

Education Partnership Annual Partnership Performance Report

MANAGEMENT RESPONSE

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The 2014 Annual Partnership Performance Report

Report Objective:

The APPR provides an assessment of Education Partnership achievements, weaknesses, opportunities and challenges (see Annex 1 for background). It speaks to the Government of Australia's performance assessment agenda, while informing program management decisions and strategic dialogue between the Government of Australia (GoA) and Government of Indonesia (GoI) about sector performance and emerging priorities. The APPR focuses on relevance, efficiency, effectiveness, impact and sustainability. It is designed to comply with GoA's aid quality processes. It presents recommendations for actions to improve the Education Partnership performance. This is the fourth APPR produced by POM - the Education Partnership's Performance Oversight and Monitoring Contractor.

Key conclusions of the report

The Education Partnership's interventions generally remain relevant to the policies and priorities of both governments and to the needs of the education sector. The program has been adapted throughout its delivery to ensure it remains relevant, with a reduced focus on access and a greater focus on education quality. Significant improvements have been made in the efficiency of the Education Partnership delivery and there is optimism that the Education Partnership is moving towards its objectives. However, a concerted effort is required if Australia is to secure a fitting, lasting legacy and optimal returns on its investment.

Main findings

Component 1 By December 2014, 763 schools had been built in 232 districts across 29 of the 34 provinces in Indonesia. These new schools have created a total of 3,267 new classrooms and an additional 117,612 student places – a significant number of new places in districts with low enrolment. Over the course of 2014 site selection processes and construction monitoring were strengthening. The component was implemented efficiently and was well managed by DFAT.

Component 2 The implementation of the professional development for education personnel program (ProDEP) began in July 2014: some 12,000 officials were trained (with a reported "satisfaction" rate of 90% - significantly above the 80% target) and 2,726 officials at 546 schools received training in the efficiently delivered New Schools Induction Program. The investment remains in line with commitments made to support the GoI's education quality agenda. Most ProDEP-related output-level indicators in the program's Program Assessment Framework are on track, although the reported low number of Continuous Professional Development participants raises some concern. We do not expect this to be a problem in the next year of the program. The program is still in an early stage of implementation and so it is not yet possible to measure impact.

There are three concerns to address in respect to efficiency, impact and sustainability: (i) how the Units of Learning will be made to better reflect the requirements of individual principals in a variety of settings, (ii) how the Ministry of Religious Affairs (MoRA) will be more directly engaged in ProDEP management, and (iii) how Gol will continue to deliver and finance ProDEP post the Education Partnership.

Component 3 To date, 2,500 madrasah have received Australian funded support – well in excess of the 1,500 target. There is a growing sense of interest in and commitment to the Education Partnership model of supporting madrasah by the Indonesian Government as evidenced by the draft Madrasah Development Centre (MDC) Regulation and the transfer of responsibilities held by MoRA's Unit for Implementing Madrasah Accreditation to Ministry sub-directorates in 2014. Five hundred and nineteen Phase 1 madrasah were assessed by the accreditation agency: 89% receiving an A or B accreditation; 53 madrasah moved up three accreditation levels and 192 madrasah moved up two levels. There is also evidence that the quality of education services is improving in both targeted and non-targeted madrasah, though the extent to which this is translating to sustained change in the quality of madrasah education is unknown.

There are two concerns to address: (i) at the level of individual madrasah, it is not clear that the focus on madrasah *accreditation* is driving quality improvements, and (ii) in respect to improving the *system* for madrasah quality improvement, it is not yet clear how the Education Partnership will take advantage of the opportunity it has to assist MoRA to significantly strengthen and sustain the systems necessary to drive quality improvements in madrasah.

Component 4 By December 2014, the Analytical and Capacity Development Partnership (ACDP) had completed 24 activities; a further 13 activities were ongoing. Together, these 37 activities constitute nearly USD 29m of contracted commitments. Achievements in 2014 include the delivery of a series of background papers to Bappenas to inform the medium term development plan (RPJMN); the preparation of a draft strategic education plan for Papua Tanah, and delivery of several studies, including the largest study of teacher absenteeism conducted in the world to date. ACDP continued to demonstrate high levels of external relevance: its work is in line with Gol policy needs and it is in keeping with DFAT's commitment to support Knowledge-to-Policy. There is evidence that the investment is generating pockets of success, with reports of ACDP evidence being both utilised and then incorporated into key documents and frameworks, including the Government of Indonesia's medium-term development plan and education sector plan.

