FINANCIAL PERFORMANCE REPORT 2008

Annual Review of Indonesian Education Sector Financing

February 2009

Australia Indonesia Partnership
Kemitraan Australia Indonesia

A joint initiative of the Australian and Indonesian Governments

PREFACE

The Australia–Indonesia Partnership is a whole of government aid program encompassing expenditure of around $2 billion over five years. This includes the $1 billion Australia Indonesia Partnership for Reconstruction and Development (AIPRD), the single largest aid package in Australia's history, of which the Basic Education Program (BEP) is a key element.

The objective of BEP is *improved equitable access to higher quality and better governed basic education services, especially in targeted disadvantaged areas.* Support is delivered through a programmatic approach based on the three pillars of the government's RENSTRA: improved access through construction of junior secondary schools, improved quality and internal efficiency and improved governance. For BEP, a fourth pillar is enhanced resource mobilisation, including policy advice, research and sector monitoring.

Recognising the scale of the policy reform agenda being adopted by Government of Indonesia (GoI), the Strategic Advisory Services (SAS) component of BEP has been designed primarily to advise on the overall strategic direction of the BEP and to implement activities under pillar four. The contractor for Strategic Advisory Services (CSAS) is also tasked with providing selected capacity building and mentoring to key counterparts in MoNE and MoRA.

This is the second Annual Financial Performance Report. It has been prepared by a CSAS core team member - Finance Performance Specialist, Mr. Adam Rorris with close collaboration and support from the Ministry of Finance. The consultant acknowledges the support and advice of the many people that contributed to the study. The document was reviewed by team leader Ms. Hetty Cislowski. Data analysis support was provided the consultant Mr. Geoff Howse. Mr. Ahmad Evandri undertook the task of collecting the relevant electronic and paper records from districts.

The second part of this report is a summary of the CSAS report *District Financial Reporting in Education* by the consultant Dr. Winifred Wirkus. The report provides a background and overview of planning and budgeting at the district level in Indonesia. It reviews the usefulness and effectiveness of the key financial reports required by district level education offices. It also provides recommendations for strengthening the district financial reporting system.

The views and opinions expressed in this report are those of the CSAS Finance Performance Specialist and do not necessarily reflect those of MoNE, MoRA, Bappenas or AusAID.

ABBREVIATIONS AND ACRONYMS

Acronym	Bahasa Indonesia	English
ACER		Australian Council for Educational Research
ADB	Bank Pembangunan Asia	Asian Development Bank
APK	Angka Partisipasi Kasar	Gross Enrolment Rate
APM	Angka Partisipasi Murni	Net Enrolment Rate
AusAID	Badan Australia untuk Pembangunan Internasional	Australian Agency for International Development
AWP	Rencana Kerja Tahunan	Annual Work Plan
Balitbang	Badan Penelitian dan Pengembangan	Centre for Research and Development
Bappenas	Badan Perencanaan Pembangunan Nasional	National Development Planning Agency
BEP	Program Pendidikan Dasar Australia-Indonesia	Australia-Indonesia Basic Education Program
BOS	Biaya Operasional Sekolah	School Operational Fund
BOS Buku	Biaya Operasional Sekolah Buku	School Operation Funds for Textbooks
BSNP	Badan Standar Nasional Pendidikan	National Education Standards Board
CCR	Rasio Kelas-Ruang Kelas	Class-Classroom Ratio
CSAS	Kontraktor untuk Layanan Kepenasehatan Strategis	Contractor for Strategic Advisory Services
DG	Direktorat Jendral	Directorate General
EC	Komisi Eropa	European Commission
EFA	Pendidikan untuk Semua	Education for All
ESP	Rencana Strategis Pendidikan	Education Strategic Plan
ESWG	Kelompok Kerja Sektor Pendidikan	Education Sector Working Group
GDP	Pendapatan Domestik Bruto	Gross Domestic Product
GER	Angka Pendaftaran Kasar	Gross Enrolment Rate
GOI	Pemerintah Indonesia	Government of Indonesia
JSS	Sekolah Menengah Pertama	Junior Secondary School
KPI	Indikator Kunci dari Kunci	Key Performance Indicator
LAKIP	Laporan Akuntabilitas Kinerja Publik	Public Performance Accountability Report
MCPM	Kontraktor Pelaksana untuk Pengelolaan Program	Managing Contractor Program Management
MDA	Kajian Tengah Dekade	Mid-Decade Assessment
MoF	Departemen Keuangan	Ministry of Finance
MONE	Departemen Pendidikan Nasional	Ministry of National Education
MORA	Departemen Agama	Ministry of Religious Affairs
NER	Angka Pendaftaran Murni	Net Enrolment Rate
NFE	Pendidikan Non-formal	Non-Formal Education
PAM	Matriks Aksi Kebijakan	Policy Action Matrix
PCMU	Unit Pengelola dan Koordinasi Program	Program Coordination and Management Unit
PMPTK	Peningkatan Mutu Pendidik dan Tenaga Kependidikan	Quality Improvement of Teachers and Education Personels

Acronym	Bahasa Indonesia	English
PSC	Komite Pengarah Program	Program Steering Committee
PTP Matrix	Matriks Sasaran dan Kinerja Program	Program Targets and Performance Matrix
PUSLIT	Pusat Penelitian	Center for Research
PUSPENDIK	Pusat Statistik Pendidikan	Center for Education Statistics
Renstra	Rencana Strategis	Strategic Plan
Rp.	Rupiah	Rupiah
SCR	Rasio Siswa Ruang Kelas	Student Classroom Ratio
SD	Sekolah Dasar	Primary School
SIKD	Sistem Informasi Keuangan Daerah	Regional Finance Information system
SMP	Sekolah Menengah Pertama	Junior Secondary School
SMA	Sekolah Menengah Atas	Senior Secondary School
SWAP	Pendekatan Sektor secara Luas	Sector Wide Approach
SPI	Indikator Kinerja Tambahan	Supplementary Performance Indicator
STR	Rasio Siswa Guru	Student Teacher Ratio
SUSENAS	Survei Sosial Ekonomi Nasional	National Socio-Economic Survey
TA	Bantuan Teknis	Technical Assistance
ToR	Kerangka Acuan Kerja	Term of Reference
UN	Perserikatan Bangsa-Bangsa	United Nations
USAID	Badan Amerika Serikat untuk Pembangunan Internasional	United States Agency for International Development

EXECUTIVE SUMMARY

Background

The Financial Performance Report 2008 monitors and reports on trends in education financing in Indonesia. This is the second Finance Performance Report produced by the Contractor for the AusAID supported Strategic Advisory Services team. The report is intended for the use of high level government officials and education sector technical experts and is updated annually. It provides succinct analysis and is intended to be an accessible tool for operational planning. The objectives of the report are:

1. To identify trends in the quantum and distribution of education funding in relation to national policy and school needs.
2. To monitor education sector and school resourcing from the standpoint of the key RENSTRA themes of access, quality improvement and improved accountability.
3. To inform GoI and donors of the effectiveness and efficiency of current school funding mechanisms.
4. To support the capacity of GoI institutions to monitor and report on school financing.

Expanded Set of Indicators

The report analysis is framed by a set of Key Performance Indicators (KPI). These KPI focus attention on the main RENSTRA themes and government financial commitment to education. Most of these KPI are reported on at a national level by the GoI as part of its international Education for All (EFA) reporting obligations. An additional two (2) KPI have been nominated to guide analysis of district level expenditures.

Supplementary Performance Indicators (SPI) are also presented in this report. They offer a more nuanced perspective on financial performance of the education sector. The KPI and SPI are updated in each annual Financial Performance Report with the latest available national and district data.

This report is based on expanded database for 2007. The MoF received data from districts that had not supplied data at the time of the previous publication. This means there are some variations from the results presented in the 2007 report but these are generally not significant variations. The report highlights any significant changes.

Each of the indicators proposed is described as being either a lead or lag indicator. Lag indicators are summative in nature. They describe the current state of progress toward an expected outcome. Lead indicators are those which capture the rate of movement towards an outcome or have a clear causal relationship to a desired outcome.

District and National Level Analysis

This report continues to provide a detailed analysis not only of national level expenditures but also of expenditures at the district level. This analysis has been made possible through the collection of disaggregated district expenditure data collected from the original budget papers prepared and submitted by each district to the MoF. These records are the most authoritative district level account available of actual budget allocations for a year and actual expenditures for the previous year. The initial cooperative arrangement established by CSAS with the MoF in 2007 has continued into 2008.

The report is structured to enable comparisons with the results for 2007. While time series comparisons have been possible at a national level, this will be the first time multiple time series comparisons are being established at the district level.

In this report district level analysis for 2006 is based on the final available set of data. The 2007 report was based on the returns for only 60% of districts that had submitted their 2006 budget papers to the MoF. The data analysis and interpretation has now been updated in the Financial Performance Report 2008. It is not expected that there will be any further data received by MoF for the outstanding districts. This analysis for 2006 data can therefore be considered final.

A summary of the results and findings for each of the KPI and SPI is presented in table format as part of this Executive Summary. This includes a summary assessment of the indicator result being positive, negative or uneven. A `Positive' result indicates it is supportive of RENSTRA objectives and BEP activities; a 'Negative' result suggests it is contradictory to RENSTRA objectives and BEP activities; and an 'Uneven' result indicates large variation between districts.

Key Findings

Strong national commitment towards financing education. There has been a consistent upward trend in public expenditure for education. The increases are being driven by increases in both national and district level budgets. The funding increases have been in both nominal and real prices (accounting for inflation). National public expenditure for education has more than doubled from Rp. 42.3 trillion in 2001 to Rp. 161 trillion (nominal prices) or Rp. 89 trillion (real prices) by 2008.

A growing share of national public funds is being used for education. The education share of public expenditure grew from 12% in 2001 to 16.8% by 2007 and then fell back to an estimated 16.1% in 2008.

A key policy announcement made by the GoI in 2008 was its commitment to increase the level of education expenditures so that they equaled 20% of total public expenditures. In order to meet the 20% target, central level expenditures for non-salary items are to be supplemented by an additional Rp. 46 trillion in 2009. This would take total education expenditure to Rp. 224 trillion and approximately 20% of total public expenditures of Rp 1,122 trillion (from all levels of government).

This announcement was made possible by the previous and steady commitment of government towards increasing the annual commitment of national expenditures towards education. A very solid rate of economic growth enjoyed by Indonesa has also improved revenues and the fuel subsidy scheme that was crowding out other areas of government expenditures has been removed.

Education share of Gross Domestic Product (GDP) has grown and will continue to grow if 20% target for education expenditure is achieved. Education expenditure as a percentage of GDP rose from 2.1% in 2001 to 3.9% by 2007, but has steadied at 3.6% in 2008. Expressed as a percentage of GDP, future growth in education share of GDP will be attained if the GoI delivers on its 20% commitment for education portion of national public expenditure.

Districts increased commitment towards education between 2006 and 2007. Average district level education expenditures across Indonesia increased from 26.8% of the total district budget (APBD) in 2006 to a 27.8% share in 2008. During the same period, BEP districts increased the education share of their budgets by 1% from 26.4% to 27.5%.

Annual growth in district education spending is uneven. There was a 23% average annual growth in district education budgets between 2006 and 2007 and 19% growth between the years 2007 and 2008. Districts by poverty quintile showed education budget growth ranging from 6% (second poorest) to more than 25% growth for middle ranking provinces.

BEP districts matched the national growth rate in education spending in 2006-07, but slipped to a 16% growth rate in 2007-08. This may indicate an investment substitution effect occurring in BEP districts if their average growth in education expenditure is slipping well below national average growth.

Uneven district education commitments will lead to a widening education gap. Districts that have high poverty rates and are persistently allocating a significantly smaller share of resources for education than the national average are at great disadvantage to the rest of the country. This disadvantage is likely to be compounded each year as other, more wealthy districts spend greater amounts on education.

Growth in district education spending continues to grow faster than aggregate district public expenditures. Nationally, the picture is positive for district education spending relative to aggregate district expenditure. But there has been a slowdown within districts included in the BEP (BEP districts). Education expenditure at the district level grew 1.1 times faster than aggregate district expenditures across Indonesia. BEP districts grew their education expenditures at 1.23 times the rate of aggregate district expenditures between 2006 and 2007, but this slowed down to 1.05 times by 2007-08.

School Operational Funds (BOS) grants remain a vital input for school resourcing. The BOS grants have great potential to fund innovative and securely financed interventions at schools. BOS funds provided 10%-12% of total funds available to district run schools. As district expenditures increase, the BOS funds remain significant as discretionary school level funds, but their share of total district level expenditure declined from 12% in 2006 down to 10% by 2008.

Expenditure per student is highest in the poorest districts and in the eastern region of the country. The highest average per student allocations are found in the poorest districts (quintile 5) where in 2008 they average more than Rp. 2 million per student. Districts in the Eastern region of the country allocate (on average) an additional Rp. 1 million more per student than Western region districts.

The per-student allocation is greatly affected by the sparsity of population. Therefore districts that are more sparsely populated (such as those in the eastern region and many of those in the poorest

quintile districts) have higher average salary costs. This is because of lower student/teacher ratios and higher salary related costs associated with remote area allowances.

Actual education expenditures at district level are below their budgeted allocation. Districts are not managing to spend their budgeted education expenditure for the year. In 2006, rural districts spent nearly 97% of their budget and urban districts managed to spend 96% of their budget.

Nationally, this under-expenditure means that the average district is failing to spend Rp. 5.9 billion in budget allocated education funds. This translates to a cumulative national under-expenditure of Rp. 2 trillion. This is money that was budgeted and allocated for education at APBD level, but not spent.

The average BEP district only spent 93.5% of their budget compared to 95.5% national average for all districts. This meant the average BEP district had an amount of Rp. 6.8 billion education funds that remained unspent from their dedicated budget allocation .

Recommendations

A broad set of recommendations are put forward for the consideration of the BEP PSC and MoNE and MoRA.

