including the partnership mechanism	Limited	Yes
Alignment with government	Independent organisation	Yes	Yes
Use of government systems	No - own systems	No - World Bank administered	No - UNDP administered
Program-based approaches	Yes	Focused on project interventions for recovery and reconstruction	Dependent on implementation of grants
Diversifying financial resource base	Not clear	Principally donor funds	Aspirational but mostly donor
Multi-stakeholder dialogue	Yes	Yes – though dominated by donors and government	Yes – though dominated by donors and government
Consolidate monitoring and reporting with government	No	Partial	Yes
Social accountability mechanisms	Upwards accountability through governing and executive boards	Partial, through community-driven processes	Not clear

2.2.2 Partnerships in the Region: The Vietnam Experience

Vietnam has been proactive in establishing an aid effectiveness agenda including the use of partnerships with its development partners over the last decade. The Hanoi Core Statement of 2003 and subsequent decisions led to the formation of more than 25 partnership structures across sectors.⁶ The partnerships in Vietnam have covered a range of sectors and have varied in their scope and objectives from loose structures orientated towards policy dialogue to more focused operational partnerships for implementing multi-

⁶ Global Donor Platform for Rural Development (2008) The Contribution of Partnerships to Sector Coordination and Aid Effectiveness: The Case of Agriculture and Rural Development Partnerships in Vietnam.

donor funds through sector-wide approaches, in particular for Agriculture and Rural Development.⁷

The experience in Vietnam has been documented in a study by the Global Donor Platform for Rural Development and shows that partnerships have contributed to coordination between sectors, policy coordination and development, improved information management and national ownership of development assistance. The following institutional factors have influenced the overall efficiency of the partnerships:

- Overlapping mandates within and between government agencies and donor initiatives and existing barriers to effective coordination amongst sectors as well as limited engagement with sub-national agencies and non-state actors.
- Partnerships have established parallel structures and there are difficulties in integrating into government plans and strategies and linking partnerships to broader coordination and development initiatives within government including a limited contribution to overall aid effectiveness, administrative reforms and decentralisation.
- Reluctance by government and donors to pursue an effectiveness agenda and barriers as a result of existing institutional and regulatory frameworks and long-held cultural work practices in government and donors.

Table 2: Lessons Learned from Partnerships in Vietnam and Relevance to the EMRP Area.

Lesson		Relevance to the EMRP Area
1	The need for a jointly defined vision and strategy for the partnership that covers the operational and programmatic focus.	The Governor should appoint a team to work with national, provincial and district government, donors and other stakeholders to develop a vision, strategy and structure for a partnership.
2	The importance of maintaining balance between “process” (e.g. dialogue) and “action” (real outcomes to realise the goal of the partnership).	Partnership design, oversight and management will need to ensure that both effective programs take place and that the partnership is adding value.
3	Ownership and representation of constituencies.	The existence of a national and sub-national institutional structure for Inpres 2 creates opportunity for strong ownership. Broader representation of constituencies is required.
4	Incremental evolution of the partnership rationale, focus and structure based on the context and readiness of stakeholders to engage.	The team to develop a vision and strategy for the partnership should take a long-term view and consider incremental development of the partnership with monitoring of the performance and added value of the partnership.
5	Linking partnership action to wider programs-based approaches.	The partnership should be integrated with the implementation of Inpres 2 and the Master Plan.
6	Effective planning and resource allocation for the partnership.	The team to develop a vision and strategy for the partnership should review in detail past examples and assess resource needs.
7	Monitoring of partnership performance and effectiveness.	A monitoring framework for assessing the performance of the partnership should be developed.

The study identifies seven critical lessons learnt for developing effective partnerships. These are shown in Table 2 with comments on the relevance of these for the EMRP area. It is clear that local ownership and other features of an effective partnership must be put in place at the initial stage of planning the partnership and that the Governor of Central

⁷ In contrast to Indonesia, the functions of government relating to agriculture, forestry and rural development are concentrated in a single Ministry of Agriculture and Rural Development (MARD).

Kalimantan should take the lead in this by forming a team to develop a model for the EMRP area. The study of Vietnam also presents five partnership models that can be considered:

Partnership Model 1 – Forums for Multi-Stakeholder Dialogue, Planning and Coordination

This partnership develops structures for horizontal (across sectors) and vertical (national, provincial and district) linkages between state and non-state actors with a focus on policy and planning. Such partnerships are particularly suited to production sectors (e.g. forestry, plantations, mining) as well as service sectors (e.g. health, education). These partnerships are integrated into government structures and apply government regulations. The DFID-funded Multi-stakeholder Forestry Programme (www.mfp.or.id) is a good example of such an approach in Indonesia.

Partnership Model 2 – Operational Partnerships for Efficient Service Delivery

This model acts as a means of developing more effective use of resources for public service delivery. Donors funds are used to for improving service delivery and may be operational through the use of funds for service delivery.

Partnership Model 3 – ODA Coordination Partnerships

This partnership model focuses more on the coordination and harmonisation of the use of donor funds without significant integration into government programs. The World Bank MDTF for Aceh and Nias is an example of this kind of partnership. The limitation of this kind of partnership is that there can be insufficient focus on improving the delivery of government services and programs.

Partnership Model 4 – Thematic Partnerships

Thematic partnerships are those that address cross cutting priorities and their form will depend on the nature of the issue and its institutional context. The common feature of these partnerships is the need to establish effective coordination structures between departments / sectors and to create operational capacity at local levels for implementation. The Indonesia Partnership Fund for HIV/AIDS is an example of this.

Partnership Model 5 – International Support Partnerships

This kind of partnership is a broader partnership between a government or a sector and its donors. There are existing partnerships of this kind in Indonesia focusing on specific sectors.

Of these models, model 4 is perhaps the one with most relevance to the EMRP area where ten national government agencies are involved in the implementation of Inpres 2/2007 and where local implementation under the Governor and four districts is a priority. However, aspects of the other models also have relevance to the rehabilitation and revitalisation of the EMRP area including policy development, improving service delivery and building capacity. In the end, there is no blueprint and a flexible, evolving approach is required that is design according to the specific context and willingness of partners to engage.