There are three concerns to address: (i) there is insufficient evidence of a 'critical mass' of ACDP evidence being incorporated into sector policies, regulations, plans and budgets, (ii) the role of ACDP in pursuing their results to gain impact, and (iii) while sustainability was not foreseen within the design of ACDP, a lack of movement to establish an institutional legacy will result in a missed opportunity to generate a better return on the USD 50m investment.

Program management In 2014, with the Education Partnership now well into implementation, ongoing strategic engagement and discussion around directions with implementing partners is continuing to increase program effectiveness and impact. Relationships between the managers and the implementing agencies are strong: in particular, implementation of the School Systems and Quality (SSQ) contract has been typified by adaptive management, which has contributed to greater efficiency and improved prospects for program effectiveness (Components 1 to 3).

The outstanding challenge is for the Governments of Australia and Indonesia to ensure that the Education Partnership is in line with the governments' overarching development aspirations. On one level this requires attention be paid to the 'traditional' (and important) development principles of sustainability and capacity building. On another level it requires alignment with GoA's new aid paradigm and its promotion of, *inter alia*, value for money, private sector engagement and combatting corruption. The APPR also notes the ongoing absence of social inclusion and value for money strategies or frameworks, potentially at the expense of securing optimal developmental returns.

Management Response

The APPR presents a well-balanced, fair and objective assessment of the performance of the Education Partnership to date. We appreciate that POM took a highly consultative approach to preparing the APPR and believe that POM's considerable engagement with stakeholders was productive. We acknowledge that our contribution to the sector remains highly valued and that the Education Partnership continues to work on significant issues in areas of importance to Gol. We recognise the need to ensure that our approaches to those issues must evolve as government policies and priorities change. We agree with the APPR's assertion that we and the program's contractors should increasingly focus on sustainability and on engaging with the Indonesian Government to maximise the program's impact.

Responses to each of the APPR's 28 recommendations can be found in Annex 2. It is important to note that two factors in addition to the APPR's findings have influenced both our responses to the recommendations and our drivers for the coming year: first, we are moving into the final phase of the Education Partnership (Components 1, 2 and 3 will close at the end of FY 2015/16 and Component 4 will close at the end of 2015); and second, the Australian aid program will face a substantial reduction in financing starting in July 2015.

Under these limiting conditions we are shaping our overall effort on the Education Partnership to focus on three outcomes; (i) a successful transition from the Partnership to a forward program that supports Gol's emerging priorities – the quality of schooling and learning outcomes; (ii) that those aspects of the Partnership that are sustainable are provided a feasible means of progressing and maturing *within* Gol programs; and (iii) that the gains made and lessons learned throughout the Partnership are understood and, where applicable, applied to our forward program and, if appropriate, to Australia's aid program more generally.

Concerning the transition to our forward program and the sustainability of the Partnership's programs we will develop a Transition Strategy – to be finalized following the May release of the education program's forward budget. Within that strategy we will prioritise those aspects of the Partnership that most strongly align with both Indonesia's commitment to quality schooling and Australia's interest in strengthening the education system so that it may better underpin Indonesia's economic growth. The strategy will identify those Education Partnership systems and processes that have the greatest potential to be sustained, taking into account anticipated MoEC, MoRA and local government resourcing, the role of districts in service provision, necessary Gol staff development, and the evolving priorities of the Gol. The strategy will also detail the extent to which Australia will invest in those systems and processes through the final year of the Education Partnership and, where applicable, within its forward program of support, and how those activities can best be managed and monitored to ensure their effective absorption into Gol programs.

Particular attention will be paid in this exercise to establishing with Gol the most practical ways of sustaining and strengthening the ProDEP program, recognising the critical role that districts must play in adopting/adapting and financing a professional development agenda for teachers, school leaders and supervisors. We are anticipating that discussions with Gol throughout the remainder of this FY will clarify the extent to which Gol will commit to supporting ProDEP beyond the Australian investment.

The Grand Design for Madrasah Quality, which is being developed by MoRA with Australian assistance, will also inform the Transition Strategy as it is expected to articulate how MoRA intends to proceed with systems introduced by the Education Partnership including accreditation preparation for madrasah and Madrasah Development Centres at the provincial level. The Grand Design is also expected to address how the accreditation system employed by MoRA over the coming years will place a greater emphasis on assessing a madrasah's quality of teaching.