1. Conditional Cash Transfer programs can be tapped and expanded to meet the growing impact of any financial crisis. This can be achieved through (i) expansion and improved targeting of households with children not accessing primary schools, and (ii) better coordination with the education sector at the school level as well as Dinas education offices.

2. Undertake a study focused on the poorest districts (poverty quintile 5 districts) to examine why some of these districts with high poverty rates are persistently allocating significantly smaller share of resources for education than the national average. Prepare options for a sector response (MoNE and MoRA) and/or a whole of government response as may be required.

3. Maintain special focus on districts with BEP interventions to see if they keep pace with the average growth rate in education expenditure across all districts and within their poverty quintile. Special focus from 2009 should be on monitoring to see if districts are including donor funds and investments within their APBD expenditures.

4. The growth ratio indicator is a powerful lead indicator of emerging trends in financing of education. Monitoring education expenditure growth ratios by district poverty quintile will identify any emerging education funding hotspots at the district level.

5. The mechanism for distributing BOS grants to schools be reviewed and adjusted as required to provide a stronger role for district participation in the planning and monitoring BOS expenditures.

6. A study and policy dialogue with Dinas education offices is required to determine reasons for the under-expenditure of annual education budgets. The study should propose options for improving the uptake of funds that can promote their efficient and effective use for education purposes at the district level.

Table 1: Summary Findings – Financial Performance at National/District Levels

Indicator	Description	Gov't Level/ Related Goal	Comment
KPI 1 Share of public expenditure	Public expenditure on education as percentage of total public expenditure	***National*** Gov't commitment	**Result = Neutral** Significant growth in allocations as proportion of national expenditure since 2001 (12%) to 16% by 2008. There was a small decline in the education share of public expenditure in 2008 from a high of 16.8% in 2007.
KPI 2 Share of GNP	Public expenditure on education as percentage of GDP	***National*** Gov't commitment	**Result = Positive** Education expenditure as a percentage of GDP has risen from 2.1% in 2001 to 3.6% by 2008. Small decline from 3.9% in 2007 to 3.6% in 2008. Future growth in public allocations for education may become harder in the future.
KPI 3 Share of non-salary resources	% share of education budget spending on non-salary costs.	***National*** Quality	**Result = Negative** Salary related items as part of Routine expenditures consume 84% of resources.
KPI 4 National commitment for non-formal learning	Public expenditure on literacy and NFE as percentage of public expenditure on education	***National*** Equity/access	**Result= Negative** NFE expenditure is approximately 1% of total expenditure for education. Key advantage of NFE is its cost-effectiveness; increased levels of investment are needed to maximise possible economic and social returns.
KPI 5 Commitment to Basic education relative to national wealth	Public recurrent expenditure on basic education per pupil as percentage of GNP per capita	***National*** Equity/access	**Result = Positive** In 2004 basic education accounts for approximately 70% of education expenditure.
KPI 6 District commitment to education	Education as % of total public expenditures	***District*** Gov't commitment Equity/access	**Result = Positive** Average district level education expenditures in Indonesia increased from 27% of total district budget in 2006 to 28% share in 2008.
KPI 7 Annual growth in spending for the poorest districts	Annual % change in public expenditures for education in lowest quintile districts compared to national % change in public expenditure for education	***District*** Equity/access	**Result = Uneven** Annual growth in 2008 education budgets was greatest in richest and poorest districts. Only one poverty quintile of districts (quintile 4) had a year of growth in education expenditure that was less than 10%. BEP districts showed markedly slower growth in education expenditures than non-BEP districts in 2008 (15% compared to 21%).
KPI 8 Average District Expenditure per student **	Public expenditure from APBD divided by total number of school students	***District*** Gov't commitment Quality	**Result = Positive** Strong growth in average expenditures per student across country. Poorest quintile districts have highest per student expenditure.
KPI 9 Actual education expenditure as % of planned expenditure**	Realised APBD for education as % of planned APBD for education	***District*** Gov't commitment	**Result = Negative** Actual expenditures at district level average only 95% of planned allocations. Poorest quintile districts only spend 90% of budget.
SPI 1 Relative growth ratio of education spending	Annual % growth in public education expenditure as ratio to % annual growth of total public expenditure	***District*** Gov't commitment	**Result = Positive** Education expenditure at the district level is growing 1.1 times faster than aggregate public expenditures across Indonesia. BEP districts grew education expenditures at 1.1 times the rate of aggregate public expenditures between 2007 and 2008.
SPI 2 Discretionary school funds as % of total school expenditure	Estimated BOS expenditure as % of total school expenditure	***District*** Quality	**Result = Positive** The BOS grants to district schools offer a vital source of discretionary funds to schools. They provide an additional 11% of average of district level expenditure directly to district run schools. BOS grants as a % of total district budget are diminishing as district budgets grow at a faster rate.

* KPI – Key Performance Indicator, SPI – Supplementary Performance Indicator. ** New indicators

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I. INTRODUCTION

This is the second Finance Performance Report produced by the CSAS team. The report assesses the trends in education funding at national and district level in Indonesia between 2006 and 2008.

It is for the attention of the Project Steering Committee, the senior level officials within relevant GoI agencies and for AusAID as the donor agency.

A. Objectives of the Financial Performance Report

The objectives of the report are:

1. To identify trends in the quantum and distribution of education funding in relation to national policy and school needs
2. To monitor education sector and school resourcing addressing the key RENSTRA themes of access, quality improvement and improved accountability
3. To inform GoI and donors of the effectiveness and efficiency of current school funding mechanisms
4. To support the capacity of GoI institutions to monitor and report on school financing

B. Scope of Analysis

District Level Disaggregation

The district level of government has an increasing importance in education provision under the GoI decentralisation policy. Financial analysis of education allocations therefore needs to have a district level disaggregation to assess the variability in fiscal capacity and actual allocations for education resourcing.

A district finance database has been assembled from the paper financial records of district level budgets that disaggregate education related expenditure. For 2006, the MoF has now collected detailed official budget papers from 345 districts (78%) compared to the 263 districts (approximately 60%) that were available for analysis as part of the 2007 report.

The district financial analysis of this report provides comparisons across the years 2006, 2007 and 2008. The data set for 2006 remains incomplete and it is not clear whether additional data will be received by MoF. The 2006 dataset is therefore unlikely to be revised for future analyses. The 2006 data covers 345 districts (78% of total)

Data for 2007 cover 400 districts (90% of total).

The data for 2008 is still incomplete with returns received and processed from 162 districts (37% of total) by the time this report was prepared. District data analysis for 2008 is still provisional and should not be used for monitoring and evaluation purposes because of the incomplete database. However, certain trends can be shown. CSAS is liaising with the MoF regarding the 2008 district

financial data and the next Financial Performance Report (2009) will include the revised 2008 district level data.

Key Performance Indicators

The Key Performance Indicators (KPI) focus on the three main RENSTRA themes and government financial commitment to education.

Two Supplementary Performance Indicators (SPI) sit below the KPI. The SPI offer a more nuanced perspective across the three RENSTRA themes assessing education expenditure at a district level. SPI have been chosen based on available data against the three RENSTRA themes.

Lead and Lag Indicators

Each of the indicators proposed are described as being either a lead or lag indicator[1].

Lag indicators are summative in nature. They describe the current state of progress toward an expected outcome. For example, a lag indicator measuring government financial commitment towards education is the percentage of total public expenditure allocated towards education.

Lead indicators are those which capture the rate of movement towards an outcome or have a clear causal relationship to a desired outcome. For example, a lead indicator of government commitment towards financial commitment towards education might be annual percentage real increase in the education share of total public expenditure.

Selection of Indicators

The indicators used have been drawn from a number of sources. One group of Key Performance Indicators is used by GoI as part of its EFA reporting obligations.

Another set of indicators focuses mainly on the district level of analysis. These have been selected to be of use for the Basic Education Program (BEP) in promoting development of the basic education sector across Indonesia. These indicators can be of use at the district level for planning and budgeting purposes.

A larger list of potential indicators of financial performance has been prepared but it has not been possible to use them due to data limitations. In the future it will be possible to report on additional indicators as more data becomes available.

C. Approach and Methodology

Phased Approach – Over 3 Years

The financial performance monitoring of the education sector by CSAS began in 2007. The annual Financial Performance Report will be built on each successive year as additional data becomes

[1] Conceptually, "lead and lag indicators" have originated in the development of performance scorecards for use by business analysts. They are adapted here for use within the education sector.

available and as the indicators become better known. Financial performance monitoring begins with what is available now and works towards future improvement.

The district level data and findings presented in this report are provisional. Financial data for 2006 is available for only 345 districts – approximately 78%. Data for 2008 is limited to a collection from 162 districts and will be expanded for further analysis in the 2009 report.

Build On Existing Research

The monitoring of financial performance utilises all possible existing data sources and avoids wherever possible the request for new data collections from schools and districts. GoI and donors already fund extensive research and data collections across the country.

Data Sources and Collections: Financial Data

National level financial data (combining districts, provinces and central levels) up to 2007 has been largely sourced from the EFA Mid-Decade Assessment Report prepared by the GoI and presented in May 2007. This report also uses data appearing in the World Bank report Spending for Development – Indonesia Public Expenditure Review 2007. National level data for 2008 has been sourced from the MoF publication DATA POKOK APBN 2008 – 2009. Estimates of district and provincial level expenditures for 2008 have been based on World Bank estimates and CSAS estimates based on previous year allocations and trends.

District level financial data has been collected from the Ministry of Finance (MoF) Regional Financial Information System (SIKD). The SIKD collects in hard copy format the budget and actual expenditures of all districts and provinces. CSAS arranged with the Officers of the SIKD section to be given access to the available SIKD records. A painstaking process of manually sorting through the paper financial records of all districts and provinces was undertaken. Near complete financial records for all districts and provinces were obtained for 2007 and for approximately 78% of all districts in 2006.

The data collection process in 2008 was delayed due to the extensive renovation of the SIKD section undertaken during the second half of the year. This meant access to paper records was limited resulting in extensive delays.

The year 2006 reflects financial commitment undertaken by the GoI prior to the commencement of the BEP and is therefore the best option for the baseline financial data.

Data Sources and Collections: Non-Financial Data

Education: The student, teacher and school facilities data is derived from the statistical collection of the Education Census conducted by MORA and MONE. This education data has been collected and stored in the BEP Education Sector Database. This database has been built from available government statistical collections and represents authoritative government sanctioned data. The database includes population data collected from the Bureau of Central Statistics (BPS).

Poverty: Poverty is an important analytical filter for the Financial Performance Report. Financial data analysis includes an examination of poverty by segregating districts into poverty quintiles. This analysis is consistent with the analysis applied in the CSAS Annual Sector Monitoring Report. The

Poverty quintiles are based on the "P0" poverty scale developed by Survei Sosial Ekonomi Nasional (SUSENAS). This scale captures the incidence of poverty (the proportion of people living below the poverty line).

Incorporate Into Existing Reporting Systems

The Financial Performance Report indicators and analysis will be available to be used and incorporated within existing mandatory reports of MONE and MORA.

The data underpinning most of the indicators at the district level is sourced from GoI statistical collections. This should mean the indicators will be able to be reported within other regular reports. At the district level, these indicators will be useful and could be incorporated within their reporting systems.

D. Report Structure

Financial Performance - National Level

The Financial Performance Statement presents an analysis of the nationally available financial performance indicators for education. These are presented according to the key RENSTRA themes of Access, Quality and Governance/Accountability.

Financial Performance – District Level

Two additional Financial Performance KPIs and two SPIs have been identified for the district level to assess district level allocations to basic education.

Special Discussion Themes

Each Financial Performance Report presents in more detail some particular themes or issues that have been explored through specific research that has been commissioned by CSAS during the year.

This report includes an examination of district financial reporting in education. The financing streams in education in Indonesia are complex, and the review provides a historical context and rationale for the organisation of education financing at district level. It highlights the strengths of the financial reporting system and the areas where improvement is needed to improve the efficiency and effectiveness of reporting.

II. FINANCIAL PERFORMANCE – NATIONAL LEVEL

A. Overview

Education funding in Indonesia is derived from a variety of public and private sources. Public funding is provided mostly by the central and provincial levels of government with the provincial level providing a smaller share. National level analysis of aggregate public expenditure is complicated because of these different sources of funding and the subsidisation of salaries and services provided by the central level of government.

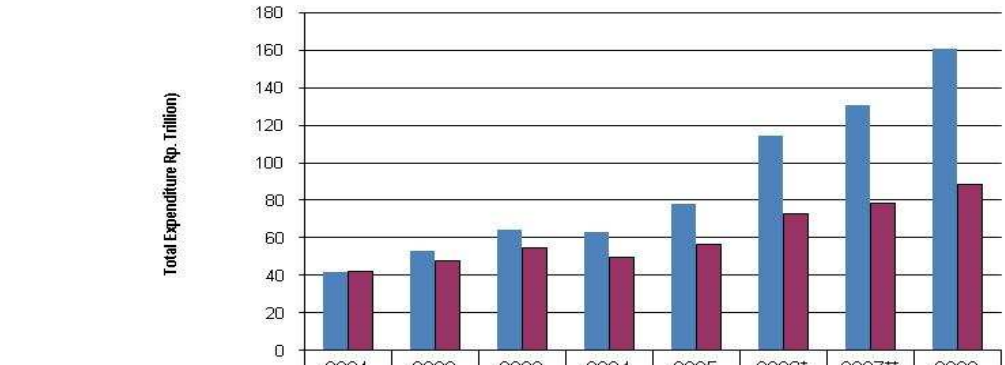
For the 2008 Financial Performance Report, the national level analysis is built from (i) the data collected by the World Bank and presented in its recent publication *Investing in Indonesia's Education,* World Bank, 2007, (ii) the national budget data presented in the MoF publication *DATA POKOK APBN 2008 – 2009,* and (iii) CSAS estimates of sub-national expenditures for the year 2008 based on historical trends and the evidence of data collected from districts and provinces that have supplied data for 2008.

The national trends in the public financing of education are analysed in this section. Key Performance Indicators (KPI) have been identified for the national level financing assessment. Each KPI has been assigned a ranking that indicates (neutral, positive, negative).

