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**DEVELOPMENT CO-OPERATION DIRECTORATE  
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## Peer Review

### Observer Report from Indonesia – 2023 DAC Peer Review of New Zealand

This document contains a report by Indonesia who served as an Observer of the 2023 DAC Peer Review of New Zealand.

Indonesia was invited to participate as an Observer in the review in accordance with the agreed practice of Observerships in DAC peer reviews [[DCD/DAC\(2022\)57/FINAL](#)].

This document has been prepared by Indonesia, which is solely responsible for its content.

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# **Report on Indonesia's Observership in the 2023 OECD DAC Peer Review of New Zealand**

## **Lessons Learned from the Peer Review of New Zealand**

Indonesia's participation as an observer in the OECD DAC peer review of New Zealand was mainly aimed at seeking a better understanding of New Zealand's policy on development cooperation and the sustainability of the New Zealand-Indonesia partnership, particularly to achieve the Sustainable Development Goals targets. However, observership has been an eye-opening opportunity for Indonesia. Not only could Indonesia learn about New Zealand's development cooperation system, but we also had a chance to learn from the experience of other DAC members, particularly Canada and Portugal, who served as reviewers. The peer review process has also reflected the excellent intention of OECD DAC members to support or help each other to improve the quality of their development cooperation systems.

This is not the first time our organisation, Bappenas, to observe a DAC peer review process. However, compared to another peer review process, the peer review of New Zealand has provided us with more understanding of how the peer review process is conducted. Whereas the other peer review was solely conducted virtually, in the case of New Zealand, we could participate offline by joining the peer review team visit to Wellington in September 2022. Therefore, we were able to grasp more information and insights through intensive meetings with stakeholders of New Zealand development cooperation, including the NGOs and academics. It was an exhausting but very productive process.

The debriefing and review team internal meetings in Wellington have contributed to the smoother peer review process. They were done effectively and professionally. The peer review team members had opportunities to openly discuss the positive and negative things and things that need a further follow-up of each aspect of New Zealand development cooperation. Those meetings have also allowed the peer review members to develop a stronger relationship as the team was required to discuss the peer review report virtually following that visit. The secretariat team has made tremendous efforts to ensure short but fruitful meetings.

The peer review of New Zealand has provided valuable lessons for improving Indonesian policy in various development sectors. These lessons learned are, among others:

- **The integration of the indigenous people's values and knowledge in New Zealand's foreign policies, including the development cooperation**

The peer review has revealed some strategic actions the New Zealand government took to integrate the value and knowledge of the indigenous people in their development policy. This information is insightful for a country with multi ethnicities and cultures like Indonesia. It could help the Indonesian Government formulate development policies that represent the values and interests of indigenous people, which comprise approximately 7% of the Indonesian population economically, socially, politically, and culturally.

- **The more efficient and flexible New Zealand government procurement system and practices**

During the visit to New Zealand, Indonesia was exposed to the fact that New Zealand's government procurement system is more flexible and efficient than Indonesia's system. Furthermore, further study revealed that New Zealand's government procurement system and practices were ranked the best in the world according to the University of Oxford's 2019 International Civil Service Effectiveness (InCiSE) Index. This information is a justification for Indonesia's Government to learn New Zealand's procurement system to improve Indonesia's government procurement system and practices.

- **The participation and engagement of local partners in development cooperation projects funded by New Zealand's Aid**

The discussion with local partners during the peer review process had shown that their engagement in development cooperation seemed to be based on genuine intention to ensure the ownership of the projects. This policy is also reflected in delivering New Zealand's Aid to Indonesia. Most of New Zealand's aid goes directly to the local communities or civil society organisations (CSOs) across Indonesia. In addition, through Bappenas, the Indonesian Government is only given periodic reports on the implementation of programs carried out by New Zealand in Indonesia.

New Zealand actually has many best practices in Indonesia that are potential to be replicated in other areas in Indonesia. However, not all projects can be replicated or sustainable. There are at least two factors leading to this issue. First, some projects do not have exit strategies to ensure their sustainability using other funding resources. Second, some projects did not involve the line ministries since the beginning of the project formulation, as exemplified by Indonesia Dairy Excellence Activity (IDEA) 2016 - 2019 and Innovative Farming Systems and Capability for Agribusiness Activity (IFSCA) 2014 – 2021 .<sup>1</sup> The objectives of these projects were in line with Indonesia's policy to develop sustainable agriculture and ensure food security. In addition, both projects applied the triple helix model.

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<sup>1</sup> Both projects are now finished.

However, the Ministry of Agriculture, the key stakeholder in the agriculture sector, was only involved after the project design formulation was completed. Therefore, the Ministry of Agriculture had little ownership of the projects. Without the involvement of the Ministry of Agriculture, the replication of those projects has become more complex. Therefore, for better future implementation and sustainability of the aid programmes directly provided to the local communities or CSOs, the involvement of central and local government partners cannot be ignored anymore.