2.3 A Partnership for the Ex-Mega Rice Area

Rehabilitation and revitalisation of the EMRP area presents a clear opportunity to develop an effective partnership between government, donors, civil society and the private sector. The following aspects illustrate this potential and the need for an effective partnership:

- The rehabilitation and revitalisation of the EMRP area is a government led policy initiative defined by Presidential Instruction Number 2/2007. The Governor of Cenral

Kalimantan is provided with responsibility for the implementation of Inpres 2/2007 and a supportive institutional framework is in place through Decree of the Coordinating Minister for Economic Affairs No. KEP-42/M.EKON/08/2007, Decree of the Governor of Central Kalimantan and Decrees of the Head of Districts of Pulang Pisau, Kapuas, South Barito and Palangka Raya. The National Team for Inpres 2/2007 presents a high-level policy forum supported by the three working groups for conservation, cultivation and community empowerment that provide fora for the development of detailed policy dialogue and programmatic responses complemented by similar advisory and executive teams at provincial and district levels. At the national and provincial levels, secretariats in Bappenas and Bappeda support the implementation of Inpres 2/2007. Although this existing institutional framework is not yet running smoothly due to delays in the full implementation of Inpres 2/2007, it provides a clear basis for government leadership in a partnership for the EMRP area. The Master Plan produced with support of the Netherlands provides strategic direction to the goal of rehabilitation and revitalisation of the EMRP area and has been endorsed by government. This requires an integrated approach involving investment in peatland rehabilitation, agricultural revitalisation and community development as defined in Inpres 2/2007 and the Master Plan.

- The rehabilitation and revitalisation of the EMRP area is given priority as a key action of the Government of Indonesia's National Action Plan of Climate Change due to the historic emissions of greenhouse gases from the area through the burning and oxidation of peat. With climate change a global issue, there are common interests for Indonesia and its development partners in developing effective emissions mitigation measures through rehabilitation and revitalisation of the EMRP area.
- There are a number of specific barriers to the implementation of Inpres 2/2007 *inter alia*: (i) legal uncertainty as a result of many plantation licenses without the revised provincial spatial plan being completed, (ii) technical barriers to peatland rehabilitation and agricultural revitalisation which are being addressed through pilots from NGOs, government and strategic guidance from the Master Plan, and (iii) limited knowledge and capacity for undertaking this major initiative. The rehabilitation and revitalisation of the EMRP area is the world's most extensive peatland rehabilitation project and will require international cooperation for its success.
- An estimated USD 700 million of finance is required for the rehabilitation and revitalisation of the EMRP area. The majority of these funds will likely come from the Government of Indonesia. Grant finance from donors will likely be less than 10 percent of these financial needs, so donor assistance should be used to remove barriers to implementation and to establish mechanisms that will allow further funding from the private sector (e.g. Corporate Social Responsibility funds, direct investment in carbon mitigation, suitable plantation development or agricultural development) and global funds (e.g. Climate Change Funds). Success in establishing a medium-term financing framework for the EMRP area will require close cooperation between government, donors and the private sector. Existing investments from the private sector in the area will also benefit from cooperation through a partnership to address technical, social and environmental aspects in the management of their operations.
- Degradation of peatlands in Indonesia is a result of economic drivers to bring new land into production. The lowlands of Indonesia are seen as one of the few areas of untapped potential development and as a whole require specific management interventions as a result of their unique nature. A recent study assessing options for a National Lowlands Development Strategy highlighted the need to manage lowland and

peat areas in an integrated manner. This new approach to lowland management is being supported by the national WACLIMAD program with funding from the Netherlands, UK and potentially other donors under the leadership of Bappenas and other departments involved in lowland management. The rehabilitation and revitalisation of the EMRP area is seen as a pilot area for this new national approach to lowland management, which will require close cooperation between Indonesia and its development partners.

2.3.1 Establishment of the Partnership

The Partnership for the Rehabilitation and Revitalisation of the EMRP Area should be based on a clear voluntary Memorandum of Agreement (MoA) that defines: (i) the aims, scope and principles of the partnership, (ii) its institutional framework, governance and work processes, (iii) the rights and responsibilities of partners and mechanisms for joining or leaving the partnership, (iv) management of any funds under the partnership and the provision of funding to the partnership, (v) transparency and accountability mechanisms, and (vi) provisions for revising the MoA. For donors contributing funds, an additional legally binding agreement should be in place for each contributing donor.

The MoA would be signed by the founding partners to establish the partnership. Separate Joining Agreements and Funding Agreements can be developed to allow non-funding and funding partners to join after the establishment of the partnership. The founding partners could include (a) from the Government of Indonesia, the Governor of Central Kalimantan, Bupatis of Pulang Pisau, Kapuas, Barito Selatan and Mayor of Palangka Raya, national government departments (Coordinating Minister for Economic Affairs and Finance, Head of Bappenas, Ministers of Forestry, Agriculture, Employment and Transmigration, Public Works, Home Affairs, Finance, Environment, Research and Technology as included in Inpres 2/2007, (b) from donors, existing donors such as the Netherlands and Australia and those that have previously expressed interest in supporting work in the area including the UK, Korea and Finland, (c) knowledge and research organisations such as the University of Palangka Raya and agricultural research organisations, and (d) civil society and private sector organisations that wish to join.

