

FINANCIAL PERFORMANCE REPORT 2009

Annual Review of Indonesian Education Sector Financing



Australia Indonesia Partnership

Kemitraan Australia Indonesia



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 third 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 by Mr. Ahmad Evandri undertook the task of collecting the relevant electronic and paper records from districts.

The second part of this report is an executive summary of a report on the impact of the global financial crisis on the Indonesian education system. The study was undertaken by Balitbang with technical support from CSAS. The report itself was requested by National Parliament which was concerned at the potential impact of the financial crisis on Indonesian schooling. CSAS funded a national consultant (Ibu Ninasapti Triaswati) to assist with the design of the study. The study identified districts and localities that were most likely to be affected by the crisis and examined local expenditure patterns as well as impact on school retention rates and attendance. CSAS has produced a summary version of that report in English which is available for general distribution.

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 Kepemasehatan 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 Personnel
PSC	Komite Pengarah Program	Program Steering Committee

Acronym	Bahasa Indonesia	English
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

Indonesian district level expenditure patterns are increasingly important as districts have increased responsibility for education management under the Indonesian government decentralisation policy. Monitoring patterns of expenditure by districts will become an increasingly important role for the Ministry of National Education and Ministry of Religious Affairs to ensure that national funding norms and procedures are being implemented appropriately. 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.

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 2009 monitors and reports on trends in education financing in Indonesia. This is the third 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.

Key Performance Indicators and Analysis

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.

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.

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.

This report has also benefited from the Enhanced Analytical Facility (EAF) which is a database and warehousing initiative of CSAS. This has brought together education, finance and socio-economic data sets from a very wide range of sources. Greater inter-relational analysis of these data sets and enhanced visualisation capacity from new software adds power and improves readability of the report.

Key Findings

Continued growth in national public expenditure for education in Indonesia. There has been a broad upward trend in public expenditure for education. Consistent funding increases have been attained in nominal value terms for all years except for 2004. This is a very positive result for Indonesia during a year that was marked by profound global economic uncertainty. The continued commitment of national and sub-national governments to increase education expenditure is more impressive given that the 2009 budgets were framed in late 2008 when the financial crisis was unfolding.

The public expenditure for education (not accounting for price inflation) has increased nearly 500% between 2001 and 2009. The nominal value of public expenditures for education increased from 42 trillion in 2001 to 207 trillion by 2009.

The real value of public expenditure for education has increased 250% during the period 2001- 2009. In 2001 constant prices, national education expenditures have increased from Rp. 42 trillion to Rp. 106 trillion in 2009.

Annual increases in national education expenditure have been uneven. The growth in education expenditure has been uneven in both nominal value and real prices. Sharp increases in public expenditure for education in the years 2003 and 2006 were followed by contractions in 2004 and 2008.

Government commitment to meet a 20% target for education expenditure share of national budget from 2009 onwards may reduce future unpredictability and volatility in education expenditure. The national expenditures for education in 2009 reached Rp. 207 trillion which showed a very strong annual increase rising by more than Rp. 50 trillion in nominal value and more than Rp. 27 trillion in 2001 constant prices. By allocating the Rp.207 trillion to education the government effectively met the constitutional target to allocate 20% of total national budget to education. Future growth in national education expenditure should track the growth in the national budget. While there may still be volatility linked to the economic cycle and government fiscal policy settings, adherence to a proportional budget allocation for education should enhance the ability of the education sector to anticipate future allocations and plan accordingly.

Salary shares of total education expenditure reduced from 84% in 2004 to 78% in 2007. This is a positive result indicating more resources available for materials, maintenance and capital improvements. However, there is little room for complacency in this respect. From 2008 onwards there will be a rapid increase in salary expenditures due to the fiscal impact of remuneration for teachers attaining teacher

certification. Certified teachers will garner at least 100% of pay increases once they are certified. The cumulative impact of these increases will act to severely cramp future increases in non-salary expenditures. It will be increasingly important for districts and schools to ensure that non-salary expenditures are effective and efficiently distributed.

Continued growth in education shares of district budgets. Average district level education expenditures across Indonesia have increased from 27% of the total district budget (APBD) in 2006 to a 32% share in 2009. The growth in education share of district budgets is consistent for urban and rural areas as well BEP and non-BEP districts. However, a negative finding is that the poorest districts committed on average 28% of their budget in 2009 compared to all other district quintiles which spent on average more than 30%. The lowest average share of budget allocation for education was found in Papua and Maluku island groups. Both of these islands recorded less than 20% average share for education with little increase during the period 2006-2009.

Poorest districts are growing their education budgets but not as fast as the other districts. Poorest districts (bottom quintile) recorded a 15% growth in their 2009 education budget. This follows 19% and 13% annual growth between 2006-07 and 2007-08 budgets. The continued strong growth of education budgets within the poorest districts is tempered by an even stronger all districts growth rate of 18% in 2009. The sharper growth rates of the richer districts indicates the poorest will have a harder job of matching the education achievements of more economically developed districts.

District expenditures per student have grown over the four years with average per student allocations in the poorest districts equal or higher than other quintiles. The relatively flat distribution of district education funding per student across poverty quintiles is good in so far that it does not show greater per student amounts being allocated in the richest districts. However, the limitation of the 'flat line achievement' is that such a distribution across poverty groupings is not sufficient to promote more equitable services and learning attainment across the country. This means per student funding increasing significantly across poverty groupings from the richest to the poorest. **Significant differences in unit costs across islands reflect the impact of geography and sparsity of population on the cost of delivering education.** Calculation of district expenditure per public students shows Papua reaching Rp. 7.1 million in 2009 compared to the next highest Kalimantan (Rp. 4.7 million). Java has the lowest island expenditure per public student (Rp. 2.5 million).

Critical Education Funding Status (CEFS) districts were identified that appear to be significantly below average in their education financing approach. Eleven districts have (i) low expenditure per student (less than Rp. 2.1 million), (ii) small education share of the district budget (less than 15%), and (iii) weak annual growth in their education budget (less than 20%). Six of these critical districts are part of the Maluku island grouping.

On average, districts in 2007 managed to spend nearly 100% of their planned education budgets. This was a significant improvement in budget execution on 2006 where only 91% of funds were spent nationally. However, while there is an overall improvement in budget execution, it was generally the poorest quintile districts that were below average and spent just over 90% of their education budget. The wealthiest districts spent more than their planned budget.

In 2009 BOS contributed funds directly to public schools equivalent to approximately 13% of total district level education expenditure for public schools. BOS expenditures as a proportion of total district

level expenditure have grown since 2008 which reverses a previous trend for declining significance. 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.

Recommendations

1. Assess how the 20% policy target for public allocations to the education sector is met from national and sub-national levels of government.
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 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. Undertake a detailed study of education financing and school provision in eleven districts that present red-flags on the Critical Education Funding Status indicator (low expenditure per student, small education share of district budget, weak education budget growth).
4. Maximise equity effects of additional school funding by concentrating expenditures in poorest quintile districts which have the greatest need. Affordability of this approach is enhanced by the relatively smaller numbers of students in the poorest quintile districts.
5. A study and policy dialogue with Dinas education offices is required to determine reasons for the under-expenditure of annual education budgets focused on the poorest districts. 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.
6. The future AusAID funded program from 2010 onwards may have a deeper engagement with building school and district level capacity in education management. A key focus of this work could be to help school principals better plan and manage their BOS funds and to help districts better monitor and support the schools in their disbursement activities.

Data Resources

This report is based on expanded database for all years from 2007 onwards. This means there are some variations from the results presented in the 2007 report. The report highlights any significant changes.

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 and 2009 and ideally will be consolidated in 2010-2014 under new program arrangements being agreed between GOI, AusAID and EC.

The report is structured to enable comparisons with the results for 2006, 2007 and 2008. While time series comparisons have been possible at a national level, multiple time series comparisons are being established at the district level over a four year period.

In this report district level analysis for 2006 and 2007 is based on the final available set of data. The 2008 report was based on the fewer returns and did not include data on actual expenditures (realized budget). The data analysis and interpretation has now been updated in the Financial Performance Report 2009.

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 = Positive Significant growth in allocations as proportion of national expenditure since 2001 (12%) to 20% by 2009.
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 3.7% by 2009. Small decline from 3.6% in 2007 to 3.1% 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 = Positive Salary related items consumed less of the education budget in 2007 (78%) compared to 84% consumption in 2004.
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. More recent analysis of central level expenditures shows basic education share to be maintaining high levels
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 32% share in 2009.
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 2009 education budgets of the poorest strong (15%) but was outstripped by faster growth in richest districts (22%). The sharper growth rates of the better off districts indicates the poorest will have a hard job of catching up.
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 continue have amongst 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 = Positive Districts in 2007 managed to spend nearly 100% of their planned budget. This was a significant improvement on 2006 where only 91% of funds were spent nationally.
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 On average, education expenditure at the district level grew at double the rate of aggregate spending in both rural and urban districts across Indonesia in 2009.
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 13% of average of district level expenditure directly to district run schools. In 2009 BOS grants as a % of total district budget grew from the previous year reflecting the increased value of the per capita grant.

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

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I. INTRODUCTION

This is the third 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 2009.

Indonesian district level expenditure patterns are increasingly important as districts have increased responsibility for education management under the Indonesian government decentralisation policy. Monitoring patterns of expenditure by districts will become an increasingly important role for the Ministry of National Education and Ministry of Religious Affairs to ensure that national funding norms and procedures are being implemented appropriately. 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.

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.

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.

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 indicator¹.

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 Gol 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 Indonesian government and 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.

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 has built on each successive year as additional data becomes available and as the indicators become better known. Financial performance monitoring begins with what is available now and works towards future improvement.

Build On Existing Research – Enhanced Analytical Facility(EAF)

In 2007 the BEP funded the establishment of an education sector database. This database has been the statistical platform used by CSAS to drive much of its financial and broader sector based analysis. Since that time, the education sector related financial and non-financial data has expanded and not all of this has been able to be incorporated within the BEP education sector database. This reflects the large and complex nature of some of these records. The EAF is a data warehouse facility that has collected the relevant and useful education related data from their different sources. The data have been (i) collected, (ii) analyzed for their quality in terms of completeness, validity and relation to other databases, and (iii) updated wherever possible.

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.

The EAF has helped to generate a more robust and incisive use of statistical data to inform and support the analytical work of CSAS. The EAF software and hardware will be transferred to MoNE in 2009. As part of the transfer, CSAS will provide MoNE with (i) a comprehensive technical and users' Manual that will include a description of the system, database design, code book (data dictionary), (ii) a 'how to' guide on the use of the software, and (iii) provide training sessions for GOI officials in the use of the facility and help develop plans to ensure the data can be maintained and updated.

Data Sources and Collections: Financial Data

National level financial data -This report has been able to update some of the historical data used in previous reports. Data for the period 2001-2005 remains unchanged but there have been revisions for the period 2006-2008. The government compiled comprehensive multi-year data on national and sub-national expenditures towards education in its submission to the Supreme Court case on its legal obligation to allocate at least 20% of the national budget towards education (Supreme Court Decision Number 13/PUU-VI/2008). This data has replaced the previous estimates generated by the World Bank 2006 and 2007 and CSAS for 2008.

Detailed data for 2009 has been collected from Law 41 2008 on Budget Revenue and State Expenditures (Undang-Undang Republik Indonesia Nomor 41 Tahun 2008 Tentang Anggaran Pendapatan Dan Belanja Negara Tahun Anggaran 2009).

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. Data collection for 2008 and 2009 has been direct from the electronic records within the SIKD section of the MoF.

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.

The second part of this report is an executive summary of a report on the impact of the global financial crisis on the Indonesian education system. The study was undertaken by Balitbang with technical support from CSAS. The report itself was requested by National Parliament which was concerned at the potential impact of the financial crisis on Indonesian schooling. CSAS funded a national consultant (Ibu Ninasapti Triaswati) to assist with the design of the study. The study identified districts and localities that were most likely to be affected by the crisis and examined local expenditure patterns as well as impact on school retention rates and attendance. CSAS has produced a summary version of that report in English which is available for general distribution.

II. FINANCIAL PERFORMANCE – NATIONAL LEVEL

A. Overview and National Data Sources

Public funding for education in Indonesia 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.

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

For the 2008 Financial Performance Report, the national level analysis was built from (i) the data collected by the World Bank and presented in its 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.

This report has been able to update some of the historical data used in previous reports. Data for the period 2001-2005 remains unchanged but there have been revisions for the period 2006-2008. The government compiled comprehensive multi-year data on national and sub-national expenditures towards education in its submission to the Supreme Court case on its legal obligation to allocate at least 20% of the national budget towards education (Supreme Court Decision Number 13/PUU-VI/2008). This data has replaced the previous estimates generated by the World Bank 2006 and 2007 and CSAS for 2008.

Detailed data for 2009 has been collected from Law 41 2008 on Budget Revenue and State Expenditures (Undang-Undang Republik Indonesia Nomor 41 Tahun 2008 Tentang Anggaran Pendapatan Dan Belanja Negara Tahun Anggaran 2009)².

² From 2009 onwards compilation of the national indicators for education expenditure as a proportion of public expenditure and of GDP will be more easily assembled. Each year the law approving the national budget (Tentang Anggaran Pendapatan Dan Belanja Negara) will provide a detailed breakdown of national expenditures on education. This breakdown will enable the government to show it is meeting its constitutional requirement of allocating at least 20% of the budget towards education.

Table 2 National Level Education Financing Data 2001-2009

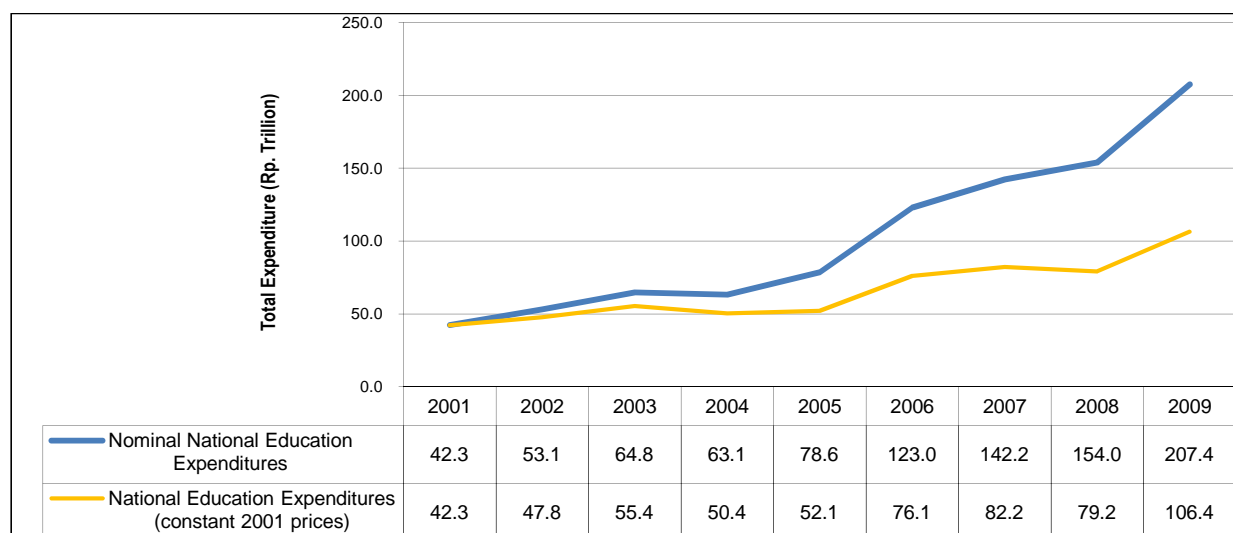
Item	2001	2002	2003	2004	2005	2006	2007	2008	2009 [*]
National Education Exp. (Rp trillion) ⁽¹⁾	42.3	53.1	64.8	63.1	78.6	122.99	142.2	154	207.41
Annual Inflation Rate ⁽²⁾⁽³⁾	Base year	10.0%	5.1%	6.4%	17.1%	6.6%	6.6%	11.1%	0.2%
Real Education Exp. (Rp trillion 2001 prices)	42.3	47.8	55.4	50.4	52.1	76.1	82.2	79.2	106.4
Education Exp. as % of Total National Exp	12.0%	15.8%	16.0%	14.2%	13.9%	17.6%	18.9%	15.6%	20.0%
Education Exp. as % GDP	2.5%	2.8%	3.2%	2.8%	2.9%	3.7%	3.6%	3.1%	3.7%
Total National Exp (Rp trillion)	352.8	336.5	405.4	445.3	565.1	699.1	752.4	989.5	1037.1
GDP at Current Prices ⁽⁴⁾ (Rp trillion)	1684.0	1897.8	2013.6	2273.1	2729.7	3339.2	3949.3	4954.0	5669.6

1. Financial data for 2005-2008 from (CC : Constitutional Court Decision PUU-13/2008) where Government of Indonesia provided a detailed breakdown of expenditure allocations. Data for 2001-2004 collected by World Bank and presented in its publication *Investing in Indonesia's Education* (WB, 2007).
2. Inflation data for 2001-2006 from BPS Key Indicators of Indonesia Table 5.2 Inflation Rate Year on Year 2002-2007 Statistic http://dds.bps.go.id/eng/download_file/Booklet_indikator_kunci.pdf
3. Inflation rate for 2007-2009 from BPS Statistical Yearbook 2009 Table 12.5 Composite Inflation Rate 2006-2009
4. GDP at current prices from Bureau of Statistics 2001-2008, 2009 - CSAS estimate based on MoF initial estimates and projections for growth in 2010
5. For 2009, education finance data is from Law No. 41 /2008: Government Budget for fiscal year 2009

B. Trends in Education Funding

Continued growth in national public expenditure for education in Indonesia. There has been a broad upward trend in public expenditure for education. Consistent funding increases have been attained in nominal value terms for all years except for 2004. When accounting for the eroding impact of price inflation over time, the real increase in funding for education is more modest. The periods 2003-2005 and 2007-2008 saw a virtual pause (or even a slight decline) in real education expenditures. The year of 2005 was hit hard by a particularly high inflation rate of 17% that was driven by the removal of the oil price subsidy. Expenditure continued to grow over the global financial crisis period through 2009.

Figure 1: National Public Expenditure on Education, Rp. Trillion 2001-2009



The public expenditure for education (not accounting for price inflation) has increased nearly 500% between 2001 and 2009. The nominal value of public expenditures for education increased from 42 trillion in 2001 to 207 trillion by 2009.

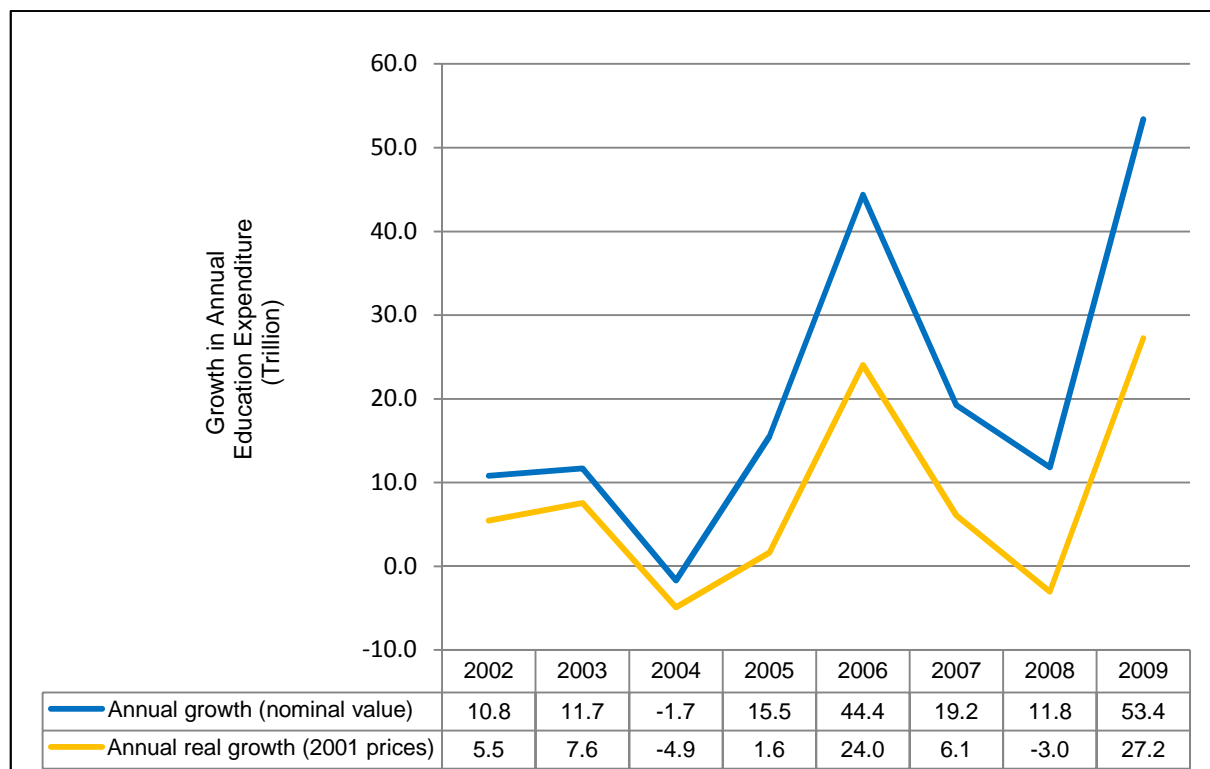
The real value of public expenditure for education has increased 250% during the period 2001-2009. In 2001 constant prices, national education expenditures have increased from Rp. 42 trillion to Rp. 106 trillion in 2009.

Annual increases in national education expenditure have been uneven. The growth in public expenditure (while still positive) has been uneven in both nominal value and real prices. Sharp increases in public expenditure for education in the years 2003 and 2006 were followed by contractions in 2004 and 2008.

Government commitment to meet a 20% target for education expenditure share of national budget from 2009 onwards may reduce future unpredictability and volatility in education expenditure. The national expenditures for education in 2009 showed a very strong increase rising by more than Rp. 50 trillion in nominal value and more than Rp. 27 trillion in 2001 constant prices. This followed the decision of the government in 2008 to meet the constitutional target of a minimum of 20% allocation of the public budget towards education.

