

Australia Indonesia Education Innovation Facility (EIF)

Concept Note

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Abbreviations

Abbreviation	Definition
ACCESS	Australian Community Development and Civil Society Strengthening Scheme
ACDP	Analytical Capacity Development Partnership (Component 4 of the AusAID/EU Education Sector Support Programme)
ACER	Australian Council for Educational Research
AIPD	Australia Indonesia Partnership for Decentralisation
BAPPEDA	Badan Perencanaan Daerah (Provincial/District Planning Agency)
BAPPENAS	Badan Perencanaan Nasional (National Planning Agency)
BERMUTU	Better Education through Reformed Management and Universal Teacher Upgrading
BOS	Bantuan Operasional Sekolah (School Operational Funds)
CN	Concept Note
CSO	Civil Society Organisation
DBE	Decentralised Basic Education (USAID-funded Program)
EU	European Union
ECED	Early childhood education and development
EIF	Education Innovation Facility
EP	Education Partnership
EQAS	Education Quality Assurance System
ESSP	Education Sector Support Program
GER	Gross Enrolment Rate
GoI	Government of Indonesia
LPMP	Lembaga Penjaminan Mutu Pendidikan (Education Quality Assurance Institute)
MoEC	Ministry of Education and Culture
MoF	Ministry of Finance
MoHA	Ministry of Home Affairs
MoRA	Ministry of Religion and Culture
NER	Net enrolment rate
NTB	Nusa Tenggara Barat
NTT	Nusa Tenggara Timur
OECD	Organisation for Economic Cooperation and Development
PIRLS	Progress in International Reading Literacy Study conducted by the International Association for the Evaluation of Education Achievement (IEA)
PISA	Program for International Student Assessment conducted by the Organisation for

Abbreviation	Definition
	Economic Cooperation and Development (OECD)
PNPM	Program Nasional Pemberdayaan Masyarakat (National Poverty Reduction Program)
POM	Performance Oversight and Monitoring (for the AusAID Education Sector Support Program)
PRSF	Poverty Reduction Support Facility (for the TNP2K - National Team for Acceleration of Poverty Reduction)
SBM	School-Based Management
SEDIA	Support for Education Development in Aceh
TIMSS	Trends in International Mathematics and Science Study conducted by the International Association for the Evaluation of Education Achievement (IEA)

1 Situation Analysis – Issue Identification

1.1 Sector Context

The following provides context for the proposed investment with a summary analysis (see Annex 1 for full analysis) of education access, quality and system governance in Indonesia. These three dimensions are critically interlinked.

Access

Indonesia has made impressive strides in access to education but progress is uneven across levels of education, rural and urban populations, and socio-economic quintiles. There is almost universal coverage at the primary level and junior secondary access is increasing. There also appears to be parity in terms of female/male enrolments in basic education (1.02 girls for every 1 boy in 2010)¹. Senior secondary and tertiary enrolment rates are still lagging, although demand is expected to grow as junior secondary continues to expand and GoI moves to a compulsory 12-year education model from 2013. Enrolment in pre-primary programs is also low.

But significant regional disparities in access persist. For example, the NER for primary school students in urban centres of Jakarta and Yogyakarta is above 97 per cent, while in rural and remote areas such as Sulawesi Barat and Papua Barat it is around 87 per cent. At junior-secondary level, NER is highest in Jakarta (89 per cent) and lowest in Nusa Tenggara Timur (59 per cent).

Drop-out rates *within* each cycle of basic education are low but drop-out in the *transition* from primary to junior-secondary is high.² There are strong financial drivers for this due to increasing costs for households at the junior-secondary level. But perceptions of the value of education – largely derived from perception of the quality of education service delivery – were also identified as a key driver.

Enrolment rates in Indonesia are not, however, truly reflective of the opportunity to participate in learning.³ This issue is explored further below in the analysis of the quality of education services.

