**FCO SPF PROJECT EVALUATION**

1. **Project Details**

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| Project Number | GB-3-PPY1013 INA  GB-3 PPY SEA 1324 INA  GB-3 PPYSEA 1325 INA |
| Project Title of original project | Enhancement of Sub-National Procurement Monitoring Capacity |
| Project Cost (total cost / cost to FCO if different) | £133,378 |
| Project Start/End Dates | 1 July 2012 to 31 March 2014 |
| Programme | Prosperity Fund |
| Country/Countries | Indonesia |
| Official Development Assistance Y/N | Y |

1. **Project Purpose** (from proposal form)

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| To improve the efficiency of sub-national government procurement related to local economic development and public services, through central government and civil society accountability efforts, which will promote transparency and lead to a more competitive business environment. |

1. **Project Background / Context** including what the project set out to achieve)

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| Around 41 per cent of all sub-national spending (totalling USD 19.2 billion in 2010) is the procurement of goods, services and public works. Electronic (e)-procurement is designed to increase transparency and fair competition, and significantly improve value for money. Presidential Regulation No. 54/2010 has mandated that local governments adopt e-proc systems by 2012.  However, a study led by The Asia Foundation found that only 25% of sub-national governments have adopted e-procurement as of 2011 and, among those, less than 11% of total procurement was conducted using e-procurement. The study could not find strong evidence of expanded competition or better value for money in districts with e-proc systems.  The study identified one area for optimism. E-procurement has resulted in district procurement data being more easily accessible to the public. Local civil society initiatives can use e-proc data to improve accountability, i.e., put local government under increased scrutiny, and create incentives for officials to change their practices. Similarly, central government oversight is needed to create incentives for improved performance among local governments.  The project will create tools and build capacity for central government and civil society to systematically analyze and utilise e-proc data for oversight of key procurement indicators. The resulting improved procurement practices and more efficient public spending will improve the quality of local economic development and public services. |

1. **Evaluation summary** (150 words max)

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| The original plan was to evaluate INA 1013. However, it soon became apparent over the course of the evaluation that this was part of a suite of projects aimed at tackling the transparency issues that were most affecting British and other businesses in Indonesia. As a result, we expanded the evaluation to cover these other projects.  A key output of INA 1013 was the development of a procurement monitoring website that members of public and civil society organisations (CSO) could use to monitor government procurement. As a result, a number of abuses on public procurement in Jakarta were identified and investigated. Two follow up projects worked on enhancing the ability of the Jakarta public procurement system to prevent future abuses and build support for the website’s use amongst local governors, auditor inspectorates and CSOs in Indonesia’s other major cities. Post need to demonstrate that they will seek to capitalise on the benefits of investment in these activities for commercial, economic and political purposes  Combating corruption was one of the key political priorities of the Jakarta governor and this close cooperation has developed into a good working relationship between the Embassy and the Jakarta administration. In an unforeseen turn of events, the Jakarta governor is soon to take office as the President of Indonesia and this has placed the Embassy in a good position to be able to support future work in this area. |

1. **Questions**

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| Did the project achieve the project purpose? | Yes |
| Did the project come in on budget? (Y/N)  If no, why and what was the difference in cost? | Yes |
| Was the project completed on time? (Y/N)  If not, why not? | Yes |
| Were the Project benefits sustained after project completion? | Yes |

1. **Overall Red / Amber / Green rating** for project

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| --- | --- | --- |
| Overall Rating for project (put **X** in relevant box) | | |
| Red | |  |
| Red | Amber |  |
| Amber | Green | **X** |
| Green | |  |

Guide to overall rating:

Green- project performed well under each of the evaluation criteria: relevance, efficiency, effectiveness, sustainability, impact and management

Green/Amber – project performed well under most criteria and adequately in others

Amber/Red – project performed adequately under some criteria but poorly in others

Red – project performed poorly under most criteria

1. **Top 5 Lessons learned**

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| 1. Flexibility – The Asia Foundation appreciated the flexibility this fund offers in that it allowed for outputs to be changed if they weren’t delivering what the beneficiaries wanted. 2. Need to work politically – The need to understand the incentives required to get something done. 3. The Implementer’s reputation – Indonesia Corruption Watch (ICW)’s reputation helped as they were seen as independent and with the necessary credibility to push changes through. 4. ICW will look to work more closely with the Corruption Eradication Commission (KPK), the main beneficiary. At the beginning, the original project focussed on Procurement. But the next step is to get Civil Society to understand the data and try to prevent corruption in the first place. 5. Important to consult UK beneficiaries too – corruption, business licensing and facilitation payments were the largest concerns of British businesses in Indonesia. Success with projects in these areas would naturally accrue benefit to the UK. |

1. **Recommendations for future projects**

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| 1. To consider how Post might help ICW to respond to the challenge of getting Civil Society to understand the data and what they can do with it in order to reduce corruption. 2. Post may also want to talk to the National Procurement Agency (LKPP) about how best to get more people involved in using the website; possibly some wider training, or a train the trainer programme. 3. For the monitoring system to be sustainable, strengthening the feedback channel is an area where more work could be done. LKPP see potential allegations of corruption channelled through them or the Government’s whistle blowing system (which has seen 35 out of 88 ministries signed up). KPK see cases of potential abuse channelled through their public complaint directorate. |