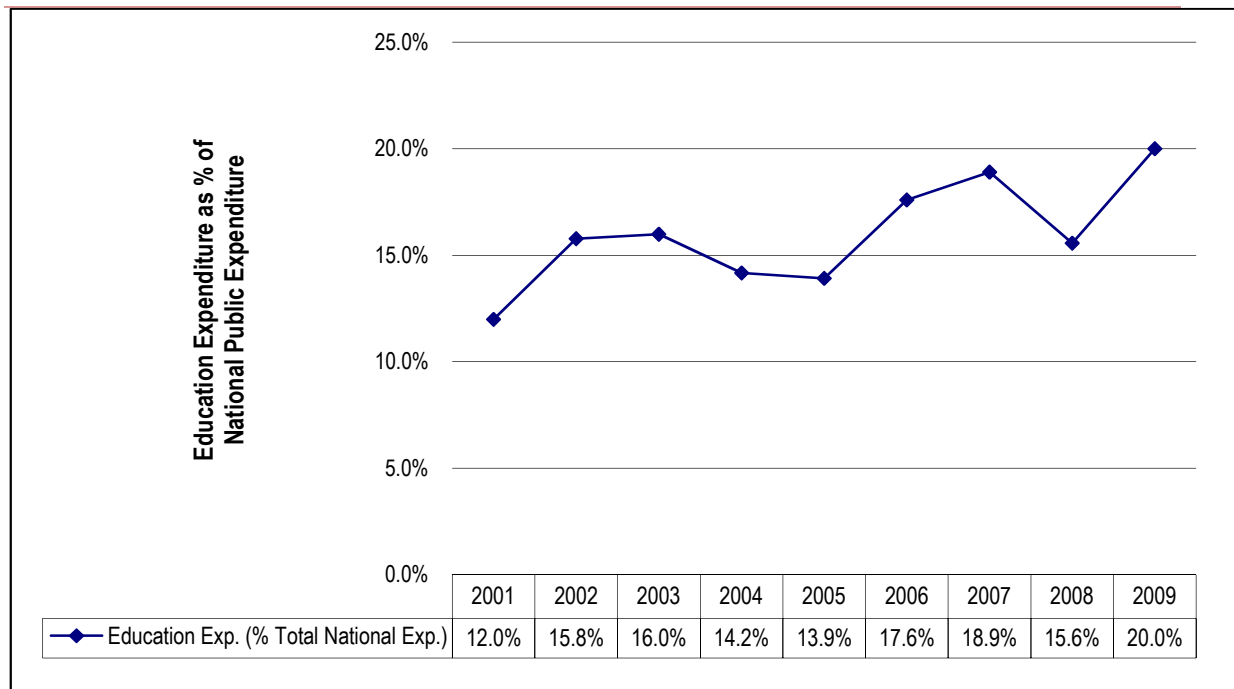
For the following years, the growth in national education expenditure should track the growth in the national budget. While there may still be volatility linked to the economic cycle and government fiscal policy settings, adherence to a proportional budget allocation for education should enhance the ability of the education sector to anticipate future allocations and plan accordingly.

Figure 2: Annual Growth in Education Expenditure(Rp. trillion), 2001-2009



KPI 1: Education Expenditure as Proportion of Total Public Expenditure

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



Result:	Positive
Data Availability:	Full
Comment:	<p>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 20% by 2009.</p> <p>Declines in the share of education expenditures occurred in 2004, 2005 and 2008. The 2004 fall was related to the fuel subsidy crisis and the fiscal squeeze encountered by the central government.</p> <p>The larger decline in budget share in 2008 reflects a faster rate of growth in the national budget than a decline in nominal value terms in the education budget. There was a substantial nominal growth in expenditure for education (see previous section), however particularly strong government revenues in 2008 facilitated a large growth in public expenditures.</p> <p>In contrast, the relative decline in education expenditure during 2004 was affected through a decline in mostly development expenditures.</p>
Future Analysis:	Annual. Will require establishment of national level education finance database

Policy Implications: The removal of the fuel subsidy in 2004 created the fiscal space to expand financial commitment to the education sector. The GoI is now working to meet the growing funding needs of the education sector. This includes the expansion of lower secondary schools and increased salaries and bonuses through the teacher certification process.

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 committing 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. While this has been a constitutional requirement it is the first time any government has committed itself to actually realizing the budget target.

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 were 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).

The final budget papers for 2009 revised downwards the total allocation for education to Rp 207 trillion in line with the forecasted slowdown in economic growth and government revenues. This would still allow the government to meet the 20% target for education. This demonstrates that even with such a tight funding policy commitment there can be considerable volatility in the public allocations for the education sector.

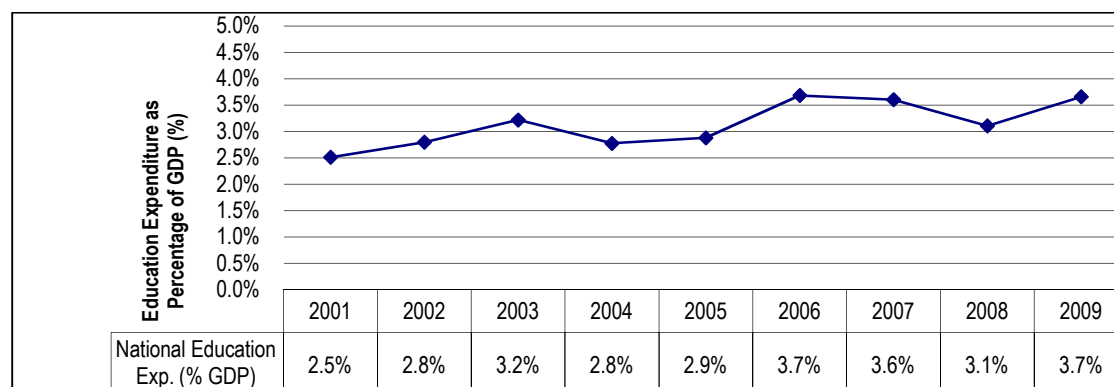
The previous Annual Financial Performance Report questioned whether it would be possible for the government to meet its 20% target if the global financial crisis morphed into a serious economic crisis in 2009. This would have affected government revenues and also generated stronger demand for other alternative expenditures (largely through household transfer payments) that could provide a social safety net for households and communities.

The actual impact of the global financial crisis on the Indonesian economy in 2009 was milder than expected - although impacts were felt more acutely in some areas directly linked to certain export industries. The relatively light impact of the crisis meant there was a relatively mild impact on government revenues alongside reduced welfare allocations to stabilize the most vulnerable sections of society.

Recommendation: The government commitment to a 20% policy target for public allocations to the education sector provides a strict resourcing benchmark that can be monitored on annual basis. The enhanced detail of the financial data provided by the government in its annual budget law can be further analysed to see how the 20% target is met from national and sub-national levels of government.

KPI 2: Education Expenditure as Proportion of GDP

Figure 4: Education Expenditure as Proportion of GDP, 2001-2009

**Result:** Positive**Data Availability:** Partial – CSAS estimates for 2009 GDP

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 (see table for UNESCO comparisons) 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 education share of public expenditure.

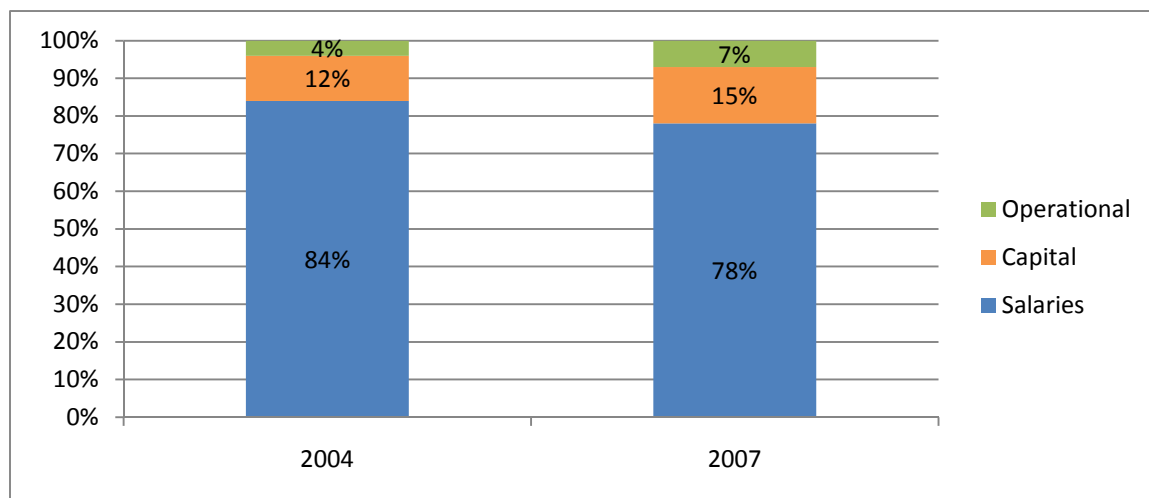
In Indonesia, there has been significant growth in education expenditure as a proportion of GDP. Education as a percentage of GDP rose from 2.5% in 2001 to 3.7% by 2009. In 2007 when the latest comparison figures are available, Indonesian education expenditure as a share of GDP (3.6%) was equal to the East Asia regional average.

This reflects growth in public revenues and the concomitant growth in public expenditures. This effect is compounded by an increasing share of public expenditures 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.

Indonesia	3.6
Malaysia	4.7
Singapore	3
Thailand	4
World ⁷⁵	4.9
Developing countries	4.5
EAP - East Asia	3.6

Policy Implications: Expressed as a percentage of GDP, future growth in public allocations will become contingent on an increase the public expenditures as a proportion of GDP. Education expenditure as a percentage of GDP may decline if (i) tight fiscal settings reduce public expenditures as a proportion of GDP, and (ii) the government does not exceed the 20% target for education as a proportion of total public expenditure.

KPI 3: Education Non-salary Expenditure as Share of Total Expenditure*Figure 5: Aggregate District Expenditure, Years 2004 and 2007*

Source: Year 2004 - World Bank, Investing in Indonesia's Education. Year 2007 – Ministry of Finance SIKD data

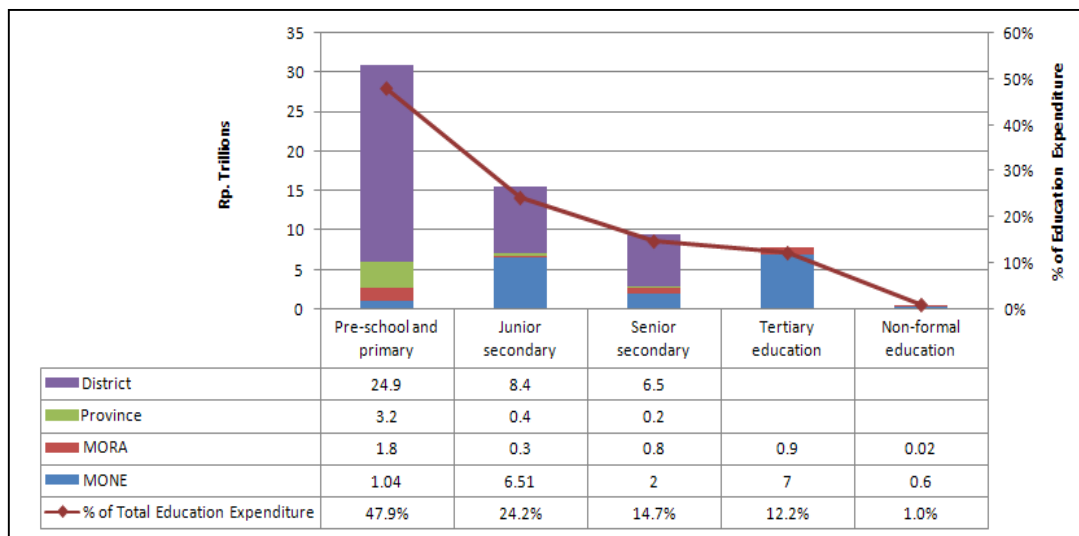
Result:	Positive
Data Availability:	Limited to 2004 and 2007 and only covering district level expenditures. Breakdown of data is difficult because of their composition from three tiers of government. The 2004 figures are derived from WB calculations of the salary composition of routine expenditures.
Comment:	<p>School systems require a substantial share of non-salary related expenditures to (i) provide a full range of resources (apart from teachers) to schools, and (ii) maintain buildings and provide for additional capital and equipment needs.</p> <p>The available data show a significant improvement in nationwide district allocations towards non-salary items (operational and capital). As a proportion of total education expenditure at the district level (recurrent plus capital) non-salary items increased from 16% in 2004 to 22% in 2007. Salary shares of total education expenditure reduced from 84% in 2004 to 78% in 2007. However, salary shares may be higher than these figures where a portion of operational expenditures may include salaries.</p> <p>This is a positive trend towards a better balance in the resourcing of schools by improved financing for the improvement of facilities and providing other non-teaching resources to schools and districts.</p>
Future Analysis:	To be updated annually.

Policy Implications: There has been a significant improvement in the share of resources being allocated for non-salary expenses within the education budget. Unfortunately there is little room for complacency in this respect. From 2008 onwards there will be a rapid increase in salary expenditures due to the fiscal impact of remuneration for teachers attaining teacher certification. Certified teachers will garner at least 100% pay increases once they are certified. The cumulative impact of these increases will act to severely cramp future increases in non-salary expenditures. It

will be increasingly important for districts and schools to ensure that non-salary expenditures are effective and efficiently distributed.

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

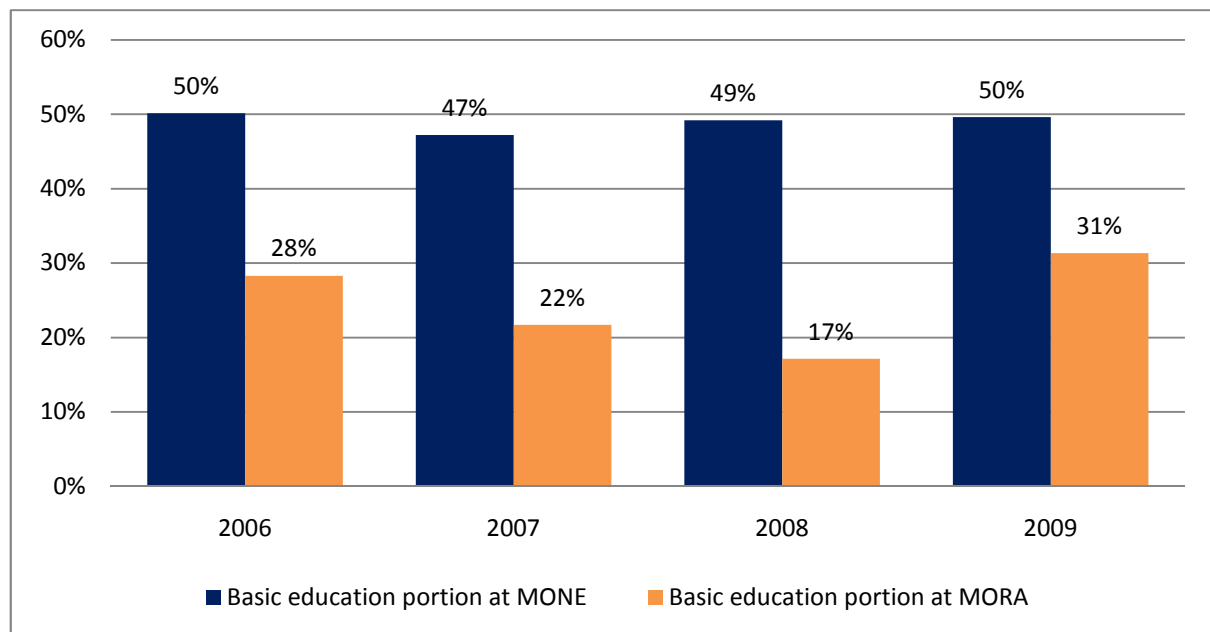
Figure 6: Education Expenditure by Sub-Sector, 2004



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

Result:	Positive for Basic Education, Negative for Non Formal Education
Data Availability:	National analysis limited to 2004. Breakdown of data is difficult because of its composition from 3 tiers of government. Analysis of central level expenditures for basic education is provided to give some idea of resourcing trends since 2004.
Comment:	<p>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.</p> <p>Analysis of central level expenditures for the period 2006-2009 shows commitment to Basic Education is holding firm within MoNE at around 50%. Within MoRA there was greater fluctuation with basic education dropping to as low as 17% of education expenditure in 2008 before climbing again in 2009 to 31%. It is unclear what has been driving the fluctuations in basic education share of MoRA expenditures.</p>
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.

Figure 7: Basic Education Share of Central Level Expenditures for MoNE and MoRA, 2006-2009



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 was approximately 1% of total expenditure for education in 2004. 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. TRENDS IN DISTRICT EDUCATION FUNDING

Background

This section provides - comparisons of district level education expenditures for 2006-2009. The year 2006 is a useful benchmark 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, (iv) provinces, and (v) island groups.

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.

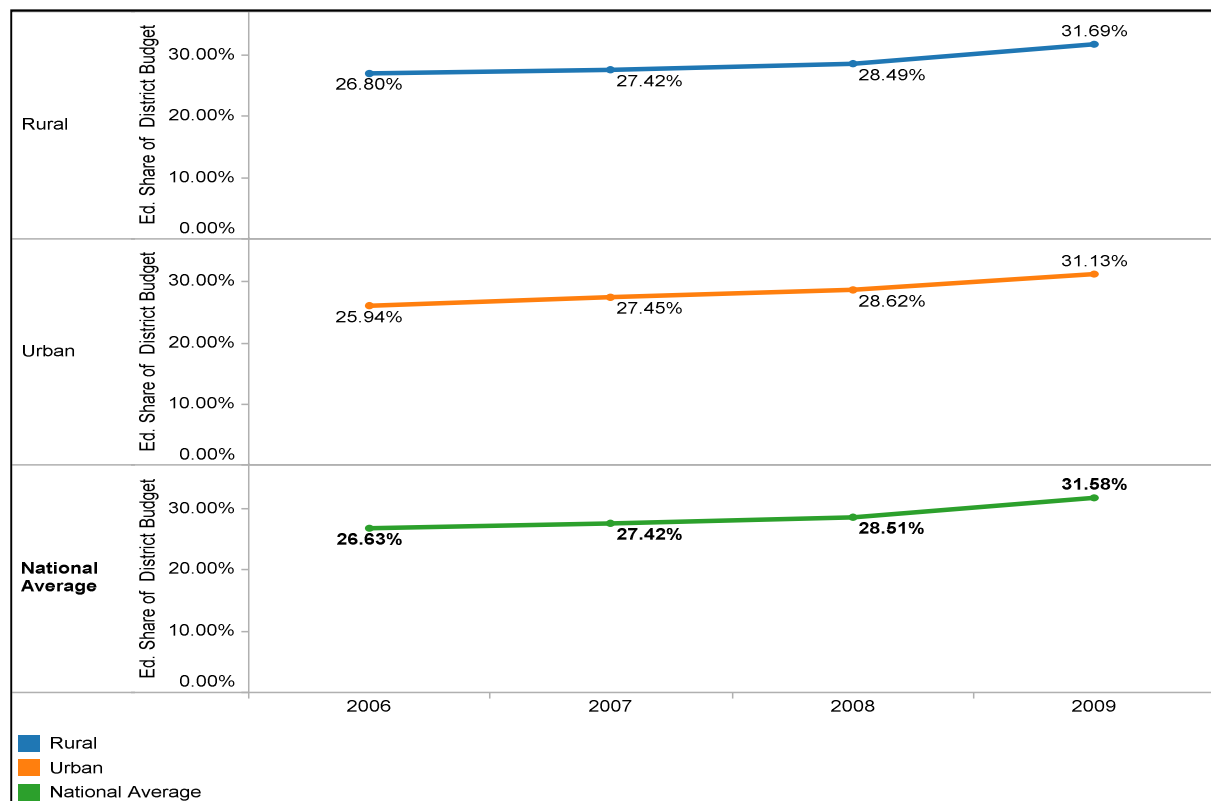
The wide range of districts' poverty status and the importance of education in lifting district populations out of poverty also mean that vulnerable groups stand to benefit most from well targeted education investment. Monitoring and evaluation of district level education financing provides the tools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

Data availability

The Financial Performance Report 2009 presents the most complete data set for analysis since this series commenced in 2006. 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. From 2008 financial onwards data have been collected electronically from the MoF.

There has been a substantial addition of data for 2008 in particular, but also for 2007. A detailed table in Annex 1 shows the status of data collected from all districts during the period 2006-09.

There have also been some changes in the poverty status of districts and these have been updated for the 2008 and 2009 years. The additional data, along with data corrections and the shift in poverty quintile status of some districts have caused minor changes in a few of the indicators from previous reports .

KPI 6: District Financial Commitment to Education**Figure 8: Education Expenditure as % of Total District Budget (APBD 2006-2009)**

Result:	Positive
Data Quality and Availability:	Financial data is for approximately 80% of all districts for 2006, and more than 90% for subsequent years.
General Comment:	<p>Average district level education expenditures across Indonesia have increased from 27% of the total district budget (APBD) in 2006 to a 32% share in 2009.</p> <p>The increased share of education expenditures at the district level demonstrates that districts on average generally maintained their education spending during the period 2006-2008. In 2009 there was a substantial increase in the share of education spending from 29% in 2008 to 32% in 2009.</p> <p>The growth in share of allocations towards education is consistent for urban and rural areas.</p> <p>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.</p> <p>A 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, 2008 and</p>

2009 show a consistent trend towards increases in the share of district budgets being allocated towards education. This suggests the slide in education expenditure has been effectively reversed.

BEP Districts: In 2006, BEP districts on average allocated 26% of their APBD for education in 2006 compared to 27% share of other districts. By 2007 BEP districts had kept their education expenditure to 26% which was below the average of non-BEP districts (28%) but close to the average expenditure of districts nationally.

While BEP districts increase their share of expenditure to 29% by 2009, the non-BEP districts had also increased their share to 32%.