In addition, implementing the New Zealand aid programs that do not involve the Indonesian ministries or government institutions as the executing agency makes it difficult for the Government of Indonesia to conduct comprehensive tracking and supervision of cooperation programmes supported by New Zealand.

- **The proven track record of New Zealand in disaster response and disaster preparedness-related aid**

As elaborated earlier, Indonesia received a significant amount of New Zealand aid for disaster risk management and humanitarian assistance, including for handling the Covid-19 Pandemic, which came in various forms. New Zealand was the only bilateral donor that provided aid directly for a research project on Covid-19, which the Eijkman Institute for Molecular Biology implemented. The cooperation in handling the Covid-19 Pandemic provides a lesson on how New Zealand and Indonesia can optimize the function of development cooperation to go forward.

- **Lack of public awareness of New Zealand development cooperation**

The peer review findings suggested the need for the New Zealand government to take a strategic approach to build public awareness of development cooperation and a strengthened sense of global citizenship. A similar approach should be applied in the context of Indonesia. The implementation of New Zealand's development cooperation programmes in Indonesia is mainly conducted in a low-profile manner with low exposure and promotion from the Embassy. Although it is understood that the resources owned by the Embassy are limited, this causes the development impact provided through development cooperation support to be invisible to the Indonesian people. The New Zealand government should intensify its efforts to promote its development cooperation programmes in Indonesia. By doing so, the impact and exposure of the aid programmes will be seen not only by programmes affected communities but also by the broader Indonesian people.

- **The observership is beneficial for the strengthening of the Indonesia Aid Agency**

On 18 October 2019, the Indonesian Government established *Lembaga Dana Kerja Sama Pembangunan Internasional* (LDKPI), or Indonesian Aid, under the Ministry of Finance. Indonesian Aid is mandated to manage international development aid funding provided to foreign governments or institutions. The peer review of New Zealand has provided some insightful learnings for Indonesian Aid, which plans to provide grants in the form of fishery training to some Pacific Countries in 2023. This aid programme will be part of Indonesia's contribution to support the people of these countries in increasing their capacities in fishery management which can help to reduce the impact of climate change on the fishery sector. We hope New Zealand and Indonesia's development cooperation can be expanded to triangular cooperation involving Pacific countries. In this regard, the peer review process is a stepping stone for Indonesia to understand the Pacific context better.

### **The Dissemination of the results of the peer review**

The peer review process results, including the visit to New Zealand, have been reported and disseminated to the Deputy Minister of Development Funding and other organisations dealing with international development cooperation in Bappenas. In addition, upon the publication of the final report of the peer review of New Zealand, the report will be sent to other organisations beyond Bappenas that manage the international development cooperation policy.

### **Ways Forward**

Following up on the visit to New Zealand, we have had more detailed discussions on how the New Zealand development cooperation programmes are implemented in Indonesia. Some suggestions exist to expand the development cooperation between New Zealand and Indonesia. As the validity of the Joint Commitment for Development (JCfD) will end in 2024, Indonesia has invited the New Zealand government to start formulating a new development cooperation umbrella that will make the development cooperation between those two countries go forward.

Currently, the Indonesian Government is formulating the National Long-Term Development Plan (RPJPN/*Rencana Pembangunan Jangka Panjang Nasional*), which will guide the direction of the Indonesian development program for the period of 2025 to 2045. One of the objectives of Indonesian development in the long term is to become a high-income country in 2040. Transformative development strategies will be essential to achieve this objective. In this regard, future New Zealand-Indonesia development

cooperation can be directed in line with this objective. One of these transformative strategies is developing new policies based on the best practices of past New Zealand Aid programmes in Indonesia. In addition, Indonesia-New Zealand development cooperation should not only be beneficial for both countries but also have an impact on the region, especially in the Pacific.

Indonesia has also proposed a new partnership programme for the next JCfD term: scholarships for dual degree master programmes. This scheme will have various benefits. First, awardees can study for one year in Indonesia and another year in New Zealand. Second, the scheme will encourage cooperation between universities in Indonesia and their counterparts in New Zealand through research cooperation, academic exchange, and other academic activities. In addition, Indonesia and New Zealand can share the scholarship program costs.

Last, Indonesia and New Zealand have established a good communication and coordination mechanism, including high-level consultation, to discuss various issues on development cooperation between the two countries, including the priorities of both countries, the pipeline projects, and on-going projects. This mechanism needs to be maintained and conducted more intensely by the two governments so that the planning of development cooperation programmes can be more focused and always in line with both governments' development policies and priorities.

### **Observer's Reflection**

Observership in a peer review was both a privilege and a daunting task. Unfortunately, Indonesia was late joining the reviewer team, so there were many things to catch up on and many documents to read in the beginning. Fortunately, the reviewer team and the secretariat team, notably Anita King, were very informative, supportive, and engaging so that, slowly but surely, the observer could better understand the peer review process and the context of the New Zealand development cooperation system and policy.

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