The Transition Strategy will provide the “roadmap” through which we will exit the Education Partnership and, as seamlessly as possible, establish and strengthen a limited suite of activities designed to assist the GoI identify cost effective ways of meeting some of their most challenging sector goals: it will, for example, detail our expectations of the new INOVASI program in respect to testing means to embed quality-focused programs, such as ProDEP, within districts’ plans and budgets.

To establish the impact of the Education Partnership (Monitoring, evaluating and reporting Education Partnership systems, impact and lessons learnt) we will adopt a component specific strategy:

Component 1 POM and SSQ will continue to assess the impact of Component 1. They will (i) collect and analyse data on new school places created by the Education Partnership and the means by which these places are being filled; (ii) assess the impact of the new site selection process; (iii) work with MoEC to determine the degree to which Component 1 processes and systems can be adopted/adapted for use in the planned expansion of senior secondary facilities.

Component 2 MoEC has already taken over the management of the M&E system and the on-line finance system for ProDEP. Efforts throughout 2015 will focus on ensuring that the quality assurance system is also fully embedded in the ministry. An impact evaluation will inform program effectiveness and sustainability and be used to promote ProDEP as an all-inclusive PD system to key stakeholders.

Component 3 MoRA has committed to complete a Grand Design (GD) for Madrasah quality improvement. The GD team are preparing a background paper that explores the lessons learnt from on-going MoRA programs, including those under the Education Partnership’s Component 3. The background paper is expected to be completed in April 2015 and will inform our Transition Strategy.

Component 4 With respect to ACDP, Australia will seek from the ADB an assessment of the anticipated impact of the studies and capacity building completed under ACDP. There is also an ongoing POM evaluation of this component. While we will not extend ACDP, we are keen to learn exactly how it functioned and interacted with GoI to inform, stimulate dialogue on issues and influence policy. Currently ADB is looking at the structure, processes and systems of the ACDP to assess the degree to which they are fit-for-purpose. That exercise will be completed by April and will inform how we design any future TA support to the policy analysis process.

The ADB will finalize an ACDP work plan this month (April 2015) for the remainder of the program. Our goal is to ensure that the program proposed by ADP meets three objectives: (i) it is fully aligned with GoI’s forward agenda for the sector; (ii) it is strategically managed and articulates how completed, on-going and new ACDP studies will be followed through the knowledge-to-policy chain, and; (iii) that contracted TA have the best possible credentials and reputation with respect to the areas being analysed.

Concerning the promotion of inclusive education, in the final phase of the Education Partnership, particular emphasis will be placed on allowing the program to promote gender equality and disability inclusive education. The EP management and implementation team will work closely with SSQ’s Social Inclusion advisor and other technical support to explore opportunities within the program, with a particular focus on the ProDEP system.

Our Strategy to draw the Education Partnership to a close

While our Transition Strategy (see above) will provide detail on how we close the Education Partnership and move to our forward agenda, the broad focus of the Education Partnership management team over the next 15 months will be to work with the GoI to ensure a smooth closure and that all post-budget reduction obligations are met. This will involve sharing our transition schedule with GoI and ensuring that all stakeholders keep a clear line of sight on the Education Partnership's end of program objectives and outcomes. We will ask POM to coordinate with SSQ and ACDP to ensure that this process is well monitored and potential issues are identified early.

From this point on, we will endeavour to ensure that interaction with the Education Partnership Technical Oversight Groups (TOGs) are issue-focused, are able to contribute to a smooth exit from the Education Partnership and transition to our forward program. We will ensure that the TOG Chairs are aware of our strategic short- and medium-term agenda before the TOGs meet and that the meetings are made more productive by confirming agreed ways forward and recognizing any outstanding issues and a timeline for those issues to be addressed.

With the assistance of SSQ and POM, over the course of the remainder of this financial year, the Education Partnership management team will: (i) formalise a method of documenting the Education Partnership's lessons; (ii) strengthen cross-component synergies; (iii) identify the extent that the Education Partnership can claim success with respect to its social inclusion agenda with a focus on disability; and (iv) agree on the terms of reference for an Education Partnership-wide value-for-money study to be completed by POM to inform the final assessment of the effectiveness of the program and Australia's future programs in the education sector.

Annex 1: Background Information

Australia and the European Union are providing support to the Government of Indonesia to implement education priorities outlined in the *2010-2014 Education Sector Strategic Plan (Renstra 2010-2014)*. The program has four components.

