

4. INDONESIA

MONITORING AND EVALUATION SYSTEM IN INDONESIA

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INTRODUCTION

As part of the public-sector reforms, Indonesia has enacted Law No.17/2003, Regarding the State Financing, and Law No.25/2004, Regarding the National Development Planning System. These laws provide a regulatory framework on implementing performance-based planning and budgeting, which demand performance information from M&E results. M&E has become an important part of the development management cycle (see Figure 1), because it provides information that presents accountability and provides inputs for improving future planning and budgeting periods. The government also enacted Regulation No.39/2006, which provides the legal basis for conducting M&E and mandates that the Ministry of National Development Planning/National Development Planning Agency (BAPPENAS) develop an M&E system. In order to implement the mandate, the Deputy of Development Performance Evaluation post was established within BAPPENAS in 2007.

The Deputy of Development Performance Evaluation has three substantive roles: formulating and coordinating national development M&E; monitoring and assessing the annual plan and medium-term (five-year) plan; and maintaining national development M&E partnerships.

The enactment of a regulatory framework and institutional establishment for national M&E shows the Government of Indonesia's interest in and commitment to M&E. However, there are still many challenges in operational and policy-level implementation.

The purpose of this paper is to share information and lessons learned from the Indonesian evaluation system and its implementation challenges.

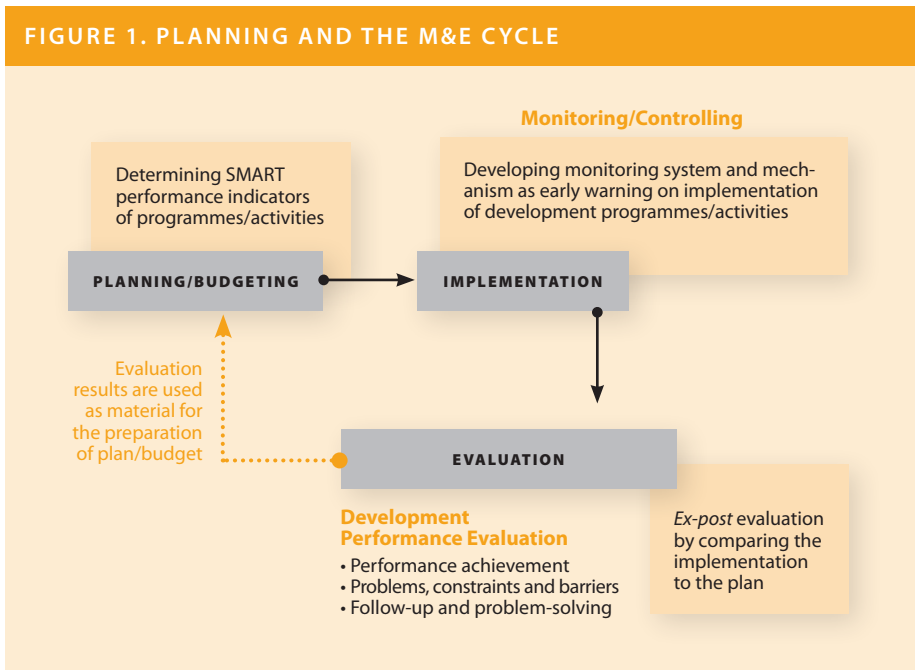
THE M&E SYSTEM IN INDONESIA

Law No.25/2005 describes three time horizons of national development planning: long-term plan (RPJPN, 2005–2025), medium-term plan (RPJMN, five years; the current RPJMN covers 2010–2014), and annual plan (RKP). However, GR 39/2006 only mandates conducting M&E on the RKP and RPJMN. Both RKP and RPJMN contain line ministry-implemented programmes and activities. All programmes conducted by all ministries in all provinces are subject to being monitored and evaluated.

E-MONEY FOR MORE TIMELY MONITORING

The focus of monitoring RKP implementation is to review the progress of projects and activities. Monitoring is conducted quarterly, measures achievement of targeted outputs at year-end and also identifies the constraints and bottlenecks in implementation (if they exist). This information is collected from reports that are submitted quarterly by line ministries and provincial governments. Coordination meetings with line ministries and provincial governments are conducted at least twice a year to discuss progress and to find ways to solve problems and relieve constraints. Information from this mechanism is used as inputs for future planning processes.

There were several problems and constraints in preparing the quarterly monitoring reports, including low reporting rates and lack of reporting promptness (primarily due to



difficulties in collecting and integrating M&E information from programme implementers). Only 30 percent of line ministries submitted reports in 2010; the reporting rate from provincial governments was less than 20 percent. This was not a good input for BAPPENAS to analyse national development performance towards performance-based planning and budgeting. Another cause of low reporting rates is the reluctance of the line ministries to submit the report—there was no punishment or reward for delivering the reports.

In order to improve reporting rates, BAPPENAS has developed an online application system, called e-Money. The application is aimed at assisting line ministries collect and integrate data and submit reports. The application has been implemented and the number of line ministries that submit reports has increased to 65 percent in the first quarter of 2013.

Another purpose of developing the e-Money system was to improve accountability. The system provides a publicly available page that presents basic information, including budget disbursements and programme/activity progress and performance. The e-Money system also provides traffic-light notification colours on the performance progress of every programme and activity. This indicator is based on the gap between achievement and set targets. The notification can be used as a warning for line ministries to improve the implementation of their programmes. For each programme and activity, the notification colour will be green (gap < 0 percent; the programme performance meets the target), yellow (gap < 25 percent; needs more attention and efforts to achieve its target) or red (large gap [gap ≥ 25 percent]; potentially cannot achieve its target by the end the year).

The eye-catching and easily understood traffic-light notifications may be a good way for BAPPENAS and line ministries to monitor the progress of all development programmes.