2.3.2 Partner Rights and Responsibilities

The Government will need to define partner rights and responsibilities in close consultation with potential partners, especially as the partnership will have a voluntary basis. Partner rights and responsibilities would draw on the Paris Declaration, the Accra Agenda for Action and especially the Jakarta Commitment. In the context of rehabilitation and revitalisation of the EMRP area, the following are also proposed:

- Commitment to the overall direction of the Partnership with government leadership and clear accountability and transparency mechanisms for partners;
- Commitment to the principles and strategic direction of the Master Plan for the Rehabilitation and Revitalisation of the EMRP Area;
- Commitment to joint planning, review and evaluation in line with GOI planning timelines and GOI reporting formats;
- Commitment to sharing data and knowledge for the enhancement of responses in the area;
- Commitment to joint evaluation, learning and adaptation of responses based on evidence and understanding as it evolves;

- Commitment to production of a unified annual report on the progress with Rehabilitation and Revitalisation of the EMRP area;
- Commitment to build local capacity for the rehabilitation and revitalisation of the EMRP area;
- Commitment of time to engage with the partnership and resources, where possible, to meet priority needs as jointly identified by the Partnership.

2.3.3 Institutional Aspects and Governance

The Partnership should be embedded within the institutional framework of Inpres 2/2007. In particular, the institutional aspects of the partnership must aim to strengthen vertical inter-governmental relations between the district, provincial and national levels to ensure policy coherence. The following is proposed:

National Team of Inpres 2/2007 – The policy decisions of the National Team of Inpres 2/2007 will set the overall policy context and direction for the Partnership. Representation of donors to the National Team could be included to ensure that there is space for policy dialogue at this senior level of government. The National Team of Inpres 2/2007 should receive annual consolidated progress reports that summarises progress in the implementation of Inpres 2/2007 through the use of government funds through the APBD and APBN as well as donor and other non-government funds managed through the partnership modality.

Partnership Steering Committee / Board – Based on the overall policy direction agreed by the National Team, the Partnership Steering Committee or Board will be responsible for the overall execution of the Partnership. The Partnership Steering Committee would be chaired by the Governor of Central Kalimantan as the person responsible for the execution of Inpres 2/2007. Members potentially would include the three chairs of Inpres Working Groups (*Pokja*) on Conservation, Cultivation and Community Empowerment, other national government representatives, the Heads of Pulang Pisau, Kapuas, South Barito and Palangka Raya Districts in the EMRP area with representatives from donors, civil society and the private sector. The Partnership Steering Committee would meet 1-2 times a year or depending on need.

Partnership Stakeholder Forum – In advance of Partnership Steering Committee meetings, a partnership stakeholder forum could meet. This forum would be open to the public and provide an opportunity for broader engagement with local government, civil society and the private sector. The recommendations of the forum can be presented to the Partnership Steering Committee for consideration.

Executive Committee – The Partnership could establish an Executive Committee that will have similar representation to the Steering Committee and which will meet more regularly (4-6 times per year) in order to advance implementation of the program of work defined by the Steering Committee and focus on technical issues. This Executive Committee would also draw on the work of the National and Regional Working Groups. The Executive Committee could be based around the current provincial implementation team (*Tim Pelaksana*) with district and national representation.

National Working Groups of Inpres 2/2007 – The existing National Working Groups are a key focus for policy dialogue and development of specific programs and allocation of resources for the execution of Inpres 2/2007. These Working Groups would provide proposals for the use of partnership funds for consideration by the Partnership Steering Committee, which would have executive decision-making powers. The National Working

Groups would develop these based on their own work and the work of Regional Working Groups. Membership of the National Working Groups should include national, provincial and district government agencies as considered appropriate. University, NGO, donor and private sector participation could be defined, possibly with open and closed parts of meetings for the attendance of other stakeholders.

Regional Working Groups – The Regional Working Groups should include provincial and district officials working together with civil society, university and private sector representatives. These Working Groups would develop work programs for government funds as well as activities requiring partnership support. These proposals would be considered by the National Working Groups (for decision making over the allocation of government resources through the APBN) and by the Partnership Steering Committee (for the use of partnership resources).

Partnership Director – A Partnership Director should be appointed who will be directly responsible to the Governor (possibly under the day to day management of the Head of Bappeda or other official) and who will lead a Partnership Secretariat in the province. The Director and Secretariat should have strong functional links to the Inpres Secretariat in Bappenas and the Inpres teams in the districts. The Partnership Director will be responsible for ensuring alignment and coherence between the utilisation of government and Partnership resources.

Inpres / Partnership Secretariat – The provincial secretariat established for Inpres 2 could act as the secretariat for the partnership, enhancing local ownership of the partnership and alignment, harmonisation and integration with GOI programs. This secretariat would require strengthening to manage this task.

Flexible Mechanisms – Flexible mechanisms should also be adopted including the formation of time-bound *ad hoc* teams to address specific issues. These teams would report back to the Steering and Executive Committees and/or Working Groups depending on the specific tasks and origination of the team.

2.3.4 Management and Finance

The Partnership for the Rehabilitation and Revitalisation of the EMRP area would require (a) the provision and management of funds for partnership operational expenses and (b) the provision and management of funds for implementation. In both cases, current donor policies would likely require a third party to administer funds contributed by donors with responsibility for financial accountability to the donor but accountability for performance to both the donor and partnership.

Partnership operational expenses could be provided either (a) by government, (b) by one or more donors or (c) through co-funding by government and donors. A single donor would likely be able to cover the full donor contribution and would reduce transaction costs of establishing the partnership. A contribution from the government would be important to demonstrate strong government ownership and leadership of partnership.

Funds for implementation could be managed and administered in a number of ways depending on the nature of the partnership. Recognising that there are already donor projects operating the EMRP area (e.g. EU-funded SLUICES, Australia-funded KFCP), the partnership would need to recognise that different project management offices would need to be integrated within the framework of the partnership. Thus a model such as the MDTF is neither possible nor necessarily desirable in this context. Overall, the partnership will need to include these existing initiatives.

However, there is interest amongst a range of donors to contribute to the rehabilitation and revitalisation of the EMRP area in Central Kalimantan and more broadly to support the national lowlands strategy initiative (WACLIMAD). The Climate Change Trust Fund for Indonesia may also have relevance for Central Kalimantan in the future. Given that (1) there are clear possibilities for donor funding as well as contributions from other sources (e.g. CSR) where donors will not want to establish their own management structures, (2) Inpres 2/2007 and the Master Plan provide a institutional and strategic basis for a government-led initiative and (3) that the Government policy as articulated in the Jakarta Commitment is for donor alignment and harmonisation, then there is clear value in establishing a single-window modality for the administration of donor funds including procurement and reporting.