1. Construct or expand up to 1,150 junior secondary schools to increase junior secondary enrolment in participating districts;
2. Improve the quality of school and madrasah management by developing a professional development system which will be made available to all 293,000 of Indonesia's school principals, school supervisors and district education officials;
3. Strengthen the system for madrasah quality improvement and support up to 1,500 Islamic schools (madrasah) to improve their quality consistent with the National Education Standards;
4. Work together with the European Union (EU) and the Asian Development Bank (ADB) to support relevant, high quality and timely research and analysis that strengthens education policy, planning and budgeting.

The total value of the Education Partnership is up to \$524 million, delivered over 5 years (2011-2016).

Aid Activity Summary

Aid Activity Name	Australia's Education Partnership with Indonesia		
AidWorks initiative number	INJ648		
Commencement date	5 November 2010	Completion date	30 June 2016
Total Australian \$	AUD524 million (committed amount)		
Delivery organisation(s)	<ul style="list-style-type: none"> • Cardno Emerging Markets (School System and Quality – SSQ) • GRM International (Performance Oversight and Monitoring – POM) • Asian Development Bank (Analytical and Capacity Development Partnership – ACDP) • URS Pty. Ltd. (Education Partnership Outreach Services – EPOS) 		
Implementing Partner(s)	Government of Indonesia, specifically: <ul style="list-style-type: none"> • Ministry of Education and Culture (MoEC) • Ministry of Religious Affairs (MoRA) 		
Country/Region	Indonesia, Asia		
Primary Sector	Education (Basic)		

Annex 2: Response to APPR Recommendations

Component 1 – School Construction (C1)		
Recommendation	Management Response	Actions
1. Institutional partners, with the support of SSQ, should identify which C1 systems and processes have the greatest potential to be sustained (adopted ‘as is’ or adapted to fit).	Agree	This will be covered by the sustainability strategy.
2. Institutional partners should consider the commissioning of supplementary analyses of the key success factors for sustainability, including appraisal of approaches to and lessons learned during the implementation of similar activities.	Agree	This will be covered by the sustainability strategy.
3. Accurate enrolment figures of all newly built schools should be systematically and comprehensively reported.	Agree	POM will collect this information and report on it through the Annual Performance Reporting process.
4. A survey instrument should be proposed in POM’s EOPO 1 Evaluation Study endline in 2015 to disaggregate between new enrollees and transferees.	Agree	POM will include this survey instrument in Component 1 Evaluation Study endline in 2015.
5. The impact of NSIP and enhanced site selection process should be analysed and documented (possibly through an evaluation study)	Partially Agree	Australia will work with POM, MoEC and SSQ to develop an approach to assess the impact of enhanced site selection processes.

Component 2 – Professional Development of Education Personnel (C2)		
Recommendation	Management Response	Actions
6. A long-term sustainability strategy that resolves issues of affordability, financing and institutional responsibilities and capabilities should be developed, maintained and implemented by June 2105	Agree	This will be covered by the sustainability strategy.
7. Gol's expectations for MoRA's long-term involvement and role in ProDEP should be clarified, i.e. whether MoRA is expected to be able to implement and sustain ProDEP within its environment after the EP.	Agree	This will be clarified through the Grand Design process.
8. ProDEP should be 'marketed' as a cohesive, integrated package of professional development so as to guard against selection of individual modules or components	Agree	An approach to marketing ProDEP will be articulated in the sustainability strategy.
9. Tailored UoIs that take adequate account of the variety of settings in which principals operate should be provided	Partially agree	Australia, through SSQ, will look at how to improve the delivery of the training so the sample is more contextualised and better accounts for the different levels of support required.
10. To increase impact, small schools/madrasah in rural areas should be prioritised during the selection of supervisors and principals (schools)	Agree	Australia will encourage District Governments to prioritise those educational personnel who are most in need of support.
11. Responsibility for the design, delivery modalities and quality assurance functions for ProDEP should be transitioned from C2 to an appropriate entity appointed by Badan	Agree	Australia through SSQ will transition responsibility for these systems as part of the sustainability strategy.