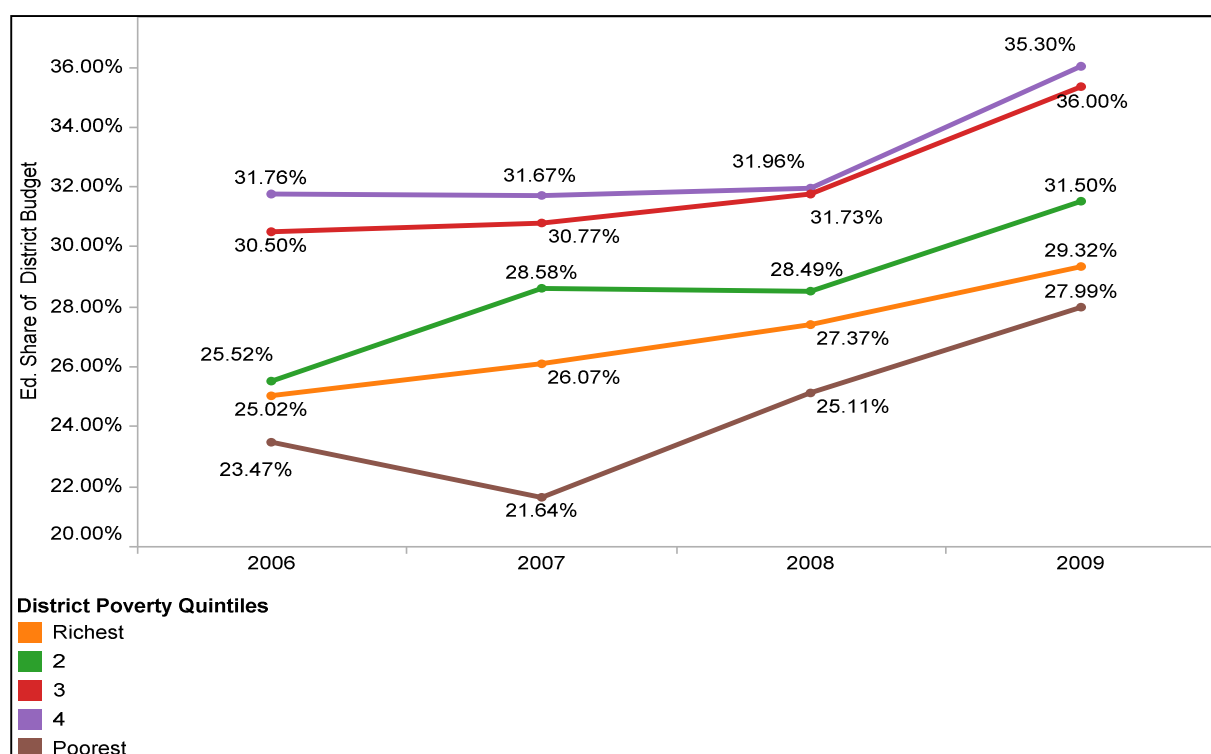
The updated data show both BEP and non-BEP districts' growing their education share of district budgets during the period 2006-2009.

Future Analysis: Annual update of 2009 data once available from MoF

Analysis of the education expenditure patterns of districts by their poverty quintile status shows that the poorest districts have consistently committed the lowest proportion of their budget towards education during the period 2006-2009. The poorest districts committed on average 28% of their budget in 2009 compared to all other district quintiles which spent on average more than 30%. In comparison, the middle ranking districts (poverty quintiles 3 & 4) both spent more than 35% of their budget in 2009.

A positive indicator is that districts in all poverty quintiles have been increasing their average allocation share for education between 2006 and 2009.

Figure 9: Education Expenditure as % of Total District Expenditure by Districts according to Poverty Quintile, (APBD 2006-2009)

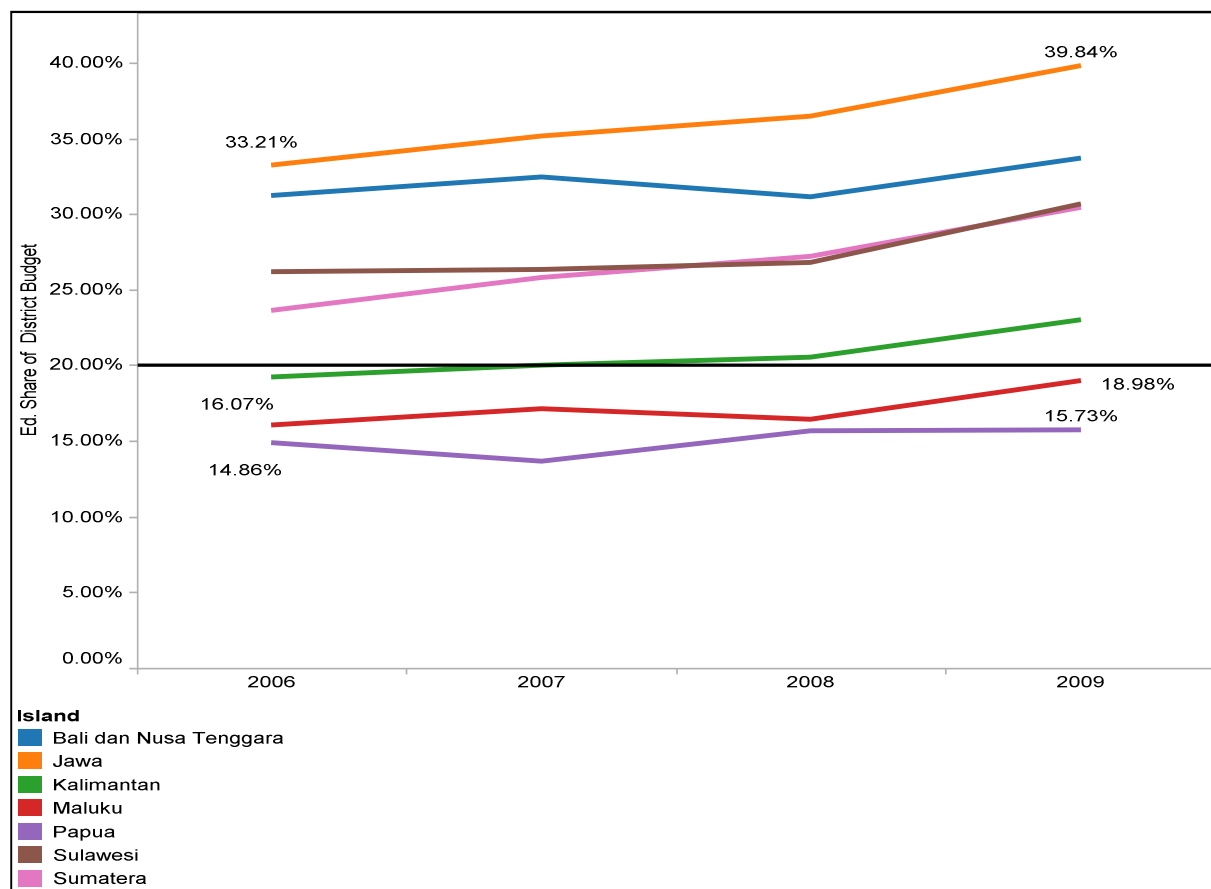


The lower average share of budget allocation for education could be due to a greater proportion of students being enrolled in private schools in the eastern region of the country. Because private schools do not have salaries paid by the district level of government (via a transfer of payments from the central budget) this distorts the district per capita expenditure.

There is substantial variation between island groups in the average share of the district budget allocated towards education. During the period 2006-2009 Java districts spent the highest proportion of all island groups reaching 40% by 2009.

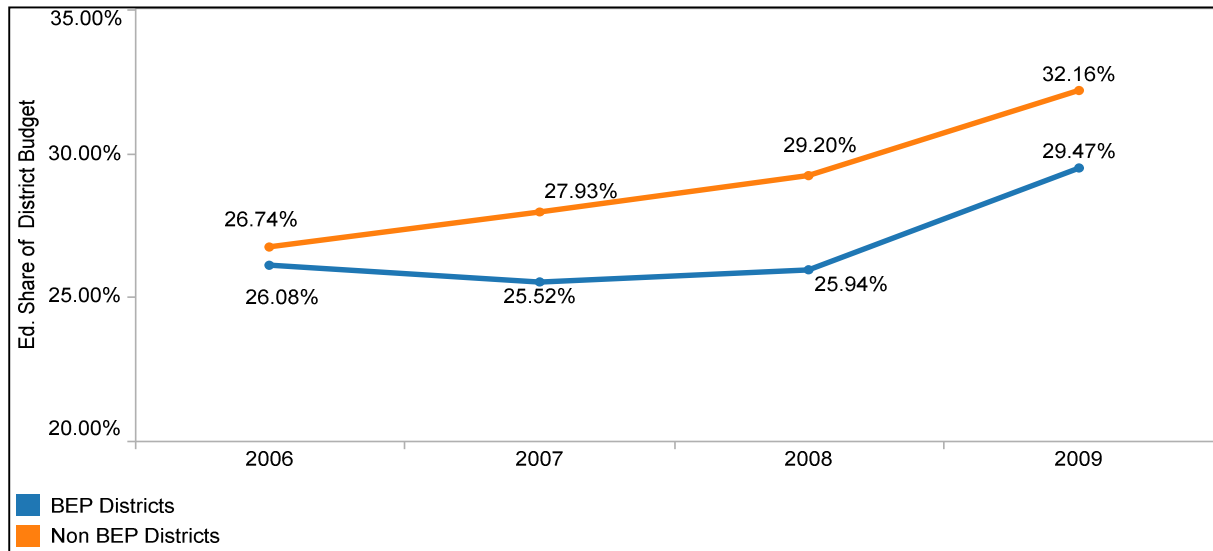
The lowest average share of budget allocation for education was found in Papua and Maluku island groups. Both of these islands recorded less than 20% average share for education with little increase during the period 2006-2009.

Figure 10: Education Expenditure as % of Total District Expenditure by Island Grouping (APBD 2006-2009)



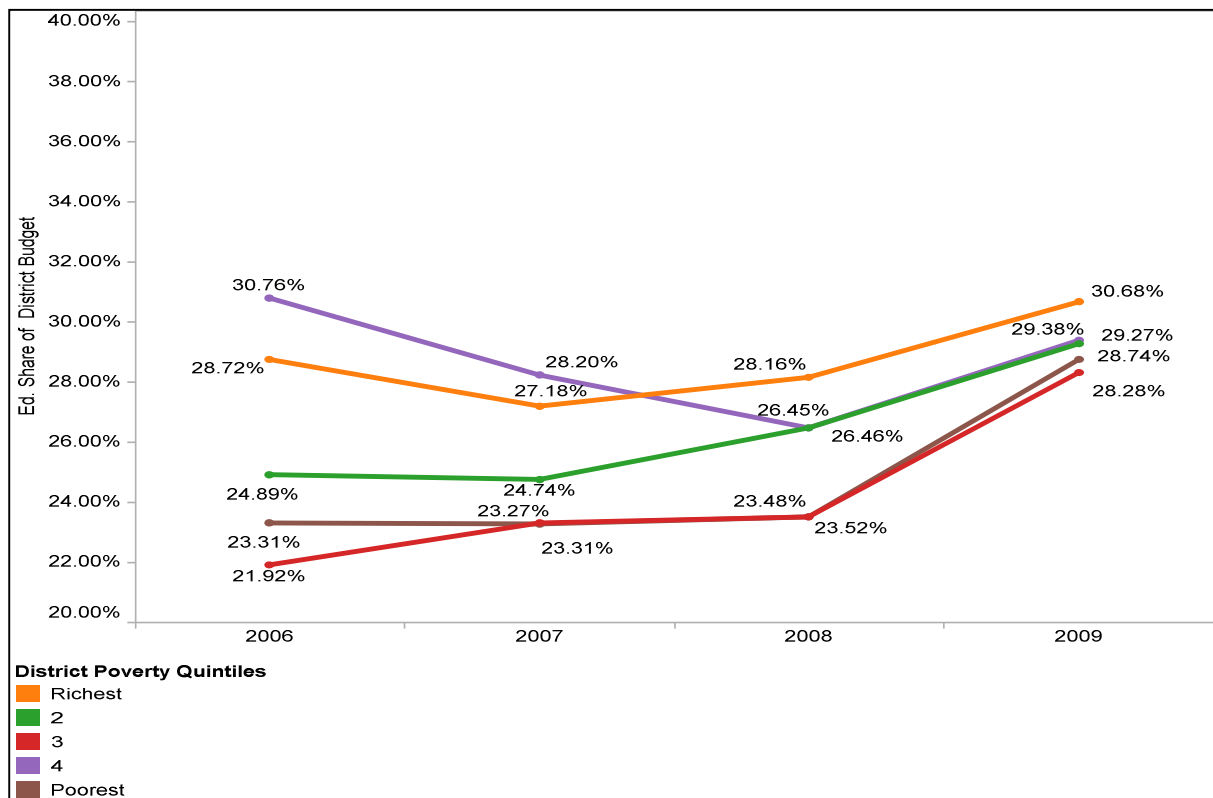
BEP districts increased their share of expenditure for education to 29% in 2009 from 26% in 2006. While this growth is positive and suggests sustained and slightly increasing commitment towards education, it is below the growth in non-BEP districts which grew their education share from 27% to 32%.

Figure 11: APBD Education Expenditure as % of Total district Expenditure in BEP and Non-BEP Supported Districts (APBD 2006-2009)



A more detailed analysis of expenditure patterns in BEP districts by their poverty quintile ranking reveals a positive story of sustained improvement in the poorest quintile districts. The poorest BEP districts have increased their education share of expenditures from 22% in 2006 to 29% by 2009. The range of expenditure shares in BEP districts is now compressed to between 28%-31%.

Figure 12: BEP Districts Only - Education Expenditure as % of Total District Expenditure by District Poverty Quintile (APBD 2006-2009)



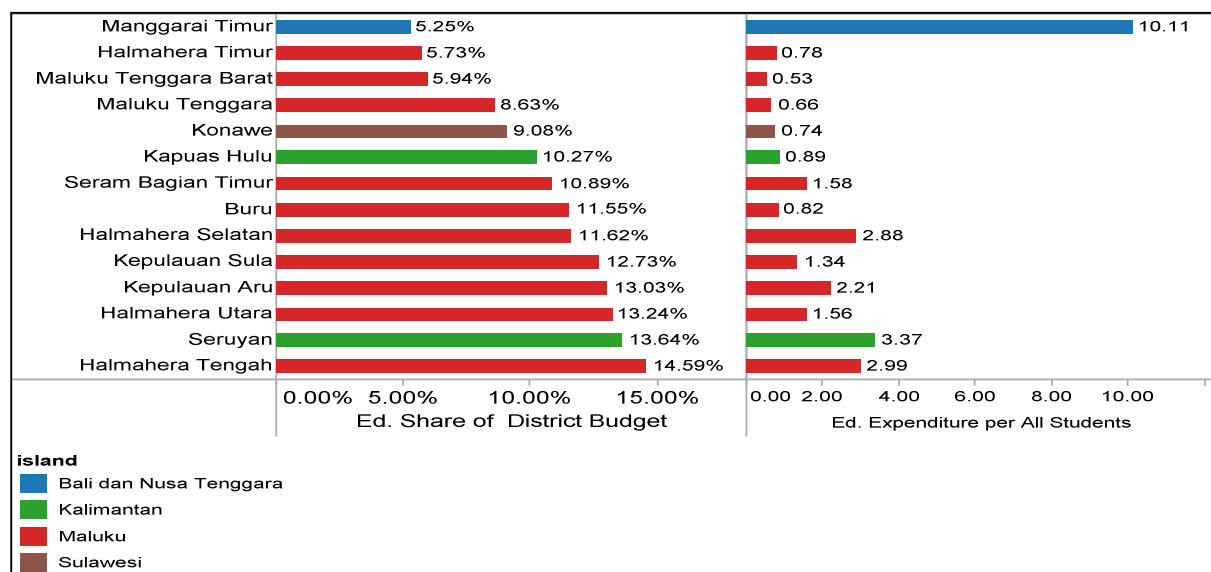
While BEP districts have committed a share of their district budget that is broadly in line with the national average, there are some BEP districts that have spent considerably less. Most of the districts that report spending less than 15% of their budget on education are located on Maluku.

While some of the low figures may be due to poor reporting, the persistence of these low allocations shares over a number of years suggest there are other factors involved.

In 2009 the national average per student expenditure was Rp. 2.1 million. The table below shows that while Manggarai Timur district of Bali has a low education budget share (5%) it already has a very high per student expenditure figure more than Rp. 10 million per year.

Other districts (particularly in Maluku) have lower than average per student expenditure figures and their low education share should be verified and better understood.

Figure 13: *BEP Districts with low financial share for education (less than 15% of APBD Expenditure) and education expenditure per student (Rp. million) 2009*



As well as BEP districts, there are 13 districts which (i) spent less than 15% of their 2009 budget on education according to their submitted financial records to the MoF, and (ii) spent less than the national average Rp. 2.1 million per student. It would be useful to understand why education budget share is so low in these districts and to what extent they represent policy related or demand side factors as well as possible misreporting to the MoF.

Figure 14: All Districts with very low financial share for education (less than 10% of APBD Expenditure)

**Policy Implications:**

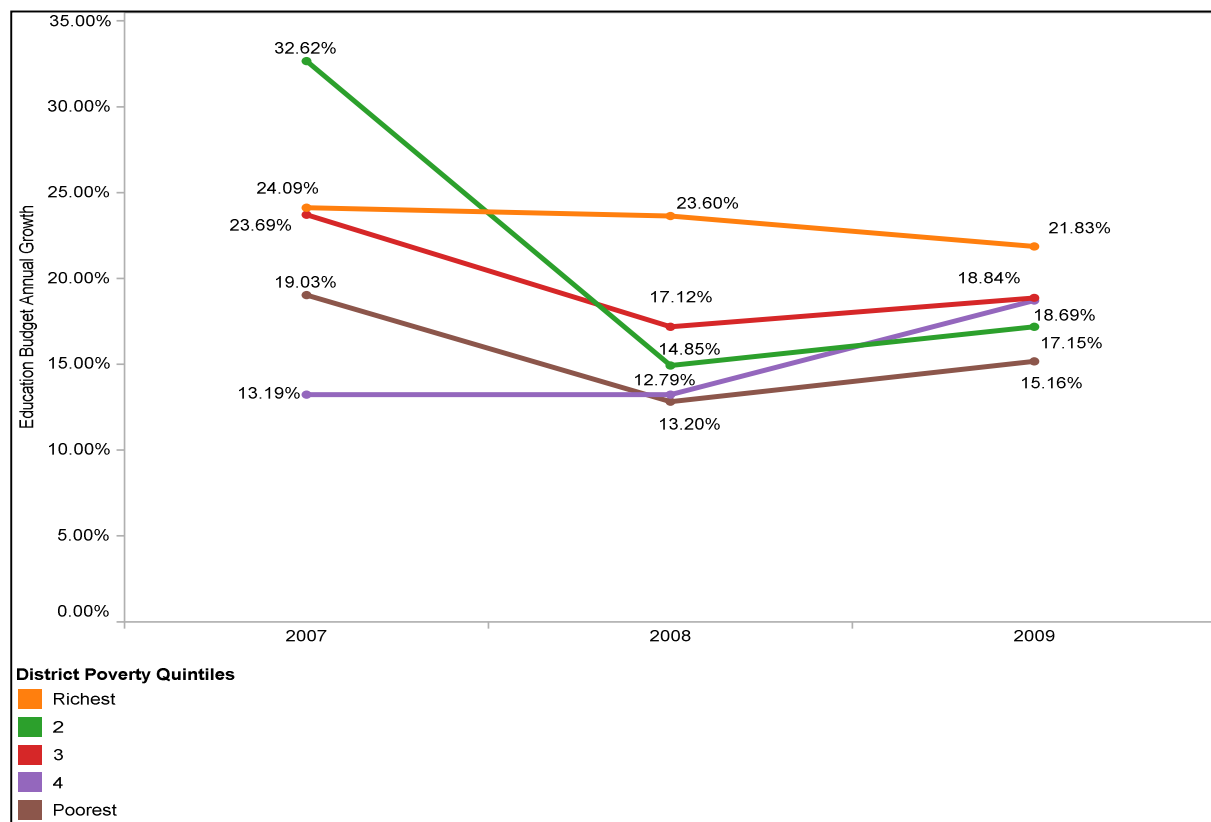
Districts that have high poverty rates and are persistently allocating a significantly smaller share of resources for education than the national average are at great disadvantage to the rest of the country. This disadvantage is likely to be compounded each year as other, wealthier districts spend higher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

Recommendation:

MoNE should consider undertaking a detailed 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.

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

Figure 15: Annual Growth in APBD Education Expenditure, 2007 -2009, by Poverty Quintile



Result:	Uneven
Data Quality and Availability:	As per KPI 6
General Comment:	<p>Poorest districts (bottom quintile) recorded a 15% growth in their 2009 education budget. This follows 19% and 13% annual growth between 2006-07 and 2007-08 budgets. This is a positive result for the poorest districts and is especially impressive given the relatively difficult and uncertain economic environment of 2009 as a result of the global financial crisis.</p> <p>The continued strong growth of education budgets within the poorest districts is tempered by an even stronger all districts growth rate of 18% in 2009.</p> <p>The sharper growth rate of the better off districts indicates the poorest will have a harder job of catching up with the progress of the more economically developed districts.</p> <p>Analysis of urban and rural districts shows average growth rates to be converging in 2009 at 19% and 18% respectively. In previous years the growth rate of the education budget in urban areas was more than 20% and significantly higher than the average for rural districts.</p>
BEP Districts:	BEP districts showed strong positive commitment to education with 16%

annual growth in education funds in 2007-08 and 20% in 2008-09.

Non-BEP districts also displayed solid growth in their education expenditures and they increased by 16% and 18% respectively for the years 2007-08 and 2008-09.

Future Analysis: Trend series can be updated beyond 2009-10.

The average growth rate of urban district education budgets declined in 2009 to 19% from previous rates of 24% and 23% in 2007 and 2008. This may reflect some impact of the global financial crisis. However the growth rate of rural districts lifted to 18% in 2009 from a previous annual 14% growth rate in 2008 on previous education budgets.