B. Trends in Education Funding

Upward trend in national public expenditure for education in Indonesia. There has been a consistent upward trend in public expenditure for education. The funding increases have been attained in both nominal and real prices (accounting for inflation). This analysis covers government expenditures from all levels of government.

Figure 1: National Public Expenditure on Education, Rp. Trillion 2001-2008



	2001	2002	2003	2004	2005	2006*	2007**	2008
Nominal National Education Expenditures	42.3	53.1	64.8	63.1	78.6	114.7	131	161
National Education Expenditures (constant 2001 prices)	42.3	47.4	54.3	49.8	56.2	72.7	78.1	88.55

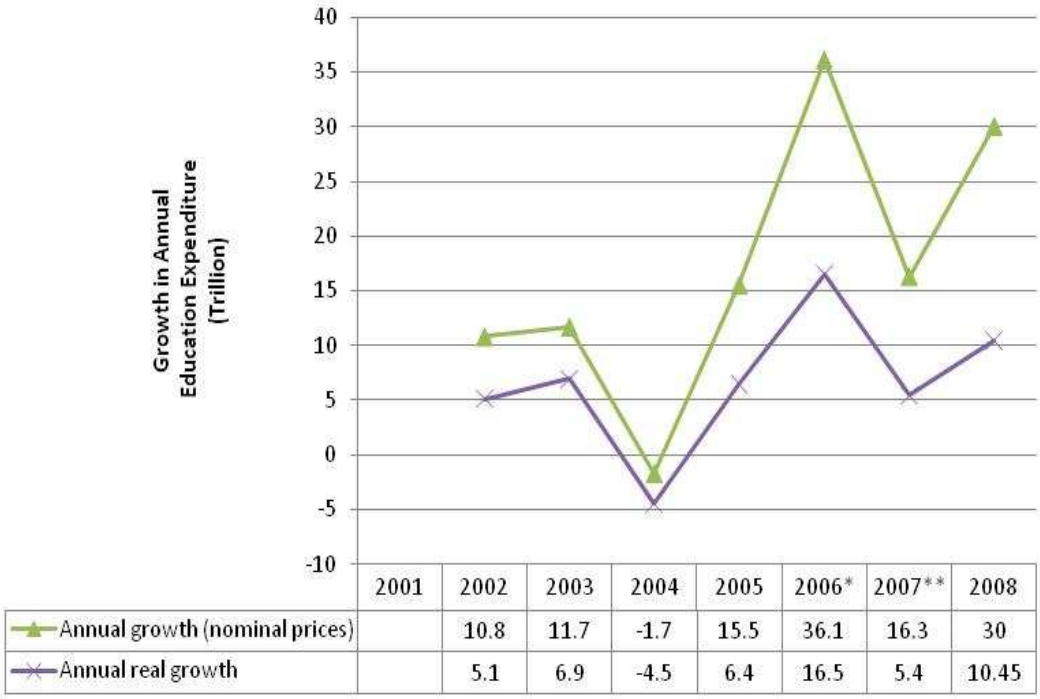
Education public expenditures have increased from 42 trillion to 161 trillion in 2008 (nominal prices). In 2001 constant prices, national education expenditures have increased from Rp. 42 trillion to Rp. 89 trillion in 2008.

Annual increases in national education expenditure are uneven but have been consistently high since 2005. There has been an uneven increase in year to year public expenditure allocations for education. The growth (while still positive) has been uneven in nominal and real prices. Sharp increases in public expenditure for education in the years 2005 and 2006 were followed by a much smaller increase in 2007.

The national expenditures for education in 2008 showed a very strong increase rising by Rp. 30 trillion in nominal prices and more than Rp. 10 trillion in 2001 constant prices.

The monetary value of the increase in public expenditure for education in 2008 was more than double the increase in public outlays for education in 2007. This is an essential expansionary fiscal position for the government if it is to have any chance of reaching its stated goals of expanding coverage and improving quality of education.

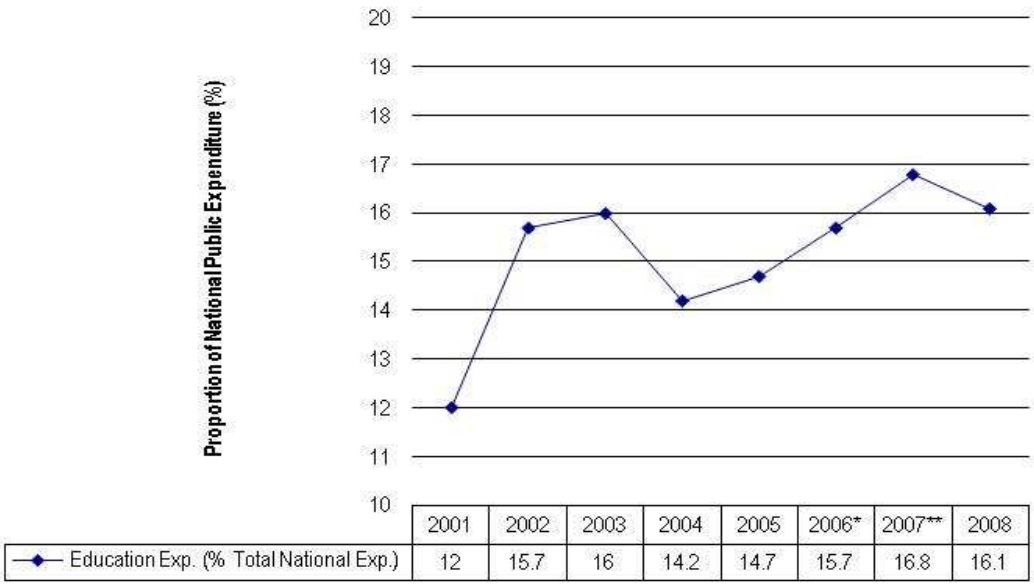
Figure 2: Annual Growth in Annual capital Expenditure, 2001-2008



	2001	2002	2003	2004	2005	2006*	2007**	2008
Annual growth (nominal prices)		10.8	11.7	-1.7	15.5	36.1	16.3	30
Annual real growth		5.1	6.9	-4.5	6.4	16.5	5.4	10.45

KPI 1: Education Expenditure as Proportion of Total Public Expenditure

Figure 3: Education Expenditure as Percent of Total National Public Expenditure, 2001-2008



	2001	2002	2003	2004	2005	2006*	2007**	2008
Education Exp. (% Total National Exp.)	12	15.7	16	14.2	14.7	15.7	16.8	16.1

Result:	Neutral
Data Availability:	Full
Comment:	There has been very significant growth in education expenditure allocations as a proportion of national expenditure since 2001. Education's share has grown from 12% in 2001 to more than nearly 16% by 2008. A one year decline in the share of education expenditures occurred in 2004. This fall was related to the fuel subsidy crisis and the fiscal squeeze encountered by the central government. There was also a smaller decline in the education share of public expenditure in 2008 from a high of 16.8% in 2007. This small decline in 2008 is not significant enough to categorise as a negative result. There was a substantial nominal and real growth in expenditure for education (see previous section). Particularly strong government revenues in 2008 facilitated a large growth in public expenditures. In contrast, the relative decline in education expenditure during 2004 was affected through a decline in mostly development expenditures.
Future Analysis:	Annual. Will require establishment of national level education finance database

Policy Implications: The removal of the fuel subsidy has created the fiscal space to expand financial commitment to the education sector. The GoI is now better placed to meet the growing funding needs of the education sector.

A key policy announcement made by the GoI in 2008 concerned its funding targets for education. The President of the Republic announced in 2008 that the government was commiting itself to increasing its share of expenditure so that the national level of education expenditure from all levels of government would reach 20% of total public expenditures.

Subsequent to this announcement the MoF released supplementary documentation in August 2008 to its initial planned budget papers. The supplement papers (Dokument Tambahan 2009) showed how this 20% expenditure target was to be met. The initial target of the planned national budget (RAPBN) was for central level education expenditures of about Rp. 77 trillion out of a total Rp. 188 trillion. In order to meet the 20% target, central level expenditures for non-salary items are to be supplemented by an additional Rp. 46 trillion in 2009. This would take total education expenditure to Rp. 224 trillion and approximately 20% of total public expenditures of Rp 1,122 trillion (from all levels of government).

This announcement was made possible by the previous and steady commitment of government towards increasing the annual commitment of national expenditures towards education. It was also made possible by the very solid rates of economic growth that have been enjoyed the country that have improved revenues as well as the removal of the fuel subsidy scheme that was crowding out other areas of government expenditures.

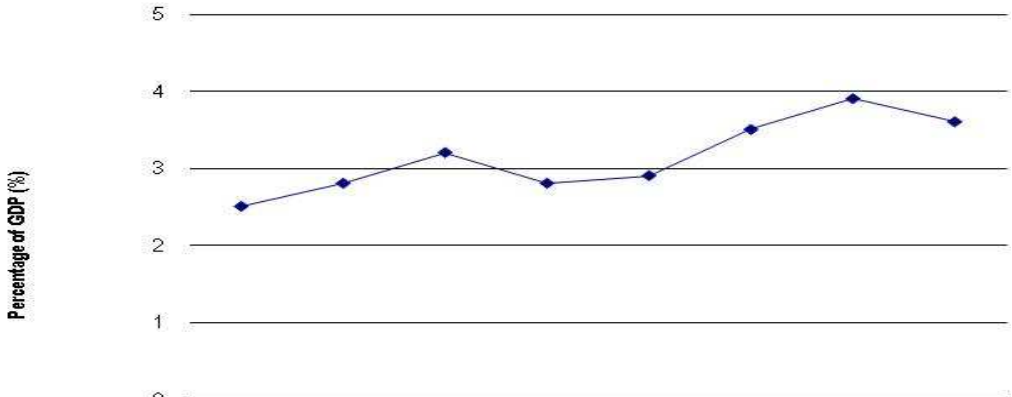
It remains to be seen whether the government can deliver on this 20% commitment for education in 2009. The government will be greatly challenged by the severe global financial crisis that is evolving into an economic crisis in 2009. This will (amongst other things) affect government revenues and will also generate stronger demand for other alternative expenditures (largely through household transfer payments) that can provide a social safety net for households and communities.

A key challenge for education sector policy makers and stakeholders will be to try to insert the interests of children and education within the evolving policy responses of government to the economic crisis. One example of how this can be achieved is with the Conditional Cash Transfer schemes used by government to provide a social safety net. These cash transfer programs can be especially important and effective during period of financial crisis. Indonesia has a long experience with CCT schemes and is well positioned to expand existing initiatives to deal with the financial crisis.

Recommendation: Conditional Cash Transfer programs can be tapped and expanded to meet the growing impact of any financial crisis. This can be achieved through (i) expansion and improved targeting of households with children not accessing primary schools, and (ii) better coordination with the education sector at the school level as well as Dinas education offices.

KPI 2: Education Expenditure as Proportion of GDP

Figure 4: Education Expenditure as Percent of GDP, 2001-2007



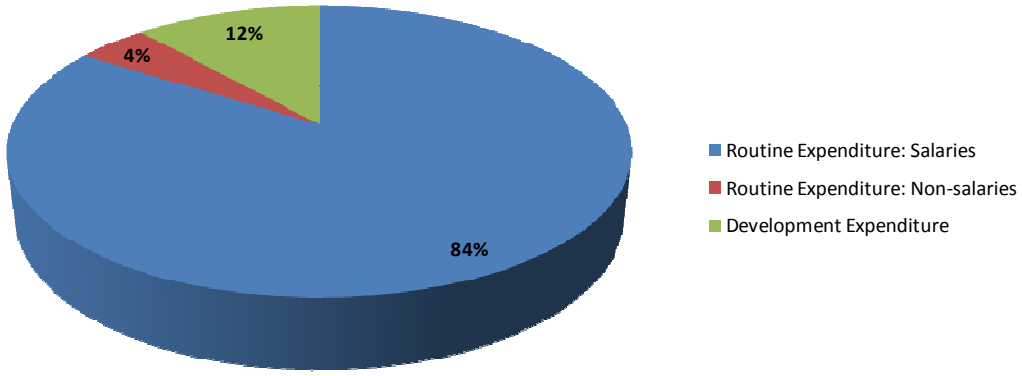
	2001	2002	2003	2004	2005	2006*	2007**	2008
National Education Exp. (% GDP)	2.5	2.8	3.2	2.8	2.9	3.5	3.9	3.6

Result:	Positive
Data Availability:	Partial
Comment:	This indicator captures the national public commitment towards education in relation to the economic wealth being generated. By mapping education expenditure with GDP it avoids comparison problems with other countries which may have different sized public sectors. The indicator is also useful for comparing expenditure trends in a country which has altered the size of its public sector across time. Generally, this indicator is used in tandem with the education share of public expenditure. In Indonesia, there has been significant growth in education expenditure as a proportion of GDP. Education as a percentage of GDP rose from 2.1% in 2001 to 3.9% by 2007 but then reduced to 3.6% by 2008. This reflects growth in public revenues and the concomitant growth in public expenditures. This effect is compounded by the increasing share of public expenditures being set aside for education which leads to the very strong growth in education expenditure as a proportion of GDP between 2005 and 2009.
Future Analysis:	Annual. Will require establishment of a national level education finance database

Policy Implications: Expressed as a percentage of GDP, future growth in public allocations for education may become harder in the future. Indonesia already has an allocation (standardised as a percentage of GDP) that is about average for countries at a comparable stage of economic development.

