

Review of Global Green Growth Institute (GGGI) Indonesia Program

2012 - 2014
Final Report

Submitted to Norad Evaluation Department by LTS International
15th December 2014 (Revised)





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Acronyms

APP	Asia Pulp and Paper
BAPPEDA	Badan Perencanaan Pembangunan Daerah / Regional Development Planning Agency
BAPPENAS	Badan Perencanaan Pembangunan Nasional / National Development Planning Agency
BP REDD+	Badan Pengolahan REDD+/National REDD+ agency
eCBA	Extended Cost Benefit Analysis
CBNA	Capacity Building Needs Assessment
CK	Central Kalimantan
CSO	Civil Society Organisation
DANIDA	Danish Development Assistance Program
DDPI	Regional Climate Change Council
DfiD	Department for International Development
EK	East Kalimantan
ESDM	Ministry of Energy and Mineral Resources
ESP 3	Environmental Support Program Phase 3
EOP	End of Program
ERC	Eco-system Restoration Concession
ERP	Enterprise Resource Planning
FREDDI	Fund for REDD+ Indonesia
GGF	Green Growth Framework
GGAP	Green Growth Assessment Process
GGGI	Global Green Growth Institute
GIZ	Green Industry Mapping Strategy
GIMS	Deutsche Gesellschaft fur Internationale Zusammenarbeit
GoI	Government of Indonesia
HQ	Head Quarters
ICCTF	Indonesia Climate Change Trust Fund
IFC	International Finance Corporation
KADIN	Kamar Dagang dan Industri
KLH	Kementerian Lingkungan Hidup / Ministry of Environment

KP3EI	Komite Percepatan dan Perluasan Pembangunan Ekonomi Indonesia / Committee of Acceleration and Expansion of Indonesian Economic Development
KSN	Kawasan Strategis Nasional / National Strategic Region
LCGS	Low Carbon Growth Strategy
MP3EI	Masterplan Percepatan dan Perluasan Pembangunan Ekonomi Indonesia / Master Plan of Acceleration and Expansion of Indonesia Economic Development
NGO	Non-governmental organisation
NOK	Norwegian Kroner
OECD	Organisation for Economic Co-operation and Development
PRISAI	Principles, Criteria and Indicators for REDD+ Safeguards Indonesia
RAN-GRK	Rencana Aksi Nasional Penurunan Emisi Gas Rumah Kaca / National Action Plan For Reducing Greenhouse Gas Emissions
RAD-GRK	Rencana Aksi Daerah Penurunan Emisi Gas Rumah Kaca/ Regional Action Plan for Reducing Greenhouse Gas Emissions
RAPI	REDD+ Performance Action Index
RENSTRA	Rencana Strategis/ Strategic Plan (agency)
RPJMD	Rencana Pembangunan Jangka Menengah Daerah / Regional Mid-term Development Plan
RPJMN	Rencana Pembangunan Jangka Menengah / Mid-term Development Plan
SBY	Susilo Bambang Yudhoyono
SEA	Strategic Environmental Assessment
SKPD	Satuan Kerja Perangkat Daerah/Regional Agency
SNV	Netherlands Development Corporation
SRAP	Strategi dan Rencana Aksi Propinsi / Provincial REDD+ Action Plans
STRANA	Government of Indonesia REDD+ Strategy
STRADA	Regional REDD+ Strategy
SME	Small Medium Enterprise
SSP	Sustainability and Safeguards Policy
UKP4	Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan / Presidential Working Unit of Supervision and Control of Development
UNORCID	United Nations Office for REDD+ Coordination in Indonesia
PwC	PricewaterhouseCoopers
REDD	Reducing Emissions from Deforestation and Forest Degradation

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Executive Summary

Background

The GGGI Indonesia program is based on a two year plan to mainstream a green growth approach in the economic planning process in Indonesia, both at national and sub-national level and to accelerate delivery of the REDD+ program in a wider green growth context. It is supported by Norway and was signed in December 2012 for a total value of 36.5 million NOK.

As one of the sole donors to the program, Norway commissioned this review before the end of the program (March 2015) in order to assess, primarily, the relevance, efficiency and progress against results of the program after 18 months of implementation. The evaluation team used the evaluation criteria provided in the Terms of Reference as the main structure for both the stakeholder interviews and the report. A total of 44 stakeholders were consulted including key members of GGGI staff in Indonesia and headquarters.

During the process of the review it became apparent that data on financial expenditure per outcome required for an assessment of cost-effectiveness were not available due to limitations of the accounting software used by GGGI Headquarters in Seoul. An additional limitation was that during much of the review, GGGI were not willing to give the team access to consultancy and salary rates. For this reason, it was necessary for the team to establish proxy rates in order to undertake the analysis. GGGI provided comments on these proxies in the final days before completion of the report. The comments of GGGI have been incorporated into the adjusted assumptions as far as possible, within the available time frame.

Relevance

At the time of this evaluation the Government of Indonesia was in a state of flux with the inauguration of the new president, Joko Widodo, taking place only two weeks previous to the review. Although the GGGI program remains in line with Indonesia's commitment to reduce emissions by 26% made by the previous president, it is well recognised that the Master Plan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI) is largely contradictory to the reductions of emissions and green growth. The current policy environment is therefore both complex and uncertain.

To date it is unclear how far the policies of the new government will change the direction of the MP3EI or how much influence the ex-president of Indonesia, Susilo Bambang Yudhoyono (SBY), as the new chairman of GGGI, will be able to have on any parliamentary dynamics if changes to MP3EI are proposed by the current president. Especially considering that the MP3EI was SBY's legacy. If considered in the literal sense as a master plan that is likely to be implemented, the MP3EI could be interpreted as a barrier to Green Growth.

However, in reality, based on its non- alignment with provincial visions, key sectoral policies, and international commitments, it is unlikely to be implemented without some adaptation at the provincial levels. It is within this space that GGGI may be able to influence its implementation, rather than at the national level.

The main framework for green growth used by GGGI was developed in consultation with Indonesian government stakeholders and the five desired outcomes are all in line with both the development and climate change policies of the Government of Norway.

As a new international organisation globally, GGGI Indonesia has encountered challenges in establishing a new program in Indonesia due to its lack of previous track record¹ of leveraging engagement with stakeholders, the abstract nature and newness of the term “green growth” and difficulties with streamlining its own internal management systems and procedures. GGGI Indonesia has gained some traction in the second year of the program in establishing its value addition as a distinct, technical advisory service in the planning arena, particularly at sub-national level in East and Central Kalimantan. There are no other service providers that are engaged within the existing planning structures of the provincial governments focusing on streamlining development plans for economic growth in relation to a green growth agenda. GGGI is also regarded as unique for its bottom up planning approach in the promotion and demonstration of a jurisdictional approach for REDD+ at a district and landscape level within a wider green growth framework.

The institutional niche for GGGI has largely emerged after a decision was made to focus on analysis and planning at the project / sub-national level instead of the macro-national level. This has improved GGGI’s ability to demonstrate a tangible direction for green growth using key examples to local decision-makers. It remains to be seen whether it will influence the national economic growth agenda. At the national level it has been more challenging for GGGI to establish its niche and added value. The key government partner, BAPPENAS, has long-term experience in dealing with a wide array of international development partners, many of whom explicitly share their budget and financial reports with BAPPENAS, providing an institutional financial incentive for engagement². It has not been the international status of GGGI as an organisation that has affected its relationship with BAPPENAS but the challenge of managing the expectations of BAPPENAS both in terms of technical advice and financial benefits and transparency³.

¹ Most Indonesian stakeholders have no previous experience of GGGI in or outside Indonesia beyond what has been established in the last 2 years. GGGI has limited documents, tools and knowledge products and has no prior established reputation by name or service with these stakeholders. GGGI is therefore an unknown entity, which compared to other long-standing international organizations and international programs, make it different from others and less likely to secure attention of government stakeholders.

² GGGI does not transparently share and report its budget allocation for activities with BAPPENAS unlike ESP 3, World Bank and others.

³ Interviews with stakeholders identified that BAPPENAS expected more significant faster inputs on economic analysis tools that emerged only in the last year and are comparing GGGI as opposed to a bilateral program. For example BAPPENAS requested 6 monthly financial reports from GGGI that is what would be expected in the context of a bilateral project or program.

There is awareness that GGGI is an international organisation, and opportunities for global exposure of provincial achievements are attractive to local government, such as East Kalimantan, but the added value of lessons from outside Indonesia for Indonesia is not yet apparent. Although GGGI staff have the benefit of exchanging views and receiving feedback from GGGI HQ, through regular program calls and meetings, it is hard at this stage to assess the value- addition of global knowledge products and lessons in relation to programming in Indonesia. GGGI is still a very young global institution and its knowledge products are only just emerging. Based on an early assessment, it is likely that Indonesia will be a solid learning ground for GGGI globally but it is not so clear how learning from other countries may yet benefit the GGGI Indonesia program⁴. According to the new strategy, knowledge management and sharing will be stronger and clearer in the future. The evaluation team recognise this may get stronger after the consolidation and approval by council members of the new GGGI Global strategy (2015-2020) and value chain delivery model that streamlines the articulation of what GGGI worldwide is trying to do.

Progress Against Results

The program has five key outcomes to achieve and 7 outputs to deliver. In a compilation of evidence, the evaluation team have concluded that all outputs are likely to be achieved before the end of program, based on the current indicators. However, progress towards outcomes has been more successful at the sub-national than national level particularly in East Kalimantan. This success is partly due to the enabling environment of strong vision and leadership, timing of planning cycle, social capital of a core group of local consultants and institutional positioning within BAPPEDA. A number of adjustments have been recommended to enhance achievement at the results level.

Green Growth Approach mainstreamed into planning and investment decision-making processes (Outcome A):

The program to date has demonstrated tangible results in catalysing the integration of green growth indicators, including REDD+ into mid-term development plans at sub-national level in East, and moving towards this in Central Kalimantan. This level of influence has not yet been achieved at the national level with the Green Growth Road Map document only expected to be finalised at the end of programme (EOP). Recommendations are:

- **Continue to focus resources and efforts to guiding mainstreaming and planning at sub-national level with a focus on the existing provinces** but expanding to work at the project level with a wider variety of sectors and districts;
- **Strengthen engagement across the different sectoral divisions in BAPPENAS** to facilitate communication and integration through a green growth lens across directorates;
- **Strengthen collaboration with other non-government stakeholders, in particular other development partners working with BAPPENAS, on integration of tools and mainstreaming environmental and green issues into planning processes.**

⁴ Interviews revealed that the current program in Indonesia involves what are perceived cutting edge activities at a global level.

Strengthened green growth performance of projects and investments (Outcome B): A set of tools including the Green Growth Framework (GGF), Green Growth Assessment Process (GGAP) and Extended Cost Benefit Analysis (eCBA) has been developed and applied on selected projects from different growth tracks of the MP3EI. Although the tools have not yet been used directly by the government themselves, and mainly applied by consultants, the tools have stimulated discussion on alternative interventions within projects and demonstrated an alternative route to “brown growth” planning. However there is very limited evidence to suggest, as per the outcome, that these tools may or may not drive investments towards green growth. Although GGGI has had some engagement with the private sector, through the members of their steering committee, there has been very few programmatic activities that engage private sector opinion. To ensure this outcome is achieved, this engagement needs to receive more emphasis.

Recommendations are:

- **Future refinement of the eCBA tool needs to be done collaboratively**, considering the relevance to lessons from and applicability of similar tools being used by others with GoI, and to mandatory tools and processes required for compliance with government regulations.
- **Strengthen collaboration with key private sector and investment players and integrate their feedback on the value of the eCBA analysis and other tools from a private sector perspective.**
- **It will be essential in a new phase to monitor and document the application of any recommendations from the eCBA case analysis** and the overall green growth performance, and to disseminate any lessons.

Accelerated disbursement of funding to REDD+ projects catalyse green growth (Outcome C): Although GGGI has provided valued services in coordinating and developing a pipeline of REDD+ project proposals through different approaches in East and West Kalimantan, the REDD+ funding dispersal has stalled due to institutional bottlenecks beyond the control of GGGI. Recommendations are:

- **Continue to focus on the sub-national practical support for REDD+** and provide support on demonstrating and delivering the jurisdictional approach to REDD+ at district/project level in line with development plans, and at a wider district level;
- **Further Engagement with Ministry of Finance** in collaboration with other REDD+ Agency partners to explore the scope and implications of domestic financing for REDD+⁵.

⁵ This recommendation comes from further thinking on the jurisdictional approach and the need for Indonesia not to depend purely on international funding for the REDD+ performance based payments.

Strengthen capacity at national and sub-national level to implement key pilots in the short term (Outcome D): Although awareness of Green Growth has been heightened primarily at the sub-national level through various GGGI events, progress in the analysis and planning of specific green growth interventions remains limited, and for the most part has been carried out by consultants, with review and feedback by government counterparts. Progress towards this outcome will only become evident in the next phase of the program when key pilots are approved, resourced and implemented. Recommendations are:

- **Differentiate strategic capacity building activities to improve effectiveness** and demonstrate results, including improved knowledge management of training needs and results;
- **Develop training materials in parallel with technical outputs** using an experienced training design consultant and “test” materials with specific target groups;
- **Provide coaching and follow up to sub-national teams** where they have a clear project context for follow deliverables after the eCBA training, particularly where there is strong leadership backing⁶;
- **Identify, support and monitor specific projects or pilot initiatives** and integrate with a clear capacity building program with follow up and monitoring.

Enhanced capability at national and sub-national government to put together a green growth program at scale in medium and long term (Outcome E): Very little progress has been made on enhancing capability in the medium to long term, although a draft capacity building strategy is now available “Institutional Capacity Building for Green Growth: Towards a National Curricula (Draft for Discussion)”.

- **Conduct a thorough institutional scoping analysis to define entry points** that will improve the probability of mainstreaming of green growth curricula and will assess the quality or constraints for the planning, design and delivery of new courses;
- **Improved definitions of priority target groups and capacity gaps** in relation to green growth.

Cost-efficiency

In the last two years the program has sub-contracted out significant technical work to consultancy consortia, now led respectively by PwC and SNV. The cost efficiency analysis reveals that it would be more cost-efficient to move towards expansion of the in-house GGGI team to carry out more of the well-defined technical work. This would reduce the time of GGGI technically qualified staff in managing consultants, and reduce the risks of depending on external consultants.

⁶ A good example of this is the core team who have already been training in eCBA and supported strongly by leadership in East Kalimantan BAPPEDA.

Currently there is an opportunity cost to the high technical management costs of managing consultants based on existing practice and standards in GGGI. The value of the current delivery model, of an in-house versus procured external services model has been analysed through the development and analysis of five scenarios. Comparison of scenario 2, which is the procured external services model, with scenario 4 which is an in-house team with comprehensive expertise, demonstrates a 30% reduction in costs. This is related to the costs of managing consultants in the existing procured services model⁷. A qualitative analysis of the benefits of the different delivery service models in relation to GGGI's current niche is provided in Annex 5.

It is recognised that in some situations, consultants will add value for specific expertise and for these reasons it is recommended to move away from outsourcing large contracts to smaller pieces of work based on well-defined ToRs. It is recognised from a cost efficiency perspective that national staff and consultants reduce costs and improve effectiveness especially at the sub-national level. From a cost point of view increasing the number of Indonesian national management and expanding the teams based at the sub-national level would be more efficient. There are indications from analysing the achievements of results so far that this could also be more effective.

To date the main benefits of being part of a global institution to GGGI Indonesia has been support to program management, and in monitoring and streamlining the financial systems for GGGI Indonesia. More recently there has been the benefit of the strategic analysis and planning process that the team has been engaged in at the global level and there is a plan to have stronger collaboration with GGGI's Knowledge Solutions Division based in Korea. The benefits of being part of a global institution for the GGGI Indonesia team have become more apparent in the last six months⁸.

Management and Financial Capacity

There is a need for stronger programme management in order to produce reports that can monitor financial inputs against program results. This is both in terms of the quality of the results framework and the financial management system. Although all of the conditions previously identified by Deloitte have been fulfilled, there has been a significant delay at GGGI headquarters in launching the new ERP system, now planned for June 2015, and this is creating a significant gap in the monitoring and reporting capacity of the Indonesia program.

⁷ This is referred to as the Business As Usual Model in section 7.1.

⁸ This is a reflection of the strength of the revitalized vision and strategic planning at global level and the engagement of the team in that process.

Significant efforts have been made to develop clear policies and procedures for staff and consultants but whilst staff are aware of their existence they are not necessarily aware of their content⁹. Although there is a clear policy on sub-contracting it is not yet clear the basis of decision-making on whether work is sub-contracted or not.

Results Management

The current results framework does not provide a consistent measurable tool for monitoring and reporting. There is not yet a clear hierarchy between outputs and outcome indicators and many indicators are not measurable or do not present a reliable measure of the result¹⁰. To date the GGGI Indonesia program has focused on output not outcome level reporting. Reports have not yet included reporting against indicators and this would assist the program to demonstrate incremental change between reporting periods.

It is critical that a results framework for any new phase of the program demonstrates clear logic, is measurable and demonstrates a shift away from activity level management to results level management¹¹. Although there has been identification of risks and challenges in the reports provided there is no systematic analysis and monitoring of risks to the outcomes within the results framework.

One of the challenges GGGI has experienced, and needs to respond to in the future, is the changing priorities and needs of the GoI. The log frame should also be developed with government partners and other stakeholders from the outset¹². However, it is possible to respond to changing demands without continually revising the log frame if the result level outputs, outcomes and indicators are clear and reflect the core mandate and niche strategy of GGGI. Changes at activity level should be dealt with through flexible joint work planning with no need to change the log frame outputs. The outputs need to be phrased to capture a range of activities, as should the indicators. Most importantly, the outputs should logically link to the outcomes. The log frame should be used to guide the relevance of the requested activities in relation to the mandate of GGGI. Revisions to the log frame will be necessary if the risks identified radically change. It is for this reason it is important to also monitor the risks. If the focus of GGGI is results based monitoring, then capturing the changing needs and priorities of government should be feasible within that framework.

⁹ GGGI have informed the review team when commenting on this report that a training on different policies is planned in the near future. Awareness was assessed through interviews with staff during the evaluation. Not all staff were interviewed but those that were did not seem aware of the policy contents.

¹⁰ According to reports from GGGI the Embassy of Norway has been aware of the weaknesses in the log frame since last year 2013.

¹¹ It is noted in the report that GGGI team, with support from HQ, is in the process of reviewing the log frame for a new phase of funding.

¹² It is noted this was not possible in the first phase as GGGI was in the very initial stages of establishment in Indonesia.

Coordination

GGGI has made efforts to coordinate with stakeholders at all levels but has been more successful at sub-national level where its added value has become clearer and it has worked with networks of national and local consultants. There is a need to consider more concrete collaboration with private sector organisations and alliances as well as programs also seeking to leverage national level planning processes and tools for improved environmental and social performance.

Risks and Sustainability

The evaluation team has identified a number of external and internal risks to the program. There is limited sustainability of long-term benefits, based on the current achievements of the program, although this is not surprising after only 18 months of implementation. It is challenging to assess how far the influence of mainstreaming green growth in planning at sub-national level will go if the program were to cease to exist now.

The report suggests the following recommendations to make the program more sustainable without a guarantee of future funding from Norway. This could be accomplished in the remaining months of the program:

- **Continue to package and disseminate evidence, ideas and concepts on green growth in different media forms and local language** for specific target groups;
- **Focus on providing technical assistance for MRV processes and systems for provincial governments** to monitor key indicators of green growth that have already been indicated in the relevant Regional Mid-term Development Plan (RPJMD);
- **Provide intermittent coaching to a core group of government officials and local consultants** to ensure they can apply the green growth analysis tools such as eCBA on their own, or be in a position to source the correct expertise when they need it¹³.

Gender

GGGI Headquarters, as part of their new strategic direction, is currently developing a gender mainstreaming strategy. GGGI Indonesia could immensely improve their own gender mainstreaming actions by improving gender messaging within their publications, especially those that relate to equitable and inclusive growth. The use of gender sensitivity analysis as an added “lens” to the extended cost benefit analysis or business planning carried out at project level is also an opportunity to mainstream gender further in the green growth planning process.

¹³ Specifically relevant is East Kalimantan but also any other officials who have followed more than one level of training.

Directions for a Future Program Phase

Although funding by Norway for a next phase is not guaranteed, the following suggestions are made for consolidation when planning a new phase:

- Consolidate the current work in the two provinces of East and Central Kalimantan, providing a full suite of current services, but expand the sectoral focus based on demand, e.g. renewable energy in East Kalimantan;
- Expand the support to the number of districts in the key provinces further supporting the mainstreaming of green growth and the jurisdictional approach to REDD+ at the district landscape level;
- Move away from consultation with key stakeholders at national level to concrete collaboration to improve strategic leverage for change at the results level, especially in mainstreaming tools into existing planning processes¹⁴;
- Support the planning and implementations of key projects with green growth potential and identify strategic capacity building activities around such projects including follow up mentoring¹⁵;
- Invest resources in developing a quality results framework with clear indicators and an improved monitoring and reporting system based on that results framework including financial data.

Based on the current strengths of the program and the overall goal statement annexed in the grant letter “to mainstream a wider green growth approach in the economic planning process in Indonesia, both at national and sub-national level and accelerate delivery of the REDD+ program in a wider green growth context”¹⁶, it is clear that to date the program has made more impact at the provincial level. It is recommended that a continued emphasis is placed on this level moving in the direction of creating an evidence base for green growth using specific projects. Engagement at the national level should be ongoing but, given the current political and policy context, will require strategic collaboration with other partners and more engagement with private sector alliances. GGGI, in its future engagement at the national level, needs to demonstrate competence in providing a stronger evidence base for green growth in parallel with sound technical services on economic analysis. It may not be possible to do this without more examples of viable projects and plans from sub-national level first.

¹⁴ See section 4.1 and 10.1 for further elaboration.

¹⁵ It is suggested in the report that capacity building is more strategically planned than it has been in this phase, which has focused on awareness building. It is clear that to date those trained would not be able to conduct an eCBA themselves. The next logical step is to focus on a specific project and coach a hybrid team of local government officials and local consultants to do the job through a mentoring based approach. This strategy has already been identified by PwC and GGGI see section 4.1

¹⁶ Norway GGGI Indonesia Grant Letter 2012

1. Background and Purpose of Review

The Global Green Growth Institute (GGGI) is an interdisciplinary, multi-stakeholder international organization, driven by the needs of emerging and developing countries. It is dedicated to pioneering a new model of economic growth, known as "green growth", which simultaneously targets economic performance, environmental sustainability and social inclusion.

The GGGI Indonesia program is supported by Norway and was signed in December 2012 for a total value of 36.5 million NOK. The program was to run for a period of two years but due to various delays at the start of the program it has been extended to a period of 27 months now ending in March 2015¹⁷.