Figure 16: Annual Growth in District Education Expenditure, (APBD 2007-2009)

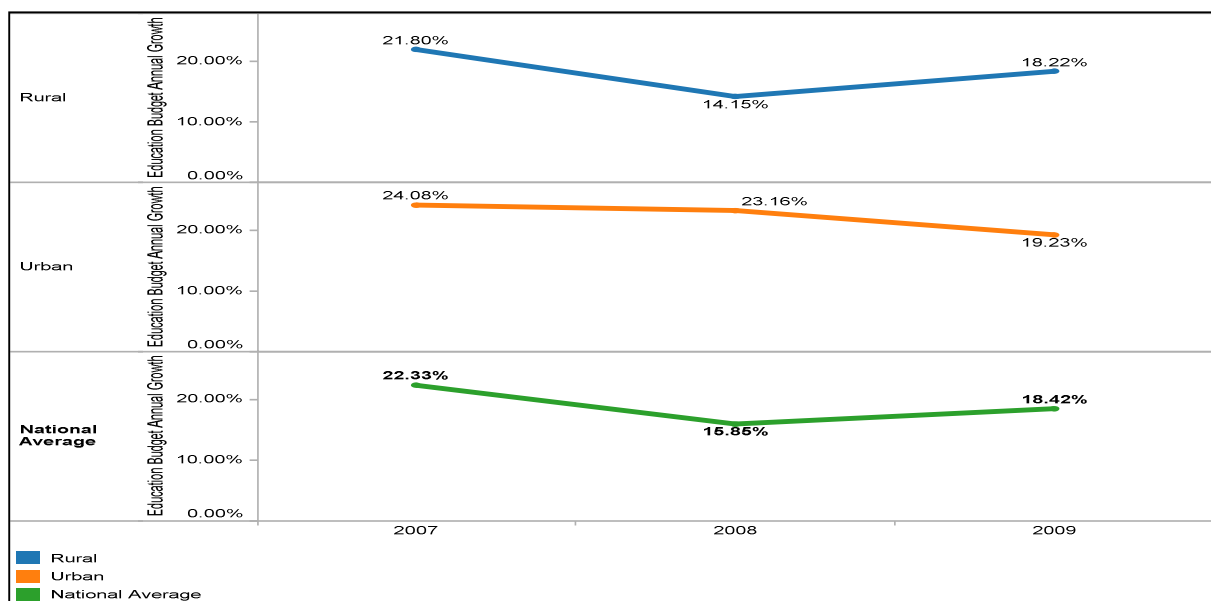
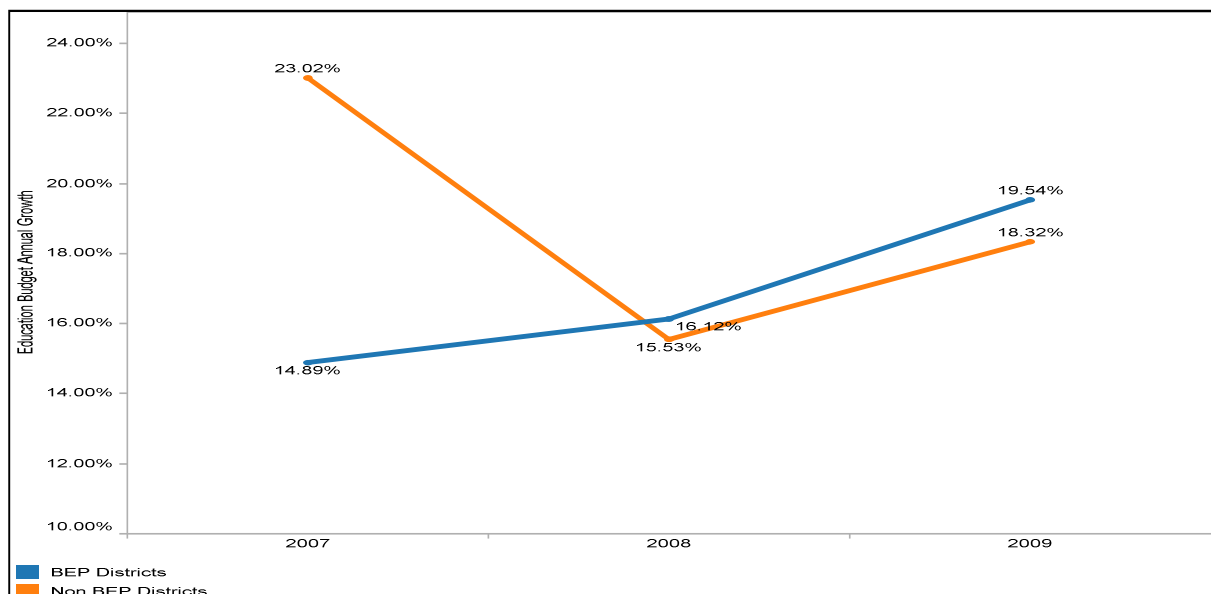


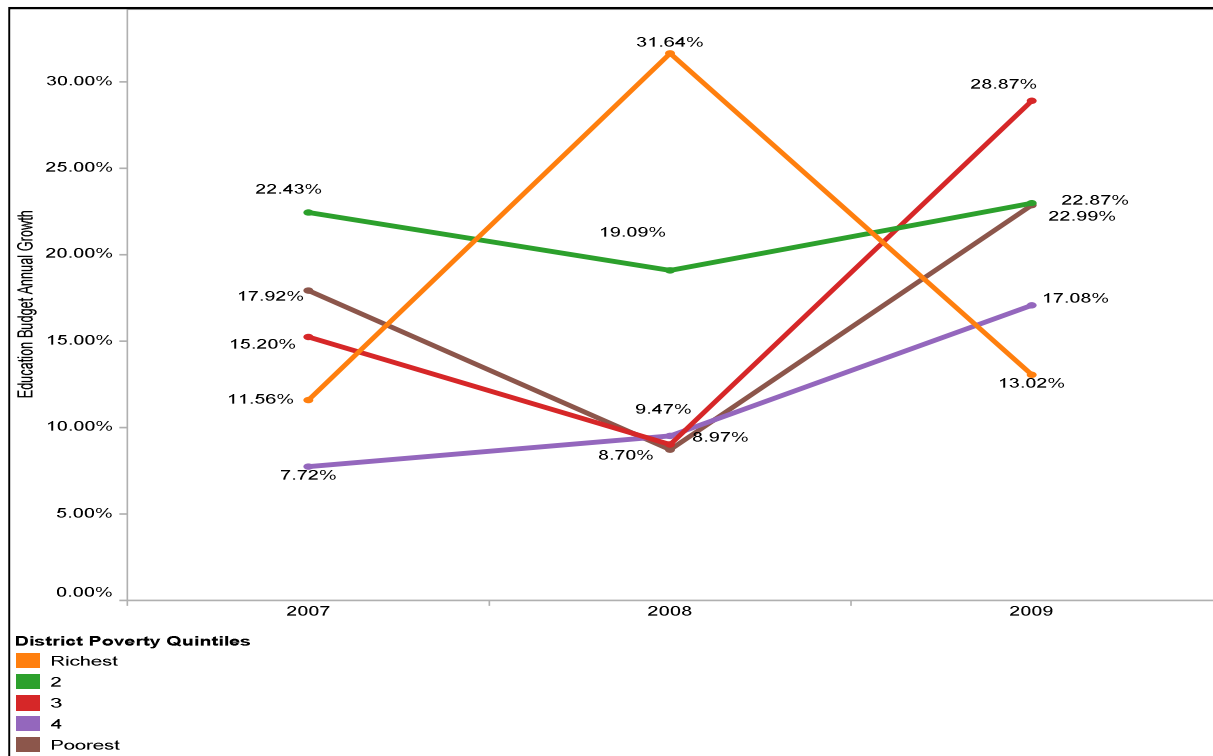
Figure 17: BEP and Non-BEP Supported Districts, Annual Growth in APBD Education Expenditure, 2007-2009



Detailed poverty quintile analysis of BEP districts shows that some of the strongest annual growth rates in education expenditures were within the poorest districts which expanded their budgets

by 23% in 2009. This was considerably higher than the 18% national average growth rate. The lowest 2009 growth rate within BEP districts (13%) was within the wealthiest quintile.

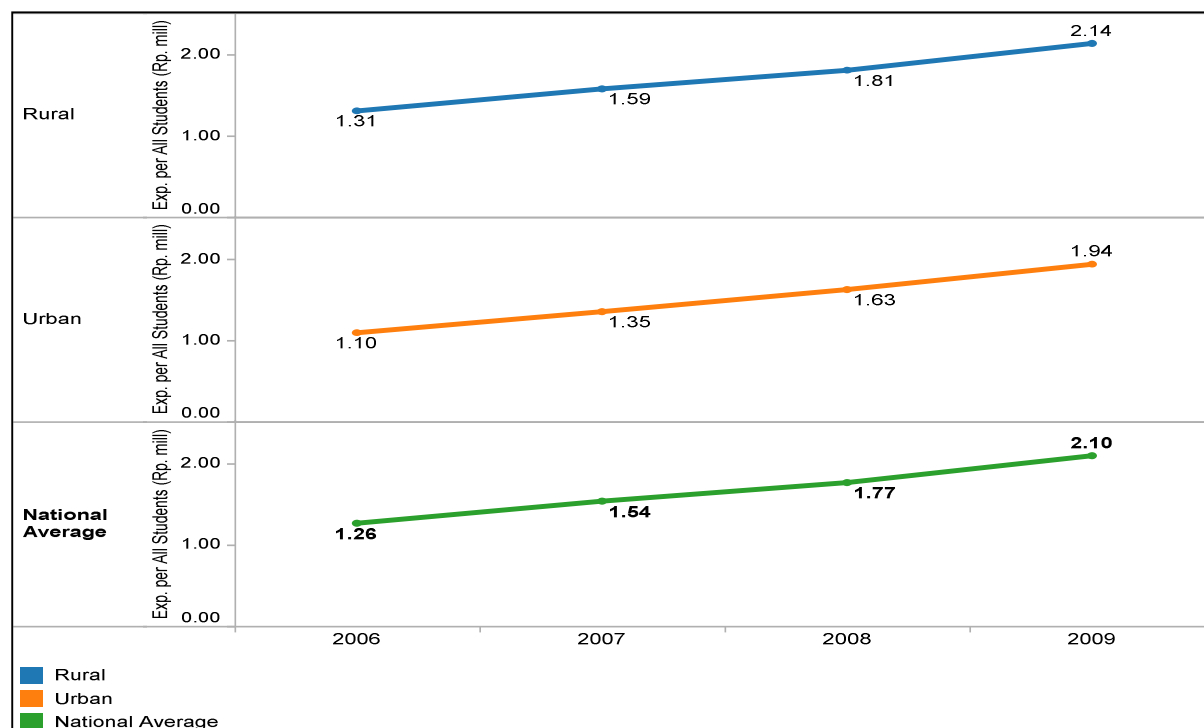
Figure 18: BEP Districts Only - Annual Growth in District Education Expenditure, (APBD 2007-2010)



Policy Implications: Growth in year to year education expenditure is strong across the country and this is a positive result. Concern rests with the slower growth rate in the poorest quintile districts as this means it will be more difficult for them to address the existing shortfall in providing access as well as education standards and learning outcomes of students.

KPI 8: Average District Expenditure per Student

Figure 19: Average District Education Expenditure per all Students, (Rp millions.)

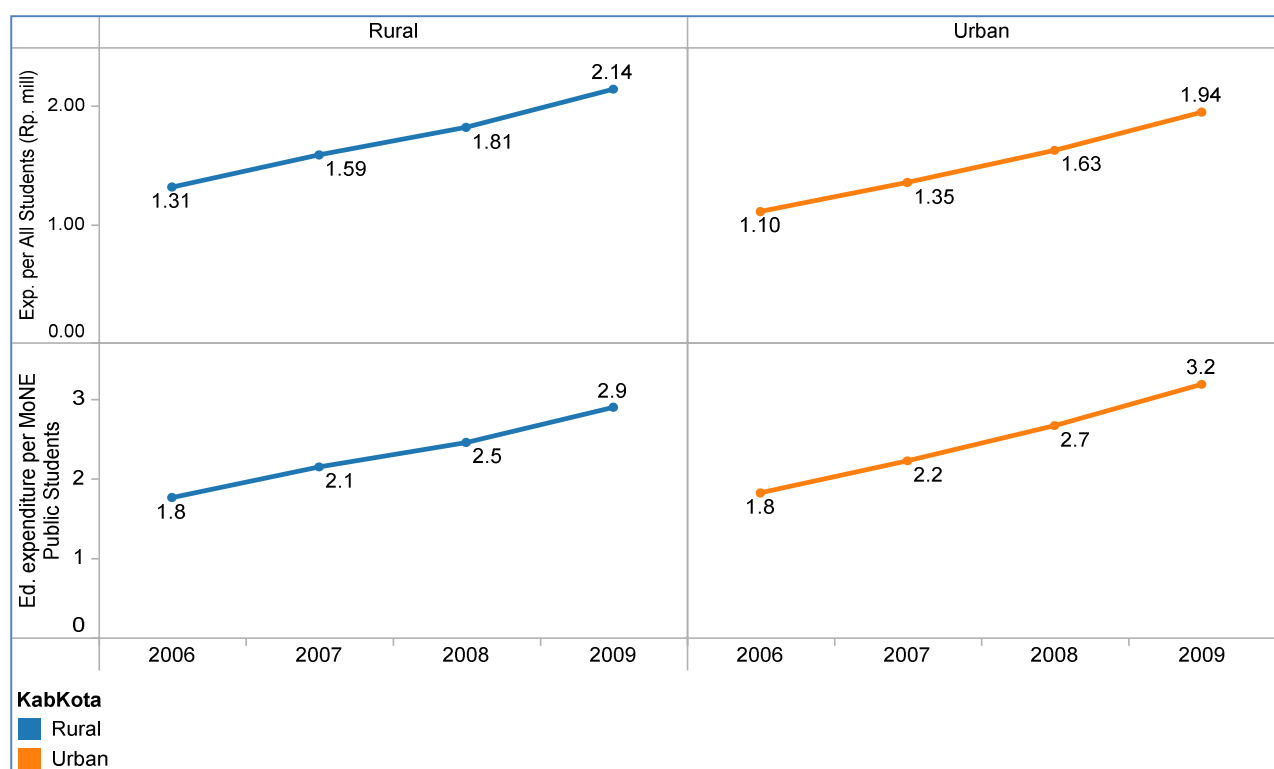


Result:	Positive
Data Quality and Availability:	As per KPI 6
General Comment:	<p>Average expenditure per student across the country grew strongly over the four years.</p> <p>Average per student expenditure has been consistently highest in rural districts and reached Rp. 2.14 million per student in 2009. This compares with Rp. 1.94 million per student in the urban areas.</p> <p>Highest averages per student allocations are found in the poorest districts (quintile 5) and quintile 2 where in 2009 they both average Rp. 2.2 million per student. This compares with an average district allocation of Rp. 2.0 million in the richest districts.</p> <p>The per student allocation is greatly affected by the sparsity of population. 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 both lower student/teacher ratios and higher salary related costs associated with remote area allowances.</p>
BEP Districts:	BEP districts have a higher than national average per student allocation across all four 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:	Annual update

A more nuanced analysis of per student education expenditure looks at district expenditures per public MoNE school students. This provides a more accurate measure because districts are only responsible for teacher salaries and other operational expenses of MoNE public schools. By excluding private school students from per student calculations it is possible to remove the bias of different rates of enrolment in private schools across districts.

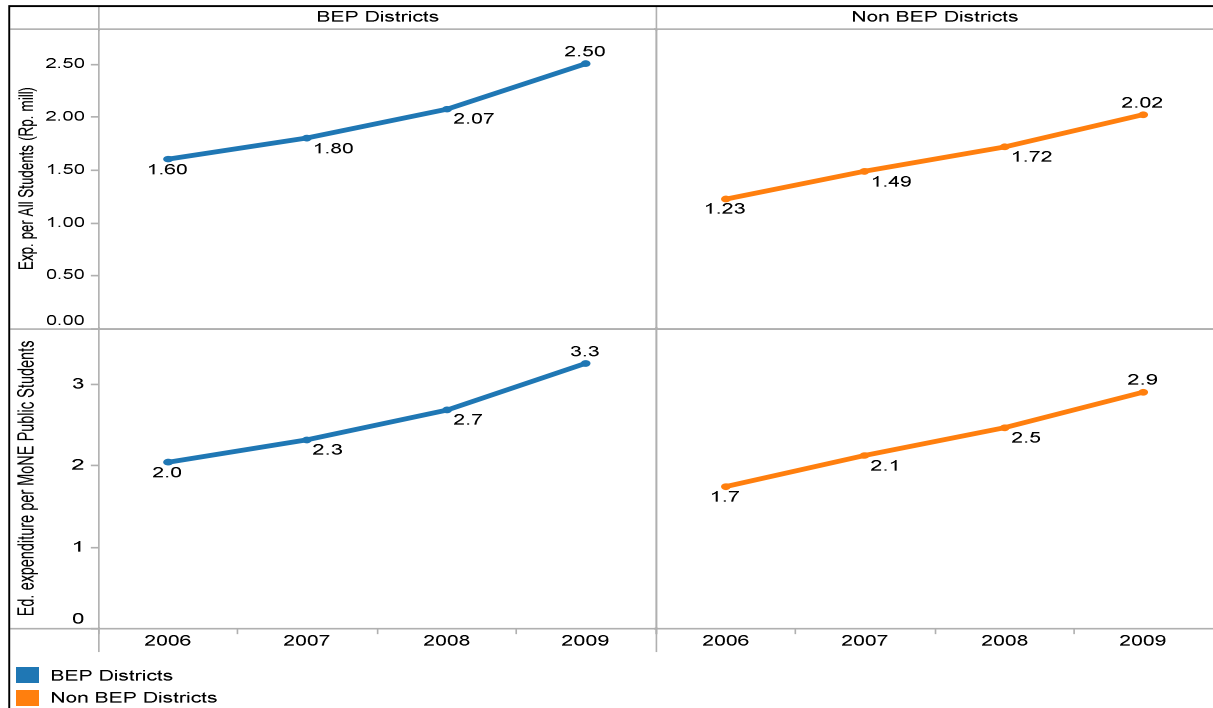
The national average education expenditure per public students is Rp. 3 million per student with urban districts (Rp. 3.2 million) overtaking rural districts (Rp. 2.9 million). Because there are proportionately greater numbers of private school students in urban areas, this indicator reverses the trend of the broader indicator *expenditure per all students* and shows urban areas to be spending more than rural districts.

Figure 20: Comparison - Expenditure per All Students vs. Expenditure per Public Students, (Rp. millions)



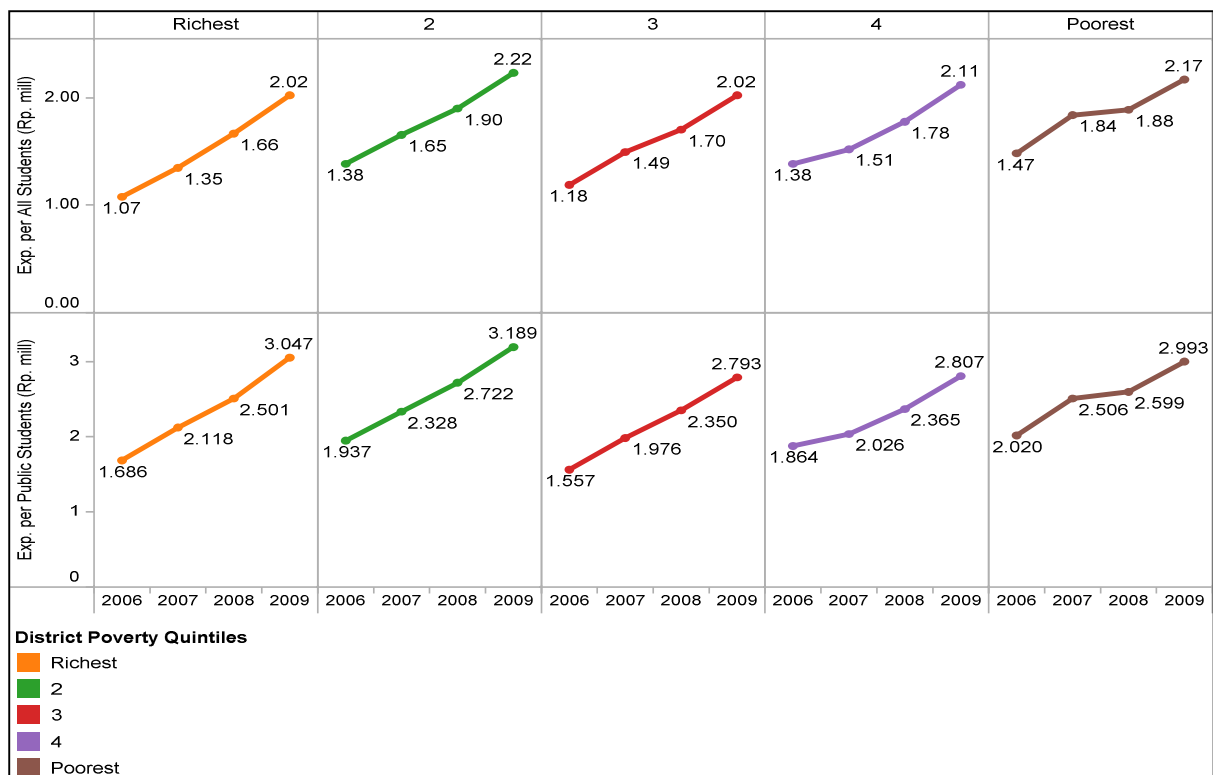
BEP districts reflect a similar trend to other districts with steady increases in per student expenditure across all years. BEP districts spent Rp. 2.5 million per all students compared to the other districts average of Rp 2.0 million in 2009. Non-BEP districts are spending less per student, but have a faster rate of spending growth.

Figure 21: Average APBD Education Expenditure per Student (Rp), BEP and Non-BEP Districts



Poverty quintile analysis of average expenditures per student shows a narrowing of the gap in expenditures during the period 2006-2009. The poorest districts are very close to spending the greatest amount per student and the richest districts spend the least per student. The poorest districts are spending 7% more per student than the richest.

Figure 22: Average APBD Education Expenditure per Student (Rp), by Poverty Quintile Districts



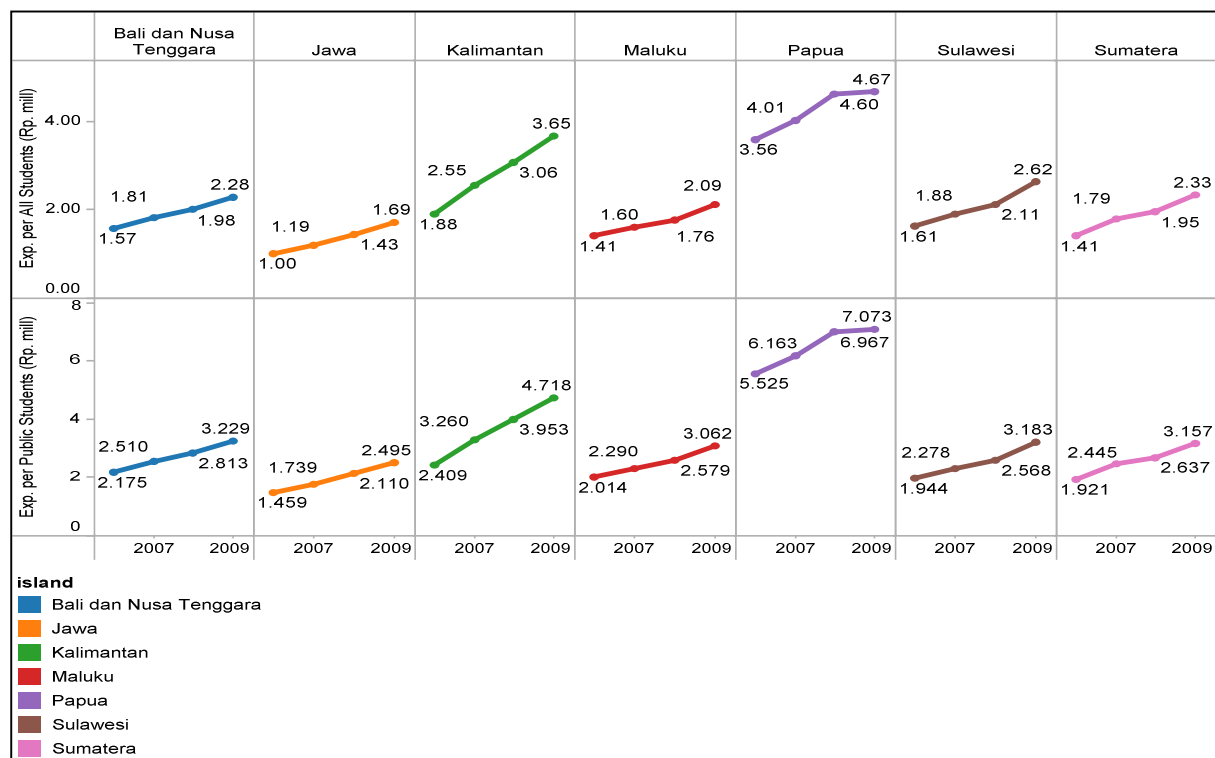
Average expenditures per public student show the two richest quintile districts to be spending more than Rp. 3 million. The poorest quintile districts spend just on 3 Rp million per public student. The relatively high per public student expenditure in the poorest districts is a positive indicator.

