

# DFAT's Engagement with Indonesian Non-Government Organisations (2007–2014): A Review and Recommendations

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## Disclaimer

This research was carried out in collaboration with the Government of Australia, but the analysis and findings presented in this paper represent the views of the authors and do not necessarily represent the views of that Government. Any errors are the authors' own.

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## Abbreviations

AAI	Australia Awards Indonesia
ACCESS	Australia Community Development and Civil Society Strengthening Scheme (Phase 2)
AIFDR	Australia Indonesia Facility for Disaster Reduction
AIPD	Australia Indonesia Partnership for Decentralisation
AIPES	Australia Indonesia Partnership for Electoral Support
AIPJ	Australia Indonesia Partnership for Justice
ANTARA	Australia Nusa Tenggara Assistance for Regional Autonomy
APPR	Aid Program Performance Report
DFAT	Department of Foreign Affairs and Trade, Government of Australia
DRR	Disaster Risk Reduction
HCPI	HIV Cooperation Program in Indonesia
HIV and AIDS	human immunodeficiency virus / acquired immune deficiency syndrome
Kemitraan	Partnership for Governance Reform – Indonesia NGO
LOGICA	Local Governance and Infrastructure for Communities in Aceh
MAMPU	Empowering Indonesian Women for Poverty Reduction Program
NGO	Non-Governmental Organisation
NSSC	NGO Service and Study Centre
NU	Nahdlatul Ulama – Indonesia NGO/mass-based Islamic organisation
PEKKA	Women-Headed Household Program – Indonesia NGO
PNPM Peduli	Support to strengthen the Capacity of Civil Society Organisations to Empower Marginalised Groups to improve their Socio-Economic Conditions
PSF	PNPM ( <i>Program Nasional Pemberdayaan Masyarakat</i> ) Support Facility
SMERU	Social Monitoring and Early Response Unit – Indonesia NGO
UNDEF	United Nations Democracy Fund
USAID	United States Agency for International Development
YCAP	Yogyakarta Jateng Community Assistance Program
YAPPIKA	Organisation to Increase Participation, Initiative and Partnership of Citizens in Indonesia – Indonesian NGO
YMTM	<i>Yayasan Mitra Tani Indonesia</i> – Indonesian NGO

## Glossary

### **NGO**

Non-governmental organisations (NGOs) are part of civil society, 'a wide and growing range of non-government and non-market organisations through which people organise themselves to pursue shared interests or values in public life,' according to DFAT's own Civil Society Engagement Framework.<sup>1</sup> Civil society organisations (CSOs) are a space through which the public checks the power of the state and market by advocating for justice in social and economic matters, and by addressing social development needs that the state and market do not or cannot address. Membership in CSOs is voluntary and organisations are self-governing with any profits turned back into the organisation rather than into the hands of private individuals. Under a level of operations framework, CSOs include community-based organisations (*organisasi berbasis masyarakat*), which operate at a local level and depend on membership contributions to operate, most often in service to those same members. Like the 2012 NGO Sector Review, this design distinguishes NGOs from CBOs by their more complex organisational structure, reliance on paid or voluntary staff, minimum financial base and focus on serving others through direct service, community organising and / or advocacy rather than engaging in self-help.

### **NGO sector**

The NGO sector is the collective of NGOs that operate in a given space. Different NGOs serve different functions and different communities but are effected by the same enabling environment, and thus have common interests and challenges.

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<sup>1</sup> AusAID, 2012

## Executive Summary

The Department of Foreign Affairs and Trade (DFAT) embarked on a project to design a *National NGO Study and Service Centre for Poverty Reduction and Development* (NSSC) in 2014–2015. In addition to comprehensive field research, analysis requested to inform the design included a review of DFAT programs outcomes and financial data and reviews of literature from comparative programs. The data and findings from this research, as well as inputs from DFAT non-governmental organisation (NGO) partners that complemented the findings, fed directly into development of the NSSC design. It also yielded results, findings and information relevant to a broader DFAT audience that provided lessons on engagement with Indonesian NGOs.

Indonesian NGOs play an important role in the delivery of the Government of Australia's aid program in Indonesia. This report analyses the role of Indonesian NGOs in Australia's aid program over the period Fiscal Year 2007/08 to 2013/14 based on analysis of project documents, financial analysis, and complementary data collection from NGO partners. The report estimates the level of assistance provided to Indonesian NGOs and outcomes of that assistance, both in helping DFAT meet its development objectives and in meeting the development objectives of partner NGOs. The review included a focus on documenting lessons from experiences across projects that could be of relevance to DFAT in engaging with Indonesian NGOs in the future.

## A Summary of Key Findings

The report identifies 155 different DFAT projects that engaged with NGOs: either through direct contracts from DFAT to NGOs or through contracts through other DFAT implementing partners, such as managing contractors or international NGOs. According to the financial analysis of the 101 projects for which financial data was available, Indonesian NGOs have managed approximately \$157 million from DFAT over the seven-year time frame. This represents over 6.5% of DFAT's overall expenditure in Indonesia in that timeframe. The role Indonesian NGOs played in delivering DFAT's aid program in Indonesia almost doubled from 2007/08 to 2013/14, from 4.8% of overall expenditure to 8.4%. The majority of this funding (53% of the funds) was provided through sub-contracts from projects implemented by managing contractors.

The vast majority of DFAT's partnerships with Indonesian NGOs (86% of expenditure to NGOs) in the period reviewed were in the Effective Governance and Building Resilience sectors.<sup>2</sup> The Local Governance sub-sector accounted for 34% of expenditure on NGOs and 20% was spent through the Poverty Reduction sub-sector. Across the seven years, there was little to no documented use of Indonesian NGOs in the education, transport and connectivity and water and sanitation sectors despite these sectors accounting for a combined 28% of DFAT expenditure in 2012/13.

Over 300 NGOs had agreements with DFAT projects during this time, via approximately 1,080 stand-alone agreements. Drawing from documentation that was available, a significant majority of these agreements were under \$100,000 and for less than 12 months duration.

The review analysed publicly available project documentation, covering 80 projects. Evidence from these projects suggests that engaging NGOs was an effective and efficient approach for DFAT in achieving the outcomes it hoped to achieve. In a number of areas, DFAT would find it difficult to meet its development objectives without partnering with Indonesian NGOs. Working with NGOs enhances the effectiveness of DFAT's support across a number of other sectors.

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<sup>2</sup> Sectors refers to current sectors identified by DFAT as per the DFAT website. Sub-sector categorisation follows the categorisation used through DFAT's Aid Program Performance Reports for Indonesia.

DFAT's own quality data<sup>3</sup> shows that initiatives engaging NGOs had noticeably higher scores for effectiveness (average 4.71 compared to 4.37) and efficiency (4.29 compared to 4.04) compared to those that did not work with NGOs. Similar trends existed in 2011. A number of independent completion reports have identified that providing assistance through Indonesian NGOs provides value for money compared to alternative options and enhances the sustainability in project outcomes.<sup>4</sup>

To date, DFAT support for NGOs has focused more on capacity development of individual organisations rather than the sector as a whole. Where documentation exists in examining results for individual NGO partners, the results tend to be positive. The increasing prominence of projects supporting core funding in recent years should result in better evidence of the impacts of DFAT assistance on NGOs themselves and the sectors they operate in.

## Recommendations

The report identifies a number of recommendations for how support through DFAT projects could strengthen the NGO sector.

1. **Recommendation:** Given the level of funding DFAT should consider facilitating a routine strategic level dialogue with NGO partners to provide feedback on substantive development issues and an opportunity to raise operational issues common across programs. The proposed NSSC could potentially provide such a platform.
2. **Recommendation:** In sectors where limited or no NGO engagement exists, DFAT should purposefully assess whether engagement with Indonesian NGOs could add value to DFAT support in those sectors. Where engagement is restricted because of the nature of relations with government partners, DFAT should consider supporting activities that build trust between government partners and NGOs and/or engage with government partners on the benefits of active NGO partners in these sectors including building the capacity of relevant NGOs to engage more effectively with government.
3. **Recommendation:** As a benchmark, projects working with NGOs need to allocate approximately 20% of assistance to NGOs for indirect assistance to support their work. The proportion will be higher for projects adopting more intensive approaches to working with NGOs and providing NGOs with more scope to design and control the activities that they implement.
4. **Recommendation:** DFAT should adopt a common definition of what constitutes core funding across projects and encourage projects that adopt core funding modalities to share lessons on approaches, successes and challenges. The proposed NSSC could facilitate this.
5. **Recommendation:** Where consistent with project objectives DFAT projects should identify ways to support more organisations using watch dog or adversarial approaches.
6. **Recommendation:** Designs should ensure that where objectives aim to strengthen NGO capacity, relevant activities are adequately funded to meet these objectives and tools exist to measure progress across those objectives.
7. **Recommendation:** Where projects specifically aim to increase institutional capacity of NGOs or the NGO sector, DFAT should seek to include NGOs in the design process and governance arrangements, better ensuring that designs reflect needs of NGO partners.
8. **Recommendation:** In engaging with NGOs, DFAT projects should seek opportunities to support the core objectives or work plans of NGOs where they are consistent with project needs, rather than asking NGOs to adopt work plans developed by DFAT.

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3 Data reviewed was still called 'quality at implementation' data, found in Aid Program Performance Report 2012–2013, Annex C Quality at Implementation Ratings for 2012 and 2011. The same data as of June 2015 is referred to as 'aid quality checks'.

4 See findings in evaluations of LOGICA2, ANTARA, Yogyakarta-CAP and Building Resilience in Eastern Indonesia.

9. **Recommendation:** When engaging NGOs, DFAT projects should consider agreements that provide greater financial certainty for NGOs, including through multi-year contracts for provision of services or contracts with defined performance-based extensions.
10. **Recommendation:** Where NGOs receive significant funding from DFAT, DFAT should monitor this in proportion to the overall funding levels of those NGOs and, where necessary, support activities for those NGOs to diversify funding for after DFAT funding ends. The proposed NSSC might be one such activity.
11. **Recommendation:** The NGO sector is weakened by a disconnect that exists between national and local NGOs. Projects should aim to address this including by building regional coalitions and strengthening information networks between national and local NGOs.
12. **Recommendation:** DFAT projects aiming to support the development of NGO networks should ensure that sufficient time is provided to strengthen the networks, network partners have flexibility to identify their own priorities and ways of working, existing networks are used where possible and approaches take into consideration the disconnect that exists between national and local NGOs.
13. **Recommendation:** A number of projects have highlighted positive outcomes of projects encouraging partnerships between NGOs and government. Given this emphasis, project designs and implementation should analyse more clearly the linkages between building stronger NGOs and government networks and the causal effect this has on projects delivering their broader development outcomes.
14. **Recommendation:** DFAT design teams should better analyse commitment of government partners in agreeing to including NGO-related activities in project designs.
15. **Recommendation:** Although yet to be tested, some scope may exist for DFAT projects to encourage NGOs to 'figure out' how to improve government financial and procurement processes so that NGOs can legitimately and effectively access government funding. This could include the provision of matching grants or additional core funding allocations from DFAT projects for NGOs that successfully access government funding.
16. **Recommendation:** DFAT should support further analysis on opportunities and constraints for NGOs engagement with the private sector and the role of donors in facilitating this engagement, including for funding diversification. The analysis should learn from constraints faced by the United Nations Democracy Fund (UNDEF) which in 2009–2011 funded a program in Indonesia called Strengthening Local NGOs in Areas where Extractive Industries Operate Project. DFAT support for global initiatives including the *Extractive Industries Transparency Initiative* and the International Mining for Development Centre may also provide lessons for this analysis.

# 1 Introduction

This report aims to provide Australia's Department of Foreign Affairs and Trade (DFAT) with recommendations for its engagement with NGOs in Indonesia. The report was produced as part of the design process for the NGO Study and Service Centre (NSSC). Over an 18-month period DFAT funded a range of research activities to provide empirical data on Indonesia's NGO sector to support the design of a facility that will aim to strengthen the NGO sector. Through the design a strong NGO sector has been defined as one that: (i) has equitable and constructive engagement with government and private sector; (ii) is well-governed, independent, accountable; and (iii) has adequate, diversified funding.

The NSSC research included a component examining the relationship between DFAT and Indonesian NGOs in the recent past in order to understand how that relationship can be strengthened moving forward through the NSSC including how the NSSC will fit in the broader DFAT portfolio. The review of DFAT engagement with Indonesian NGOs covered 155 projects worth approximately \$905 million over fiscal years 2007/08 to 2013/14. This report draws from that research as well as incorporating findings from a comparative review of global civil society programs and non-DFAT donor programs in Indonesia that was also conducted as part of the NSSC design process.

The report is structured as follows:

1. Section 1 outlines the objectives of the research and its methodology.
2. Section 2 below provides context on DFAT engagement with Indonesian NGOs including an examination of the levels of funding provided between 2007/08 and 2013/14 and the nature of the networks established.
3. Section 3 outlines how working with Indonesian NGOs has helped DFAT achieve its development objectives.
4. Section 4 identifies the ways that support from DFAT has influenced Indonesian NGOs and lessons learned from the experiences of projects for building a stronger NGO sector in Indonesia.<sup>5</sup>
5. Section 5 – the final section – summarises the recommendations for how DFAT support through projects engaging NGOs could strengthen the NGO sector in Indonesia.

The primary audience for the report are staff from DFAT or DFAT programs working with NGOs in Indonesia. Given this primary audience, the report assumes that readers will have a degree of familiarity with the DFAT operational environment and DFAT programs in Indonesia.

## 1.1 Objectives

This report aims to identify how DFAT can most strategically support the development of a healthy NGO sector in Indonesia. It does this by examining DFAT engagement with Indonesian NGOs in the recent past as well as drawing from lessons from comparative programs. The review focused on four key research questions as follows:

- > How much funding does DFAT provide to Indonesian NGOs?
- > What are the primary delivery channels for funding to Indonesian NGOs?
- > How does working with Indonesian NGOs contribute to achieving DFAT development goals?
- > How does DFAT support strengthen Indonesian NGOs?

In parallel, the NSSC conducted additional research on comparative lessons and best practice to inform the design. The comparative research focused on the following topics:

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<sup>5</sup> A detailed list of lessons from DFAT projects and comparative research is provided in Annex 4.

- > How have donors engaged with civil society strengthening around the world?
- > How have non-DFAT donors in Indonesia supported civil society initiatives?

## 1.2 Methodology

The core of the review is a detailed analysis of financial and project documentation for DFAT projects working with NGOs between financial years 2007/08 and 2013/14. This information is supplemented through a series of targeted interviews with Indonesian NGOs and analysis of NGO-focused projects funded by other donors in Indonesia or funded by DFAT or otherwise globally. Annex 1 provides a detailed description of the methodology used and limitations. The approach is briefly summarised below.

The analysis covered 155 projects with expenditure of \$905 million, representing all projects that were known to work with Indonesian NGOs. Analysis was undertaken on each project in the list to identify expenditure on Indonesian NGOs and lessons from outcomes. The research team relied on information in project designs, implementation reports and both activity and independent completion reports. Although most of the data was publicly available, some, in particular the financial data, was provided on the basis of confidentiality. As such, the report does not provide any financial breakdowns at a project level but rather provides information either by sector or by type of implementing partner.<sup>6</sup>

Not all projects that were known to work with NGOs had publicly available documentation. Table 1 below provides a breakdown of the projects identified categorised by type of implementing partner with information on whether outcome and / or financial data was available. Documentation covering outcomes was accessible for 80 projects. Financial information was available for 101 projects covering \$712 million. A list of projects reviewed is provided at Annex 2.

Table 1 Number of Projects Reviewed by Implementing Partner

Type of Implementing Partner	Projects Identified	Outcome Data Available	Financial Data Available
Indonesian NGO	58	22	58
International NGO	34	22	18
Managing Contractor	26	17	13
Multilateral Organisation	19	8	4
Indonesian Commission <sup>7</sup>	8	3	1
Australian Government	7	6	4
Teaching Institution	3	2	3
<b>Total</b>	<b>155</b>	<b>80</b>	<b>101</b>

Analysis was supplemented by two additional data sources. First findings from the initial analysis were subsequently crosschecked with NGO partners through a small number of interviews with a purposively selected range of NGO partners; a focus group discussion with a number of partners; and an online survey completed by approximately 120 NGOs on their experiences engaging with donors. Annex 6 summarises the approach and key findings from the interviews with NGO partners. Second, where there were relevant findings the report also incorporates findings from a literature review of 14 projects outside of Indonesia and seven non-DFAT projects in Indonesia (the comparative review).

<sup>6</sup> NGOs could receive assistance from DFAT through three avenues. First, DFAT entered directly into an agreement with the NGO through which the NGO received financial assistance directly from DFAT. This form of assistance is referred to as direct funding or direct grants throughout this report. Second, Indonesian NGOs receive funding through other implementing partners, either as contracts or grants, to implement particular aspects of a project. Third, other implementing partners provided 'indirect assistance' for NGOs. This was support other than the transfer of funds to those NGOs. The type of activities it covered included technical support, training or operational costs of managing NGO activities.

<sup>7</sup> Projects identified with the Government of Indonesia that engaged with NGOs were limited to projects working with Indonesian Commissions. As such this category refers to Indonesian Commissions, rather than Government of Indonesia.

These programs were purposively selected to explore how donors have historically designed NGO facilities and projects aimed to strengthen civil society as a sector.

### Categorisation

The report uses two main means of categorising DFAT projects. The first is the type of implementing partner DFAT engaged to implement projects. This follows the classifications used in the dataset DFAT provided on expenditure from 2007/08 to 2013/14 though several categories used in the original dataset were either combined or re-categorised to simplify analysis.

The second means of categorising DFAT projects is by sector. The report uses two levels within this category, the sector level and the sub-sector level. The dataset DFAT provided did not include references to either; as such, the review team categorised each project based on their understanding of each projects' objectives. Where uncertainty existed in the re-categorisation, the review team confirmed the proposed classification with DFAT. Sector categories used are consistent with DFAT's website as of late 2014.<sup>8</sup> Sub-sector categorisations follow DFAT's Aid Program Performance Reports (APPR).<sup>9</sup>

### Limitations

There were several limitations with the approach taken in the review. First, either financial or outcome data was not available for every project identified. Documentation was less likely to be available for projects with expenditure of less than \$1,000,000 (including a large number of agreements directly from DFAT to Indonesian NGOs); and for projects that closed some time ago. For various reasons, there were also issues with accessing and analysing data from some multilateral projects. Analysis did not cover engagement through DFAT's *Australia NGO Cooperation Program* as the data was not accessible to the team. The challenges presented in collecting data were mitigated by documenting where limitations existed, ensuring an ongoing, open dialogue with DFAT on availability of data and constraints and pursuing all reasonable means to triangulate information.

Second, because project expenditure reporting was generally not specifically set up to report on NGO engagement, it was not always possible to calculate the amount of assistance.<sup>10</sup> Where this information is lacking, these projects were not included in the review of financial data. Financial data, therefore, draws from 101 projects with overall expenditure of \$712 million. As a result of this limitation, the data should be viewed as a minimum figure, recording expenditure for which figures were or could be documented for the report. There is some additional expenditure that is known to have occurred but that was not been possible to calculate.

## 2 DFAT's Engagement with NGOs

This section examines the levels of funding DFAT has provided to Indonesian NGOs and the areas where this funding is provided. Since 2007/08, there has been a progressive increase in the amount of assistance provided to Indonesian NGOs and changes in the way that DFAT engages with Indonesian NGOs. This section begins by providing a description of this context. DFAT reliance on NGOs is

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8 See <http://aid.dfat.gov.au/aidpolicy/Pages/home.aspx> (accessed on 19 January 2015). These sectors were revised in late 2014 with the change of government. They are: Infrastructure and Trade; Agriculture; Effective Governance; Education; Health; Building Resilience; and Gender Equality.

9 The following sub-sectors were used: **Agriculture**: agriculture; environment/other; **Building Resilience**: disaster risk reduction, poverty reduction, other; **Effective Governance**: elections, justice, knowledge sector, local governance, economic governance, other; **Gender**; and **Health**: HIV and AIDS, other. Sub-sectors were not defined in other sectors as no NGO activity was identified in those sectors.

10 Two main examples arose from the research. The *Indonesia Australia Forest Carbon Partnership* was managed by a managing contractor who sub-contracted significant parts of implementation to international NGOs. It is known that these international NGOs used Indonesian NGOs for some aspects of implementation. However, the available financial data does not differentiate between what was implemented by the managing contractor, international NGO or local NGO. Similarly, the new *Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture* project includes contracts with at least five international NGOs, some implementing in partnership with Indonesian NGOs. However, from the financial data available to the review it was not possible to estimate the distribution of expenditure between international and Indonesian NGOs.

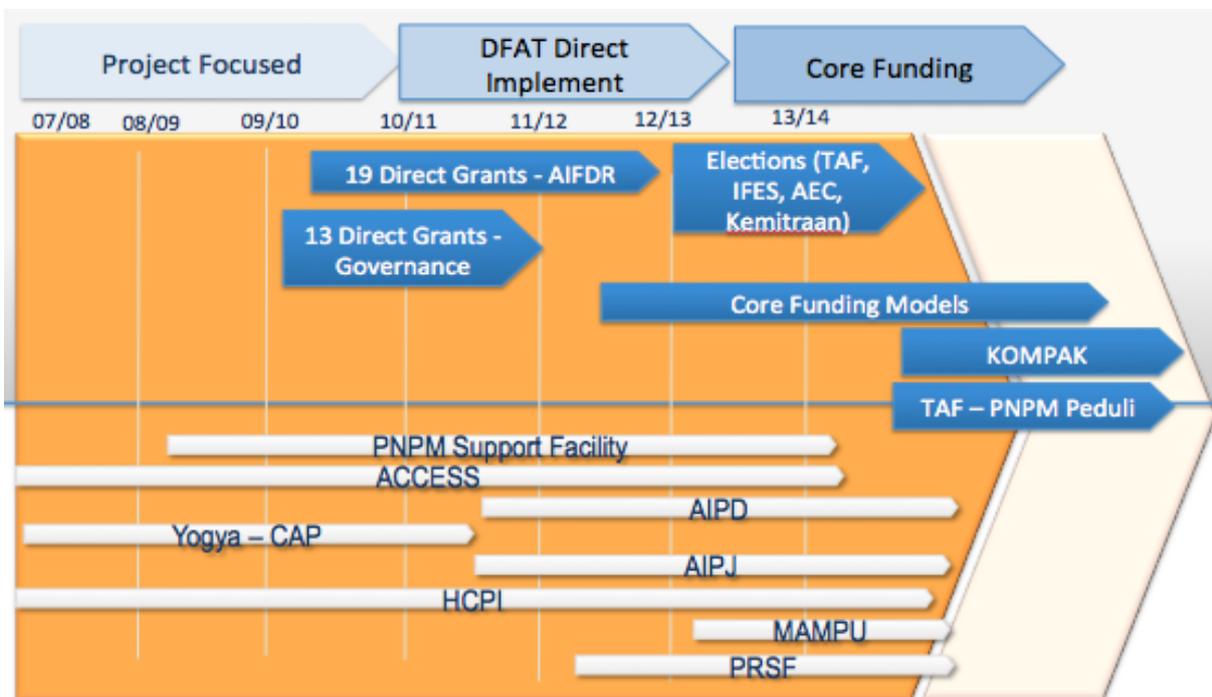
concentrated in a small number of sub-sectors, predominantly in the Building Resilience and Effective Governance sectors. Funding is also predominantly provided through managing contractors. Expenditure by sector and types of implementing partner is analysed and information is provided on the size of grants. Finally, the range of NGOs DFAT has engaged with is documented.

## 2.1 Context of DFAT partnerships with Indonesian NGOs

Between 2007/08 – 2013/14, it is estimated that Indonesian NGOs received approximately \$157 million from DFAT, representing approximately 6.5% of overall expenditure by DFAT in Indonesia over that time period. This funding involved approximately 1,130 standalone agreements with at least 315 NGOs across Indonesia. DFAT's annual reporting processes indicate that, in the last few years, DFAT projects that have worked with Indonesian NGOs have rated higher on scales of effectiveness and efficiency than projects that have not engaged NGOs.

Although not explicitly set out in policy guidance, the approach of DFAT engagement with Indonesian NGOs has evolved considerably during the time period covered in the review. **Error! Reference source not found.** below demonstrates that leading up to FY 2009/10, support was primarily provided through a small number of projects, such as the *Yogyakarta Community Assistance Program* (YCAP), that engaged NGOs to implement aspects of their projects. For a three year period following there was a considerable increase in the number of agreements DFAT entered into directly with Indonesian NGOs. This was primarily a result of DFAT directly contracting NGOs through the *Australia–Indonesia Facility for Disaster Reduction* (AIFDR) and with the governance sector issuing a range of grants to provide interim support to key NGOs or pilot initiatives while designing new projects. Around 2012/13 DFAT commenced supporting a range of projects through non-Indonesian NGO implementing partners but in a context that allowed for NGOs to take increased ownership and a focus on strengthening networks among NGOs. These are most identifiable in the core-funding type approach adopted by several projects in 2012/13 and 2013/14.<sup>11</sup> Figure 1 also references the period of operation of the eight projects with the most significant expenditure to NGOs.