The goal of the program based on the original annex to the grant letter is "to mainstream green growth in Indonesia's economic planning process, both at national and provincial levels, and to integrate the REDD+ program into a much wider green growth approach that should sit at the core of the economic planning process in the country".

This review assesses the progress against the results to date and identifies any key adjustments needed to achieve more strategic leverage in the remaining period of the program. The evaluators were also asked to indicate possible directions for a future phase¹⁸. The ToR provided a clear framework with 9 evaluation criteria. This report is structured around findings and recommendations against these criteria¹⁹.

2. Approach of Review Team

The review team used the key evaluation criteria in the terms of reference as a basis for interviews with 44 stakeholders at national and sub-national level, and GGGI staff in Indonesia and Korea (see annex one). The scope of this review was wide in a short time frame of four weeks that included visits to both East and Central Kalimantan.

Initially the ToR included a cost-benefit analysis of the program. After discussions with the Embassy of Norway it was decided that a cost-benefit analysis would be challenging in the available time frame. For this reason it was agreed that a cost-effectiveness study involving quantitative and qualitative data would be carried out²⁰. This was based on an assumption that financial expenditure per outcome would be available for both years of the program. During the process of the review it became apparent that these data were not available due to limitations of the accounting software used in Seoul. The team agreed a cut off point for data inputs into the cost effectiveness analysis to ensure the completion of the report based

¹⁷ The program was officially launched with GoI in June 2013. Six months after the initial agreement

¹⁸ During an initial meeting with the Embassy of Norway it was agreed that the emphasis should be on assessing progress against results and cost effectiveness not future direction.

¹⁹ Relevance, efficiency, management capacity, achievement of results, and sustainability were to be evaluated with more emphasis than the other criteria results management, coordination, risks, and gender (see annex three).

²⁰ A methodology concept note was submitted for comment to Embassy of Norway on November 2nd, 2014.

on the contractual deadline. During the early stages of the review, GGGI were not willing to give the team access to consultancy and salary rates. Proxy rates were established for this reason and have led to some late discussions with GGGI. The comments of GGGI have been incorporated into the adjusted assumptions as far as possible, within the available time frame.

3. Relevance

3.1 Current Political Context

Although the new president has not specifically mentioned Green Growth there are indications that he is broadly supportive of more sustainable forest management, fewer large infrastructure projects and recognition of rights; all of which are relevant within the green growth concept.

Recently in Indonesia there has been a major change in political context with the inauguration of a new president, Joko Widodo on the 20th October, 2014. It is still early to assess the institutional and policy implications of this change, with key government agencies in flux and redefining their priorities based on directions from the new president²¹. Although this government has not yet specifically mentioned Green Growth, early indications are that the president himself is broadly supportive of this direction. Examples include a renewed commitment to the moratorium on new forestry concessions, the halting of several large infrastructure projects and direct engagement on rights issues. To date there has been no discourse on the relevance of the Master Plan for Acceleration and Expansion of Indonesia's Economic Development (MP3EI), but interviews suggest there are unlikely to be many major changes, except an emphasis on the maritime economy. Changes to institutional structures include the merging of the Ministry of Environment and the Ministry of Forestry to become The Ministry of Environment and Forestry. There has been suggestion that this is a sign that the new president is committed to improving the management of Indonesia's forests²². However, it is worth noting that over two thirds of the parliament is from the opposition party, which may or may not influence decision-making towards any new policy directions that the president may take. It is worth noting that the MP3EI is the legacy of the ex-president SBY who is currently the chairman of GGGI at global level. In theory he has leverage to influence changes to the MP3EI proposed by the ruling party, within the coalition opposition in parliament²³. To date, it is really very early to judge both the political will of Joko Widodo to make any key changes to the MP3EI or the likelihood of any changes being accepted or rejected in parliament with or without the influence of SBY.

²¹ Interviews November, 2014

²² <http://www.redd-monitor.org/2014/10/25/indonesias-new-president-jokowi-proposes-merging-environment-and-forestry-ministries/>

²³ Although SBY will not be a member of parliament, it may be reasonable to suggest that he can have some influence within his own party that is now part of the opposition coalition, and those members with seats. However, it is worth noting that SBY made a ceremonial hand over of the MP3EI and may not want significant public changes to his legacy. <http://en.tempo.co/read/news/2014/09/05/056604809/SBY-Passes-on-MP3EI-to-Jokowi>

3.2 National Policy Context

The GGGI program is aligned with national targets to reduce emissions and the national REDD+ strategy and program but is still in contradiction to the MP3EI, which promotes expansion of mining and oil palm largely without environmental and social considerations²⁴.

Despite Indonesia's voluntary commitment to reducing emissions by 26% before 2020, formalised by a presidential decree²⁵, there are contradictions with the MP3EI and other large infrastructure plans developed under the previous government. So, although the GGGI Indonesia program is in line with the plans for reducing emissions and the national REDD+ strategy, it is less well-aligned with the current Indonesian policies on economic growth. It is worth noting the collaborative attempts of GGGI and DANIDA ESP3 to provide inputs on how the MP3EI could be "greener" through applying the green growth framework and a strategic environmental assessment (SEA) but these inputs have not been formally accepted. There may be opportunities with the change of government to influence this further, but as yet the economic policies of Indonesia at national level do not yet integrate a direction towards green growth. As a national plan, the scope for maneuvering and leveraging change for specific projects prioritised in the MP3EI at provincial level is greater. It has already been noted in GGGI reports that provincial governments are not necessarily in favour of top down national level plans such as MP3EI and that the priorities for green growth in some provinces are already clear²⁶. Therefore, although the national context for economic growth is not broadly aligned to MP3EI, this is not necessarily the case at lower levels of government and specific provinces.

The engagement of SBY as the chairman of GGGI highlights the recent political positioning of GGGI as an institution in Indonesia. However, it is not realistic to expect that GGGI alone will be able to influence changes to the MP3EI at the national level. It is more likely that there can be influence at the "project" and provincial level, which has been a conscious strategy of GGGI in the last year of the program.

3.3 Drivers for Green Growth Planning at Sub-National Level

There is a clear vision, potential commitments and drivers for green growth planning at the sub-national level, particularly in East Kalimantan, and no clear support for the national economic development plan.

Provincial priorities for economic growth are not necessarily determined by the national economic development plan²⁶. Both East and Central Kalimantan provincial governments have shown a policy commitment to green growth. East Kalimantan, in particular, has owned a regional policy commitment to a green vision since 2010. The mid-term planning document for East Kalimantan provides an analysis of the impacts of the extraction industries on economic growth in East Kalimantan, demonstrating a decline in growth over

²⁴ <http://www.redd-monitor.org/2013/12/20/redd-fails-to-address-the-drivers-of-deforestation-in-indonesia/>

²⁵ (Presidential Decree No. 88/2011)

²⁶ GGGI Progress Report, 2014 (page 40) notes that MP3EI is perceived as a Jakarta led initiative and there remains considerable provincial cynicism about its relevance to regional development.

the last few years despite ongoing investments in extraction. It is this decline, the volatility of fuel prices and supply and the impacts of climate change that have become clear drivers for a greener vision for economic growth at the sub-national level in Kalimantan²⁷.

3.4 Shifting climate for more Private Sector social and environmental accountability

There are an increasing number of initiatives and voluntary commitments to environmental and social safeguards for the private and investment sector that may increasingly provide a stimulus for the relevant investors and forward movement of a green growth agenda in Indonesia.

There is increasing evidence that private sector and investors are under mounting pressure to improve their social and environmental performance in order to assure market access. Large oil palm interests are trying to work with Roundtable on Sustainable Palm Oil, Asia Pulp and Paper (APP) and PT Riau Andalan Pulp and Paper (RAPP), a subsidiary of Asia Pacific Resources International Limited) and are inviting international scrutiny of their operations. Safeguards for investments such as those agreed by the International Finance Corporation (IFC), based on the equator principles, demonstrate a similar drive for accountability from some finance institutions. Although this is still voluntary and does not guarantee better performance by many smaller subsidiary companies, it does indicate that the private and investment sector are being influenced by elements of the green growth agenda internationally and within Indonesia.

To date, focus on engagement of GGGI has been mainly with government counterparts with limited interaction with private sector. There is not yet anyone within the GGGI team that has experience in liaising and brokering with private companies. GGGI has clarified that although they have some representation of private sector on their steering committee they would like to see more engagement in the future but as yet there is no clear strategy beyond the concept of developing “bankable” projects, which is highlighted in the value chain delivery strategy (see Annex 6.)

3.5 Norway’s Forest and Climate Initiative and Development Policies

The GGGI Indonesia program and its Green Growth Framework (GGF) focuses on mainstreaming 5 key desired outcomes²⁸ of green growth all of which are in line with both the Norwegian climate and development policy, as is the new global GGGI strategic plan.

²⁷ Interviews with stakeholders, November 2014.

²⁸ Five desired outcomes include greenhouse gas emission reduction, sustained economic growth, healthy and productive eco-system services, inclusive and equitable growth, and social, economic and environmental resilience.

Norway's climate policy, as outlined in the 2006-2007 report to the Norwegian Parliament (Storting),²⁹ lays out two overarching goals: the first is to reduce its 1990 level emissions by 30% by 2020 and the second is for Norway to be carbon neutral by 2050. It makes substantial mention of Norway's interest in supporting Indonesia to control illegal logging forest conversion, noting a proposed environmental cooperation programme starting in 2007, to build up forest management capacity and work on improving governance. The February 2009 Ministry of Foreign Affairs White Paper Climate, Conflict and Capital³⁰ emphasises that both the development and climate policy goals must be mutually reinforcing, which is one of the key values of the green growth approach promoted by GGGI globally and within Indonesia.

Norway is a council member of GGGI globally, as one of four contributing members, so has some influence on key decisions and direction. Additionally, the new global strategic plan (2015-2020) for GGGI "Accelerating the transition to a new model of growth" recognises the need to achieve balance in its country program portfolio between Lower Income Countries and Middle Income Countries, based on the underlying principle that economic growth, environmental sustainability and social inclusion are mutually inter-dependent. This is also broadly in line with both Norwegian climate and development policies.

3.6 Added Value of GGGI in Indonesia

GGGI Indonesia has started to establish itself as a valued, technical advisory service to planners at the provincial and district level through an integrated and nested mainstreaming approach, addressing specific needs not usually met by other projects or NGOs.

There are a significant number of organisations, projects and initiatives operating in the climate change, land use and forestry sectors in Indonesia, stimulated by Indonesia's commitment to a 26% emissions reduction in 2011 at the national level. The challenges of establishing a new country program by a new International organisation in the last two years for GGGI Indonesia has been clear and acknowledged in both GGGI progress reports.

GGGI has gained significant traction in the second year of its program in Indonesia, particularly after taking a conscious programming decision to not focus on green growth analysis at a macro level in Indonesia but on supporting mainstreaming green growth through bottom up planning and project level analysis. Stakeholders at sub-national level identify GGGI as one of the only organisations able to influence the substance of government plans at the sub-national level, with an evidence-based approach through the provision of consistent technical advice. Particularly the recent work at district level in Central Kalimantan and the demand from East Kalimantan to streamline several different planning documents in relation to green growth fills a niche that other agencies identify as a

²⁹ Norwegian Climate Policy. Report no. 34 (2006-2007) to the Storting.
<http://www.regjeringen.no/en/dep/kld/documents-and-publications/government-propositions-and-reports/-reports-to-the-storting-white-papers-2/2006-2007/report-no-34-2006-2007-to-the-storting.html?id=507152>

³⁰ Ministry of Foreign Affairs (2009). Climate, Conflict and Capital .Report No. 13 (2008–2009) to the Storting.
http://www.regjeringen.no/pages/2171591/PDFS/STM200820090013000EN_PDFS.pdf

bottleneck but do not directly address³¹. In order to differentiate from other players working in the climate change sphere it is important for GGGI to continue to focus on their role on economic growth and development planning, including their positioning within the relevant government partners in particular BAPPEDA at the sub-national level.

At the national level it has been more challenging for GGGI to establish its niche and added value. The key government partner, BAPPENAS, has long-term experience in dealing with a wide array of international development partners, many of whom explicitly share their budget and financial reports with BAPPENAS, providing an institutional financial incentive for engagement³². It has not been the international status of GGGI as an organisation that has affected its relationship with BAPPENAS but the challenge of managing the expectations of BAPPENAS, in terms of technical advice, financial benefits and transparency³³. In comparison with other development partners who have long established programs, budget contributions and roles within BAPPENAS it is unrealistic to expect GGGI to have a high degree of influence based on the current program period. GGGI needs to focus on delivering tools and a clear evidence base for green growth in Indonesia and globally before they will gain traction at the national level. There is also a need to better collaborate with existing partners in BAPPENAS who have an overlapping agenda to leverage buy in rather than focus on establishing GGGI's own institutional identity³⁴.

There is a clear pull to working with an international organisation like GGGI for higher-level government officers, for both global exposure and profile particularly at provincial and district level. This is especially true now SBY has been elected chairman of GGGI international³⁵. Both Central and East Kalimantan are government pilot provinces for REDD+ and have a number of initiatives working on the REDD+ approach at field level. However, GGGI have played a key role in assisting the national REDD+ agency to reduce overlap and coordinate between initiatives, particularly in relation to geographical coverage of these provinces³⁶.

There is a clear desire from planners at the sub-national level interviewed to engage the support of GGGI in the future to demonstrate tangible results from the green growth model. It is anticipated that this will be the focus of the next phase of the GGGI Indonesia program and is in line with the value chain delivery model that is the core of the new global GGGI strategy (see Annex 6).

³¹ Interviews, November 2014

³² GGGI does not transparently share and report its budget allocation for activities with BAPPENAS unlike ESP 3, World Bank and others.

³³ BAPPENAS expected more significant faster inputs on economic analysis tools, which emerged only in the last year, and are comparing GGGI with a bilateral program. For example BAPPENAS requested 6-monthly financial reports from GGGI, as that is what would be expected in the context of a bilateral project or program.

³⁴ Interviews, 2014

³⁵ Recently the Head of Economics Division, BAPPEDA, East Kalimantan presented at an Asia LEDS Forum 2014 with a delegation from GGGI

³⁶ Interview REDD+ agency, November 2014

As yet, it is not so clear how far the benefits of GGGI global experience on green growth is reaching Indonesia. Although staff have the benefit of exchanging views and receiving feedback from GGGI HQ, through regular calls and meetings, it is hard at this stage to assess the value- addition of that in relation to programming in Indonesia. GGGI is still a very young global institution and its knowledge products are only just emerging. Other well-established regional and international organisations such as The Centre for People and Forests (RECOFTC) and International Institute for Environment and Development (IIED) with global reputations have experienced challenges in identifying programs that demonstrate added value in Indonesia and they already have a set of clear lessons and knowledge products to share after over 15 years as international organisations³⁷. Based on an early assessment, it is likely that Indonesia will be a solid learning ground for GGGI globally but it is not so clear how learning from other countries may yet benefit the GGGI Indonesia program³⁸. According to the new strategy knowledge management and sharing will be stronger and clearer in the future. It is clear that the strategic thinking of GGGI at a global level has evolved and been articulated in the last year, 2014. The more integrated thinking on Green Growth and the value chain delivery model may help to further articulate the niche of GGGI in Indonesia (see annex 6) and accelerate and expand the value of lessons from countries outside Indonesia for Indonesia and vice versa.

4. Achievement of Results

A summary of achievement of outputs in relation to key indicators compiled by the evaluation team can be found in Annex Eight. Of a total of 12 outputs, 6 have already been completed and, based on approved indicators, it is likely that all outputs, in terms of documents produced, will have been achieved by the end of the program (EOP). However, some indicators do not provide a good measure where the output has multiple dimensions (see section 9). In these cases additional comments have been provided to clarify the quality of achievement of the real output.

This section focuses on achievement of results or the progress towards indicators at the outcome level, as defined in the Norwegian Results Management Guidelines³⁹. A summary statement of findings is provided for each outcome and indicator. This is accompanied by evidence compiled through interviews and document review for each outcome indicator along with any recommendations.

³⁷ Personal experience of reviewer who has been engaged with both organisations program development in Indonesia. Both organisations have now got programs that focus at province/district level.

³⁸ Interviews revealed that the current program in Indonesia involves what are perceived as “cutting edge” activities at a global level.

³⁹ Results Management in Norwegian Development Cooperation. 2008

4.1 Outcome A: Green Growth Approach mainstreamed into planning and investment decision-making processes

Progress has made in catalysing the mainstreaming of green growth more so in sub-national than national development planning, through strategic leveraging of existing networks and technical inputs, particularly from local and national consultants.

Indicator A1. Government departments adopting tools and methodologies

There is interest in the tools and methodologies from government at national and sub-national level, especially the extended cost-benefit analysis, but so far any use is on an ad-hoc pilot basis.

Although there has been BAPPENAS endorsement of the GGF and GGRAP concept and tools in the first year of the program⁴⁰ it is unclear how these frameworks and tools will eventually influence national level processes and integrate with existing processes and documents. The change in government brings uncertainty with respect to progress already made at national level on the use and application of the road map once it is finished⁴¹. The recent election and change of government has required engagement of different people in new positions and implies a strategic policy shift, the direction of which remains unclear to date. Some stakeholders provided inputs suggesting that GGGI and other development partners working in the “green” policy and planning arena with BAPPENAS need stronger coordination among themselves to improve strategic leverage and integration of “new” approaches and tools into existing planning processes. Although it is clear that GGGI has made efforts to work with other stakeholders and programs, some felt that it would be more valuable to develop collaborative products and processes rather than just consult them on the develop of GGGI products. This is especially relevant when GGGI is building on data collected by other programs and such programs would like to influence how they are articulated in any final product. Current thinking in GGGI is that the road map and its associated tools, when launched before the EOP will be a solid guide for those at sub-national level responsible for integrating green growth into local development plans⁴². It was challenging for the evaluation team to review this assumption as the road map is not yet completed, but feedback from local government after its approval at national level will enable further adaptation and simplification for use at sub-national level.

It is more likely that tools and methodologies including the eCBA will be used at the local project scale but on a voluntary basis by those provinces and districts that have a strong vision for green growth⁴³. Evidence for this is the demand for training for the eCBA tool, developed and tested by GGGI, in East Kalimantan province. The training was provided to them at their own cost. Further evidence is the identification of a team of cross-sectoral

⁴⁰ Gol GGGI Green Growth Program Document

⁴¹ Deputy Minister BAPPENAS Mr Lukita is no longer in the position and it remains unfilled to date.

⁴² Interview GGGI staff. The GG Roadmap will provide a menu of relevant indicators and other annexes that will guide those at sub-national level possibly provinces beyond East and Central Kalimantan.

⁴³ The term “voluntary” is used in comparison to tools such as EIA that is a mandatory requirement under Indonesian law.

experts, who BAPPEDA plans to task with analysis of new projects as prioritised by the government of East Kalimantan⁴⁴. However other stakeholders and donors identified other forms of cost benefit analysis tools that are available and may have some overlap with the tool developed by GGGI⁴⁵. It was noted that further coordination is required to consider integration with other tools in Indonesia that are mandatory for project feasibility analysis. Although the results of the eCBA tool on specific cases have clearly inspired leadership in the province of East Kalimantan to use the tool, it is important to consider the challenges of ensuring such tools are regulated and do not just become a routine exercise to gain credibility or approval of projects. Previous experiences with implementing mandatory tools such as Environmental Impact Assessment in Indonesia indicate that although tools may be adopted there can be challenges in ensure the standards and procedures of how they are used⁴⁶.

The Provincial Agricultural Agency has included a business plan proposing organic cassava on degraded land in their RENSTRA that was developed by GGGI in response to a request by the Governor of East Kalimantan for providing case analysis of small business developments on small patches of degraded land. A budget has been allocated for the development of a pilot plot in 2015⁴⁷.

Indicator A2. REDD+ mainstreamed into national and sub-national planning processes

REDD+ priorities have been integrated into key agency RENSTRAs in East Kalimantan and two districts in Central Kalimantan, who are in the process of developing a district strategy for Green Growth including REDD+ that will be integrated into the next cycle of government planning.

GGGI's support to national level planning through the REDD+ Agency is valued for the continuity of its provision, in comparison to other agencies that provide intermittent inputs and advice. This is partly due to the presence of a GGGI staff member embedded within the REDD+ Agency and enables on-going dialogue on specific issues as they emerge⁴⁸.

REDD+ is explicitly identified in different parts of the draft Green Growth Road Map in relation to both opportunities and plans. Although there is evidence to suggest that the Green Growth Road Map will include explicit reference to REDD+ and provide guidance in mainstreaming into different planning levels it is not yet clear how influential the Green Growth Road Map will be in national planning processes (see indicator A1).

⁴⁴ Interview with BAPPEDA and DDPI East Kalimantan. November 2014. Those members identified have now participated in 3 levels of training. East Kalimantan have had a Green Vision since 2010 under the leadership of the present Governor.

⁴⁵ Example was given during interviews of Forest Evaluation Tool UNDP. Others raised the overlap with Strategic Environmental Assessment (SEA) and Environmental Impact Assessment (EIA).

⁴⁶ McCarthy, J and Z. Zen (2010) Regulating the oil palm boom: Assessing the effectiveness of environmental governance approaches to agro-industrial pollution in Indonesia. Law and Policy 32:153-179

⁴⁷ Page 28, progress report 2014

⁴⁸ Interviews, 2014

The technical advice of GGGI in the planning sphere at sub-national level is valued as unique and a key contribution of GGGI by the REDD+ Agency⁴⁹. Currently support to sub-national level for planning and implementation of REDD+ is weak. To date, support for readiness by a majority of agencies has been primarily at the national level⁵⁰. GGGI has supported a systematic review and analysis of the provincial SRAP and RAT-GRK in both provinces. In East Kalimantan, in June 2014, GGGI team provided support to five key provincial agencies to ensure that their strategic plans (RENSTRAs) are aligned with the provinces' REDD+ strategy and action plan (SRAP). These inputs have now been officially integrated into the RENSTRAs of the key land use agencies, which will help to ensure a budgetary allocation in the next financial year.⁵¹ In Central Kalimantan there is a focus on supporting two districts (Murung Raya and Pulau Pisang) to mainstream issues of REDD+ through the proposed jurisdictional approach⁵⁸.

Indicator A3. Recognising the value of green growth planning

There have been tangible results in mainstreaming green growth indicators at the sub-national level and there is continued demand for training and advice from GGGI teams at provincial level.