Quality

Available evidence suggests that Indonesia's significant investment in education is not currently delivering strong learning outcomes for students. International test results (2007 TIMSS) show Indonesian performance to be lower than that of countries at a similar point in their development, even after controlling for socio-economic status. While the national exam has consistently high pass rates (99.5 per cent for year 12), there are many issues related to its validity as an indicator of learning outcomes. Consequently, robust assessment of learning outcomes must rely on research studies which include independent measures of student learning and on analysis of the results of the international tests in which Indonesia participates (including PIRLS, PISA and TIMSS). A small national study of the achievement of Year 9 madrasah students in math, science, Bahasa Indonesia and

¹ UN MDG Statistical Database. While Indonesia's record with regard to gender parity in education participation is commendable (in both access and transition at primary and junior secondary levels), broader issues associated with gender equality remain. These include gender stereotyping in teaching material; teaching and classroom practice; restricting girls' or boys' participating in certain types of activities or roles; and ensuring safety from harm or harassment to, during, and from the school day.

² UNICEF, *Global Initiative on Out-of-School Children: Indonesia Country Study* (2012).

³ A distinction is drawn in this note between access to schooling (including enrolment, physical access, financial access) and participation in schooling (which includes attendance, grade repetition, ability to learn, and acquisition of knowledge and skills).

English supports the overall PISA and TIMSS findings which indicate that the majority of Indonesian students taking the tests fail to score above the lowest benchmarks.⁴

The knowledge and capacity of the majority of teachers, principals and supervisors is well below what may be needed to deliver quality education. GoI efforts to improve the quality of learning outcomes in the past 6-8 years have focused mainly on a massive national program of upgrading teacher qualifications and implementing a national certification process to ensure that teachers have appropriate subject knowledge and pedagogical skills. These efforts have thus far failed to deliver results. Two World Bank studies have shown that students of certified teachers score lower on achievement tests than students of non-certified teachers, and that principals and supervisors score even lower than certified teachers on the competence tests. The same results were obtained in a study undertaken by local researchers at Padjadjaran University.⁵

Challenges related to improving the quality of education are not only about teacher qualifications and competency but also other supporting elements such as curriculum, learning process, assessment, availability of learning resources, and the implementation of quality control.

Financing and Governance

GoI has substantially increased resources allocated to education⁶. Although the government commits 20 per cent of its national budget to education (Rp. 311 trillion or USD35.3 billion in 2012), projections suggest that in the near future the vast majority of this will be required to finance recurrent costs (salaries, infrastructure maintenance, etc.). As the teacher salary bill rises due to increases in the number of newly certified existing teachers, the amount of public financing available for other quality-focused reforms will be severely limited. It is probable, therefore, that where non-salary central funding is available it will be applied to current quality related commitments, leaving few resources to research, trial, disseminate and finance new initiatives.

Governance of the system is complex: there are multiple central ministries involved and three layers of government share responsibility for services. In 2001, the responsibility of many aspects of basic education was devolved to local governments. Further reforms were introduced in 2003 that provided the legal basis for school based management and formalized school committees in an effort to encourage local community participation and strengthen the accountability between service providers and their clients. Non-government providers are prominent in parts of system and have a substantial role in the provision of services to the poor, especially the rural poor.

1.2 The Reform Agenda

Improving access is a priority for GoI⁷ that has been supported by substantial public investment. For the past decade the agenda has largely focused on expanding access to basic education with large school construction programs (particularly junior-secondary schools) and addressing financial barriers to access. Since 2005 the national school grants program (BOS) has provided vital resources to schools and supported the institutionalization of earlier school based management reforms. In a further attempt to strengthen the workforce the Government, in 2012, announced a program of universal access to senior secondary education.

The agenda is now shifting to a more sustained focus on improving quality. In recent years the Government has embarked on an ambitious agenda to tackle substantial weaknesses in the system, not least of which are persistently low learning outcomes at all levels. The legislative and policy

⁴ Ali, Mohammed et al. *Quality of Education in Madrasah: Main Study* (2010), joint publication of AusAID and World Bank Indonesia.

⁵ Fahmi, Maulana and Yusup (2011)

⁶ Between 2005 and 2009, Indonesia increased public expenditure on education by over 60 per cent in real terms.