KPI 3: Education Non-salary Expenditure as Share of Total Expenditure

Figure 5: *Aggregate District Expenditure, 2004*



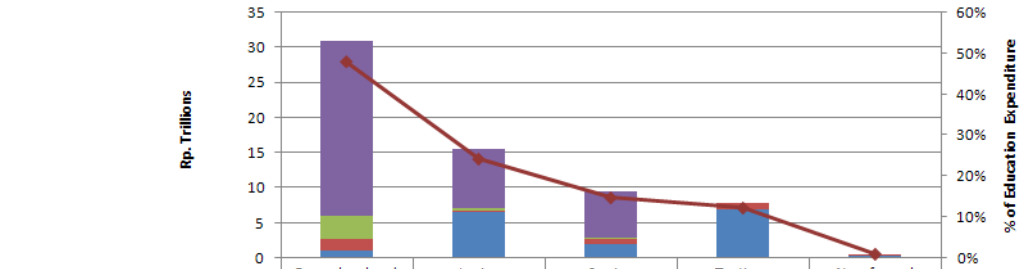
Source: World Bank, Investing in Indonesia's Education, 2007

Result:	Negative
Data Availability:	Limited to 2004 and district level only. Breakdown of data is difficult because of its composition from three tiers of government. Difficult to separate the salary component of development expenditures and to separate salary items from central level expenditures. Based on WB calculation of the salary composition of routine expenditures, a 96% share of district routine funds has been allocated for salary items.
Comment:	Salary related items as part of routine expenditures consume 84% of resources. The balance is distributed between non-salary items from routine expenditures and development expenditures (these include capital and other investments of a largely non-recurrent nature). In fact, the salary share will be higher than 84% because a portion of development expenditures includes salaries. While districts spend the bulk of the money for education, most of this is tied to salary payments and therefore not discretionary.
Future Analysis:	To be decided. Current data collected at SIKD does not summarise salary and non-salary dissections of expenditure. Liaison with MONE, MORA, Bappenas and World Bank staff to see if periodic update is possible.

Policy Implications: The flow of BOS funds directly from the central government to schools increases the independence of schools from districts as they become even less reliant on the district for additional discretionary funds. Strengthening the hand of districts is important so that government can retain a strategic capacity and managerial oversight of school performance.

KPI 4: Expenditure on Basic Education as % of All Education Expenditure & KPI 5: Expenditure on Non Formal Education as % of All Education Expenditure

Figure 6: Education Expenditure by Sub-Sector, 2004



	Pre-school and primary	Junior secondary	Senior secondary	Tertiary education	Non-formal education
District	24.9	8.4	6.5		
Province	3.2	0.4	0.2		
MORA	1.8	0.3	0.8	0.9	0.02
MONE	1.04	6.51	2	7	0.6
% of Total Education Expenditure	47.9%	24.2%	14.7%	12.2%	1.0%

Source: World Bank, Investing in Indonesia's Education, 2007

Result:	Positive for Basic Education, Negative for Non Formal Education
Data Availability:	Limited to 2004. Breakdown of data is difficult because of its composition from 3 tiers of government.
Comment:	Basic education accounts for approximately 70% of total funding, with nearly 50% for pre-school and primary. Senior secondary will begin to make a stronger resource claim in future as universalisation policy expands access. Districts are carrying the bulk of expenditure for basic education and therefore remain a key site for interventions. The central share is likely to have increased since 2004 with the introduction of BOS grants that are paid directly to schools.
Future Analysis:	Uncertain. Current data collected at SIKD does not disaggregate between levels of education expenditure at the district level. Liaison with MONE, MORA, Bappenas and World Bank staff to see if periodic update is possible.

Policy Implications: Maintaining the share of basic education will be important even as access to secondary education is expanded. Investment in basic education builds a strong base in literacy and numeracy and economic development suffers when basic education expenditure is neglected in favor of investment at higher levels.

NFE expenditure is approximately 1% of total expenditure for education. While a key advantage of NFE is its cost-effectiveness, increased levels of investment are needed to maximise the possible economic and social returns.

III. FINANCIAL PERFORMANCE – DISTRICT LEVEL

A. Overview

This section provides multi-year comparisons of district level expenditures for education spanning the period 2006-2008. This enables some trend analysis of district level commitment towards education spending beyond just a one or two year snapshot. The year 2006 is a useful benchmark as it can serve to identify the nature and extent of education spending at the district level before the commencement of the BEP expenditures.

The district level analysis has been structured to enable comparisons in district expenditures between (i) rural and urban districts, (ii) BEP and non-BEP districts, (ii) districts sorted into poverty quintile rankings, and (iv) eastern and western regions of the country.

The district level financial data presented here has been collected by CSAS directly from the SIKD section of MoF. The SIKD collects in hard copy format the budget and actual expenditures of all districts and provinces. CSAS arranged with the Officers of the SIKD section to be given access to the available SIKD records. In 2008 this process was complicated by the extensive renovations undertaken of the SIKD offices and the difficulty that posed to accessing the individual paper records of each district that underpin the database.

District level expenditure patterns are increasingly important as districts have increased responsibility for education management under decentralisation. Monitoring patterns of expenditure by districts will become an increasingly important role for MONE and MORA to ensure that national funding norms and procedures are being implemented appropriately.

The wide range of districts' poverty status and the importance of education in lifting district populations out of poverty also mean that vulnerable groups stand to benefit most from well targeted education investment. Monitoring and evaluation of district level education financing provides the tools to do so.

The Financial Performance Report 2007 presented district level analysis based on district level data that was available for 2006 and 2007. This report updates that analysis by refreshing the 2006 data base with the addition of 82 districts for a total of 345 districts out of 440. It is unlikely that the 2006 dataset will be updated any further because of difficulties the SIKD may have in collecting records from the outstanding districts.

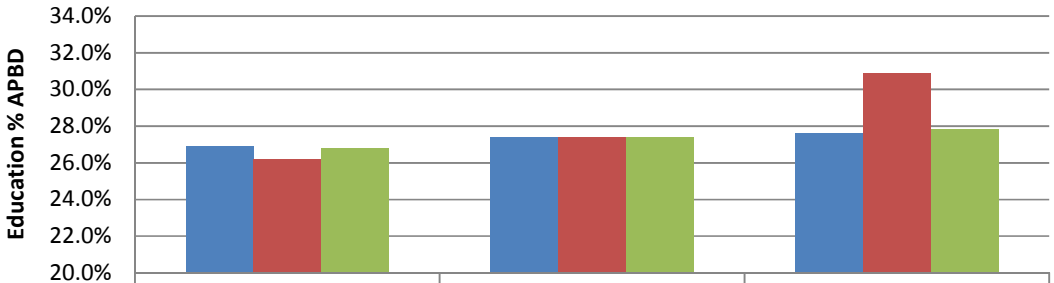
The financial data for 2008 that underpins this report is limited to 162 districts. This is a major limitation and reflects the difficulties the SIKD section of MoF has in receiving the budget papers of all districts on time and in the right format.

The district level data and findings presented in this report for 2008 are provisional because there are still more than 50% of districts to be included in the analysis. The 2009 Financial Performance Statement will reflect any data changes and revise the analysis as required.

B. Trends in District Education Funding

KPI 6: District Financial Commitment to Education

Figure 7: APBD Education Expenditure as % of Total APBD

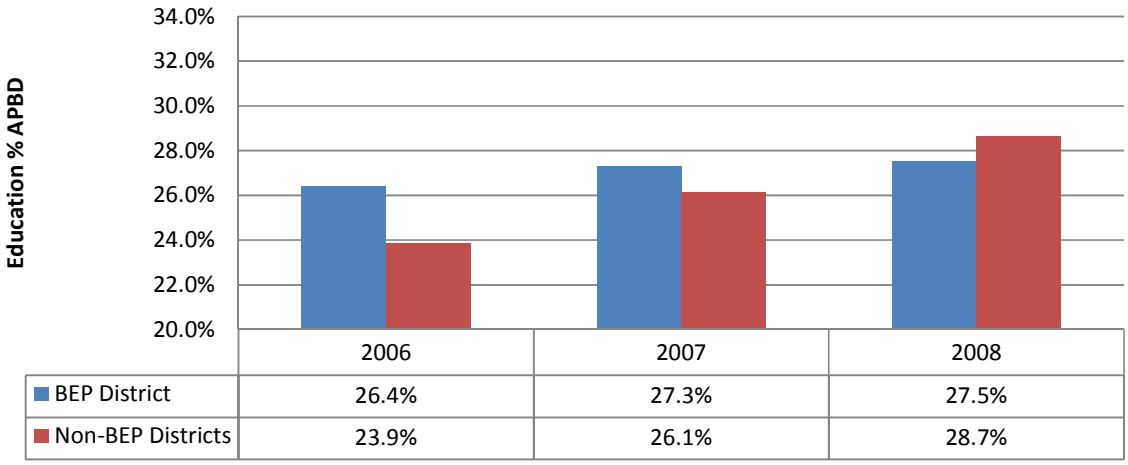


	2006	2007	2008
Rural	26.9%	27.4%	27.6%
Urban	26.2%	27.4%	30.9%
National	26.8%	27.4%	27.8%

Result:	Positive
Data Quality and Availability:	Financial data is for approximately 80% of all districts for 2006, 90% for 2007 and 40% of districts for 2008 .
General Comment:	Average district level education expenditures across Indonesia have increased from 27% of the total district budget (APBD) in 2006 to a 28% share in 2008. The increased share of education expenditures at the district level demonstrates that districts on average are maintaining (and slightly increasing) their financial commitment to education. The slight growth in share of allocations towards education is consistent for urban and rural areas. The data show the strongest percentage growth in urban districts in 2008. However this analysis is based on a small number of urban districts. While these averages show maintenance of financial commitment to education, it does disguise some variation between districts. Comparison of the fluctuations of individual districts may not be useful as their expenditure may be significantly affected by one-off large annual investments. The recent World Bank study found education share of district expenditure declining from 38% in 2001 down to 34% by 2004. The 2006 data from this study show a further decline down to 27%. But data from 2007 and 2008 show an increase in the share of education expenditure on 2006 levels. This suggest the slide in education expenditure has reversed.

BEP Districts:	In 2006, BEP districts on average allocated 26% of their APBD for education in 2006 compared to 24% share of other districts. By 2007 BEP districts had increased their education expenditure to 28% which was below the average of non-BEP districts (29%) but close to the average expenditure of districts nationally. The updated data for 2006 shows that BEP districts' education share of district budgets grew by 1% from 2006 to 2007. This is less than the rate of growth in education share for the non-BEP districts. The education share of APBD expenditure in non-BEP districts grew by 5% and reached 29% by 2008.
Future Analysis:	Update 2008 data once more districts' data is collected with series to continue 2009-2010.

Figure 8: APBD Education Expenditure as % of Total APBD in BEP and Non-BEP Supported Districts

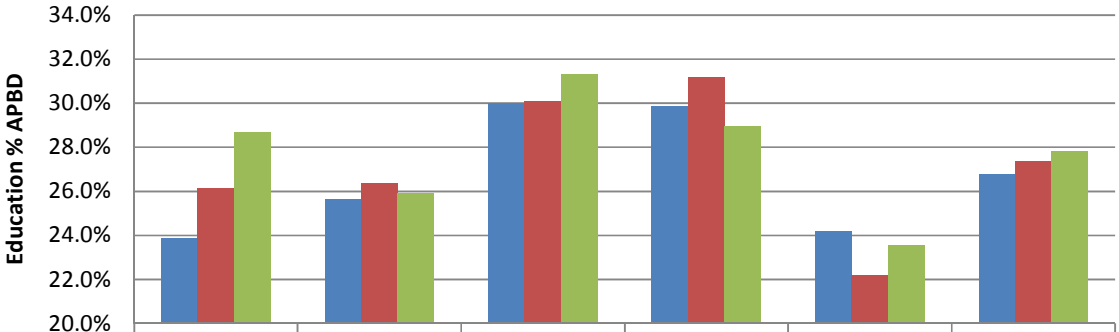


	2006	2007	2008
BEP District	26.4%	27.3%	27.5%
Non-BEP Districts	23.9%	26.1%	28.7%

Real variation (see chart below) appears in the shares of expenditure for education when comparing districts by poverty quintile. Data for the three years from 2006-2008 show that middle ranking districts in terms of poverty (quintiles 3 & 4) on average have the highest share allocation of their budgets for education.

Schools in the poorest quintile of districts (Quintile 5) are consistently over the three years (2006-2008) allocating the smallest share of funds to education (between 22% and 24%). For some districts, this smaller per capita expenditure could be due to a greater proportion of students being enrolled in private schools in the eastern region of the country. Because private schools do not have salaries paid by the district level of government (via a transfer of payments from the central budget) this distorts the district per capita expenditure.

Figure 9: Expenditure as % of Total APBD by Districts according to Poverty Quintile, 2006-2008



	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)	National
2006	23.9%	25.6%	30.0%	29.9%	24.2%	26.8%
2007	26.1%	26.4%	30.1%	31.2%	22.2%	27.4%
2008	28.7%	25.9%	31.3%	28.9%	23.6%	27.8%

Policy Implications:

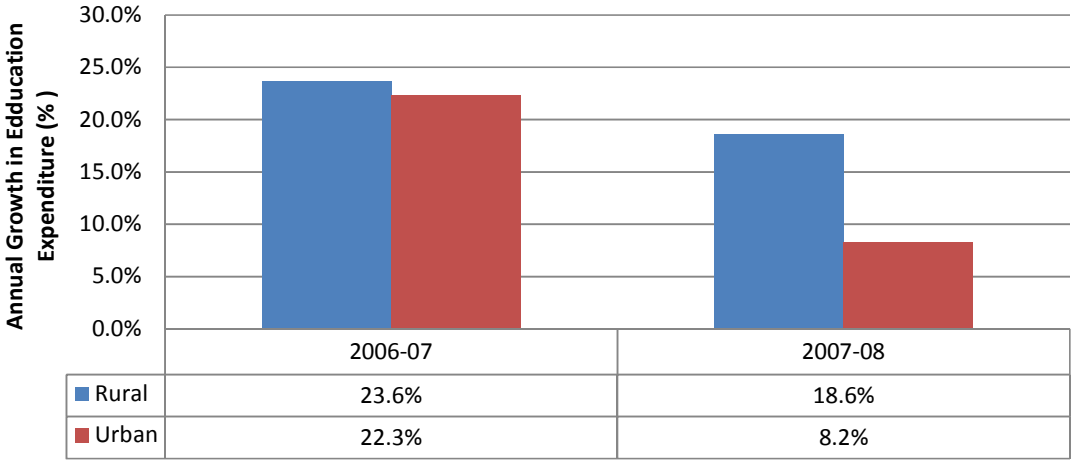
Districts that have high poverty rates and are persistently allocating a significantly smaller share of resources for education than the national average are at great disadvantage to the rest of the country. This disadvantage is likely to be compounded each year as other, more wealthy districts spend higher amounts on education.