It has been assumed by the review team that this indicator refers to the extent to which green growth and specific indicators have been integrated into different plans at different levels, nationally and sub-nationally, and that demand from agencies for support to green growth planning is an indication they recognised its value.⁵²

The positioning of GGGI within GOI planning agencies⁵³ has been more effective at influencing the mainstreaming of green growth at the provincial level than at the national level. Although GGGI has received endorsement from BAPPENAS for the Green Growth Program there are indications that engagement has been focused mainly within one Directorate, and that other sectoral Directorates are not yet sufficiently engaged to see the relevance and mainstream green growth in planning⁵⁴. At the provincial level relationships between GGGI and BAPPEDA are now strong but must be maintained. Although the embedding of the GGGI provincial representatives within BAPPEDA has been pivotal in East Kalimantan, some stakeholders were concerned that there can be a misinterpretation of GGGI mandate due to the sharing of an office with DDPI. It is important to maintain the articulation of the niche value and mandate of GGGI as an organisation that supports the mainstreaming of green growth (including REDD+) in the planning and policy arenas over all sectors and not just as a climate change related organisation.

⁴⁹ Interview with REDD+ Agency November 2014

⁵⁰ Indonesia Country Report. NICFI Real –Time Evaluation. LTSI, February 2014

⁵¹ Interview Chris Stephens, November 2014

⁵² Indicator A2 refers specifically to REDD+ A3 is a confusing and poor quality indicator and has been interpreted by the review team to mean a wider understanding of green growth and an indication of demand for services in relation to green growth by local government.

⁵³ BAPPENAS at national level and BAPPEDA at local level

⁵⁴ Interviews with BAPPENAS and other government stakeholders

Tangible mainstreaming results have been identified at sub-national level in East Kalimantan with the integration of the green growth framework and specific indicators in the provincial midterm development plan (RJPMMD) and work plans of sectoral agencies (RENSTRA). This is an important achievement as it ensures that there is a formal recognition of the value of green growth planning within official government documentation that will be used to monitor development. The value of using local consultants for planning support tasks was noted in interviews, as was the significance of addressing sectors that have generally limited recognition of environmental issues, such as Department of Plantations and Industry and Trade. Factors contributing to the success of this result include timing of the planning cycle in relation to GGGI input and an existing vision for a greener economy pushed forward by strong leadership⁵⁵. Although there was an existing strong vision, GGGI has helped to provide substance to this vision through its framework and indicators, and to catalyse inclusion into the plan through involvement of local and national consultants⁵⁶. Through interviews during the review it was evident that some GGGI consultants on request have provided advice to BAPPEDA East Kalimantan specifically on drafting a Terms of Reference for Drafting a Master Plan for Green Growth in East Kalimantan⁵⁷. Although drafting of the Master Plan has not yet started the development of the TOR is in process and is addressing (with the support of GGGI) the proliferation of planning documents related to green growth, such as Strategic REDD+ Action Plan (SRAP), Local Action Plan for GHG Emission Reduction (RAD-GRK) and Low Carbon Growth Strategy (LCGS).

Central Kalimantan is still in the early stages of mainstreaming, although the timing of the planning process will enable a longer-term engagement process for mainstreaming the framework and selecting appropriate indicators. Interviews with local stakeholders demonstrated that early engagement has built awareness of the basic concepts of green growth and there is political will to develop a local green growth strategy. It is not clear how that will translate into formal planning processes and budgets. In the last few months significant engagement has been made with two districts in Central Kalimantan Murung Raya and Pulau Pisang, with the development of a green growth vision and review of sectoral plans related to REDD+⁵⁸.

The demand for training government officers in the use of the eCBA tool indicates that there is a recognition that the green growth assessment process and eCBA is valued especially in East Kalimantan⁵⁹. This is supported by a plan from the provincial government itself to use the same group of people in the future for further systematic analysis of projects in the provincial MP3EI. As yet they are not able to perform these assessments on

⁵⁵ Interviews with provincial stakeholders indicated a strong awareness for the need for a greener direction based on own experience with “boom and bust” economy and instability of energy prices.

⁵⁶ Interviews with provincial stakeholders indicated that the ongoing mentoring support through local consultants and some national consultants (PWC) was particularly valuable.

⁵⁷ Interviews BAPPEDA November 2014.

⁵⁸ Personal update from Chris Stephens (GGGI) during debriefing meeting Nov 25, 2014

⁵⁹ At least two of the trainings delivered have been paid for directly by the provincial government indicating they value the approach and can see its potential use.

their own. There is a plan in the next few months to provide some GGGI coaching to this team as they perform an eCBA more independently⁶⁰.

4.1.1 Recommendations Outcome A

- ***Continue to focus resources and efforts to guiding mainstreaming and planning at sub-national level with a focus on the existing provinces but expanding to work at the project level with a wider variety of sectors and districts. This will allow a demonstration of mainstreaming green growth between planning levels and an assessment of the value of green growth with deeper and more tangible results.***
- ***Strengthen engagement across the different sectoral divisions in BAPPENAS to facilitate communication and integration through a green growth lens across directorates. This is to ensure that all directorates are aware of the role of GGGI and its current progress with the Road Map, REDD+ and other relevant outputs.***
- ***Strengthen engagement with other non-government stakeholders in particular other development partners working with BAPPENAS on integration of tools and mainstreaming environmental and green issues into planning processes. Having built relationships in the last 18 months, the engagement needs to become less consultative and more directly collaborative. The change in government may provide an opportunity to feed in collaborative inputs to adjust new planning directions and revised documents endorsed by GoI, particularly at the national level⁶¹.***

4.2 Outcome B: Strengthened green growth performance of projects and investments

Demonstrating the use of Green Growth Assessment and the eCBA tool for different projects has generated significant interest at national and sub-national level and provided planners with an alternative way of planning projects. It is not yet clear how far this necessarily contributes to the actual green growth performance of a project or an investment.

Indicator B1. Strengthened capacity in driving investments towards green growth (including REDD + sectors) and improving sustainability of brown sectors at national and sub-national level

The extended cost benefit analysis case studies have stimulated interest in a process of how investments could be more green, but they have not necessarily built capacity to drive investments towards green growth.

⁶⁰ Interviews PWC, 2014

⁶¹ This could include data from DANIDA SEA of MP3EI and Prioritizing Investments: Green Growth (2013) but must be presented in a strategic, collaborative, integrated and timely way.

Articulating the financial benefits and recommendations through the eCBA analysis can provide data to highlight both barriers and incentives for potential investors and government decision-makers. In the case of the *Draft* Green Growth Assessment of Katingan Peatland restoration and conservation project, Central Kalimantan, there are clear public policy interventions recommended which if implemented could drive further investments in other Ecosystem Restoration Concession (ERC) areas outside the specific project area⁶². Although some of those public policy interventions have been documented by other ERC projects⁶³, the eCBA carried out by GGGI provides evidence of how the benefits of ERCs, if valued, can incentivize potential investors and government. The business plans prepared for specific SME in Central Kutai district, one of which is becoming a pilot demonstration plot, provide insights into the value of considering the green growth benefits and costs of a specific business⁶⁴.

The recommendations from the eCBA may not necessarily guarantee green growth but will promote additional dialogue on green growth performance if government planners are interested to discuss the results further. It is clear from reports and documentation that GGGI do not necessarily endorse the recommendations that come from the eCBA project analysis, as some may not guarantee green growth (although may improve the sustainability of brown sectors⁶⁵). However, it is intended that the process and tools will encourage a more systematic assessment of projects in relation to Green Growth. In the case of eCBA Maloy in East Kalimantan recommendations are being discussed within the provincial government so have provided inputs for further dialogue on the planned project that would not have happened without the eCBA⁶⁶.

To date GGGI has had limited direct engagement with private and investment sector stakeholders with respect to the eCBA tool and there is a need to consider how this tool relates to other performance standards, and social and environmental safeguards⁶⁷. This is likely to become increasingly relevant as GGGI Indonesia aligns its program with the new International GGGI strategy supporting the identification of “bankable” projects that can demonstrate green growth. This engagement will have a strong influence on the successful achievement of the outcome.

⁶² Page 12, *Draft for Discussion*. Green Growth Assessment of Katingan Peatland restoration and conservation project, Central Kalimantan

⁶³ Supporting Eco-System Restoration Concessions in Indonesia’s Production Forests. A Review of the Licensing Framework 2004-2012.

⁶⁴ Business Plan. Development of Cassava on Degraded Land. GGGI 2014. Page 26-32.

⁶⁵ Progress Report 2014 page 19 and eCBA disclaimer clause

⁶⁶ Interviews BAPPEDA, November 2014.

⁶⁷ IFC’s Performance Standards are recognized as a benchmark for environmental and social risk management in the private sector and are mandatory for IFC investment. The equator principles are the basis for the IFC standards and another common private sector reference.

Indicator B2. At least 4 projects (including REDD+) assessed on their green growth performance tested to develop and refine GG tools and methodologies and disseminated as green growth case studies.

Five projects have been assessed in relation to their green growth performance and the cases disseminated through training and learning sessions.

Five projects have been examined using the eCBA tool, two are completed and the others in draft for review by project stakeholders. These projects were originally identified from different corridors in the MP3EI. These include “Maloy Economic Zone” from East Kalimantan, “Strategic National Zone of Mammanisata” from South Sulawesi, and “Katingan Peatland and Forest Conservation Concession in Central Kalimantan. The remaining assessments are in progress and will focus on sustainable palm oil, renewable energy and urban-based infrastructure⁶⁸.

A summary of the Maloy eCBA has been produced as a policy brief and will be published very soon⁶⁹.

4.2.1 Recommendation Outcome B

Future refinement of the eCBA tool needs to be done collaboratively, considering the relevance to, lessons from and applicability of similar tools being used in other projects with GoI and mandatory tools and processes required for compliance with government regulations.

Strengthen collaboration with key private sector and investment players and integrate their feedback on the value of the eCBA analysis and other tools from a private sector perspective. This may include the Indonesia Sustainable Business Council (ISBC), Kamar Dagang dan Industri (KADIM), Indonesia Investment Coordinating Board (BKPM) and Fiscal Policy Office (BKF).

It will be essential in a new phase to monitor and document the application of any recommendations from the eCBA case analysis and the overall green growth performance, and to disseminate any lessons.

4.3 Outcome C: Accelerated disbursement of funding to REDD+ projects catalyse green growth

Although fund dispersal through the format REDD+ Agency structures is not yet functional, GGGI have provided valued support at the sub-national level to put in place a pipeline of REDD+ projects that will be eligible for funding by FREDDI, or other interim structures, based on the jurisdictional approach.

⁶⁸ Interim Progress Report, 2014

⁶⁹ Interview with Country Representative November 2014.

FREDDI, the main trust fund set up under the REDD+ agency, is not yet functional in disbursing funds as the REDD+ Agency does not yet have budgetary authority that is granted by the Secretary of State⁷⁰. Currently UNDP has been identified as the main interim structure for the disbursement of funds for support to REDD+ projects while the constraints regarding the authority of the REDD+ agency to hold a trust fund are addressed. The Indonesia Climate Change Trust Fund (ICCTF) hosted by BAPPENAS is now functional and has a window for funding initiatives in the land use sector; however, to date it is anticipated that the funds from the bilateral support to support to REDD+ from Norway will flow through FREDDI. It is unclear when this issue will be resolved and it is beyond the control of GGGI.

Indicator C1. Provincial REDD+ program which catalyse green growth developed and endorsed by sub-national government

A pipeline of projects has been developed based on regional REDD+ strategies (SRAP) and in line with the imperative actions of the national REDD+ strategy. REDD+ interventions are integrated into a green growth strategy in West Kalimantan.

GGGI are helping to establish the priorities and processes at local level to develop a pipeline for funds to flow to support REDD+ initiatives. This has been done through support to DDPI in both provinces. Since the beginning of 2014, the GGGI team has been working with DDPI in East Kalimantan on identifying their priority REDD+ programs for implementation based on their SRAP. Having identified a matrix of priority activities a number of terms of reference (ToRs) for funding have been developed for support by “interim” phase funding. One of these ToRs was integrated within BP REDD+’s small-scale program in West Sumatera, Jambi and East Kalimantan.⁷¹

GGGI is one of the few agencies working on REDD+ at the district level to develop an integrated Green Growth REDD+ program. Its contribution is much appreciated for this reason by the REDD+ Agency, which recognises that capacity building is required at the sub-national level with many agencies focusing support at the national level. Support has been provided to develop a jurisdictional approach to REDD+ in Indonesia using the pilot districts as an example⁷². The Murung Raya district government have now developed a green growth strategy and the relevant line agencies have now approved the need for green growth interventions in four key sectors including REDD+. A similar process is ongoing in Pulang Pisau. This approach aims to frame REDD+ within a wider green growth strategic vision and to demonstrate inter-sectoral linkages and integration at a landscape/district level. This is

⁷⁰ The REDD Agency, established by presidential decree, is a non-ministerial body and by current law is not able to establish a trust fund.

⁷¹ This ToR is for the ‘Management of the Karsts Ecosystem Area in Berau District’ in Merabu village. This meets the criteria outlined in the recent call for proposals from UNDP for interim funding. The other two ToRs relate to institutional capacity building, both for DDPI itself and the REDD+ working group in Kutai Kartanegara district’, and will now be supported directly by UNDP.

⁷² Indonesia defines a jurisdictional approach as “The nationwide approach under which REDD+ is implemented and administered through Indonesia’s provincial and district government units, with performance aggregated at the national level.” A REDD+ Jurisdictional Approach to Green Development in Indonesia. Discussion Paper No2/2014.

slightly different from the approach that was supported in East Kalimantan which has helped identify individual projects based on the provincial REDD+ strategy⁷³.

GGGI is now one of several partners of the REDD+ Agency collaborating to assist in the development of a **REDD+ Action Performance Index (RAPI)**. It is anticipated that the RAPI may also contribute to accelerated disbursement once performance based payments are functional.

Indicator C2. Projects assessed using the approved selection mechanisms

It is unclear how far the criteria proposed in the guidelines will be used for project selection by the mandated agencies selected by REDD+ agency⁷⁵.

A number of proposals have been developed in collaboration with local DDPI for submission for funding from FREDDI. Ongoing mentoring to improve local capacity for project development is valued by DDPI and DDPI considers GGGI a strong partner due to their relationship with the REDD+ Agency⁷⁴ at national level. As the REDD+ agency itself will not select projects but this will be delegated to partner agencies at the local level it is unclear how far the criteria in the REDD+ project selection guidelines will be applied yet⁷⁵.

4.3.1 Recommendations Outcome C

Continue to focus on the sub-national practical support for REDD+ and provide support on demonstrating and delivering the jurisdictional approach to REDD+ at district/project level in line with development plans, and at a wider district level.

Further Engagement with Ministry of Finance in collaboration with other REDD+ Agency partners to explore the scope and implications of domestic financing for REDD+⁷⁶

4.4 Outcome D: Strengthen capacity at national and sub-national level to implement key pilots in the short term.

Although awareness of Green Growth has been heightened at the sub-national level, progress in the analysis and planning of specific green growth interventions remains limited and for the most part and has been carried out by consultants with review and feedback by government counterparts. Progress towards this outcome will only become evident in the next phase of the program when key pilots are approved, resourced and implemented.

⁷³ Interviews, November 2014

⁷⁴ Stakeholder Interviews 2014.

⁷⁵ GGGI have produced guidelines "Guidelines for a Selection Framework and Process for Phase 2 of REDD+ in Indonesia"

⁷⁶ This recommendation comes from further thinking on the jurisdictional approach and the need for Indonesia not to depend purely on international funding for the REDD+ performance based payments.

Indicator D1. Strengthened capacity of national and sub-national level in planning and implementation of green growth, REDD+ and climate change interventions

Although several trainings have been carried out most of the intervention analysis has so far been carried out by consultants in consultation with government.

Interventions that have been planned so far at sub-national level, including specific REDD+ projects and business plans for small medium enterprises on degraded land, have been developed by consultants in consultation with local government. The capacity for local government and other stakeholders to plan and implement new interventions independently will only be evident in a new phase of the program and it is highly likely the mentoring and technical advice of GGGI will still be required⁷⁷. Stakeholders' feedback indicates that it is logical that GGGI now moves from a mode of consultation through consultants to collaboration with government, with an increasing focus on implementing and demonstrating the feasibility of green growth through pilots.

The need for demonstrating tangible results of Green Growth through pilots has been identified by a majority of stakeholders at sub-national level and would be one mechanism to strengthen capacity through learning and sharing within the context of a specific pilot. Shifting to supporting implementation at the district level will require some changes in human resources to ensure that GGGI has adequate capacity to provide on-going advice on demand at local level. This is in line with the current global GGGI strategy and the proposed value chain approach from assessing feasibility to implementation.

Currently many activities are categorised as capacity building without clear measure of results and follow up⁷⁸. Although several training and workshops have been conducted for sharing, learning and generating awareness these are still of ad hoc nature. In East Kalimantan the eCBA training has been more systematic and evaluated by PWC against specific learning objectives⁷⁸. As the Green Growth tools are still being refined, deliverables have yet to be packaged as specific materials for training for specific target groups.

During the short-term, GGGI could improve the effectiveness of training through monitoring the use of conscious training design⁷⁹ **and deliverables**⁷⁸ and measuring progress against these. In the early stage of the program the ad hoc awareness building approach may have made sense as stakeholders became familiar with GGGI and Green Growth, but a more conscious approach to differentiating capacity building activities may assist in demonstrating evidence of results in the future.

⁷⁷ Interviews with BAPPEDA and local consultants

⁷⁸ The evaluation team was given examples of evaluation carried out by relevant PWC consultants in Phase 1. It remains unclear how far GGGI monitor results of training and if the information is systemized.

⁷⁹ Conscious training design clearly identifies different set of learning objectives for different target groups with specific materials to achieve those objectives, not just presentation materials

4.4.1 Recommendations Outcome D

Differentiate strategic capacity building activities to improve effectiveness and demonstrate results, including improved knowledge management of training needs and results.

Develop training materials in parallel with technical outputs using an experienced training design consultant and “test” materials.

Provide coaching and follow up to sub-national teams where they have a clear context for follow deliverables after the training eCBA with strong leadership backing⁸⁰.

Identify, support and monitor specific projects or pilot initiatives and integrate with a clear capacity building program with follow up and monitoring.

4.5 Outcome E: Enhanced capability at national and sub-national government to put together a green growth program at scale in medium and long term.

Very little progress has been made on enhancing capability in the medium to long term, although a draft capacity building strategy is now available.

Indicator E1. Increased independent ability and capability of green growth planning and investment decision-making with REDD+ and climate change fully integrated into decision making.

Three potential government agencies have been identified for the mainstreaming of green growth into national curricula.⁸¹

To ensure independent ability at both national and sub-national level, GGGI have initiated engagement with three key agencies to influence training curricula of leadership and civil servants. A draft capacity building strategy is now under review and mainstreaming of Green Growth in curricula is only likely to start in phase two.

Other experiences working with Technical Ministry Training Agencies have revealed specific bottlenecks in government budgeting systems that may prevent new, in-depth specific technical courses being integrated into the government training programs⁸². However, it may be more effective to slowly integrate specific materials into existing programs with budgets, such as the leadership reform academy trainings at LAN.

⁸⁰ A good example of this is the core team who have already been training in eCBA and supported strongly by leadership in East Kalimantan BAPPEDA.

⁸¹ Planning, Environment and Administration Civil Service training divisions

⁸² Reviewers experience with RECOFTC in mainstreaming community forestry into government training curricula. Similar experiences with GiZ Forclime.

4.5.1 Recommendations Outcome E

Conduct a thorough institutional scoping analysis to define entry points that will improve the probability of mainstreaming of green growth curricula and will assess the quality or constraints for the planning, design and delivery of new courses.

Improved definitions of priority target groups and capacity gaps in relation to green growth. It is important to develop profiles of tasks for specific target groups in relation to green growth planning and policy. Without a clear definition of competencies required it will not be possible to assess the gap and design an effective curricula.

5. Progress towards Impact

There are several impact statements that have been used for reporting by GGGI (see section 9). For this reason it is challenging to assess progress towards impact based on the hierarchy of results. The original impact statement provided in the grants letter is much higher level than that proposed in the annex to the grant letter. “Rural and equitable economic growth and reduced emissions from deforestation and forest degradation” is the original statement of impact whereas the grant letter specifies “to mainstream a wider green growth approach in the economic planning process in Indonesia, both at national and sub-national level and accelerate delivery of the REDD+ program in a wider green growth context”⁸³. If using the latter statement, then some progress has been made towards impact specifically at the sub-national level in East and Central Kalimantan. If using the higher-level impact statement, it is challenging to assess progress based on the current hierarchy of results. A longer time frame of implementation would be needed. As the program has only been in implementation for 18 months it is unlikely the program has achieved this impact, based on the mid to long term nature of planning and economic growth.

6. Results Management

6.1 Process of Developing Revised Results Framework

The original results framework has been revised to meet the demands of the government agencies after the program was launched.

The results framework that has been used in this review is the version used by GGGI Indonesia in the most recent interim progress report for 2014. This is different from the original version submitted as part of grant letter signed in 2012. The results framework was reviewed to allow for inputs from government stakeholders, particularly BAPPENAS, during the initial phases of engagement. It was also adapted following comments from a review of the PwC inputs into the program that emphasised the need for more results driven project implementation and cross component integration⁸⁴. This has resulted in multiple versions of

⁸³ Norway GGGI Indonesia Grant Letter 2012

⁸⁴ Review of PwC Consultants Services to GGGI Indonesia Programme. Final Review Report. Danish Management A/S. November 2013

the impact statement and some confusion over the results framework program structure. In the initial stages the government of Indonesia was introduced to three components of GGGI work and this was not clearly related to measurable outcomes at the program level. Since then the GGGI team has clarified this, developing outcomes and outputs and relating them back to the three components, but inherent in this is some confusion over the logical hierarchy of the program results and the levels of indicators.

6.2 Quality of Results Framework

The current results framework is weakly structured, overall the indicators are not specific enough to provide a good measurement of results, and there is no specific identification of risks in relation to results¹⁰.

There is a need to streamline the hierarchy of outputs to outcomes. The most recent results framework has five clear outcomes and seven outputs. In order to facilitate measurement of progress the outputs have been related to the original program components rather than outcomes in the framework⁸⁵. Although an output may contribute to more than one outcome from a monitoring and evaluation perspective, it would be more cohesive if an output is directly related to an outcome where it will make its primary contribution so that each output falls under one outcome only. This will facilitate the more logical identification of indicators between outputs and outcomes to the level of impact. It will also facilitate the identification of overlapping results in the framework. In some instances there are large assumptions between the achievement of outputs and the outcomes that suggest that either the outcomes or the outputs may need adjusting.