This multi-donor modality should be under the control of the partnership, can be based on government procedures (e.g. Presidential Decree 80/2003 for procurement) and should be designed to enable alignment with government programs. Such a modality should be designed based on a joint government / donor team. The fund could be administered in a number of complementary ways:

- **Direct Procurement Modality** - An independent third party organisation could act as fund administrator and undertake procurement, contracting and contract management for goods and services as defined in Terms of Reference developed and approved by the partnership; and/or
- **Co-Funding Modality** - An independent third party organisation could act as fund administrator and manage co-funding and joint procurement of activities with government and other organisations as agreed by the partnership; and/or
- **Grant Modality** - An independent third party organisation could manage grant funds for the funding of work through a call for proposals based on criteria agreed by the partnership and proposals approved by the partnership.

Initially, the third party organisation could be (a) managed independently to ensure a level of independence in terms of financial management but under the direction of the partnership, (b) managed jointly by the Partnership Director and a donor appointed Fund Director, or (c) be managed directly by the Partnership Director either through an independent fund management team or through the partnership secretariat. In accordance with the Jakarta Commitment, the funding modality should be designed with the intention of using government systems at some point in the future.

3 Technical Facility for the EMRP Area

3.1 Background

In the EMRP Master Plan project, there have been evaluations of past projects in the area, including agricultural development projects and rehabilitation projects like CKPP, trying to answer questions related to why some things worked out well and other things not so well, and why it is sometimes hard to tell the difference. Also, a Common Monitoring Framework was developed that outlines the very considerable need for collecting data in support of rehabilitation and development projects (see Master Plan Technical Guideline No 7). Furthermore, we are aware of discussions on design and monitoring needs now starting around the Ausaid KFCP program.

Related to this, there are some important observations:

- There has been an overall lack of monitoring of key parameters that allow quantification of success rates of measures. Where monitoring was put in place for this purpose, it was often not properly designed or maintained.
- Secondly, it has become clear the organizations involved, both NGOs and Government, do not have the capacity to design, implement and maintain such monitoring systems.
- Thirdly, it is clear that if proper data collection was taking place, there would be very limited capacity to store, quality control and analyse the data.
- Furthermore, it is clear that this same lack of capacity also prevents organizations from optimizing design and planning of such measures.
- Finally, the question is whether organizations implementing intervention measures should be the ones evaluating their impacts. By common evaluation standards this would be done, or at least supervised and quality controlled, by an external expert organization.

The combined needs of upcoming projects, in terms of setting up monitoring systems and field surveys, data management and analysis, will require considerable enhancement of capacities in the short term. Significant numbers (possibly tens of people) of skilled staff will be required. This includes surveyors, technicians, database managers and GIS staff, supervised by hydrologists, ecologists, agronomists and other national and international experts. Staff should have experience in peatlands and lowland (these have totally different requirement than other land types, which is often insufficiently understood) as well as in projects with strict quality standards and output deadlines. These requirements in terms of staff numbers and skills far exceed the capacity now available in the EMRP area. Indeed, the more limited capacity required for recent projects has already proved a major obstacle.

3.2 The Case for a Technical Facility

A number of initiatives are now being developed to deal with the problems of the EMRP area, with of focus on peatland rehabilitation, forest conservation, carbon emission

reduction, agricultural revitalisation and socio-economic development. These include follow-ups to ongoing projects (e.g. CKPP and the Master Plan project) as well as new initiatives (e.g. Ausaid, CARE-SLUICES, several carbon investment projects). All these projects will need to understand and control the effect of the interventions they plan to implement. As the investment in interventions increases, so should the technical capacity and knowledge base that allows such understanding.

The level of knowledge, experience, professionalism and availability required will be difficult to organize by any individual project implementing organization, and this could take disproportionate resources. There is a real risk that the lack of available capacity will lead to a lack of technical expertise for intervention planning and to monitoring and assessment of intervention effects. Moreover, this problem could be further enhanced if projects would compete for scarce resources and capacity. We therefore suggest that the technical support required by the projects can only be achieved by (a) securing high-quality staff (national and international) in the short term, (b) a high degree of human resource sharing between projects, and (c) a shared major capacity building effort.

The complexity of the issues in the EMRP is such that all projects in specific intervention areas will require information on findings and developments in other areas. This because (a) no project will have the capacity to develop the knowledge base by itself, (b) reference sites will be needed, (c) developments in one area may affect conditions in other areas (spill-over and leakage effects).

We suggest it would be most effective and cost efficient, and generate a far higher degree of integration between the various upcoming projects, if a single Technical Facility were created which could support the various projects in executing technical and scientific tasks. A shared Technical Facility would also ensure that capacity would be available, and monitoring activities would continue, beyond the lifetime of individual projects. As the effects of interventions and degradation processes take years or even decades to evolve, long-term monitoring is a prerequisite for accurate quantification of intervention success.

A Technical Facility would need to be a shared resource but also an independent entity, supported by the various projects financially and possibly with skilled staff. Local knowledge and research organisations such as the University of Palangka Raya, which has many peat specialists, and Agricultural Research Centres in Kalimantan should have a prominent role in this facility. Because of its technical nature and longer-term presence, the Technical Facility would be in a good position to involve and engage Government organizations in peatland and lowland rehabilitation and revitalisation work in a more meaningful way than individual projects often can. If the Technical Facility were embedded in a Gol organization, this may further facilitate Government involvement.

Overall the Technical Facility would be managed as a network of technical resources that could be mobilised to fulfill the facility's core tasks and to respond to demand for technical knowledge as required. Like the partnership, national and local ownership is important for sustainability and the governance and management arrangements for the Technical Facility would need to be designed with this in mind including its place with the partnership framework.