⁷ This priority is articulated in the Medium Term Development Plan 2010-14 and the Master Plan for Advancing and Accelerating Indonesia's Economic Growth.

reforms of 2005 have improved teacher remuneration and started to tackle teacher quality issues by introducing certification and a strengthened program of continuous professional development. While it perhaps too early to assess the lasting impact of these reforms, initial findings are not encouraging.

1.3 The evolving role of AusAID

Large public expenditure on education has caused the main role of donors to shift from funding programs to helping shape public investments. The donor landscape is changing: while GoI are no longer accessing concessional loans for basic education they are seeking intellectual input into the policy process, particularly in respect to addressing equity and learning shortfalls; the ADB and the US are shifting their focus to include both basic and post-secondary education and; the number of donors providing assistance is shrinking (the UK, Netherlands and EU have or will shortly withdraw their assistance to the sector).

AusAID is responding to this shift in demand. Alongside GoI, AusAID has shifted its focus and, while continuing to be a strong supporter of expanding participation in basic education⁸, has broadened its support to include a large investment to improve school management and the quality of Madrasah education via the Education Partnership (EP) (2011-16, AUD524 million). Although both the current (2008-13) and draft (2014-19) country program strategies confirm that education is a priority sector for investment, the draft Country Strategy sharpens the aid program's focus on reaching the poor with tailored approaches to reach those most at risk of exclusion from the benefits of growth and development.

AusAID is in a position to become one of the Government's leading intellectual partners in the sector as it shifts its support more fully to a quality improvement agenda (i.e. to helping GoI establish and sustain gains in learning outcomes, especially among the poor). The education sector can be characterized as an environment of opportunity, afforded by GoI policy and budgetary commitment, coupled with entrenched policy and implementation problems, including persistent regional disparities in resourcing and outcomes. Complex questions about the nature of service delivery improvement, community involvement, sector financing, and other issues that require ongoing analysis and learning to help identify new, more effective and/or more efficient solutions. AusAID's draft Country Strategy commits AusAID to working in ways that support more effective use of GoI resources and systems; share the risk of innovation; and build the evidence-base of what works and what does not.

AusAID's comparative advantage is, as the donor landscape changes, characterized by our ability to be flexible and responsive, and to be a partner in achieving GoI's policy objectives. Not being a singularly analytical organization we are developing a capacity, that the facility is intended to strengthen, to link analysis and practice in a manner that involves working alongside the various levels of government to address challenges, solve problems, and identify and share lessons.

2 The Rationale for an Innovation Facility

2.1 The drivers

Traditional remedies to addressing many of the challenges facing Indonesia's education system have not worked well, especially in respect to the improvement of services for the poor and marginalised. A considerable body of evidence from national statistics and from studies undertaken or commissioned by development partners shows that while access to basic education in Indonesia is

⁸ Under the Australia-Indonesia Basic Education Program (BEP) Australia supported the construction of over 2,000 junior secondary schools which created 330,000 new places for 13-15 year olds. Under the EP, Australia will build or renovate up to 2,000 additional junior secondary schools.

near universal, both the quality of schooling and participation levels are lowest for children in the lowest poverty quintile and from marginalized populations or remote areas.

It is difficult to assess the impact of government efforts to improve the quality of education as reforms do not appear to be implemented widely nor sufficiently monitored or assessed to determine impact. While there are service standards and quality assurance and school accountability processes, most are only being implemented in a handful of districts - the application of the Education Quality Assurance System (EQAS) and Minimum Service Standards (MSS), for example. In addition, the provincial quality assurance institutes, the LPMP, are substantially under-resourced for their tasks of delivering in-service training and mapping school quality.

Teacher professionalism, as indicated by attendance, is low. Surveys of teacher absenteeism reliably reveal high rates absenteeism (approaching 50 per cent in some remote areas) suggesting this is not a problem that can be alleviated by existing national solutions such as incentive allowances and teacher housing alone.