One of the key weaknesses in the current results framework is the lack of specific measurable indicators and their respective hierarchy between outputs and outcomes. Several of the indicators are not appropriate for the measurement of the output as they do not cover the dimensions of the output beyond the production of a document. Comments have been provided in Annex 8 that reviews the outputs against indicators and likely achievement by EOP. Specificity of indicators is important as indicators such as “A3. Recognising the value of green growth planning” may be interpreted in different ways and therefore will not provide an objective measurement of the result. A more appropriate indicator, which would be directly measurable and easy to report, would be “number of government agencies requesting training or advice services from GGGI in relation to green growth planning”. As any planning process will require a specific time frame to measure impact, indicators can be both related to the process to get to the output and outcome and the result itself. Many of the existing indicators give the impression that GGGI aims just to produce a set of documents and that is not the case. Reporting against the current indicators will not give an impression of the actual achievements of the work especially at output level.

Currently there is an absence of identification of risks or assumptions in the results framework. Although the GGGI team have identified key risks and challenges in the annual

⁸⁵ This is due to the original design of the program being communicated to government in 3 components

report these are not linked to achievement of results. For monitoring purposes in the future, and for design of future results frameworks, the inclusion of key risks against specific outcomes will assist the team in monitoring and justifying results as well as monitoring changes in risks or assumptions.

Responding to changing needs of GOI without revising the logframe. One of the challenges GGGI has experienced, and needs to respond to in the future, is the changing priorities and needs of the GOI. The log frame should also be developed with government partners and other stakeholders from the outset⁸⁶. However, it is possible to respond to changing demands without continually revising the log frame if the result level outputs, outcomes and indicators are clear and reflect the core mandate and niche strategy of GGGI. Changes at activity level should be dealt with through flexible joint work planning with no need to change the log frame outputs. The outputs need to be phrased to capture a range of activities, as should the indicators and most importantly logically link to the outcomes. The log frame should be used to guide the relevance of the requested activities in relation to the mandate of GGGI. Revisions to the log frame will be necessary if the risks identified radically change. It is for this reason it is important to also monitor the risks. If the focus of GGGI is results based monitoring then capturing the changing needs and priorities of government should be feasible within that framework.

6.2.1 Recommendations Results Management

The lessons from the development and use of this results framework need to be incorporated into a new results framework for a new phase. A results framework is developed primarily to monitor outputs and measure progress against results on a regular basis as well as communicate results and the logic of the program to both staff, consultants and other stakeholders. If the results framework is not used as a reporting tool its value needs to be questioned (see section 9.3). It is too late in this phase of the program to revise the results framework, but time and resources need to be invested into developing a results framework for the new phase.

Any other annual reports or EOP report should use the results framework outcome indicators (not output statements) as the backbone for the report structure.

6.3 Quality of monitoring and reporting

To date there has been a lack of result based reporting and consequently it is challenging to extract incremental progress from reports.

The Norway GGGI Indonesia Grant Letter requires GGGI to submit technical and financial reports annually. The review team has had access to both reports that have been produced⁸⁷ to date. Reporting has focused on output rather than outcome level in both available reports and has not referred to the results framework indicators. This makes it

⁸⁶ It is noted this was not possible in the first phase as GGGI was in the very initial stages of establishment in Indonesia.

⁸⁷ 2013 Annual Progress Report and 2014 Interim Progress Report prepared for this review.

challenging for the reader to assess incremental progress between the reporting periods especially at the result level.

The November 2013 review of PwC inputs also expressed concern that there is a lack of strong focus on results management and reporting⁸⁴. Given that Norway identifies the most important result level as outcome it is critical that a clear, logical summary of progress against outcomes is also provided⁸⁸.

GGGI uses its website and an online staff share point for the management of its documents. The review team had no problems in locating technical outputs and documents, which suggests that this functions effectively.

6.3.1 Recommendations Quality of Monitoring and Reporting

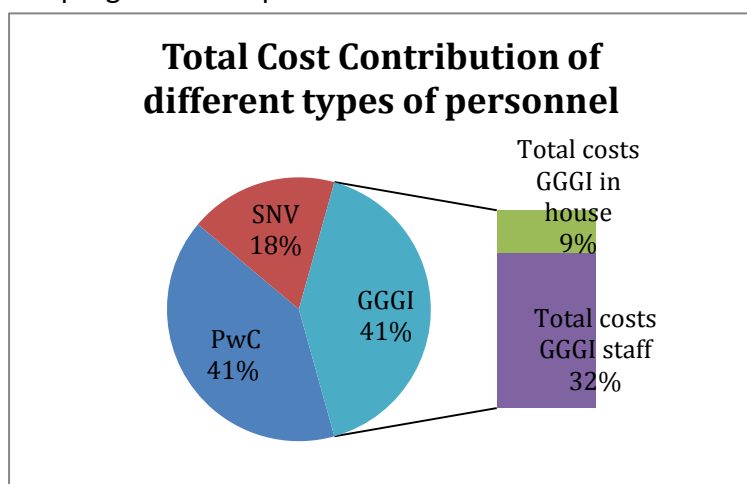
Results level reporting is essential to demonstrate progress towards impact. Noting that Norway defines the most important result level as outcome it is critical that annual reporting includes a summary of progress against outcomes as well as a summary of progress of outputs against indicators⁸⁹. It is also critical that reporting is undertaken against indicators not just output or outcome statements.

Where possible reports should include an incremental record of progress between reporting periods so direction of achievement is easier to establish.

Key risks specific to outcomes should be identified and monitored. An analysis of the relevance of the risks identified as time progresses. If new risks emerge they should be noted and added to the framework in the annual report.

7. Efficiency

GGGI Indonesia program has developed rapidly over the last two years since its inception. The program has expanded from one core staff member at the beginning of 2012, to five,



supplemented by seven in-house consultants, most of whom are based in sub-national offices. The Indonesia program also manages two consortia of subcontracted consultants: PwC (15 people) and SNV (14 people). It benefits from the constant and constructive support from the GGGI headquarters in South Korea.

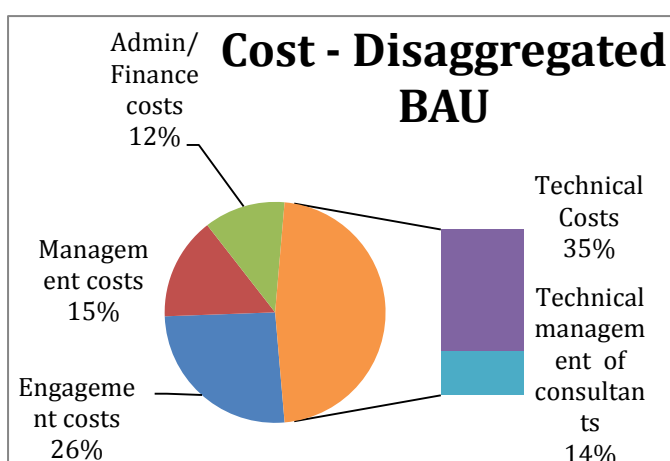
⁸⁸ Results Management in Norwegian Development Cooperation A practical guide

⁸⁹ Results Management in Norwegian Development Cooperation A practical guide

In order to understand whether GGGI has used its resources, and those of its partners, efficiently, an operational model analysis was conducted. Costs were broken down by work area. The detailed methodology, including assumptions and scenarios are provided in Annex 4. Annex 5 gives the overview of the analysis and key findings.

7.1 Findings

The high cost-efficiency of in-house capacity suggests huge cost-saving potential.



Most of the sub-national success of the GGGI Indonesia Program (a notable success of the programme, see Section 7) is associated with the contribution of GGGI in-house consultants (mostly sub-national or local officers based in the Jakarta office⁹⁰). These staff are the most cost efficient, being the least cost per month (on average 2,355 USD/month and 9% of total cost) compared with engaging the consortia⁹¹ of consultants or other/ international GGGI staff⁹² at the Jakarta office. GGGI

plans to increase local capacity especially at sub-national level and hire more experts, and research capacity in-house, which suggests a **cost savings potential of more than 30%**⁹³. Even though management costs increase under this scenario (largely because the average cost of GGGI international staff, whose roles are largely managerial and technical advisory, is 11,708 USD/month)⁹⁴, this is more than compensated by significant cost savings from and

⁹⁰ Stakeholder Interviews

⁹¹ It is worth noting that GGGI Indonesia as a new organisation has considerable hidden efficiencies and cost savings in procurement, staff, PMC, admin, travel by engaging a consortium with the flexibility and access to varied expertise on demand. GGGI were able to flexibly engage consultants with varied expertise (GGGI staff interviews), leverage on existing network and social capital of consultants and deliver technical input cheaper than increasing capacity in-house. See assumptions in Annex to see how the methodology has taken this into account. Hence engagement of consultant consortiums has brought cost efficiency gains during the first two phases of GGGI.

⁹² Note: PwC consortium costs are higher per person for (4FTE= 14,031 USD per month, if 5 FTE then 13,470 USD per month) compared to GGGI staff for 5 FTE= 11,708 Average per month. But SNV for 5 FTE is only= 6,047 USD per month. But then hidden efficiencies of consortiums has not been accounted for in this number, see footnote 1.

⁹³ Refer to Scenario 4 – Hypothetical Team in Annex 4 for details on figures.

⁹⁴ Based on GGGI staff and in-house consultants, the combined average cost of the GGGI office per month is 6,252 USD per month. Average UN agency office costs in Jakarta are around 2,500-4,000 USD per month (interviews and available online on UNDP tool for UN wages- D1 level International personnel cost in Jakarta is around 12,719 USD/month). This includes health insurance, pension fund, reallocation grant, dependency grant, hardship etc .This is roughly 14,000 USD per month if you add 2 dependent children. Source: <https://info.undp.org/sas/onlinetools/SalCalcInt/SalCalcInt.aspx> UNORCID for example is 2,700 USD for 37 people in Jakarta office, this does not include additional administrative support staff. DANIDA office in Jakarta total number of people are 9 to keep management costs low- largely technical and manage 50 million USD of projects – of which one third are technical assistance. The personnel costs including benefits have been taken into account as that is the total cost to GGGI (equivalent to a cost to company concept) as an organisation for staff and the rest – consultants etc. do not have benefits. This was clarified by GGGI after submission of the draft report and subsequently taken into account in the analysis.

reduction in engagement costs (46%) and a 15% reduction in total costs over business as usual from technical reviewing and managing the outputs of subcontracted consultants⁹⁵.

Time spent on managing subcontracted consultant outputs (technical management of consultants) comes at increasing opportunity cost.

Currently, 15% of total cost is allocated to reviewing, reports, editing, reviewing progress, drafts, quality control, defining responsibilities and ToRs etc. of subcontracted consultants. This is almost half of the total technical costs spent in producing the outputs^{96,97}. If half the budget is used for reviewing this suggests either that the quality of technical outputs of consultants is low or there is a need to better define and articulate the outputs required from the subcontracted consultants.

The cost of technical management of consultants combined with management costs (30%) is almost equal to the technical cost. Moreover, engagement costs are high for both the consultants and GGGI staff. This corroborates with some interviewees describing “engagement fatigue”.⁹⁸ The combined costs of technical management of consultants and engagement costs represent a significant transaction cost. This is demonstrated in the alternative scenarios applied in the analysis:

- GGGI staff manages an expanding in-house team to deliver the technical outputs themselves⁹⁹. This scenario would result in an estimated 15% total cost savings, largely from reduced engagement costs and technical management costs¹⁰⁰.
- GGGI staff better define work outputs from consultants, thus reducing technical monitoring of consultants. This scenario would allow GGGI to continue to directly engage¹⁰¹ and manage their original technical outputs¹⁰² resulting in higher impact on outcome and 4.5% cost savings¹⁰³.

⁹⁵ The increase in management costs will easily be mitigated by far more than equal amount of cost savings generated by no duplication cost in engagement costs and transaction costs in terms of technical management of consultants. The increased management costs can be traced back to staff being 80% international meaning almost 5 times more than national In house personnel costs.

⁹⁶ Refer to Scenario 1- Business as Usual.

⁹⁷ The PwC report (review Nov 2013) finds that although there were delays in output delivery - they were more so the delay "as a result of PwC alliance responding diligently to ad hoc requests from GGGI Indonesia". The PwC Alliance staff report to be somewhat overwhelmed by the change in activities during the inception phase of the project. There is almost daily communication between subcontracted consultants and GGGI.

⁹⁸ This is corroborated by some stakeholder interviews mentioning engagement fatigue. Some government stakeholders have also questioned why consultants are not more directly accountable to them rather than GGGI.

⁹⁹ Please refer to Scenario 4- Hypothetical “Ideal” Team Composition in Annex 4

¹⁰⁰ This reflects key concern that the 'synergies' in these areas are more likely a cost than a benefit.

¹⁰¹ Increasing social capital of the consultants- to date GGGI has made sure that consultants are fully aligned with government needs by taking them along to engage, this has resulted in consultants directly engaging and building relationships and social capital with direct counterparts especially at sub-national level. Stakeholders interviewed commented that because of this, now there would be little or no change in quality of output/ tangible outcome. This is provided that the consultants remain the same.

¹⁰² Refer to Scenario 3 in Annex 4

¹⁰³ See output table for operational model analysis under Scenario 2

- GGGI staff allocates all their time to technically managing outputs only, and subcontracts all original technical work, which results in a slight increase in cost of program¹⁰⁴ and government buy-in suffers¹⁰⁵.
- If GGGI staff discontinue brokering activities between government and consultants¹⁰⁶, even though there would be 14% cost savings¹⁰⁷ the impact on outcome would suffer due to lack of global exposure and knowledge support from GGGI Headquarters in South Korea. Further, there is a risk of lack of continuity of consultants and no sustainability. The quality of ownership of the government towards the program would most likely be weaker.

7.1.1 Recommendations on Efficiency

- **Move towards a symbiotic rather than synergetic relationship between GGGI and consultants.** It is recommended that GGGI decrease technical management where sub-contracted consultants have built significant social capital to directly align technical outputs with government needs. Where outputs require a lot of revisions, either there is a need for clearer ToRs for consultants¹⁰⁸ or better that it is advised that GGGI can reduce cost by undertaking the work in-house themselves. A suggestion here is to hire local outreach and communication specialists who could align the highly technical outputs to government friendly policy briefs. This would cost less than the current practice of GGGI management team allocating time for this. This would also give more GGGI control of the outputs, is better aligned with the government, and reduces transaction costs of time and energy spent in quality control and engagement with subcontracted consultants. The impact on programme outcomes, especially at regional level, will be potentially far better, is associated with high sustainability and no risk of lack of continuity of consultants.
- **Increase in-house capacity at Sub-National Level:** This would mean a move away from using subcontracted consultants¹⁰⁹ towards more in-house capacity. The sub-national offices should be expanded while central office remains lean in terms of management but increases in-house research capacity. This would result in potential cost savings of over 30%.

¹⁰⁴ Refer to Scenario 2

¹⁰⁵ Engagement fatigue increases due to less technical nature of engagement of GGGI and more consultants resulting in lower government buy in

¹⁰⁶ Please refer to Scenario 5 in Annex 4

¹⁰⁷ The increase in technical costs will easily be mitigated by far more than equal amount of cost savings generated by no duplication cost in engagement costs and transaction costs in terms of technical management of consultants and management of GGGI program.

¹⁰⁸ PwC review Nov 2013 report cites similar finding and recommendation Pg 23- ".....If re-scoping is necessary, it should be included in the project scope in the original terms of reference to ensure realistic outcomes and output deadlines" and "....The list of very detailed outputs to be delivered, all the way down to a power point presentation, seems to obscure the focus of the PwC Alliance project"

¹⁰⁹ Refer to Scenario 2 in Annex 4, this is higher technical cost, more risk of lack of continuity of consultants, lack of sustainability, poorer high level government buy in.

- **Recruit more Indonesian nationals for programme management positions.** The cost savings, identified earlier, could be increased if management costs could be reduced. Currently 4/5 GGGI staff are expat/international. It is recommended that guidelines to guide selection of staff for national and international positions are developed and approved for this.¹¹⁰

8. Management and Financial Capacity

8.1 Management Capacity

Strong communication and use of performance systems within the GGGI team and between the GGGI team and the consultant consortia.

The GGGI Indonesia team has specific work targets for each in-house consultant, staff member, and the country representative, which are monitored and evaluated regularly.¹¹¹ Bi-weekly leadership calls are used instead of the development of project management reports to save time¹¹². There is also strong hybrid¹¹³ team coordination, involving six weekly face to face meetings and leadership calls between GGGI and consultant alliances¹¹⁴.

Support from GGGI South Korea Head Quarters is improving and supplementing technical expertise and knowledge management.

GGGI Head Quarters has helpfully provided support to results framework development, including identifying where GGGI Indonesia should be on the value chain in the GGGI model, and in technical knowledge management. Communication and coordination is good, usually through bi-weekly conference calls.^{115 116 117} In the future, according to the revised goals of GGGI there will be greater involvement in project selection, design, and finance in

¹¹⁰ GGGI HQ Human Resources HR Regulations peg personnel costs and benefits (housing, education, hardship, etc.) for Staff to UN system of professional and general category wages. However, there is no clarity on guidelines/process of deciding which job descriptions and designs come under each category for which the UN has a guideline and council. According to job design and description it is decided to 'reserve positions for nationals only', especially for engagement heavy work with governments.

¹¹¹ Everything is then recorded and tracked through an on-line system called Hallogen which is administrated by HR. GGGI has an employee handbook and half year and yearly evaluations with their line managers for employees.

¹¹² This is a management decision to improve effectiveness and reduce time spent on writing and reading routine reports.

¹¹³ Hybrid is the term used by GGGI for their collaborative model of working with consultants.

¹¹⁴ Communication between PwC Alliance and GGGI consists largely of component work plans meetings, bi-weekly leadership meetings and monthly cross component meetings. Stakeholder Interviews. Review of PwC Services to GGGI Indonesia Program Report, November 2013.

¹¹⁵ Stakeholder interviews

¹¹⁶ Stakeholder interviews- Technically they have been involved in giving feedback on proposals, reviewing ECBAAs, on project notes, project conceptualisation etc.

¹¹⁷ Most of the finance, procurement and admin support is directly from HQ. Hence this has been detailed in section under Finance Capacity.

collaboration with GGGI's Knowledge Solutions Division based in the organisation's headquarters in Seoul.¹¹⁸

At the national level critical administrative capacity has been increased. It could be cost-efficient to expand local administrative capacity^{119 120} and local expertise¹²¹. Having more secure and sustainable funding would help GGGI to expand local capacity,¹²² expand local subnational office infrastructure¹²³ and transition into a centralised office space in Jakarta¹²⁴

Decisions on expanding in house capacity are often taken by the country representative based on whether there is technical expertise and capacity within the country team and/or at headquarters. However GGGI would benefit from a procedure to ensure mapping of efficient use of its own resource, job designing and delegation of tasks, project descriptions etc. Once a decision has been taken to outsource and activity, the procurement request is processed through the internal system, which involves the procurement office, as well as numerous levels of approval, all of which are included in detail in policies and procedures.¹²⁵

GGGI has defined new policies and regulations¹²⁶ and informed staff members and consultants on revised policy and rules by email; however, the review team found a lack of awareness of policies and what they entail among staff and consultants especially those concerning corruption and the whistle blower policy. However, GGGI has planned a training activity in 2015 to raise awareness.

¹¹⁸ Page 44 progress report 2014 para 2

¹¹⁹ March 2013- recruited one staff member, another in June 2013, and 2014 and one additional staff member recruited from Aug 2014 to work on procurement. This has helped since staff was dealing with last minute requests from government to hold workshops etc. - also PWC consortium's admin supported them well. (Stakeholder Interviews)

¹²⁰ GGGI staff and In house consultants spend 5% of their time i.e. 5% of 11,707 USD is 585 USD worth of time and money is spent by each GGGI staff member in making requests for reimbursements, putting in reports etc. Collectively put together for 5 staff is 2927 USD this is more cost than hiring a new admin in house consultant to do their travel, per diem and hotel booking and requests and another procurement person who handles requests coming from the field more than 250 USD since In house team spends total 490 USD worth of time in admin/finance. However, GGGI policy warrants every person to directly process its per diem, travel plans and reports in the system and feel they have sufficient administrative capacity.

¹²¹ Due to concerns over security of funding and a global recruitment freeze an Economist was shortlisted to strengthen local expertise but not hired.

¹²² Stakeholder interviews

¹²³ This has been the demand from government counterparts- field interviews.

¹²⁴ Currently there are two offices, one housed in a BAPPENAS project office in Wisma Bakrie 2, and another in Kemang.

¹²⁵ Team interviews

¹²⁶ Detailed in Annex F of Progress Update Report 2014

8.1.1 Recommendations on Management Capacity

There is a need to increase staff and capacity in line with the growing needs of the program.

There is a need for stronger programme management in terms of developing, budgeting and finances¹²⁷ and monitoring progress outputs¹²⁸, indicators and developing the results framework, especially in line with the donor requirements of reporting.¹²⁹

There is a need for clearer and more inclusive decision making, and planning processes for allocating resources efficiency in house versus what work is outsourced to consultants.

There is a need to increase awareness of some GGGI policies among GGGI staff.

8.2 Financial Capacity

A shift to more efficient financial systems (Korean software>EMAX software>ERP) is forthcoming.

Until September 2013, GGGI processed accounts and reported manually on actual versus budgeted expenditure, which was then approved by the council at HQ. In October 2013, GGGI transited to a new USD based accounting software (EMAX) which enabled the actual versus budget to be printed from the system. All external reporting is done via GGGI HQ using information extracted from EMAX. Although the outputs cannot be customised for different uses, the actual budget report can be printed and sent to project manager. This is a big improvement in terms of organising cash flow and financial management within GGGI Indonesia and with the GGGI HQ.

Cost savings and process efficiency will benefit from the forthcoming Enterprise Resource Planning (ERP) system.

The ERP will enable GGGI Indonesia to customise donor reports, and will have the ability to generate these automatically according to budget codes. This will result in major process efficiencies¹³⁰ in terms of reporting, given that this is being done manually at the moment and going through two reviews - once by GGGI Indonesia management and the other by

¹²⁷ In the interim financial report with progress report 2014 there were errors in subtotal and total expenditure calculation of deviations of expenditure from Budgets from Jan - Sept 2014. This was late verified with HQ as being an error on the spreadsheet where some values had been double counted by mistake and a revised spreadsheet was sent on Friday 21.11.2014. Ideally these errors should have been identified during quality control process by management in Indonesia or at HQ.

¹²⁸ The PwC review November 2013 also mentions a weak project management- linking budget lines to resource use at task level and result based reporting, need for results driven project implementation and monitoring against SMART indicators. There is also lack of clarity of how outputs link to activities, how this is measured in terms of a results framework and what is the cost per output.- Page 13,14 PwC Review report Nov 2013

¹²⁹ See section 9

¹³⁰ It is worth noting that in two years with changes in financial system so often, changing into a new system will come with initial inefficiencies and will start providing benefits when it has been fully set up, piloted, people have been trained and data has been backtracked for past two years.

GGGI HQ. Another advantage will be the ability to access real time information on progress. After the ERP is implemented, petty cash transactions will be recorded into the ERP when the petty cash fund needs to be replenished. All transactions in the cash book will be recorded in the ERP system.