3.3 Tasks of a Technical Facility

The proposed TF would support implementation of projects in the EMRP area in a number of scientific and technical areas:

1. Capacity Development

- Hiring, maintaining and training a pool of skilled technicians and experts that can be utilized for the tasks below as well as for direct support of projects (to be discussed).
- Capacity building and training of staff of implementing organizations (Gol, university, research organisations and NGOs), including:
 - structured 'on the job training' for all staff involved,
 - applied courses on aspects of peatland management, and
 - active involvement of relevant Government research organizations in the training and the work (*Puslitbang Air, Puslitanak, Bakosurtanal, LAPAN, others*).
- Development of standards, protocols and guidelines for interventions, monitoring and evaluation.
- Facilitate exchange of data and knowledge between projects.

2. Data Collection and Knowledge Development

- Data inventory, support of project databases, maintenance of a central database for data quality control and sharing and data management.
- Developing 'models of change' for interventions, identifying key parameters and recommended ways of measuring them.
- Supervision of monitoring system development, including design, installation and planning of data collection schemes.
- Establishment and co-ordination of reference sites (i.e. sites without interventions, for baselines and comparison).
- Small-scale trials of unproven intervention technology, such as dam types and reforestation methods/species.
- Design and supervision of data collection campaigns, including remote sensing, field surveys and laser altimetry (Lidar).

3. Technical Design Work

- Support of design of complex measures (canal blocking schemes, reforestation, tidal irrigation) developed by Gol and NGOs.
- Screening of draft designs and technical review of proposals.

4. Monitoring, Evaluation and Reporting

- Managing system-wide monitoring as part of the Common Monitoring Framework.
- Evaluations of intervention effects.
- Recommendations for continued or adapted intervention activities.
- Production of annual Consolidated Progress Reports and other ad hoc technical reports and guidelines.

5. Engagement with Communities, Working Groups and Other Stakeholders

- Provision of technical support to communities, extension workers and other field-based service personnel to assist community-based rehabilitation and revitalisation initiatives (this will also allow the technical facility staff to have first hand experience of field conditions to feedback into the broader work of the facility)
- Working with the Regional and National Working Groups to assist program development, the design of interventions and feedback on outcomes through monitoring and evaluation.

- Providing a platform for communication on technical issues between different stakeholders, including GoI organizations, NGOs and international organizations including donors.

3.4 Governance, Management and Personnel

The governance of the Technical Facility should fall under the partnership. The details of this would need to be worked out but it could fall under the immediate oversight of the proposed Executive Committee under oversight of the Steering Committee. The Technical Facility would be represented on these committees to provide technical inputs. The Technical Facility would work closely as part of the National and Regional Working Groups.

The Technical Facility could have a management board that would be responsible for its management depending on the scope of size of the Technical Facility. However, this role could be the responsibility of the proposed Executive Committee with management tasks to the Technical Facility Director or Co-Directors. For donor funding for the Technical Facility, a third party organisation would need to manage funds. This could be the same third party organisation for the partnership fund or a separate organisation.

The personnel for the Technical Facility should be based around a core of local and national technical experts that cover the key areas of specialism required for the rehabilitation and revitalisation of the EMRP area. This core team would act as a central node in the Technical Facility network. International expertise should be made available for the initial work planning and then based on requirements for the delivery of core and *ad hoc* tasks.

To fulfil its roles and avoid the pitfalls associated with the short-term projects funded by donors so far, the Technical Facility should have a presence in the longer term. A key design principle and goal should be to establish local technical capacity to continue the role of the technical facility over the long-term. A significant presence will be required to facilitate projects already being developed for the lifetime of these projects and for new interventions. In any case, it would be good to develop the Technical Facility in a manner that allows rapid adaptation to new or changing requirements, probably linked to an annual review.

4 Conclusions and Next Steps

This report provides the basis for developing a partnership and technical facility for the rehabilitation and revitalisation of the EMRP area. These structures are required to support an effective programmatic response in order to overcome several barriers to the rehabilitation and revitalisation of the area. First, there is much potential for donor support. However, experience of donor support to date shows that mostly these have neither strong national ownership nor have been well aligned or harmonised and as yet do not meet the aspirations of the Paris Declaration and Jakarta Commitment. Second, there remains a shortfall in government funding for the area for a number of reasons – donor funds can contribute positively to implementation on the ground. Third, as highlighted in the Jakarta Commitment, external assistance should provide more than funding – it should help develop capacity, find creative solutions to development challenges and provide Indonesia with access to international skills and knowledge. As a result of these, a Partnership and Technical Facility are considered valuable instruments for successful rehabilitation and revitalisation of the EMRP area.

The proposals presented in this report need careful consideration by government and donors and a number of options are presented. If there is support from government for such an approach, it is strongly recommended that the Governor of Central Kalimantan and/or Bappenas with key donors form a team to complete a design for the partnership and the technical facility. This team should be composed of national, provincial and district government representatives, representatives from donors and other stakeholders including civil society and university. The tasks of the team would focus on: (a) the development of a Partnership Framework Document and (b) the development of a design for a Technical Facility. These tasks should involve a number of consultations with stakeholders and can be done through a multi-stakeholder approach. The team would report directly to the Governor of Central Kalimantan and Bappenas, who could then present the draft outcomes to donors. This task should be completed in 2009 so that by 2010 new initiatives can begin based on this approach.

In addition, capacity building is seen as a major goal of the proposed partnership and technical facility. In order to achieve this, it is recommended that the Governor of Central Kalimantan in conjunction with national and district government develops a capacity building action plan that can guide government-funded and donor-funded capacity building work. The Master Plan Technical Reports No. 19 and 20 on Training Capacity Assessment and Organisational Diagnosis of Regional Government provide relevant information for this.