At the same districts in the far eastern regions of the country should have significantly higher costs per student than districts in the western region because of the lower density of populations. 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.

Average expenditure per students across islands shows Papua (Rp. 4.7 million) and Kalimantan (Rp. 3.7 million) to be the highest spending islands. Lowest expenditure by a considerable margin is found on Java with Rp. 1.7 million per student.

Education expenditure per public student shows Papua reaching Rp. 7.1 million in 2009 compared to the next highest Kalimantan (Rp. 4.7 million) and Java as the lowest island expenditure per public student (Rp. 2.5 million).

Figure 23: Average APBD Education Expenditure per Student (Rp), by Island



Policy Implications:

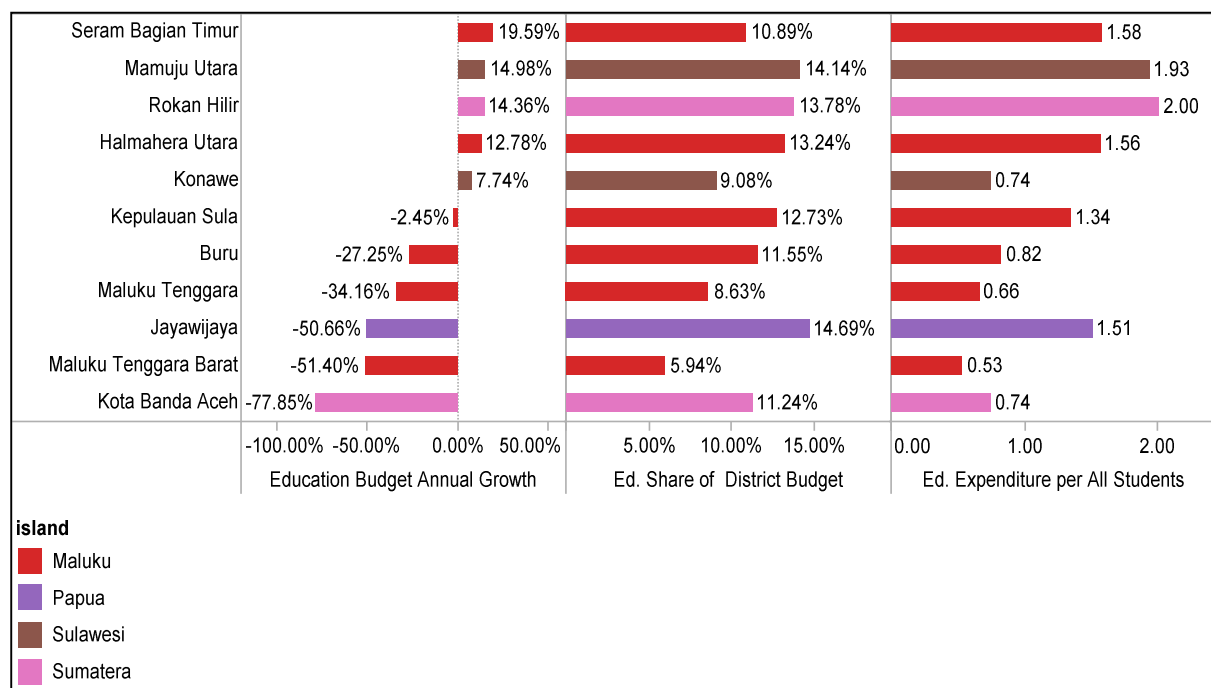
Unit cost calculations are greatly affected by the sparsity of populations and care needs to be taken when comparing districts. Care should be taken to compare like with like districts in order to get a true feel for the district government commitment and possible impact on quality.

A *Critical Education Funding Status* (CEFS) diagnostic tool has been developed based on three Key Performance Indicators from this District level analysis (KPI's 6, 7, and 8). The CEFS diagnostic tool identifies critical districts that have:

- low expenditure per student (less than Rp. 2.1 million)
- small education share of the district budget (less than 15%)
- weak annual growth in their education budget (less than 20%).

The table below highlights eleven districts meeting these criteria, with six of these critical districts being part of the Maluku island grouping. The case of Kota Banda Aceh probably reflects increased responsibilities being assumed by the provincial level of government.

Figure 24: Critical Education Funding Status (CEFS) Districts – Districts with low growth in education budget, low share of district budget and low expenditure per student (APBD2009)



Reasonable distribution of public education funds should generally provide greater funding per student to the poorest areas. This weighted distribution of government funds can enable the poorest communities to overcome a financial inability to pay for services. It also helps to cover the higher cost of servicing poor communities that are also in remote or difficult to reach areas.

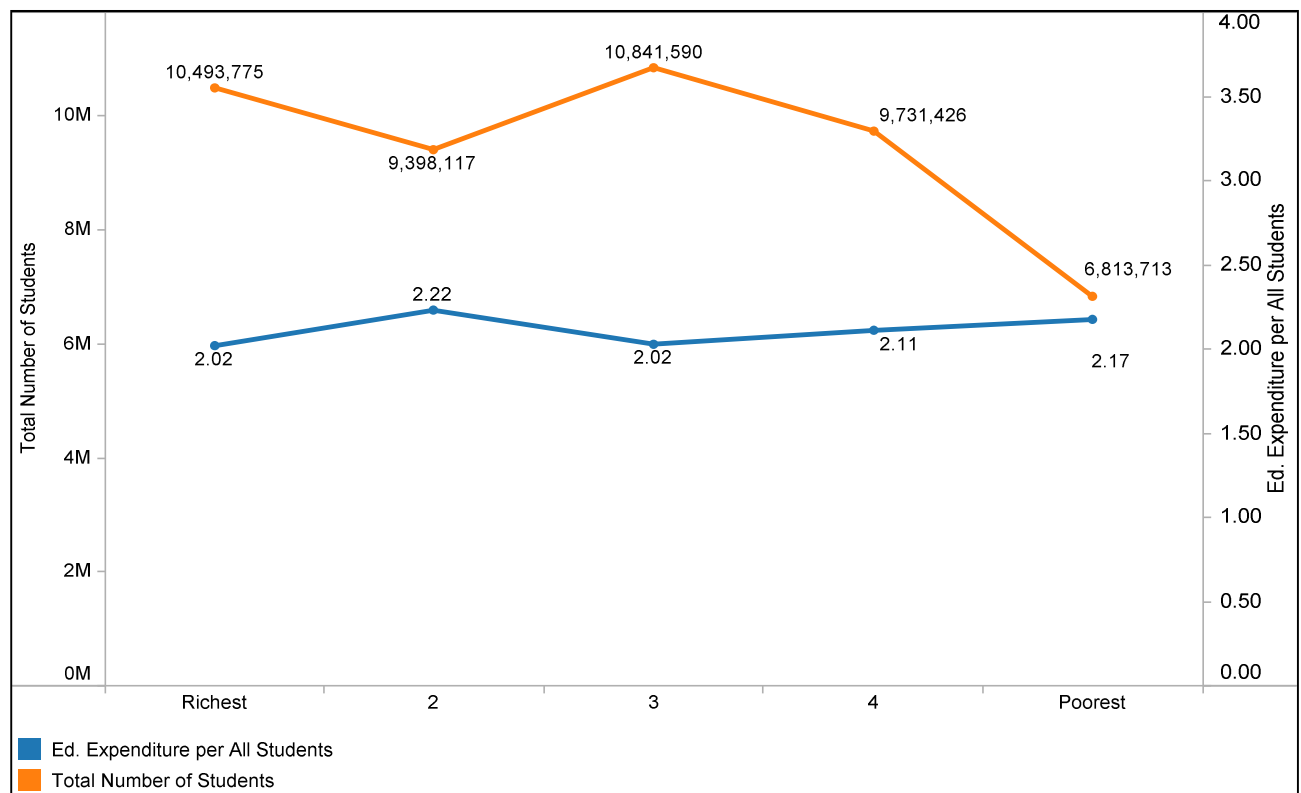
The relatively flat distribution of district education funding per student across poverty quintiles is good in so far that it does not show greater per student amounts being allocated in the richest districts. This achievement should not be taken for granted. It reflects government policies that have been successful in preventing a larger share of resources being sequestered by richer districts.

The limitation of the 'flat line achievement' is that such a distribution across poverty groupings is not sufficient to promote more equitable services and learning attainment across the country. To achieve these types of outcomes, government will need to put an 'equity slope' in its funding distribution. This means per student funding increasing significantly across poverty groupings from the richest to the poorest.

One factor that can assist the government to achieve this sort of equity slope in funding is that the poorest quintile of districts have a relatively small number of students (6.8 million) compared to all of the other four quintiles. Focusing additional public expenditures on the poorest quintile

districts will help to put the equity slope in financing and build up expenditures in the most critical and under-served communities.

Figure 25: Number of Students and Average APBD Education Expenditure per Student (Rp), 2009 by Quintile



Recommendations:

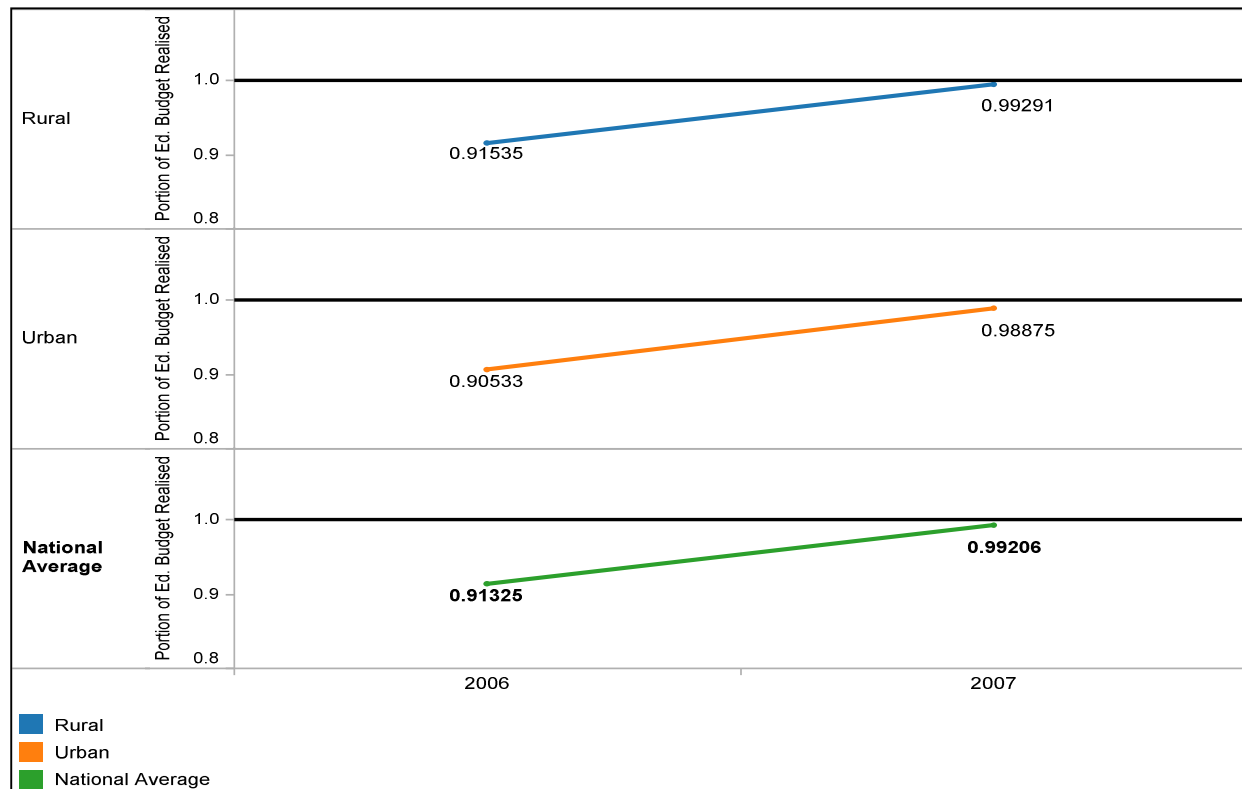
1. Undertake a detailed study of education financing and school provision in districts that present red-flags on the Critical Education Funding Status indicator, which shows districts that have:

- low expenditure per student (less than Rp. 2.1 million)
- small education share of the district budget (less than 15%)
- weak annual growth in their education budget (less than 20%).

2. Maximise equity effects of additional school funding by concentrating expenditures in poorest quintile districts which have the greatest need. Affordability of this approach is enhanced by the relatively smaller numbers of students in the poorest quintile districts.

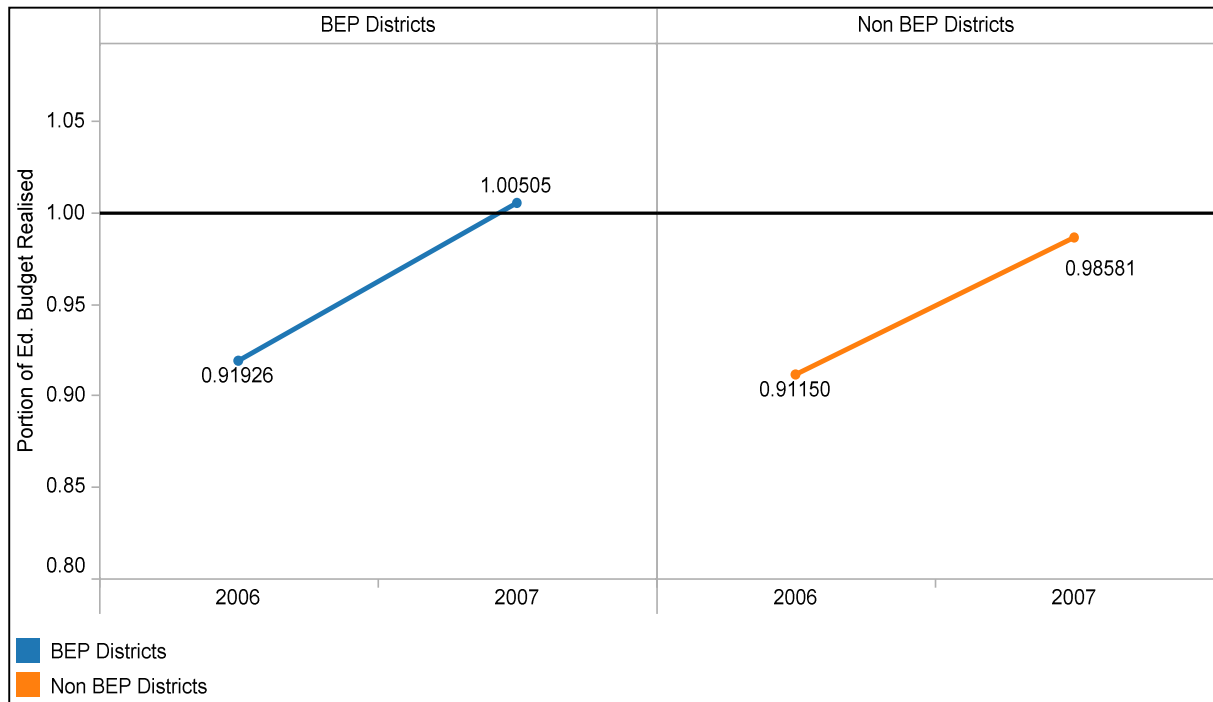
KPI 9: Actual district education expenditure as % of planned education expenditure

Figure 26: Realised Education Expenditure as % of Planned Expenditure 2006 and 2007



Result:	Positive
Data Quality and Availability:	Budget data for 2006 is from the 'final revised budget' documents and reflect the final allocation. Revised budget data for 2007 was not available. Data collected is from the 'planned budget' documents which reflect a bid by the district education office for funds. This budget may then be revised downwards in the 'revised final budget'. The 2007 financial data is therefore not from identical planning documents and may be responsible for an upwards shift in percentage of budget realized as actual expenditure.
General Comment:	Districts in 2007 managed to spend nearly 100% of their planned budget. This was a significant improvement on 2006 where only 91% of funds were spent nationally.
BEP Districts:	The average BEP district increased its actual expenditure to 100% of budgeted allocations in 2007. This was up from a 92% expenditure in 2006. Non-BEP districts also increased their actual expenditure to nearly 100% of budgeted allocations in 2007.
Future Analysis:	Update 2008 data once collected. Trend series to continue with realized budget data for 2007 to be collected

Figure 27: Realised Education Expenditure as % of Planned Expenditure 2006-07, BEP and Non-BEP districts



Poverty quintile analysis shows that the top two poverty quintile districts on average overspent their planned education budget in 2007. The lowest average rate of realisation was with the poorest quintile districts that only spent 91% of their planned budget.

Figure 28: Realised Education Expenditure as % of Planned Expenditure 2006 and 2007, by Poverty Quintile

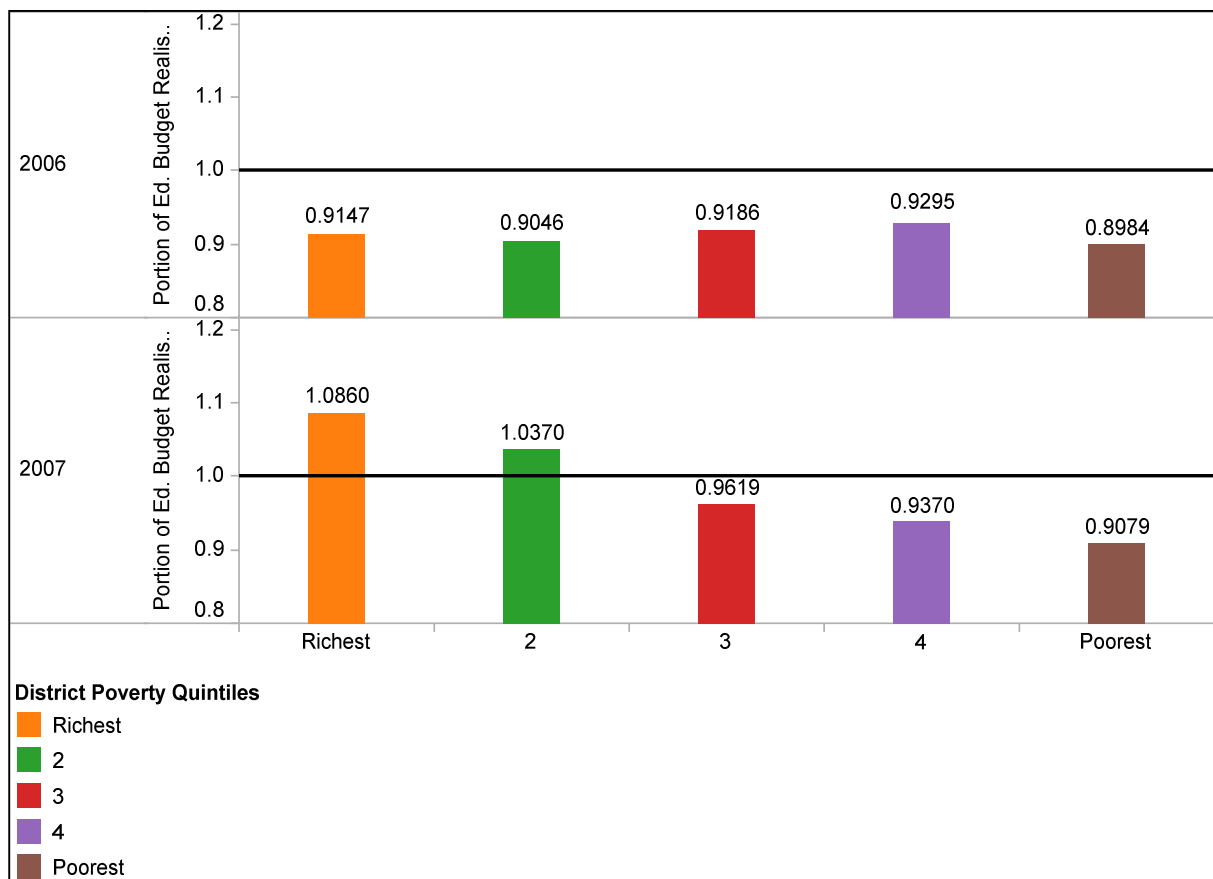
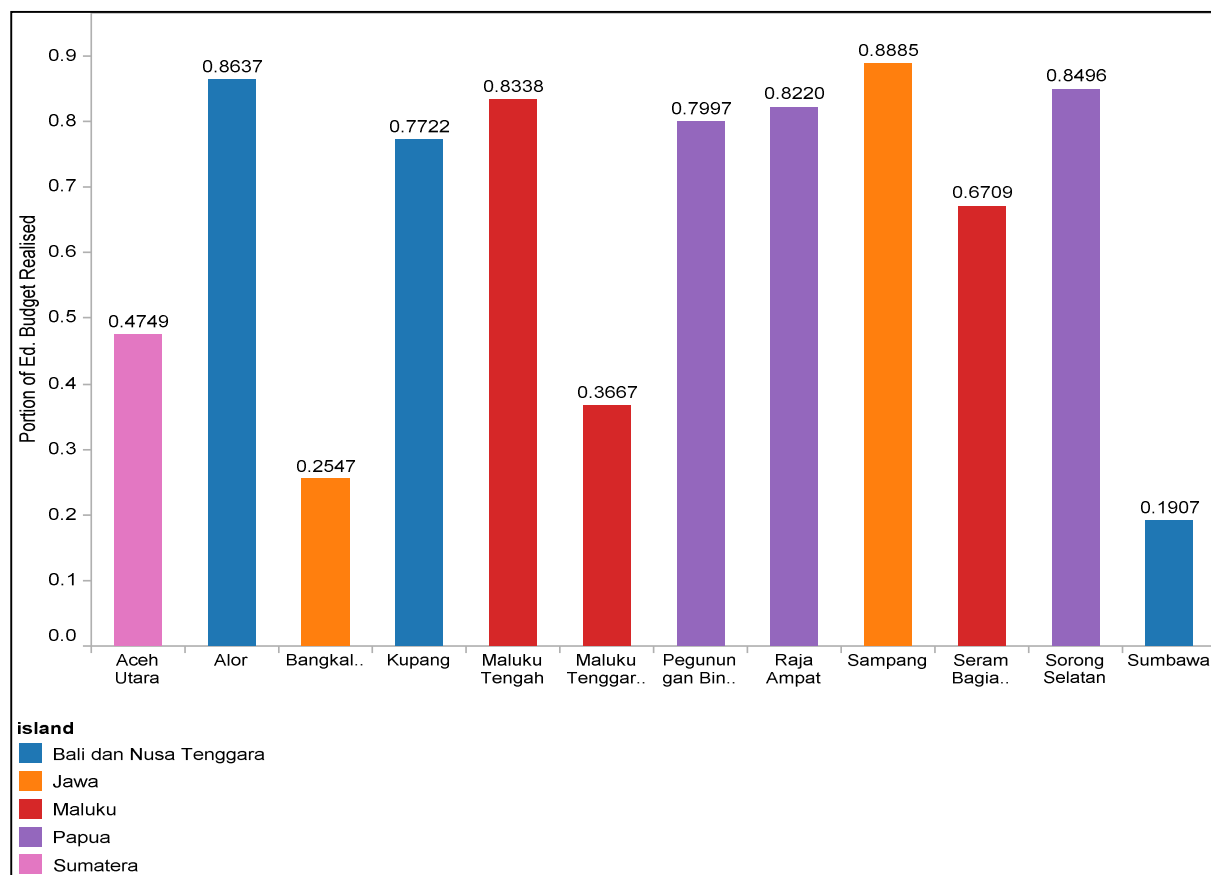