All the Deloitte Review Recommendations have been successfully been integrated¹³¹.

The management and finance team in GGGI Headquarters and in the Indonesia office have implemented an improved and stricter reporting system and ensure total transparency¹³² in terms of their financial policies¹³³, procedures, travel policy and code of conduct.¹³⁴

Recommended monthly review of budget plans has been executed and the Indonesia team now documents the monthly financial analysis which is reconciled to the General Ledger, in the format of a monthly management report. This is then reviewed by the Head of Program Management and approved by Country Representative.¹³⁵

GGGI now maintains a centralised oversight of the decentralised cash management system for petty cash payments outlined in GGGI Financial Policies and Procedures para 8.3.2. Reconciliations for petty cash to HQ are reported weekly. This will be further improved with the implementation of the ERP system.

To mitigate process inefficiencies caused by money being disbursed through Seoul, the HQ is in process of opening a local Indonesian bank account through the Korean Exchange Bank.¹³⁶

Daily subsistence allowances and incidental expenses procedures and policies have been revised and made more effective since January 2014.

One of the Deloitte review recommendations was on capturing the currency conversion losses due to transactions in multiple currencies. This has been successfully addressed by booking these transactions directly to the relevant budget code. This process has also been streamlined when GGGI HQ transitioned into USD system. Currency loss has been minimised to around 5% of total grant (around USD 300,000)¹³⁷.

¹³¹ Combination of stakeholder interviews, Annex on responses to Deloitte Recommendations in the Progress Update Report 2014.

¹³² It should be noted that transparency of data availability had been a challenge as data or proxies for rates had not been made available for the purpose of this review.

¹³³ This is GGGI policy however, there is scope to revise policy and set the value upwards of 250 USD to make it more convenient and save time for the in house consultants based sub-nationally who could then devote more time to work than sending procurement/cash requests as per interviewees' suggestions.

¹³⁴ Refer to Annex F of the Progress Report 2014

¹³⁵ Internally, finance manager's report almost on a daily basis, provide a weekly cash report, a monthly financial report sent to GGGI management internally, reviewed, revised and sent to GGGI HQ who reviews, revises and sends it back for uploading into the system. There is a 6-weekly meeting with the HQ also. Petty cash reconciliation - weekly basis. A cash book and petty cash expense report are reviewed by Finance department on a monthly basis.- Stakeholder interviews

¹³⁶ Stakeholder interview. This process has just been completed for the Ethiopian GGGI office.

¹³⁷ Stakeholder interview

8.2.1 Ensuring legal and tax compliance

Indonesia as member was signatory and subsequently ratified GGGI as an International Organization in September 2014. Until then, Indonesian staff were employed on in-house consultant contracts which, made them solely responsible for paying their own taxes.¹³⁸

GGGI is in the process of hiring a legal firm for a long-term engagement on such issues, and in the process of hiring a tax firm to ensure that all taxes due to Indonesia are paid whilst privileges and immunities are agreed. GGGI has spoken to lawyers in the past but there is no lawyer currently looking into transfers of in-house consultants onto staff contracts and considering privileges like lebaran bonus and health insurance for which they are not covered under current contracts. Recommendations on Financial Capacity

There is a need to expedite the process for ERP implementation in GGGI HQ as this is now a high priority. This process was initiated after the Deloitte Review and initiated in March/April 2014¹³⁹ but has been delayed¹⁴⁰. The estimated date for a fully functioning system is 1st June 2015.¹⁴¹ This is influencing the ability of the Indonesia program to effectively monitor and report expenditure in relation to results.

In the case the ERP is not operational before the end of the current program, an interim arrangement to report expenditure against outcomes needs to be put in place for the remaining period and to assist in compiling the final report. Currently these cost data are not available¹⁴² but this would add value in understanding which tracks/activities are cost efficient and have potential for scale up and identifying activities that should be re-strategised and re-focused.¹⁴³¹⁴⁴

Consider revisions to future grant letters to specify style¹⁴⁵, frequency¹⁴⁶, cycle/timing¹⁴⁷ for financial reports and also a clause for to avoid losses from currency conversion in the

¹³⁸ Stakeholder responses to questions. Relevant to note here, we are talking about In House consultants mostly as per GGGI HQ Staff regulations staff can get reimbursement of taxes.

¹³⁹ This was since there was the delay in identifying the right provider. Stakeholder interview.

¹⁴⁰ The delivery schedule of ERP modules in 2015 will be staggered to June 2015

¹⁴¹ Stakeholder Interview. Refer Annex Overall Status ERP.

¹⁴² Stakeholder interviews as well as Progress Update Report 2014 Page 40- According to GGGI it would be too time consuming to calculate this per output as we did not keep record of the expenses per output but we did reference which component each expense is for.

¹⁴³ This has been identified in previous reviews. PwC Review November 2013, and identified by the Indonesia team themselves. Page 40 Progress Report Update 2014.

¹⁴⁴ GGGI has added a financial section to highlight expenses per component, which were calculated manually to give an indicative figure of expenditure per component in 2013 but not for 2014. Draft progress report 2013, documents sent by embassy.

¹⁴⁵ A template of what type of breakdown/details or reporting against outputs would they like the presentation of financial updates to look like- ideally by outcome level or to reflect use of partners and resources

¹⁴⁶ More frequent financial reporting such as 6 monthly may be a more appropriate frequency to monitor and ensure the progress of financial reporting.

¹⁴⁷ For the interim before ERP- It is advisable for the purpose of streamlining the review process that the cycle of reports is synchronised with either GGGI HQ review - i.e. following the GGGI HQ review or ideally following the annual financial audit so that more tangible information is available for the purpose of the review, as well as to account for no duplication of evaluation exercises

form of a performance related variation +_10% for currency conversion losses, even more preferable would be to allocate and disburse in USD.

After obtaining an Indonesian bank account for the project office, it is assumed that responsibility for preparing and delivering financial reports will be handled by the GGGI Indonesia. This may require more capacity and independence than has been in place in the past when the account and the funds have flowed from GGGI International.

9. Sustainability

9.1 Exit strategy and probability of long - term benefits

There is limited sustainability of long-term benefits based on the current achievements of the program, although this is not surprising after only 18 months of implementation.

At this stage there would be limited long-term benefits if the program ends. Potentially the achievements in mainstreaming green growth indicators into mid-term development plans may have long-term influence with allocated budgets but there is recognition by provincial governments that they have limited capacity to monitor such indicators. Although specific tools provided by GGGI may stimulate a different approach to planning, this has been limited in scope and not yet mainstreamed or integrated into mandatory processes. Although GGGI has produced some well-packaged tools and publications, many of them are in English language and their impact without further follow up and support is questioned.

The inputs into the REDD+ process achieved so far may have longer-term benefits as they are rooted and well integrated into the national REDD+ process and the emerging jurisdictional approach to REDD+ in Indonesia. There are many other support agencies that can take this forward once it is mainstreamed into government.

All of GGGI tools and approaches are developed in consultation with government and well documented. This is a key part of an on-going exit strategy to ensure that at least the government has experience in some use of the tools and the documents as a further guide. More strategic capacity building is needed to ensure further sustainability (see recommendations outcome D).

9.1.1 Recommendations on Sustainability

- **Continue to package and disseminate evidence, ideas and concepts on green growth in different media forms and local language** for specific target groups
- **Focus on providing technical assistance for MRV processes systems for provincial governments** to monitor key indicators of green growth that have already been indicated in the relevant RPJMD

- **Provide intermittent coaching to a core group of government officials and local consultants** to ensure they can apply the green growth analysis tools such as eCBA on their own or be in a position to source the correct expertise when they need it¹⁴⁸.

9.2 Social and environmental safeguards

GGGI have a draft sustainability and safeguards policy and have integrated a number of tools to safeguard environment and social sustainability into their tools and approaches.

GGGI have developed a Sustainability and Social Safeguards Policy (SSP) that is due to be approved by GGGI council in November 2014¹⁴⁹. The GGGI Indonesia program has integrated a number of safeguards in its work and frameworks including SEA and PRISAI¹⁵⁰. Although the eCBA tool integrates an analysis of the social and environmental costs and benefits, it is not clear how it may relate to key safeguards or performance standards now being taken up by investors (see recommendations outcome B).

10. Coordination

10.1 Synergy and coordination with other initiatives

GGGI has made efforts to coordinate with stakeholders at all levels but has been more successful at sub-national level where its added value has become clearer and it has worked with networks of national and local consultants.

During interviews some stakeholders at national level indicated a desire for better coordination to achieve collaborative strategic leverage with GGGI especially in relation to mainstreaming into national level planning processes. It is understandable that GGGI as a new international organisation and program in Indonesia has focused on ensuring government and other stakeholders are aware of its existence by creating a public institutional profile. To date many of the coordination efforts are at the level of consultation rather than collaboration especially at national level, except those relating to the national REDD+ agency¹⁵¹ (see recommendations outcome B).

At provincial and district level there was a general recognition that the niche institutional space for GGGI is within the planning and policy arena whereas other stakeholders are involved in implementing specific interventions in the field.

10.2 Leverage of REDD+ Agency

Within the current political context the positional power of the REDD+ Agency remains unclear and it is still unable to operate its trust fund (FREDDI) as a non-ministerial body.

¹⁴⁸ Specifically relevant is East Kalimantan but also any other officials who have followed more than one level of training.

¹⁴⁹ Interim Progress Report, 2014

¹⁵⁰ PRISAI are the social and environmental safeguards used by the REDD+ Agency in Indonesia

¹⁵¹ Interviews, November 2014

At the time of this review the position of the REDD+ Agency within the new government structures had not been clarified. Currently the REDD+ Agency is a non-ministerial body placed under the Office of the President (UKP4). GGGI has a valued advisory role within the REDD+ Agency at this time and to date has played a key role in coordination of REDD+ activities and developing a pipeline of REDD+ projects at the sub-national level. Until the position of the REDD+ Agency is clarified under the new government it is difficult to recommend how GGGI could further leverage the role of the REDD+ Agency.

11. Risks

There are a number of internal and external risks to the GGGI program that are not yet specifically identified or monitored in relation to program outcomes.

The following tables include internal and external risks and suggested mitigation strategies¹⁵². Some of these risks have been identified in the annual and interim progress report but have not been consistently monitored. In the future a systematic review of risks in relation to specific outcomes would be more effective but that was beyond the scope of this review team.

11.1 Internal Risks

Internal	Mitigation/GGGI Management Response
1. Increase for demand driven services at local level	<p>Clear management planning and management strategy that can address the likelihood of increased demand for services e.g. Clear prioritization of services that can be provided on demand such as eCBA trainings</p> <p>Increase of GGGI personnel and suite of advisory services at sub-national level</p>
2. Public and partner perception that Green Growth is just a climate change issue and the niche of GGGI not clear to all stakeholders	<p>Firmly root in government sectoral coordination and planning structures*</p> <p>Ongoing articulation of niche and added value of GGGI through evidence based processes and partner positioning*</p> <p>Demonstrate project level green growth impact “bankable projects”*</p>
3. Over-selling value of tools and benefits that may influence decisions incompatible with green growth	<p>Focus on providing ongoing support throughout value chain, not just one stage</p> <p>Strengthen collaboration on tools and mainstreaming with other partners.</p>
4. No financial monitoring at output level	<p>Manual calculation for donor reporting*</p> <p>Shift to new financial system required urgently</p>
5. Corruption and lack of transparency	<p>Adopt clear policies and regulations (including anti-corruption, whistle blower)* /increase staff awareness on policies</p>

¹⁵² Some mitigation strategies are already carried out by GGGI and marked with * in the table

11.2 External Risks

External	Mitigation
6. Change in national level government policy direction	Focus on influence at project and sub-national level * Support evidence based policy analysis* Build flexibility at activity/output level within program planning
7. Changes in supportive government personnel "champions"	Wider engagement strategy beyond "existing champions" Strengthen vision within medium and long-term plans*
8. Changes in key government structures	Flexible partnership arrangement Resources and planning for renewed engagement*
9. Changing availability of "trusted consultants"	Bringing capacity and long-term local consultant contracts "in-house"
10. Lack of consensus between industry/transport and land based sectors and overall coordination between sectors at national level	Support ongoing dialogue and evidence based analysis including projects with "conflicting" sectors* Identify key risks and implications of sectoral conflict for each project
11. No sustainable source of funding for DDPI as a key local partner organization (ad hoc grants no allocated government budget as not a formal institution)	Support DDPI in mobilising resources and establishing credibility of its mandate

12. Gender

Gender is addressed as a key component within both the Indonesia and the global program strategy of GGGI as integral to the concept of Green Growth, and globally GGGI is developing a gender strategy.

Gender equality in inclusive green growth is contingent upon women's and men's equal access to key resources such as land, water, and energy. Inclusive green growth will require addressing the specific needs of women to claim their rights and create an enabling environment where women participate and benefit from green growth¹⁵³.

Within the GGGI Indonesia program there have been very few explicit interventions for mainstreaming gender in programs beyond collecting gender disaggregated data of participation in events¹⁵⁴. The Indonesia program should be able to identify specific strategies for mainstreaming gender in programmatic activities and even at outcome level in the results framework. These include improved gender messaging in strategic documents especially those relating to equitable and inclusive growth¹⁵⁵ and gender sensitivity analysis of specific interventions for example the business plan development for SME.

¹⁵³ GGGI Strategic Plan (2015-2020)

¹⁵⁴ Although this is collected it is not yet being reported annually.

¹⁵⁵ Note this was already requested in the minutes of the meeting that approved the annual progress report 2013 but no action was taken as far as the review team could assess.

12.1.1 Recommendations on Gender

Gender disaggregated data should be reported as well as collected for each event that GGGI coordinates.

Specific opportunities should be identified for mainstreaming gender in program level outcomes and outputs such as gender sensitivity analysis in new projects that are being analysed or supported for their green growth potential.

Any new results framework for a second phase should be designed as gender sensitive from the outset and include gender specific indicators where relevant as this will allow the program to monitor and demonstrate how gender is being addressed in relation to results.

13. Considerations for Planning Future Phases

Based on the analysis of what is currently working in the GGGI Indonesia program and consultation with key stakeholders the following should be considerations when designing a new phase for the GGGI program.

Consolidate the current work in the two provinces of East and Central Kalimantan, providing a full suite of current services, but expand the sectoral focus based on demand, e.g. renewable energy in East Kalimantan.

Expand the support to the number of districts in the key provinces further supporting the mainstreaming of green growth and the jurisdictional approach to REDD+ at the district landscape level.

Move away from consultation with key stakeholders at national level to concrete collaboration¹⁵⁶ to improve strategic leverage for change, especially in mainstreaming tools into existing planning processes.

Support the planning and implementations of key projects with green growth potential and identify strategic capacity building activities around such projects including follow up mentoring.

Invest resources in developing a quality results framework with clear indicators and an improved monitoring and reporting system, including monitoring and reporting of financial data.

Strengthen and expand the in-house team and engagement of long-term local consultants and reduce dependency on large outsourced contracts, with a core team of GGGI staff/and or consultants at the provincial/district level.

¹⁵⁶ Some stakeholders provided inputs suggesting that GGGI and other development partners working in the “green” policy and planning arena with BAPPENAS need stronger coordination among themselves to improve strategic leverage and integration of “new” approaches and tools into existing planning processes see Page 15

Based on the current strengths of the program and the overall goal statement annexed in the grant letter “to mainstream a wider green growth approach in the economic planning process in Indonesia, both at national and sub-national level and accelerate delivery of the REDD+ program in a wider green growth context”¹⁵⁷, it is clear that to date the program has made more impact at the provincial level. This is in line with the evaluation team’s analysis and GGGI’s current strategy that there may be more room for influence of the MP3EI at a project based or provincial level.

It is recommended that a continued emphasis is placed on this level, moving in the direction of creating an evidence base for green growth using specific projects. Engagement at the national level should be ongoing but considering the current political and policy context will require strategic collaboration with other partners and more engagement with private sector alliances. GGGI in the future engagement with national level needs to demonstrate competence in providing a stronger evidence base for green growth in parallel with sound technical services on economic analysis. It may not be possible to do this without more examples of viable projects and plans from sub-national level first.

¹⁵⁷ Norway GGGI Indonesia Grant Letter 2012

Annexes

Annex 1: List of people interviewed during the evaluation

	Name	Position	Organisation
National Government Stakeholders			
1	Dr Ir Rr Endah Murniningtyas, MSc	Deputy Minister of Natural Resources and Environment, Bappenas	PPN/Bappenas Member of GGGI Steering Committee
2	Ir Wahyuningsih Darajati, MSc	Director of Environment	PPN/Bappenas
3	Pungki	Water and Forest Section	Bappenas
4	Nizhar Marizi	Head of Sub-Directorate of Energy, Minerals and Mines	BAPPENAS
5	Dr Basseng, MEd	Head of Public Administration Innovation	LAN
6	Kania Damayanti	Head of Public Service Innovation Center	LAN
7	Iwan Wibisono	Forest and REDD+ specialist, Planning and Funding Deputy.	BP REDD+
8	Edi Sartono	Deputy Director Program Preparation for Energy Utilization	ESDM
9	Qatro Romandhi	Head of Energy Demand Forecast Section at Directorate General New Renewable Energy & Energy Conservation	ESDM

Sub-National Government Stakeholders			
10	Ir Ujang Rachmad	Head of Economics Division	BAPPEDA East Kalimantan
11	Prof Daddy Ruhiya	Chairman	Climate Change Council East Kalimantan
12	Prof Mustofa Agung Sardjon	Chairman	REDD+ Working Group East Kalimantan
13	Yordanus Dani		BAPPEDA Mahakam Hulu District, East Kalimantan
14	Langen Budihardjo	Head of Economic Division	BAPPEDA Central Kalimantan
15	Syahrial	Secretary of Bappeda, Murung Raya District	Bappeda Murung Raya District
GGGI Indonesia Staff			
16	Anna Van Paddenburg	Country Representative	GGGI
17	Giulia Sartori	Head of Program Management	GGGI
18	Tim Jessop	Senior Green Growth Advisor	GGGI
19	Kurnya Roesad	Economist	GGGI
20	Chris Stephens	Senior REDD+ Advisor	GGGI
21	Hendrik Segah	Central Kalimantan Advisor	GGGI
22	Dyah Catur	East Kalimantan Advisor	GGGI
23	Dewi Kahulunan	Lead Administrative Officer	GGGI
24	Mia Zenith	Finance Officer	GGGI
GGGI International HQ			
25	Dr Imran Habib Ahmad	Director East-Asia and Pacific	GGGI HQ
26	Sivabalan Muthusamy	Finance Head	GGGI HQ

27	Edward Mallari (only email exchange for relevant questions and information)	Lead on ERP system	GGGI HQ
GGGI Consultants			
28	Andrew Thurley	Consultant	PWC
29	Tim Boothman	Consultant	PWC
31	Maria Ratnaningsih	Consultant	PWC
32	Jeff Chatellier	Consultant	SNV-Forest Carbon
33	Darwina Widjajanti	Consultant	PWC
34	Alfan Subekti	Consultant	Independent
35	Panthom Priyandoko	Consultant	Independent
Non-Government and Other Stakeholders			
36	Peter Oksen	National Programme Advisor	Environmental Support Program (ESP) DANIDA
37	Wiwin Effendy	Program Coordinator East Kalimantan	WWF
38	Satya Tripathi	Director	UNORCID
39	Tiur Rumondang	Managing Director	Indonesia Business Council
40	Sherry Panggabean	Central Kalimantan Coordinator	UNORCID, Palangkaraya
41	Andi Kiki	Central Kalimantan Coordinator	Kemitraan (The Partnership for Governance Reform)
42	Simpun Sampurna	Central Kalimantan Coordinator	AMAN (Nusantara Indigenous People Alliance)
43	Per Kristian Roer	Counsellor	Royal Norwegian Embassy, Jakarta
44	Susilo Ady Kuncoro	Advisor for Forestry and Climate Change	Royal Norwegian Embassy, Jakarta

Annex 2: List of documents consulted¹⁵⁸

- Burung Indonesia (2013). Supporting Eco-System Restoration Concessions in Indonesia's Production Forests. A Review of the Licensing Framework 2004-2012.
- Danish Management A/S. November 2013. Review of PwC Consultants Services to GGGI Indonesia Programme. Final Review Report.
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- GoI-GGGI (2014) Green Growth Program: Scope of the Green Growth Roadmap (Draft)
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- GGGI (2014). Capacity Building Needs Assessment: Final Report
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- GGGI Kit Pelatihan Pertumbuhan Hijau
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- Government of Norway, (2007). Norwegian Climate Policy. Report no. 34 (2006-2007) to the Storting.
<http://www.regjeringen.no/en/dep/kld/documents-and-publications/government-propositions-and-reports-/reports-to-the-storting-white-papers-2/2006-2007/report-no-34-2006-2007-to-the-storting.html?id=507152>
- Government of Norway, Ministry of Foreign Affair. (2009). Climate, Conflict and Capital .Report No. 13 (2008-2009) to the Storting.
http://www.regjeringen.no/pages/2171591/PDFS/STM200820090013000EN_PDFS.pdf
- Government of Norway (2008). Results Management in Norwegian Development Cooperation.
- LTSI (2014). Indonesia Country Report. NICFI Real -Time Evaluation.

¹⁵⁸ Please note this list is of the key documents that are referred to within the main body of the report and does not reflect the complete list of documents that the evaluation team was given access to by GGGI.

McCarthy, J and Z. Zen (2010) Regulating the oil palm boom: Assessing the effectiveness of environmental governance approaches to agro-industrial pollution in Indonesia. Law and Policy 32:153-179

Norway GGGI Indonesia Grant Letter 2012

Propinsi Kalimantan Timur (2013) RPJMD (2013-2018)

REDD+ Agency, Indonesia (2014) A REDD+ Jurisdictional Approach to Green Development in Indonesia. Discussion Paper No2/2014.

Annex 3: Terms of Reference of Review Team

Terms of Reference for a Review of Global Green Growth Institute (GGGI) Indonesia Country Program 2012-2014

1. Background

The Global Green Growth Institute (GGGI) is an interdisciplinary, multi-stakeholder international organization, driven by the needs of emerging and developing countries. It is dedicated to pioneering a new model of economic growth, known as "green growth", which simultaneously targets economic performance, environmental sustainability and social inclusion. The GGGI was established to maximize the opportunity for "bottom up" (i.e. country- and business-led) progress on climate change and other environmental challenges within core economic policy and business strategies. The Institute supports developing countries seeking to leapfrog the resource-intensive and environmentally unsustainable model of economic development pioneered by advanced economies in an earlier era. The Agreement for the project was signed between GGGI Indonesia and the Norwegian Ministry of Foreign Affairs in December 2012 and the project is administered by the Norwegian embassy in Jakarta. The review will be carried out by external consultants contracted by Norad.