Recommendation:

Undertake a study focused on the poorest districts (poverty quintile 5 districts) to examine why some of these districts with high poverty rates are allocating significantly smaller share of resources for education than the national average. Prepare options for a sector response (MoNE and MoRA) and/or a whole of government response as may be required.

KPI 7: Annual Growth in Education Spending for the Poorest Districts

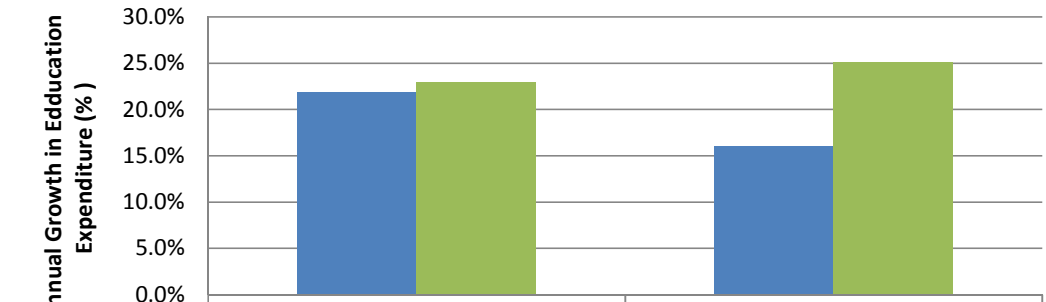
Figure 10: Annual Growth in APBD Education Expenditure, 2006 -2007, Urban and Rural Districts



Result:	Uneven
Data Quality and Availability:	As per KPI 6
General Comment:	National average annual growth in education budgets between 2006 and 2007 was approximately 19%. Rural districts have shown consistent and strong growth measured on a year to year basis since 2006. The data for urban districts is very limited for the year 2008, and this maybe distorting the results for 2007-08 where its shows only 8% growth on the previous year. Results show that nationally, financial commitment of district governments for education grew at a faster rate than their financial commitments to all other sectors as a whole. Poverty quintile 4 districts (second most poor) are exceptional in recording much lower growth in education budgets (14% and 6% for the years 2006-7 and 2007-08 respectively). The slower growth in education expenditure in these districts may be related to the fact that Quintile 4 districts already have on average some of the highest shares of education expenditure of all district quintiles. (see KPI 6). Other district quintiles may also slow their rate of growth in education expenditure when they reach this threshold.
BEP Districts:	BEP districts showed strong positive commitment to education with 21% annual growth in education funds in 2006-07 and 16% in 2007-08. Non-BEP districts displayed even stronger growth in their education

	expenditures and they increased by 23% and 25% respectively for the years 2006-07 and 2007-08. This may indicate some substitution effect occurring in BEP districts if their average growth in education expenditure is below national average growth.
Future Analysis:	Update 2008 data once collected. Trend series to continue 2009-10.

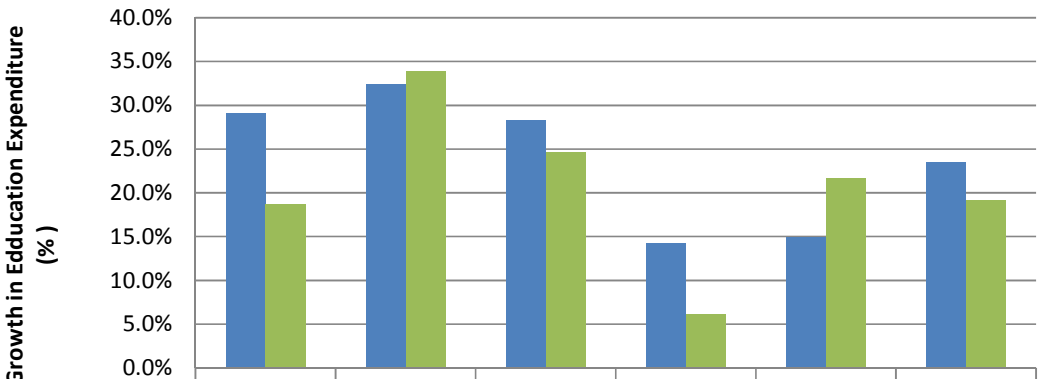
Figure 11: BEP and Non-BEP Supported Districts, Annual Growth in APBD Education Expenditure, 2006 -2008



	2006-07	2007-08
BEP District	21.9%	16.0%
Non-BEP District	22.9%	25.1%

Districts in poverty quintile 4 are lagging behind other quintiles in the growth rate of their education budget. The poorest districts (quintile 5) have shown stronger growth rate for the period 2007-8. The strongest consistent growth is found in the middle quintiles (2 and 3) which have recorded growth rates of 33% and 25% respectively.

Figure 12: Annual Growth in APBD Education Expenditure, 2006 -2008, Districts by Poverty Quintile



	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)	National
2006-07	29.1%	32.4%	28.3%	14.2%	14.9%	23.4%
2007-08	18.7%	33.8%	24.6%	6.1%	21.7%	19.1%

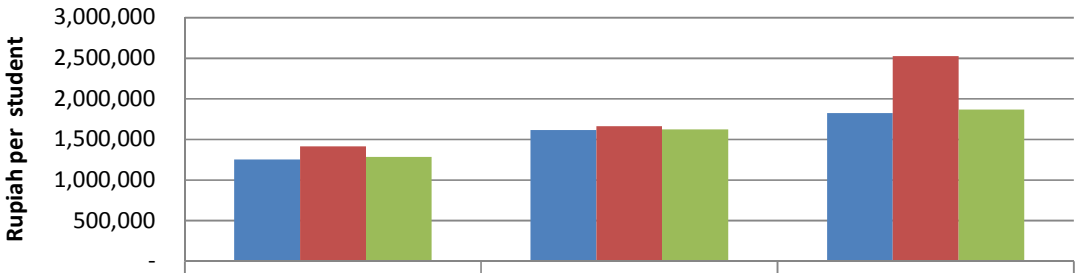
Policy Implications: Growth in year to year education expenditure is strong across the country. However aggregation can miss much of the important detail at the district level.

At a district level, the analysis will be most useful when it is run over a few years to smooth out the impact of investment programs.

Recommendation: Maintain special focus on districts with BEP interventions to see if they keep pace with the average growth rate in education expenditure across all districts and within their poverty quintile. Special focus from 2009 should be on monitoring to see if districts are including donor funds and investments within their APBD expenditures.

KPI 8: Average District Expenditure per Student

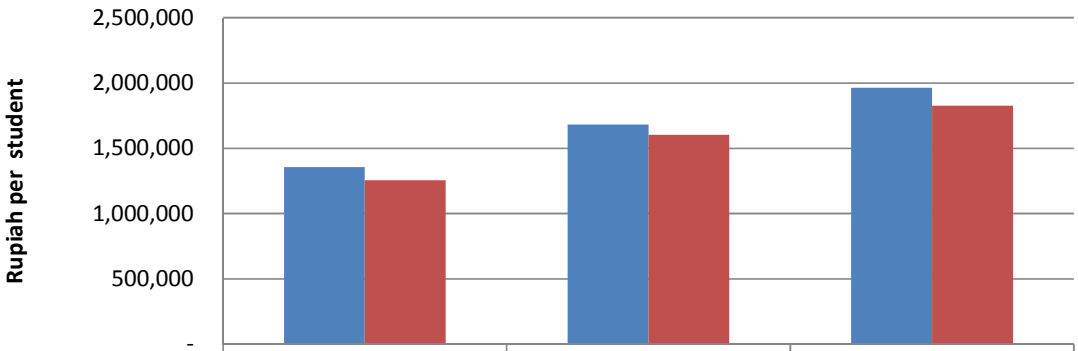
Figure 13: Average APBD Education Expenditure per Student, (Rp.)



	2006	2007	2008
Rural	1,256,070	1,614,764	1,827,768
Urban	1,413,733	1,662,298	2,530,042
National	1,282,804	1,623,235	1,867,561

Result:	Positive
Data Quality and Availability:	Data for 2008 is limited and analysis to be refreshed in 2009 report.
General Comment:	There has been strong national growth in the average expenditure per student across the country over the three years. Strongest growth is observed in the urban districts, but this urban data is based on a small number of returns and will need to be refreshed in the 2009 report. The highest average per student allocations are found in the poorest districts (quintile 5) where in 2008 they average more than Rp. 2 million per student. This compares with an average district allocation of Rp. 1.9 million in the richest districts. Districts in the Eastern region of the country allocate (on average) an additional Rp. 1 million more per student than Western region districts. The per student allocation is greatly affected by the sparsity of population. Therefore more sparsely populated districts (such as those in the eastern region and many of those in the poorest quintile districts) have higher average salary costs. This is because of lower student/teacher ratios and higher salary related costs associated with remote area allowances.
BEP Districts:	BEP districts have a higher than national average per student allocation across all three years. The higher expenditure of BEP districts is related to the fact that 90% of BEP districts are located in the Eastern region of the country. Unit costs are higher in the eastern region due to sparsity factors.
Future Analysis:	Update 2008 data once collected. Trend series to continue 2009-10

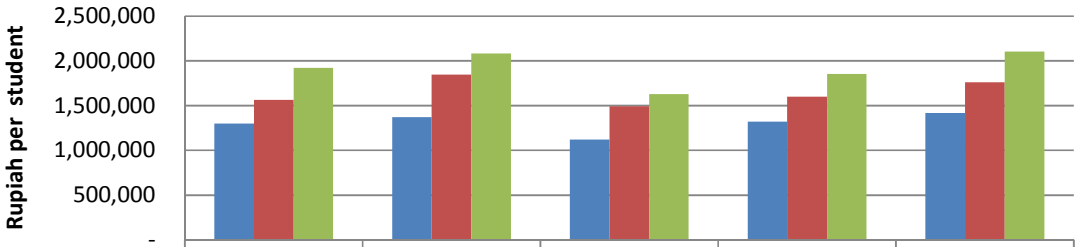
Figure 14: Average APBD Education Expenditure per Student (Rp), BEP and Non-BEP Districts



	2006	2007	2008
BEP districts	1,355,024	1,681,106	1,963,746
Non-BEP Districts	1,256,773	1,603,836	1,826,882

Poverty quintile analysis shows a significant gap between the average expenditures of districts in poverty quintile 3 and the other districts. Particularly strong growth in district budget per student allocations is observed in the richest districts and the poorest districts (quintiles 1 and 3 respectively). Districts in the poorest quintile have the highest average expenditures per student in two out of three years.

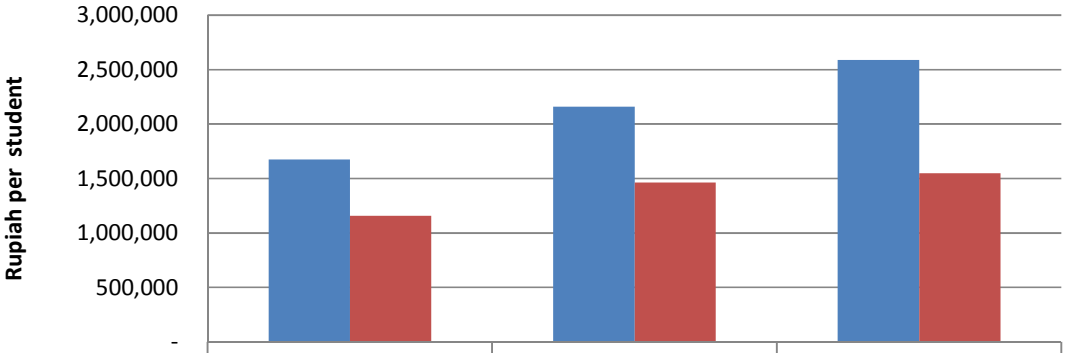
Figure 15: Average APBD Education Expenditure per Student (Rp), by Poverty Quintile Districts



	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)
2006	1,301,655	1,370,368	1,123,036	1,321,228	1,417,981
2007	1,562,977	1,847,734	1,490,952	1,601,748	1,761,787
2008	1,918,861	2,081,934	1,627,543	1,854,500	2,106,530

Districts in the eastern region of the country have significantly higher costs per student than districts in the western region. To a certain extent these differences may be explained by the lower density of populations in these districts. This has an impact on the unit cost of salaries (through the cost of allowances related to isolation) and the lower student/teacher ratio that drives up the per student unit cost of teacher salaries.

Figure 16: Average APBD Education Expenditure per Student (Rp), by region



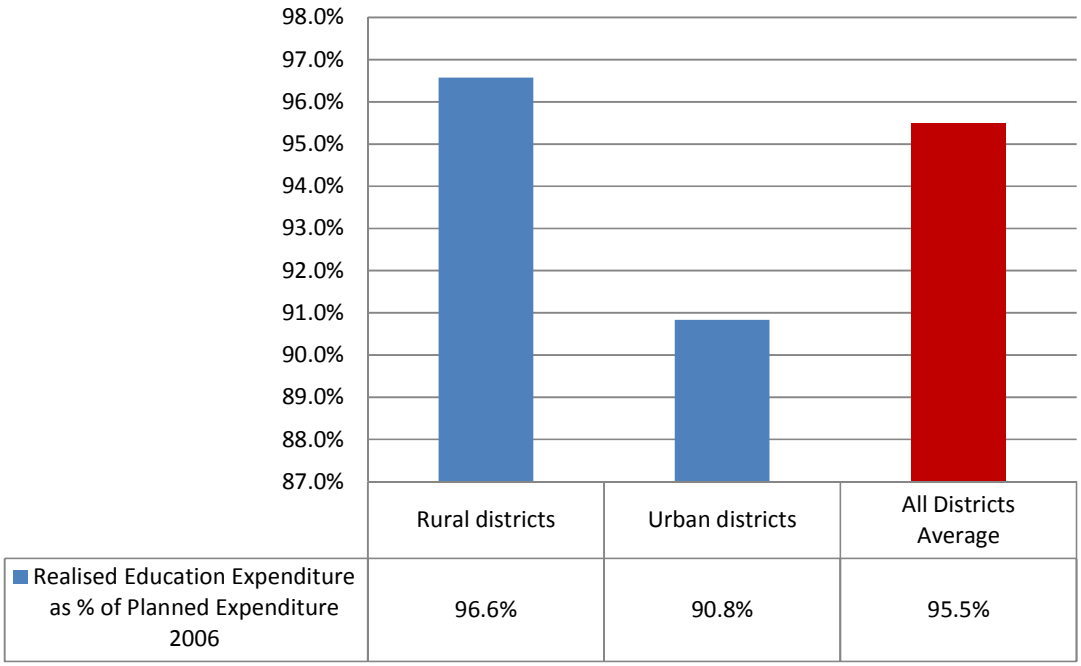
	2006	2007	2008
Eastern Region	1,673,509	2,157,386	2,588,472
Western Region	1,157,733	1,463,035	1,545,721

Policy Implications: Unit cost calculations are greatly affected by the sparsity of populations and care needs to be taken when comparing districts. Care should be taken to compare like with like districts in order to get a true feel for the district government commitment and possible impact on quality.