Figure 1 Changes in DFAT's Approach to Working with NGOs over time and Projects with most significant NGO funding



<sup>11</sup> It should be noted that although a number of projects have, in recent years, focused on provision of core funding these projects each use their own approaches to defining what core funding consists of and how NGOs are eligible to use core funding.

The DFAT trends parallel to some extent trends in the broader donor context in the 2010s, in which donors have made a strong push to support NGOs with core funding and grants to address social and political reform at various levels. As one of the key donors in this area, United States Agency for International Development's (USAID) work provides some examples of this more recent focus. USAID Forward's new model emphasises local knowledge and local solutions, putting more ownership and trust in local NGOs and institutions. USAID's on-going Program *Representasi* (2011–2016) aims to increase inclusiveness within constituency-based civil society organisations (CSOs)<sup>12</sup> and improve policy research skills and cooperation among think tanks, Indonesian universities, and local CSOs. Similarly, the *Inisiatif Kemitraan Asia Tenggara*-United States (US-IKAT or Southeast Asia Partnership Initiative, 2011–2014) promotes South-South collaboration, connecting strong Indonesian CSOs with other CSOs in Southeast Asia to promote knowledge exchange and foster regional efforts for democracy and protection of human rights.

Still, despite the growth of Indonesian civil society since the fall of Suharto in 1998 and the evolution of donor engagement, chronic challenges remain in the NGO sector in Indonesia and its dependence on donor assistance. While some donor programs provided assistance to NGOs working on specific issues or in certain regions of Indonesia, there are no examples of initiatives to unite NGOs under one roof and afford them the agency to address and take ownership of sectoral challenges. The overall amount of funding across donors has either plateaued or decreased and the funds available are now spread across a broader spectrum of activities.<sup>13</sup> At the same time, NGOs in some sectors, such as HIV and AIDS, local governance and gender NGOs, that have traditionally been able to access funds from multiple donors, since 2013 have been reporting an increased reliance on DFAT funding as other donors cease funding NGOs in these sectors. For example, it was reported that as USAID support for NGOs working on HIV and AIDS decreased over recent years, these NGOs increasingly turned to DFAT-funded HIV and AIDS projects to continue delivering services.

## 2.2 Profile of expenditure on Indonesian NGOs

DFAT funding to Indonesian NGOs has steadily increased as a proportion of the overall aid program in Indonesia between 2007/08 and 2013/14. At least 6.5% of the \$2.39 billion DFAT spent on aid in Indonesia since 2007/08 has resulted in funding to Indonesian NGOs. This covers both grants directly from DFAT to Indonesian NGOs and grants that are provided through DFAT's other implementing partners. The role Indonesian NGOs play in the Australian aid program, in terms of proportion of overall funding, has also increased steadily on a year-on-year basis, accounting for 4.78% of expenditure in 2007/2008 to 8.4% of expenditure in 2013/14.<sup>14</sup> Whereas overall annual expenditure by DFAT in Indonesia over the seven year period increased by 70%, the amount of funding received by Indonesian NGOs from DFAT on an annual basis increased 300%, from \$12.2 million to \$36.6 million. Table 2 below provides a summary of estimated funding over time.<sup>15</sup>

1. **Recommendation:** Given this level of funding DFAT should consider facilitating a routine strategic level dialogue with NGO partners to provide feedback on substantive development issues and an opportunity to raise operational issues common across programs. The proposed NSSC could potentially provide such a platform.

Table 2 Funding to NGOs increases over time, including as a proportion of DFAT aid expenditure in Indonesia

Financial Year	Overall Expenditure	Estimated Funding to NGOs	% of overall expenditure
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12 Civil society organisations cover a broader spectrum of partners than NGOs but NGOs feature prominently in these projects.  
13 Davis, 'NGO Financial Sustainability and Funding Diversification: The Challenge of Financial Sustainability for Indonesian NGOs'; (2015).

14 The figures referencing expenditure on NGOs by financial year are estimates. They are calculated by calculating the overall project expenditure on NGOs and then allocating this, pro rata, across financial years to reflect project expenditure across financial years.

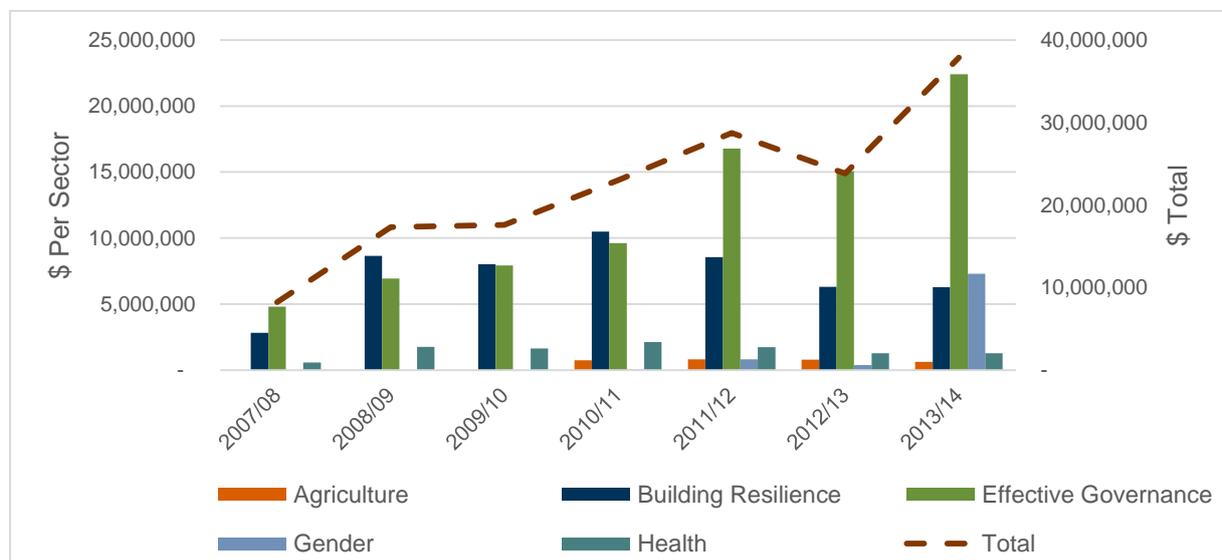
15 More detailed financial information on funding of NGOs by sector and type of implementing partner is provided in Annex 6.

Financial Year	Overall Expenditure	Estimated Funding to NGOs	% of overall expenditure
2007/2008	\$256,032,724	\$12,232,424	4.78%
2008/2009	\$288,608,801	\$13,100,635	4.54%
2009/2010	\$288,370,201	\$14,762,459	5.12%
2010/2011	\$307,186,930	\$19,199,527	6.25%
2011/2012	\$387,428,902	\$29,395,377	7.59%
2012/2013	\$425,072,242	\$31,292,835	7.36%
2013/2014	\$433,808,011	\$36,617,380	8.44%
<b>Total</b>	<b>\$2,386,507,810</b>	<b>\$156,600,637</b>	<b>6.56%</b>

### 2.2.1 Sectors

Of the funding to Indonesia NGOs, the vast majority (86%) was in two of the six sectors DFAT organised its aid portfolio around as of late 2014, namely the effective governance and building resilience sectors and, more specifically, the poverty reduction and local governance sub-sectors. In particular there was a significant and consistent increase in engagement with NGOs in the effective governance sector over the period of the review. In this sector, estimated annual grants to NGOs increased from \$7 million in 2007/08 to \$17 million in 2012/13 and then to \$22 million in 2013/14.<sup>16</sup> Election-related NGO activities in 2012/13 and 2013/14, support to NGOs through the knowledge sector and increases in expenditure on NGOs through a core-funding mechanism of *Australia Indonesia Partnership for Justice (AIPJ)* and in local governance projects explains these increases across the effective governance sector.

Graph 1 Over time the Effective Governance Sector has seen the largest increase in work with NGOs



At the same time and despite the rising proportion of the aid budget going towards NGOs, the sector that represented the majority of expenditure on Indonesian NGOs across the seven-year timeframe (the effective governance sectors, at 53%) represented only 15% of overall DFAT expenditure in 2012–2013. Fully 44% of the aid budget in 2012–2013 was spent across sectors where there was no

<sup>16</sup> The research estimated expenditure across financial years for funding to Indonesian NGOs per type of implementing partner and sector. The data provided overall expenditure per financial year for each project. Based on calculations of project-level funding for Indonesian NGOs, these amounts were apportioned consistent with the overall expenditure over years for each project. This provides an estimate of expenditure per year at an aggregate level.

apparent engagement with Indonesian NGOs.<sup>17</sup> For sectors that had no or limited engagement with NGOs, in some instances the types of modalities used to provide assistance limited the ability to engage NGOs. For both education and water and sanitation, assistance was predominantly 'on budget,' i.e., provided directly to the Government of Indonesia. In economic governance, lack of engagement with NGOs seemed to reflect a perception by the project that engagement with NGOs might produce risks for DFAT in its relations with government partners. Although some NGOs working on economic governance issues do partner with and receive funding from DFAT this support is provided through projects in other sectors. For example, FITRA has received support for budget accountability activities at the national level through the knowledge sector and *Australia Indonesia Partnership for Decentralisation* (AIPD), under local governance, has engaged with a range of local NGOs on public expenditure analysis of district governments. Finally, in DFAT's transport sector work, it is likely that the lack of NGO engagement reflects the lack of NGO involvement in Indonesia's transport sector overall.

2. **Recommendation:** In sectors where limited or no NGO engagement exists, DFAT should purposefully assess whether engagement with Indonesian NGOs could add value to DFAT support in those sectors. Where engagement is restricted because of the nature of relations with government partners, DFAT should consider supporting activities that build trust between government partners and NGOs and/or engage with government partners on the benefits of active NGO partners in these sectors including building the capacity of relevant NGOs to engage more effectively with government.

### 2.2.2 Implementing Partners

Over the seven-year period reviewed, the most significant amount of funding provided to Indonesian NGOs went through projects implemented by managing contractors (53%), followed by direct funding from DFAT to Indonesian NGOs (21%), funding through multilateral organisations (15%) and funding through international NGOs (10%). There has been a progressive increase across all implementing partners for overall levels of funding to NGOs. The overall funding increases over time are consistent with increasing budgets in the aid program in Indonesia across this timeframe. This is illustrated in Graph 2.

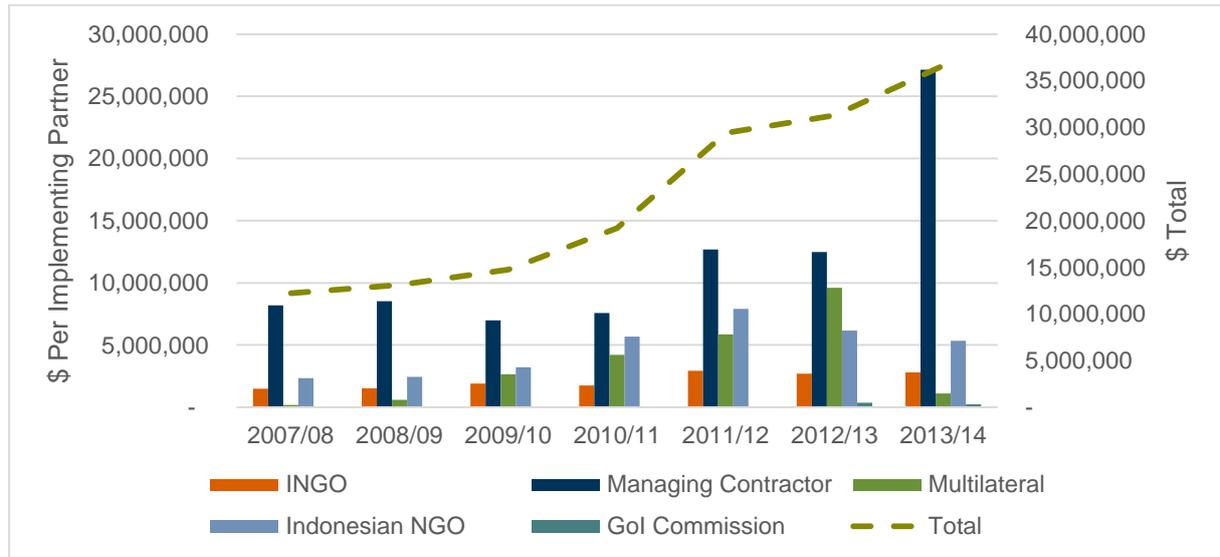
Also reflected in Graph 2, 2012/13 and 2014/15 showed a substantial increase in partnering with NGOs by managing contractors compared to previous years. This can predominantly be attributed to new programs that have come on line with a focus on capacity development across specific sectors with extensive NGO engagement, in particular in the gender and knowledge sectors, which were awarded to managing contractors.<sup>18</sup> At the same time, there was a decrease in funding provided through multilateral organisations reflecting the winding down of funding to the PNPM Support Facility in year 2013/14. The assistance for PNPM Peduli that previously went through PNPM Support Facility is now being delivered through an international NGO and is expected to almost double DFAT support to Indonesian NGOs through international NGOs on an annual basis starting in fiscal year 2015/16.

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<sup>17</sup> 8.6% of this assistance was for scholarships. These did not provide direct support to Indonesian NGOs but did accept candidates from civil society. For both water and sanitation and education, one project was identified in each sector that had some engagement with NGOs. In the water and sanitation sector, Plan International Australia is implementing a Civil Society Water, Sanitation and Hygiene Program with expenditure of \$766,600 under a global WASH fund. In education, UNICEF's Rural and Remote Education Initiative for Papuan Provinces (\$3.6 million) had some NGO engagement. For both these projects financial data was not available, as such the level of assistance provided through NGOs was not possible to calculate. It is also understood that INOVASI will engage with NGOs in the education sector. However, this project was not operational at the time of research.

<sup>18</sup> Simultaneously the figures still capture longer-standing projects such as HCPI and ACCESS. Expenditure for the later finished in financial year 2013/14.

**Graph 2** Most types of Implementing Partners have increased their work with NGOs over time



Meanwhile, granting directly to NGOs by DFAT appears to be in decline. Over the seven years DFAT has had 58 direct agreements with 36 different NGOs valued at just over \$33 million in funding. Two-thirds of the agreements covered expenditure in financial years 2009/10 to 2011/12, primarily being for activities under AIFDR and interim activities in the governance sector. In the last financial year covered by the report, only six NGOs received direct support from DFAT, covering seven agreements. With one exception, these were all NGOs that had received sizeable direct funding from DFAT over multiple years.<sup>19</sup>

### 2.2.3 How funding to NGOs is allocated

#### Grant Sizes

The majority of agreements to Indonesian NGOs were below \$100,000 but a small number of significantly larger grants captured the majority of expenditure to Indonesian NGOs in the period reviewed. Of the 58 agreements DFAT entered into directly with Indonesian NGOs, 32 agreements (55%) involved expenditure of \$100,000 or less. Seven agreements were for projects over \$1,000,000. A similar picture emerges when examining expenditure through implementing partners. Drawing on data from five projects that represented over 45% of funding to Indonesian NGOs,<sup>20</sup> average funding per agreement remained consistent until 2013, varying from \$67,000 to \$128,000 per agreement. However, this increased significantly in 2013/14 rising to an average of \$256,000 per agreement. These aggregate figures hide a significant degree of variation across projects. AIPD, in particular, had a comparatively small number of agreements worth a significant amount. As most of the expenditure was in 2013/14, this caused a significant increase in average funding per agreement.

The lower amounts in the DFAT grant size range are similar to budgets allocated in projects supported by other donors in Indonesia. For example, USAID's ProRep 2013 Mid-term Evaluation noted that all 14 civil society organisation grants were below US\$75,000, with most around US\$55,000, lasting from six to twelve months.

#### Indirect assistance

Where figures were available, it was estimated that both managing contractors and international NGOs spent on average 20% of their funding for Indonesian NGOs in the form of indirect assistance (e.g. technical assistance, grants management support and training organised by implementing

<sup>19</sup> Five of the six NGOs receiving direct grants in FY2013/14 had managed direct grants from DFAT worth over \$1,000,000 and four of these NGOs had multiple direct agreements with DFAT throughout the period reviewed.

<sup>20</sup> These projects were ACCESS, AIPD, AIPJ, HCPI and LOGICA, accounting for a total 446 agreements with Indonesian NGOs.

partners) when they were DFAT's implementing partner for a project.<sup>21</sup> With that said estimates indicated that certain types of approaches to working with NGOs required greater allocation of indirect assistance compared to others. Projects that contracted NGOs for narrow, pre-prescribed tasks or activities provided lower estimated levels of indirect assistance. Where projects had grant-making mechanisms or worked significantly with sub-national NGO partners the proportion of funding spent on indirect assistance rose up to 30%. Similarly, indirect assistance as a proportion of grants to NGOs appeared proportionally higher in the HIV and AIDS, Justice and Knowledge sub-sectors, reflecting the more intensive grant-making / capacity-building modalities employed by projects in these sub-sectors.

- 3. Recommendation:** As a benchmark, projects working with NGOs need to allocate approximately 20% of assistance to NGOs for indirect assistance to support their work. The proportion will be higher for projects adopting more intensive approaches to working with NGOs and providing NGOs with more scope to design and control the activities that they implement.

### Core funding

DFAT has provided core funding to a small number of Indonesian NGOs dating back at least to the start of the period covered by this review. The review identified two Indonesian NGOs, Social Monitoring and Early Response Unit (SMERU) and the Indonesian Red Cross, that periodically received core assistance either through direct grants from DFAT or through the International Federation of the Red Cross, throughout the timeframe of this review. A third, BaKTI, has received core funding through other implementing partners at least since FY2010/11.

Since 2011/12, the core funding approach has been adapted to deliver core funding to a broader range of partners through projects implemented by managing contractors. Core funding is now central to the NGO engagement strategies of a number of projects including *Knowledge Sector Initiative*, *Empowering Indonesian Women for Poverty Reduction Program* (MAMPU) and AIPJ.<sup>22</sup> It is estimated that, since 2011/12, at least \$12 million has been granted to Indonesian NGOs through projects that use a core funding approach.

The projects that have adopted core funding modalities have different approaches for defining what constitutes core funding. In general, the concept of core funding has not been clearly defined across projects. At a minimum it constitutes funding for on-going institutional or operational costs, as evidenced by some of the funding provided to grants to BaKTI or SMERU across the years. The approach taken by Knowledge Sector Initiative provides for some allocations to cover these costs with additional funding for activities aimed at strengthening organisational needs. Other approaches appear to also enable NGOs to allocate funds to activities that they perceive as priorities but for which they have not yet identified funding. Reports from both *Knowledge Sector Initiative* and AIPJ indicate that one risk of core funding is that it creates complacency among NGOs in relation to this funding, as NGOs prioritise other activities to the detriment of progress against core funding targets.

- 4. Recommendation:** DFAT should adopt a common definition of what constitutes core funding across projects and encourage projects that adopt core funding modalities to share lessons on approaches, successes and challenges. The proposed NSSC could facilitate this.

<sup>21</sup> Figures were less readily available for other types of implementing partners. Indirect assistance refers to assistance that was provided to support Indonesian NGOs but did not result in a transfer of funding from the implementing partner to those NGOs. It could take the form of technical assistance, capacity development training or costs of managing NGO components where the costs were incurred by the implementing partner rather than the NGO. The indirect estimates need to be treated with some caution. The manner in which projects report on this varies significantly, and so comparisons across approaches would require more detailed research.

<sup>22</sup> Several other projects have specific outcomes relating to provision of core funding for set NGOs, such as AIPD with BaKTI and *Poverty Reduction Support Facility* with SMERU.

## 2.3 DFAT's Connections with NGOs

More than 316 NGOs across Indonesia received funding from either DFAT directly or through implementing partners funded by DFAT during the period under review.<sup>23</sup> Of the 316 NGOs identified as receiving support from DFAT projects for which names were available to the review, 239, or 76% of NGOs were based at the sub-national level in a small number of provinces where DFAT projects are focused.<sup>24</sup> The remaining 24% (77 organisations) were operating in multiples provinces, with a significant proportion of these organisations based in Jakarta. See Annex 3 for a list of DFAT's NGO partners per province.

These NGOs managed approximately 1,130 separate agreements during the period under review. The overall number includes multiple agreements with the same partner either across projects or within the same project. In total, where identifiable, 84% of these organisations received funding from only one project. Just over 10% received funding from two projects and 5% received funding from 3–4 projects. Fourteen NGOs received funding from five or more projects. Annex 3 also includes information on how many projects any given NGO partner receives funding from. The vast majority of agreements, 818 agreements (72%), were through managing contractors.

Interviews with NGO partners on maintaining connections with donors generally, including DFAT, identified several main themes.<sup>25</sup> First, respondents noted that the most important determinant for receiving funding was their established relations or networks with donors and implementing partners, rather than capacity to submit tenders or respond to grants. In part, this represents an on-going ability to perform in implementing projects, but respondents also believe it to be based on the quality of personal networks and relations with individuals within donor agencies or implementing partners. As one respondent noted 'the aspect that initiates, maintains or ruins relationships is not the institution or the program but the people.'<sup>26</sup> Respondents from subnational NGOs identified the ability to maintain engagement with donors as a challenge. This was primarily because of their lack of presence in Jakarta limiting access to information about funding opportunities and capacity to invest in the time necessary to build relationships.

## 3 Results for DFAT from working with NGOs

This section documents the extent that working with NGOs has influenced results in delivering development outcomes for DFAT. Previous to this report, there were not any specific evaluations or studies that attempted to measure the impact of DFAT's work with NGOs at an aggregate level.<sup>27</sup> Given the range of projects in DFAT's portfolio, the different areas of focus and the different modalities for implementation, there were limitations in comparing projects at a project level that engaged NGOs to those that did not. Instead, the analysis draws conclusions using a combination of DFAT's own annual quality control tools and findings from project documentation, such as independent completion reports or activity completion reports, for 74 projects.

According to that data, engaging NGOs was an effective and efficient approach for DFAT in achieving outcomes across a range of its development objectives. NGOs play a crucial role in delivering outcomes in areas including service delivery for vulnerable groups, testing of government service delivery mechanisms and mitigating risk when engaging on politically sensitive issues. At an aggregate level DFAT's own data shows that initiatives that engage NGOs have noticeably higher

23 PNPM Peduli, through PSF, supported 66 local NGOs and 6 national NGOs. These NGOs are covered in the overall number but not included in the analysis on geographic representation as this information was not provided to the research team.

24 It should be noted that a small number of NGOs received assistance through implementing partners and subsequently disbursed some of the assistance either through their network to local CSOs or to other NGOs. The main examples of this were through MAMPU, PNPM Peduli and, subsequently, Peduli. For example, in MAMPU, PEKKA and Permampu receive assistance through CoWater, the managing contractor. PEKKA subsequently provides assistance to its network whereas Permampu supports a range of NGOs in Sumatera. These arrangements were not captured.

25 Although all NGO respondents were DFAT partners, interviews were focused on their experiences with all their donors to obtain a better understanding of how they manage relations across different funding sources.

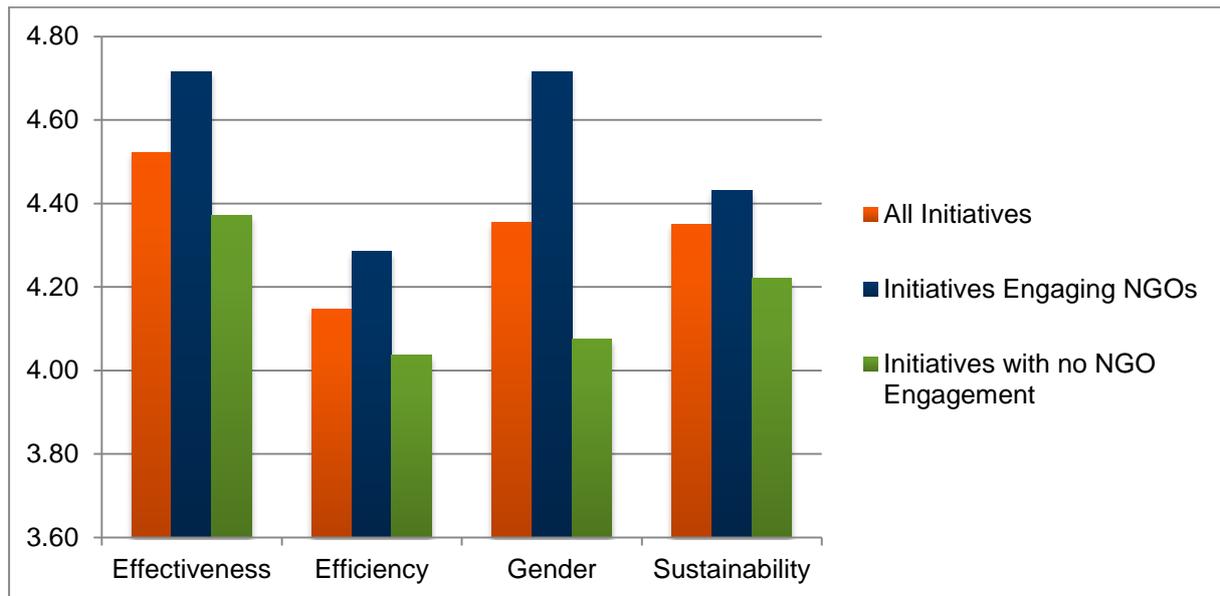
26 Interview with NGO, 20 March, 2015.