The Government of Indonesia signed GGGI's Establishment Agreement in Seoul in September 2012. An inter-ministerial meeting the following month resulted in the national Development Planning Agency (BAPPENAS) being appointed as the focal point for GGGI's ongoing cooperation with the Government of Indonesia (GoI). In April 2013 BAPPENAS and GGGI signed a Memorandum of Understanding (MoU), which outlines the scope and objectives of the collaborative Green Growth Program. In June 2013, Armida Alishjahbana, the Minister of National Development Planning launched the GoI-GGGI program, known as 'the GoI- GGGI Green Growth Program'. While on the ground operations have started, the ratification process to recognize GGGI as an International Organization in Indonesia is ongoing but nearing completion. The President has signed the related Presidential Decree, while the Instrument of Ratification is yet to be sent by GoI to GGGI.

The joint Program is governed by an inclusive Steering Committee comprising of various GoI ministries, NGOs, Private sector and eminent Indonesian experts. The committee provides long-term strategic direction. The Program has three components and therefore works with a number of line ministries and stakeholders at the national and sub- national level.

The support from Norway (NOK 36,5 mill.) runs from Dec. 2012 till 31 March 2015. Norway is the only donor to GGGI's country program The Program also receives a smaller budget from HQ Seoul.

From the grant letter and from the Log frame in the Annex 1 to the grant letter:

The Goal of the Programme is:

To mainstream green growth in Indonesia's economic planning process, both at national and provincial levels, and to integrate the REDD+ program into a much wider green growth approach that should sit at the core of the economic planning process in the country.

The Expected Outcomes:

- Improved understanding of green growth opportunities in the context of existing economic planning process
- An accelerated REDD+ pilot delivery mechanism
- Strengthened capacity at provincial level to implement key pilots in the short term
- Enhanced capacity in the government to put together a green growth program at scale in the medium and long run.

It should be noted that previous "outcome objectives" were used for the national program and were later revised. The review should take these changes into account when reviewing the program and when making recommendations regarding the future of the program. It should also be noted that revised outcome objectives still need to be agreed on by the program.

Purpose and intended use of the review

The purposes of this review are firstly to determine whether the programme is on track to reach its expected results by the end of the programme period. Secondly, the review will recommend necessary adjustments to the programme based upon the findings and taking into consideration the revised outcome objectives and will include recommendations on how the programme can increase its strategic impact in relevant sectors, especially forests. Since this review is something between a mid-term and end term review, the report will be used by the Embassy not only for project follow-up, but also in the appraisal of a possible proposal for Phase 2.

2. Scope of work

The mid-term review shall include the following issues (in order of priority):

- **Relevance:** An assessments of to which extent the programme is consistent with the beneficiaries' requirements, national and subnational policies in Indonesia, country needs, global priorities and partners' and Norway's priorities as indicated in its Forest and Climate Initiative and Norwegian development policies. How does the GGGI Indonesia program focus on green growth and on poverty reduction and social inclusion, including issues of human rights? How does the program contribute to the objectives of the Indonesia REDD+ strategy?

- **Efficiency:** An assessment of how efficient the programme is in converting its inputs into outputs. A cost-benefit analysis and an analysis of its use of partners and own resources (incl. consultants). Assessment of the benefits of GGGI Indonesia being part of a global institution (GGGI), and the ability of the Indonesia office to convert objectives into tangible outcomes.
- **Management capacity:** An assessment of GGGI Indonesia's administrative and management capacity, including financial management. This includes inter alia quality assurance and control systems; personnel resources; clarity and transparency of financial management systems; systems for disclosing and reporting corruption and financial irregularity; and monitoring of money flows. Collaboration and support from GGGI HQ should also be assessed both in terms of management and strategic thinking (is it relevant, useful, adequate and how is the communication between the country office and HQ?). The review should also assess how the recommendations from the Deloitte review from 2013 have been followed-up in practice by GGGI Indonesia.
- **Achievements of results:** An assessment of to which extent the programme's purpose and goal have been achieved and whether they are expected to be achieved by the end of the programme period (see also comments regarding the revised outcome objectives). The integration of GGGI's three work streams in the Indonesia program should also be assessed, as well as its ability to integrate its work into ongoing national and subnational processes in Indonesia.
- **Results management:** An assessment of GGGI Indonesia's results management, including: the realism and the clarity of the programme's expected results; GGGI Indonesia's system for monitoring of results (including indicators and sources used); system for results assessment and reporting (including the quality of its reports); reason for and process of revising its results framework.
- **Sustainability:** An assessment of the probability of continued long-term benefits after the closing of the programme and the ownership of the results from the partner country. Does GGGI Indonesia apply social and environmental safeguards in its program?
- **Coordination:** assess how the programme supported by Norway is coordinated with the overall programme of GGGI Indonesia and with programmes supported by other donors and other related initiatives for natural resources governance specifically coordination with the work of the national REDD+ Agency in promoting REDD+ as a tool for green growth in Indonesia, alternatively the potential of increased coordination/cooperation; is there any duplication of efforts or conflicts with other related programmes (e.g. REDD+)? Does the Indonesia country programme add value to and create synergies with the activities already undertaken by the partner government, private sector actors and civil society organisations in Indonesia and to the activities funded by other international agencies? The review should also recommend how GGGI's working relationship with BAPENAS and the GoI's ambitions

on green growth may be used to strengthen the REDD+ agency's position as well as influence within the government.

- **Risks:** an assessment of GGGI Indonesia's risk management systems; and assessment of potential risks to the programme both internal and external and including corruption and management response to these risks.
- **Gender:** an assessment of how gender issues are integrated in the programme operations.

3. Implementation

3.1. Methodology and sources of information

Review of documents with particular emphasis on:

- GGGI Indonesia's cooperation agreement with the Norwegian Ministry of Foreign Affairs, its policy and strategy for aid work, reviews/evaluations, annual reports, official minutes from meetings, website and other internet applications, relevant official documents from the government of Indonesia, as well as research-based literature aimed in particular at the areas within which GGGI Indonesia works, and documents with reference to 'best practices'. The Norwegian Embassy in Jakarta, the Norwegian Ministry of Climate and Environment and Norad should facilitate access to relevant documents to the extent possible.

Field visit to Jakarta, Central Kalimantan and East Kalimantan, including interviews with:

- GGGI Indonesia's management and staff, including key staff at GGGI HQ (via telecommunication); central, provincial and district Government Partners of GGGI Indonesia and project target groups; relevant authorities; the Norwegian Embassy; other donors and implementing agencies of relevant or similar programs in Indonesia. Enough time should be used for in-depth interviews in Jakarta in order to be able to be in a position to make recommendations to strengthen the strategic role of green growth in several sectors.

3.2. Team composition

The team may be composed of one international and one national expert. The team members should collectively display the following qualifications and areas of expertise:

- Relevant academic background and detailed knowledge of natural resource management, especially economics.
- Knowledge and experience with forest governance, REDD+ issues, multi-stakeholder analysis, climate policies, consultation and information processes, green growth.
- Good knowledge of the REDD+ process, policies and debate in Indonesia.

- Proven track record in qualitative analysis of information, consultation and participatory processes regarding policy development, consultation and participation of indigenous peoples, representative inclusion of stakeholders and quality assurance of information and the Free, Prior and Informed Consent approach (FPIC).
- Experience from international development cooperation and preferably of Norwegian development cooperation politics. Good knowledge of relevant Indonesian sector policies, development and socio-economic challenges.
- Experience from assessments of financial management of similar type of programmes.
- Proven track record in independent reviews and evaluations, including public consultation and governance processes in developing countries.
- Experience in conducting reviews or evaluations of a similar nature at project and programme levels, with knowledge of programme evaluation, risk analysis and impact assessment.
- Excellent writing and communication skills (English).
- The team leader should have extensive and relevant experience as leader of review teams and writing of review reports. The team leader will be responsible for editing the report, to assure technical coherence, and to submit the Draft and Final Reports in line with the Terms of Reference and according to the deadlines agreed upon.

3.3. Timetable for preparation, fieldwork and reporting

- The assignment shall be carried out as soon as possible, with the field work being done in November 2014.
- The work shall be carried out within a time frame of three-four weeks, including 1 week of document review and eventual telecommunication with key actors prior to the field visit, 8 days of fieldwork, and 1-2 weeks for preparing the draft and final report.
- The review team shall present preliminary findings to the Norwegian Embassy and GGGI Indonesia immediately after the end of the field work.
- One week after finalization of the fieldwork, a draft report shall be presented to Norad, Oslo, the Norwegian Embassy and GGGI Indonesia, Indonesia. Comments shall be submitted at the latest one week after receipt of the report to the review team. The Final Report shall be presented one week after receipt of comments and no later than November 30th.
- The report shall not exceed 30 pages, not including annexes, and contain an executive summary of 3-5 pages with the main findings, conclusions, lessons learned and recommendations.

- The report has to address and discuss all of the issues raised in the ToR.
- The report shall be written in English.

4. Budget

The consultant shall propose a budget based on the tentative timeframe, the personnel requirements and the expected travel and subsistence expenses.

Jakarta/ Oslo 09.09.2014

Annex 4: Methodology for Cost Efficiency

After initial clarifications on the evaluation team's ToR it was agreed that the term "cost benefit analysis" initially requested would be replaced by a cost efficiency analysis. It was clarified that this would focus on understanding the use of GGGI partners including consultants, and the conversion of inputs into outputs.

OBJECTIVE of Cost-Efficiency Analysis

To understand whether program under review had been value for money within a forward looking framework

For this, three analyses were proposed:

- **Inputs to Outputs Assessment**- an extension of the outputs table to include input costs;
- **Analysis of use of partners and own resources** - an operational model analysis exercise involving a matrix of alternative management scenarios. This analysis is quantitative from a cost (taken as indicator of inputs) point of view and qualitative from the output point of view based on stakeholder interviews. Findings were articulated by comparing the output table with the operational model table for each scenario;
- **A table of qualitative data on the benefits of being a global institution.**

Data Challenges

Throughout this assessment the team has faced data challenges.

- Cost data are not available at an output level. Expenditure per component was calculated manually by GGGI to give indicative values for 2013, but not for 2014. According to GGGI it would be too time consuming to calculate cost per output as records were not kept of expenditure per output; however GGGI has referenced which component¹⁵⁹ each expense is for.¹⁶⁰
- Detailed Data Requirements were sent to the management team of GGGI and were received in the form of a PDF on 14.11.2014. In the documented response, it is mentioned that fee / salary 'rates are not available' for GGGI Staff and In-House Consultants. A breakdown of outsourcing and personnel costs, while requested, was not provided. Proxy rates for GGGI Staff and in-house consultants were requested from GGGI, but this request was not fulfilled.
- Data from the GGGI contract managers of PwC and SNV was received on 19.11.2014, and 20.11.2014 respectively, that correlated with interview findings. Due to a

¹⁵⁹ Components can be cross-referenced with outputs in the current results framework.

¹⁶⁰ Interviews as well as Progress Update Report 2014, Page 40

discrepancy in data correlation on allocation of time by staff, definitions were clarified and data resubmitted based on revised definitions by GGGI management on 21.11.2014. These revised data were used in the final analysis

- Wednesday 19.11.2014 was the agreed cut-off point for receipt of data from GGGI, after which analysis would proceed with the data available at that point. However, critical data was received on 20.11.2014 and hence analysis commenced thereafter. On Friday late evening, 21.11.2014, a corrected and revised interim financial report Jan-Sept 2014 was received from the HQ.
- On meeting on 26.11.2014 we were told that the average proxies could be revised to 11,708 USD per month for GGGI staff, which we crosschecked from the interim financial report which mentions personnel costs. The analysis was then rerun on this basis.

Due to the above challenges in acquiring data for the analysis, the review team were obliged to revise the scope of the efficiency analysis for a second time as follows:

- The Inputs to Outputs Assessment was dropped since the data on output costs is not available. Instead, this was merged with the results framework which is also provided in the Annex 8 and footnoted on the basis of interviews and reports. No quantitative analysis was possible due to the lack of necessary data.
- The assessment on the benefit of being part of a global institution was merged under the management capacity assessment to avoid overlap.
- Given the problems with data availability, the Operational Model Analysis scenarios were based on proxies. Cost rate proxies were based on assumptions taken from the limited data that were available in the financial report 2013, progress update report 2014 and revised interim financial report sent by GGGI Headquarters in Seoul on 28.11.2014.

Operational Model Analysis

The operational model analysis is an economic analysis exercise focused on understanding the GGGI Indonesia use of partners and resources, added value of partners and GGGI itself, and its hybrid model of working as both technical manager and technical consultant. The assessment sought to identify where cost efficiencies may be made and where inefficiencies can be improved.

Design

The assessment focused on personnel costs (both subcontracted and GGGI team) since they account for 90-95% of the program, see Figure 1.

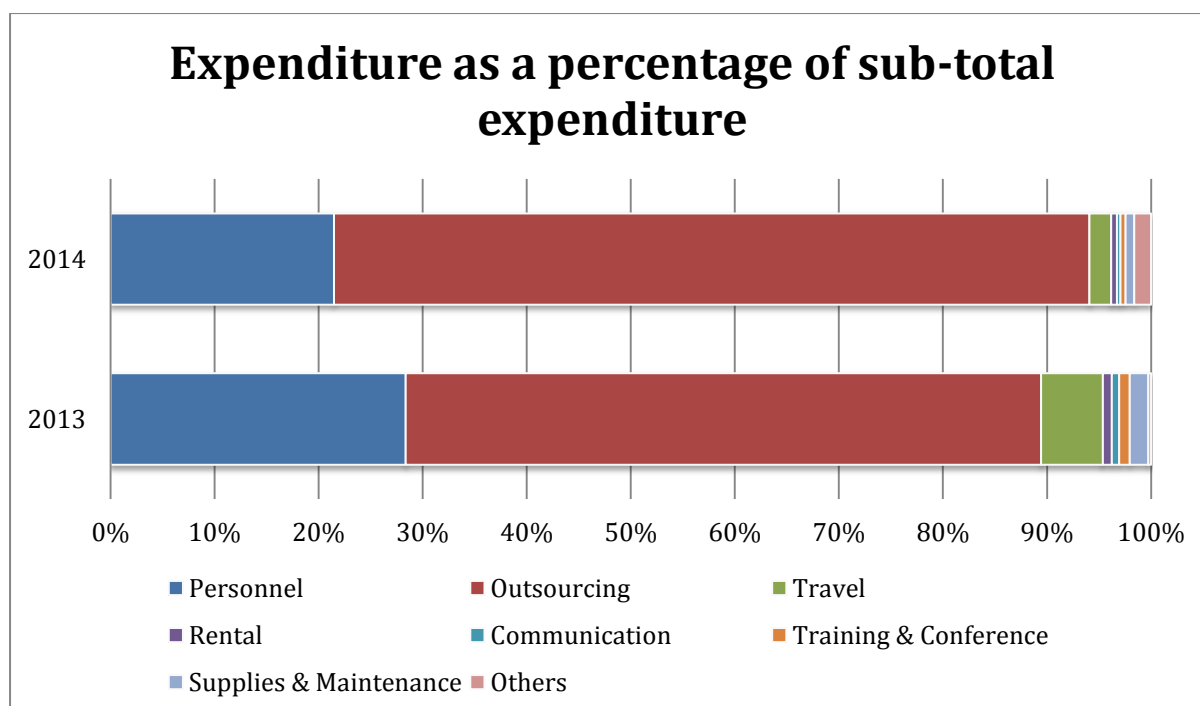


Figure 1 Expenditure. Source: Financial Report 2013, Interim Financial Update 2014

From interviews it was understood that there was a need to tease out the value of each partner at GGGI as well as consider an expansion strategy for the future, so for this purpose:

- Days worked, and total expenditure or budgeted expense for personnel costs and worked out a proxy for the rates was used. (Details under Scenario 1)
- Under four categories (Table 1): Staff, in-house consultants, and two subcontracted consortia, PwC and SNV. Defined as:
 - In- house consultants: these are people that are supporting the Program on long-term regular basis and are considered as part of “staff” but are currently not on staff contracts since legally Indonesian staff cannot be employed on staff contracts before the ratification of Indonesian office.¹⁶¹ It has be noted however, they do not have access to health insurance and benefits that those on GGGI Staff contracts do. They have access to the GGGI intranet, procedures, and have to follow GGGI policies and guidelines. In- house consultants are: Lead Administration officer, Finance officer, Administration officer, Central Kalimantan Representative, East Kalimantan Representative, Green Growth and Planning Advisor. These also include ad-hoc consultants: these are people that are used by GGGI Indonesia for specific technical work. This includes a senior advisor, technical editors, technical advisors, designers, translators, and other consulting services

¹⁶¹ Note: one member of staff is Indonesian and recruited as an IO This was revised on clarification provided two days before assignment finished, too late to be taken into account

- Subcontracted Consulting Consortia: These are PwC Alliance and SNV Alliance. The term alliance is used as these are made up of multiple firms and individual consultants. It is important to mention that these contracts include budgets for workshops organisation, budget for workshops attendees, publications and travel/logistics etc.
- Staff are those on the team that are employed on staff contracts from GGGI HQ. All but one staff member are expatriates based in Jakarta

Table 1 Staffing categories of the GGGI Indonesia Program

Year Joined	No of Staff Local (breakdown of provincial offices and central offices)	No of Staff – international	No of in-house consultants	No of external subcontracted consultants (please give us the split between SNV and PwC)
2012		Central office: 1 GGGI non-permanent staff		
2013		Central office: 3 permanent, 1 non-permanent	Central office: 2 (national) Provincial officer: 2 (national)	PwC Alliance 1 st Contract. A round 15 core people and around 5-10 additional resources. The contract covered both national and sub-national work.
2014	Central office: 1	Central office: 4	Central office: 3 (national) Provincial officer: 4 (national)	PwC Alliance 2 nd contract. Around 10 core people and around 5-10 additional resources. The contract covers both national and sub-national work. SNV Alliance 1 st Contract. Around 12 core people and around 5 additional resources with specific inputs. The contract covers both national and sub-national work.

Source: Provided by GGGI Management Team in document - Data required from GGGI 14.11.2014

- The analysis was segregated by partners and resources
- Five scenarios were used for this analysis: Business as Usual, GGGI subcontracts all projects, GGGI splits current work clearly defined equally with partners, GGGI expands its team, Norad subcontracts projects directly to consortium. **These scenarios were selected to provide insight into the added value of partners at each stage could be understood, and areas of efficiency savings, which could be taken advantage of in the future, identified.** Details about each scenario are given below in the assumptions and calculations.

- Costing was estimated under five time allocations : **technical management of consultants**¹⁶² (reviewing reports, editing, reviewing progress, drafts, quality control, defining responsibilities, TORs etc with subcontracted consultants), **management** (Project management or management of staff, delegating responsibilities, monitoring for in house consultants, reporting to superiors etc.), **technical** (writing of reports, any new original data compilation or analytics), **engagement** (directly interface with government/donors, keep/maintain relationships, assess demands, etc) and **administration/finance** (Meetings, travel arrangements, payments, per diems, cash flow reimbursement requests) .

Interpreting this Operational Model exercise and hidden costs and efficiencies

Please note that since this exercise is based on proxies, has attributed a cost to 'time', and is compared to a qualitative table of outputs, it is meant to be interpreted for its directional/suggestive value rather than in terms of the specific values estimated. Moreover, it is unable to capture the efficiencies or inefficiencies that are not related to time spent by personnel and are beyond the definition of the analysis. Wherever possible, these have been articulated and being taken account of qualitatively, e.g. cost efficiencies in terms of hiring a consortium and getting legal, contractual and flexibility in hiring consultants with varied expertise on demand. There are also hidden costs and efficiencies of assistance from Headquarters that have not been fully captured by this exercise.

Critical overall assumptions

Proxy Rates

Since real data was not provided on actual rates it was extracted from available data. **All rates and analysis are based on USD dollars per month.**

Type	Total per month in USD	Average per month in USD
GGGI Staff (total no 5; 4 International and 1 national)	58,538	11,708
GGGI In House (Total no 7; All Nationals)	16,486	2,355
PwC alliance (Total no 15, accounts for varied experts as 1)	67,351	Average per month cost: 15,875 ¹⁶³ Average Individual Cost averaged out over contract period : 4,898 ¹⁶⁴ Individual average costs (varied per person given in excel sheet)

¹⁶² Due to definition, it is implied that subcontracted do not have any such costs since they are producing the technical output, which is being aligned and revised as per government needs by GGGI. However they must be spending time updating and rewriting their original work that is defined as technical work under this exercise.

¹⁶³ Average of 4 people in full time capacity

¹⁶⁴ Average of whole consortium i.e. 15 people in various capacities

Type	Total per month in USD	Average per month in USD
SNV alliance (Total no 14)	30,236	<p>Average per month cost:</p> <p>6,293¹⁶⁵</p> <p>Average Individual Cost averaged out over contract period : 2,360¹⁶⁶</p> <p>Individual average costs (varied per person given in excel sheet)</p>

GGGI Staff Average Personnel Costs for period Jan - Sept 2014 (9 months) were calculated from the total personnel cost for GGGI Staff given as USD 5,26,841¹⁶⁷ - divided by 9 gives total per month and then divided by the total no of staff (5) gave the average cost per month which is 11,707.5 USD per month.

The costs of time spent by GGGI HQ in Seoul are not accounted for in this analysis and are assumed to be zero, **which means that the average monthly personnel costs are slightly underestimated.**¹⁶⁸

Source: FY Update Excel sheet (corrected and revised) sent to the evaluation team on 21 Nov 2014, Interim Report _Indonesia GGP _Norway _Sep30, 2014 _Draft2.1

A proxy check against budgeted numbers for next six months is provided in the table on page 35. The Progress Update Report 2014 gave a figure of USD 435,000 for staff costs, which divided by 6 (no of month) and then by 5(no of staff) gives a monthly average personnel cost of USD 14,500¹⁶⁹. Last year GGGI spent around 70% of its budgeted personnel cost but staff numbers have increased in 2014. Hence the average personnel costs per month lie within the range of USD 10,000-14,500, which is approximately in the same range with the proxy cost used in the assessment, noting the difference between budget and expenditure estimates.

Outsourcing costs: GGGI In house consultants

All costs have been summed under the outsourcing budget line apart from one line which was subcontracted consultants PwC and SNV)¹⁷⁰ for period Jan-Sept(2014) (9 months) divided by 9 gives total per month and then divided by 7 gives average per month in USD.

¹⁶⁵ Average of full time capacity equivalent

¹⁶⁶ Average of whole consortium i.e. 14 people in various capacities

¹⁶⁷ This number also includes housing allowance, education allowance, health insurance and other benefits as per GGGI global regulations, but since all the benefits are budgeted as a personnel cost, they have been included as cost and segregated. These are for those on Staff contracts and not In house consultancy contracts.

