



Completion Report

Project Number: 50380-001
Technical Assistance Number: 9269
June 2019

Indonesia: Strengthening Performance Management System in the Ministry of National Development Planning (BAPPENAS)

This document is being disclosed to the public in accordance with ADB's Access to Information Policy.

Asian Development Bank

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

TA Number, Country, and Name:			Amount Approved: \$225,000.00	
TA 9269-INO: Strengthening Performance Management System in the Ministry of National Development Planning (BAPPENAS)			Revised Amount: Not Applicable	
Executing Agency: National Development Planning Agency (BAPPENAS)		Source of Funding: TASF-Others	Amount Undisbursed: \$22,165.95	Amount Utilized: \$202,834.05
TA Approval Date: 7-Dec-2016	TA Signing Date: 7-Dec-2016	Fielding of First Consultants: 9-Jun-2017	TA Completion Date Original: 31-Jan-2018 Actual: 31-Jan-2019	
			Account Closing Date Original: 31-Jan-2018 Actual: 31-Mar-2019	
Description				
<p>The purpose of the TA was to support the National Development Planning Agency (BAPPENAS) to strengthen its Performance Management System (PMS). BAPPENAS had revised its Strategic Plan 2015–2019 and its Bureaucratic Reform Roadmap 2015–2019. The performance appraisal system had also been revisited, with new Key Performance Indicators (KPI) for the institution and staff, cascading from ministerial to Echelon III levels. However, the PMS remained input-driven and did not adequately link performance to BAPPENAS' strategic priorities in support of the medium-term development plan (RPJMN) and the government annual plan (RKP). Also, the new KPI gave roles to multiple stakeholders in formulating and implementing both national and subnational policy, but provided no effective coordination mechanism across government. Therefore, BAPPENAS needed to improve horizontal and vertical coordination between itself and line ministries, as well as between itself at the central level and various regional and subnational governments, in order to improve service delivery by government institutions, and set consistent policy across sectors.</p>				
Expected Impact, Outcome, and Outputs				
<p>BAPPENAS was the executing agency (EA). The TA's intended impact was a reliable, credible and proactive BAPPENAS that supports the objectives of the nation, while the outcome was an enhanced BAPPENAS PMS. The intended output was the manual for administering the PMS and the PMS implementation plan, developed and their use disseminated. The TA is <i>relevant</i> as it responds to RPJMN's identification of ineffective and inefficient bureaucracy as a critical development constraint diminishing the country's competitiveness. The TA manifests ADB's commitment under its Country Partnership Strategy to support improvements in public service delivery through strengthening transparency and accountability. The TA's relevance was further increased during implementation by the issuance of Government Regulation no. 17/2017 on synchronizing the national development planning and budgeting process. This regulation assigns additional responsibilities to BAPPENAS, including coordination and assistance to line ministries' planning, budgeting, and execution of priority projects identified in the RPJMN. The output, outcome, and impact were also realistic, and the small-scale TA modality was appropriate, given the specified TA budget, and capacity of BAPPENAS. To mitigate the risk that BAPPENAS might not commit to implementing the new PMS, senior management were actively consulted in order to create understanding of the value of the PMS and build consensus for new the KPI and systems for measuring performance</p>				
Delivery of Inputs and Conduct of Activities				
<p>The TA was extended by twelve months. The first extension (approved in July 2017 for seven months) was due to (i) prolonged consultations with the EA to (a) ensure that the TA scope would be aligned with the Government Regulation no. 17/2017 introduced in May 2017, and (b) agree on the consultants' scope of work, and (ii) extended time required to identify qualified consultants. A second extension (approved in June 2018 for five months) was due to BAPPENAS' request to roll out the new PMS. A TA team consisting of one international consultant (five person-months) and one national consultant (10 person-months, including the additional 0.5 person-months from TA savings) were recruited to deliver the TA output. As signs of efficiency, the deliverables were met with a 9.8% savings in the TA amount. TA activities were conducted consistent with the design and monitoring framework. Special attention was given to build consensus for revised PMS and KPI (the PMS blueprint) through intensive meetings and consultation; and development of orientation materials and its implementation for all echelon levels and planners, through focus group discussions and workshops.</p>				
<p>Overall, the performance of ADB, TA consultants, and the EA are rated <i>satisfactory</i>. ADB provided adequate supervision during TA implementation. ADB and the TA consultant team closely collaborated with the EA, conducting frequent meetings during TA implementation involving BAPPENAS officials at all levels, including the Minister and the Secretary of the Ministry. The quality of inputs from the TA consultants were <i>satisfactory</i> and appreciated by</p>				

BAPPENAS. BAPPENAS provided sufficient input to the TA, sharing information on the current practice and the performance of their PMS, facilitating consultations with key senior management, including the Minister, Secretary of the Ministry, and all Echelon I and II officials, and offering proactive involvement and support by the focal point of the TA, the Bureau of Planning, Organization and Governance (RENORTALA).