Low local capacity and an absence of innovation, knowledge and motivation are factors strongly influencing the impact of key programs (such as teacher up-grading and certification investments). There is a significant disconnect between national policies and local capacity to implement. This shortfall is compounded by a near absence of innovation and rigorous knowledge production about what happens in classrooms or what motivates teachers and students in the Indonesian context. There is little known on which to base improvement efforts and to scale up and replicate good practices locally, let alone nationally. A recent (2006-09) EU-funded project aimed at identifying and disseminating good practice (UNICEF Mainstreaming Good Practices in Basic Education in Indonesia) had a strong focus on the classroom and was shown to have a positive impact on changing practices but it was not apparent that the selection of activities was research-based, nor did the program have a direct link back to policy or implementation more broadly.

However, a few studies have thrown light on the classroom experience. The World Bank TIMSS Video study (2011-12), for example, observed teachers of Year 9 math closely to assess the impact of teaching methods on student achievement on a TIMSS math test. The study found that, among other findings, teaching methods that encourage active student engagement and participation such as investigation, practical work and problem solving, had a positive relationship with student achievement whereas exposition, a predominantly lecturing method, was negatively associated with student outcomes. In addition to what teachers do, the important areas which need to be investigated include the relevance of the curriculum, national assessment, school organization and culture, supervision and support, and effective partnership with the community for learning. Few of these factors have been the subject of high quality research and analysis at the classroom level. Other more recent programs which have focused on basic education include AusAID's Support for Education Development in Aceh (SEDIA) program and USAID's Decentralized Basic Education (DBE) program, but their activity focus has been management, planning and capacity development of leaders and government officials, not the classroom.

AusAID is proposing that a sub-national mechanism (the Facility) be established to test and develop knowledge about locally-based innovations and reforms that can improve classroom performance and positively influence marginalized children's participation in the learning process.

2.2 Intended focus: objectives and outcomes

The **goal** of the Facility is to:

Support replication and scale-up of practical, sustainable, affordable, and tested policy and practice changes in education service delivery that improve learning and encourage participation.

The Facility will not achieve that goal in isolation – it will not have the resources to support replication or scale-up directly - but it will seek to influence that process, including the allocation of resources by Gol, AusAID, and other stakeholders.

To contribute to that goal, the Facility will have **two end of program outcomes**:

1. ***Identifying workable (practical, sustainable and affordable) policy and practice changes for participating districts and schools to make demonstrable gains in learning outcomes and participation.***
2. ***Expanding the knowledge base within Gol, AusAID, and other sector stakeholders about what impacts learning and encourages participation.***

To meet these two outcomes the Facility will need to demonstrate what works (and, in some cases, what does not) at the local level to improve learning outcomes (measured by sustained reading and numeracy gains) and improve participation by marginalized children.

The Facility would develop and implement activities at pilot scale, accompanied by rigorous monitoring and evaluation, and supplemented by analysis, research, and local policy dialogue, which would contribute to one of the following two objectives:

1. ***Improved learning outcomes (measured by sustained literacy and numeracy gains).***
2. ***Improved participation by marginalised children (measured by relative gains in learning outcomes amongst targeted groups).***

What will be critical to realizing the end of program outcomes will be the ability for Australia, perhaps partially through the Facility, to facilitate districts taking up or continuing proven interventions, adapting or adopting mechanisms as appropriate. Essential to that process will be ensuring that successful interventions are adequately “packaged” and disseminated to appropriate districts, provinces and to the national government. The potential for local or national policy reform will also need to be understood and articulated to appropriate stakeholders, bearing in mind and also articulating an understanding of the contextual circumstances that constrain or allow policy reform.

2.3 The proposed research process

With the clear focus on contributing to the process of improving learning outcomes and improving participation in a sustainable way, the Facility’s research process may be thought of as:

1. **Identifying** local priorities, key local partners and the scope of support the Facility might provide in target provinces and districts (demand led).
2. **Designing** of action research/pilots that support the identification, trial &/or further testing of innovations/effective practices (building on what is already known).
3. **Mobilising** resources for implementation of action research (from various sources, not just the Facility).
4. **Monitoring** the research processes.
5. **Evaluating** results/findings/lessons learned through action research.
6. **Translating** analysis in the context of enabling/restricting factors that may affect the sustainability and replication of improvement in practices/behaviours.
7. **Communicating** in a timely and effective manner the results/lessons learned to key stakeholders, to help inform policy making and future programming/budgeting by both Gol and AusAID.