Figure 29: Poorest Quintile Districts that realised less than 90% of Education Budget 2007

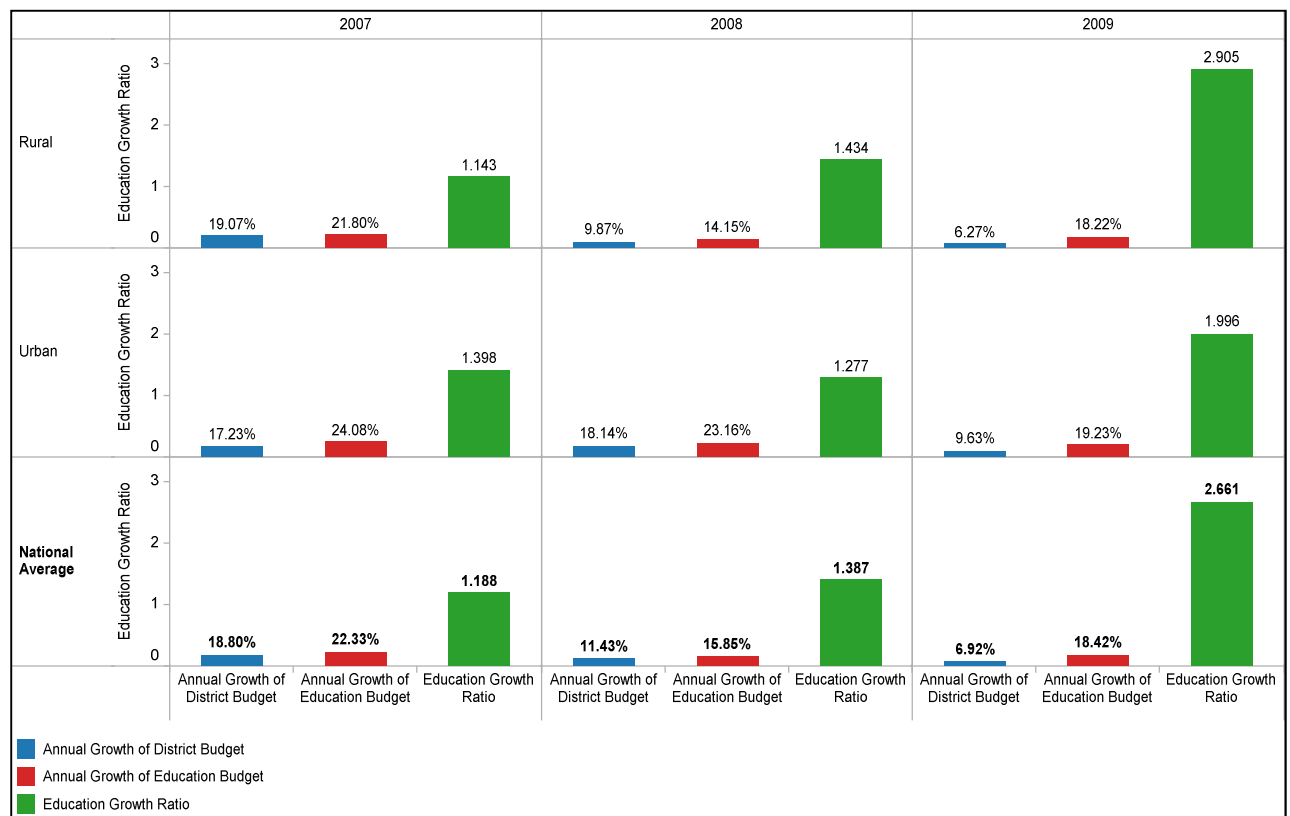


Policy Implications: Too many districts may be failing to expend their allocated annual education budgets. The difficulty of the poorest districts in expending their budgets is of a particular concern given the access and quality problems in these districts. The quantum of funds may not be the greatest problem facing some districts, and/or there may be 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 focused on the poorest districts. 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 30: Annual Education Expenditure Growth Ratio, (2006-2007, 2007-08, 2008-09)

**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 at double the rate of aggregate spending in both rural and urban districts across Indonesia in 2009.

This was much faster than already strong education growth ratios for 2007-08 which were 1.4 and 1.3 respectively for rural and urban districts.

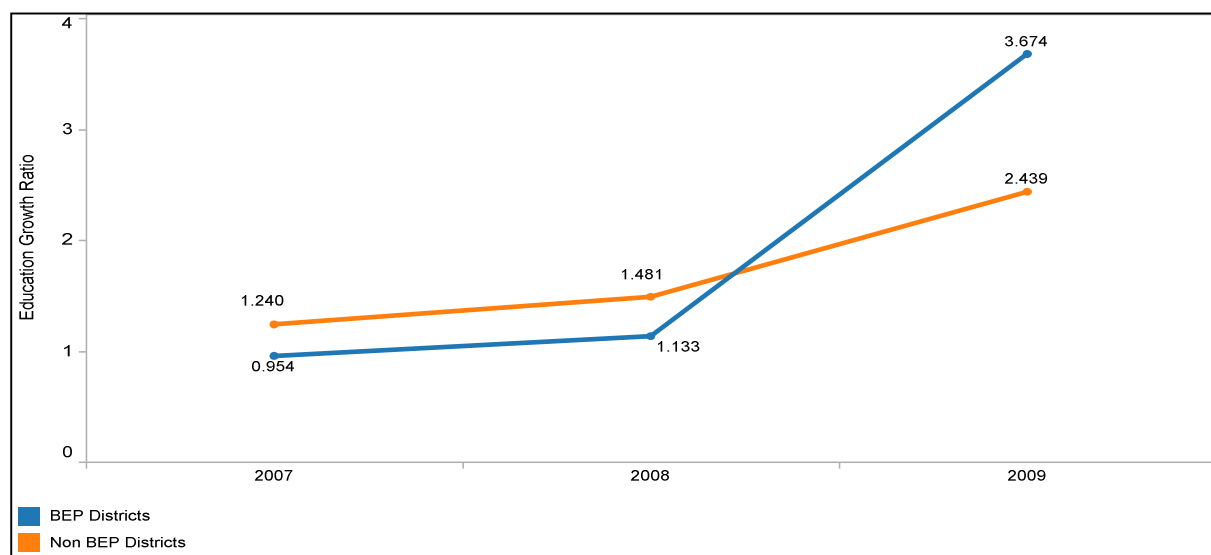
The results for 2008-09 are particularly important as the global financial crisis came at a point in the budget and planning cycle that could have upset expenditure patterns.

BEP Districts:

The 2008-09 education expenditure growth ratio in BEP districts means the growth rate of the education budget was 3.7 times faster than aggregate district public expenditures. This compared with a weaker 2.4 growth ratio in the non-BEP districts.

This is a positive result and demonstrates that BEP districts continue to grow education expenditure at a faster rate than general public expenditure.

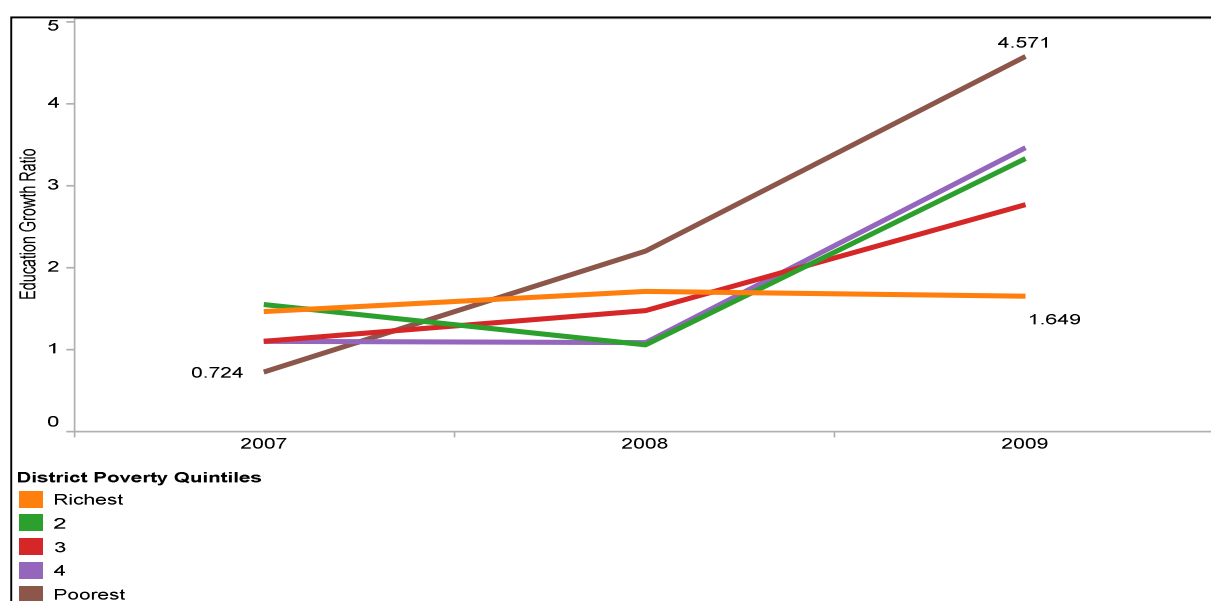
Figure 31: Education Expenditure Growth Ratio, BEP & Non-BEP Supported Districts (2006-07, 2007-08)



Analysis by poverty quintile continues with an inverting trend where the poorest districts that had the lowest growth ratio in 2007 (less than 1) by 2008-09 had the largest education growth rate (4.6). This means they were growing their education expenditures during 2008-09 at a much faster rate than aggregate spending – about 4.6 times faster. The richest districts had an almost static education growth ratio of 1.6 during the four year period.

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 2008-09 the annual growth rate of the education budget in the poorest districts was 4.5 times that of total public expenditure.

Figure 32: Education Expenditure Growth Ratio by Poverty Quintile, (2006-07, 2007-08), Poverty Quintiles

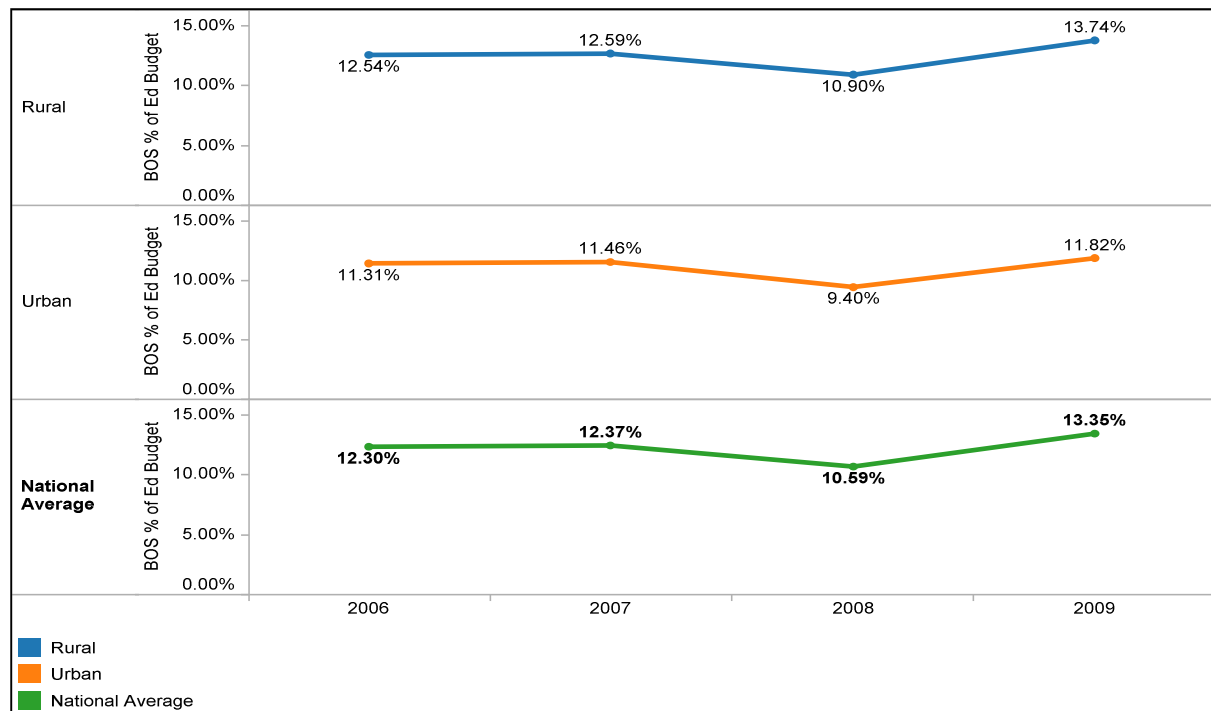


Policy Implications: The growth ratio indicator can be a powerful lead indicator of emerging trends in financing of education. It is most useful at a highly aggregated level such national level analysis or urban and rural analysis. It is less successful at an individual district or even poverty quintiles, provinces and island groupings because it becomes highly sensitive when there is very

small growth in either the numerator (% growth in education spending) or the denominator (% growth in aggregate spending).

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

Figure 33: BOS Grants as % of Education & Culture Budget 2006-2008



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:

Positive

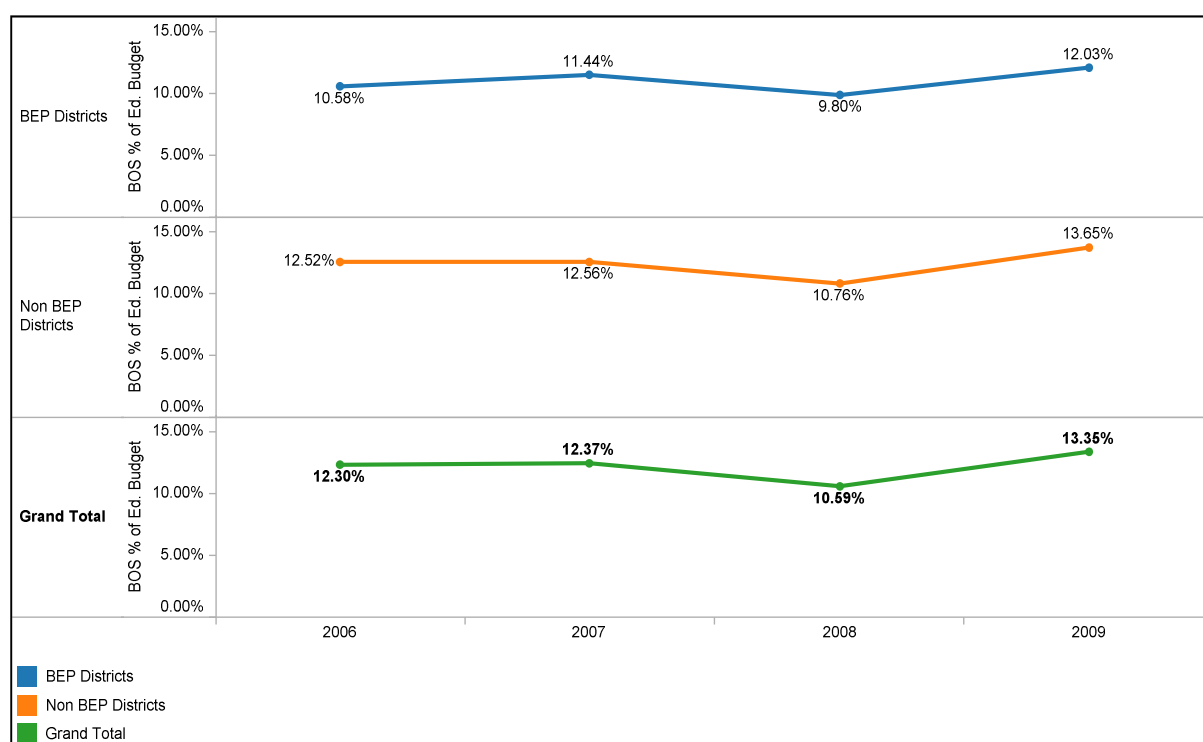
Data Quality:

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.

This report (and the previous 2008 report) calculates BOS grants distributed by the districts to public schools. They do not include BOS grants distributed by MoRA to madrasah in the district. The 2007 report calculated the value of BOS grants distributed by the central government through MoRA and the district to all schools/madrasah.

General Comment:	<p>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 minimizes the opportunities for leakage before the funds reach the school.</p> <p>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 grant models.</p> <p>In 2009 BOS contributed funds directly to public schools equivalent to approximately 13% of total district level education expenditure for public schools.</p> <p>The significance of BOS expenditures as a proportion of total district level expenditure has grown since 2008 which reverses a previous trend for declining significance. The increasing importance of BOS reflects the big annual jump in the value of the BOS grant in 2009. BOS grants for primary level students rose from Rp. 276,000 per student in 2008 to Rp. 400,000 per student. For junior secondary students, the BOS grant rose from Rp.354,500 per student in 2008 to Rp. 570,000 per student.</p>
BEP Districts:	BOS grants in BEP districts have increased from 10% of the education budget in 2008 to 12% in 2009. This compares with non-BEP districts where BOS grants amounted to 14% in 2009.
Future Analysis:	Update with 2010 data

Figure 34: BEP and Non-BEP Districts - BOS Grants as % of Education & Culture Budget 2006-2008,

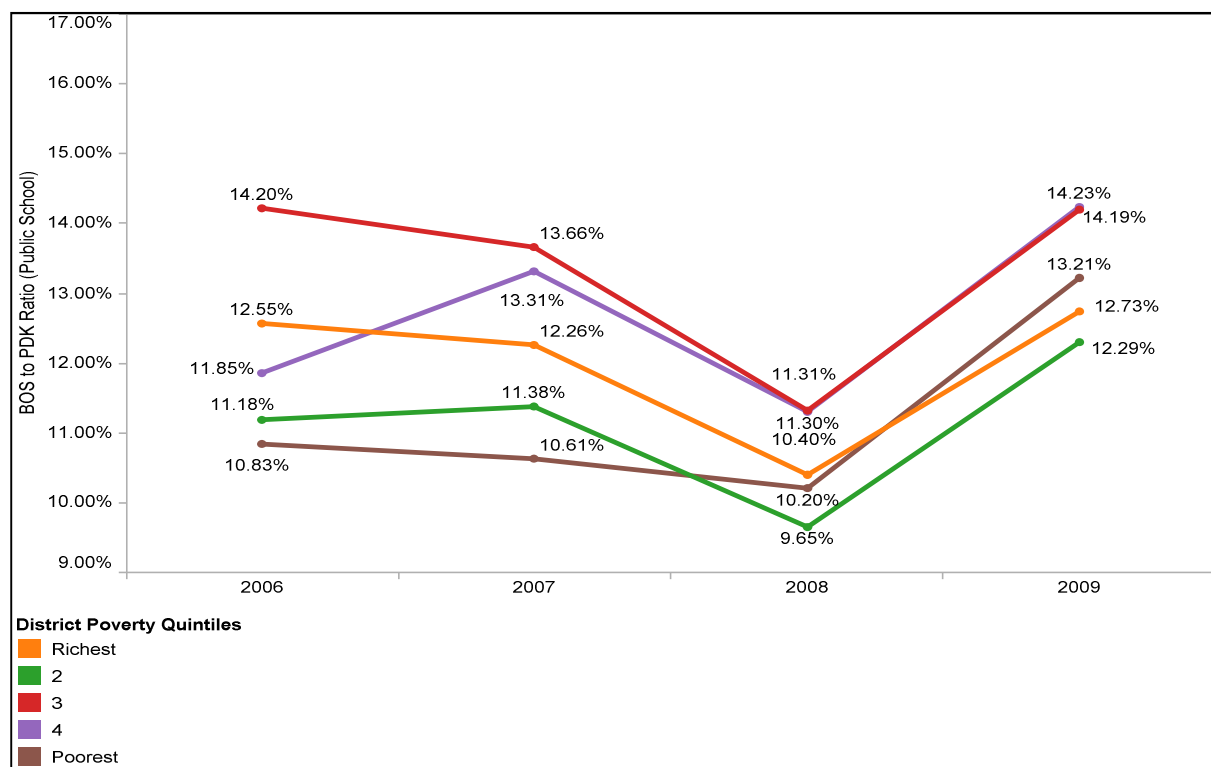


BOS grants as a percentage of total education expenditure are affected by the share of students progressing to secondary education. The per capita BOS grants for junior secondary students are

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 significance of the BOS expenditures in comparison with total district expenditures declined for districts across all poverty quintiles between 2007 and 2008. This reflected the expanding outlays for education being made by the district levels of government during this period. However by 2009 and with the impact of the increase in the size of the per capita grants, the BOS had again risen in significance to 2006 levels.

Figure 35: BOS Grants as % of Education & Culture Budget 2006, by Poverty Quintile



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 future AusAID funded program from 2010 onwards may have a deeper engagement with building school and district level capacity in education management. A key focus of this work could be to help school principals better plan and manage their BOS funds and to help districts better monitor and support the schools in their disbursement activities.

Background

At the outset of the Global Financial Crisis (GFC), Indonesia's commodity production centres were expected to be hard hit by a reduction in export demand. The economy as a whole was expected to suffer, with a substantial impact on national and regional budgets, including for education. In the Asian Financial Crisis, Indonesia suffered badly, and enrolments in education dropped.

The report *Indonesian Schools and the Global Financial Crisis 2009* studies the impact of the Global Financial Crisis on education budgets and expenditure on schooling by districts and households in districts that contain commodity production areas.

This analysis focuses on the GFC impact on basic and secondary education at the kabupaten/kota (district/city administrative level), school and household (student/parents) level.