27 DFAT's 2012 NGO Sector Review (STATT, 2012) did an initial, limited stocktake, which was never made public. This stocktake and its approach, and the data DFAT provided at that time informed the current report.

scores for effectiveness and efficiency compared to those that do not. There is also some evidence to suggest that providing assistance through Indonesian NGOs provides value for money.

According to DFAT's own quality data<sup>28</sup>, across the categories of effectiveness, efficiency, gender and sustainability, rankings for initiatives engaging NGOs were noticeably higher than those that did not work with NGOs. For 2012, as evidenced in Graph 3 below, the most significant variations occurred across the gender (0.64 point variation) and effectiveness (0.34 point variation) criteria, with slighter variations covering efficiency and sustainability. Similar differences were observable for figures from 2011 rankings.

Graph 3 Quality at Implementation ratings (2012) are higher for initiatives that work with NGOs



Independent reports across a number of sectors showed that partnering with NGOs enhanced the effectiveness of DFAT projects in meeting their objectives. Reviews of projects working on justice, local governance and agriculture/livelihood issues have documented that NGOs have played important roles in the delivery of project outcomes. The completion report for the *Indonesia Australia Legal Development Facility*, for example, found that 'the effectiveness of the Legal Development Facility was significantly enhanced through the engagement with CSOs and joining them with the formal agencies.'<sup>29</sup>

More specifically, project reports identified three main areas where the objectives of DFAT projects would be difficult, if not impossible, to achieve without working through NGOs. First, NGOs played a crucial role in delivering essential services to specific vulnerable groups who were otherwise reluctant or unable to use services provided by the government. Reports from *HIV Cooperation Program in Indonesia* (HCPI) and *PNPM Peduli* showed that groups such as injecting drug users, sex workers, transgender communities, former political prisoners and indigenous peoples were restricted from accessing essential services from government and as a result relied on NGOs to play this role. Second, in some instances, the DFAT-funded project supported the development of new policy by government and, in so doing, the government relied on NGO networks to monitor implementation of these policies at the local level. This was the case in both the various projects supporting access to legal identity and in testing policies on disaster risk reduction through AIFDR. Third, although DFAT often considers working with NGOs as potentially politically risky, in several of the projects reviewed NGOs actually played an effective role in mitigating political risk when engaging on sensitive issues. This was most prevalent in the elections sub-sector. An independent review of *Australia Indonesia*

<sup>28</sup> Data reviewed by the team was still called 'quality at implementation' data, found in Aid Program Performance Report 2012–2013, Annex C Quality at Implementation Ratings for 2012 and 2011. The same data, as of June 2015, is referred to as 'aid quality checks.'

<sup>29</sup> 'Indonesia Australia Legal Development Facility Independent Completion Report' (2010).

*Partnership for Electoral Support* (AIPES), for example, identified the importance of engaging on policy aspects of the electoral process but doing so required empowering CSOs so that DFAT could 'retain a 'hands off' approach'.<sup>30</sup>

**Box 1** Delivering Health Services to Specific Vulnerable Groups

An independent review of the *Australia-Indonesia Partnership for HIV* (AIPH) in 2011 found that NGOs were a crucial component of service delivery for HCPI to meet its objectives on harm reduction services. The report found, for example, that NGO-managed outreach services reached 17,456 injecting drugs users in the targeted provinces, or more than double the beneficiaries reached by government health services. This was estimated at representing 21% of all injecting drug users across the seven provinces. The report found that 'because of social marginalisation, it is unlikely that many new injecting drug users will self-refer to government services. Outreach services are clearly essential to achieving higher coverage.'

Moreover, independent and activity completion reports have found that engaging NGOs provided value for money compared to alternative options. Reports from *Local Governance and Infrastructure for Communities in Aceh* (LOGICA2) found that the use of NGOs to provide community facilitation in specific targeted locations was cost effective, in particular in comparison to implementing modalities where facilitators are contracted directly to the managing contractor. Similarly, the Independent Completion Report for *Australia Nusa Tenggara Assistance for Regional Autonomy* (ANTARA) found that, in many instances, local NGOs would have provided better value for money than the more common approach undertaken by ANTARA to contract international NGOs who acted as intermediaries.<sup>31</sup> The findings in these reports represented the opinions of reviewers but did not appear to draw from rigorous costing analysis to assess value for money

Project reports also found that partnering with NGOs produces more sustainable results for the project, although not necessarily for the NGOs themselves (as is discussed in the next section). A range of completion reports emphasised that using NGOs enhanced sustainability of project outcomes. Reviews of projects such as *Yogyakarta Jateng Community Assistance Program* (YCAP), *YMTM (Yayasan Mitra Tani Indonesia)* and *Building Resilience in Eastern Indonesian* identified that partnering with local NGOs to implement projects was beneficial because NGO staff were more likely to have an on-going relationship with communities after the project was completed. They also found that the process of building relations between NGOs and local government, left NGOs better placed to advocate for government engagement following the completion of the project. To quote the YCAP Independent Completion Report, 'Perhaps the most impressive area in which sustainability has been fostered is in relation to the establishment of increased levels of mutual understanding and willingness to cooperate between local government and NGO stakeholders,... the fostering of this increased cooperation by YCAP has the potential to provide significant ongoing benefits across all districts involved in phase 2.'<sup>32</sup>

## 4 Results for NGOs and the NGO sector

As described above, DFAT provides significant amounts of funds each year directly or through implementing partners to Indonesian NGOs. In some sectors achieving DFAT's development outcomes depends on NGO engagement. Although evidence from the review of DFAT data suggests that working with NGOs is already beneficial and provides value for money for DFAT, it is also clear that NGOs and the NGO sector in Indonesia face significant challenges. DFAT's partners are by no means immune and as donor funding to Indonesia decreases the reliance of NGOs on DFAT funding specifically is increasing. DFAT funding represents approximately 40% of revenue managed by Indonesian national-level NGOs in 2013–2014 according to the survey of NGOs conducted for the

30 'Independent Completion Report: AIPES Interim Program' (2011).

31 It is understood that reviews of projects implementing services through government have identified similar findings. This review did not analyse projects that did not engage with NGOs. However, it is understood that a review commissioned by *Australia Indonesia Partnership for Health Strengthening Systems* of public health service delivery in remote locations in Papua identified delivery of services through NGOs as being more efficient and effective than through government systems. A review of BOS training for teachers in 2010 had similar findings.

32 'AIPRD Yogya Reconstruction Program: YCAP Independent Completion Report', (2010).

NSSC design.<sup>33</sup> Moreover, there are real concerns about sustainability, i.e., the legacy of the aid DFAT has provided to Indonesia over the past decades. As such an examination of the results for NGOs of working with DFAT contain important lessons for how DFAT overall can work most effectively with them and the NGO sector.

This section examines results for the NGO partners themselves from engaging with DFAT. First, the section examines the extent to which funding NGOs receives from DFAT is consistent with the types of services NGOs aim to deliver to their constituents and how those funds support organisational capacity development of NGOs. Second, it examines how DFAT funding affects financial certainty and sustainability of NGOs. Finally, the section examines results from DFAT support that has aimed to shape NGO networks both among the NGO sector and engagement with other parties, predominantly government, including accessing funding in that way.

#### Box 2 DFAT's impact on NGOs as a sector

Although the review aimed to capture DFAT's impact on NGOs as a sector, and this shaped the topics reviewed below in the rest of this section, of the projects reviewed, only ACCESS had experience measuring impact in that way. Building the capacity of civil society organisations was at the core of ACCESS' objectives. The ACCESS activity completion report references aggregate improvements across partner NGOs with results primarily sourced through a CSO partner survey. At a sectoral level, ACCESS used a civil society index developed by YAPPIKA to measure changes in the role of civil society at the district level across districts where ACCESS was operational.<sup>34</sup>

A concern about donor reliance has potential impacts on the overall NGO sector, not just on individual organisations. Through the qualitative research, some NGOs expressed concern that a reliance on donor funding could have a detrimental impact on certain types of organisations in the NGO sector. In particular, several NGOs identified that donor priorities and limitations in what they are willing to fund are reducing the number of NGOs willing to undertake advocacy on politically sensitive issues. One partner, for example, mentioned that donor practises made it almost impossible to receive funding for critical advocacy on police reform and this meant that few NGOs were willing to work in this area.<sup>35</sup>

## 4.1 Services to constituents

Overall, support from DFAT and donors generally seems to align with the priorities of NGOs themselves. The most common types of activities that NGOs engaged in with support from DFAT projects were research, training for organisations and policy advocacy / government oversight. Almost half of the 66 projects for which there was information funded NGOs to undertake some form of research. Over a third funded policy advocacy or training for the NGOs themselves or other NGOs. Comparing these project emphases with NGO priorities identified in the field survey conducted by the NSSC research and design team, the types of activities DFAT projects support generally correlate with priorities identified by NGOs.<sup>36</sup> In addition, over 80% of NGOs surveyed (41% agree / 40% strongly agree) agreed that donor support had helped their NGO deliver services to their constituents.

However, what donors will support within the family of advocacy type activities seems to diverge somewhat from NGO priorities.<sup>37</sup> According to the complementary data, policy advocacy and research activities funded by donors often reflected the priorities of either government partners or donors with NGOs engaged to follow the lead of those actors. There was less room for NGOs to define their own agendas or develop alternative policy recommendations or inputs. Some respondents from the interviews perceived less access to donor resources for NGOs that adopt more adversarial or 'watch dog' approaches on the grounds that support for these types of organisations can risk relations with

33 This was calculated based on average revenues reported for 2013 by NSSC design survey of national NGO respondents, multiplied by the approximate number of active national and support organisations.

34 The results of the civil society index surveys were not covered in ACCESS's Activity Completion Report.

35 FGD, 2 April, 2015

36 As part of the research for the design of the NSSC a quantitative survey was conducted of national and local NGOs to understand the environment within which they operate. The survey found 50% of local NGOs and 60% of national NGOs were involved in policy advocacy, the second highest ranking after governance. Similarly 23% of local and 47% of national NGOs were involved in research, placing it third among rankings. Although the same categories were used for this review as the categories for the NSSC quantitative survey there are some limitations in comparing the data primarily as a number of activities funded by DFAT could be defined as consistent with more than one category. In addition, it is possible that the alignment of NGO priorities with donor funding is a result of NGO shaping their priorities to access donor funds rather than the inverse.

37 Based on information contained in progress and completion reports, the review documented the types of activities that NGOs received support for. Information was available for 66 projects. The categories used reflected those of a quantitative survey of NGOs conducted during the NSSC design. A number of projects funded more than one type of activity for NGOs.

government. However, as was identified in the previous section, when appropriate risk management and selection processes are used, support for these organisations can actually enable donors to engage on sensitive issues in ways that reduce the risks for donor relations with government partners.

5. **Recommendation:** Where consistent with project objectives DFAT projects should identify ways to support more organisations using watch dog or adversarial approaches.

## 4.2 Organisational capacity

Almost 40% of the 80 projects for which outcome data was available included NGO institutional strengthening objectives and over 30% had some form of indicators against these objectives. However, with the exception of more recent projects such as *Knowledge Sector Initiative* and MAMPU, even those DFAT projects that included increased capacity as a project objective or relevant indicators rarely measured the impacts of capacity development activities for NGO partners the activities targeted. As the AISEP Independent Completion Report noted 'given the lack of baseline information and lack of a capacity assessment framework' measuring performance against the civil society strengthening outcomes is a challenge.<sup>38</sup>

6. **Recommendation:** Designs should ensure that where objectives aim to strengthen NGO capacity, relevant activities are adequately funded to meet these objectives and tools exist to measure progress across those objectives.

As such information in the remainder of this section is drawn from the few projects that reported on the direct results for the overall organisational capacity of NGOs of working in partnership with DFAT. Perhaps not surprisingly, given its primary focus on strengthening civil society, ACCESS's approach has been most comprehensive in this area, as outlined in Box 3 below. A range of other projects, including HCPI, The Asia Foundation's Knowledge Sector activities and Oxfam's Building Resilience, reported measurable improvements in capacity of individual partners. The Asia Foundation's Knowledge Sector pilot reported the most crucial elements in achieving improved organisational capacity included encouraging mutual learning between partners and developing the right mix or package of types of assistance that balance core funding, activity-based support, peer learning and constructive critical appraisal.

### Box 3 Measuring Capacity Development of NGO partners through ACCESS

As part of ACCESS's primary objective to strengthen civil society, it undertook a CSO partner survey to measure results. The survey documented significant improvements across six of the seven criteria identified to measure stronger institutions. Partner organisations were pre and post-tested on organisational vision; organisational culture; effective communication; solid teamwork; program management; learning and creativity; and visionary leadership. Across all of these criteria except for visionary leadership between 63–83% of partners reported improvements. Only 3% of partners identified progress on visionary leadership.<sup>39</sup>

Impacts on organisational capacity were often constrained by the limited involvement of NGOs in the design process of activities for which they subsequently implemented. The participation of NGOs in design processes was particularly challenging for projects working with district or provincial NGOs across a number of locations. In projects such as Bureaucratic Reform Support, ACCESS and LOGICA2, the incentive for the project was to create uniform implementation arrangements across locations, limiting scope for partners to design approaches that suit their strengths and local realities. ACCESS and LOGICA2 identified means of overcoming these challenges. ACCESS had uniform implementation arrangements across districts but within those arrangements, partner NGOs could define the scope of substantive issues to focus on. LOGICA2's approach evolved across phases eventually resulting in greater NGO ownership in the project.

38 'Independent Completion Report: AIPES Interim Program' (2011).

39 ACCESS, 'CSO Partner Survey, 2012'.

**Box** LOGICA2 is re-designed in response to NGO concerns

Although the first phase of LOGICA2 included a strong emphasis on building demand for services, the design provided limited role for NGO engagement. Reviews found that 'building civil society organisations' capacity to maintain efforts towards improved service delivery requires a deliberate and sophisticated approach to partnership with those organisations beyond contracting them for services.' As a response to pressure from NGO networks in Aceh, the design for the second phase built on NGO networks that already existed. A provincial network of NGOs inducted into the scope of services, formalised through a Memorandum of Understanding. Network partners at the district level were then selected to support the delivery of those services. This appears to have been effective. The Activity Completion Report noted that the engagement of NGOs built local ownership in the project; changed perceptions of government about the role of NGOs and increased the capacity of NGOs to engage in service delivery.

More recent designs, in particular *Knowledge Sector Initiative*, MAMPU and NSSC, have adopted an action research approach, providing NGOs with opportunities to inform design processes through pilots and ensuring that the subsequent designs better correspond to the needs of partner organisations.

7. **Recommendation:** Where projects specifically aim to increase institutional capacity of NGOs or the NGO sector, DFAT should seek to include NGOs in the design process and governance arrangements, better ensuring that designs reflect needs of NGO partners.

In implementation, perceptions between DFAT and NGOs on what constituted organisational development often differed significantly. Where project documents reported on organisational development they invariably covered financial management training for NGOs to meet reporting requirements for DFAT or implementing partners and, in some instances, not much else. In interviews and focus group discussions with NGOs, a majority of respondents confirmed that capacity development assistance their NGOs received from donors focused predominantly on project needs with limited investment in broader organisational needs. The exception to this was NGOs that had received core funding. Project reports and interviews with respondents from these NGOs highlight that core funding has aligned donor support for organisational development much closer to priorities identified by the NGOs themselves.

### 4.3 Funding and Sustainability

Feedback from NGOs interviewed as part of the review identified some concerns that NGOs face constraints in balancing their engagement with donors and their longer-term institutional objectives. The level of affirmation of NGO survey respondents was still positive, but relatively lower, when they responded to questions about the long-term effects of working with donors generally, compared to their responses regarding short-term outcomes. Seventy-seven percent (77%) (54% agree / 23% strongly agree) when asked if the donor support had helped the organisation achieve its mandate. This decreased to only 48% of respondents providing a positive answer (34% agree / 14% strongly agree) and a third remained neutral when asked if donor support had improved the organisation's independence. In interviews and focus group discussions, a small number of respondents noted that the focus of donor projects on shorter-term and narrowly defined development objectives was not always consistent with the broader, longer-term goals of their organisations and, on occasion, limited scope for their organisations to pursue important aspects of their broader goals. As one respondent noted 'the high levels of dependency on external funding ... acts as a severe constraint on transformative potential of NGOs, as the NGOs play the role of program contractor instead of civil society agent.'<sup>40</sup>

A number of respondents from NGOs highlighted that their engagement with donors is focused on project needs rather than the broader institutional context of the NGO. One respondent stated that 'our donor is rarely asking 'how is your organisation doing' but mostly asks 'how is our project doing'.<sup>41</sup> Similarly, some respondents perceived that once NGOs had finalised negotiations with implementing partners on agreements, interaction diminished and became much more focused on formalities of

<sup>40</sup> FGD, 2 April, 2015.

<sup>41</sup> FGD, 2 April, 2015.

project implementation, with limited space to engage in broader discussions. In these instances, NGOs perceived that the donor viewed them only as service providers, contracted to perform specific tasks at the direction of the donor, rather than as partners with competencies to shape the nature of the tasks and inform how the tasks were identified and would be delivered. As noted in the section above, this diminishes the sustainability of the outcomes for DFAT. It also results in NGOs viewing these activities as supplementary to their own institutional objectives rather than aligning with those objectives.

8. **Recommendation:** In engaging with NGOs, DFAT projects should seek opportunities to support the core objectives or work plans of NGOs where they are consistent with project needs, rather than asking NGOs to adopt work plans developed by DFAT.

#### 4.4 Financial certainty and planning

Donor project procurement practices directly limit the ability of NGO partners to plan for longer than one year ahead. Most agreements between DFAT or its implementing partners and Indonesian NGOs they engage are for less than 12 months duration. Of the 58 direct grants DFAT gave to Indonesian NGOs in the data reviewed, 66% incurred expenses in only one financial year and 22% across two financial years. As Table 3 below shows, as a comparison, less than half (47%) of agreements with managing contractors lasted less than two years, whereas 36% had expenditure over more than three years.<sup>42</sup>

Table 3 Duration of agreements with Managing Contracts and NGOs

Implementing Partner	# of projects	Years of Expenditure				
		< 1 year	1–2 years	2–3 years	3–4 years	4+ years
Indonesian NGO	58	66%	22%	5%	5%	2%
Managing Contractor	26	19%	27%	19%	12%	24%

Interviews with NGO partners identify three significant challenges for NGOs resulting from this lack of certainty. First, it limits planning and institutional development for Indonesian NGOs. Even if NGOs can assume on-going assistance, the lack of formal guarantees provides constraints for NGOs on planning, development and retaining personnel. Second, the lack of certainty provides logistical constraints for NGOs to enter into longer-term financial agreements, for example to obtain loans for office premises or to provide longer-term contracts to staff. Third, limited timeframes impact on project outcomes because they often did not coincide with cycles of beneficiaries or other stakeholders. For example, interview respondents noted that 12-month project cycles rarely were effectively in sync with government planning or budgeting cycles impacting on the effectiveness of advocacy objectives or with agricultural seasons for livelihood projects affecting opportunities to maximise impacts for inputs. These findings were consistent with findings from other donor projects including a USAID project in Kosovo that highlighted the lack of impact from short-term grants with NGOs. In addition, NGOs highlighted in interviews and focus group discussions that the short-term nature of financing re-enforced among NGOs the perception that donors viewed their role as sub-contractors rather than partners in delivering development projects.

9. **Recommendation:** When engaging NGOs, DFAT projects should consider agreements that provide greater financial certainty for NGOs, including through multi-year contracts for provision of services or contracts with defined performance-based extensions.

<sup>42</sup> Similar estimates were made for projects where researchers had some knowledge of the nature of agreements entered into with Indonesia NGOs (a total of 37 projects). Of these projects it is known that only six (or 15%) enter into multiple year agreements with Indonesian NGO partners. The majority of projects (19) enter into 12-month agreements with partners often on the assumption that these agreements would be extended, although there was no formal guarantee of assistance over multiple years.

## 4.5 Donor reliance

Engagement with DFAT programs also appears to have had a number of unintended consequences for Indonesian NGOs' ability to exist and continue programs absent DFAT funding. Although survey responses to other questions about NGOs' relationships with donors generally were quite positive, as mentioned above, only 48% of respondents providing a positive answer (34% agree / 14% strongly agree) and a third remained neutral when asked if donor support had improved the organisation's independence.

A number of DFAT NGO partners have been encouraged to expand the scale of their work to match the funding levels DFAT wanted to commit. This provided additional opportunities for partners but also challenges for ensuring sustainability of their projects. An example of this is the assistance that was provided to YMTM in NTT. Drawing on good performance in implementing activities under ANTARA, YMTM was provided with a grant of \$3 million to assist DFAT to pilot livelihood programs whilst *Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture* was being designed. This resulted in an expansion of staff from 10 to 87 and YMTM now relying on DFAT for 95% of its expenditure. A review of the assistance to YMTM noted that activities DFAT was funding were unlikely to have continued funding.

To mitigate the risk of over-reliance on any particular donor, some projects have placed ceilings on the proportion of budgets that can be allocated to core funding for NGO partners. The Asia Foundations pilot in the Knowledge Sector, for example, limited core funding contributions to a maximum of 30% of the organisation's overall operational budget. As the Knowledge Sector pilot was limited in duration it was not clear what impact these prescriptions had on overall sustainability of the partner NGOs. SMERU, on the other hand, since 2007, has almost solely been reliant on DFAT for core-funding, comprising of almost 55% of its operational budget.<sup>43</sup>

The risk for NGOs of being overly reliant on any particular donor can also be compounded by changes in personnel either within the donor or the NGO. NGOs interviewed for the research invariably emphasised the importance of strong networks between their organisations and donors for accessing funding. At the same time, respondents noted the challenge of maintaining these relations in the context of high turn-over of staff, both on the NGO side and within donor organisations. One NGO interviewed attempted to reduce this risk by inviting different representatives from donors to key planning meetings for the NGO to build relations across a broader range of staff.

10. **Recommendation:** where NGOs receive significant funding from DFAT, DFAT should monitor this in proportion to the overall funding levels of those NGOs and, where necessary, support activities for those NGOs to diversify funding for after DFAT funding ends. The proposed NSSC might be one such activity.

## 4.6 Networks among NGOs

In several projects, DFAT places an importance on building networks among NGOs. With one exception, these networks have been built around project needs, with little consideration of the potential to build broader coalitions of NGOs across projects.

43 Sumarto, 'The SMERU Research Institute: History and Lessons Learned', (April 2011).

**Box 4 Three Categories of NGO Network Building Support by DFAT Projects**

The review identified three types of networks DFAT projects have attempted to build between NGOs:

**Coalitions among NGOs within the same geographic area** have played an important role in projects focusing on local development, including ACCESS, LOGICA2, and Bureaucratic Reform. Project reports highlight that outcomes are most effective where these networks are focused on concrete development issues around which NGOs can mobilise and timeframes enable networks to develop priorities relevant to the local context.

**Building Networks between local and national NGOs** can be effective for both local and national partners, providing local partners with access to technical expertise and national NGOs with lessons from the local level. These efforts need to consider the disconnect that exists between capacity of local NGOs, in particular at the district level, and national partners. The use of intermediary organisations, for example at a regional level, can be effective in overcoming this.

**Networks across geographic locations** can be subject to NGO sensitivities about donor intentions or competition among NGOs, as has been the case in attempting to build networks among election NGOs. In these instances, effective approaches have been to build on existing networks rather than drive new initiatives.

11. **Recommendation:** The NGO sector is weakened by a disconnect that exists between national and local NGOs. Projects should aim to address this including by building regional coalitions and strengthening information networks between national and local NGOs.

MAMPU reporting on program results for 2014, for example, focused as heavily on the results from collective action among partner NGOs as it did on progress at the organisational level.<sup>44</sup> For MAMPU, the effective establishment of a Partner's Forum was seen as crucial to supporting the collective action outcomes. The Partner's Forum authorised a range of other working groups to advocate on issues such as a women's political agenda in the election campaign (*Indonesia Beragam*) and a Village Law Advocacy Group. Another key lesson in MAMPU's efforts to build collective action is the need to seek broader participation beyond the normal Jakarta-based partners working at the national level. One challenge will lie in encouraging broader participation and participation beyond the life of the project when the Partner's Forum is limited to direct project partners.

The exception to this focus on networks among NGO partners is the work of BaKTI (*Bursa Pengetahuan Kawasan Indonesia Timur* or Knowledge Exchange for East Indonesia). BaKTI has received a number of grants from DFAT that have included network strengthening objectives.<sup>45</sup> Although not focused solely on NGOs, BaKTI's various activities have included significant NGO participation. Network strengthening activities have combined a range of approaches including regular forums, joint research activities to develop policies papers that have adopted by government, access to online and library resources and a knowledge database providing information on the work of NGOs and donors in eastern Indonesia.<sup>46</sup>

12. **Recommendation:** DFAT projects aiming to support the development of NGO networks should ensure that sufficient time is provided to strengthen the networks, network partners have flexibility to identify their own priorities and ways of working, existing networks are used where possible and approaches take into consideration the disconnect that exists between national and local NGOs.