An early task of the proposed Facility would be to prepare a summary of the probable root causes of low learning outcomes and poor participation by marginalized children. While many of the

shortcomings of service delivery are well known, an analysis has not yet been produced that highlights in a single location the probable root causes of the most critical of the system's challenges in influencing a shift to higher standards of quality teaching and learning and more equitable access to quality schooling. While the analysis is not intended to be definitive in cataloguing the causes of all the system's inefficiencies, it should identify with an acceptable degree of certainty which of the underlying causes of low system performance could perhaps be best addressed at a sub-national level.

The Facility would target resources on a limited number of strategic issues that are of particular concern to each targeted locality (province, district, school or clusters of schools). Drawing also on the root cause analysis referred to above, these issues, for example, could include: improving learning assessment tools and systems; introducing the pedagogy of reading and numeracy to early grade teachers; making the teaching-learning process more interactive; fostering higher order thinking and problem solving; engaging parents and communities as active partners in learning; attracting and retaining marginalized students; and harmonizing teacher deployment to ensure their equitable distribution among localities. The knowledge generated would contribute to better understanding among Indonesian education system stakeholders and development partners of the conditions which are needed to replicate and sustain successful practices more broadly. The Facility will provide the three levels of GoI and their development partners with (i) an understanding of what has worked (or not worked) to address specific issues at the local or school level, and (ii) the costs of local-based replication of those interventions.

2.4 Who the Facility would benefit: stakeholders and beneficiaries

Key stakeholders are those with a role in supporting or delivering quality education in schools to all children. While the Facility is expected to engage with the following stakeholders and beneficiaries, the policy dialogue on education sector issues arising will be led by AusAID:

- **Students:** while students are more 'beneficiaries' than stakeholders, they are critical to our planning and should be at the centre of all efforts to improve the quality of educational outcomes. And if the Facility does, in future, cover areas of secondary and/or technical and vocational education, then it becomes appropriate that students also be considered stakeholders in making decisions about their learning.
- **Teachers and principals:** teachers and principals are the locus of change in improving education quality and student learning outcomes in particular.
- **Communities:** community-school partnerships are important to strengthen the so-called "short route" of accountability, which can play a strong role in improving the quality of education service delivery.
- **Provincial and District authorities:** the Facility would work most directly with, and through, the established provincial and district authorities and agencies responsible for the planning, delivery and monitoring of basic education service delivery (Dinas Pendidikan and MDC) as well as key political figures such as Provincial Governors, Bupati and Walikota in order to understand and respond appropriately to the political economy.
- **National authorities:** in terms of the Facility's work on analysis and promoting scalability and sustainability of promising approaches engagement with MoEC and MoRA will be critical. Engagement with non-education sector specific stakeholders (such as Bappenas, MoHA, MoF and political figures) will be equally important.
- **Other players:** private providers, particularly madrasah, make up around 20 per cent of education providers in Indonesia and often serve the poorest households.

- **Development partners:** coordination with other donor programs will be essential, particularly USAID's PRIORITAS (which is also a sub-national basic education program) and the World Bank's research program that targets classroom practices and teacher incentives.
- **AusAID:** the Facility will assist to shape current and future programs and inform policy dialogue. While the exact role of AusAID as a stakeholder and as a primary investor in the Facility and its products will need to be negotiated with Government of Indonesia, it is anticipated that the agency will be an active partner in determining the scope of research undertaken, the manner in which findings are disseminated and the face of the Facility in related policy dialogue, particularly at district, province and national levels.

2.5 What the Facility would cost

Conservative estimates indicate that, at the low-end, the Facility would cost approximately \$36 million over four years (an average of \$9 million per year), but that it may be able to absorb and increasing budget as it becomes established. A comprehensive assessment of cost will be a critical part of the design work. It will be essential at that point to carefully estimate action research (pilot) costs, the extent of technical support that may be needed, and to adequately budget the comprehensive M&E agenda that will be needed.