The study assesses the crisis impact at:

- district/city level, especially on education policy, funding and performance;
- school level, in terms of funding, school program, teacher motivation, student absence, drop out, and student mobility; and
- household level in terms of occupation, income and expenditure, and ability to finance education.

District level: Export commodities likely to have been effected by the crisis were selected and regions (province and kabupaten/kota) which are production centers for these commodities were surveyed to assess impact of the crisis.

Education: Junior secondary school (SMP) was surveyed for basic education and senior / vocational secondary school (SMA/SMK) for secondary education level. Elementary schools (SD) were not surveyed as the education cost for SD is generally affordable and many kabupaten/kota had implemented free basic education at SD level.

The study also formulates an alternative strategy to further improve the education system's ability to respond to crisis .

Key Findings

The Global Financial Crisis (GFC) reverberated around the world in the latter part of 2008. With the 1998 Asian Financial Crisis in mind, many feared that the impact on education in Indonesia would be substantial.

³ This section reproduces the executive summary of the English version report report *Indonesian Schools and the Global Financial Crisis 2009*. CSAS has produced this abridged report based on the report *Impact Study of the Global Financial Crisis on Education (Pengkajian Pendanaan Pendidikan Secara Masal Studi Dampak Krisis Keuangan Global Terhadap Pendidikan, 2009)* that was produced by Balitbang within MoNE. The English abridged report reproduces the district level analysis and broad conclusions and recommendations of the original report. The abridged report has updated the national level analysis on the impact of the crisis on the national economy and the national education budget based on more recent data. A full copy of the English abridged version of the report can be obtained from CSAS. The full report in Bahasa Indonesia has been published by Balitbang.

Given the significance of exports, the economy was expected to shrink, resulting in fewer funds available for public investments such as in education.

An increase in the poverty rate was expected to reduce the ability of households to provide education expenditure, including tuition fees, transport to school, school supplies and uniforms.

The economic crisis impact in 1997/1998 on basic education was studied by Balitbang Depdikbud jointly with the World Bank. Surveying 600 schools the main findings were:

- Social Safety Net Insurance programs in the education sector (in the form of scholarships and operational grants for schools) are useful to anticipate economic crisis impact, especially for poor parents and schools.
- The survey results indicated an overall drop of 1.6% in total students although several groups and regions specifically at junior secondary school (SLTP) level were more badly affected (Balitbang Depdikbud and World Bank, 1999).

After the 1997–98 crisis, Indonesia developed systems and instruments in programs to cope with and lessen the impact on people's welfare, especially the poor. An education safety net was built initially consisting of scholarship programs directed to the poor, but which was extended by the implementation of free basic education over the last few years.

In 2009 Indonesia fared well through the GFC. The GDP continued to grow, as did national expenditures. The government kept to its constitutional commitment made during the high growth period in 2008 of expending 20 percent of national public expenditure on education. Education expenditure also increased in 2009, from Rp. 154 trillion to Rp. 207 trillion. Education as a percentage of total national expenditure increased from 15.6 percent to 20 percent.

Some commodity production areas suffered from the downturn, while others experienced pre-existing problems including a reduction in the availability of raw materials.

- Plywood industry: Kota Samarinda and Kota Jambi experienced an ongoing decline due to lack of raw materials. The global crisis accentuated the staff redundancies.
- Palm Plantation: Pelalawan, Siak, and Tanjung Jabung Barat experienced a drastic drop in whole palm coconut prices. The palm price decreased from Rp. 2,000 per kilo to Rp. 300 per kilo (85 percent) over 2008.
- Rubber plantation: Siak, Pelalawan, and Tanjabar experienced a similar decline in rubber gum price, decreasing 75 percent over 2008.
- Pulp and paper industry: Siak and Tanjabar experienced a drop in export demands, causing production to reduce with major layoffs in late 2008. Many returned home or sought employment elsewhere. Some remained in other employment, such as motor bike drivers or other informal sector jobs.
- Textile and garment industry: A drop in production in the textile and garment industry was noticeable by March 2009, increasing redundancies.
- Furniture industry in Boyolali: furniture exports reduced due to the lack of overseas market orders.

- Car spare part industry: Car spare part industry centers such as Tangerang industry zone did not experience significant production fluctuations.

Regional budgets showed an increase in 2009. Regional Own Revenue (PAD) trends varied in surveyed districts/cities. Some regions received higher PAD in 2009 compared to 2008, and some lower. Most experienced an increase in revenue. Unlike the revenue component, regional expenditure in all sample areas increased. The increases were in both real and nominal terms. Inflation rates across the regions varied considerably.

Due to the healthiness of regional budgets, the education budget for export commodity center districts/cities was not particularly affected by the crisis, with district education budget nominal value increasing consistently. When adjusted for inflation, the value of the increase was less significant.

The proportion of district funds spent on education also increased. Since 2005, Kota Jambi has allocated at least 20% of APBD budget to education spending. In 2009, Jambi education budget accounted for 36% of the APBD. In Kota Depok, the 2009 education budget increased 25 percent from 2008 and accounted for approximately 31 percent of the total APBD in 2009.

All districts had implemented the free basic education policy, which prohibits the charging of tuition fees at public primary and lower secondary schools.

As these schools were in some of the areas worst affected by the crisis, enrolments have proved to be resilient. The average total students in August 2008 (beginning of school year 2008/2009) and June 2009 (end of school term) for sample schools showed a drop of 1.5 percent.

The biggest drop was in Grade 3 (of lower secondary school – year 8 of schooling). Student numbers in Grade 3 decreased by 4.3 percent between August 2008 and June 2009. In the first year of secondary schooling (Grade 1), numbers decreased by 2 percent, and increased by 0.5 percent in Grade 2.

None of the districts/cities located within Indonesia's export commodity centers had specific policies to anticipate the global financial crisis impact. However, pre-existing policies, including free basic education prohibiting tuition fees at public lower secondary schools, and policies of scholarships to assist poor students stood the test of the crisis.

The range of programs to reduce the cost of basic education for households and the support supported at district level ranged from support focused on public basic education to support for students at private schools.

The free education policies ensured that poor families had an option of free education for their children's education, and scholarship programs increased their scope to cover more children in many districts as more families experienced difficult economic conditions.

Overall, many parents increased their income over the period. However, many families were experiencing poor economic conditions before the crisis. These and other families' experienced further difficulties through job layoffs and income cuts which then affected their ability to finance education costs. Many workers and families returned to their original or home districts after layoffs, or stayed and worked in the informal sector.

Irregular income for informal sector workers impacts on their ability to pay tuition fees. Parents in formal sector employment could generally pay tuition fees however in the event of a redundancy, all household income is for basic food and housing, leaving little left over for school fees or uniforms.

The average household spending per month during the crisis varied little, increasing only by Rp. 15,000.

Household education expenditure showed a drop in the periods Jan-June 2009 compared to July-Dec 2008. The average expenditure for education in Jan-June 2009 was Rp. 430,298 which is 22 percent less than Rp. 525,331 spent in June-Dec 2008. Families reported spending less on uniforms, books and transport.

The impact on families with children in public basic education was minimal because of existing free education policies implemented by districts/cities prohibiting schools from charging tuition fees. The free education policy implementation has been accompanied by a television campaign to raise community awareness. As a result, many families are unwilling to pay for tuition fees at basic education level. This curtails the ability of schools to continue to charge tuition fees.

The BOS program which provides the school operational funding underpinning free basic education and BKM/BKSM program for secondary schools have provided essential support for students from poor families to maintain their education. Some districts supplemented BOS for schools with additional payments from the regional budget. Some schools experienced difficulties when disbursement of operational funding from the district was delayed.

Poor families with children in private schools, including private secondary vocational schools (SMKs) still pay tuition fees. Private schools experienced some increase in drop outs, mainly during the first stages of class.

Public secondary schools (SMAs) also levy tuition fees so poor students without scholarships face the same problem. For them school fees are still a liability. The existing scholarship programs increased their coverage in 2009 indicating that system capacity to deal with the impact of crisis.

Outstanding tuition fee payments are an ongoing fact for most private schools and for public senior secondary schools. The crisis increased the number of outstanding fees. At school level during the last six months of 2008, some schools fees were overdue especially in private schools within the export commodity centers affected by the global crisis (i.e. palm, rubber plantation, and paper). However, in early 2009 the conditions improved with an increase in export commodity prices. Outstanding fees reduced in number in the first half of 2009.

Recommendations

Current education mass funding programs among them via BOS, Regional BOS and scholarship programs enable poor parents to enroll their children and maintain them in school. These programs have been proven effective to help reduce educational costs, especially at basic education level. Therefore, although export commodity centers regions were affected by the global crisis, education provision through schooling was not disrupted. Enrolments in public basic education from poor families remained stable. In general, families did not remove their children from public secondary schools as education costs are not financed by the government.

School income at basic education level has not been significantly affected by the global crisis because necessary operational costs are already provided by the government. However, this is not the case for

secondary schools, especially private schools, because their funding sources originate from parents. The global crisis impacted family income, with many parents unemployed this affected school income.

Several policy alternatives are recommended to improve the response to crisis:

1. The government and regional government must have an emergency fund within a social aid allocation or other allocation to respond to sudden/unpredicted education obstacles. Not only can this fund be used to respond to global crisis, but also other problems/disasters such as floods, earthquake, fires, etc.
2. Given limited government budget ability, budget allocation policy must be effective and efficient. Because there will always be a tradeoff between equity and efficiency aspect during the budget allocation, budget allocation policy must emphasize a set target. For that, sharing funds between central, province and Kabupaten/Kota is a must.

For example, when allocating BOS for basic education at Central level, in order to improve budget efficiency and effectiveness, the regional government should already be able to calculate the ability of BOS budget to cover the education minimum requirement needs in their respective region. This minimum standard must already be set at each education level. Thus, the amount of budget allocation for education levels can be considered based on the gap between actual conditions against the standards. The education level with the largest gap should be given higher budget allocation. This must be considered by each government level, not only regional government at Kabupaten/Kota, but also at provincial and central level.

3. The central government has budgeted education investment and operational costs to reduce household education costs. Operational costs are covered via the BOS program and some regions supplement this with BOS assistance (regional BOS). To further reduce household costs, the government extended scholarships. Coordination to determine budget allocation priority and targets is necessary to allocate overall budget for three budget components. Budget allocation priority mapping is important for the three budget types in each region, so the budget allocation can achieve a realistic target.

IV. APPENDIX

Districts Supplying Data 2006-2009

Figure 1: District Enrolment Data collected by Poverty Quintiles Status of Districts

	2006		2007		2008		2009	
Poverty Quintile	Number of Districts	Districts with Enrolment Data	Number of Districts	Districts with Enrolment Data	Number of Districts	Districts with Enrolment Data	Number of Districts	Districts with Enrolment Data
1	89	89	91	91	93	92	96	92
2	88	88	89	89	91	90	98	90
3	88	88	85	85	95	89	96	89
4	88	88	88	88	91	90	94	90
5	87	87	87	87	95	91	111	91
Total	440	440	440	440	465	452	495	452

Figure 2: District Financial Data collected by Poverty Quintiles Status of Districts

	2006		2007		2008		2009	
Poverty Quintile	Total Number of Districts	Districts with Financial Data	Total Number of Districts	Districts with Financial Data	Total Number of Districts	Districts with Financial Data	Total Number of Districts	Districts with Financial Data
1	89	75	91	85	93	85	96	90
2	88	67	89	88	91	90	98	95
3	88	69	85	82	95	90	96	95
4	88	66	88	84	91	91	94	93
5	87	66	87	81	95	93	111	104
Total	440	343	440	420	465	449	495	477

i. Districts Supplying Data 2006-2009 (full list)

(1= data available, 0= no data available, x= district did not exist)