Evaluation of Outputs and Achievement of Outcome

The output has two indicators: (i) manual and implementation plan for performance management system completed by December 2017, and (ii) 100 staff oriented on the manual and implementation plan. The output was achieved. A PMS manual and implementation plan were developed and disseminated with more than 150 BAPPENAS staff who were oriented on the enhanced PMS. Ministerial-level KPI was concretely derived from the government's RPJMN and Annual Workplan, taking into account BAPPENAS' role in the new regulation. The TA also developed KPI for all units within BAPPENAS. The ministerial KPI cascades down to individual levels using a logic model and align across all organizational units. The principles used to classify the KPI are based on outcomes, outputs, processes and input validation. The KPI parameters developed are SMART (Specific, Measurable, Achievable, Realistic, Time Bound). Workshops were conducted, with BAPPENAS official very actively participating and engaging, to prepare units and individual KPI.

The outcome has the following indicator: performance management system with Echelon and Planner accountability linked to BAPPENAS organizational goals approved for implementation. The outcome was also achieved. The PMS links the accountability of all echelons to BAPPENAS organizational goals that have been approved for implementation. The ministerial-level KPI was endorsed by the BAPPENAS Minister and key Echelon I officials, as well as by the Ministry of Empowerment of State Apparatus (MENPAN). The TA was rated *efficient* as intended outcomes were achieved within the planned costs. The extended implementation period also positively affected the outcome as it gave the TA the opportunity to assist BAPPENAS in the implementation of the PMS manual and plan. The TA is assessed as *highly effective*, as outcome and output targets were met, and some were exceeded. For instance, more than 150 BAPPENAS staff were trained. The TA also expanded the capacity building to include intensive one-on-one sessions with RENORTALA, as the focal point and manager of PMS at BAPPENAS, and provided assistance to RENORTALA in discussions with Echelon I and II officials. These had enhanced the capacity of RENORTALA in terms of skills, confidence, legitimacy and credibility.

Overall Assessment and Rating

The TA is rated *successful*. The TA implementation has helped BAPPENAS align its objectives with the nation's development goals. The TA has also helped BAPPENAS continuously improve collaboration and accountability within its units and individuals of BAPPENAS, and with other ministries, to achieve the government's development objectives. The bureaucratic reform assessment rating for BAPPENAS, conducted by MENPAN, rose from "B" in 2017 to "A" in 2018. The TA significantly improved the capacity of RENORTALA to serve as the focal point for the PMS implementation. The TA is *likely sustainable* as BAPPENAS also plans to form a PMS office in 2019, with support from the Ministry's budget. The buy-in and commitment of key management (all senior echelon) to the new PMS will also contribute to the sustainability of the outcome. Other external factors supporting the sustainability of the TA outcome include the issuance of the new regulation which authorizes BAPPENAS to implement the PMS plan and manual.

Major Lessons

Involving senior management of the EA such as Minister, Secretary of the Ministry, and all Echelon I and II officials and getting their ownership were crucial to the success of the TA. For that purpose, developing PMS blueprint early in the TA through intensive consultation enabled the TA to reach consensus on the PMS model, which led to easier planning, implementation, and evaluation. With the consensus and high ownership, the TA was able to develop the PMS, implement it with no resistance, and receive all the support needed. It is important to assist and provide capacity building to the champions in the organization that will drive the reform. The TA initially focused on enhancing the capacity of RENORTALA, as the focal point, followed by other champions from other units; this ensured a strong reform momentum driven from within the organization (BAPPENAS).

Recommendations and Follow-Up Actions

The following recommendations and follow-up actions were shared with BAPPENAS: (i) potential internal scaling-up to link the new PMS with its human resources (based on reward, benefit, succession, development, and evaluation) and information systems; and (ii) promoting a scaled-up PMS to other ministries and local government development agencies (BAPPEDA) to align BAPPENAS KPI with the planning and budgeting of other ministries and BAPPEDA.

TA = technical assistance.

Prepared by: P. Aji, Senior Economics Officer, IRM