The data show that the poorest districts need to spend (and actually do spend) more than the other districts to provide their educational services. Much of this expenditure is through the payment of salaries that is channeled through the DAU by the central government. Additional expenditure does not indicate additional discretionary funds at the school level.

KPI 9: Actual district education expenditure as % of planned education expenditure

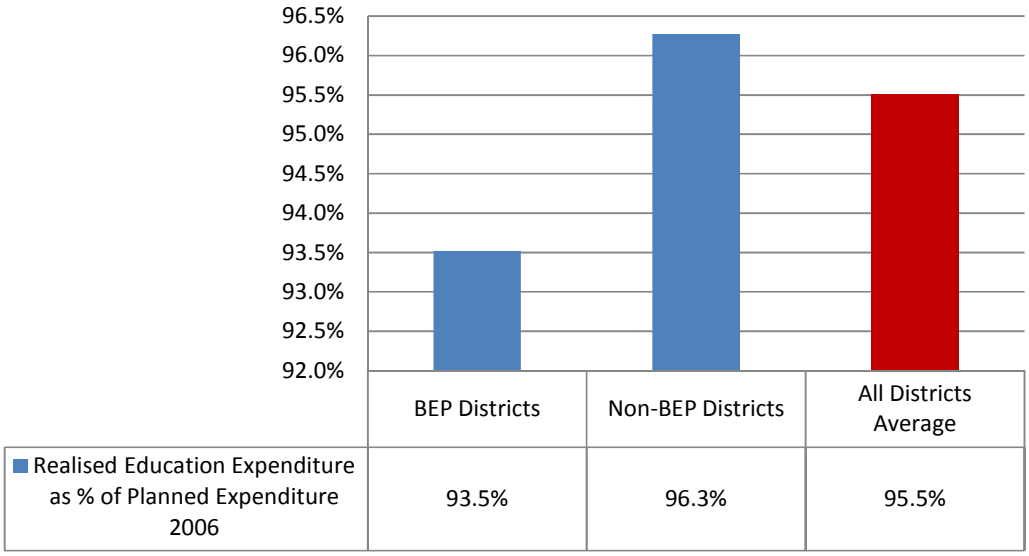
Figure 17: Realised Education Expenditure as % of Planned Expenditure 2006



Result:	Negative
Data Quality and Availability:	Data covers approximately 80% of districts
General Comment:	Districts are not managing to spend their budgeted education expenditure for the year. In 2006, rural districts performed better and spent nearly 97% of their budget but urban districts managed to spend 96% of their budget. Nationally, this under-expenditure means that the average district is failing to spend Rp. 5.9 billion in budget allocated education funds. This translates to a cumulative national under-expenditure of Rp. 2 trillion. This is money that was budgeted for education at APBD level, but not spent.
BEP Districts:	BEP districts under-spent their budget at an average of Rp 88,000 per student compared to a national average under-spend of Rp. 58,000. The average BEP district only spent 93.5% of their budget compared to 95.5% nationally. The average BEP district had an amount of Rp. 6.8 billion that remained unspent from their dedicated education allocation of their APBD. compared to a national average of Rp. 5.9 billion. A cumulative under-expenditure of Rp 822 billion in 2006 on the education related APBD.

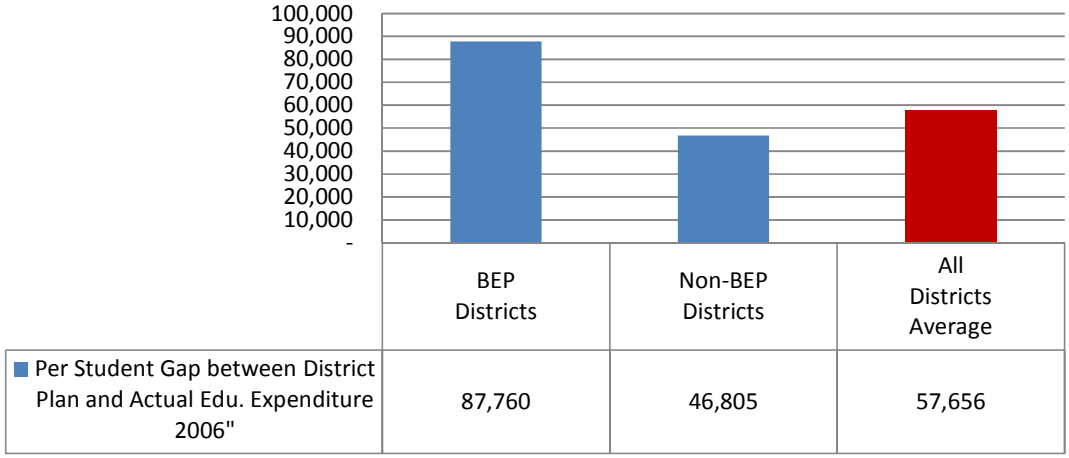
Future Analysis:	Update 2008 data once collected. Trend series to continue with realized budget data for 2007 to be collected

Figure 18: Realised Education Expenditure as % of Planned Expenditure 2006, BEP and Non-BEP districts



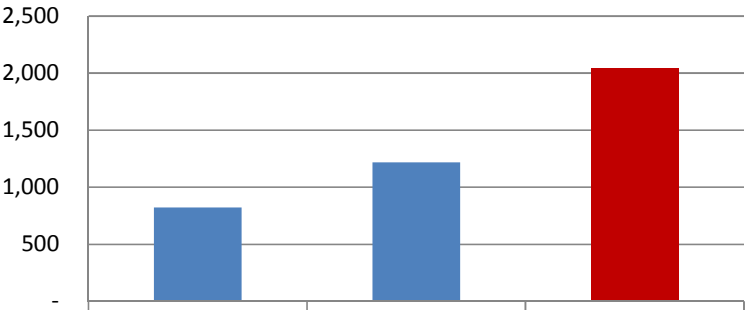
As a consequence of not spending 6.5% of their budgeted education allocation in 2006, BEP districts under-spent on average Rp. 88,000 per student. This was more than the Rp. 47,000 per student under-spent by the non-BEP districts.

Figure 19: Average Per Student Gap between Plan and Actual District Education Expenditure 2006 (Rp.)



BEP districts in 2006 had Rp. 822 billion in budgeted education funds that remained unspent, while other districts accumulated Rp, 1,217 billion of unspent education money.

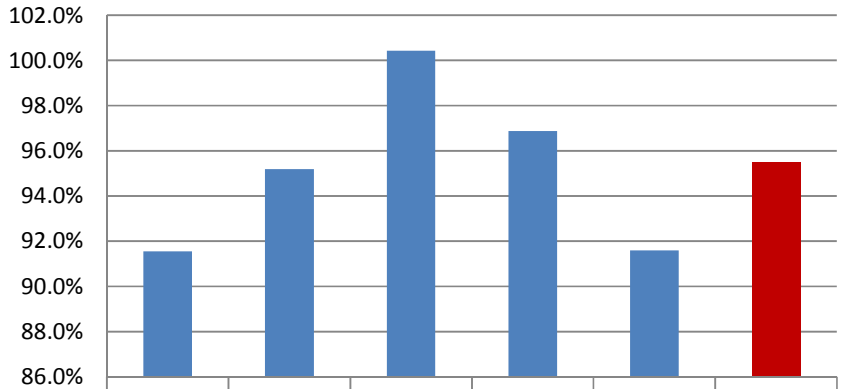
Figure 20: CumulativeGap -Planned Budget and Actual District Education Expenditure 2006 (Rp. Billion)



	BEP Districts	Non-BEP Districts	All Districts Average
Cumulative Gap between District Plan and Actual Edu. Expenditure 2006"	822	1,217	2,039

Poverty quintile analysis shows that the poorest and richest districts spent the lowest portion of their allocated education expenditures in 2006. Only districts in poverty quintile 3 managed to reach their expenditure allocation.

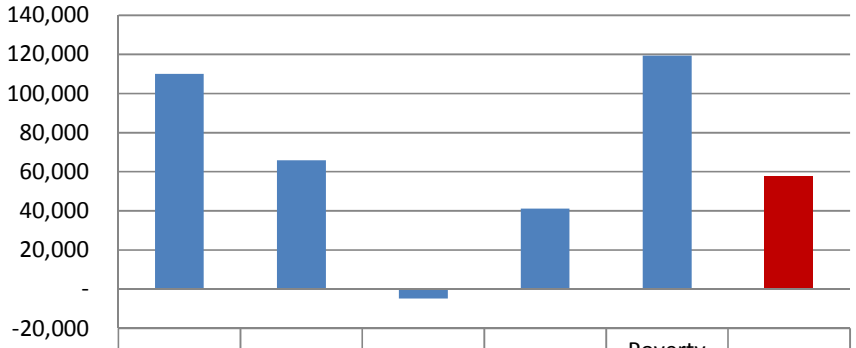
Figure 21: Realised Education Expenditure as % of Planned Expenditure 2006, by Poverty Quintile



	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)	National
Realised Education Expenditure as % of Planned Expenditure 2006	91.5%	95.2%	100.4%	96.9%	91.6%	95.5%

The poorest and richest districts managed to not spend more than Rp. 100,000 of budgeted education funds per enrolled student in 2006. This is from a total district education budget of Rp. 1.4 million and 1.3 million for the poorest and richest districts respectively.

Figure 22: Average Per Student Gap between Plan and Actual District Education Expenditure 2006 (Rp.)



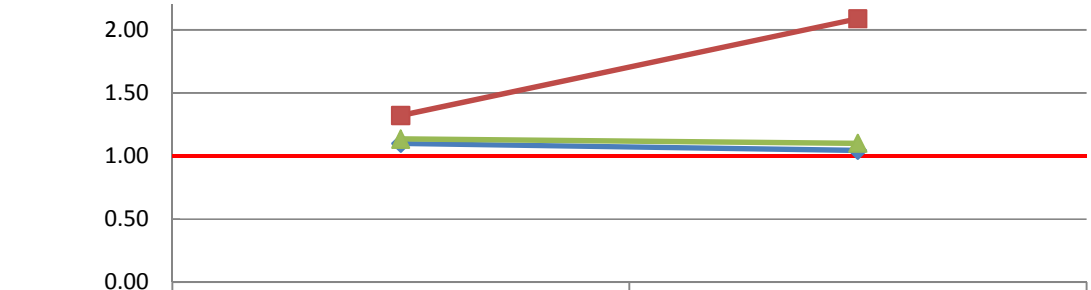
	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)	National
Per Student Gap between District Plan and Actual Edu. Expenditure 2006"	110,072	65,898	-4,820	41,179	119,358	57,656

Policy Implications: Too many districts may be failing to expend their allocated annual education budgets. The difficulty of the poorest districts in expending their budgets is of a particular concern given the access and quality problems in these districts. The quantum of funds may not be the greatest problem facing some districts, and/or there maybe other problems related to disbursement restrictions and reporting or planning requirements.

Recommendation: A study and policy dialogue with Dinas education offices is required to determine reasons for the under-expenditure of annual education budgets. The study should propose options for improving the uptake of funds that can promote their efficient and effective use for education purposes at the district level.