## 4.7 Engaging with Government

Strategies to encourage cooperation between NGO and government stakeholders play an increasingly prominent role in project designs. A number of evaluations emphasised value of the role DFAT projects have played in building conducive relationships between NGOs and government stakeholders. The YCAP Independent Completion Report highlights this as a defining result of YCAP. Similarly, the Indonesia Australia Legal Development Facility Independent Completion Report notes that 'the effectiveness of Legal Development Facility was significantly enhanced through the

44 Mampu, 'Annual Workplan: July 2014 to June 2015' (2014).

45 Research was not able to identify the level of assistance BaKTI had received from DFAT as assistance was provided through several different projects. BaKTI's more recent source of core funding from DFAT was through AIPD.

46 See AIPD, 'AIPD State of the Program Report' (2013).

engagement with CSOs and joining them with the formal agencies. The triangulation strategy was a success.<sup>47</sup> The Asia Foundation's introduction of individual advisers with NGO backgrounds to work with the Department of Corrective Services in the Prison Reform project helped to build trust in the Department about the potential role for NGOs. Evidence from projects in other countries supports this.<sup>47</sup>

However there has been, to date, limited analysis from DFAT projects that link this improved cooperation to broader development outcomes of projects. The sole analysis the review came across that explored this issue in some detail looked at approaches undertaken by ACCESS and LOGICA2 to link the demand and supply sides of government district-level service delivery to citizens. That review found that DFAT supporting NGOs engagement with government on specific service delivery issues was more effective than approaches that aimed to strengthen NGO and government engagement in planning processes more generically.

**13. Recommendation:** A number of projects have highlighted positive outcomes of projects encouraging partnerships between NGOs and government. Given this emphasis, project designs and implementation should analyse more clearly the linkages between building stronger NGOs and government networks and the causal effect this has on projects delivering their broader development outcomes.

Although government agencies may agree to a role for NGOs in project designs this does not always eventuate in implementation. A number of project designs included a focus on both government agencies and NGOs. In AIFDR, the Partnership Fund for HIV and AIDS and *Australia Indonesia Partnership for Health Strengthening Systems*, for example, grant funding mechanisms were included in designs to encourage NGO innovation. Government partners agreed to these mechanisms at the time of the design. In subsequent implementation, government partners appear to have prioritised components that focused on working with government. As a result, funding allocated for NGOs either was diverted to government institutions, for example district and provincial HIV commissions in the case of the Partnership Fund, or did not eventuate.

**14. Recommendation:** DFAT design teams should better analyse commitment of government partners in agreeing to including NGO-related activities in project designs.

A special note should be made of the possibility for DFAT projects to encourage government to provide funds to NGOs for their activities that are mutually supportive of government goals (or conversely for NGOs to seek out such funding.) Though government and NGO systems do not always align to make such funding arrangements simple,<sup>48</sup> donors can provide technical assistance to the relevant government agencies so effective implementation mechanisms are put in place and to build demand among NGO partners to use (and monitor) the systems. Examples from some DFAT projects, has indicated that support for initial confidence-building activities between government and NGO partners are effective entry points that can lead to government budget allocations targeted at NGOs. In the case of funding for legal aid, AIPJ provided support for the development of the legal framework, including joint government-NGO comparative study missions to observe legal aid systems in other countries. See Box 5 of examples from DFAT projects.

<sup>47</sup> Through the creation of 16 issue-based CSO-government coalitions in the Philippines, for example, the CFC project enabled NGOs to engage with government on issues where previously they had been excluded.

<sup>48</sup> This issue will be discussed in more length in another research piece on NGO funding diversification being produced by the NSSC research and design team

**Box 5** Projects that worked to unlock government funding for NGOs<sup>49</sup>

**The Partnership Fund**, administered by the National AIDS Commission, receives contributions from a range of donors, including DFAT. In 2012 it funded seven NGOs to deliver HIV and AIDS related services and, through a grant mechanism, funded IDR4.6 billion in grants to 13 NGOs. Although the grant mechanism has a target of 30% of funds to be allocated to NGOs, it is understood the Partnership Fund has greater incentives to provide resources to district / provincial commissions.

**AIPJ** has been working with both government and legal aid organisations to develop a legal aid mechanism providing reimbursable costs to legal aid NGOs for delivery of case services. The government annual budget is IDR50 billion. Disbursement in the first year was less than 10% of the overall budget. AIPJ supported technical assistance to the Ministry of Justice and Human Rights to design the system and verification process and facilitated training and awareness raising to potential NGO beneficiaries. It is understood that disbursement rose to only 30% of the budget in the subsequent year, highlighting the challenges involved in making these systems work. Although problems remain in overcoming bureaucratic limitations in making the mechanisms operational, the significant variations in disbursement that exist across provinces, including some provinces with 100% disbursement rates, indicates that the system is capable of working effectively.

Through **ACCESS**, local NGOs in some districts managed to leverage funding from district governments to support their activities. These were generally targeted activities to implemented services requested from the government.

There is some initial evidence that the new core funding model may impact on partners' incentive to actively pursue or work on opening up sources of government funding even when an established funding mechanism specifically for NGOs exists. In the legal area, where the government has created a funding mechanism for NGOs to deliver legal aid services, the ability of DFAT's established partners to readily access core funding from different DFAT projects may have reduced their incentive to pursue the government funds. Given the complexity of that mechanism, NGOs that have access to alternative sources of funding, either through DFAT or other donors, have limited incentive to attempt to make the government mechanisms function.

15. **Recommendation:** Although yet to be tested, some scope may exist for DFAT projects to encourage NGOs to 'figure out' how to improve government financial and procurement processes so that NGOs can legitimately and effectively access government funding. This could include the provision of matching grants or additional core funding allocations from DFAT projects for NGOs that successfully access government funding.

## 4.8 Engaging with the Private Sector

There were very few projects in the period under review that encouraged engagement between NGOs and the private sector. Similarly, NGOs surveyed for this review showed limited impact from donor assistance in supporting NGOs to build networks with the private sector. Only 38% of NGOs agreed that donors had provided some assistance in this area, the lowest of all responses. As a result, there are few lessons that can be learned in this area. Interviews with NGOs identified several constraints for NGOs when engaging with the private sector. These included misperceptions by private sector actors about the roles of NGOs, perceived risks for NGOs to organisational autonomy when accessing private sector funding and the challenge for development focused NGOs to generate interest on issues of concern to them among private sector actors.

The main project seeking to operate in this area is *Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture*, which will aim to link up farmers groups and private enterprise, with implementation through a range of INGOs and Indonesian NGOs. However, the project had only started operating at the time of the review and as such had yet to generate significant learning in this area. ACCESS had attempted to encourage private sector participation in multi-stakeholder forums established in each district. Although a small proportion of participants in most forums were private sector representatives, evidence suggested that influential private sector actors already had effective and direct access to government decision-makers, limiting incentives to engage in the forums.

<sup>49</sup> There is some work ongoing on the development of a Democracy Trust Fund to be established with government funding but to support civil society on elections issues at arm's length. DFAT is supporting some advocacy and research on this through the Kemitraan although the trust fund is not yet operational.

Experience from UNDEF's *Strengthening Local NGOs in Areas where Extractive Industries Operate* Project, in operation from 2009–2011, shows that donors need to do more than facilitate opportunities for NGOs and private sector organisations to engage. The project tried to do so but found that private companies did not trust NGOs as capable advisors on corporate social responsibility and local NGOs lacked the capacity to manage engagement efforts. The project was not successful.

16. **Recommendations:** DFAT should support further analysis on opportunities and constraints for NGOs engagement with the private sector and the role of donors in facilitating this engagement, including for funding diversification. The analysis should learn from constraints faced by UNDEF. DFAT support for global initiatives including the *Extractive Industries Transparency Initiative* and the International Mining for Development Centre may also provide lessons for this analysis.

## 5 Recommendations

This report examined DFAT's engagement with NGOs between 2007/08 and 2013/14. The data and findings from the review fed directly into development of the NSSC design.

Indonesian NGOs play an important role in the delivery of the Government of Australia's aid program in Indonesia. Financial analysis indicates that Indonesian NGOs managed approximately \$157 million from DFAT over the seven-year time frame, representing 6.5% of DFAT's overall expenditure in Indonesia. The role Indonesian NGOs played in delivering DFAT's aid program in Indonesia almost doubled from 2007/08 to 2013/14, from 4.8% of overall expenditure to 8.4%. The vast majority of this involved work in the Effective Governance and Building Resilience sectors.

The report also provides evidence to suggest that engaging NGOs was an effective and efficient approach for DFAT in achieving its development outcomes. In a number of areas, including service delivery for the particular marginalised groups, testing government policy locally and engaging on politically sensitive issues, DFAT is dependent on NGOs to meet its development objectives. Working with NGOs enhances the effectiveness of DFAT's support across a number of other sectors. Overall, DFAT's own quality data shows that projects that engage NGOs are more effective and efficient compared to those that did not work with NGOs.

Learning from the experiences of DFAT projects in engaging Indonesian NGOs from 2007/08 to 2013/14 can also support strengthened engagement with the NGO sector in the future. Throughout the report a number of recommendations were presented for how DFAT's work with Indonesian NGOs can strengthen the sector and outcomes for DFAT. These are re-stated below.

1. **Recommendation:** Given the level of funding DFAT should consider facilitating a routine strategic level dialogue with NGO partners to provide feedback on substantive development issues and an opportunity to raise operational issues common across programs. The proposed NSSC could potentially provide such a platform.
2. **Recommendation:** In sectors where limited or no NGO engagement exists, DFAT should purposefully assess whether engagement with Indonesian NGOs could add value to DFAT support in those sectors. Where engagement is restricted because of the nature of relations with government partners, DFAT should consider supporting activities that build trust between government partners and NGOs and / or engage with government partners on the benefits of active NGO partners in these sectors including building the capacity of relevant NGOs to engage more effectively with government.
3. **Recommendation:** As a benchmark, projects working with NGOs need to allocate approximately 20% of assistance to NGOs for indirect assistance to support their work. The proportion will be higher for projects adopting more intensive approaches to working with NGOs and providing NGOs with more scope to design and control the activities that they implement.
4. **Recommendation:** DFAT should adopt a common definition of what constitutes core funding across projects and encourage projects that adopt core funding modalities to share lessons on approaches, successes and challenges. The proposed NSSC could facilitate this.

5. **Recommendation:** Where consistent with project objectives DFAT projects should identify ways to support more organisations using watch dog or adversarial approaches.
6. **Recommendation:** Designs should ensure that where objectives aim to strengthen NGO capacity, relevant activities are adequately funded to meet these objectives and tools exist to measure progress across those objectives.
7. **Recommendation:** Where projects specifically aim to increase institutional capacity of NGOs or the NGO sector, DFAT should seek to include NGOs in the design process and governance arrangements, better ensuring that designs reflect needs of NGO partners.
8. **Recommendation:** In engaging with NGOs, DFAT projects should seek opportunities to support the core objectives or work plans of NGOs where they are consistent with project needs, rather than asking NGOs to adopt work plans developed by DFAT.
9. **Recommendation:** When engaging NGOs, DFAT projects should consider agreements that provide greater financial certainty for NGOs, including through multi-year contracts for provision of services or contracts with defined performance-based extensions.
10. **Recommendation:** where NGOs receive significant funding from DFAT, DFAT should monitor this in proportion to the overall funding levels of those NGOs and, where necessary, support activities for those NGOs to diversify funding for after DFAT funding ends. The proposed NSSC might be one such activity.
11. **Recommendation:** The NGO sector is weakened by a disconnect that exists between national and local NGOs. Projects should aim to address this including by building regional coalitions and strengthening information networks between national and local NGOs.
12. **Recommendation:** DFAT projects aiming to support the development of NGO networks should ensure that sufficient time is provided to strengthen the networks, network partners have flexibility to identify their own priorities and ways of working, existing networks are used where possible and approaches take into consideration the disconnect that exists between national and local NGOs.
13. **Recommendation:** A number of projects have highlighted positive outcomes of projects encouraging partnerships between NGOs and government. Given this emphasis, project designs and implementation should analyse more clearly the linkages between building stronger NGOs and government networks and the causal effect this has on projects delivering their broader development outcomes.
14. **Recommendation:** DFAT design teams should better analyse commitment of government partners in agreeing to including NGO-related activities in project designs.
15. **Recommendation:** Although yet to be tested, some scope may exist for DFAT projects to encourage NGOs to 'figure out' how to improve government financial and procurement processes so that NGOs can legitimately and effectively access government funding. This could include the provision of matching grants or additional core funding allocations from DFAT projects for NGOs that successfully access government funding.
16. **Recommendations:** DFAT should support further analysis on opportunities and constraints for NGOs engagement with the private sector and the role of donors in facilitating this engagement, including for funding diversification. The analysis should learn from constraints faced by UNDEF. DFAT support for global initiatives including the *Extractive Industries Transparency Initiative* and the International Mining for Development Centre may also provide lessons for this analysis.

## Annex 1: Methodology

A team charged with designing a *NGO Sector Support Facility* (NSSC) on behalf of DFAT embarked on an intensive set of research activities in the latter half of 2014 and early 2015. The research ensured that the design progress was supported and validated by evidence on the needs and goals of the NGO sector in Indonesia. The mixed methods research included original field work consisting of a survey of NGOs and qualitative research targeting people from a mix of backgrounds, networks analysis based on the field work data, desk research, and finally a review of DFAT programs in Indonesia and comparative programs doing work similar to that intended for the NSSC. The main findings of the review of DFAT data also have been used to produce the report to which this document is annexed, along with select material from the review of comparative programs.

The review aimed to document: i) how much funding DFAT provided to Indonesian NGOs; ii) the primary delivery channels for funding to Indonesian NGOs; iii) how working with Indonesian NGOs contributed to achieving DFAT development goals; and iv) how DFAT support strengthened Indonesian NGOs.

The methodology for the review of DFAT data involved a three-step process. The first step was to identify DFAT projects that worked with Indonesian NGOs across the fiscal years for which financial data was available. Then expenditure and outcomes across those projects relating to their engagement with Indonesian NGOs was examined. After a first round of analysis was complete findings were crosschecked with a sample of DFAT's NGO partners in March and April 2015. In parallel, between November 2014 and February 2015, a desk researcher compiled summary information on comparative programs.

### Defining the List

DFAT provided the review team with a list of all agreements DFAT had entered into in Indonesia during the financial years 2007/08 through 2013/14. This dataset covered 1,726 standalone agreements with total expenditure of \$2.39 billion.<sup>50</sup> The dataset provided information on: the type of implementing partner,<sup>51</sup> agreement name, name of organisation entering into agreement; agreement number; and actual expenditure from DFAT to the implementing partner in each financial year.

Working through this dataset, using both the agreement name and the review team's knowledge of DFAT projects, the agreements were classified into four categories: those likely to engage NGOs; those unlikely to engage NGOs; those with no NGO engagement; and agreements related to Australia Awards Indonesia (AAI, previously Australian Development Scholarships).<sup>52</sup> Other members of the

<sup>50</sup> All figures are in Australian dollars. The review does not cover engagement through DFAT's *Australia NGO Cooperation Program* as the data was not accessible to the review team. DFAT maintains a separate portfolio of assistance to Australian NGOs that is managed across countries from Canberra. The most recent Aid Program Performance Report 2012–2013 for the *Australia NGO Cooperation Program* does not provide specific figures on the number of projects or amount of assistance spent in Indonesia. It does however note that 34% of the 2011–2012 budget of \$98.1 million for *Australia NGO Cooperation Program* was spent on projects in East Asia. A proportion of this would have been spent in Indonesia and, in turn, a proportion of those funds spent in Indonesia would have resulted in funding to Indonesian NGOs.

<sup>51</sup> The delivery partner captures the type of organisation with whom DFAT enters into an agreement. The data received from DFAT was categorised to capture the following partner channels:

- Public Sector: Australian Government; Foreign Government (primarily Government of Indonesia);
- Non-Government Organisations and Civil Society: International NGOs; National NGOs (Australian NGOs); Local/Regional NGOs (Indonesian NGOs);
- Multilateral Institutions: United Nations agencies; World Bank Group; Regional Development Banks; and other multilateral agencies;
- Other: University, college or other teaching institutions; and other (predominantly commercial entities / managing contractors and individual consultants).

For ease of analysis, these were re-classified into the following categories: Indonesian NGOs; International NGOs; Government of Australia; Government of Indonesia (including Indonesian Commissions); Managing Contractors; Multilateral Organisations; Teaching Institutions; and Individual Consultants.

<sup>52</sup> The AAI agreements include both agreements with managing contractors to implement AAI and agreements with each of the Australian universities for payment of tuition fees. A proportion of recipients of AAI scholarships come from Indonesian NGOs. However, no direct financial support goes to the Indonesian NGO and limited data currently exists on the impact of AAI on NGOs, including whether or not candidates return to their organisations. For this reason, agreements related to AAI were not included in the analysis. There may, however, be some scope in the future for examining linkages between AAI and the NSSC in terms of AAI's role in building human resource capacity of Indonesian NGOs.

NSSC research and design team and staff from DFAT reviewed these lists. As the table below shows, 378 agreements were identified as likely to engage with Indonesian NGOs. Overall expenditure of these agreements was over \$920 million.<sup>53</sup> A further 253 agreements worth almost \$560 million were identified as unlikely to engage with NGOs. Agreements with expenditure over \$5 million in the 'unlikely' category were checked with relevant DFAT project officers and it was confirmed that these agreements had no engagement with Indonesian NGOs.

Table 1 Defining the List of Projects engaging with NGOs

Steps	Agreements	Expenditure	% Overall DFAT Expenditure
Overall # of Agreements	1726	\$2.39 billion	100%
	↓		
Likely Agreements	378	\$920 million	38.5%
	↓		
Projects Analysed	155	\$905 million	37.9%
Financial Data Available	101 projects	\$712 million	29.4%
Outcome Data Available	80 projects		

155 projects<sup>54</sup> in the likely category were determined to have had some form of engagement with Indonesian NGOs, and became the subject of the review. The review team removed agreements with individual consultants or with managing contractors worth under \$100,000 from the resultant list of projects for review.<sup>55</sup> In a number of instances, agreements categorised as likely to have NGO engagement were subsequently identified as having no engagement with Indonesian NGOs. These were subsequently removed from the list. The final analysis therefore covered 155 projects with expenditure of \$905 million. The table below provides a breakdown of these projects by type of implementing partner.<sup>56</sup>

Table 2 Number of Projects Reviewed (Outcome and Financial Data) by Implementing Partner

Type of Implementing Partner	Projects Identified	Outcome Data Available	Financial Data Available
Indonesian NGO	58	22	58
International NGO	34	22	18
Managing Contractor	26	17	13
Multilateral Organisation	19	8	4
Indonesian Commission	8	3	1
Australian Government	7	6	4
Teaching Institution	3	2	3
<b>Total</b>	<b>155</b>	<b>80</b>	<b>101</b>

Projects were then categorised. First, categories were used to define the type of implementing partner DFAT engaged to implement projects. This report follows the classifications used in the dataset

<sup>53</sup> This figure reflects overall expenditure by DFAT through those agreements. It includes but is not limited to expenditure on Indonesian NGOs.

<sup>54</sup> Terminology here changes from 'agreement' to 'project'. The initial dataset covered all agreements, including but not limited to projects. However, the DFAT review focused on projects funded by DFAT with agreements covering individual inputs removed from the dataset. The remainder of the report refers to projects.

<sup>55</sup> As agreements with managing contractors worth under \$100,000 mostly covered services for engaging individual consultants for specific tasks these were removed from the list.

<sup>56</sup> Projects identified with the Government of Indonesia that engaged with NGOs were limited to projects working with Indonesian Commissions. As such this category refers to Indonesian Commissions, rather than Government of Indonesia.

provided by DFAT on expenditure from 2007/08 to 2013/14 with one or two caveats. Several categories used in the dataset were either combined or re-categorised to simplify analysis for this report.

- > The 'Foreign Government' category of implementing partner primarily covered Indonesian government agencies and Indonesian commissions. No government agency was identified as partnering with Indonesian NGOs. As such for the purposes of this analysis the category was redefined as 'Indonesian Commissions'.
- > The dataset referred to international NGOs, National (i.e. Australian) NGOs and local / regional NGOs. The first two categories were combined as International NGOs. The third category was redefined as Indonesian NGO.
- > The dataset included a category of 'Other' covering managing contractors and agreements with individual contractors. This was re-categorised as 'Managing Contractor'. All agreements with individuals and agreements with managing contractors under \$100,000 were removed from the list.
- > Finally, a small number of projects were re-classified to better represent the type of organisation being supported based on the review team's knowledge of the project and partner.<sup>57</sup>

Second, projects were categorised by sector. The report uses two classifications, one at the sector level and one at the sub-sector level. The dataset received from DFAT did not include references to sectors or sub-sectors. The review team categorised each project based on their understanding of each projects' objectives. For the small number of projects where categorisation was not clear, the review team sought guidance from DFAT. The sector categories used are the sectors used by DFAT according to DFAT's website as of late 2014.<sup>58</sup> Sub-sectors referred to follow the categorisation from DFAT's Aid Program Performance Reports (APPR). Although these sub-sectors pre-dated the identification of new sectors they broadly align with the new sectors enabling classification by sub-sector with linkages to the new sectors. Where uncertainty existed, the review team confirmed with DFAT the proposed classification.<sup>59</sup>

### Financial and Outcome Analysis

Once the project list was defined and categorised analysis was undertaken on each project to identify expenditure on Indonesian NGOs and lessons from outcomes. Although much of the data was obtained through public sources, some of the documentation received, in particular the financial data, was provided on the basis of confidentiality. As such, the review team agreed that the data would be used primarily at an aggregate level. The report does not provide any financial breakdowns at a project level. Breakdowns are aggregated at either the sector or type of implementing partner level.

The outcome analysis aimed to document the role of NGOs in assisting DFAT meet its development objectives and the outcomes for the Indonesian NGOs receiving support. The analysis drew from information in project designs, implementation reports and both activity and independent completion reports.

A financial analysis was also undertaken to measure the amount of assistance provided to NGOs and the modalities used to provide assistance. There were three avenues through which NGOs received support through DFAT.

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<sup>57</sup> DFAT's support to the Social Monitoring and Early Response Unit (SMERU) was re-classified from Teaching Institution to Indonesian NGO. Funding to the ARBEITER-SAMARITER-BUND DEUTSCHLAND (ASB) was re-categorised from 'Other Government' to 'International NGO' and funding to John Hopkins University (through USAID) for 'Improving Contraceptive Method mix (ICMM) in NTB and East Java' was re-categorised from 'Other Government' to 'Teaching Institution'.

<sup>58</sup> See <http://aid.dfat.gov.au/aidpolicy/Pages/home.aspx> (accessed on 19 January 2015). These sectors were revised in late 2014 with the change of government. They are: Infrastructure and Trade; Agriculture; Effective Governance; Education; Health; Building Resilience; and Gender Equality.

<sup>59</sup> The following sub-sectors were used: **Agriculture**: agriculture; environment/other; **Building Resilience**: disaster risk reduction, poverty reduction, other; **Effective Governance**: elections, justice, knowledge sector, local governance, economic governance, other; **Gender**; and **Health**: HIV/AIDS, other. Sub-sectors were not defined in other sectors as no NGO activity was identified in those sectors.

- > First, DFAT entered directly into an agreement with the NGO with the NGO receiving financial assistance directly from DFAT. This form of assistance is referred to as direct funding or direct grants throughout the report and covers the 58 'Indonesian NGO' projects identified in Table 5 above.
- > Second, Indonesian NGOs received DFAT funding through other implementing partners, either in the form of a contract or grant, to implement particular aspects of a project.
- > Third, other implementing partners provided assistance to NGOs that was not in the form of a financial transfer to support those NGOs. This took the form of technical support, training or operational costs of managing NGO components. The report refers to this form of assistance as indirect assistance or indirect expenditure.

The financial analysis calculated these different forms of support for Indonesian NGOs from activity completion reports for completed projects and implementation (six-monthly or quarterly reports) for active projects.

The review included qualitative interviews with a small number of project teams to clarify both the outcome and financial data. In general these were with projects that were viewed as being particularly relevant in informing the design of the NSSC. Interviews were conducted with *Australia Indonesia Partnership for Decentralisation (AIPD)*, *HIV Cooperation Program for Indonesia (HCPI)*, *Australia Indonesia Facility for Disaster Reduction (AIFDR)*, *Australia Indonesia Partnership for Justice (AIPJ)* and The Asia Foundation.