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Sumatera	NAD	Aceh Barat	1	1	1	1	1	1	1	1
		Aceh Barat Daya	0	1	1	1	1	1	1	1
		Aceh Besar	1	1	1	1	1	1	1	1
		Aceh Jaya	0	1	1	1	1	1	1	1
		Aceh Selatan	1	1	1	1	1	1	1	1
		Aceh Singkil	0	1	0	1	1	1	1	1
		Aceh Tamiang	0	1	1	1	1	1	1	1
		Aceh Tengah	1	1	1	1	1	1	1	1
		Aceh Tenggara	0	1	1	1	1	1	1	1
		Aceh Timur	1	1	1	1	1	1	1	1
		Aceh Utara	0	1	1	1	1	1	1	1
		Bener Meriah	1	1	0	1	1	1	1	1
		Bireuen	1	1	1	1	1	1	1	1
		Gayo Lues	1	1	1	1	1	1	1	1
		Kota Banda Aceh	1	1	1	1	1	1	1	1
		Kota Langsa	0	1	1	1	1	1	1	1
		Kota Lhokseumawe	1	1	1	1	1	1	1	1
		Kota Sabang	1	1	1	1	1	1	1	1
		Kota Subulussalam	x	x	x	x	1	0	1	0
		Nagan Raya	1	1	0	1	1	1	1	1
		Pidie	0	1	0	1	1	1	1	1
		Pidie Jaya	x	x	x	x	1	0	1	0
		Simeulue	1	1	1	1	1	1	1	1
	Sumatera Utara	Asahan	0	1	1	1	1	1	1	1
		Batu Bara	x	x	x	x	1	0	1	0
		Dairi	0	1	1	1	1	1	1	1
		Deli Serdang	1	1	1	1	1	1	1	1
		Humbang	1	1	1	1	1	1	1	1
		Hasundutan								
		Karo	1	1	1	1	1	1	1	1
		Kota Binjai	1	1	1	1	1	1	1	1
		Kota Medan	0	1	1	1	1	1	1	1
		Kota Padang	0	1	1	1	1	1	1	1
		Sidempuan								
		Kota Pematang	1	1	1	1	1	1	1	1
		Siantar								
		Kota Sibolga	0	1	1	1	1	1	1	1
		Kota Tanjung Balai	1	1	1	1	1	1	1	1
		Kota Tebing Tinggi	1	1	1	1	1	1	1	1
		Labuhan Batu	1	1	1	1	1	1	1	1
		Labuhanbatu Selatan	x	x	x	x	x	x	1	0
		Labuhanbatu Utara	x	x	x	x	x	x	1	0
		Langkat	1	1	1	1	1	1	1	1
		Mandailing Natal	0	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
	Sumatera Barat	Nias	1	1	1	1	1	1	1	1
		Nias Selatan	1	1	1	1	1	1	1	1
		Padang Lawas	x	x	x	x	0	0	1	0
		Padang Lawas Utara	x	x	x	x	0	0	1	0
		Pakpak Bharat	0	1	1	1	1	1	1	1
		Samosir	0	1	1	1	1	1	1	1
		Serdang Bedagai	1	1	1	1	1	1	1	1
		Simalungun	1	1	1	1	1	1	1	1
		Tapanuli Selatan	0	1	1	1	1	1	1	1
		Tapanuli Tengah	1	1	1	1	1	1	1	1
		Tapanuli Utara	0	1	0	1	1	1	1	1
		Toba Samosir	0	1	1	1	1	1	1	1
		Agam	1	1	1	1	1	1	1	1
		Dharmas Raya	0	1	1	1	1	1	1	1
		Kepulauan Mentawai	1	1	1	1	1	1	1	1
		Kota Bukittinggi	1	1	1	1	1	1	1	1
		Kota Padang	1	1	1	1	1	1	1	1
		Kota Padang Panjang	1	1	1	1	1	1	1	1
		Kota Pariaman	1	1	1	1	1	1	1	1
		Kota Payakumbuh	1	1	1	1	1	1	1	1
		Kota Sawah Lunto	1	1	1	1	1	1	1	1
		Kota Solok	1	1	0	1	1	1	1	1
		Lima Puluh Kota	0	1	1	1	1	1	1	1
		Padang Pariaman	1	1	1	1	1	1	1	1
		Pasaman	1	1	1	1	1	1	1	1
		Pasaman Barat	1	1	1	1	1	1	1	1
		Pesisir Selatan	1	1	1	1	1	1	1	1
		Sijunjung	1	1	1	1	1	1	1	1
		Solok	1	1	1	1	1	1	1	1
		Solok Selatan	0	1	1	1	1	1	1	1
		Tanah Datar	1	1	1	1	1	1	1	1
	Riau	Bengkalis	1	1	1	1	1	1	1	1
		Indragiri Hilir	1	1	1	1	1	1	1	1
		Indragiri Hulu	0	1	1	1	1	1	1	1
		Kampar	1	1	1	1	1	1	1	1
		Kota Dumai	1	1	1	1	1	1	1	1
		Kota Pekanbaru	1	1	1	1	1	1	1	1
		Kuantan Singingi	1	1	1	1	1	1	1	1
		Pelalawan	1	1	1	1	1	1	1	1
		Rokan Hilir	1	1	1	1	1	1	1	1
		Rokan Hulu	1	1	1	1	1	1	1	1
		Siak	1	1	1	1	1	1	1	1
		Batang Hari	1	1	1	1	1	1	1	1
	Jambi	Bungo	1	1	1	1	1	1	1	1
		Kerinci	0	1	1	1	1	1	1	1
		Kota Jambi	1	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
	Bengkulu	Kota Sungai Penuh	x	x	x	x	x	x	1	0
		Merangin	1	1	1	1	1	1	1	1
		Muaro Jambi	1	1	1	1	0	1	1	1
		Sarolangun	1	1	1	1	1	1	1	1
		Tanjung Jabung Barat	1	1	1	1	1	1	1	1
		Tanjung Jabung Timur	0	1	1	1	1	1	1	1
		Tebo	0	1	1	1	1	1	1	1
		Bengkulu Selatan	1	1	0	1	1	1	1	1
		Bengkulu Tengah	x	x	x	x	x	x	1	0
		Bengkulu Utara	0	1	1	1	1	1	1	1
		Kaur	1	1	1	1	1	1	1	1
		Kepahiang	1	1	1	1	1	1	1	1
		Kota Bengkulu	1	1	1	1	1	1	1	1
		Lebong	1	1	1	1	1	1	1	1
		Mukomuko	0	1	1	1	1	1	1	1
		Rejang Lebong	1	1	1	1	1	1	1	1
		Seluma	1	1	1	1	1	1	1	1
	Sumatera Selatan	Banyu Asin	1	1	1	1	1	1	1	1
		Empat Lawang	x	x	x	x	1	1	1	1
		Kota Lubuklinggau	1	1	1	1	1	1	1	1
		Kota Pagar Alam	0	1	1	1	1	1	1	1
		Kota Palembang	1	1	1	1	1	1	1	1
		Kota Prabumulih	1	1	1	1	1	1	1	1
		Lahat	1	1	1	1	1	1	1	1
		Muara Enim	1	1	1	1	1	1	1	1
		Musi Banyuasin	1	1	1	1	1	1	1	1
		Musi Rawas	1	1	1	1	1	1	1	1
	Lampung	Ogan Ilir	1	1	1	1	1	1	1	1
		Ogan Komering Ilir	1	1	1	1	1	1	1	1
		Ogan Komering Ulu	1	1	1	1	1	1	1	1
		Ogan Komering Ulu Selatan	1	1	1	1	1	1	1	1
		Ogan Komering Ulu Timur	1	1	1	1	1	1	1	1
		Kota Bandar Lampung	1	1	1	1	1	1	1	1
		Kota Metro	1	1	1	1	1	1	1	1
		Lampung Barat	1	1	1	1	1	1	1	1
		Lampung Selatan	1	1	1	1	1	1	1	1
		Lampung Tengah	1	1	1	1	1	1	1	1
		Lampung Timur	1	1	1	1	1	1	1	1
		Lampung Utara	1	1	1	1	1	1	1	1
		Pesawaran	x	x	x	x	0	0	1	0
		Tanggamus	1	1	1	1	1	1	1	1
		Tulangbawang	0	1	1	1	1	1	1	1
		Way Kanan	1	1	1	1	1	1	1	1
	Bangka	Bangka	1	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Jawa	Belitung	Bangka Barat	1	1	1	1	1	1	1	1
		Bangka Selatan	1	1	1	1	1	1	1	1
		Bangka Tengah	0	1	1	1	1	1	1	1
		Belitung	1	1	1	1	1	1	1	1
		Belitung Timur	1	1	1	1	1	1	1	1
		Kota Pangkal Pinang	1	1	1	1	1	1	1	1
	Kepulauan Riau	Bintan	1	1	1	1	1	1	1	1
		Karimun	0	1	1	1	1	1	1	1
		Kepulauan Anambas	x	x	x	x	x	x	1	0
		Kota Batam	1	1	1	1	1	1	1	1
		Kota Tanjungpinang	1	1	1	1	1	1	1	1
		Lingga	1	1	1	1	1	1	1	1
		Natuna	1	1	1	1	1	1	1	1
	DKI Jakarta	Kepulauan Seribu	0	1	0	1	0	1	0	1
		Kota Jakarta Barat	0	1	0	1	0	1	0	1
		Kota Jakarta Pusat	0	1	0	1	0	1	0	1
		Kota Jakarta Selatan	0	1	0	1	0	1	0	1
		Kota Jakarta Timur	0	1	0	1	0	1	0	1
		Kota Jakarta Utara	0	1	0	1	0	1	0	1
	Jawa Barat	Bandung	0	1	1	1	1	1	1	1
		Bandung Barat	x	x	x	x	1	1	1	1
		Bekasi	1	1	1	1	1	1	1	1
		Bogor	1	1	1	1	1	1	1	1
		Ciamis	1	1	1	1	1	1	1	1
		Cianjur	1	1	1	1	1	1	1	1
		Cirebon	1	1	1	1	1	1	1	1
		Garut	0	1	1	1	1	1	1	1
		Indramayu	1	1	1	1	1	1	1	1
		Karawang	1	1	1	1	1	1	1	1
		Kota Bandung	1	1	1	1	1	1	1	1
		Kota Banjar	1	1	1	1	1	1	1	1
		Kota Bekasi	1	1	1	1	1	1	1	1
		Kota Bogor	1	1	1	1	1	1	1	1
		Kota Cimahi	1	1	1	1	1	1	1	1
		Kota Cirebon	1	1	1	1	1	1	1	1
		Kota Depok	1	1	1	1	1	1	1	1
		Kota Sukabumi	1	1	1	1	1	1	1	1
		Kota Tasikmalaya	0	1	1	1	1	1	1	1
		Kuningan	1	1	1	1	1	1	1	1
		Majalengka	1	1	1	1	1	1	1	1
		Purwakarta	1	1	1	1	1	1	1	1
		Subang	1	1	1	1	1	1	1	1
		Sukabumi	1	1	1	1	1	1	1	1
		Sumedang	1	1	1	1	1	1	1	1
		Tasikmalaya	1	1	0	1	1	1	1	1
	Jawa Tengah	Banjarnegara	1	1	1	1	1	1	1	1
		Banyumas	1	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Jawa	Jawa Tengah	Batang	1	1	1	1	1	1	1	1
		Blora	1	1	1	1	1	1	1	1
		Boyolali	1	1	1	1	1	1	1	1
		Brebes	1	1	1	1	1	1	1	1
		Cilacap	1	1	1	1	1	1	1	1
		Demak	1	1	1	1	1	1	1	1
		Grobogan	1	1	1	1	1	1	1	1
		Jepara	1	1	1	1	1	1	1	1
		Karanganyar	1	1	1	1	1	1	1	1
		Kebumen	1	1	1	1	1	1	1	1
		Kendal	0	1	1	1	1	1	1	1
		Klaten	1	1	1	1	1	1	1	1
		Kota Magelang	1	1	1	1	1	1	1	1
		Kota Pekalongan	1	1	1	1	1	1	1	1
		Kota Salatiga	1	1	1	1	1	1	1	1
		Kota Semarang	0	1	1	1	1	1	1	1
		Kota Surakarta	1	1	1	1	1	1	1	1
		Kota Tegal	1	1	1	1	1	1	1	1
		Kudus	1	1	1	1	1	1	1	1
		Magelang	1	1	1	1	1	1	1	1
		Pati	1	1	1	1	1	1	1	1
		Pekalongan	1	1	1	1	1	1	1	1
		Pemalang	0	1	1	1	1	1	1	1
		Purbalingga	1	1	1	1	1	1	1	1
		Purworejo	1	1	1	1	1	1	1	1
		Rembang	0	1	1	1	1	1	1	1
		Semarang	1	1	1	1	1	1	1	1
		Sragen	1	1	1	1	1	1	1	1
		Sukoharjo	1	1	1	1	1	1	1	1
		Tegal	1	1	1	1	1	1	1	1
		Temanggung	1	1	1	1	1	1	1	1
		Wonogiri	1	1	1	1	1	1	1	1
		Wonosobo	1	1	1	1	1	1	1	1
	DI Yogyakarta	Bantul	1	1	1	1	1	1	1	1
		Gunung Kidul	1	1	1	1	1	1	1	1
		Kota Yogyakarta	1	1	1	1	1	1	1	1
		Kulon Progo	1	1	1	1	1	1	1	1
		Sleman	1	1	1	1	1	1	1	1
	Jawa Timur	Bangkalan	0	1	1	1	1	1	1	1
		Banyuwangi	0	1	1	1	1	1	1	1
		Blitar	1	1	1	1	1	1	1	1
		Bojonegoro	0	1	1	1	1	1	1	1
		Bondowoso	1	1	1	1	1	1	1	1
		Gresik	1	1	1	1	1	1	1	1
		Jember	0	1	1	1	1	1	1	1
		Jombang	1	1	1	1	1	1	1	1
		Kediri	0	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Bali dan Nusa Tenggara	Banten	Kota Batu	1	1	1	1	1	1	1	1
		Kota Blitar	1	1	1	1	1	1	1	1
		Kota Kediri	1	1	1	1	1	1	1	1
		Kota Madiun	1	1	1	1	1	1	1	1
		Kota Malang	1	1	1	1	1	1	1	1
		Kota Mojokerto	1	1	1	1	1	1	1	1
		Kota Pasuruan	0	1	1	1	1	1	1	1
		Kota Probolinggo	1	1	1	1	1	1	1	1
		Kota Surabaya	1	1	1	1	1	1	1	1
		Lamongan	1	1	1	1	1	1	1	1
		Lumajang	1	1	1	1	1	1	1	1
		Madiun	0	1	1	1	1	1	1	1
		Magetan	1	1	1	1	1	1	1	1
		Malang	1	1	1	1	1	1	1	1
		Mojokerto	1	1	1	1	1	1	1	1
		Nganjuk	1	1	1	1	1	1	1	1
		Ngawi	1	1	1	1	1	1	1	1
		Pacitan	1	1	1	1	1	1	1	1
		Pamekasan	1	1	1	1	1	1	1	1
		Pasuruan	0	1	1	1	1	1	1	1
		Ponorogo	1	1	0	1	1	1	1	1
		Probolinggo	1	1	1	1	1	1	1	1
		Sampang	1	1	1	1	1	1	1	1
		Sidoarjo	1	1	1	1	1	1	1	1
		Situbondo	1	1	1	1	1	1	1	1
		Sumenep	0	1	1	1	1	1	1	1
		Trenggalek	1	1	1	1	1	1	1	1
		Tuban	1	1	1	1	1	1	1	1
		Tulungagung	1	1	1	1	1	1	1	1
	Banten	Kota Cilegon	0	1	1	1	1	1	1	1
		Kota Serang	x	x	x	x	0	0	1	0
		Kota Tangerang	1	1	1	1	1	1	1	1
		Lebak	0	1	1	1	1	1	1	1
		Pandeglang	1	1	1	1	1	1	1	1
		Serang	1	1	1	1	1	1	1	1
		Tangerang	1	1	1	1	1	1	1	1
	Bali	Badung	1	1	1	1	1	1	1	1
		Bangli	1	1	1	1	1	1	1	1
		Buleleng	1	1	1	1	1	1	1	1
		Gianyar	1	1	1	1	1	1	1	1
		Jembrana	1	1	1	1	1	1	1	1
		Karang Asem	1	1	1	1	1	1	1	1
		Klungkung	1	1	1	1	1	1	1	1
		Kota Denpasar	1	1	1	1	1	1	1	1
		Tabanan	1	1	1	1	1	1	1	1
	NTB	Bima	1	1	1	1	1	1	1	1
		Dompu	1	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Kalimantan	NTT	Kota Bima	0	1	1	1	1	1	1	1
		Kota Mataram	1	1	1	1	1	1	1	1
		Lombok Barat	1	1	1	1	1	1	1	1
		Lombok Tengah	1	1	1	1	1	1	1	1
		Lombok Timur	1	1	1	1	1	1	1	1
		Lombok Utara	x	x	x	x	x	x	1	0
		Sumbawa	1	1	1	1	1	1	1	1
		Sumbawa Barat	1	1	1	1	1	1	1	1
		Alor	1	1	1	1	1	1	1	1
		Belu	1	1	0	1	1	1	1	1
		Ende	1	1	0	1	1	1	1	1
		Flores Timur	1	1	1	1	1	1	1	1
		Kota Kupang	1	1	1	1	1	1	1	1
		Kupang	1	1	1	1	1	1	1	1
		Lembata	1	1	1	1	1	1	1	1
		Manggarai	1	1	1	1	1	1	1	1
		Manggarai Barat	1	1	0	1	1	1	1	1
		Manggarai Timur	x	x	x	x	0	1	1	1
		Nagekeo	x	x	x	x	1	1	1	1
		Ngada	1	1	1	1	1	1	1	1
		Rote Ndao	1	1	1	1	1	1	1	1
		Sikka	1	1	1	1	1	1	1	1
		Sumba Barat	1	1	1	1	1	1	1	1
		Sumba Barat Daya	x	x	x	x	1	1	1	1
		Sumba Tengah	x	x	x	x	1	1	1	1
		Sumba Timur	1	1	1	1	1	1	1	1
		Timor Tengah Selatan	1	1	1	1	1	1	1	1
		Timor Tengah Utara	1	1	1	1	1	1	1	1
	Kalimantan Barat	Bengkayang	1	1	1	1	1	1	1	1
		Kapuas Hulu	1	1	1	1	1	1	1	1
		Kayong Utara	x	x	x	x	1	0	1	0
		Ketapang	1	1	1	1	1	1	1	1
		Kota Pontianak	1	1	1	1	1	1	1	1
		Kota Singkawang	0	1	1	1	1	1	1	1
		Kubu Raya	x	x	x	x	0	1	1	1
		Landak	1	1	1	1	1	1	1	1
		Melawi	1	1	1	1	1	1	1	1
		Pontianak	1	1	1	1	1	1	1	1
		Sambas	1	1	1	1	1	1	1	1
		Sanggau	1	1	1	1	1	1	1	1
		Sekadau	1	1	0	1	1	1	1	1
		Sintang	1	1	1	1	1	1	1	1
	Kalimantan Tengah	Barito Selatan	1	1	1	1	0	1	1	1
		Barito Timur	1	1	1	1	1	1	1	1
		Barito Utara	1	1	1	1	1	1	1	1
		Gunung Mas	0	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Sulawesi	Kalimantan Selatan	Kapuas	0	1	1	1	1	1	1	1
		Katingan	0	1	1	1	1	1	1	1
		Kota Palangka Raya	1	1	1	1	1	1	1	1
		Kotawaringin Barat	1	1	1	1	1	1	1	1
		Kotawaringin Timur	1	1	1	1	1	1	1	1
		Lamandau	1	1	1	1	1	1	1	1
		Murung Raya	0	1	1	1	1	1	1	1
		Pulang Pisau	0	1	1	1	1	1	1	1
		Seruyan	1	1	1	1	1	1	1	1
		Sukamara	1	1	1	1	1	1	1	1
		Balangan	1	1	1	1	1	1	1	1
		Banjarnegara	1	1	1	1	1	1	1	1
		Barito Kuala	1	1	1	1	1	1	1	1
		Hulu Sungai Selatan	1	1	1	1	1	1	1	1
		Hulu Sungai Tengah	1	1	1	1	1	1	1	1
		Hulu Sungai Utara	1	1	1	1	1	1	1	1
		Kota Banjarbaru	1	1	1	1	1	1	1	1
		Kota Banjarmasin	1	1	1	1	1	1	1	1
		Kotabaru	1	1	1	1	1	1	1	1
		Tabalong	1	1	1	1	1	1	1	1
	Kalimantan Timur	Tanah Bumbu	1	1	1	1	1	1	1	1
		Tanah Laut	1	1	1	1	1	1	1	1
		Tapin	1	1	1	1	1	1	1	1
		Berau	1	1	1	1	1	1	1	1
		Bulungan	1	1	1	1	1	1	1	1
		Kota Balikpapan	1	1	1	1	1	1	1	1
		Kota Bontang	0	1	1	1	1	1	1	1
		Kota Samarinda	1	1	1	1	1	1	1	1
		Kota Tarakan	0	1	1	1	1	1	1	1
		Kutai Barat	0	1	1	1	1	1	1	1
	Sulawesi Utara	Kutai Kartanegara	0	1	1	1	1	1	1	1
		Kutai Timur	0	1	1	1	1	1	1	1
		Malinau	1	1	1	1	1	1	1	1
		Nunukan	1	1	1	1	1	1	1	1
		Pasir	1	1	1	1	1	1	1	1
		Penajam Paser Utara	1	1	1	1	1	1	1	1
		Tana Tidung	x	x	x	x	0	0	1	0
		Bolaang Mongondow	1	1	1	1	1	1	1	1
		Bolaang Mongondow Selatan	x	x	x	x	x	x	1	0
		Bolaang Mongondow Timur	x	x	x	x	x	x	1	0
		Bolaang Mongondow Utara	x	x	x	x	1	1	1	1
		Kepulauan Sangihe	0	1	1	1	1	1	1	1
		Kepulauan Talaud	1	1	1	1	1	1	1	1
		Kota Bitung	1	1	1	1	1	1	1	1
		Kota Kotamobagu	x	x	x	x	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
	Sulawesi Tengah	Kota Manado	0	1	1	1	1	1	1	1
		Kota Tomohon	1	1	1	1	1	1	1	1
		Minahasa	1	1	1	1	1	1	1	1
		Minahasa Selatan	0	1	1	1	1	1	1	1
		Minahasa Tenggara	x	x	x	x	1	1	1	1
		Minahasa Utara	1	1	1	1	1	1	1	1
		Siau Tagulandang Biaro	x	x	x	x	1	0	1	0
		Banggai	1	1	1	1	1	1	1	1
		Banggai Kepulauan	1	1	1	1	1	1	1	1
		Buol	1	1	1	1	1	1	1	1
		Donggala	0	1	1	1	1	1	1	1
		Kota Palu	1	1	1	1	1	1	1	1
		Morowali	1	1	1	1	1	1	1	1
		Parigi Moutong	0	1	1	1	1	1	1	1
		Poso	1	1	1	1	1	1	1	1
		Sigi	x	x	x	x	x	x	1	0
		Tojo Una-Una	1	1	1	1	1	1	1	1
		Toli-Toli	1	1	1	1	1	1	1	1
	Sulawesi Selatan	Bantaeng	1	1	1	1	1	1	1	1
		Barru	1	1	1	1	1	1	1	1
		Bone	1	1	1	1	1	1	1	1
		Bulukumba	1	1	1	1	1	1	1	1
		Enrekang	1	1	1	1	1	1	1	1
		Gowa	1	1	1	1	1	1	1	1
		Jeneponto	1	1	1	1	1	1	1	1
		Kepulauan Selayar	1	1	1	1	1	1	1	1
		Kota Makassar	1	1	1	1	1	1	1	1
		Kota Palopo	1	1	1	1	1	1	1	1
		Kota Pare-Pare	1	1	1	1	1	1	1	1
		Luwu	1	1	1	1	1	1	1	1
		Luwu Timur	1	1	1	1	1	1	1	1
		Luwu Utara	1	1	1	1	1	1	1	1
		Maros	0	1	1	1	1	1	1	1
		Pangkajene dan Kepulauan	1	1	1	1	1	1	1	1
		Pinrang	1	1	1	1	1	1	1	1
		Sidenreng Rappang	1	1	1	1	1	1	1	1
		Sinjai	1	1	1	1	1	1	1	1
		Soppeng	1	1	1	1	1	1	1	1
	Sulawesi Tenggara	Takalar	1	1	1	1	1	1	1	1
		Tana Toraja	1	1	1	1	1	1	1	1
		Toraja Utara	x	x	x	x	x	x	1	0
		Wajo	1	1	1	1	1	1	1	1
		Bombana	0	1	1	1	1	1	1	1
		Buton	1	1	1	1	1	1	1	1
		Buton Utara	x	x	x	x	1	0	1	0
		Kolaka	1	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
Maluku	Gorontalo	Kolaka Utara	1	1	1	1	1	1	1	1
		Konawe	0	1	1	1	1	1	1	1
		Konawe Selatan	0	1	1	1	1	1	1	1
		Konawe Utara	x	x	x	x	1	1	1	1
		Kota Bau-Bau	1	1	1	1	1	1	1	1
		Kota Kendari	1	1	1	1	1	1	1	1
		Muna	1	1	1	1	1	1	1	1
		Wakatobi	0	1	1	1	1	1	1	1
		Boalemo	1	1	1	1	1	1	1	1
		Bone Bolango	0	1	1	1	1	1	1	1
		Gorontalo	1	1	1	1	1	1	1	1
		Gorontalo Utara	x	x	x	x	1	1	1	1
		Kota Gorontalo	1	1	1	1	1	1	1	1
		Pohuwato	1	1	1	1	1	1	1	1
	Sulawesi Barat	Majene	1	1	1	1	1	1	1	1
		Mamasa	0	1	1	1	1	1	1	1
		Mamuju	0	1	1	1	1	1	1	1
		Mamuju Utara	1	1	1	1	1	1	1	1
	Maluku	Polewali Mandar	1	1	1	1	1	1	1	1
		Buru	1	1	1	1	1	1	1	1
		Buru Selatan	x	x	x	x	x	x	1	0
		Kepulauan Aru	0	1	1	1	1	1	1	1
		Kota Ambon	1	1	1	1	1	1	1	1
		Kota Tual	x	x	x	x	0	0	1	0
		Maluku Barat Daya	x	x	x	x	x	x	1	0
		Maluku Tengah	1	1	1	1	1	1	1	1
		Maluku Tenggara	0	1	1	1	1	1	1	1
		Maluku Tenggara Barat	1	1	1	1	1	1	1	1
		Seram Bagian Barat	1	1	1	1	1	1	1	1
		Seram Bagian Timur	1	1	1	1	1	1	1	1
	Maluku Utara	Halmahera Barat	1	1	1	1	1	1	1	1
		Halmahera Selatan	1	1	1	1	1	1	1	1
		Halmahera Tengah	1	1	1	1	1	1	1	1
		Halmahera Timur	0	1	1	1	1	1	1	1
		Halmahera Utara	1	1	1	1	1	1	1	1
		Kepulauan Sula	0	1	1	1	1	1	1	1
		Kota Ternate	1	1	1	1	1	1	1	1
		Kota Tidore	1	1	1	1	1	1	1	1
Papua	Papua Barat	Kepulauan Fakfak	1	1	1	1	1	1	1	1
		Kaimana	1	1	1	1	1	1	1	1
		Kota Sorong	1	1	1	1	1	1	1	1
		Manokwari	1	1	1	1	1	1	1	1
		Raja Ampat	1	1	1	1	1	1	1	1
		Sorong	1	1	1	1	1	1	1	1
		Sorong Selatan	1	1	1	1	1	1	1	1
		Teluk Bintuni	0	1	1	1	1	1	1	1

Island	Province	District	2006		2007		2008		2009	
			Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data	Financial Data	Enrolment Data
	Papua	Teluk Wondama	0	1	1	1	1	1	1	1
		Asmat	0	1	1	1	1	1	1	1
		Biak Numfor	0	1	1	1	1	1	1	1
		Boven Digoel	1	1	1	1	1	1	1	1
		Dogiyai	x	x	x	x	x	x	1	0
		Jayapura	1	1	1	1	1	1	1	1
		Jayawijaya	1	1	1	1	1	1	1	1
		Keerom	1	1	1	1	1	1	1	1
		Kepulauan Yapen	0	1	1	1	1	1	1	1
		Kota Jayapura	1	1	1	1	1	1	1	1
		Lanny Jaya	x	x	x	x	x	x	1	0
		Mamberamo Raya	x	x	x	x	1	0	1	0
		Mamberamo Tengah	x	x	x	x	x	x	1	0
		Mappi	0	1	1	1	1	1	1	1
		Merauke	1	1	1	1	1	1	1	1
		Mimika	0	1	1	1	1	1	1	1
		Nabire	1	1	1	1	1	1	1	1
		Nduga	x	x	x	x	x	x	1	0
		Paniai	0	1	1	1	1	1	1	1
		Pegunungan Bintang	1	1	1	1	1	1	1	1
		Puncak	x	x	x	x	x	x	1	0
		Puncak Jaya	1	1	1	1	1	1	1	1
		Sarmi	0	1	1	1	1	1	1	1
		Supiori	1	1	1	1	1	1	1	1
		Tolikara	0	1	1	1	1	1	1	1
		Waropen	0	1	1	1	1	1	1	1
		Yahukimo	0	1	0	1	1	1	1	1
		Yalimo	x	x	x	x	x	x	1	0

ii. Province Summary – Number of Districts Providing Enrolment Data

Province	2006		2007		2008	
	Total Number of Districts	Districts with Enrolment Data	Total Number of Districts	Districts with Enrolment Data	Total Number of Districts	Districts with Enrolment Data
Nanggroe Aceh Darussalam	21	21	21	21	23	21
Sumatera Utara	25	25	25	25	28	25
Sumatera Barat	19	19	19	19	19	19
Riau	11	11	11	11	11	11
Jambi	10	10	10	10	10	10
Sumatera Selatan	14	14	14	14	15	15
Bengkulu	9	9	9	9	9	9
Lampung	10	10	10	10	11	10
Kepulauan Bangka Belitung	7	7	7	7	7	7
Kepulauan Riau	6	6	6	6	6	6
DKI Jakarta	6	6	6	6	6	6
Jawa Barat	25	25	25	25	26	26
Jawa Tengah	35	35	35	35	35	35
DI Yogyakarta	5	5	5	5	5	5
Jawa Timur	38	38	38	38	38	38
Banten	6	6	6	6	7	6
Bali	9	9	9	9	9	9
Nusa Tenggara Barat	9	9	9	9	9	9
Nusa Tenggara Timur	16	16	16	16	20	20
Kalimantan Barat	12	12	12	12	14	13
Kalimantan Tengah	14	14	14	14	14	14
Kalimantan Selatan	13	13	13	13	13	13
Kalimantan Timur	13	13	13	13	14	13
Sulawesi Utara	9	9	9	9	13	12
Sulawesi Tengah	10	10	10	10	10	10
Sulawesi Selatan	23	23	23	23	23	23
Sulawesi Tenggara	10	10	10	10	12	11
Province Gorontalo	5	5	5	5	6	6
Sulawesi Barat	5	5	5	5	5	5
Maluku	8	8	8	8	9	8
Maluku Utara	8	8	8	8	8	8
Papua Barat	9	9	9	9	9	9
Papua	20	20	20	20	21	20
Total	440	440	440	440	465	452

2009 enrolment estimates are based on the latest available enrolment data available

i. Province Summary – Number of Districts Providing Financial Data

Province	2006		2007		2008		2009	
Province	Total Number of Districts	Districts with Financial Data	Total Number of Districts	Districts with Financial Data	Total Number of Districts	Districts with Financial Data	Total Number of Districts	Districts with Financial Data
Nanggroe Aceh Darussalam	21	13	21	17	23	23	23	23
Sumatera Utara	25	14	25	24	28	26	33	30
Sumatera Barat	19	16	19	18	19	19	19	19
Riau	11	10	11	11	11	11	11	11
Jambi	10	7	10	10	10	9	11	11
Sumatera Selatan	14	13	14	14	15	15	15	15
Bengkulu	9	7	9	8	9	9	10	10
Lampung	10	9	10	10	11	10	14	11
Kepulauan Bangka Belitung	7	6	7	7	7	7	7	7
Kepulauan Riau	6	5	6	6	6	6	7	7
DKI Jakarta	6	0	6	0	6	0	6	0
Jawa Barat	25	22	25	24	26	26	26	26
Jawa Tengah	35	31	35	35	35	35	35	35
DI Yogyakarta	5	5	5	5	5	5	5	5
Jawa Timur	38	29	38	37	38	38	38	38
Banten	6	4	6	6	7	6	8	7
Bali	9	9	9	9	9	9	9	9
Nusa Tenggara Barat	9	8	9	9	9	9	10	10
Nusa Tenggara Timur	16	16	16	13	20	19	21	20
Kalimantan Barat	12	11	12	11	14	13	14	14
Kalimantan Tengah	14	9	14	14	14	13	14	14
Kalimantan Selatan	13	13	13	13	13	13	13	13
Kalimantan Timur	13	8	13	13	14	13	14	14
Sulawesi Utara	9	6	9	9	13	13	15	15
Sulawesi Tengah	10	8	10	10	10	10	11	11
Sulawesi Selatan	23	22	23	23	23	23	24	24
Sulawesi Tenggara	10	6	10	10	12	12	12	12
Province Gorontalo	5	4	5	5	6	6	6	6
Sulawesi Barat	5	3	5	5	5	5	5	5
Maluku	8	6	8	8	9	8	11	11
Maluku Utara	8	6	8	8	8	8	9	8
Papua Barat	9	7	9	9	9	9	10	9
Papua	20	10	20	19	21	21	29	27
Total	440	343	440	420	465	449	495	477