A key issue in the development of the partnership and technical facility will be the allocation of government and donor funds in the medium-term for the rehabilitation and revitalisation of the EMRP area. Government and donors will need to estimate the likely financial flows in the coming years to provide a basis for planning the partnership and technical facility. The design of the partnership and facility should then be based on this estimate of overall future funding for the next 3-5 years. Bappenas should work with the main departments responsible for the execution of Inpres 2/2007 and Indonesia's development partners to establish a medium-term financing plan.

Annex I: Participating Countries of the Paris Declaration 2005

1. Albania
2. Australia
3. Austria
4. Bangladesh
5. Belgium
6. Benin
7. Bolivia
8. Botswana
9. [Brazil]*
10. Burkina Faso
11. Burundi
12. Cambodia
13. Cameroon
14. Canada
15. China
16. Congo D.R.
17. Czech
18. Republic Denmark
19. Dominican Republic
20. Egypt
21. Ethiopia
22. European Commission
23. Fiji
24. Finland
25. France
26. Gambia
27. Germany
28. Ghana
29. Greece
30. Guatemala
31. Guinea
32. Honduras
33. Iceland
34. Indonesia
35. Ireland
36. Italy
37. Jamaica
38. Japan
39. Jordan
40. Kenya
41. Korea
42. Kuwait
43. Kyrgyz Republic
44. Lao PDR
45. Luxembourg
46. Madagascar
47. Malawi
48. Malaysia
49. Mali
50. Mauritania
51. Mexico
52. Mongolia
53. Morocco
54. Mozambique
55. Nepal
56. Netherlands
57. New Zealand
58. Nicaragua
59. Niger
60. Norway
61. Pakistan
62. Papua New Guinea
63. Philippines
64. Poland
65. Portugal
66. Romania
67. Russian Federation
68. Rwanda
69. Saudi Arabia
70. Senegal
71. Serbia and Montenegro
72. Slovak Republic
73. Solomon Islands
74. South Africa Spain
75. Sri Lanka
76. Sweden
77. Switzerland
78. Tajikistan
79. Tanzania
80. Thailand
81. Timor-Leste
82. Tunisia
83. Turkey
84. Uganda
85. United Kingdom
86. United States of America
87. Vanuatu
88. Vietnam
89. Yemen
90. Zambia

Also participating:

- World Bank
 - Asian Development Bank
 - International Fund for Agricultural Development (IFAD)
 - United National Development Group
- and many other international and regional organisations.

*** To be confirmed.**

Annex II: The Jakarta Commitment

The Jakarta Commitment is reproduced on the following pages.

**JAKARTA COMMITMENT:
AID FOR DEVELOPMENT EFFECTIVENESS
INDONESIA'S ROAD MAP TO 2014**

*Government of Indonesia
and its
Development Partners*

Indonesia and the international aid architecture

As a middle-income country with a population of around 230 million, Indonesia faces a distinctive set of challenges relating to aid, and more broadly to development effectiveness. The Government of Indonesia's relationship with international aid agencies is changing; the financing mechanisms at its disposal are taking new forms; and its development cooperation with other low and middle income countries is being further articulated. Given the country's development successes and its position as a large Middle Income Country, Indonesia has a strong contribution to make to efforts aimed at improving the international aid architecture for all recipients including both Low Income Countries (LICs) and Middle Income Countries (MICs).

Indonesia is a signatory to the Paris Declaration on Aid Effectiveness, and has committed to the aid effectiveness principles and commitments contained in the Declaration. Indonesia has been an active participant in the regional preparations for the Third High Level Forum on Aid Effectiveness, including through engaging with global mechanisms and through dialogue with other countries in the Asia region. The Government is committed to take forward the Accra Agenda for Action as well as the Monterrey Consensus, and the 2008 Doha Declaration on Financing for Development.

Indonesia's development challenge

Notwithstanding the progress made so far, Indonesia continues to face significant development challenges, especially in the areas of poverty reduction, service delivery and decentralisation. Poverty rates have fallen to 15.4% in 2008, yet large numbers of Indonesians remain poor (around 35 million). Regional disparities is a key feature of poverty in the country, given the vast size and varying conditions in different parts of the country, and pockets of endemic poverty still remain. Further effort is still needed for Indonesia to meet all the MDGs targets. The implementation of decentralisation remains complex and continues to pose challenges. Improving public financial management and strengthening the accountability of local governments will be essential in order to increase the impact of public spending.

The main constraint facing Indonesia in addressing the challenges and achieving its planned development outcomes is not merely the lack of financial resources but rather the utilization of the resources. Further, by taking into account the global financial crises, Indonesia and development partners have no option but utilizing all resources more effectively. Hence, there is a need as well as a challenge to translate the existing resources into better development outcomes. Indonesia's overarching concern is to maximise the effectiveness of all its

that the aid effectiveness agenda becomes particularly relevant. External assistance is not simply a financial supplement to domestic resources, but complementary to these resources—playing a catalytic role in allowing Indonesia to access international knowledge and best practices, to enhance institutional capacity, and bring about strategic systems improvements.

The Indonesia Roadmap to strengthen aid for development effectiveness

We have therefore prepared a roadmap to strengthen our aid effectiveness agenda – moving towards improved development effectiveness. The roadmap will respond to the above challenges, and support Indonesia's efforts to **maximise the effectiveness of its aid in supporting development**.

This roadmap defines the policy direction towards development effectiveness up to 2014 and beyond, which includes priority actions that will be taken in the short term, by 2010, to move forward on the implementation of the Paris Declaration based on the results of the Paris Declaration Monitoring Survey, 2008. The principle of ownership implies that the policy direction will be in line with the national development strategies. We also recognize the importance of addressing gender issues in our development activities and aid effectiveness process.

This roadmap sets out the strategic vision that we, along with our development partners, wish to commit, to based on the key pillars of our development effectiveness agenda. The agenda is based on the Paris Declaration principles and the Accra Agenda for Action commitments and develops a model for delivering development effectiveness in a Middle Income context.