### Comparing Initiatives with and without NGO engagement

Different ways of examining results of engaging NGOs at the aggregate level were explored. Given the diversity of types of projects engaging NGOs and the different reasons projects had for working with NGOs, few tools existed that enabled comparison of projects working with NGOs against other projects. One tool that compares and ranks different initiatives across a range of criteria is DFAT's annual Quality at Implementation rankings (captured in the Aid Program Progress Reports, or APPR).<sup>60</sup> The review compared initiatives working with NGOs to those with no NGO engagement.

The most recent APPR available at the time of review (2012) covered 48 initiatives, divided into 21 initiatives that had projects working with NGOs and 27 initiatives with no engagement with NGOs. The APPR process includes the provision of scores for Quality at Implementation across six criteria: relevance, effectiveness, efficiency, monitoring and evaluation, sustainability and gender. The review focused on the criteria of effectiveness, efficiency, gender and sustainability as the role of NGOs were more likely to have shaped these criteria and these criteria are of most relevance to the NSSC.<sup>61</sup> Across each criteria DFAT program managers provide a score of between 1 (lowest) to 6 (highest) for initiatives under their responsibility. Invariably, almost all rankings sit between 3 and 5.<sup>62</sup>

The report provided a comparison of averages for rankings on effectiveness, efficiency, gender and sustainability. Another way of examining this data is to compare number of initiatives achieving rankings of five or six (high performing) where NGOs were involved in implementation to those where NGOs were not involved. There were a significantly higher number of initiatives engaging NGO with these rankings than NGOs not engaging NGOs. The table below presents this breakdown for effectiveness and efficiency using the 2012 APPR figures. For effectiveness, 72% of initiatives that

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<sup>60</sup> Data reviewed by the team was still called 'quality at implementation' data, found in Aid Program Performance Report 2012-2013, Annex C Quality at Implementation Ratings for 2012 and 2011. The same data as of June 2015 is referred to as 'aid quality checks'. DFAT initiatives differ a little to projects and generally encompass several projects, covering a sub-sector. This will often be one core project and several complimentary activities. For example the Australia Indonesia Partnership for HIV (AIPH) covers support to the Clinton Foundation and the HIV Partnership Fund in addition to HCPI. Based on this it is possible to identify initiatives that work with NGOs, through knowledge about the main projects within those initiatives.

<sup>61</sup> On the criteria monitoring and evaluation, averages for initiatives engaging with NGOs are slightly lower than those not engaging NGOs although the level of variation is significantly smaller than across the other rankings. For relevance, rankings for initiatives not engaging NGOs were marginally higher in 2012 and there was no variation in 2011.

<sup>62</sup> As the rankings are provided by program managers there is a risk that this creates bias in the assessment, with initiatives from particular sectors or areas tending to obtain more favorable rankings. It is the DFAT review's understanding that these are checked by DFAT managers and monitored and reviewed across initiatives by a quality assurance group.

engage NGOs received a ranking of five or six in 2012 whereas only 48% of initiatives not engaging NGOs received these rankings. Similarly, 43% of initiatives engaging NGOs received a ranking of five for efficiency<sup>63</sup> whereas only 26% received a similar ranking for initiatives not engaging NGOs. As scores of 3 or below equate to 'unsatisfactory' performance, initiatives with no NGO involvement also were twice as likely to receive unsatisfactory ratings for across these two categories.

**Table 3 Initiatives working with NGOs were proportionally more likely to have higher scores for both effectiveness and efficiency**

	Effectiveness			Efficiency		
	All	NGO	Non-NGO	All	NGO	Non-NGO
<b>Average</b>	4.52	4.71	4.37	4.15	4.29	4.04
<b>Initiatives per rank as proportion of overall initiatives</b>						
Six	2%	5%	0%	0%	0%	0%
Five	56%	67%	48%	33%	43%	26%
Four	33%	24%	41%	48%	43%	52%
Three	8%	5%	11%	19%	14%	22%

In addition to the APPRs, the review also examined some of the outcomes and lessons from engagement of at a project level where NGOs have been involved, including in relation to cost effectiveness and sustainability. Annex 2 provides a summary per project, where information is available, of outcomes across the projects reviewed.

### Quality Control

The review used a number of iterative steps to ensure quality control. A draft presentation of findings was presented to representatives from a broad range of DFAT projects at a workshop on 3 December, 2014. This was followed by a two-day workshop with NSSC staff discussing findings and framing the report. A draft report was presented internally for review by NSSC staff and advisers for peer review in January, 2015. The approach for obtaining feedback from NGOs was developed based on comments from this review process and findings from the NGO interviews, focus group discussions and survey were incorporated into the report along with relevant information from the comparative research. The report was then circulated for peer review to two NSSC advisers and an independent reviewer in June 2015. A final report was prepared incorporating comments from this peer review process. Throughout the research process, the team engaged with DFAT staff to seek clarification on specific items or request additional information.

### Feedback from NGOs

On the basis of a draft findings report from the initial analysis, findings were subsequently crosschecked with NGO partners. This was done through three mechanisms. First, a small number of qualitative interviews were conducted with a purposively selected range of NGO partners. The NGOs were selected to represent different types of partners across the different sectors that DFAT engages with. Second, a focus group workshop was held with a number of partners to test a number of the key findings from the review. Third, approximately 140 NGOs were invited to complete a questionnaire through survey monkey on their experiences engaging with donors. More detailed information on the methodology for this aspect of the research and key findings is documented in Annex 5.

### Comparative Review Methodology

This report also incorporates findings from a literature review of 14 programs outside of Indonesia and seven non-DFAT programs in Indonesia (the comparative review). These programs were selected to

<sup>63</sup> No initiatives received a ranking of six for efficiency in 2012.

explore how donors have historically designed NGO facilities and aimed to strengthen civil society as a sector.

For the comparative review, first, a broad desk review of publicly available practitioner literature (e.g. program designs, evaluations, annual reports, technical and budgetary notes, etc.) was conducted. The initial search included donors such as large government agencies, as well as foundations that have a strong track record in civil society support. For the non-Indonesia reviews, 65 programs were identified and subsequently filtered into brief summaries for 25 projects with the strongest outcomes and greatest relevance to NSSC. From here, the NSSC research and design team chose the final 14 programs for full review, chiefly based on the quality of documentation and their ability to inform NSSC's design. These programs represent a broad range of civil society support programs, encompassing work in Eastern Europe, Africa, the Middle East, Asia, and the Pacific. The same approach occurred for non-DFAT Indonesia program reviews, initially identifying 15 programs, creating seven full reviews.

### Limitations

It is important to note several limitations with the methodology of the review of DFAT data, and how the reviewers sought to mitigate them.

First, as highlighted above, either financial or outcome data was not available for every project identified as having worked with Indonesian NGOs. Ultimately documents were available for approximately half the projects for outcomes and two thirds of the projects for financial data. Three main factors influenced the availability of documents:

- > Projects with expenditure of less than \$1,000,000 were significantly less likely to have information available. As this included a large number of agreements directly from DFAT to Indonesian NGOs, outcome data was not easily accessible for many of these projects.<sup>64</sup>
- > Documents were less readily available for projects completed in the first half of the period of analysis.
- > Documentation was more difficult to come across for projects managed by multilateral implementing partners and, as many projects involved contributions from various donors, calculating the effect of DFAT's contribution was not always feasible.<sup>65</sup>

Central to the following limitations is that the reporting for most projects is not specifically focused on the role of NGOs in implementation of the projects but, naturally, on the project overall with NGOs being one element. This is not a critique of the reporting. Rather, this reality presented challenges in trying to review reporting from across dozens of projects within a common framework. Expenditure reporting is rarely consistent across projects and invariably was not set up to report specifically on the information this review was after. This means that in some instances, although engagement with NGOs was known to occur, it was not possible to calculate the amount of assistance.<sup>66</sup> Where this information is lacking, these projects are not included in the financial data reviewed list. Financial data reported on in this report, therefore, comes from 101 projects with overall expenditure of \$712 million. This represents 65% of the number of projects and 78% of expenditure from the DFAT review list. Furthermore this covers 29% of overall DFAT expenditure in Indonesia over the review timeframe.

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<sup>64</sup> Financial analysis for these projects was, however, still possible as it was captured as direct expenditure by DFAT on Indonesian NGOs.

<sup>65</sup> As the NSSC is less likely to work with multilateral institutions and, on the assumption that lessons from working with multilateral institutions were already documented in DFAT, the review team was advised to focus more on other forms of implementing partners.

<sup>66</sup> Two main examples arose from the research. The Indonesia Australia Forest Carbon Partnership (IAFCP) was managed by a managing contractor who sub-contracted significant parts of implementation to international NGOs. It is known that these international NGOs used Indonesian NGOs for some aspects of implementation. However, the available financial data does not differentiate between what was implemented by the managing contractor, international NGO or local NGO. Similarly, the new *Australia-Indonesia Partnership for Promoting Rural Income through Support for Markets in Agriculture* project includes contracts with at least five international NGOs, some of whom are known to implement in partnership with Indonesian NGOs. However, from the financial data available to the review it was not possible to estimate the distribution of expenditure between international and Indonesian NGOs.

As a result of the above limitation the data should be viewed as a minimum figure, recording expenditure where documentation was accessible. It does not capture some additional expenditure that is known to have occurred but that has not been possible to calculate.

Another limitation was the difficulty in calculating indirect expenditure. The financial analysis calculates both indirect expenditure and expenditure from DFAT – or its implementing partners – to Indonesian NGOs (in the form of financial transfers). Indirect expenditure is defined as money spent by implementing partners to support the work of Indonesian NGOs without a financial transfer occurring to the NGOs. It could take the form of expenditure for training, technical assistance, staff costs for supervision or implementation and the like. These figures in the report need to be treated with some care. Projects report on these differently and in many cases do not report on them at all. It is also not always possible to separate indirect expenditure on NGOs with indirect expenditure on other partners. For this reason, unless otherwise stated, analysis done on expenditure in this report, focuses on expenditure that takes the form of fund transfers to Indonesian NGOs.

Despite the limitations the review team is confident that the overall approach accurately represents the position of DFAT engagement with Indonesian NGOs from the period of 2007/08 to 2013/14. Although the data used to analyse results presented some challenges, as identified above, these have been mitigated by documenting where limitations exist, ensuring an ongoing, open dialogue with DFAT on availability of data and constraints and pursuing all reasonable means to triangulate information.

## Annex 2. Final Project List with Status of Outcome / Financial Analysis

No	Category	Sector	Sub-sector	Partner Organisation	Project	Project Title	Expenditures 2007-2014	Financial Analysis	Outcome Analysis
1	INGO	Effective Governance	Elections	The Asia Foundation	13748	Indonesia Regional Elections Program	2,319,260	Yes	Yes
2	INGO	Effective Governance	Other	The Asia Foundation	34193	Islam and Civil Society Program in Indonesia	650,000	Yes	No
3	INGO	Effective Governance	Elections	The Asia Foundation (Jakarta)	45668	Promoting Civil Participation in the 2009 Elections	491,533	Yes	No
4	INGO	Building Resilience	Disaster Risk Reduction (DRR)	International Federation Of Red Cross And Red Crescent Societies	45740	IFRC Appeal 2008/09 – Organisational Dev.	1,700,000	Yes	Yes
5	INGO	Building Resilience	DRR	Oxfam Australia	50648	Building Resilience in Eastern Indonesia	4,085,368	Yes	Yes
6	INGO	Building Resilience	DRR	International Federation Of Red Cross And Red Crescent Societies	50775	IFRC Appeal 2008/09 – Disaster Management		No	Yes
7	INGO	Effective Governance	Knowledge Sector	The Asia Foundation (Jakarta)	53577	Revitalising Indonesia's Knowledge Sector for Development Policy – Management of Program Learnings (Indonesia)	4,100,000	Yes	Yes
8	INGO	Effective Governance	Other	The Asia Foundation (Jakarta)	55096	Local Governance Economic Survey	1,149,872	Yes	Yes
9	INGO	Effective Governance	Elections	The Asia Foundation (Jakarta)	55418	Improving the Governance of Elections in Indonesia	892,561	Yes	Yes
10	INGO	Building Resilience	DRR	Mercy Corps	59156	Resilient Villages: Safe House Construction (Indonesia)	1,817,162	Yes	No
11	INGO	Building Resilience	DRR	Australian Red Cross Society	59157	Strengthening disaster coordination and response preparedness (East Indonesia)	2,399,331	Yes	Yes
12	INGO	Building Resilience	DRR	Humanitarian Openstreet Map	59297	Community Mapping Pilot (Indonesia)		No	Yes
13	INGO	Building Resilience	DRR	Arbeiter-Samariter-Bund Deutschland (ASB)	59342	Widening the Participation of Women and Children with Disabilities in Community-Focused Disaster Risk Reduction (Indonesia)	157,221	Yes	No
14	INGO	Effective Governance	Elections	IFES Indonesia	60083	Voter Registration Preparation and Planning (Indonesia)		No	Yes
15	INGO	Effective Governance	Elections	The Asia Foundation (Jakarta)	60389	Civil Society sub-grants and Technical Assistance	5,141,241	Yes	Yes
16	INGO	Building Resilience	DRR	Australian Red Cross Society	61705	Public Campaign for the Community Perception and Behavioural Change in DRR	-	No	Yes
17	INGO	Effective Governance	Justice	The Asia Foundation (Jakarta)	62753	Prison Reform in Indonesia Phase III	3,544,964	Yes	Yes
18	INGO	Effective Governance	Knowledge Sector	The Asia Foundation (Jakarta)	63004	funding Agreement for Eastern Indonesia Knowledge Exchange	999,927	Yes	No
19	INGO	Effective Governance	Other	The Asia Foundation (Jakarta)	63533	Civic Education Scoping Study (Indonesia)	60,000	Yes	No
20	INGO	Agriculture		Swisscontact – Indonesia	64634	Introducing Market Development Indonesia (IMDI)		No	Yes
21	INGO	Building Resilience	DRR	Australian Red Cross Society	68755	Public Campaign for Disaster Risk Reduction Awareness through National Television	-	No	Yes
22	INGO	Building Resilience	DRR	Humanitarian Openstreetmap	69513	Supporting the Expansion of InaSAFE and OpenStreetMap in Indonesia (Indonesia)	-	No	Yes
23	INGO	Effective Governance	Elections	IFES Inc.	69937	Support the ASEAN General Electoral Network for Disability Access (Indonesia)	-	No	Yes
24	INGO	Building Resilience	Poverty Reduction	The Asia Foundation (Jakarta)	70009	Support to strengthen the capacity of civil society organisations to empower marginalised groups to improve their socio-economic conditions – PNPM Peduli Phase II (Indonesia)	17,900,000	Yes	Yes
25	INGO	Building Resilience	DRR	Australian Red Cross Society	09788/46	Jakarta Bombing 2004 Family Support Program Phase 2		No	Yes
26	INGO	Building Resilience	DRR	Oxfam Australia	37915/84	Building and Deepening Resilience in Eastern Indonesia (Indonesia)	1,500,000	Yes	Yes
27	INGO	Building Resilience	DRR	Plan International Australia	37917/14	Mount Merapi Recovery Program (Indonesia)	278,352	Yes	Yes
28	INGO	Building Resilience	DRR	Save The Children Australia	37917/47	Recovery Program following the Mount Merapi Disaster (Indonesia)		No	Yes
1	Managing Contractor	Education		Cardno Acil Pty Ltd	13352	Indonesia Learning Assistance Program for Islamic Schools – Technical and Coordination Support Contractor	-	No	Yes
2	Managing Contractor	Effective Governance	Justice	GRM International Pty Ltd	14354	Indonesia Australia Legal Development Facility	10,826,119	Yes	Yes
3	Managing Contractor	Effective Governance	Local Governance	Cardno Acil Pty Ltd	36614	ANTARA Management Support Team	21,335,844	Yes	Yes
4	Managing Contractor	Building Resilience	DRR	RHK Project Management Pty. Ltd.	39227	Yogyakarta Jateng Community Assistance Program – Community Based Assistance Provider	20,969,705	Yes	Yes
5	Managing Contractor	Building Resilience	DRR	Coffey International Development Pty Ltd	40385	NIAS RECONSTRUCTION PROGRAM		No	Yes
6	Managing Contractor	Education		Coffey International Development Pty Ltd	43283	Communities and Education in Aceh (CEPA) Phase 2.		No	Yes
7	Managing Contractor	Health	HIV/AIDS	GRM International Pty Ltd	43760	HIV Cooperation Program for Indonesia	55,053,439	Yes	Yes
8	Managing Contractor	Effective Governance	Local Governance	IDSS Pty Ltd	45746	Australian Community Development and Civil Society Strengthening Scheme Phase 2	35,455,897	Yes	Yes

No	Category	Sector	Sub-sector	Partner Organisation	Project	Project Title	Expenditures 2007-2014	Financial Analysis	Outcome Analysis
9	Managing Contractor	Health		Coffey International Development Pty Ltd	48796	Australia Indonesia Partnership for Maternal and Neonatal Health (AIPMNH)	71,633,846	Yes	Yes
10	Managing Contractor	Effective Governance	Local Governance	Coffey International Development Pty Ltd	52311	Local Governance Innovations for Communities in Aceh (Indonesia)	27,885,552	Yes	Yes
11	Managing Contractor	Agriculture	Environment	IDSS Pty Ltd	53118	Indonesia Australia Forest Carbon Partnership (IAFCP) Facility		No	Yes
12	Managing Contractor	Effective Governance	Local Governance	Cardno Emerging Markets (Australia) Pty Ltd	56238	Australia Indonesia Partnership for Decentralisation (AIPD) – Management Support Team	42,569,152	Yes	Yes
13	Managing Contractor	Effective Governance	Justice	Cardno Emerging Markets (Australia) Pty Ltd	58441	Australia Indonesia Partnership for Justice – Implementation Service Provider	26,065,775	Yes	Yes
14	Managing Contractor	Building Resilience	Poverty Reduction	GRM International Pty Ltd	59971	Poverty Reduction Support Facility	65,603,918	Yes	Yes
15	Managing Contractor	Effective Governance	Knowledge Sector	Research Triangle Institute	64971	Australia-Indonesia Partnership for Pro-Poor Policy – The Knowledge Sector initiative	12,641,060	Yes	Yes
16	Managing Contractor	Agriculture		GRM International Pty Ltd	65795	Management of a Program Promoting Rural Income through Support for Markets in Agriculture (Indonesia)	6,924,420	Yes	Yes
17	Managing Contractor	Gender		Cowater International Inc	66844	Management of the Empowering Indonesian Women For Poverty Reduction Program (Indonesia)	13,780,035	Yes	Yes
1	Multilateral	Health	HIV/AIDS	United Nations Development Program	43759	Indonesia Partnership Fund	3,000,000	Yes	Yes
2	Multilateral	Building Resilience	DRR	United Nations Development Program	43777	UNDP-Safe Communities through Disaster Risk Reduction		No	Yes
3	Multilateral	Effective Governance	Elections	United Nations Development Program	48481	Multi-Donor Programme – Strengthening Indonesia's Democratic Elections	3,600,000	Yes	Yes
4	Multilateral	Building Resilience	Poverty Reduction	World Bank	51045	PNPM Support through The PSF	191,000,000	Yes	Yes
5	Multilateral	Effective Governance	Elections	United Nations Development Program	53628	Elections Multi-donor Program (E-MDP)		No	Yes
6	Multilateral	Effective Governance	Other	World Bank	54244	Aceh Multi Donor Trust Funding contribution (Indonesia)		No	Yes
7	Multilateral	Building Resilience	DRR	United Nations Development Program	55670	Safer Communities through Disaster Risk Reduction (Indonesia)	2,500,000	Yes	Yes
8	Multilateral	Effective Governance	Other	International Labour Organisation	62940	Access to Employment and Decent Work		No	Yes
1	Australian Government	Effective Governance	Other	Office Of The Commonwealth Ombudsman	14433/17	2013-2015 Strengthening and Supporting the Ombudsman of Republic of Indonesia (ORI)	244,809	No	Yes
2	Australian Government	Effective Governance	Other	Office Of The Commonwealth Ombudsman	14433/3	Indonesian Australian Ombudsman Linkages and Strengthening (IAOLAS)	333,446	No	Yes
3	Australian Government	Effective Governance	Elections	Australian Electoral Commission	36529/35	Australia Indonesia Electoral Support Program 2011-2015	5,581,686	Yes	Yes
4	Australian Government	Effective Governance	Justice	Human Rights And Equal Opportunity Commission	39041/23	Australian Human Rights Commission cooperation with Komnas Perempuan	67,256	No	Yes
5	Australian Government	Building Resilience	DRR	Geoscience Australia	49101	Support to Australia-Indonesia Facility for Disaster Reduction	487,300	Yes	No
6	Australian Government	Building Resilience	DRR	Geoscience Australia	51172/3	Support to the Australia – Indonesia Facility for Disaster Reduction	1,145,906	Yes	Yes
7	Australian Government	Effective Governance	Justice	Department Of Foreign Affairs And Trade	52849	RoU Prison Reform (DFAT)	2,100,000	Yes	Yes
1	Teaching Institution	Building Resilience	DRR	Centre For Disaster Mitigation, Institute Technology Bandung	37424	Technical Support for Capacity Building in Nahdlatul Ulama (NU) and Muhammadiyah CBDRM Program	188,987	Yes	No
2	Teaching Institution	Effective Governance	Other	Australian National University Through The Research School Of Pacific And Asian Studies	40510	Governance Research Program	3,879,036	Yes	Yes
3	Teaching Institution	Health	Other	United States Agency For International Development (USAID)	63407	Improving Contraceptive Method mix (ICMM) in NTB and East Java	2,670,000	Yes	Yes
1	GOI Commission	Effective Governance		Komisi Nasional Anti Kekerasan Terhadap Perempuan (KOMNAS Perempuan)	49177	Support for National Commission on Violence against Women (Indonesia)		No	Yes
2	GOI Commission	Health		National AIDS Commission (KPA) (Indonesia)	50983	National Action Plan for HIV Response for Men who have Sex with Men		No	Yes
3	GOI Commission	Health	HIV/AIDS	National AIDS Commission (KPA) (Indonesia)	62974	Indonesia partnership Fund 2012 – 2015	2,500,000	Yes	Yes
1	Indonesian NGO	Effective Governance	Other	Social Monitoring and Early Response Unit	12251	Core Funding Support for the Research Institute (Indonesia)	4,919,936	Yes	No
2	Indonesian NGO	Building Resilience	DRR	Yayasan Kanaivasu	36964	Kanaivasu: Aceh Trauma Counselling	- 15,000	Yes	No
3	Indonesian NGO	Building Resilience	DRR	Muhammadiyah	37437	Muhammadiyah Child Disaster Awareness for Schools and Communities	549,294	Yes	No
4	Indonesian NGO	Building Resilience	DRR	Palang Merah Indonesia Daerah Bali	39148	PMI Bali – Enhancing Disaster Management Capacity	- 31,500	Yes	No