SPI 1: Growth Ratio of Education Spending

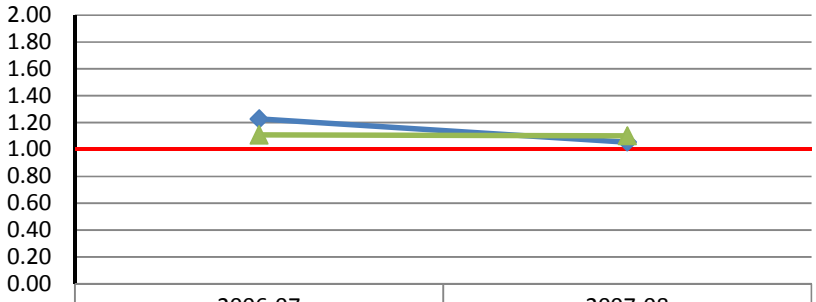
Figure 23: Annual Education Expenditure Growth Ratio, Urban and Rural districts(2006-2007, 2007-08)



	2006-07	2007-08
Rural	1.10	1.05
National	1.13	1.10
Urban	1.32	2.09

Meaning of the Indicator:	This indicator expresses the annual growth in education expenditure as a ratio to the annual growth of the district budget. The higher the ratio, the greater financial commitment shown by the district in distributing funds to education. A score greater than 1 means the education budget is growing at a faster rate than the district budget as whole. A score less than one means it is growing at a slower rate than the total district budget.
Result:	Positive
Data Quality:	As per KPI 6
General Comment:	On average, education expenditure at the district level grew faster than aggregate spending in both rural and urban districts across Indonesia. Updated data for 2006 has altered the findings found in the previous report. Urban areas on average had a faster rate of growth in 2006-07 (1.3) compared to 1.1 growth ratio in rural districts. The growth ratio for 2007-08 is slowing in rural districts. Initial data for urban districts shows a very strong growth ratio (2.1) but this is likely to be an overstatement due to the small number of districts processed for analysis at report publication. A very positive result demonstrating that districts are prioritising education expenditure.
BEP Districts:	Education expenditure for the period 2006-07 at the district level in BEP districts grew 1.2 times faster than aggregate district public expenditures. For the period 2007-08 this had slowed to 1.05 times compared with non-BEP districts which remained stable at around 1.1 times growth rate. This is still a positive result and demonstrates that BEP districts continue to grow education expenditure at a faster rate than general public expenditure.
Future Analysis:	Update 2008 data once collected and trend series to continue 2009-10

Figure 24: Education Expenditure Growth Ratio, BEP & Non-BEP Supported Districts (2006-07, 2007-08)

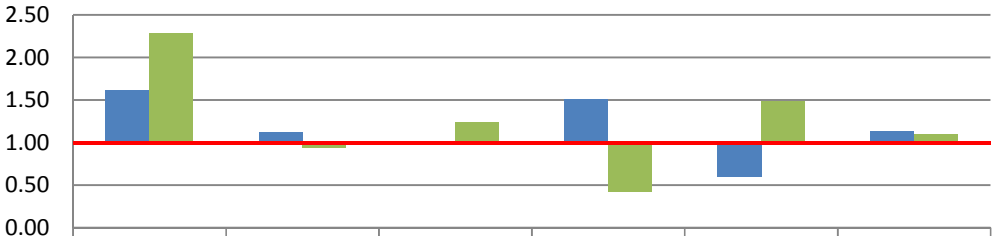


	2006-07	2007-08
BEP Districts	1.23	1.05
Non-BEP Districts	1.11	1.10

Analysis by poverty quintile continues with an uneven picture. The districts with lowest incidence of poverty (quintile 1) are growing their education expenditures at a much faster rate than aggregate spending – more than 2 times in 2007-08 and more than 1.6 times in 2006-07.

For 2007-08, districts in poverty quintiles 2 and 4 record growth rates that are less than the average growth rate of total district public expenditure for that year. In the poorest quintile, growth in education expenditure was very low at 0.5 times of general public expenditure growth in 2006-07. By 2007-08 growth is nearly 1.5 times of public expenditure.

Figure 25: Education Expenditure Growth Ratio by Poverty Quintile, (2006-07, 2007-08), Poverty Quintiles



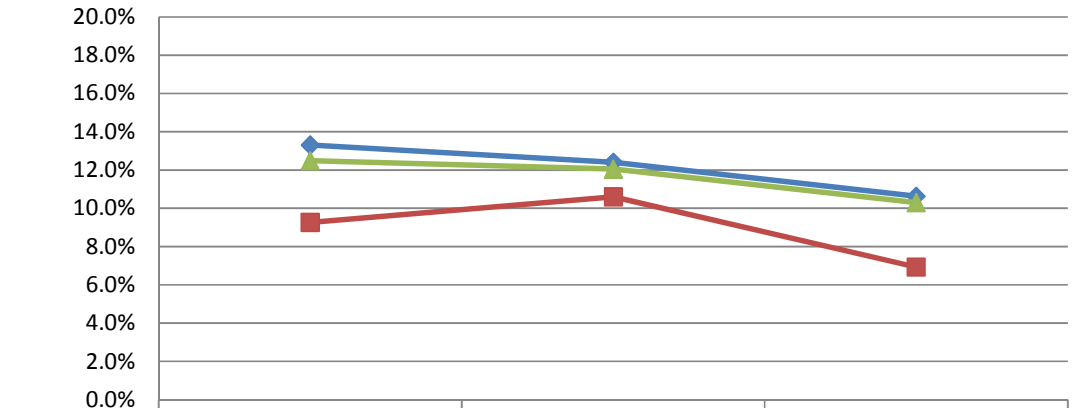
	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)	National
2006-07	1.62	1.13	1.01	1.52	0.59	1.13
2007-08	2.29	0.94	1.25	0.43	1.48	1.10

Policy Implications: The growth ratio indicator is a powerful lead indicator of emerging trends in financing of education.

Recommendation: MoNE adopt the monitoring of education expenditure growth ratios by district poverty quintile to identify any emerging education funding hotspots at the district level.

SPI 2: Discretionary School Expenditure as Percentage of Total Education Expenditure

Figure 26: BOS Grants as % of Education & Culture Budget 2006-2008

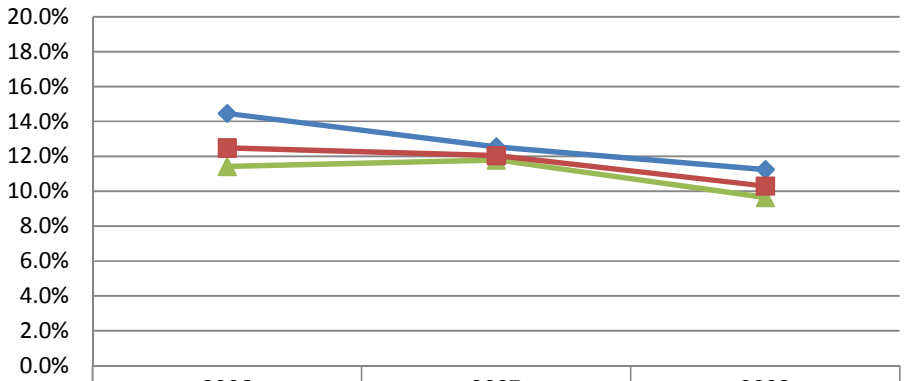


	2006	2007	2008
Rural	13.3%	12.4%	10.6%
Urban	9.3%	10.6%	6.9%
National	12.5%	12.0%	10.3%

Meaning of the Indicator:	Discretionary expenditure is a key variable at the school level to enable schools to provide materials for classrooms and other activities.
Result:	Neutral
Data Quality:	BOS grants are used as a proxy variable for discretionary expenditure. The BOS funds are distributed directly to schools from the central government via MoNE. Schools will also collect other funds from parents and/or the district level of government. These other amounts are not reported on at a national level. The BOS grants indicate the average minimum discretionary funds available to schools. Analysis for this report has calculated BOS grants distributed by the districts to public schools. It does not include BOS grants distributed by MoRA to madrasah in the district. The previous report calculated the value of BOS grants distributed by the central government through MoRA and the district to all schools/madrasah.

General Comment:	The BOS grants distributed by districts provide a key source of discretionary funds available to schools under their own management. They have injected a dramatic new dimension to school resourcing. Direct payment to schools minimises the opportunities for leakage before the funds reach the school. BOS grants offer great potential for funding innovative and securely resourced interventions at schools that have an ongoing recurrent funding base. This allows school principals to plan around these allocations instead of pursuing submission based models of grants. The national analysis shows BOS has annually contributed funds directly to public schools which approximate 10% - 12% of total district level education expenditure for public schools. The significance of BOS expenditures as a proportion of total district level expenditure has declined from 12% in 2006 down to 10% in 2008. This reflects the increasing expenditures of the district level of government for the education sector.
BEP Districts:	BOS grants in BEP districts have reduced from a 15% share of total funds for education in 2006 down to 11% in 2008. This compares with a reduction in other districts from 11% to 10%. The higher significance in BEP districts is due to the lower average per capita expenditure in BEP districts.
Future Analysis:	Update 2008 data once collected and trend series to continue 2009-10.

Figure 1: BOS Grants as % of Education & Culture Budget 2006-2008, BEP and Non-BEP Districts



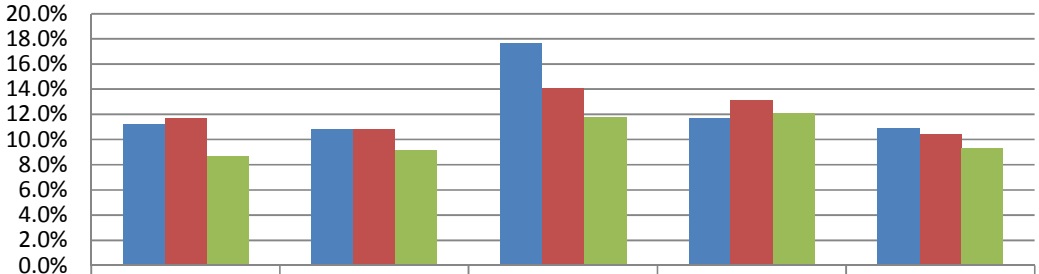
	2006	2007	2008
BEP Districts	14.5%	12.5%	11.2%
Non-BEP Districts	11.4%	11.8%	9.6%
National	12.5%	12.0%	10.3%

BOS grants as a percentage of total education expenditure are affected by the share of students progressing to secondary education. The per capita BOS grants for junior secondary students are 35% higher in value than grants for primary students. Districts with higher proportionate enrolment at secondary level have an increased proportionate weight in their BOS grants. As a consequence,

inter-poverty quintile comparisons are not accurate as they are distorted by secondary level transition rates.

The poverty quintile analysis shows BOS grants stand at 9% or more of total public expenditures for education across all district poverty quintiles. However, the significance of the BOS expenditures in comparison with total district expenditures is declining for districts across all poverty quintiles. This reflects the expanding outlays for education being made by the district levels of government during this period.

Figure 2: BOS Grants as % of Education & Culture Budget 2006, by Poverty Quintile



	Poverty Quintile 1	Poverty Quintile 2	Poverty Quintile 3	Poverty Quintile 4	Poverty Quintile 5 (poorest)
2006	11.2%	10.9%	17.6%	11.7%	10.9%
2007	11.7%	10.9%	14.1%	13.1%	10.4%
2008	8.6%	9.1%	11.8%	12.1%	9.3%

Policy Implications: BOS grants provide a critical injection of funds at the school level. It is important that these funds are utilised as effectively as possible. Their importance is even greater in BEP districts where they stand as a greater than average proportion of total funds available to education. Planning and management of BOS funds should be a key planning priority for schools in BEP districts. Capacity building activities for principals and socialisation amongst parents are two obvious intervention points.

Recommendation: The mechanism for distributing BOS grants to schools be reviewed and adjusted as required to provide a stronger role for district participation in the planning and monitoring BOS expenditures.

IV. SPECIAL DISCUSSION THEME - DISTRICT FINANCIAL REPORTING IN EDUCATION: ANALYSIS OF REPORTING EFFECTIVENESS[2]

It is widely recognized that the district level financial reporting system is governed by a large number of overlapping and, sometimes conflicting rules and regulations. This reflects a systemic problem in which Education, as one of the "obligatory functions"[3] decentralized to the district level, is subject not only to the regional autonomy and regional finance laws but also to the national financial system and the national planning system laws. While this characteristic is shared with the other decentralized sectors, education has the unusual feature that it is also governed by its own national education system law.

This report analyses district level governance in education, how it came to be in its current form and the financial reporting system for education that is the result. The report provides a background and overview of planning and budgeting at the district level in Indonesia, and reviews the usefulness and effectiveness of the key financial reports required from district level education offices.

Key Findings: Central Level Relationship with District Reporting

1. Under the national financial system law and the national planning system law, plans and budgets are integrated into one system. The financial reporting system is based on budgets, which in turn are based on targets in plans. Annual budgets are notionally "performance based" as they contain annual targets, however the link to longer term (5 year) plans and goals is weak. Financial reports contain information on achievement of activity "targets" and "indicators" while performance reports contain comparisons of budget allocation and actual expenditure for the activities.

2. District education offices are required to report on all sources of funding, including:

   - funding from the district's own budget (*APBD*);
   - funding from the central budget (*APBN*) to the district budget (*APBD*), earmarked for national priority activities implemented in the district (*DAK*);
   - funding from central MONE direct to the district education service (block grants);
   - funding from central MONE channelled through the provincial governor (deconcentration funding)
   - special per capita subsidies to schools for operational assistance (*BOS*) and purchase of textbooks to be loaned to students (*BOS* for Books);
   - international donor funding assistance (projects).

2 This section reproduces the executive summary of the report district financial reporting in education released by csas in 2009 and authored by dr. Winifred wirkus. A full copy of the report can be obtained from CSAS.

3 For ease of reading, quotation marks " … " are used to mark Indonesian technical terms.

It should be noted that each individual activity funded through block grants or deconcentration requires it own separate reports.

3. District education offices are also required to prepare the data and analysis of education activities, including financial data and analysis, for inclusion in the reports which district government (office of the head of district) is required to submit to the district legislative assembly (*DPRP*) and the central ministries which have responsibility for the various aspects of regional autonomy, e.g. Ministry of Home Affairs (MOHA), National Planning Agency (*Bappenas*) and Ministry of Finance (MOF).

4. MONE central office has very detailed guidelines and handbooks for activities funded from the MONE budget, including instructions for reporting. MONE also tracks compliance by districts with reporting requirements. The MONE central office analyses the reports and the results are used to plan activities and funding for the subsequent fiscal year.

5. In contrast the other central ministries interviewed provided only tables of contents (or lists of data required) for reports. They did not appear to have adequate mechanisms for tracking reporting compliance. There was little indication that the reports were even read – not to mention analysed or used for information inputs for the ministry.

6. Although most reports are copied to multiple central (and provincial) agencies, when a central agency needs data, it sends an additional, separate data collection instrument to the districts.

7. There do not appear to be systems for verifying accuracy of data reported or for checking consistency of data across reports.

Key Findings: District Reporting

Actual system of financial reporting. Under the national financial system law and the national planning system law, plans and budgets are integrated into one system. The financial reporting system is based on budgets, which in turn are based on targets in plans. Annual budgets are notionally "performance based" as they contain annual targets, however the link to longer term (5 year) plans and goals is weak. In part, this weakness is caused by an increasing tendency on the part of MOHA to regulate not only the format but also the content and priorities of the districts' annual work plans – and thus district activities, targets and budgets. Financial reports contain information on achievement of activity "targets" and "indicators" while performance reports contain comparisons of budget allocation and actual expenditure for the activities.