I. Strengthening Country Ownership over Development

a) Strengthening capacities and using stronger government systems

The need to develop effective capacity is at the heart of Indonesia's development challenges, whether it be at the institutional, organizational or at the individual levels. The Government and development partners are all deeply engaged with this agenda, but results have so far been uneven. Indonesia looks to its development partners for continued capacity development support. Development partners share the view that all their interventions have some elements of capacity development embedded within them. In order to enhance capacity, the **Government will articulate, and development partners will support the achievement of, capacity development objectives and targets within sector plans and thematic strategies**, including skills and human resources development, organisational level capacity development as well as the creation of an enabling environment. We also propose to make capacity development a results area within different sectors to ensure adequate attention and follow-up.

Development partners will align themselves more fully with the Government programmes and systems. Development partners will align their programming cycles with those of government, use the government format for reporting their assistance, and increasingly use the Government's financial management and procurement systems. Where they do not make use of systems, **development partners will transparently state their rationale for not using government systems and indicate how they will work with the Government (including through capacity development) to align in the future.** In the spirit of partnership, we will also encourage development partners to fully, sincerely and transparently untie their aid.

The Government will establish a mechanism at country level to determine, and to review, how effectively the Government and development partners can and do contribute to capacity development. This mechanism will be transparent and evidence-based, involving country level stakeholders, and covering the range of capacity development partners. The Government and development partners will make use of this mechanism to monitor, measure and potentially correct the effectiveness of their support to capacity development.

b) Improving the international governance of aid and strengthening south-south cooperation

Using its experience and its active participation in the governance of international aid organizations, global foundations and funds, as well as its strong network of relationships with other countries in the region and globally, the Government commits to work to strengthen the international aid architecture in ways that enhance its responsiveness to Indonesia's needs as well as to those of other developing countries. Development partners will support the Government in this endeavour.

As an emerging middle-income country with considerable development success, Indonesia has much to share with other countries in the region, and beyond, as well as opportunities to learn. Already involved in numerous elements of South-South cooperation for capacity development, the Government of Indonesia and development partners commit to further strengthening regional processes and institutions facilitating South-South cooperation. Efforts at South-South Cooperation will through time expand to include possibilities for financial assistance as well technical support from the Government of Indonesia.

II. ***Building More Effective and Inclusive Partnerships for Development***

a) Developing a new partnership paradigm

Indonesia places a high value on the development resources that its partners contribute to the development of the country. Today, the importance of external assistance for Indonesia is not only a function of its volume, but rather of its quality and effectiveness – development partners will continue to seek to find creative solutions to Indonesia's development challenges, making new knowledge and international best practices accessible. Development partners will align their strategies for providing development assistance to Indonesia within this new paradigm. Development partners commit to providing all their development assistance to Indonesia based on country demands. Development partners will review their implementation modalities and the mix of skills that they can make available at the country level in relation to these objectives of knowledge transfer as well as financial transfer.

b) Strengthening existing aid instruments and shaping new ones

Multi-donor trust funds have emerged as an important vehicle for development partners to support Indonesia's development—ranging from large multi-donor trust funds established to implement reconstruction programmes, capacity building activities and targeted development interventions such as the Multi-Donor Fund for Aceh and Nias, the Decentralization Support Facility and the Indonesian Partnership Fund for HIV/AIDS, to quite small and ad hoc trust funds to support very specific activities. These trust funds have enabled development partners to respond flexibly and rapidly to Indonesia's priority needs including providing assistance at the sub national level, supporting policy and

reconstruction and recovery efforts, and research and analysis. They have in some respects supported a programme based approach to aid delivery.

While the Government supports the multi-donor support modality in principle, it recognizes that in some cases it may not necessarily contribute to convergence of ideas on critical development issues, nor even support the alignment and harmonisation agenda and the government's own interventions. This is especially so if the activities are executed by the development partners and the funding is not incorporated in the government's budget. In using the multi-donor support modality, the **Government and development partners will put higher priority on programme based approach**, supporting government programs and linking the priorities of Bappenas, Ministry of Finance, and concerned line ministries.

Within existing multi-donor support such MDTFs, the Government and development partners will work together to strengthen alignment with government systems, including as an immediate first step aligning with the Government reporting systems. **The Government and development partners commit to reducing the number of ad hoc freestanding trust funds. The Government will also issue clear-cut guidelines for the mobilisation and management of multi-donor funds**, and for the mainstreaming of multi-donor support program into government programming processes.

Given the scale of Indonesia's development challenge its requirements for external assistance, and particularly technical assistance, are likely to continue over the medium term. The government will also seek to supplement the resources available for development and **Government will diversify its development resources to include alternative sources of financing for development**—including public-private partnerships, corporate social responsibility, global and domestic foundations, and trade and foreign investment.

c) *Expanding dialogue to include new actors*

As Indonesia continues to progress and consolidate its position as a Middle Income Country it will be working closely with its development partners, including private sector and civil society, to support its development efforts and to sustain and further consolidate its position. Partners such as those involved in public private partnerships, corporate social responsibility programming and Global Funds and Foundations, as well as traditional development partners, are expected to participate in a regular dialogue led by the Government to discuss progress.

To this end, the **Government will propose a regular dialogue mechanism to provide a platform for discussing the development agenda in line with the Jakarta Commitment**. A spirit of genuine partnership, engagement and joint responsibility will guide the Government when inviting participants from civil society, private sector and traditional development partners to participate in this dialogue. The proposed dialogue mechanism will be an opportunity to meet and discuss progress towards the achievement of the Paris Declaration indicators by 2010 and further to discuss the full implementation of the Jakarta Commitments by 2014. It is expected that regular meetings will take place to take stock of the overall progress and challenges faced, but also that ad-hoc meetings can be organized as necessary if particular challenges are faced requiring joint high-level

Indonesia's need for external assistance will continue to decline through sustained and inclusive growth, the development of robust institutions, and the achievement of the Millennium Development Goals and other indicators of social and economic progress. In this context Indonesia will continue to have a strong relationship with its development partners. The need for dialogue and partnership will continue in order to effectively and jointly address the challenges relating to global public goods, climate change, the environment, and strategic global security issues.