Component 3 – Support for Madrasah Accreditation (C3)		
Recommendation	Management Response	Actions
12. Priority should be given to assisting MoRA in the immediate development of a comprehensive ‘Grand Design’ or ‘Road Map’ that will guide future efforts to continuously improve the quality of madrasah	Agree	Australia is supporting the Grand Design process.
13. Lessons from the implementation of C3 – specifically those which contribute to a better understanding of the processes and systems required to improve quality – should be collated, analysed and presented for discussion and consideration as part of the ‘Grand Design’	Agree	The Grand Design team will prepare a background paper which captures the lessons learnt to inform the Road Map document.
14. Priority initiatives identified by the ‘Grand Design’ should be supported with appropriate specialized technical assistance and adequate resources from C3	Partially agree	Australia will consider the outcomes of the Grand Design process as part of planning future support.
15. An analysis of the appropriate levels of Block Grant funding required to meet accreditation standards and to improve the quality of education services provided should be conducted and this should take due account of different types and circumstances of madrasah	Agree	SSQ has completed and provided this analysis to MoRA to inform their 2015 replication plan.
16. Introduce Leadership and Community Engagement training and negotiate better engagement with ProDEP training programs	Agree	Through the ProDEP system, Principals will receive leadership training.
17. Ensure rigorous selection, professional development (including linking with ProDEP) and monitoring of mentors (and supervisors) and work to build a cadre of educational professionals for improving madrasah education quality	Agree	Australia will support the training of supervisors through ProDEP and through the Road Map process, Australia will continue to dialogue with MoRA about their plan to further develop the capacity of their supervisors.

Component 4 – Analytical and Capacity Development Partnership (C4)		
Recommendation	Management Response	Actions
18. The ADB TA Report and ACDP M&E Strategy should be reviewed and updated to include suitable success metrics	Partially Agree	Australia will request ACDP to update the M&E Strategy with suitable measures of success but not the ADB TA Report.
19. The portfolio of investments should be managed more strategically such that the Secretariat looks beyond output-level deliverables to the pursuit of the agreed outcomes, for example by maximising the potential of its ‘back catalogue’ of concluded activities and by exploiting the synergies between activities.	Agree	Australia will work with ACDP partners and the ACDP secretariat to improve the management of ACDP activities.
20. The ACDP Secretariat should invest in full-time, dedicated M&E resources so as to improve results tracking and reporting, and to facilitate learning, continuous improvement and strategic management of its portfolio.	Agree	A full time M&E Specialist is being recruited and is expected to be mobilised in March 2015.
21. Institutional partners should, as part of the negotiations concerning the proposed budget-neutral extension of ACDP, reach a shared understanding or agreement about: <ul style="list-style-type: none"> • the nature of any intended institutional legacy; • whether ACDP’s current institutional home is the most appropriate to attain that legacy; • what supporting measures are required by GoI to pursue any intended institutional legacy; and • what is expected of ACDP to build the necessary foundations for that legacy 	Agree	At the ATOG meeting on 3 March 2015, Australia proposed to the ACDP partners that the ACDP develop and implement a sustainability strategy that considers these issues. Australia’s support to ACDP will finish at the end of 2015.

Management and governance of the EP		
Recommendation	Management Response	Actions
22. EP managers should identify and agree upon key strategies for the realisation of EP EOPOs and ensure that EP workplans align with key strategies	Agree	Through regular dialogue and formal governance mechanisms Australia will continue to work closely with MoEC, MoRA and other stakeholders to keep a clear line of sight on the aspirations of the EP.
23. A formal mechanism to identify, review and share lessons learned from the implementation of the EP should be established and then applied to the new AIP priorities and programs.	Agree	Australia will work with POM to ensure lessons learnt are captured and shared.
24. EP managers should identify and maximise cross-component synergies through stronger EP portfolio management	Agree	Australia will continue to encourage engagement across the components of the EP to maximise the benefits and chance of sustainability.
25. Institutional partners, with the support of implementing partners, should define a clear strategy that explains how the EP translates DFAT's and Gol's policies on equity and equality into action	Agree	The EP will develop a strategy which will focus on promoting gender equality and inclusive education in its final period.
26. Institutional partners, with the support of implementing partners where appropriate, should identify relevant social inclusion indicators, milestones and targets for incorporation into the Performance Milestone Framework	Agree	As part of the work to define activities to promote inclusive education, the Education Partnership management team will define performance indicators for the Performance Milestone Framework.
27. EP managers should develop an action plan identifying adjustments required to the EP to respond to the development principles articulated within Australia's "new aid paradigm"	Agree	The Education Partnership is developing a sustainability and transition plan which will guide the forward agenda as articulated in the Aid Investment Plan.
28. As part of the above, agreement on a utilitarian VFM framework should be reached early in 2015	Agree	A value for money assessment of the EP will be conducted in late 2015. A terms of reference for this assessment are being developed.