No	Category	Sector	Sub-sector	Partner Organisation	Project	Project Title	Expenditures 2007-2014	Financial Analysis	Outcome Analysis
5	Indonesian NGO	Building Resilience	DRR	Muhammadiyah	44796	Hospital Preparedness for Disaster Management (Indonesia)	1,494,116	Yes	No
6	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	45406	CBDRM NU Phase 2	900,000	Yes	No
7	Indonesian NGO	Effective Governance	Elections	Kemitraan-Partnership For Governance Reform	45685	Strengthening the Capacity of KPU SecGen – PARTNERSHIP	253,048	Yes	No
8	Indonesian NGO	Building Resilience	Poverty Reduction	Survey Meter	47464	Indonesia Family Life Survey 4	310,690	Yes	Yes
9	Indonesian NGO	Building Resilience	DRR	MPBI (Indonesian Society For Disaster Management)	47510	Funding Support to The 4th CBDRM Symposium	31,970	Yes	No
10	Indonesian NGO	Building Resilience	DRR	Muhammadiyah	52903	Muhammadiyah (PKO) for West Sumatra Earthquake	248,966	Yes	No
11	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	52904	NU West Sumatra Earthquake Response	250,469	Yes	Yes
12	Indonesian NGO	Effective Governance	Knowledge Sector	Yayasan Bursa Pengetahuan Kawasan Timur Indonesia (BAKTI)	53126	Funding Agreement for Eastern Indonesia Knowledge Exchange	500,000	Yes	Yes
13	Indonesian NGO	Building Resilience	DRR	IDEP Foundation	53263	'Build Back Better' Multimedia Education Campaign in West Sumatra	250,000	Yes	Yes
14	Indonesian NGO	Effective Governance	Knowledge Sector	Institute Of Good Governance And Regional Development(IGGRD)	54175	Secretariat Support for Revitalising Indonesia's Knowledge Sector for Development Policy	95,456	Yes	Yes
15	Indonesian NGO	Effective Governance	Justice	Kemitraan-Partnership For Governance Reform	54312	Analysis – Anti-Corruption	59,034	Yes	Yes
16	Indonesian NGO	Effective Governance	Justice	Pusat Studi Hukum and Kebijakan Indonesia	54313	Analytical Paper on Perda Review Mechanism	40,451	Yes	No
17	Indonesian NGO	Building Resilience	DRR	IDEP Foundation	55041	'BUILD BACK BETTER' MULTI-MEDIA EDUCATION CAMPAIGN, WEST SUMATRA – PHASE 2'	214,898	Yes	Yes
18	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	55205	Nahdlatul Ulama: Scoping Mission 2010	51,369	Yes	No
19	Indonesian NGO	Health		Indonesian National Nurses Association	55230	National Seminar and Workshop on Professional Nursing System Development	51,190	Yes	No
20	Indonesian NGO	Effective Governance	Elections	Kemitraan-Partnership For Governance Reform	55416	Integrity and Accountability of Electoral Process	400,203	Yes	Yes
21	Indonesian NGO	Building Resilience	DRR	Perkumpulan Skala	55421	Documentation of Indigenous Knowledge on Disaster Risk Reduction phase I	2,281	Yes	No
22	Indonesian NGO	Building Resilience		Special Olympics Indonesia (SOLNA)	55758	Sponsorship for 2010 Special Olympic	6,791	Yes	No
23	Indonesian NGO	Effective Governance	Other	Yayasan Bina Media Wacana (The Jakarta Post Foundation)	55948	Young Journalist Program – The Jakarta Post Foundation	21,356	Yes	No
24	Indonesian NGO	Health		The Indonesian Public Health Association (IAKMI)	56858	AusAID Support on HHR Planning and Management Activity Board of HHR Development and Empowerment	217,011	Yes	No
25	Indonesian NGO	Health	HIV/AIDS	Yayasan Spiritia	57465	Strengthening Capacity for People Living with HIV (Indonesia)	280,662	Yes	No
26	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	57477	Mount Merapi Eruption Response	100,000	Yes	No
27	Indonesian NGO	Building Resilience	DRR	Muhammadiyah	57483	Mount Merapi Eruption Emergency Response	100,000	Yes	No
28	Indonesian NGO	Building Resilience	DRR	IDEP Foundation	57533	Build Back Better Phase III – Community Empowerment for Earthquake Safe Reconstruction and Retrofitting	382,714	Yes	No
29	Indonesian NGO	Gender		Yayasan Pekka	57907	PEKKA Cianjur Community Centre	40,000	Yes	No
30	Indonesian NGO	Effective Governance	Other	Institute For Peace And Democracy	58180	Improving Peace and Democracy in Indonesia (Indonesia)	1,150,000	Yes	Yes
31	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	58202	Nahdlatul Ulama: Advocacy on Disaster Management Institutions in 8 Districts in East Java 2011-2013	2,170,656	Yes	Yes
32	Indonesian NGO	Effective Governance	Justice	Yayasan Lembaga Kajian Dan Advokasi Untuk Independensi Peradilan (Leip)	58233	Australia Indonesia Partnership for Justice Bridging Program (Indonesia)	439,000	Yes	Yes
33	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	58423	Socialisation of Disaster Risk Reduction based in Islamic Boarding Schools in Sukabumi and Tasikmalaya Districts in West Java Province (NU)	90,218	Yes	Yes
34	Indonesian NGO	Agriculture		Yayasan Mitra Tani Mandiri	58424	Agriculture forestry and Community Development Program (Indonesia)	3,000,000	Yes	Yes
35	Indonesian NGO	Effective Governance	Other	Kemitraan-Partnership For Governance Reform	58805	Bureaucratic Reform Support (Indonesia)	10,250,000	Yes	Yes
36	Indonesian NGO	Effective Governance	Justice	Yayasan Lembaga Bantuan Hukum Indonesia	58921	YLBHI – Monitoring and Protecting the Rights of Children in Conflict with the Law	99,990	Yes	Yes
37	Indonesian NGO	Effective Governance	Justice	Semarang Legal Aid Institute	58922	Semarang LBH – Capacity Building for Parents to Protect Children Facing Legal Problems	90,000	Yes	Yes
38	Indonesian NGO	Effective Governance	Justice	Lembaga Perlindungan Anak	58923	Empowering Local Governments and NGOs in Indonesia to Improve Rights of Children in Conflict with the Law	98,000	Yes	Yes

No	Category	Sector	Sub-sector	Partner Organisation	Project	Project Title	Expenditures 2007-2014	Financial Analysis	Outcome Analysis
39	Indonesian NGO	Effective Governance	Justice	Yayasan Lembaga Bantuan Hukum Anak	58924	LBH Anak – Advocacy of Children's Rights in Aceh	90,000	Yes	Yes
40	Indonesian NGO	Building Resilience	DRR	Muhammadiyah	59045	Scoping Mission – Muhammadiyah Hospital and Community Preparedness for Disaster Management (HOPE) Phase II	45,560	Yes	No
41	Indonesian NGO	Building Resilience	DRR	Perkumpulan Elspat	59258	Review of Community Based Disaster Risk Management in Indonesia	85,250	Yes	No
42	Indonesian NGO	Building Resilience	DRR	P2UM Daya Annisa	59437	Community Based Integration of Disaster Risk Reduction into Sustainable Livelihood Program (Indonesia)	127,072	Yes	Yes
43	Indonesian NGO	Gender		Yayasan Jurnal Perempuan	59900	National Literature Review for Development of the Women in Leadership Program	5,041	Yes	No
44	Indonesian NGO	Effective Governance	Elections	Partnership Governance Reform In Indonesia	60475	Support to Sub-national KPU for the Implementation of Local Elections in Papua	487,600	Yes	No
45	Indonesian NGO	Health		: DELSOS – Komisi Pse Keuskupan Larantuka (DELSOS – Socio Economic Development Commission Of Larantuka)	61042	Supporting Families to Save Mothers and Children (Indonesia)	148,553	Yes	No
46	Indonesian NGO	Building Resilience	DRR	Yayasan Bina Media Wacana (The Jakarta Post Foundation)	61052	ACTIVITIES FOR DISASTER RISK REDUCTION MONTH WITH THE JAKARTA POST	43,667	Yes	No
47	Indonesian NGO	Gender		RAHIMA	61107	Grant Rahima	3,481	Yes	No
48	Indonesian NGO	Building Resilience	DRR	MPBI (Indonesian Society For Disaster Management)	61384	Support to 7th National Conference on the Community-Based Disaster Risk Management.	9,815	Yes	No
49	Indonesian NGO	Gender		YAPPIKA	62903	Women in Leadership Grants Manager	970,317	Yes	Yes
50	Indonesian NGO	Building Resilience	Poverty Reduction	Yayasan Bursa Pengetahuan Kawasan Timur Indonesia (BAKTI)	63196	Preliminary Activities for Barefoot Engineer Training in Papua	171,872	Yes	Yes
51	Indonesian NGO	Effective Governance	Other	Kemitraan-Partnership For Governance Reform	63316	Indonesia Governance Index (Indonesia)	1,480,000	Yes	Yes
52	Indonesian NGO	Gender		Yayasan Sosial Indonesia Untuk Kemanusiaan	64253	Increasing Capacity in Integrating Principles of Gender Equality and Non-Discrimination to Strengthen Civil Society Organisations in Indonesia	64,563	Yes	No
53	Indonesian NGO	Building Resilience	DRR	Nahdlatul Ulama	64893	Mainstreaming Disaster Risk Reduction by Strengthening Cooperation of Multi-Stakeholders through the National and Sub-National Platform in Indonesia	65,728	Yes	No
54	Indonesian NGO	Effective Governance	Other	Aliansi Jurnalis Independen	66280	Journalism Competency Workshop	20,822	Yes	No
55	Indonesian NGO	Building Resilience	Poverty Reduction	Kopernik, Yayasan	66333	Indonesian Social Innovator Award	10,121	Yes	No
56	Indonesian NGO	Agriculture		Yayasan Sahabat Cipta	67142	Cocoa Production Specialist for AIPD Rural Joint Mission Trip May 2013 (Indonesia)	2,184	Yes	No
57	Indonesian NGO	Building Resilience	Poverty Reduction	SMERU Research Institute	70044	Research on estimating the impact of social inequality in Indonesia (Indonesia)	23,301	Yes	No
58	Indonesian NGO	Building Resilience		DELSOS – Komisi Pse Keuskupan Larantuka (DELSOS – Socio Economic Development Commission Of Larantuka)	70152	Tongkat Musa 2 (Indonesia)	93,572	Yes	No

## Annex 3: Network Mapping – NGOs funded by DFAT, provincial summary and list of NGOs

Province	Number of NGOs	Numbers of Projects working with NGOs <sup>67</sup>
Aceh	25	6
Bali	8	10
Jakarta	74	62
Jawa Barat	13	9
Jawa Tengah	8	3
Jawa Timur	9	5
Kalimantan Barat	6	1
Kalimantan Timur	1	1
Lampung	1	1
NTB	31	8
NTT	37	13
Papua	14	4
Papua Barat	2	3
Sulawesi Barat	1	1
Sulawesi Selatan	31	11
Sulawesi Tengah	2	1
Sulawesi Tenggara	12	1
Sulawesi Utara	2	2
Sumatera Barat	4	1
Sumatera Utara	4	4
Yogyakarta	31	12
<b>TOTAL</b>	<b>316</b>	

<sup>67</sup> Projects may work across several provinces, thus the total number of projects listed is higher than the number of projects reviewed.

### List of NGOs Involved in DFAT Project 2007-2014 per Province

No	NGO Name	National or Local	District	No. of project involved
<b>Aceh (Nangroe Aceh Darussalam)</b>				
1	Aceh Budget Watch (JPA)	Local		2
2	Aceh Judicial Monitoring Institute	Local		1
3	Balai Syura Ureung Inong Aceh	Local	Aceh Tengah	3
4	BIMa	Local	Bireun	1
5	Bina Insan Madani	Local	Aceh Tamiang	1
6	Bina Rakyat Sejahtera	Local	Aceh Tamiang	1
7	Centre for Peace and Conflict Resolution Studies	Local	Banda Aceh	1
8	Children Media Centre	Local	Aceh Timur	1
9	Forum LSM	Local	Banda Aceh	1
10	GASAK	Local	Bireun	1
11	Jaringan Pemilu Aceh	Local	Banda Aceh	1
12	LIPGA	Local	Aceh Tengah	1
13	LPLHA	Local	Pidie Jaya	1
14	LSPeNa	Local	Bireun	1
15	Masyarakat Transparansi Aceh (MaTA)	Local	Banda Aceh	2
16	P3A	Local	Aceh Barat Daya	1
17	PASKA	Local	Pidie Jaya	1
18	PB Ham	Local	Pidie Jaya	1
19	RATA	Local	Bireun	1
20	Redelong Institute	Local	Aceh Tengah	1
21	SAHARA	Local	Bireun	1
22	Serikat Pengembangan Swadaya Masyarakat	Local	Aceh Timur	1
23	Solidaristas untuk Peduli Anggaran	Local	Aceh Timur	1
24	Yayasan Bungong Jeumpa	Local	Banda Aceh	1
25	Yayasan Empathy	Local	Aceh Timur	1
<b>Bali</b>				
26	Bali Sruti	Local		1
27	DRR Forum Bali	Local		1
28	Gaya Dewata Bali Medika	Local		1
29	IDEP Foundation	Local		4
30	Institute for Peace and Democracy	Local	Badung	2
31	Kawanusa	National		1
32	PMI Bali	Local		2
33	Yayasan Pecinta Budaya Bebali	Local	Ubud	1
<b>DKI Jakarta</b>				
34	Aisyyiah	National		3
35	AKATIGA – Pusat Analisis Sosial	National		2
36	Center for Elactoral Reform (CETRO)	National		2
37	Cinta Anak Bangsa Foundation	National		1
38	Cipta Cara Padu Foundation	National		1
39	Circle Indonesia	National		1

No	NGO Name	National or Local	District	No. of project involved
40	Coalition for Criminal Code Reform	National		1
41	Coalition of Court Observers	National		1
42	Derap Warapsari	National		1
43	FITRA	National		2
44	Gaya Nusantara	National		1
45	GWL – Ina	National		1
46	HFI	National		1
47	IFPPD	National		1
48	Indonesia Corruption Watch (ICW)	National		5
49	Indonesian Association of Paediatricians (IDAI)	National		1
50	Indonesian Disabled People's Association (PPDI)	National		1
51	Indonesian Employers' Association (Apindo)	National		1
52	Indonesian Institute for Independent Judiciary (LEIP)	National		1
53	Indonesian Judicial Supervisory Community (MAPPI)	National		1
54	Indonesian Parliamentary Centre	National		1
55	Institut Kapal Perempuan	National		2
56	Kemitraan	National		8
57	Koalisi Perempuan Indonesia (KPI), Indonesian Women's Coalition	National		2
58	Koalisi Perempuan Indonesia untuk Keadilan dan Demokrasi	National		1
59	Komisi untuk Orang Hilang dan Korban Tindak Kekerasan (KONTRAS)	National		1
60	Komnas Perempuan	National		3
61	KPPOD: Komite Pemantauan Pelaksanaan Otonomi Daerah, Regional Autonomy Watch	National		1
62	KRHN	National		1
63	Lakpesdam NU	National		2
64	LBH Apik	National		3
65	LBH Apik Jakarta	Local		1
66	LBH Jakarta	National		1
67	LBH Masyarakat	Local		1
68	LBH Pers	National		1
69	LEKDIS Nusantara	National		1
70	Lembaga Independensi Peradilan (LeIP)	National		3
71	Lembaga Studi dan Advokasi Masyarakat (ELSAM)	National		2
72	Masyarakat Transparansi Indonesia (MTI)	National		2
73	Migrant Care	National		3
74	Mitra Indonesia Foundation	Local		1
75	Mitra Netra	National		1
76	MPBI	National		3
77	Muhammadiyah	National		7
78	MUI	National		1
79	Muslim Aid Indonesia	National		1

No	NGO Name	National or Local	District	No. of project involved
80	National Ombudsman Commission	National		2
81	NU	National		11
82	Palang Merah Indonesia (PMI)	National		4
83	PATTIRO Pusat Telaah dan Informasi Regional	National		2
84	Pelita Ilmu Funaction	Local		1
85	Pemberdayaan Perempuan Kepala Keluarga (PEKKA)	National		7
86	People's Voter Education Network (JPPR)	National		4
87	Perhimpunan Bantuan Hukum (PBHI)	National		1
88	Perludem	Local		4
89	Permata Hati Kita Foundation	Local		1
90	PKBI	National		1
91	PPUA Penca	National		1
92	Pusat Mediasi Nasional (PMN)	National		1
93	Pusat Studi Hukum dan Kebijakan (PSHK)	National		5
94	Puskapol	National		1
95	Sinergi	National		1
96	SMERU	National		3
97	Solidaritas Perempuan	National		1
98	Spiritia Foundation	Local	Jakarta Pusat	1
99	TIFA Foundation	National		2
100	Trade Union Rights Centre	National		1
101	Transparency International Indonesia (TII)	National		1
102	Wahid Institute	National		1
103	Women's Research Institute	National		1
104	YAPPIKA (Aliansi Masyarakat Sipil untuk Demokrasi)	National		2
105	Yayasan Inter Medika (YIM)	Local	Jakarta Pusat	1
106	Yayasan Lembaga Bantuan Hukum Indonesia (YLBHI)	National		3
107	YSIKA	National		1
<b>Jawa Barat</b>				
108	kalyANamandira	Local	Bandung	1
109	Kerlip	Local	Bandung	1
110	Kompak	Local	Karawang	2
111	LP3E Unpad	Local	Bandung	1
112	Masyarakat Pemantau Peradilan Indonesia (MaPPI, UI)	National	Depok	2
113	P3ML	Local	Sumedang	1
114	Perkumpulan Inisiatif	Local	Bandung	1
115	PLANAS/ITB	National	Bandung	2
116	PUPUK	Local	Bandung	1
117	Yayasan Bumi Manira	Local	Bandung	1
118	Yayasan Mata Hati	Local	Sindanglaya	1
119	Yayasan Resik Subang	Local	Subang	1
120	YMS	Local	Bandung	1

No	NGO Name	National or Local	District	No. of project involved
<b>Jawa Tengah</b>				
121	AJI Semarang	Local	Semarang	1
122	LESMAN	Local	Boyolali	1
123	Loh Gesang/ Nawakalam	Local	Magelang	1
124	LPPSP	Local	Semarang	1
125	LPTP	Local	Surakarta	1
126	Pattiro Semarang	Local	Semarang	1
127	PERSEPSI	Local	Klaten	1
128	Rumah Pelangi	Local	Magelang	1
<b>Jawa Timur</b>				
129	Bambu Nusantara	Local	Madiun	1
130	JavaSutra	Local	Jombang	1
131	Jawa Pos Institute of Pro-Otonomi (JPIP)	Local	Surabaya	2
132	Jimat	Local	Trenggalek	1
133	Madewa	Local	Malang	1
134	Mitra Wanita Pekerja Rumahan Indonesia (MWPRI)	Local	Malang	1
135	Pattiro Malang	Local	Malang	1
136	Yayasan Hotline	Local	Surabaya	1
137	Yayasan Paramitra	Local	Batu	1
<b>Kalimantan Barat</b>				
138	Lembaga Gemawan	Local		1
139	PKBI Kalbar	Local		1
140	Pontianak Post	Local	Pontianak	1
141	PPSW Borneo	Local	Pontianak	1
142	Swandiri Institute	Local	Pontianak	1
143	Tribun Pontianak	Local	Pontianak	1
<b>Kalimantan Timur</b>				
144	Pokja 30	Local	Samarinda	1
<b>Lampung</b>				
145	DAMAR	Local	Bandar Lampung	1
<b>Nusa Tenggara Barat (NTB)</b>				
146	ASPPUK (Asosiasi Pendamping Perempuan Usaha Kecil Wilayah Nusa Tenggara)	Local	Lombok Tengah	1
147	Beragak Dese	Local	Lombok Tengah	1
148	Dewan Peduli Anggaran	Local	Dompu	1
149	FITRA NTB	Local		1
150	Forum Masyarakat Tani 'Paju Rasa' Kabupaten Bima	Local	Bima	1
151	Forum Peduli Anggaran	Local		1
152	Forum Peduli Perempuan Pedesaan Madapangga (FP3M)	Local	Bima	1
153	Forum Perempuan Peduli Korban Kekerasan (FP2KK)	Local	Dompu	1
154	Jaringan Masyarakat Sipil (JMS) Lombok Barat (Solidaritas Perempuan Mataram)	Local	Lombok Barat	1
155	Konsepsi	Local		2

No	NGO Name	National or Local	District	No. of project involved
156	Konsorsium Untuk Studi dan Pengembangan Partisipasi (KONSEPSI)	Local	Lombok Barat	1
157	Koslata	Local	Mataram	5
158	Lembaga Advokasi Buruh Migran Indonesia (ADBMI)	Local	Lombok Timur	1
159	Lembaga Pengembangan Masyarakat Pedesaan (LPMP) Dompu	Local	Dompu	1
160	Lembaga Perlindungan Anak NTB	Local		1
161	Lembaga Studi Kemanusiaan (LenSA) NTB	Local	Dompu	1
162	Lembaga Studi Pengkajian Lingkungan (LESPEL)	Local	Dompu	1
163	Le-SA Lembaga Studi Advokasi Demokrasi dan Hak Asasi (LESA DEMARKASI)	Local	Lombok Tengah	1
164	Lembaga Pengembangan Partisipasi Demokrasi Ekonomi Rakyat 'Bangun Daya' (LP2DER Bangun Daya)	Local	Bima	3
165	LSM Lembayung – Asosiasi Mareje Bonga	Local	Lombok Tengah	1
166	Mitra Samya (Lembaga Studi Partisipasi dan Demokrasi)	National	Lombok	1
167	Panca Karsa	Local	Mataram	1
168	Perkumpulan Solidaritas Untuk Demokrasi (SOLUD)	Local	Bima	1
169	Santiri Foundation	Local	Lombok	1
170	Solidaritas Masyarakat untuk Transparansi SOMASI	Local	Mataram	3
171	Transform	Local	Mataram	1
172	Tunas Alam Indonesia (SANTAI) Yayasan	Local	Lombok Barat	1
173	Women who care about Budgets	Local	Lombok Barat	1
174	Yayasan Bina Cempre (YBC)	Local	Dompu	1
175	Yayasan Bina Masyarakat Sejahtera (YISA)	Local	Bima	1
176	Yayasan Lembaga Kemanusiaan Masyarakat Pedesaan (YLKMP)	Local	Utara Lombok	1
<b>Nusa Tenggara Timur (NTT)</b>				
177	Bahtera Yayasan	Local	Sumba Barat	1
178	Bengkel 'Advokasi Pemberdayaan dan Pengembangan Kampung' (Bengel APPEK-NTT)	Local	Kupang	2
179	Cendana Mekar Yayasan	Local	Sumba Timur	1
180	Delsos	Local	Flores Ruteng	3
181	DRR Forum NTT	Local		1
182	FIRD	Local	Flores	1
183	INCREASE (Institute of Cross Timor for Economic and Social Development)	Local	Kupang	1
184	Jaringan Perempuan Usaha Kecil (Jarpuk) Ina Fo'a Kupang	Local	Kupang	1
185	JASMIN	Local	Ngada	1
186	JORMAS	Local		1
187	KOPPELDA (Lembaga Koordinasi Pengkajian Pengelolaan Sumberdaya Alam)	Local	Sumba	1
188	Lembaga Pelita Sumba	Local		1
189	Lembaga Studi Perubahan Sosial dan Pengembangan Masyarakat (STIMULANT Institute)	Local	Sumba Timur	1
190	PAKTA Sumba Yayasan	Local	Sumba Barat	1

No	NGO Name	National or Local	District	No. of project involved
191	Perhimpunan Bantuan Hukum Nusa Tenggara PBH NUSRA	Local	Kupang	1
192	Perkumpulan Pengembangan Inisiatif dan Advokasi Rakyat (PIAR-NTT)	Local	Kupang	1
193	Perkumpulan Potensi Advokasi Rakyat (PAR-NTT)	Local		1
194	PIKUL	Local	Kupang	1
195	PMI NTT	Local		1
196	PMPB NTT	Local	Kupang	2
197	Satu Visi Yayasan	Local	Sumba Barat	1
198	SDM Kupang	Local	Kupang	1
199	YABIKU	Local	Kefa	1
200	YAFA	Local	TTU	1
201	Yayasan Aksi Kemanusiaan (ANIMASI)	Local	Timor Tengah Selatan	1
202	Yayasan Alfa Omega	National	Kupang	1
203	Yayasan Cermin Masyarakat Rasional (CEMARA)	Local	Kupang	1
204	Yayasan Mitra Tani Mandiri	Local	TTU	3
205	Yayasan Pahadang Manjoru	Local	Sumba Timur	1
206	Yayasan Sanggar Suara Perempuan Soe NTT (YSSP)	Local	Timor Tengah Selatan	2
207	Yayasan SBD	Local	Sumba Barat Daya	1
208	Yayasan Sosial Donders	Local	Sumba Barat Daya	1
209	Yayasan Tanoha Luis Manekat (Tanaoba Lais Manekat)	Local	Kupang	1
210	Yayasan Timor Membangun	Local	Kefa	1
211	Yayasan Wahana Komunikasi Wanita	Local	Sumba Tengah	1
212	Yayasan Wali Ati (YASALTI)	Local	Sumba Timur	1
213	YPPS	Local	Larantuka	2
<b>Papua</b>				
214	AFP3 Papua	Local		1
215	Jayapura Support Group	Local	Jayapura	1
216	KIPRA	Local	Jayapura	1
217	KPAD (District or Provincial HIV and AIDS Commissions )Papua	Local		1
218	Maestrasama	Local		1
219	PKBI Papua	Local		1
220	PPMA Papua	Local	Jayapura	1
221	PSKMPD Uncen	Local	Jayapura	1
222	TALI	Local	Wamena	1
223	Yayasan Kesehatan Bethesda Papua	Local	Jayapura	1
224	Yayasan Merauke	Local		1
225	Yayasan Peduli AIDS Timika	Local	Timika	1
226	Yayasan Pengembangan Kesehatan Masyarakat	Local		1
227	Yayasan Santo Antonius	Local	Merauke	1
<b>Papua Barat</b>				
228	Perdu	Local	Manokwari	2