District education offices are required to report on all sources of funding for their own activities, including district budget funds, funds originating from the central MONE budget (DAK, block grants and deconcentration) as well as international donor assistance projects. Districts appear to be fulfilling these requirements, albeit with substantial delays and inadequate quality control for accuracy of source data and report content.

Activities implemented by other stakeholders within the district, such as schools, principals, teachers, students and school linked organizations (school committees) are not the responsibility of the district education office even though these activities have significant impacts on the education sector in the district. All recipients of funding are required to send copies of the financial reports

which they submit to their funding sources to the district education office as well. The district education office is then supposed to summarize the reports. As in the case of the financial reports for district education offices' own activities, these summaries are being produced but subject to delay and serious questions about their accuracy. Fragmentation of responsibility for supervision of stakeholder activities within the district education office structure contributes to these problems.

District education offices are also required to prepare the data and analysis of education activities, including financial data and analysis, for inclusion in the reports which district government (office of the head of district) is required to submit to the district legislative assembly and the central ministries which have responsibility for the various aspects of regional autonomy, e.g. MOHA, Bappenas and MOF. Again, the information is being furnished but there is little or no quality control on the accuracy of the data or analysis.

The usefulness of financial reports. The financial reports for accounting purposes are somewhat useful for district budget management and control but not very useful for evaluation and district planning purposes. In part this is related to the lack of quality control for data and the resulting inaccuracy as well as inconsistency among different data sources and reports.

Similarly district financial reports are very useful to central MONE for management and control of its own budget and somewhat useful for evaluation, policy making and management of the education sector nationally.

The efficiency of financial reports. Although the district survey reported low levels of resources required to produce reports, there are indications that these are serious underestimates of the actual resources used. Qualitative information suggests that there are serious inefficiencies in the production of district financial reports.

Organizational inefficiencies are basically issues of systems and procedures for obtaining the required data on time, assuring the accuracy of the data and generating the reports. Leadership and management attitudes contribute to these problems.

Technical inefficiencies arise because the already available computers and on line resources are not being used effectively. In part, this is an issue of appropriate software but effective organization (systems and procedures) is also lacking. Capacity building and system reorganization to reduce these inefficiencies would be expensive and, until there is a strong managerial demand for useful reports, perhaps not cost effective.

Recommendations

Improving the effectiveness and efficiency of reporting

District financial planning and reporting requirements are mandated by central laws and regulations and it is therefore unrealistic to recommend changes in these requirements. However the operational systems to fulfil these legal requirements are designed and operated by the districts themselves.

Recommendation 1 - District education offices should therefore design their systems to suit the information requirements for district planning and operations needs as well as MoNE planning,

coordinating and monitoring functions. The following steps could be undertaken in the re-design of systems.

Step 1 - A management audit to identify the reporting requirements, required data sources, schedule of reports, etc. over the entire district education office. This audit would focus also on overlaps in reporting and data requirements. It would also differentiate between data which is necessary for reporting and which is "interesting" to know and collect.

Step 2 - Systems and procedures to be designed for quality – and deadline – control management of the data supply chain. Internal cross checking mechanisms would be built into the data supply chain management system to ensure internal and external consistency of reports. Without timely, accurate, consistent data guaranteed, sophisticated report production mechanisms are useless.

Reporting and data collection formats which are pre printed with previous data and require the submitter only to note changes would increase accuracy, reduce cost and contribute to achieving deadlines.

Recommendation 2 - Enforce compliance with the legal requirement that all education budget users in the district send copies of their financial reports to the district education office. This would go a long way towards making the district's own reporting more useful. Districts could start by recording all proposals for block grants and deconcentration and using this list to track compliance with reporting.

Recommendation 3 - Off the shelf software be used to create data storage systems. These systems would be designed to communicate with one another, in order to reduce overlap in data collection and improve consistency. The systems would also be designed to track compliance with data collection deadlines and to verify validity of data submitted. Dummy tables for routine reports would be included so that the reports could be produced "at the touch of a button". The system would also be flexible enough to produce non routine, ad hoc reports, perhaps with the assistance of an on call consultant.

Improving the effectiveness and efficiency of reports.

The issues of accuracy and verification are, at heart, economic issues. In theory, it may be possible to guarantee accurate data, but the cost would be prohibitive. An optimizing approach to this issue would suggest that the current "equilibrium" condition represents the best obtainable balance between data which is accurate "enough" without transferring excessive resources from educational activities to "verification" as has been the tendency of many monitoring and evaluation activities. The key to successful interventions is not to transfer more resources to reporting but to remove the sources of inefficiency in the reporting system itself.

Some of the problems with lack of usefulness and inefficiency of the current district reporting system must be laid at the door of previous donor assisted projects. Almost all projects at the district level emphasize the production of medium term (5 year, strategic) district education development plans. Monitoring implementation and achievement of the plans is nominally part of the task, but the real focus of consultant efforts is on producing the plans themselves. Given the relatively high

staff turnover rates and the fact that these plans are drawn up only once in five years, there is little institutional memory created by this type of activity and, thus, the capacity built is not sustainable.

Recommendation 4 – Focus district education management capacity building on the link between the strategic plan and the annual work plans.

This technical assistance would be much more difficult and complicated because the annual budget cycle is well established in district offices and runs on a very tight schedule, reducing the availability of entry points for external assistance. However it is precisely the annual budget cycle which would present opportunities for reorganizing the reporting implementation framework and the management of the data supply chain.

Even just the first step of the previous recommendation, a management audit focused on reporting and covering the entire district education office, might identify small but significant changes which could improve effectiveness and efficiency of reports.

With better reports, the vicious cycle of bad reports reducing the demand for reports, could be incrementally breached, creating the environment in which the next steps could be demanded. Eventually, better information and more useful reports could contribute to improved processes for ensuring sustained increases in central and district education budget allocations as well as information to assist greater complementarity and reduced substitution of GoI, parental and donor education financing, including the balance between central and district financing.

Recommendation on the LAKIP

Although the LAKIP was an important innovation at the time it was instituted (1999) its role in promoting accountability has been overtaken by the new national financial system (2003). Reporting on performance by government agencies is now incorporated into both the national planning system (2004) and the revised regional autonomy (2004). This redundancy has been noted by the Agency for State Administration (*Lembaga Administrasi Negara/LAN*) and is reflected in its proposal to integrate finance, planning and regional autonomy into one overall "accountability and performance system" (*Sistem Akuntabilitas Kinerja Instansi Pemerintah/SAKIP*).

Recommendation 5 - Recognising the overlap between reporting requirements and the Government's desire to streamline the performance system it appears timely now to consider eliminating the annual accountability and performance reports (LAKIP).

V. APPENDIX

i. List of BEP Districts

Province	District
Sumatera Selatan	Kab. Ogan Komering Ilir
Sumatera Selatan	Kab. Ogan Komering Ulu Timur
Lampung	Kab. Lampung Selatan
Lampung	Kab. Tulang Bawang
Jawa Barat	Kab. Sukabumi
Jawa Barat	Kab. Tasikmalaya
Jawa Barat	Kab. Bekasi
Jawa Tengah	Kab. Kebumen
Jawa Tengah	Kab. Jepara
Jawa Tengah	Kab. Brebes
Jawa Timur	Kab. Lumajang
Jawa Timur	Kab. Banyuwangi
Jawa Timur	Kab. Sampang
Bali	Kab. Tabanan
Bali	Kab. Gianyar
Bali	Kab. Bangli
Bali	Kab. Karang Asem
Bali	Kab. Buleleng
Nusa Tenggara Barat	Kab. Lombok Barat
Nusa Tenggara Barat	Kab. Lombok Tengah
Nusa Tenggara Barat	Kab. Lombok Timur
Nusa Tenggara Barat	Kab. Sumbawa
Nusa Tenggara Barat	Kab. Dompu
Nusa Tenggara Barat	Kab. Bima
Nusa Tenggara Barat	Kab. Sumbawa Barat
Nusa Tenggara Timur	Kab. Sumba Barat
Nusa Tenggara Timur	Kab. Sumba Timur
Nusa Tenggara Timur	Kab. Kupang
Nusa Tenggara Timur	Kab. Timor Tengah Selatan
Nusa Tenggara Timur	Kab. Timor Tengah Utara
Nusa Tenggara Timur	Kab. Belu
Nusa Tenggara Timur	Kab. Alor
Nusa Tenggara Timur	Kab. Lembata
Nusa Tenggara Timur	Kab. Flores Timur
Nusa Tenggara Timur	Kab. Sikka
Nusa Tenggara Timur	Kab. Ende
Nusa Tenggara Timur	Kab. Ngada
Nusa Tenggara Timur	Kab. Manggarai
Nusa Tenggara Timur	Kab. Rote Ndao
Nusa Tenggara Timur	Kab. Manggarai Barat
Kalimantan Barat	Kab. Sambas
Kalimantan Barat	Kab. Bengkayang
Kalimantan Barat	Kab. Landak
Kalimantan Barat	Kab. Pontianak

Province	District
Sulawesi Utara	Kab. Bolaang Mongondow
Sulawesi Utara	Kab. Minahasa
Sulawesi Utara	Kab. Kepulauan Sangihe
Sulawesi Utara	Kab. Kepulauan Talaud
Sulawesi Utara	Kab. Minahasa Selatan
Sulawesi Utara	Kab. Minahasa Utara
Sulawesi Utara	Kota Bitung
Sulawesi Tengah	Kab. Banggai Kepulauan
Sulawesi Tengah	Kab. Banggai
Sulawesi Tengah	Kab. Morowali
Sulawesi Tengah	Kab. Poso
Sulawesi Tengah	Kab. Donggala
Sulawesi Tengah	Kab. Toli-Toli
Sulawesi Tengah	Kab. Buol
Sulawesi Tengah	Kab. Parigi Moutong
Sulawesi Tengah	Kab. Tojo Una-Una
Sulawesi Selatan	Kab. Selayar
Sulawesi Selatan	Kab. Bulukumba
Sulawesi Selatan	Kab. Bantaeng
Sulawesi Selatan	Kab. Jeneponto
Sulawesi Selatan	Kab. Takalar
Sulawesi Selatan	Kab. Gowa
Sulawesi Selatan	Kab. Sinjai
Sulawesi Selatan	Kab. Maros
Sulawesi Selatan	Kab. Pangkajene Kepulauan
Sulawesi Selatan	Kab. Barru
Sulawesi Selatan	Kab. Bone
Sulawesi Selatan	Kab. Soppeng
Sulawesi Selatan	Kab. Wajo
Sulawesi Selatan	Kab. Sidenreng Rappang
Sulawesi Selatan	Kab. Pinrang
Sulawesi Selatan	Kab. Enrekang
Sulawesi Selatan	Kab. Luwu
Sulawesi Selatan	Kab. Tana Toraja
Sulawesi Selatan	Kab. Luwu Utara
Sulawesi Selatan	Kab. Luwu Timur
Sulawesi Selatan	Kota Ujung Pandang
Sulawesi Selatan	Kota Pare-Pare
Sulawesi Tenggara	Kab. Buton
Sulawesi Tenggara	Kab. Muna
Sulawesi Tenggara	Kab. Konawe
Sulawesi Tenggara	Kab. Kolaka
Sulawesi Tenggara	Kab. Konawe Selatan
Sulawesi Tenggara	Kab. Bombana

Kalimantan Barat	Kab. Sanggau
Kalimantan Barat	Kab. Ketapang
Kalimantan Barat	Kab. Sintang

Sulawesi Tenggara	Kab. Wakatobi
Sulawesi Tenggara	Kab. Kolaka Utara
Sulawesi Tenggara	Kota Kendari

Province	District
Kalimantan Barat	Kab. Kapuas Hulu
Kalimantan Barat	Kab. Sekadau
Kalimantan Barat	Kab. Melawi
Kalimantan Tengah	Kab. Kotawaringin Timur
Kalimantan Tengah	Kab. Barito Selatan
Kalimantan Tengah	Kab. Barito Utara
Kalimantan Tengah	Kab. Sukamara
Kalimantan Tengah	Kab. Lamandau
Kalimantan Tengah	Kab. Seruyan
Kalimantan Tengah	Kab. Katingan
Kalimantan Tengah	Kab. Pulang Pisau
Kalimantan Tengah	Kab. Gunung Mas
Kalimantan Tengah	Kab. Barito Timur
Kalimantan Tengah	Kab. Murung Raya
Kalimantan Tengah	Kota Palangka Raya
Kalimantan Selatan	Kab. Kota Baru
Kalimantan Selatan	Kab. Banjar
Kalimantan Selatan	Kab. Barito Kuala
Kalimantan Selatan	Kab. Hulu Sungai Tengah
Kalimantan Selatan	Kab. Hulu Sungai Utara
Kalimantan Selatan	Kab. Tabalong
Kalimantan Selatan	Kab. Tanah Bumbu
Kalimantan Selatan	Kab. Balangan
Kalimantan Selatan	Kota Banjar Baru

Province	District
Gorontalo	Kab. Boalemo
Gorontalo	Kab. Gorontalo
Gorontalo	Kab. Pohuwato
Gorontalo	Kab. Bone Bolango
Gorontalo	Kab. Gorontalo Utara
Sulawesi Barat	Kab. Majene
Sulawesi Barat	Kab. Polewali Mandar
Sulawesi Barat	Kab. Mamasa
Sulawesi Barat	Kab. Mamuju
Maluku	Kab. Maluku Tenggara Barat
Maluku	Kab. Maluku Tenggara
Maluku	Kab. Maluku Tengah
Maluku	Kab. Buru
Maluku	Kab. Kepulauan Aru
Maluku	Kab. Seram Bagian Barat
Maluku	Kab. Seram Bagian Timur
Maluku Utara	Kab. Halmahera Barat
Maluku Utara	Kab. Halmahera Tengah
Maluku Utara	Kab. Kepulauan Sula
Maluku Utara	Kab. Halmahera Selatan
Maluku Utara	Kab. Halmahera Utara
Maluku Utara	Kab. Halmahera Timur
Maluku Utara	Kota Ternate
Maluku Utara	Kota. Tidore Kepulauan