BAPPENAS keeps improving e-Money to help line ministries and local governments submit their M&E reports. BAPPENAS was developing e-Money for local governments in 2013.

Based on the information collected from quarterly monitoring data, BAPPENAS independently conducted an evaluation of the government's annual plans. Gap analyses were used in the evaluation, comparing the programme's achieved outputs to its targets. There was also a quadrants analysis that compared ministry performance to others.

EVALUATION OF THE NATIONAL MEDIUM-TERM PLAN (RPJMN)

Evaluation of RPJMN implementation is aimed at measuring the outcomes and impacts of programmes implemented during the five years of plan implementation. The GR No.39/2006 mandated conducting M&E on RPJMN at least once in the last year of the implementation period of the plan. The evaluation of each programme was conducted by line ministries as a self-evaluation, and the reports were submitted to BAPPENAS. These reports (and data from other sources) became the input for BAPPENAS to analyse and produce the integrated evaluation report.

In 2012, BAPPENAS conducted a mid-term evaluation on the current RPJMN, even though there was no obligation to do so. The purpose was to measure the progress of achievements on the outcome or impact of the development programmes, especially those programmes that are considered to be national priorities. The mid-term evaluation

FIGURE 2. EXAMPLE OF ANALYSIS FORMAT IN MID-TERM EVALUATION: HEALTH SECTOR

INDICATOR	INITIAL STATUS (2009)	ACHIEVEMENTS			TARGET	STATUS
		2010	2011	2012		
Life expectancy	70.7	70.9	71.1	71.1	72	2
Maternal mortality rate (per 100,000 live births)	228	n.a	n.a	n.a	118	3
Percentage of women giving birth attended by a skilled health worker	84.38	84.78	86.38	43.99	90	2
Infant mortality rate (per 1,000 live births)	34	26 ¹	26 ¹	32 ²	24	3
Coverage of first neonatal visit	80.6	84.01	90.51	33.59 ³	90	1
Prevalence of malnutrition among children under five	18.4	17.9	n.a	n.a	<15.0	2
Total fertility rate (TFR) (per woman of reproductive age)	2.6	2.4 ¹	n.a	2.6 ²	2.1	3

Notes: 1. Population census 2010. 2. 2012 Indonesia Demographic and Health Survey (Provisional Results). 3. Data through March 2012.

1 Achieved/on track/on trend 2 Need greater efforts to be achieved 3 Hard to be achieved

compared the outcomes and impacts achieved through mid-year 2012 with the planned or targeted outcomes and impacts (i.e. it used a gap analysis method). In addition, the mid-term evaluation reviewed the trends of achievement in the last three years. Based on both gap and trend analysis on key performance indicators, we can make a judgement of whether a programme has already achieved its target, is on track towards achieving its target or lags behind. Based on that judgement, colour notifications are attributed to each performance indicator: green (the target was already achieved or is on-track/on-trend to meet the target), yellow (needs more effort to achieve the target) or red (it will be difficult to achieve the target by the year-end of the RPJMN).

The eye-catching colour notifications make it easier for policymakers to grasp and understand the progress of development programmes. For programmes with yellow or red performance indicators, the mid-term evaluation identified the constraints and problems that existed and proposed solutions.

The evaluation conducted by BAPPENAS can be considered independent because BAPPENAS is a planning institution, not a ministry or institution that executes development programmes. Therefore, analytical biases due to conflicts of interest can be minimized. BAPPENAS is also free to use data from any independent credible sources, not only data

from line ministries' reports. Using credible data from independent sources (e.g. Statistics Indonesia [*Badan Pusat Statistik*]) and national and international independent institutions) ensures the evaluation's credibility and the quality of its inputs.

In practice, the information provided by the mid-term evaluation was very beneficial for policymakers, because it was conducted at the right time. Performance information from mid-term evaluation was available just as the process of planning and budgeting for the fiscal year 2014 began. The mid-term evaluation results were presented by the minister and discussed in a cabinet meeting chaired by the President. As a follow-up of the meeting, the President delivered a policy directive to all ministers regarding prioritizing programmes and activities. The President also instructed the three coordinating ministers to coordinate relevant ministries in taking necessary steps to improve the performance of the programmes with yellow or red indicators. This shows how important M&E is to the management cycle.

PUBLIC CONSULTATION FORUM FOR PLANNING AND M&E

The government should provide a public space to give society access to all public activities, including the planning and M&E practices. Article 2 of Law No. 25/2004 requires and provides space for public involvement in this area. The involvement is intended to capture people's aspirations and to increase the sense of stakeholder ownership. In practice, public involvement is accommodated in the planning process. Civil society organizations and academia have been playing an active role in the *Musrenbang* (a discussion forum in the planning process).

Even though there is no obligation to create a formal forum for civil society organizations to deliver their views during the M&E process, BAPPENAS has held public consultation meetings since 2012, involving participants from civil society organizations and universities. Relevant civil society organizations were invited to share and discuss their views regarding specific issues in these meetings. Members of academia and other independent parties acted as facilitators during the discussions. The forum increased the objectiveness of M&E results. It is expected that these meetings will improve the current M&E system and methodology.

CLOSING REMARKS

Indonesia has recognized the importance of M&E. Therefore, Indonesia committed to comprehensively implement it, both in regulation and in institutionalization. With this commitment, Indonesia enacted GR No. 39/2006 and established the Deputy of Development Performance Evaluation post within BAPPENAS in 2007. However, Indonesia faces challenges to improving its M&E system and capacities. The main challenge is building M&E practitioners' capacities. Consequently, Indonesia needs to broaden its networking and partnerships to share knowledge and adopt lessons learned from other countries.