No	NGO Name	National or Local	District	No. of project involved
229	Yayasan Sosial Augstinus	Local	Sorong	1
<b>Sulawesi Barat</b>				
230	YASMIB Sulsel-Bara	Local		1
<b>Sulawesi Selatan</b>				
231	Aliansi KSM (Koperasi Tani Assamaturu)	Local	Jenepono	1
232	FIK- Ornop	Local		1
233	FPMP Sulsel	Local	Makassar	1
234	Gabungan Perkumpulan Petani Pemakai Air Turatea-Binamu (GP3A Turbin)	Local	Jenepono	1
235	Gaya Celebes	Local	Makassar	1
236	Institute for Studies, Empowerment and transformation of Selayar (ISET)	Local	Selayar	1
237	Jalarambang Indonesia (Yajalindo) Yayasan	Local	Bantaeng	1
238	Jaringan Masyarakat Sipil (Jaring Mas)	Local	Bantaeng	1
239	Karaeng Opu Yayasan	Local	Bantaeng	1
240	KOPEL	Local		1
241	KPI Sulsel	Local		1
242	JiKTI – Jaringan peneliti Kawasan Indonesia Timor	Local	Makassar	1
243	LBH Apik Makassar	Local	Makassar	2
244	LBH Makassar	Local	Makassar	2
245	LBH P2i	Local	Makassar	1
246	Lembaga Bumi Indonesia (LBI)	Local	Gowa	1
247	Lembaga Ekonomi Desa (LED) Lolo Gading	Local	Bantaeng	1
248	Lembaga FIK-KSM Kabupaten Takalar	Local	Takalar	1
249	Lembaga LPMT Kabupaten Takalar	Local	Takalar	1
250	Lembaga Pemantau Independen – Pengadaan Barang dan Jasa Makassar	Local	Makassar	1
251	Lembaga Pemberdayaan dan Pengembangan Masyarakat (LEMBARA)	Local	Takalar	1
252	Lembaga Pengkajian dan Pengembangan Masyarakat Tanadoang (LP2MT)	Local	Selayar	0
253	Lembaga WAKIL Kabupaten Gowa	Local	Gowa	1
254	Lembaga YBC Kabupaten Gowa	Local	Gowa	1
255	Lembaga Abdi Masyarakat (LAM)	Local	Gowa	1
256	Mitra Turatea-Yayasan	Local	Jenepono	1
257	Pusat Telaah dan Informasi Regional Jenepono-Jakarta (Pattiro Jeka)	Local	Jenepono	1
258	YASMIB Sulsel-Bara	Local		1
259	Yayasan BaKTI	Local	Makassar	5
260	Yayasan Gowa Centre (YGC)	Local	Gowa	1
261	Yayasan Peduli Indonesia (YASPINDO)	Local	Bantaeng	1
262	Yayasan Pendidikan Lingkungan (YPL)	Local	Gowa	1
<b>Sulawesi Tengah</b>				
263	Jambata	Local	Palu	1
<b>Sulawesi Tenggara</b>				
264	Aliansi Peduli Perempuan dan Anak (APPAK) Buton	Local	Buton	1

No	NGO Name	National or Local	District	No. of project involved
265	Bina Potensi Desa (Sintesa) Yayasan	Local	Baubau	1
266	Bina Potensi Wanita (Yasinta) Yayasan	Local	Buton	1
267	Lembaga Pemberdayaan Potensi Masyarakat Indonesia (LEPPMI)	Local	Utara Buton	1
268	LMS Pelangi	Local	Baubau	1
269	Pelintas Buton	Local	Buton	1
270	Pengembangan Rakyat Indonesia Madani (PRIMA) Yayasan	Local	Buton	1
271	Perkumpulan Serabut (Sekolah Rakyat Butuni)	Local	Baubau	1
272	Perkumpulan SWAMI	Local	Muna	1
273	YAKIIN (Yayasan Kreasi Insani Indonesia)	Local	Utara Buton	1
274	Yayasan Kritik (Kelompok Kerja untuk Transparansi dan Partisipasi Publik)	Local	Muna	1
275	Yayasan Lambu Ina	Local	Muna	1
<b>Sulawesi Utara</b>				
276	Kelola	Local	Manado	1
277	Swara Parangpuan	Local	Manado	1
<b>Sumatera Barat</b>				
278	DRR Forum West Sumatra	Local		1
279	Jemari Sakato	Local	Padang	1
280	Kogami	Local		1
281	PKPU West Sumatra	Local	Padang	1
<b>Sumatera Utara</b>				
282	Bitra	Local	Medan	1
283	Permampu	National	Medan	1
284	SaHIVa	Local	Medan	1
285	Yayasan Harapan Nias	Local	Telukdalam	1
<b>Yogyakarta</b>				
286	CD Bethesda	National		1
287	Combine Resource Institution	National		1
288	Daya Annisa	Local	Bantul	3
289	Dream-UPN	Local		1
290	Dria Manunggal	Local		1
291	DRR Forum Yogyakarta	Local		1
292	FIDES	Local		1
293	FKISP	Local		1
294	Gita Pertiwi	Local		2
295	Institute for Research and Empowerment (IRE)	Local		1
296	Jogja Heritage Society	Local		1
297	KOMPIPKYPA	Local		1
298	Lembaga Pengembangan Pesantren dan Masyarakat (LP2M)	Local	Kotagede	1
299	Lingkar Yogyakarta	Local	Sleman	1
300	LPPM Yogyakarta State University	Local		1
301	PALUMA	Local	Bantul	1

No	NGO Name	National or Local	District	No. of project involved
302	Perkumpulan untuk Kajian dan Pengembangan Ekonomi Kerakyatan (PKPEK)	Local		1
303	Pusat Kajian Anti Korupsi (PUKAT)	Local	Sleman	1
304	Sasana Integrasi dan Advokasi Difabel (SIGAB)	National	Sleman	2
305	Sentra Advokasi perempuan, Difabel dan Anak (SAPDA)	Local	Wirobrajan	1
306	SPTN-HPS	Local		1
307	Survey Meter	National		2
308	Syarikat Indonesia	National		1
309	YAKKUM	Local	Sleman	1
310	YASANTI	Local	Wirobrajan	1
311	Yayasan CNB	Local		1
312	Yayasan EPM	Local		1
313	Yayasan Kembang	Local		1
314	Yayasan Kerabat Desa Kota Indonesia	Local		1
315	Yayasan KYPA	Local		1
316	Yayasan Lestari Indonesia (YLI)	Local	Sleman	1

## Annex 4: Lessons for DFAT's work with NGOs

The lessons and examples contained in this Annex are a compilation of lessons relevant to DFAT projects that might engage with NGOs relevant to the following areas of project management and content. They were gathered during the process of review of DFAT and comparative programs, the main analysis for which appears in the report to which this material is annexed. In some cases they have been reflected in the main report as well, and / or in the NSSC design. In others, the material did not fit into the overarching analysis but might be of interest to select projects, or to projects at certain periods of time or doing particular types of work. This annex thus supplements the overall recommendations and analysis, and provide examples for further follow up by interested parties.

The topics for which lessons and examples were gathered are as follows:

1. Program design and governance
2. Partner selection and screening
3. Project staffing
4. Funding and Grants Mechanisms including Core Funding
5. Communications
6. Building NGO networks
7. Improving NGO Engagement with Government and Advocacy
8. NGO and CSR / private sector engagement
9. Monitoring and Evaluation
10. Policy environment for NGOs
11. Capacity development
12. Cross Cutting: Gender and Inclusion
13. Cross Cutting: Geographic Scope
14. Cross Cutting: Decentralisation and CDD

1. Program Design and Governance	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Involvement of NGOs in design process increases ownership of outcomes and sustainability. Ensure NGOs are included as main stakeholders.	Several program designs (e.g. HCPI 43760) identify NGOs as being key partners but don't include them among key stakeholders in design document. Creates view that NGOs are service delivery partners rather than active in decision making. Lack of involvement in planning and design limited impact in Oxfam Building Resilience (50648).
Use existing structures rather than building new project specific structures.	<b>LOGICA2 (52311):</b> NGOs criticised creation of project structures for implementation. Recommended use of existing NGO structures in districts which were successfully used for last phase of project.
Potential for use of MoUs with NGO associations to input into design of initiatives and play role in monitoring activities of individual NGOs members	<b>LOGICA (52311):</b> NGOs criticised contracting model due to lack of active role of NGOs apart from implementing components. Project signed MoUs with provincial associations to strengthen role in design, identification of district partners and combined monitoring.
Effectiveness of Partners Forum to guide strategic direction of program.	<b>MAMPU (66844):</b> partner's Forum increases ownership of program among partners. Steering committee sets agenda for partners' forum. Forum then designs work plan of program for future year. Also acts as learning activity and feeds into substantive advocacy activities.
Sustainability of program results more likely when aligned with objectives or NGO partners	<b>Building Resilience (50648):</b> use of local CSOs improves sustainability as resources remain behind when program ends – but for it to be effective it requires programs to align with the objectives of the NGOs instead of NGOs viewing their role as service providers.
Ability to identify self-funding	<b>TAF – Regional Elections Program (13748):</b> JPPR partner organisations willing to provide some budget allocations towards local election monitoring. Number of partners were mass-based organisations which enabled them to access contributions to support this.
<b>Lesson and Examples from Comparative Projects</b>	
A clearing house model could minimise	<b>[DFAT] AMNEP and AACES</b> were designed as large regional programs (clearing

transaction costs of engaging with NGOs	house model) to minimise the administrative burden with engaging NGOs and INGOs in DFAT thematic programs.  AMNEP created two types of central resource groups for CSOs: Program Quality Resource Group and an Administrative Support Unit. Program Quality Resource Group provides support to staff at AusAID Posts and to NGOs, including advice on good practices to shared design and implementation processes. Administrative Support Unit provides administrative support to posts and NGOs, including secretarial and logistics support, and to the Reference Group, including for competitive grants processes and contracts management, administration and collation of reports, and procurement of technical assistance.
Establish a diverse steering committee and board for major operational decisions to provide international and local input.	<b>[DFID, EU] The Uganda Democratic Governance Facility</b> is governed by a Board, which is part constituted by the Heads of Missions of the eight development partners, three Ugandan experts and a representative of the Government of Uganda. A Steering Committee with technical staff from varied disciplines is charged with making the operational decisions on all major initiatives of the Democratic Governance Facility. A Programme Management Unit with Ugandan and international professionals provides the day to day management of the facility and works in close cooperation with a wide range of state and non-state partners to execute the facility's mandate.
Regular meetings of CSO and government stakeholders to foster an advisory body	<b>[EU] TASC0 established Local Advisory Groups</b> that meet regularly in each country. Comprised of representatives from CSOs, the government, and other stakeholders relevant to civil society such as the media, donors and the private sector, the Local Advisory Groups' role is to serve as a 'corrective' measure to the activities and services delivered by TASC0, i.e. it is a 'bounce back' body against which TASC0 can test whether or not planned project ideas, concepts, and activities will truly correspond to CSOs' needs.
Make use of local knowledge and citizens' initiatives	<b>[DFID] Nigeria State Accountability and Voice Initiative</b> funds civil society initiatives designed by local CSOs and networks. As a result, the project attempted to avoid elite capture and ensure that CSOs are motivated by their own locally rooted concerns instead of those of the donor.
Thematic networks within a program can be very strong, but may be disjointed from each other and the overall program.	<b>[USAID] Indonesia US-IKAT</b> noted that some of the six partner networks were stronger than others [ABA-ROLI (Law and HR), RWI (Extractive Industries), PPMN (Media), POWER (Women in politics), R4D (Citizen Oversight), and AGENDA (disability rights)]. Moreover, although IKAT aims to be a 'partnership,' many of those connected to the program still viewed USAID as a difficult donor to deal with, particularly in the inflexibility and long approval process of the USAID Funding Mechanism. Because each partnership was essentially created in a separate way, partnerships are more apt to see themselves as belonging to a single partnership instead of the larger IKAT program.
<b>2. Partner Selection and Screening</b>	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Benefits of open selection processes – use of direct contracting or assessment process creates tensions between local partners.	<b>Oxfam – Building Resilience (50648):</b> direct contracting of local partners creates competition between local partners in some areas. Review finds relationship would have been better had Oxfam engaged partners in project planning.
Encourage diversification of other project engagement with NGOs, including through support for database. More open tender processes require additional resources for communications, proposal writing support and the like.	DFAT projects, in particular international NGOs, tend to work primarily with pre-existing NGO partners. Projects such as HCPI or UNDP MEP have additional resources for outreach and proposal development support for seeking new partners.
<b>Lesson and Examples from Comparative Projects</b>	
Recognise existing accreditation processes to reduce the administrative burden related to NGO partner selection	Recognise existing accreditation processes to reduce the administrative burden related to NGO partner selection
Take a two-stage selection process to reduce competition and reduce transaction costs.	Take a two-stage selection process to reduce competition and reduce transaction costs.
<b>3. Project Staffing</b>	
<b>Lessons and Example from DFAT Indonesia Project</b>	
Staffing inputs on projects with core funding mechanisms will change over time.	<b>TAF – Knowledge Sector (53577):</b> TAF staffing inputs declined from 3.9 people / months at beginning to 1.7 people / months at the end despite increase in monthly expenditure.
Staffing of finance and accounting staff in	<b>TAF – CSO Elections (60389):</b> salaries are low for these positions compared to

NGOs is a challenge	private sector.
Use of NGO structures requires different types of skill set for project staff.	<b>LOGICA2 (52311)</b> : use of NGO structures increased workload for monitoring, capacity building of NGOs and coordination with gov't. But required less technical and day to day project operational inputs. Also greater variation across districts on staffing dependent on capacity of NGO partners.
Staffing implications of grant-making mechanisms.	Grant-making mechanisms, especially those involving multiple smaller grants, require additional resources. Some projects (e.g. HCPI (43670) estimate additional 40% budget needed for grant management.
<b>4. Funding and Grants Mechanisms including Core Funding</b>	
<b>Lessons and Example from DFAT Indonesia Project</b>	
Relationship between core funding and project funding: <ul style="list-style-type: none"> <li>risks of over focusing on projects;</li> <li>finding balance between core funding and project budgets</li> <li>potential for initiatives that offer core funding as incentive to complement other sources of funding.</li> </ul>	<p><b>IFRC (45740)</b>: Core funding component had slow start up as PMI members more focused on tsunami operations and other responses to natural disasters.</p> <p><b>KSI (64971)</b>: KSI also reportedly had a slow uptake initially but then increased drastically after they had strategic plan</p> <p><b>TAF – Knowledge Sector (53577)</b>: core funding doesn't exceed 30% of organisation's overall operational budget in any activity.</p> <p><b>AIPJ (58441)</b>: concern that core funding will reduce incentive for NGOs to use other funding sources that require more effort, for example Gov'ts legal aid funding mechanism.</p>
Risk of slow disbursement	<b>TAF – Knowledge Sector (53577)</b> : low capacity of partners to disburse funds upfront led to under-expenditure in first year.
Definition of core funding and what funding can be used for varies across projects.	<p><b>TAF – Knowledge Sector (53577)</b>: Core funding used to address issues in three key areas: technical (research) capacity, organisational capacity and advocacy capacity</p> <p><b>KSI (64971)</b>: Annex 10 of design provides detailed selection criteria to meet core funding requirements.</p>
Financial management/reporting requirements when dealing with networks can result in delays in implementation.	<b>TAF – Regional Elections Program (13748)</b> : Grants with 25 partners with village level networks delay disbursement as financial reports need to be checked beforehand. Change financial reporting to focus on proof of receipt of program funds at village level rather than expenditure.
Examine grants across multiple years.	Review shows most agreements with NGOs are for 12-month periods. This may limited ability of NGO to invest in future development. Examine options for longer-term agreements.
Acknowledge potential for disconnect between objectives of grant-making mechanism and capacity of NGOs to submit proposals addressing objectives.	<b>AIFDR, AIPHSS and UNDP E-MDP</b> projects developed grant-making mechanisms that were subsequently not implemented. Quality of proposals received did not meet with expectations at time of design. Need ensure mechanism is tested with NGOs. Also designs need to go beyond objectives of grant-mechanism and provide details on operational approaches, resourcing and communication strategy.
Room for funding that responds to crosscutting needs.	<b>HCPI (43670)</b> : The design of the Partnership Fund for HIV identified a weakness of NGOs in HIV and AIDS in policy advocacy. In response the Fund provided targeted up to 10% of grant mechanism to be used for leadership training for NGOs.
Balancing flexibility with financial accountability in core funding.	<b>TAF – Knowledge Sector (53577)</b> : partners produce quarterly budget forecasts but report monthly on expenditure. Partners saw this as a useful approach as it allowed some flexibility while ensuring project financial requirements were met.
Developing consistency in financial reporting standards for NGO partners.	Generally NGOs need to adopt financial reporting system of implementing partner. Some examples of same NGO having to use two different reporting systems for same project. Work towards standardise reporting framework and, over longer term, developing NGO standards for reporting that can be used by projects.
Importance of establishing clear 'rules of engagement' with partners.	<b>ANTARA (36614)</b> : used performance-based contracts to manage quality and ensure targets were being met by implementing partners.
Need check potential contracting mechanisms with partners and ensure they are not overly complicated.	<b>ACCESS (45746)</b> : new 'retainer' type contract with strategic partners was rejected by partners due to complexity of approach.
Reputational risk of not effectively communicating performance issues with partners on contracts. And of having one large contract covering numerous program activities.	<b>AIPD (56238)</b> : prolonged negotiations over performance issues with main NGO contractor. Contractor and Project had different perspectives on division of tasks between national and local branches of contractor.

Move towards integration activities into an NGOs annual plan.	<b>AIPJ (58441)</b> : where NGO has several contracts with same project, instead of negotiating each activity, will aim to fund aspects of NGOs annual plan covering those activities on a year-by-year basis.
Disbursement on NGOs is generally lower than on other activities in first year of project.	See section of report reviewing AIPD, ACCESS and AIPJ. Disbursement in first year significantly lower than other years. This should be taken into consideration in design and budget forecasting.
Develop financial reporting requirements that reflect budget allocation, capacity of partner and complexity of program.	<b>HCPI (43760)</b> : has a two-tiered grant making mechanism. More detailed reporting along with greater capacity support provided for new grantees.
<b>Lesson and Examples from Comparative Projects</b>	
Thematic funding can allow CSOs to apply for grants to tailor-fit their needs.	<b>[Multi-donor Europe] Ethiopia Civil Society Support Program</b> designed five types of CSO funding: <ol style="list-style-type: none"> <li>1. <b>Emergency Core Grants</b>: to demonstrate the ability to adapt to new ways of operating and serve the poorest people</li> <li>2. <b>Innovation Grants</b>: to support innovative local activities*</li> <li>3. <b>Collaborative Engagement Grants</b>: to support collaboration among CSOs</li> <li>4. <b>Capacity Development Services</b>: capacity development support for CSOs</li> <li>5. <b>Program Grants</b>: to support coalition-building on local issues</li> </ol> <p>In this sense, distinguishing between core and thematic funding allows CSOs to apply for funding based on their individual goals and needs.</p> <p>Reportedly in addition some programs like CSSP or ProRep have a special initiatives fund/ or pilots bucket of money to allow partners to come together and propose activities outside of other grant schemes.</p>
Support core funding for a smaller number of stronger CSOs instead of extending thin support to a larger number.	<b>[USAID] ProRep</b> found that grantees and think tanks unanimously highlighted a critical need for more core support around building stronger membership. Accordingly, the midterm review recommended that it would be more productive to provide more intensive support to a fewer number of CSOs instead of spreading funding too thin to a large number of CSOs.
Expanding core funding to support advocacy and networking can address shortcomings of demand-driven model.	<b>[DFAT] Samoa Civil Society Support Program</b> considered how demand-driven projects at the community level primarily responded to infrastructure and service-delivery needs. As a result, the demand-driven nature of the Civil Society Support Program model actually diluted the overall impact on socio-economic wellbeing (unless project activities became entry-points to working with the government). It was thus recommended that core funding be extended to advocacy and networking efforts so that NGOs could link into the supply-side.
One-off grants and technical assistance are ineffective at promoting long-term or systemic change of civil society.	<b>[DFAT, EU, NZAID] Samoa Civil Society Support Program's</b> midterm report openly criticizes the program for completing missing its goal of promoting long-term civil society development. This is due in large part to the ineffectiveness of one-off grants to strengthen CSO networking or CSO-government engagement.
Separate grants for technical assistance may be repetitive if mentoring is already in place.	<b>[USAID] Kosovo Civil Society Strengthening Project</b> set aside a US\$5000 grant for each grantee to hire private consultants for technical assistance. However, this was on top of mentoring that was being provided by the implementing partner, so many NGOs never even used this money.
One-year grants are ineffective for media-CSO campaigns	<b>[Multi-donor, EU, UK, USAID] Strengthening Transparency, Accountability, and Responsiveness in Ghana (STAR-Ghana)</b> identified its worst performing area as media coverage of development issues and creating relationships between CSOs and the media. This was primarily due to the short time frame for grants being only one year. <b>[USAID] Indonesia ProRep</b> also noted this challenge.
Considering separating grants that are national in scope vs those that are more localised.	<b>[USAID] Kosovo Civil Society Strengthening Project</b> distinguished between grants to support larger, national CSOs and grants to smaller local CSOs concentrating on service delivery. This made the playing field more even and linked appropriate grant amounts to a CSO's geographic scope and organisational capacity.
Distinguish between the effectiveness of small, short-term grants for advocacy vs. service delivery – but recognise potential for strategic small grants.	<b>[USAID] Kosovo Civil Society Strengthening Project</b> noted that USAID's model of providing small, short-term grants to CSOs was completely ineffective for advocacy efforts. Rather, it suggested that this model may be acceptable for service delivery, but did not demonstrate the time or financial commitment to long-term advocacy efforts.

Extending funding to seven to ten years can promote long-term sectoral reforms.	<b>Australia Mekong Non-Government Organisation Engagement Platform</b> (AMNEP, DFAT) program design strongly recommended going beyond the normal five-year DFAT funding period, extending it to seven to ten years in order to achieve long-term systemic changes.
A Special Activities Fund can fund miscellaneous short-term project needs as they arise.	<b>[USAID] Indonesia Civil Society Support and Strengthening Program</b> set aside a Special Activities Fund for short-term events. For example, SAF funded: special studies; organising and implementing conferences, seminars, workshops, training programs, production and printing of technical materials, and receiving and briefing visiting professionals.
Assess the effectiveness of partners' financial or in-kind contributions.	<b>[DFID] Nigeria State Accountability and Voice Initiative</b> had its contribution matched financially or through in-kind contributions by project partners. While this certainly lowered the costs, this model of financial efficiency needs to be properly assessed to see if project objectives are still being met.
Align grant timeframe with legislative calendar and reality of policy making.	<b>[USAID] Indonesia ProRep's</b> midterm evaluation stressed that research and grant timelines did not align with the national legislative calendar and the reality that legislation can take years to formulate and implement.
<b>5. Communications</b>	
<b>Lessons and Example from DFAT Indonesia Project</b>	
Need be aware of differing perceptions between implementing partner and NGOs on what different approaches or types of activities aim to achieve. Develop communications strategy to ensure implementing partner and NGOs have same vision.	Examples from both core funding (KSI, AIPJ) and grant mechanisms (AIFDR, UNDP MDP, AIPHSS) show differing views on how these components would work. Need communications strategy that defines boundaries of support and confirms common understanding.
<b>Lesson and Examples from Comparative Projects</b>	
Regular mentorship visits to grantees promotes much better donor-grantee relationships.	<b>[USAID] Kosovo Civil Society Strengthening Project's</b> implementing partner, Institute for Sustainable Communities, paid regular mentorship visits to grantees. These frequent visits to CSOs helped to change organisational practices, even if the monitoring / mentoring was at times excessive.
<b>6. Building NGO Networks</b>	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Different challenges faced when moving from national to sub-national level whilst still working on same substantive issues	<b>TAF – Regional Elections Program (13748):</b> success in building network from 30 to 38 members required provision of grants to both national secretariat and members.
Encourage NGO partners to reach out to new networks, including through sub-contracting parts of work to new partners with less experience / track record with donors.	<b>AIPJ (58441):</b> national NGOs include newer NGOs in their proposals to build their capacity.
Building new networks – establishment of new ASEAN network for disability access in elections.	<b>IFES – AGENDA (69937):</b> project employs network governance specialist to assess management and membership configurations given unique mix of actors involved in network.
Use of provincial – district networks with NGOs.	<b>LOGICA2 (52311):</b> identified three provincial NGO networks and selected district NGOs that were part of these networks – more effective approach to maintaining quality control of work of district NGOs and ensuring lessons learned across districts. Also strengthens provincial networks.
<b>Lesson and Examples from Comparative Projects</b>	
Promote SE Asian South-South CSO partnerships.	<b>[USAID] US-IKAT</b> is the only program to promote South-South exchange, connecting Indonesian CSOs with other CSOs Southeast Asia to promote knowledge sharing and best practices. At the root of this project is the acknowledgement that some Indonesian CSO are already quite capable and able to share their successes with other ASEAN partners.
Create online forums to encourage networking.	<b>[EU] TASC0's</b> website and social media platforms have been produced in 9 languages, thus encouraging online discussion and networking. They include CSO databases, training, toolkits, people to people links, help desk, online networking portal.
Small, informal organisations may not be able to absorb 'institutional capacity building'.	<b>[USAID] Kosovo Civil Society Strengthening</b> found that small, local CSOs with limited staff and informal organisational management structures were not ready to fully absorb technical assistance tied to institutional capacity building. Although they may have minimally benefitted, these CSOs needed more formal management to absorb capacity building.