¹⁶⁸ To note this would be similar for an average UN office which gets support from headquarters.

¹⁶⁹ Please note that the initial analysis was made on budgeted number since the revised financial interim report was sent on Friday 21.11.2014 beyond our cut off point of Wed 19.11.2014 when we started with analysis on this proxy. But to take GGGI's concerns into account we have rerun the entire analysis with revised proxy of 11,707.5

¹⁷⁰ To note this includes people who have been subcontracted for editing, publishing and others. Hence the total number that should be divided by more than total number of in house consultants, but we believe that the 2-3 additional consultants who are not accounted for would not alter the broad analysis as the total cost of all is 16485.53 which is

Source: FY Update Excel sheet (corrected and revised) sent by Headquarters in Seoul, 21 Nov 2014, Interim Report _Indonesia GGP _Norway _Sep30,2014 _Draft2.1 Sheet name: Pjt P&L (detail)

A proxy check against budgeted numbers for next six months is given on table on page 35. The value given in the Progress Update Report 2014 is USD 110,000 for six months, which divided by 6 (no of month) and then by 7(number of in-house consultants) is 2,619¹⁷¹, hence the proxy has been double checked successfully.

Outsourcing costs: PwC Alliance

According to the data given total aggregate cost is USD 673,510 and the contract is for 10 months hence total monthly cost for PwC Alliance is USD 67,351 per month. **However, this maybe high since this value includes added expenses for workshops budgeted, travel, administration or overheads, which are not included in total costs per month for the GGGI team.**

Average per month cost: is USD 15,875 (calculated by aggregate cost divided by **total no of days** worked multiplied by 20 for a monthly estimate)¹⁷². Please note this number cannot be used for each individual average cost since it would result in an overestimate as consultants do not work full time on the GGGI Indonesia Program. **Hence this is not the per month average cost per PwC consultant and that is why has not been used for this analysis.**

Proxy check - USD 14,031¹⁷³ (calculated by total cost divided by 4 -full time equivalent and divided by 10) This would mean on average the alliance cost per month is pegged correctly but assumes that people are working full time, which is not the case, as the cost might be lower due to efficiency savings in providing a dynamic and flexible team of consultants with varied expertise.

Since staff do not work full time on the Program, we have to calculate individual average cost per month by then multiplying their % time spent of amount of total days of assignment.

Proxy Check. If you sum up individual average costs per month then the total value is USD 73,473 which roughly checks with USD 67,351. The slight difference might be because we account for 'varied experts' as one person. Hence the individual average costs are valid.

almost 25% of total cost of GGGI staff. Although it might alter the average of total GGGI team - in house and staff to be slightly less. Since the proxy checks in roughly with budgeted amount, it has been successfully taken forward.

¹⁷¹ Please note that the initial analysis was made on budgeted number approx. 2,500 since the revised financial interim report was sent on Friday 21.11.2014 beyond our cut off point of Wed 19.11.2014 when we started with analysis on this proxy. But to take GGGI's concerns into account we have rerun the entire analysis with revised proxy of 11,708

¹⁷² GGGI expressed concerns that this number already takes into account different time allocations, but it does not since the total amount of days worked is used to generate the per day cost, but assuming everyone works full time and all the days.

¹⁷³ GGGI expressed concerns over average costs calculated and have argued that since PwC Consortium is like hiring 4FTE- 4 full time equivalent staff according to meeting with GGGI representative on 26.11.2014.

Further average of the individual costs were taken out which was USD 4,898. We believe this number is low (especially compared to 15,875) since it is capturing the cost efficiencies and savings in employing, contracting and managing a varied team with multiple expertise and flexible on demand availability. **This number is just to note in scenario 1 and has NOT been used in any part of the analysis, hence does not impact the results for any other scenarios.**

Proxy check: $\text{USD } 4,898 \times 15 = \text{USD } 73,473$ which roughly aligns with USD67,351. The slight difference might be because we account for 'varied experts' as 1 person. Hence the individual average costs are valid.

Source: Supplied by GGGI on 19.11.2014

Outsourcing costs: SNV Alliance

The process for assumptions mirrors the PwC process since data were provided to the team in the same format.

Source: Supplied by Management Team, GGGI on 20.11.2014

It is assumed that there is an opportunity cost of time, since spending time on one aspect of work such as engagement comes at the cost of allocating the same amount of time on say reviewing the work of the subcontracted consultants. Assumes they are interchangeable. Time allocations were estimated for the purpose of identifying trade-offs.

Scenario 1- Business as Usual

Definition: Under this scenario, we present the time allocation and costs of personnel towards the program under the current arrangement of work where GGGI team and subcontracted consultants work together. The GGGI team works closely with the government to build relationships and buy-in, and also to assess demand. It then works closely with the subcontracted consultants to align government demands and needs with the technical output and analytics being produced by the consultants.

Calculations: The proxy rates as defined in the assumptions have been multiplied by the data on time allocations for each person. For instance, if a staff member spends 40% of their time on engagement, then engagement costs for that staff member are $0.4 \times (\text{Rate of staff})$ i.e. $0.4 \times \text{USD } 11,708$ (the average monthly rate)

Analysis: Data have been analysed by summing all costs per time component and per source to generate the results.

Scenario 2- GGGI subcontracts all project work

Definition: All technical work is undertaken done by subcontracted consultants; no original analysis is undertaken by GGGI in-house consultants or staff. The time on this undertaken by GGGI under the Business As Usual Scenario (BAU) is reallocated to editing, reviewing documents by the subcontracted consultants. Management needs of the program would decrease from the side of GGGI staff and in house and would increase on the side of

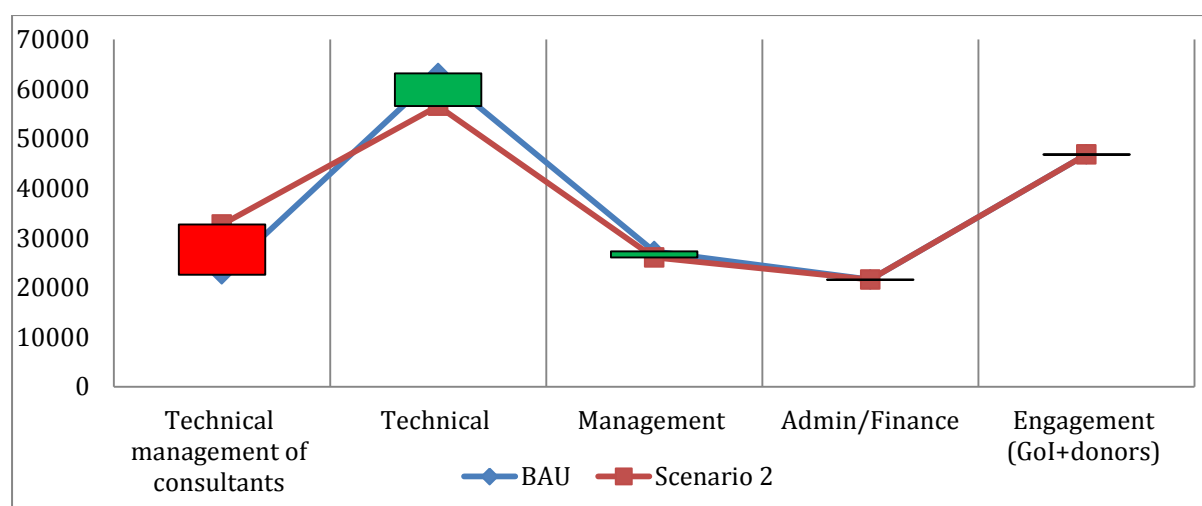
subcontracted consultants since they would have more work allocated to them. Engagement and Administration costs remain the same as both teams spend equal time engaging with the government, aligning needs to technical outputs and there is no change in team structure and no extra administration support needed.

Calculation: The time allocations of GGGI staff and in house consultants originally spent on technical work have been shifted to 'technical management' of consultants.

The time allocation of the three GGGI staff that have technical advisor capacities for management have been shifted to technical management as to reflect in a slight decrease in GGGI in house and staff management needs. Average management costs for subcontracted consultants is calculated from BAU and multiplied by two.

New sums of costs per time allocation are calculated and compared to BAU

Analysis: New costs are projected against BAU and percentage changes are reported.



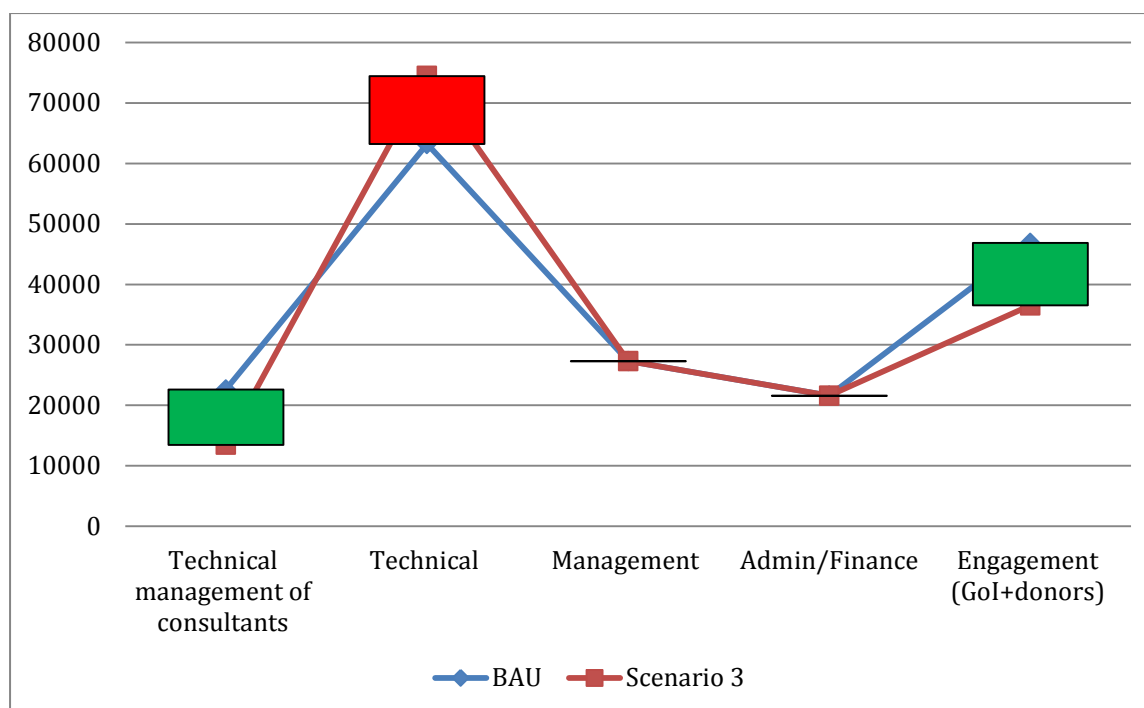
Scenario 3- GGGI and subcontracts clearly define and split responsibilities

Definition: Some deliverables are directly subcontracted to the existing consultants that have built a relationship with government during the course of the program so far. This results in less technical management of consultants and more delivering of technical outputs in-house. The scenario looks at subcontracting some parts of outputs directly so that less technical management is needed.

Calculations: Half of the technical management time allocations of GGGI staff and in-house consultants are shifted to technical work. Average costs of engagement for GGGI is decreased by half since this part of the engagement will be done directly by subcontracted consultants. The average total engagement cost remains the same.

The rest of the costs remain the same as the size of team does not change, only the nature of the task allocation.

Analysis: New costs are projected against BAU and percentage changes are reported.

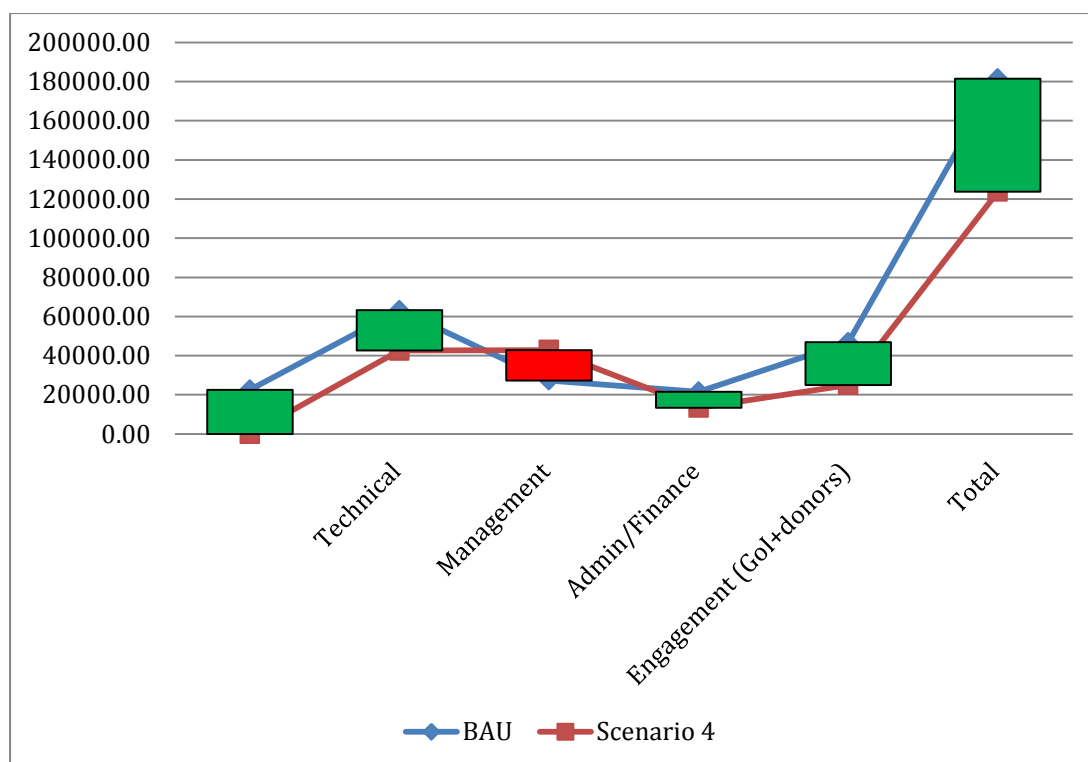


Scenario 4- GGGI expands local capacity and builds its in-house team

Definitions: GGGI staff spend their time on management (as more project management and technical work is brought in-house compared with BAU). The subcontracted team is not included in this analysis. Instead a 'Dream Team' has been constructed as per the needs identified during stakeholder interviews. Time allocations have been assumed according to nature of post.

Calculations: New 'Dream Team' staff members and time allocations added: three local technical experts (100% technical work), one local engagement expert (100% engagement work) at 2,000 USD each and 1 administration/finance staff (100% administration work) at 1,000 USD in both provinces. An International Environmental Economist (100%) technical and Investment Finance advisor (70% technical, 30% engagement) at 11,000 USD. Two local research associates at 3,000 USD each and outreach and communications expert at 4,000 USD per month.

Analysis: New costs are projected against BAU and percentage changes are reported.



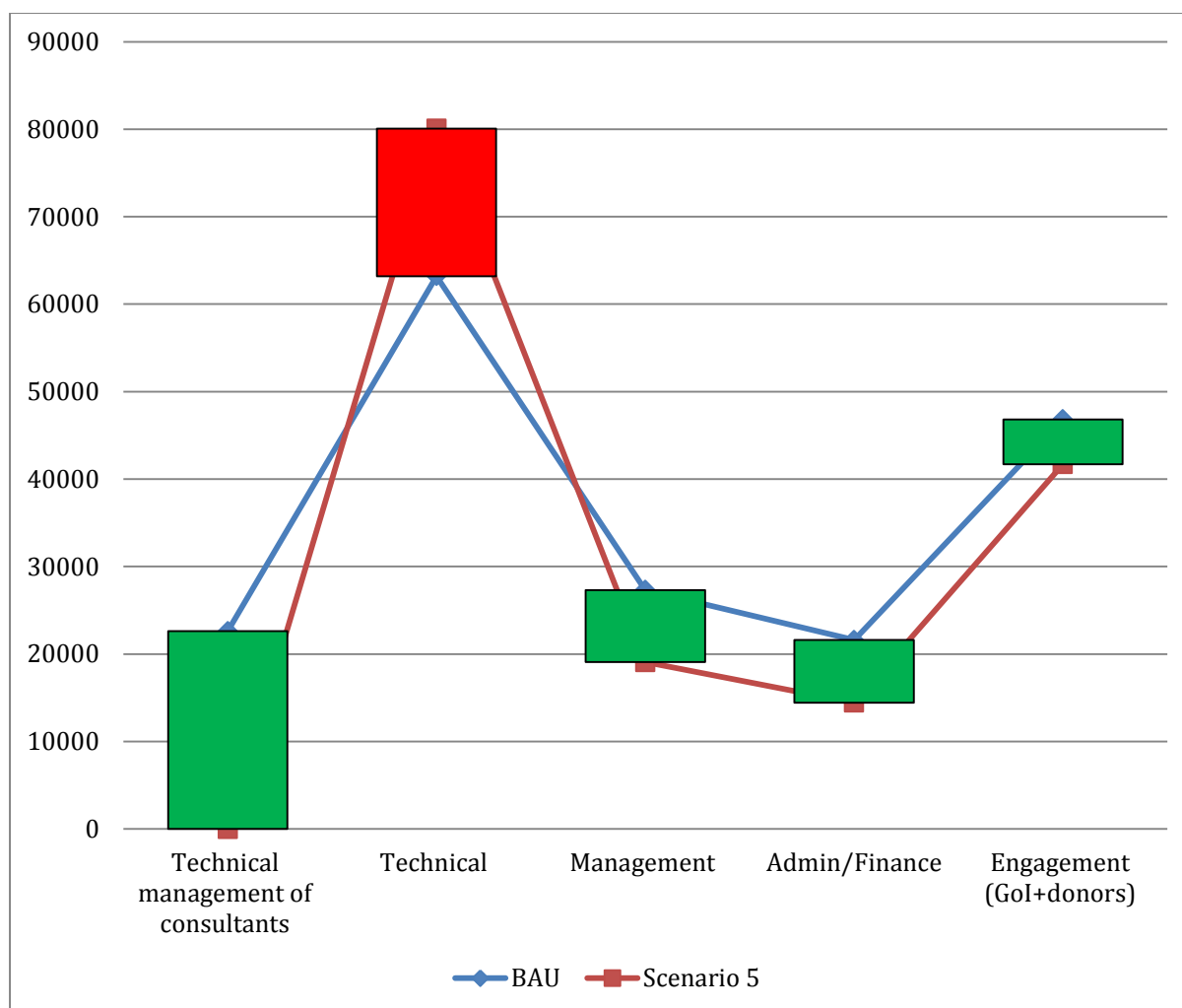
Scenario 5- Norad subcontracts everything to current subcontracted consortiums

Definition: This scenario looks at what the cost structure would be if Norad had directly contracted the consortium.

Calculations: Some consultants are already engaging with counterparts and have made good relationships. This is expected to increase as there will be less opportunity to leverage GGGI global reputation through the activities of its Steering Committee.

Subcontracted average costs under each time allocation are calculated and a 10% mark-up is added to cover engagement costs. Technical management costs will be zero as consultants would revise original work as per engagement with the government.

Analysis: New costs are projected against BAU and percentage changes are reported.



The Output Table

On the basis of interviews with both team and stakeholders they had been asked there opinions on the basis of the following criteria:

- Impact on outcome;
- Quality of output, tangible wins;
- Sustainability, replicability;
- Government Ownership versus government costs in terms of time, energy and uptake of new entity.

Annex 5: Cost –Efficiency Analysis Data “Traffic Lights” Summary

Operational Model Analysis All figures in USD/month	Scenario 1 (BAU) Current costs scenario	Scenario 2 GGGI subcontracts all projects	Scenario 3 GGGI splits all work 50-50 - better defined	Scenario 4 GGGI expands its team	Scenario 5 NORAD subcontracts projects directly to consortium
Technical management costs of consultants (reviewing reports, editing, reviewing progress, drafts, quality control, defining responsibilities, TORs etc with subcontracted consultants)	14% This is slightly less than half of technical costs. Combined with management cost (30%) is almost equal to technical cost.	Increase by 45%, in Technical Management costs	40 % savings (here they get transferred to technical in house costs) since GGGI no longer reviewing half of the team	100 % Cost Savings (here they actually get transferred to management costs)	NIL, 100% Cost Savings 26900 USD
Management costs Project management or management of staff, delegating responsibilities, monitoring for in house consultants, reporting to superiors etc.	15% Managing cost GGGI (inhouse and staff) is 50% compared to subcontracted Project Management costs which are 34% for PwC and 16% for SNV of total management costs. (50-50)	5% savings in management costs Largely due to management cost of GGGI staff being high.	Same - No team expansion, just realigning technical tasks and making them exclusive, PMC remains same	Increase 57% over BAU of management costs for additional 15 members of team. i.e more than 100% increase in team.	Cost savings: 30%
Technical Costs writing of reports, any new original data compilation or analytics	35% The core of technical cost is PwC (64%) and SNV (26%), while GGGI staff and in house contribute to 5% and 5% of original analysis.	12% costs saved	Increase 15% GGGI internal technical costs have increased	Cost Savings 33% over BAU	Cost increase 27% over BAU of technical costs
Engagement costs directly interface with government/donors, keep/maintain relationships, assess demands, etc	26% Engagement cost of GGGI in house and staff is 44% (14+30) , are almost at par with PwC and SNV 56 %(32+24) (50-50)	No change	Savings 22 %	46.5% savings over BAU engagement costs	Cost savings 11%

Operational Model Analysis All figures in USD/month	Scenario 1 (BAU) Current costs scenario	Scenario 2 GGGI subcontracts all projects	Scenario 3 GGGI splits all work 50-50 - better defined	Scenario 4 GGGI expands its team	Scenario 5 NORAD subcontracts projects directly to consortium
Admin/Finance costs Meetings, travel arrangements, payments, per diems, cash flow reimbursement requests	12% Snr is most cost efficient on Admin (5%), compared to PwC 42%, GGGI staff 27% and 26% in house.	No change	Same - no team expansion teams just realigning technical tasks and making them exclusive, project management remains same	38% savings over BAU finance costs 3613 USD	Cost savings 33%
Total Costs	181543 USD, 4428 USD per person PwC , 4898 USD per person for 15 people in various capacities or 15875.31 on 4 people FTE- full time capacity SNV, 2753 USD per person for 14 people in various capacities or 6292.7 for full time capacity GGGI Staff, 11708 USD per person ¹⁷⁴ GGGI In House , 2355 USD per person GGGI staff and In house team average : 6252 USD ¹⁷⁵	1% increase, Almost the same	Savings 4.5%	Savings of 32% over total BAU	Cost Savings of 14% over total BAU
Definitions	PwC and GGGI work in a synergetic hybrid model where GGGI works to assesses government need, builds relationship and	All the technical work will be done by subcontracted consultants with no in house	Some deliverables are directly subcontracted to consultants who have	GGGI staff spend their time on management (as now more project management and technical	This scenario looks at what the cost structure would be if NORAD would have

¹⁷⁴ Online tool for salaries available for UNDP info.undp.org/sas/online tools outlines D1 levels salary with allowances in Indonesia as 12,038 USD per month. GGGI staff's average personnel cost is 11.708

¹⁷⁵ Average costs for UN offices in Jakarta are in range of 2500-4000 USD E.g. UNORCID average cost of office per person is 2700 USD with a total of 37 people., UNESCO office rough budget in 2011 was 6 million \$, more than 41 staff and higher local to expat ratio in comparison to GGGI staff and in house expat :local ratio is 2:1 (source- Annual Report 2011). More detailed information can be obtained on UNOPS website.