III. *Delivering and Accounting For Development Results*

a) Strengthening a focus on, and capacity to manage by, development results

As Indonesia moves forward with the preparation of its new Medium Term Development Plan (RPJM), a focus on outcomes and results will be further strengthened. **The Government will further develop, and development partners will further support, strong frameworks for measuring and monitoring results within the RPJM and linked sector plans**, as well establishing social accountability mechanisms that solicit, monitor and ensure implementation of feedback on the government's performance. Results will be linked to performance measurement and organizational effectiveness.

Effective monitoring and evaluation are key elements of managing for results. We will strengthen our efforts to improve monitoring and evaluation (M and E), including basic data collection. **The Government will further clarify the institutional framework for M and E and development partners will reduce parallel efforts at monitoring national development targets.** A higher internal demand for M and E will be generated by involving national stakeholders in the review of implementation of the RPJM from a results perspective. Results-based M and E will be a powerful tool for ensuring the effectiveness of Indonesia's development policies and the delivery of tangible results by the government.

b) Working together to review progress across development partnerships

The Government will seek supports from development partners based on their comparative advantages in providing needed support, in the specific areas where the Government sees a critical need for that support, and establishing a clear correlation of the inputs with the expected results. To this end, development partners will also integrate results frameworks into their cooperation strategies and programs, shifting their internal incentives to focus on sustainable results (going beyond the project level) and developing results based reporting systems.

The Government and development partners will jointly carry out regular reviews on progress in implementing the commitments on aid for development effectiveness and improved development outcomes through an objective country level mechanism. To support the review of progress in the Jakarta Commitment and progress towards associated targets, the Government will establish an integrated Aid Information and Management System.

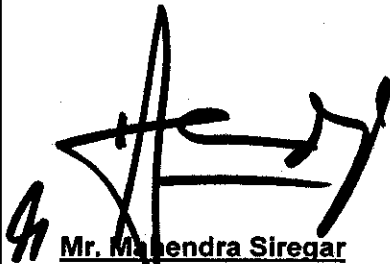
The Jakarta Commitment

The Government invites development partners to join this commitment towards development effectiveness, to adopt the principles of aid effectiveness as articulated in the Paris Declaration as adapted to Indonesia's country context, and to adopt the Jakarta Commitment moving forward with the implementation of this roadmap. We will establish an Aid for Development Effectiveness Secretariat in BAPPENAS using our own resources and those of our development partners—particularly tapping their technical support to help us move forward together on this important agenda of enhancing development effectiveness in Indonesia.

The Jakarta Commitment is to be based on the spirit of mutual respect, support and accountability. It represents a shared recognition between the Government and development partners to enhance the effectiveness of external financing in Indonesia. It enjoins upon the Government and development partners to make available appropriate resources, knowledge and capacity to implement the Jakarta Commitment. Whilst not legally binding, by adopting the Jakarta Commitment, all below development partners aspire to achieve the strong aspirations herein.

Jakarta, 12 January 2009

for the Government of Indonesia



Mr. Mahendra Siregar
Deputy Minister
for International Economic
and Financial Cooperation,
Coordinating Ministry
for Economic Affairs



Dr. Lukita Dinarsyah Tawo
Deputy Minister/Chairman
for Development Funding
Bappenas



Dr. Rahmat Waluyanto
Director General
of Debt Management
Ministry of Finance

List of Development Partners Adopting the Jakarta Commitment

- 1. Asian Development Bank (adopted on 12 January 2009)**
- 2. Government of Australia (adopted on 12 January 2009)**
- 3. Government of Japan (adopted on 12 January 2009)**
- 4. The Netherlands Government (adopted on 12 January 2009)**
- 5. Government of the Republic of Poland (adopted on 12 January 2009)**
- 6. World Bank (adopted on 12 January 2009)**
- 7. Austrian Embassy (adopted on 12 January 2009)**
- 8. Agence Française de Développement (adopted on 12 January 2009)**
- 9. Canadian International Development Agency (adopted on 12 January 2009)**
- 10. Department for International Development of the United Kingdom (adopted on 12 January 2009)**
- 11. Delegation of the European Commission (adopted on 12 January 2009)**
- 12. Embassy of Finland (adopted on 12 January 2009)**
- 13. French Embassy (adopted on 12 January 2009)**
- 14. Embassy of the Federal Republic of Germany (adopted on 12 January 2009)**
- 15. Embassy of Italy (adopted on 12 January 2009)**
- 16. Japan International Cooperation Agency (adopted on 12 January 2009)**
- 17. Korea International Cooperation Agency (adopted on 12 January 2009)**
- 18. Royal Norwegian Embassy (adopted on 12 January 2009)**
- 19. New Zealand Agency for International Development (adopted on 12 January 2009)**
- 20. Embassy of Sweden (adopted on 12 January 2009)**
- 21. United States Agency for International Development/Indonesia (adopted on 12 January 2009)**
- 22. United Nations System in Indonesia (adopted on 12 January 2009)**



Bappenas
Secretariat
Inpres 2/2007

**Bappeda
Central
Kalimantan**
Secretariat Inpres
2/2007

**Royal
Netherlands
Embassy**

**Euroconsult
Mott MacDonald**

**Deltares | Delft
Hydraulics**

Jl. Taman Suropati
No.2,
Jakarta 10310

Jl. Diponegoro 60,
Palangka Raya
73111,
Kalimantan Tengah

Jl. H.R. Rasuna
Said Kav. S-3,
Kuningan
Jakarta 12950

S. Widjojo Centre, lt. 3
Jl. Sudirman Kav. 71
Jakarta 12190

P.O. Box 177
2600 MH Delft
The Netherlands

www.bappenas.go.id

www.kalteng.go.id

indonesia.nlembassy.org

www.euroconsult.mottmac.com

www.wldelft.nl