7. Improving NGO Advocacy and Engagement with Government	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Government – NGO relations and overcoming lack of trust.	<b>TAF – Prison Reform (62753)</b> : benefit of employing NGO staff on individual contracts at outset to build trust. Staff presented as technical advisers rather than representatives of NGO.
If using NGOs for implementation, need ensure linkages with district government systems otherwise limited likelihood of continuation once program is finished.	<b>ANTARA (36614)</b> : NGOs worked without systematic engagement with district agencies. Lack of connection with government cycles reduced potential for availability of local government funding. <b>ACCESS (45746)</b> : on the other hand in ACCESS, some local NGOs that were able to sync their activities with government budget cycles were able to access funds.
NGOs can play effective role in service delivery on behalf of government.	<b>LOGICA2 (52311)</b> : district NGOs implemented 80% of budget strengthening government service delivery mechanisms. Placed NGO staff in gov't based on project's MOU with government. Gov't have technical expertise. NGOs play facilitation and coordination role.
<b>Lesson and Examples from Comparative Projects</b>	
Civil Society coalitions are effective in supporting sustainable policy advocacy.	<b>[DFID] Nigeria State Accountability and Voice Initiative</b> established 'Advocacy Partnerships'—civil society coalitions—to work towards policy changes and monitor government planning and budgeting. In their self-assessment, 65% of APs were satisfied with their progress.
Civil society coalitions are well-positioned to advocate for changes on sensitive issues.	<b>[DFAT] Philippines Coalitions for Change Program</b> created 16 issue-based civil society coalitions to be a 'critical mass' in areas where traction is most likely. Their ability to organise is highly contingent on the public space available for engaging on sensitive issues, but there have been positive signs of government willingness to engage. Highly specific issues are likely to get more traction by these coalitions. This was achieved by identifying in advance 16 issues that were timely and receptive to change.
The benefits of taking a flexible, rights-based approach that links demand and supply side reform.	<b>[DFAT] Philippines Coalitions for Change Program</b> has an explicit and well-thought out plan to bring together the demand and supply side of reform, thereby overcoming the adversary position of CSOs and the problem of rights 'being 'voiced' but not claimed, responded to, or actualised.' Their flexibility recognises that policy change isn't linear and they provide support by creating and supporting coalitions as opportunities arise. The approach as well is totally different for each coalition.
Consider the role of civil servants in government accountability.	<b>[USAID] Rwanda: Millennium Challenge Account Threshold Program</b> highlighted the need to create a code of conduct for civil servants in recognising that they play an important role as intermediaries between civil society and the government.
Issue-based coalitions can help bring demand and supply side actors into greater cooperation.	<b>[DFAT] Philippines Coalitions for Change Program</b> provided targeted support to around 16 issue-based coalitions. This approach links the demand and supply side actors within a specific area or theme, aiming to act as a catalyst (rather than a driver) brokering linkages between CSOs, the media, and government on issues defined and prioritised by them, rather than pre-defined by AusAID or the management team.
Work with mass-based Muslim organisations to promote pro-poor policies.	<b>[TAF, DFID, DFAT] Indonesia Civil Society Initiative Against Poverty</b> aims to build technical capacities of religious organisations (i.e. NU and Muhammadiyah) and bring them into conversation with policy reformers and local officials. Generally this has worked well because of the reach of the mass organisations; however it is also worth noting conflicts of interest as many government officials also have ties to NU and Muhammadiyah.
8. NGO and Corporate Social Responsibility / Private Sector Engagement	
<b>Lesson and Examples from Comparative Projects</b>	
Consider engaging the private sector through CSR programming.	<b>[USAID] Jordan Civil Society Program</b> launched a pilot program on CSR in its fourth year as a means to promote private sector linkages with civil society.
Be aware of private sector attitudes towards CSOs and respective buy-in to CSR.	<b>[UNDEF] Indonesia Strengthening Local NGOs in Areas where Extractive Industries Operate</b> held NGO trainings and brought stakeholders together, assuming that these interactions would spur changes in CSR policies and practices. Unfortunately, it became clear that many extractive industries were not ready to accept NGOs as CSR advisors.
9. Monitoring and Evaluation	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Lack of baselines on institutional capacity of partners limited ability to measure	<b>TAF, Kemitraan – Governance of Elections (55418)</b> : ICR could not report on EOPOs for NGO capacity building because of lack of baseline.

performance against institutional strengthening indicators.	
Limited tools for measuring performance at sector level rather than institutional level for NGOs.	<b>ACCESS (45746):</b> uses Civil Society Index Indicator to measure civil society changes at district level. Limited other evidence of measuring at sector level.
Where large number of grantees have potential to use technology to develop interactive reporting database that can also be accessed by partners for information sharing.	<b>TAF – CSO Elections (60389):</b> an online reporting tool was used with different parts accessible to different audiences (each NGO, TAF, the network of NGOs). NGOs found the tool useful and it encouraged information sharing among partners.
Projects prioritise building of networks as development outcome. Need better documentation of how stronger networks, including between GoI and NGOs, results in better development outcomes.	A number of ICR (YCAP, IALDF) identify strong networks between GoI and NGOs as positive development outcome. Little work has been done on showing linkages between these networks and broader development outcomes.
Challenge for M&E is measuring progress in organisational capacity as a result of core funding	<b>TAF – Knowledge Sector (53577):</b> main lesson is need to pay more attention to program theory, outcomes and measures to capture success, trends and changes in partner organisations.
<b>Lesson and Examples from Comparative Projects</b>	
Use Outcome Mapping and recognise the value of qualitative approaches to theories of change.	<b>[DFID] Accountability in Tanzania</b> looked to use Outcome Mapping and qualitative indicators, such as behavioral changes in key actors, to define progress. This approach was widely supported by grantees since it allowed them to develop theories of change through a political economy analysis that relied less on quantitative targets.
Baseline study on awareness of human rights can give useful backdrop to cultural context of development.	<b>[EU] Uganda Democratic Governance Facility</b> took a rights-based approach and conducted a baseline study on awareness of human rights as a comparison point for citizens' knowledge of their rights and responsibilities. That being said, it did problematically frame Ugandan culture as a barrier to realising human rights.
Consider the level of impact and its relation to observable long-term changes.	As a point of contrast, the <b>[USAID] Jordan Civil Society Program</b> took a high-level approach to measuring success, aiming to change high-level government policies. On the other hand, the <b>[DIFD] Nigeria State Accountability and Voice Initiative</b> was explicitly interested in connecting with on-going grassroots efforts to promote citizen engagement. While each of these are tied to theories of change, different 'levels' of change are prioritised.
<b>10. Policy Environment for NGOs</b>	
<b>Lessons and Examples from Comparative Projects</b>	
Focus on policy and legal environment for civil society	<b>[EU] TASC</b> helped establish CSO platforms that built civil society relationships with the Agency for Support of Civil Society in Albania, the National Office for Cooperation with CSOs in Serbia, and the Office for Cooperation with NGOs in Kosovo. <b>[USAID] Jordan Civil Society Program</b> also helped streamline government CSO registration processes and trained CSOs on legal regulations.
Train CSOs on relevant civil society legal regulations.	<b>[USAID] Jordan Civil Society Program</b> conducted outreach to CSOs to ensure that they fully understood and could comply with the Law of Societies No. 51/2008, a national law regulating CSO registration and reporting.
<b>11. Capacity Development</b>	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Potential for supporting the development of institutional systems within networks through national peak bodies.	<b>IFCR (4574):</b> core funding to PMI network for development of SOPs on IT, financial management and HR systems. Support at national level enables replication in local PMI members.
Capacity building linking national to local is effective but also needs to be appropriately resourced.	<b>ACCESS (45746):</b> strategic partner approach linking national and local partners was effective. But require significant resources with about 40% of grant budget allocated for strategic partners.
Potential for aligning HR initiatives across DFAT programs to develop more coherent strategy on HR development across the NGO sector.	Number of programs provide HR development opportunities ranging from short training, to peer-to-peer and institutional plans in core funding to scholarships.
<b>Lessons and Examples from Comparative Projects</b>	
Focus on building a network of individuals that can be used as future trainers.	<b>[EU] TASC</b> held several Training of Trainers modules so as to build the capacity of future civil society leaders in the region.

Putting one local NGO in charge of capacity building trainings may have mixed results.	<b>[DFAT, EU, NZAID] Samoa Civil Society Support Program</b> placed SUNGO, a local NGO network, in charge of capacity building training and NGO mentorships. However, program participants reported low-satisfaction with the quality of training.
Ensure that individual knowledge and skills from trainings is passed on to one's organisation through follow-up mentoring.	<b>[EU] TASC0</b> , specifically in relation to trainings in Bosnia and Herzegovina, noted the problem of individuals taking part in capacity building trainings but the lack of knowledge transfer back to their organisations.
Use Quality Assurance mechanisms to improve CSO sustainability.	<b>[EU] TASC0</b> motivated CSOs to introduce 'Quality Assurance Systems' on governance and accountability.
Organise regular learning events for partners.	<b>[DFID] Accountability in Tanzania</b> organised regular, quarterly learning events for Accountability in Tanzania partners to come together based on an agenda set by them. Previous discussion topics have included the effectiveness of NGOs, political risk, and media communication. This aims to be a learning mechanism that can sustainably operate after Accountability in Tanzania, and CSOs have viewed it as a helpful opportunity to learn from larger CSOs and to coordinate activities.
Consider funding Outcome Mapping and strategic planning instead of merely projects.	<b>[DFID] Accountability in Tanzania</b> provided funding specifically to improve strategic planning of CSOs. Essentially this revolved around the 'Outcome Mapping' method of asking CSOs look at behavioral and attitudinal changes in key actors they wish to influence. The emphasis is thus shifted to systemic change rather than hitting numerical targets.
<b>12. Cross Cutting: Gender and Inclusion</b>	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Links NGOs focused on sectoral issues with NGOs focused on target communities.	<b>IFES – AGENDA (69937)</b> : support for development of elections network for disability access. Builds link between JPPR elections network and Indonesian Disabled People's Association.
<b>Lessons and Examples from Comparative Projects</b>	
Look to fund marginalised, overlooked communities.	<b>[Multi-donor Europe] Ethiopia Civil Society Support Program (CSSP)</b> made a clear effort to reach communities that had never been touched by development programs, including entrepreneurship for people with leprosy, farming for people with HIV, and mothers in prison.
<b>13. Cross Cutting: Geographic Scope</b>	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Need to take into consideration impact of geographic spread on cost effectiveness.	<b>Building Resilience (37915/84)</b> : value for money could have been improved by identifying adjacent locations rather than disbursed locations and placing key staff in target areas rather than being Jakarta based.
Differing role of NGOs in Papua compared to role in other provinces and different types of organisations.	<b>HCPI (43670)</b> : NGO work in Papua focused on communication and socialisation. Wanting to achieve broad coverage meant working through churches. Elsewhere focus is on specific issues among marginalised groups so work through issue-specific NGOs.
Challenge of finding geographic spread of NGOs that can deliver similar services.	<b>LAPIS (13352)</b> : successfully tested NGO led Madrasah assessment and accreditation. Scale-up limited by limited number of partner NGOs and intensive nature of support provided.
<b>Lessons and Examples from Comparative Projects</b>	
Dividing NGOs into geographical clusters to prioritise local needs.	<b>[EU] Bangladesh: Small Initiatives by Local Innovative NGOs (SMILING)</b> divided their NGO partners into disaster-prone geographical clusters and two implementation phases. Each cluster thus had its own thematic focuses.
<b>14. Cross Cutting: Decentralisation and CDD</b>	
<b>Lessons and Examples from DFAT Indonesia Project</b>	
Limited value for money of support for village planning type activities through NGOs.	<b>World Bank Review (2014)</b> : these types of activities result in better plans but little evidence that this changes government decision-making processes.
<b>Lessons and Examples from Comparative Projects</b>	
Local-level activities can be productive entry points for improving service delivery.	<b>[TAF] Civil Society Initiative against Poverty</b> works at the local level by linking into citizens' forums at the village and district levels to represent the interests of the poor and advocate for improved services. Some successes in Surabaya have already been achieved with CSOs working with the government to increase public health spending and give poor people (who lack official IDs) living on the streets access to basic health services .

## Annex 5: Indonesian NGOs' Experience Working with Donor Agencies - Summary of Approach and Key Findings

Research for the review of DFAT projects included a small number of targeted activities to obtain the views of representatives from Indonesian NGOs. The objective was to triangulate findings and lessons learned on issues related to donor-NGO relations that were generated by the analysis of project documentation with the perspective and experiences of NGOs on specific issues around donor engagement with NGOs, the effects of donor funding arrangement on NGOs works, on how assistance was provided, impacts of the partnership with donor, NGOs' capability in diversifying funding and NGOs' perceptions on the most priority of upcoming donor support to Indonesian NGOs in strengthening NGO sector in Indonesia. This analysis involved the following sources of information:

- > Interviews were conducted with senior staff from seven Indonesian NGOs purposively selected to represent different sectors, types of NGOs and regions.
- > A focus group discussion was held with six senior staff from six different NGOs purposively selected to represent key NGOs from different sectors. The focus group discussion aimed to test key findings arising from the document review.
- > 160 Indonesian NGOs that had received assistance from DFAT in the years 2012–2013 or 2013–2014 were invited to respond a short on-line survey via SurveyMonkey. One hundred and twenty (120) NGOs completed the survey.

Although NGOs who gave their inputs in this way had all at some stage received funding from DFAT, questioning focused on their experiences with donors in general. This note summarises the key findings from these research activities.

### Identifying Funding Opportunities

NGOs across both the focus group discussions and interviews had experienced a number of forms of obtaining funding from donors. This covered tenders, responses to calls for proposals, funding through umbrella or network organisations and grants through informal networks. Invariably, NGOs emphasised the importance of strong networks with donors in ensuring ongoing funding opportunities. These networks were built on a combination of past performance in the delivery of services and the ability of key individuals within organisations to gain trust with donor partners.

Whilst acknowledging the importance of these networks for funding certainty for their organisations, respondents also identified several challenges with this approach. First, there was the perception that it made NGOs overly reliant on key individuals both within their organisations and from potential donors. Second, regional NGOs in particular identified the difficulty in maintaining networks when not based in Jakarta and that this presented constraints in accessing information about potential opportunities. NGOs noted examples of successful strategies to overcome these networks when engaging regional NGOs that focused on providing adequate socialisation about the programs and technical assistance to assist regional NGOs develop proposals in application processes.

### Managing Relations with Donors

Respondents highlighted the importance of mutual understanding in managing relations between NGOs and donors. As with the above, respondents noted that relations between their organisations and donors were often dependent on strong people-to-people relations between key individuals within organisations. However, these people-to-people relations were built on NGOs understanding the environment within which donors operated and also donors taking the time to understand the needs and aims of their NGO partners. People-to-people relations were perceived to be vulnerable because high turn-over staff, both at the NGOs side and the donor organisations. An additional challenge identified in managing relations with donors was about differing priorities with some respondents noting that donors were more focused on their specific projects with the NGO than with the organisation as a whole.

NGOs noted that it was incumbent on NGOs to positively manage relations with donors and that the most successful NGOs developed specific strategies for this, combining formal and informal approaches. In addition to adhering to formal contractual requirements, this included ensuring proactive informal communication with relevant donor staff and tactically mainstreaming broader issues relating to the organisational development of NGOs into their project. NGOs identified also differences in how relations were managed between bilateral or international NGOs as donors, with the later tending to rely more on informal interaction.

### **Donor Project Administration and Funding**

Respondents noted that it was common for their organisations to need to adopt multiple approaches to project and financial administration based on demands from different donor projects. Where donors required more rigid or strict project administration systems, NGOs felt that these needed to be accompanied with appropriate technical assistance.

NGOs expressed concern about the short-term nature funding provided by donors. In the survey, 61% either agreed or strongly agreed that their relationship with donors in the past two years had improved their financial sustainability. Although positive, this was one of the lowest approval ratings across the survey. Similarly, the majority of NGOs in interviews and focus group discussions stated their agreements with donors were invariably less than one year in duration. Two constraints were identified as a result of this. First, NGOs highlighted that it made it difficult to match their activities with external factors relevant to their projects, such as government planning cycles or agricultural cycles. Second, short-term financing was perceived by NGOs as re-enforcing their role as sub-contractors rather than as partners.

### **The role of donor funding in supporting NGO institutional objectives**

Although most NGO partners (77%) perceived that donor support helped their organisation achieve its mandate, several NGOs expressed concern about balancing core objectives with donor demands. A small number of respondents in interviews identified that the short and medium-term objectives of donors were frequently less 'transformative' than longer-term objectives of NGOs and that this resulted in moderating NGOs objectives over the longer-term.

### **Capacity Development of NGOs**

Respondents identified capacity development as one issue where perceptions between donors and NGOs differed significantly. From the NGO perspective, respondents highlighted that capacity development needed to correspond to the long-term organisational needs and objectives of each NGO, whereas donor approaches were primarily driven by project priorities. A majority of NGOs in interviews and focus group discussions noted that capacity development their organisations had received focused predominantly on project needs with limited investment on organisational needs. Just less than half the respondents were from NGOs that had received core funding. These respondents had positive perceptions of the impact of this on capacity development, emphasising that core funding involved all staff, and even board members, instead of just project officers in capacity development and facilitated horizontal learning among NGOs.

### **Relations among NGOs**

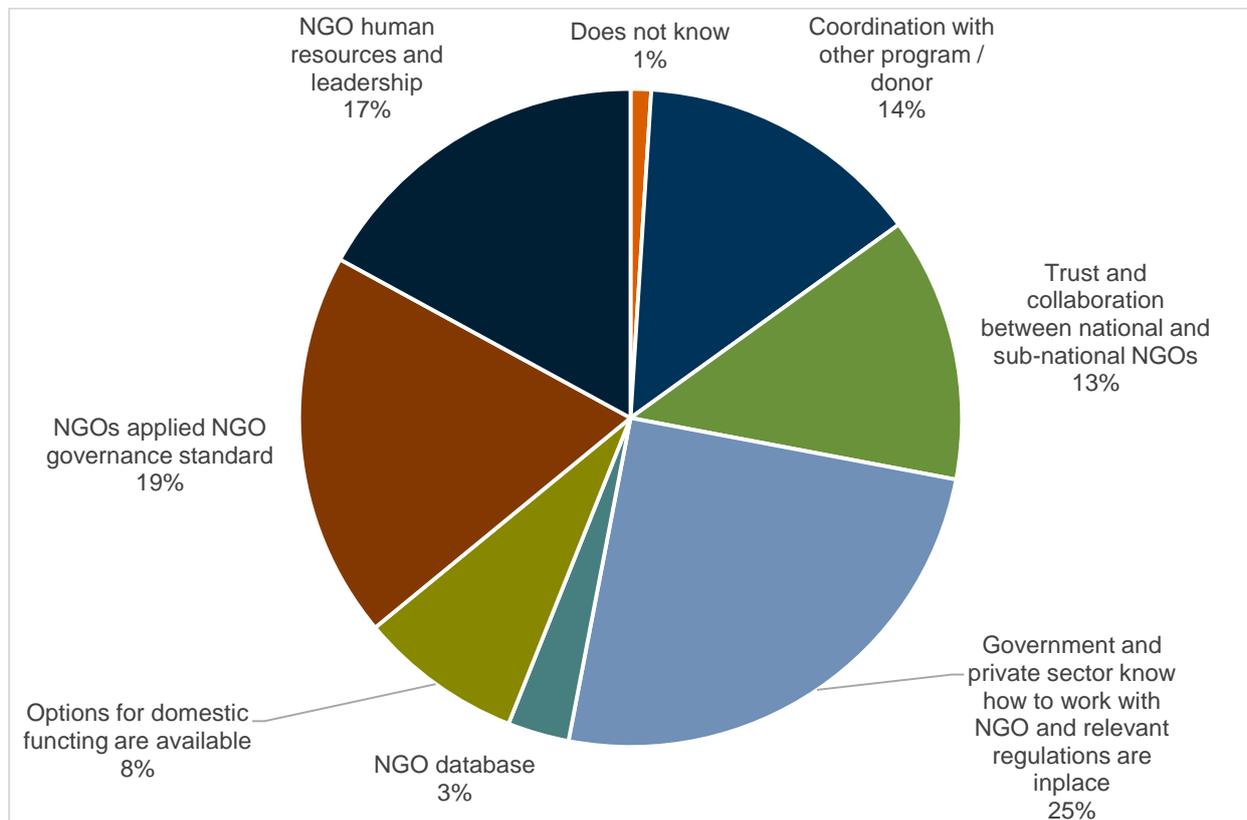
Respondents in the survey agreed that donor support had facilitated networks among NGOs. Interviews and focus group discussions identified the challenges in building relations between national and local NGOs as being an important issue. A number of NGOs discussed the potential benefits of the role of intermediary NGOs in building these networks as in the past, the role of intermediary NGOs were perceived mainly in assisting local NGOs in issues relating to program administration. They can also improve access to technical skills at the national level and to funding opportunities. Respondents identified a risk of intermediary organisations in as potentially becoming competitors to local organisations they are meant to represent.

### Donor support for funding diversification

Donors had limited impact on assisting NGOs access alternative sources of funding. Only a third of NGOs (38%) agreed that donors had assisted them build networks with the private sector, the lowest of all responses. NGOs identified their constraints in accessing alternative sources of funding, including challenges faced by development focused organisations in generating interest from the private sector, misperception on the roles of NGOs, a lack of ability to innovate approaches and the risk to organisational autonomy of identifying private sector support.

### Priorities for support of the NGO Sector in Indonesia

One question in the online survey asked respondents to identify priorities for support for strengthening the NGO sector in Indonesia. NGOs could select from a range of responses identified as priorities through research for the NSSC design process. The most common response, 25% of respondents, identified the importance of focusing on the enabling environment, focusing on a conducive environment from government and the private sector for the role of NGOs. NGOs in focus group discussions highlighted the importance of reviewing regulations on NGOs to more effectively regulate the NGO sector. Respondents also identified the need for more effective general policies on social development, for example relating to minimum service standards that provide space for the role of NGOs.



Approximately a third of NGOs identified NGO governance standards and NGO human resources and leadership as priorities for the NGO sector. The importance of human resources was the area with the greatest variation between national and local NGOs with 31% of national NGOs viewing this as a priority compared to 14% of local NGOs.

## Annex 6: Funding to Indonesian NGOs by Sector and Type of Implementing Partner

### Funding to Indonesian NGOs by Sector

Sector / Sub-Sector	\$ grants (implementing partners)	\$ grants (DFAT direct)	Total \$ grants to NGOs	% of overall grants	\$ indirect on NGO	% overall expenditure 2012–2013#
Agriculture		3,002,184	3,002,184	2%	-	0.8%
Environment/Other				0%		3%
Building Resilience			51,107,705	33%		
DRR	12,954,614	7,167,544	20,122,158	13%	2,887,727	3.5%
Poverty Reduction	30,369,200	515,985	30,885,185	20%	27,785	24%
Other		100,362	100,362	0%	188,987	
Effective Governance			83,547,649	53%		
Elections	6,271,812	1,140,851	7,412,663	5%	555,503	1.3%
Justice	9,922,422	916,475	10,838,897	7%	4,190,776	2.6%
Knowledge Sector	5,993,471	595,456	6,588,927	4%	1,969,786	
Local Governance	40,062,468	12,922,179	52,984,647	34%	5,525,314	5.5%
Economic Governance						5%
Other	802,579	4,919,936	5,722,515	4%	1,141,889	0.6%
Gender	7,465,624	1,083,402	8,549,026	5%	1,573,233	
Health			10,394,073	7%		9.8%
HIV and AIDS	8,842,117	280,662	9,122,779	6%	10,533,564	
Other	854,540	416,754	1,271,294	1%	-	
Grand Total	123,538,847	33,061,790	156,600,637	100%	27,358,562	
Education						14.8%
Transport / Connectivity						6.8%
Water and Sanitation						6.4%
Scholarships						8.6%
Whole-of-government						7.4%

# Estimated expenditure in 2012–2013 as % of bilateral program from Aid Program Performance Report (APPR) 2012–2013 Indonesia. There are some differences in sectors between those used by this review and old sectors defined in the APPR. Of note, the APPR combines education and the knowledge sector whereas this review places knowledge sector activities under governance. Also the new categorisation includes a specific sector for gender.

### Funding to Indonesian NGOs by Type of Implementing Partner

Implementing Partner	Total Expenditure	\$ Grants to NGOs	% of overall grants	\$ Indirect on NGOs	\$ Spent on NGOs	# of grants
Indonesian NGO*	33,061,790	33,061,790	21%	-	33,061,790	58
Australian Government	9,960,404	-	-	-	-	-
Indonesian Commission	2,500,000	590,276	0.4%	-	590,276	14
International NGO	49,186,792	15,090,029	10%	3,627,726	18,717,755	136
Managing Contractor	410,744,763	83,634,698	53%	23,439,749	107,074,447	818
Multilateral Organisation	200,100,000	24,223,845	15%	101,896	24,325,741	104
Teaching Institution	6,738,023	-	-	188,987	188,987	-
<b>Total</b>	<b>702,331,368</b>	<b>156,600,638</b>	<b>100%</b>	<b>27,358,358</b>	<b>183,958,996</b>	<b>1,130</b>

\* This represents direct agreements between DFAT and Indonesian NGOs. In three of the projects, the implementing partners on-granted funds to other NGOs. Figures were available for two of these projects, *Women in Leadership and Bureaucratic Reform*, comprising of \$1,350,026 in on-grants and an additional \$1,236,205 in indirect support for those NGOs.