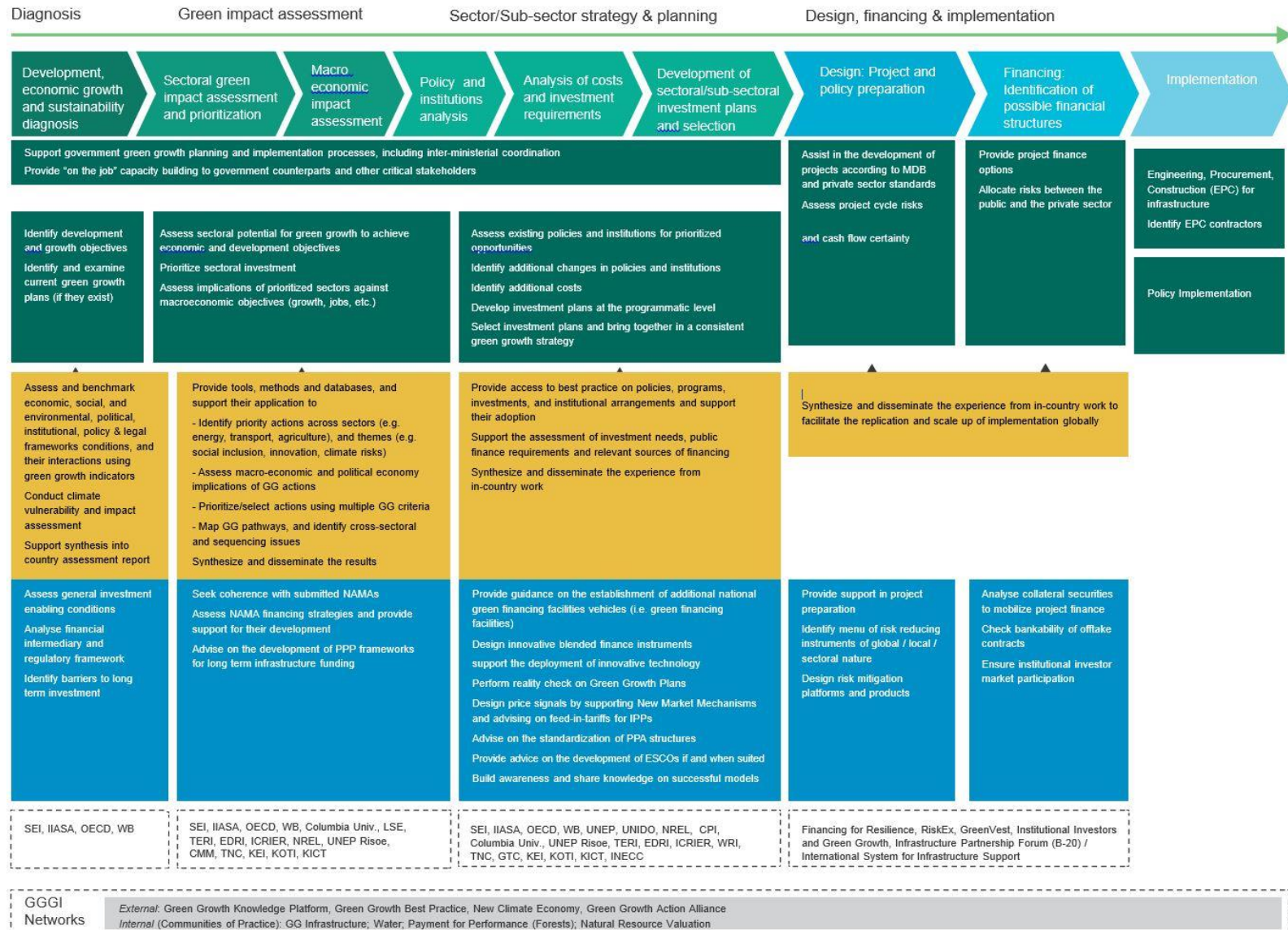
Operational Model Analysis All figures in USD/month	Scenario 1 (BAU) Current costs scenario	Scenario 2 GGGI subcontracts all projects	Scenario 3 GGGI splits all work 50-50 - better defined	Scenario 4 GGGI expands its team	Scenario 5 NORAD subcontracts projects directly to consortium
	aligns technical output from consultants to meet the government needs.	technical work and technically managed.	now built a relationship with govt and can align the needs of the technical work themselves. More clearly defined roles and responsibilities.	work- original analysis instead of technical management of subcontracted technical outputs). Subcontracted team is not included on this. Instead a dream team has been constructed as per needs identified in interviews. According to nature of post, values of time allocations have been assumed.	directly contracted the consortium

Qualitative Value Analysis of Delivery Model Scenarios¹⁷⁶

Operational Model Indicators being considered	Scenario 1 (BAU)	Scenario 2 GGGI subcontracts all projects (middlemen) no technical stuff, all tech management.	Scenario 3 GGGI splits all work 50-50 - better defined (interim)	Scenario 4 GGGI expands its team and does all the work in house - includes hiring consultants (the dream team)	Scenario 5 NORAD subcontracts projects directly to consultant consortium/ independent consultants
Impact on outcome	They are having an effect at sub-national level, attribution is hard to added value.	Same outcome since assumption these particular consultants have already made relationships.	Same	Better, more local consultants.	Suffers slightly. No global exposure and knowledge support.
Quality of output, Tangible wins.	Analysis in section on results management	Most stakeholders feel it will be the same, but GGGI staff feels due to highly technical nature of reports, quality is not the level of government messaging.	Increase impact, more control over the outcome, than outsourcing scenario because saving time on transaction costs of reviewing etc.	Better, better tested regional level, better adopted.	Same. - accountable to same standards that GGGI is, if fulfilling
Sustainability, Replicability	Analysis in section on results management	If the consultants remain the same, then , otherwise lose the social capital	If the consultants remain the same, then , otherwise lose the social capital	Better because no risk of team changing, more local engagement, replicate across districts better.	Slightly less - because continuity of consultants is not long term engagement process, tendering doesn't ensure continuity of support from consultancy companies.
Government Buy In versus govt cost in terms of time, energy and uptake of new entity	Google Analytics: GGGI Indonesia mentioned in 534 news articles approx. 80% were foreign media, 20% Indonesian media, 90% were on SBY being made head. 10% of bappenas- workshops or initiatives Bappenas SBY, lot of buy in at subnational	Suffers. Engagement fatigue would increase due to less technical nature of engagement Also because you prefer to meet 1 person to 20 different consultants	Same.	Better at subnational level Same at National Level	VERY POOR, refer to Name, frenzy of SBY. Knowledge about GGGI. Sustainability is less, so relationship building long term is poor. Cannot underestimate the value of long term relationships.

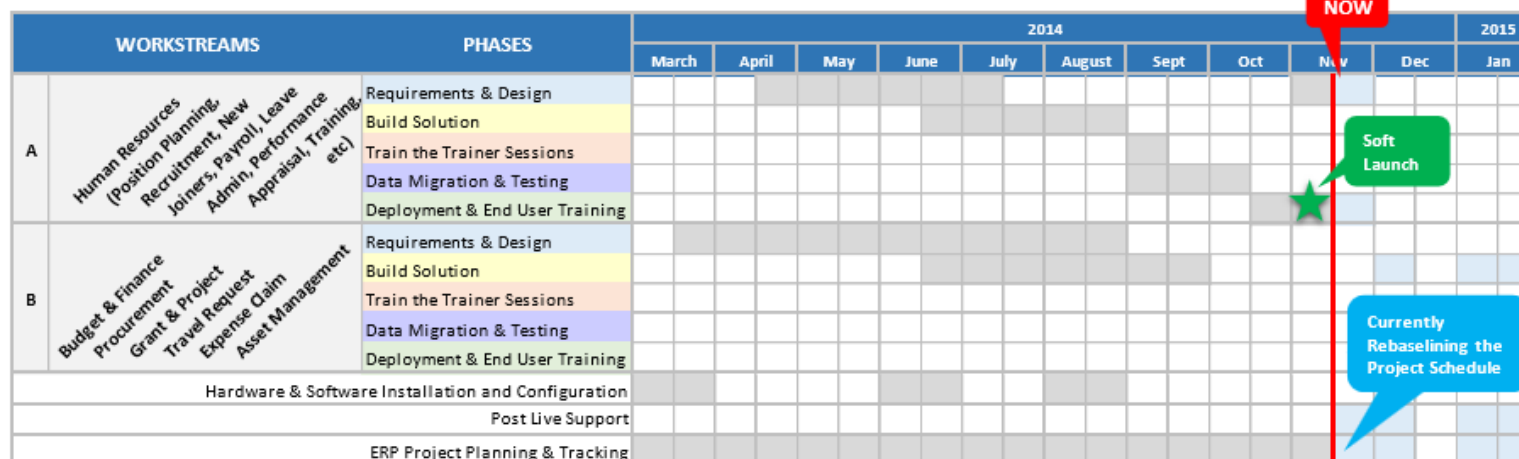
¹⁷⁶ Based on stakeholder interviews and evaluation team assessment

Annex 6: GGGI Value Chain Delivery Model



Annex 7: Overall Progress of GGGI HQ on ERP

Overall Progress Status



Workstreams	Key Updates	Next Steps
A – Human Resources	<ul style="list-style-type: none"> Completed Soft Launch: Staff Record, Absence/Leaves, Position Administration, Right to Work and Competency. 	<ul style="list-style-type: none"> Agree and sign off requirements & solutions designs for the remaining sub modules. Agree and sign off project schedule (re-baseline exercise)
B – Budget, Finance, Procurement, Grant, Project, Travel, Expenses Claim & Asset Management:	<ul style="list-style-type: none"> Donnie Banzon – UNIT4 Consultant re-assigned temporarily to assist HR Module Phase 1 Soft Launch Lilac Adato – ERP Consultant joined to focus on these modules 	<ul style="list-style-type: none"> Agree and sign off project schedule (re-baseline exercise)
C – Hardware & Software Installation and Configuration	<ul style="list-style-type: none"> Agresso software now installed in GGGI ERP Server 	<ul style="list-style-type: none"> Monitoring

Annex 8: Summary of Progress of Outputs against Indicators¹⁷⁷

Output	Indicator	Completion status ¹⁷⁸	Evidence	Remarks (in relation to achieving output indicators by EOP)
1.1 Working structure and partnership established for GoI endorsement	Signed decree on GG Program and GGGI Indonesia	Beyond completed	Decree has been signed, 2 MOUs, 2 Decrees and 1 instrument of ratification ¹⁷⁹	Now awaiting Host Country Agreement that will clarify some terms and conditions of staff in relation to Privileges and Immunity. Government counterparts in East Kalimantan strongly valued MoU/MoA as a collaborative working framework for mutual accountability ¹⁸⁰ .
1.2 Concept and TOR for multi-stakeholder steering committee	Signed decree and Multi-Stakeholder Steering Committee	Beyond completed	Multistakeholder steering committee with members GoI representatives, civil society groups, private sector associations, and eminent Indonesian figures has been established supported by (SK Kementerian PPN/BAPPENAS No. Kep. 1/WK/03/2014). First meeting was held June 2014 ¹⁸¹	Now efforts on-going to establish multi-stakeholder green growth working group at provincial level with support of GGGI provincial staff in collaborative drafting of SK.
1.3 Green Growth Road Map that meets needs and expectations endorsed by GoI counterparts and least	Green Growth Road Map Document	In progress (65-75%)	Output specifically requested by BAPPENAS and two out of four workshops completed ¹⁸² . Relevant documents already produced in accordance with GoI-GGGI Green Growth Program: Scope of the Green Growth Roadmap	It is likely that the document itself can be completed by EOP ¹⁸⁴ . However, the Deputy Minister that requested the development of the road map has been transferred from the position and the position at the time of review is still vacant

¹⁷⁷ Approved version of Results Framework Indicators has been used based on version in Progress Report 2014. Comments on suitability of indicators are provided in review of results management section of report.

¹⁷⁸ Beyond completed (achieved indicator and more), Completed (achieved indicator), In progress (initiated and partially achieved indicator), Stalled (evidence of initiation but no completion of indicators).

¹⁷⁹ Annex E, progress update 2014 report

¹⁸⁰ Interview Bappeda East Kalimantan November 2014

¹⁸¹ Page 13, Progress report update 2014, Para 2

¹⁸² Annex D, Progress report update 2014. First Road Map Workshop, August 2014 (30 participants), Green Growth Best Practice September 2014 (50 participants).

Output		Indicator	Completion status ¹⁷⁸	Evidence	Remarks (in relation to achieving output indicators by EOP)
BAPPENAS				(2014) ¹⁸³ . Interviews provided an estimation of completion of Road Map document at 60-70%.	so the political will to endorse and take the document forward is not yet clear. Although a draft document may be available by EOP it is not clear how far there will be consensus across sectoral ministries in relation to the document especially with uncertainty that a change in government has brought. It is also not yet clear how the road map can be mainstreamed and /or integrated with other national planning documents ¹⁸⁵ .
2.1	Green Growth Framework that reflects Indonesia stakeholder priorities and needs	Green Growth Framework Document	Completed	Gol GGGI Green Growth Program document published that includes Green Growth Framework and Green Growth Assessment Process. Indicators for measuring using framework in process as part of Road Map process (1.3). Green Growth Scoping Paper (Draft paper 2014)	Indicator does not reflect measure of output. Document formulated based on feedback from multi-stakeholder workshops, interviews and FGD ¹⁸⁶ . Program document including framework launched in October 2013 by Deputy Minister BAPPENAS demonstrating Gol commitment ¹⁸⁷ .
2.2	Green Growth Assessment Process incorporating input from government counterparts and other stakeholders	Green Growth Process Document	Completed	See above	See above

¹⁸⁴Current indicator does not reflect any measure of endorsement by Gol but the evaluation mission has commented on this in remarks.

¹⁸³Progress has been made on technical annexes. eCBA Methodology annex completed, Review of Green Growth Concepts well advanced, Overview of Economic Planning in Indonesia well advanced, Green Growth Framework Paper (well advanced). Progress Update 2014.

¹⁸⁵Interviews with Bappenas and relevant GGGI staff

¹⁸⁶Annex C. Progress Report 2013 and Annex D.

¹⁸⁷Page 19 Progress Report 2013

Output	Indicator	Completion status ¹⁷⁸	Evidence	Remarks (in relation to achieving output indicators by EOP)
2.3 eCBA assessments on capital projects demonstrating the use of the tools	eCBA case studies	In progress (75%)	Two of six planned assessments, namely the 'Maloy Economic Zone' (received high attention from Governor) and in East Kalimantan and the 'Strategic National Zone of Mammanisata' in South Sulawesi and third is underway ¹⁸⁸ . Over 50 attendees for Maloy validation and Ecba training ¹⁸⁹ , 30 attendees for training in east kalimantan in June 2014. More than 100 at national capacity building training in Bandung in Aug 2014. Although in kalimantan only 20 for advanced cba training.	According to interviews conducted since the progress report 5 of the planned case studies are now underway and one is stalled due to restricted access to data from the private sector partner involved. Worth noting that although the number of cases has not been completed considerable demand and implementation for workshops and trainings indicates that there is interest in the eCBA process and that this output will have been achieved by EOP.
3.1 Selection mechanism guidelines with principles, criteria and indicators able to guide priority setting and decision making by REDD+ agency	Selection mechanism guidelines, criteria and indicators document	Completed	"Guidelines for a Selection Framework and Process for Phase 2 of REDD+", which was submitted to REDD+ Special Team in December 2013. GGGI team has since met with the relevant REDD+ Agency staff in August 2014 and provided further advice on the application of the full Selection Framework and Process for Phase 2 funding cycles in late 2014 and beyond. The EK govt has used the selection framework ¹⁹⁰	No indication of how far the selection criteria will be used to assess the projects and REDD+ agency will have no direct role in selection projects as this will be delegated to agencies at local level.
4.1 REDD+ data base developed for use by REDD+ agency and other	REDD+ data base REDD+ JA Framework and	Completed	REDD+ Data Base and Synthesis Report developed to get a better understanding of landscape within 11 priority provinces.	Indicator is not a measure of output. Feedback received that this input has been useful for future planning in particular reducing overlap of support

¹⁸⁸ Page 3 Progress Update 2014, Paragraph 1

¹⁸⁹ Annex D progress update 2014

¹⁹⁰ page 21,22 , Progress Report update 2014

Output		Indicator	Completion status ¹⁷⁸	Evidence	Remarks (in relation to achieving output indicators by EOP)
stakeholders		Proposals		Developed a draft Concept Note with REDD+ Agency team on its vision for a Redd+ jurisdictional approach (JA) ¹⁹¹	agencies in geographical areas ¹⁹² .
5.1	Green Growth Road Map includes REDD+ and climate change as integral part to GG planning	REDD+ Climate Change appears in the relevant sections of the roadmap document	In progress	The draft road map proposed structure includes a section on Green Growth Opportunities and REDD+ is featured in Renewable Natural Resources Cluster and Emerging Natural Capital Cluster (Carbon trading, Eco-tourism, Ecosystem services, REDD+, other emerging activities based on valuing natural capital) ¹⁹³ Final text on delivering green growth not yet available.	Indicator assumes that the GG Road Map is the only way to influence mainstreaming of REDD+ in national and sub-national planning. GGGI is developing a REDD+ program and policy proposals that are ready for submission to relevant SKPDs in each of the sub-national jurisdictions so that they can be integrated into key policy documents such as the RPJMD and RENSTRA's ultimately leading to future budget allocations from the state budget. ¹⁹⁴
5.2	Integrating Green Growth into sub national planning documents	No clear indicator but verification "evidence that GG in RPJMD and SKPD strategies"	In Progress	In East Kalimantan, the GG Framework, which introduces GG and the five desired outcomes, was incorporated into the province's next mid-term development plan (RPJMD) for 2014 – 2018 ¹⁹⁵ . GGGI team provided inputs on key indicators that are now binding targets within East Kalimantan RPJMD and ensure government budget allocation. ¹⁹⁶	Traceable to local consultants, regional coordinators, and indonesia speaking consultants Central Kalimantan in the process – green strategy. Influence district process. Risks from their report

¹⁹¹Page 3, Progress report 2014, para 4

¹⁹²Interviews REDD+ Agency

¹⁹³Scope of the Green Growth Roadmap: Working Paper, October 2014

¹⁹⁴Page 25, Progress report 2014, para 5

¹⁹⁵Page 3, Progress report update 2014, para 5

¹⁹⁶Interview with BAPPEDA East Kalimantan November 2014. Refer to East Kalimantan RPJMD Chapter 8. Example indicators 1.08.43 "Ketersediaan dan pelaporan data level emisi yang terukur serta dapat di verifikasi" which means Availability and Reports of Emission Levels that can be measured and verified".

Output	Indicator	Completion status ¹⁷⁸	Evidence	Remarks (in relation to achieving output indicators by EOP)
			<p>Business case for sustainable SME : development of organic cassava, has been adopted in the Strategic Plan of the provincial Agriculture Agency and budget allocated for pilot in 2015 in East Kalimantan¹⁹⁷</p> <p>'Central Kalimantan: Moving towards green growth' report approved by Governor¹⁹⁸</p>	
6.1	Packaged deliverables under component 1 and 2 for capacity building training at national and sub-national government bodies for green growth planning and investment decision making as well as implementation of green growth, REDD+ and climate change interventions	Training materials incorporating REDD+ themes and examples	In progress	<p>eCBA Training Toolkit (2014) District level visioning methodology (2014) are products where specific materials have been packaged for replication in a training/ workshop. There is also evidence for demand of sharing of packaged deliverables through awareness (sharing and learning) workshops. Increasing government interest for green growth capacity building to a level where the government is fully paying or co-sponsoring the events¹⁹⁹.</p> <p>Although many workshops have been conducted only some materials simplified/packaged specifically for training purposes. many of the workshops are focusing on initial sharing and building awareness²⁰⁰. There is not yet a systematic assessment of specific learning objectives in relation to knowledge gaps of participants before and after workshops or as part of training design. PWC review recommended improvement of this aspect of capacity building too²⁰¹</p>

¹⁹⁷ Page 3, Progress report update 2014 , para 5

¹⁹⁸ Page 3, Progress report update 2014 , para 5

¹⁹⁹ The Coordinating Ministry of Economic Affairs hosted a national level workshop in Bandung in August 2014 and fully covered the budget of the workshop which consisted of 70 GoI staff across agencies, from national and at sub-national (14 provinces) level. Similar successes have also been seen in East Kalimantan. While GGGI covered the first training workshop the subsequent two were covered by the East Kalimantan Government budget. page 30, Progress report update 2014, last para and Annex D.

²⁰⁰ Interview with consultants November 2014

²⁰¹ Review of PWC consultant services to GGGI Indonesia Programme (2013) page 25.

Output	Indicator	Completion status ¹⁷⁸	Evidence	Remarks (in relation to achieving output indicators by EOP)
7.1 Capacity Building Strategy to systematically mainstream green growth in planning and investment decision making by integrating in government curricula	Capacity Building Strategy Document	In progress	GGGI has completed a preliminary Capacity Building Needs Assessment (CBNA) ²⁰² A draft report for the institutional capacity building for green growth has been prepared ²⁰³ with a small group of attendees (15 people) attending a workshop and FGD conducted in July and September 2014 ²⁰⁴ .	A final document will be available by EOP but implementation of strategy will be aimed at 2015-16. This relates to this output needing to follow on from the articulation of the program and development of tools. Liason with specific training centres for government agencies (Civil Service, Planning and Environment) for mainstreaming materials into national curricula such has already been initiated but ongoing engagement required with change of government ²⁰⁵

²⁰² Page 4, Progress report update 2014 , para 1

²⁰³ Page 33, Progress report update 2014, para 2 and Institutional Capacity Building for Green Growth: Towards a National Curricula

²⁰⁴ Annex D, Progress report update 2014, 9 and 14.

²⁰⁵ Interview with GGGI staff and PWC consultants responsible for output and LAN agency responsible for training civil servants and leaders