2.6 How the Facility would function

The Facility would be designed primarily to support pilots. That is to say, it would invest in action research (the pilots) in which a strong emphasis is given to: (i) verifying underlying assumptions about the issue being addressed; (ii) testing data collection tools or methods of intervention to identify and eliminate potential problems that might compromise the validity of findings; and (iii) communicating lessons learned in appropriate ways to key stakeholders, with a focus on supporting the subsequent development and implementation of policies and practices that effectively promote improved learning outcomes for students on a wider scale. The Facility would work through partnerships, established at the local level, for action research and learning, with a focus on what is happening in the classroom/at schools to either support or impede learning outcomes.

Critically, the Facility would also investigate specific features of the broader operating environment in order to help identify which factors maintain the status quo and block change, and which enable transformations in practice. This would require analysis of: (i) relevant aspects of decentralization laws and regulations relating to education service delivery; (ii) recurrent cost implications of sustaining and replicating good practice; (iii) relevant MoEC and MoRA policies, practices and behaviors (e.g. role and appointment of personnel, funding channels, accountability arrangements); and (iv) the political economy of service delivery at different levels, including at the school and community level. This systems-oriented work may prove more complex to implement than the school-focused action research, and could also have political risks if not managed sensitively and with the full support of counterparts at all levels. However, the advantage would be a deeper understanding of what is required to achieve and sustain improvements in learning outcomes.

The Facility will give specific focus to supporting innovations that promote implementation of inclusive education policies and practices. This will include helping address issues such as the specific challenges faced by schools in remote areas or marginalized communities and low participation rates among children with learning difficulties or other disabilities. The Facility will also help address identified gender equity issues in basic education, such as gender stereotyping in teaching material and restricting girls' or boys' participation in certain types of activities or roles.

2.7 What will success look like?

The facility will be successful if it:

- **Brings together education stakeholders** from within and outside government at province and district levels to build shared understanding, based on evidence, of sector challenges, commitment to action and accountability for decisions taken.
- **Identifies practical, affordable strategies** to improve learning outcomes and increase equity in participation in schools. The extent to which participating schools and districts institutionalise successfully tested interventions will also be considered a success factor.
- **Influences AusAID programming.** To achieve this and to contribute to shaping AusAID's forward agenda in education assistance the information flow from pilot activities would need to be timely and framed in the context of contributing to a continually evolving agenda that focuses increasingly on learning outcomes and on better services for the poor.
- **Influences systemic change.** In other words, by analyzing and improving practices at the district, school and classroom levels it is intended that the knowledge and experience gained will influence how MoEC and/or MoRA view possible remedies to issues facing the sector more broadly. To do this, the Facility will need to analyse its results and lessons with due regard to scalability and sustainability, including consideration of enabling environment factors such as GoI funding, governance arrangements, legislation, policies, established administrator and teacher behaviors, etc.

Box 1 provides examples of areas of enquiry of the Facility based on key areas identified in consultations with national, provincial and district stakeholders so far (see Annex 2). Specific interventions in each area would be designed in partnership with local stakeholders and may include a range of information, formal accountability, capacity, cultural/attitudinal and/or community engagement-oriented interventions.

Box 1: Requested areas of enquiry

Teacher performance and incentives: The national government's teacher certification policy has emphasized teacher welfare rather than quality and has suffered from a lack of consistency and quality control in implementation.

Student assessment: Indonesia currently relies predominantly on high-stakes testing, which fails to deliver many positive outcomes of student assessment systems such as feedback and continual improvement. High quality, formative classroom assessment activities are one of the least expensive innovations in education reform and have been linked with better learning outcomes. Ensuring teachers, principals, and district government can interpret and respond to findings is critical.

Reducing inequality in service delivery in rural and remote areas: delivering services to disadvantaged communities, remote communities, or children from backgrounds of intergenerational poverty is challenging and costly. In terms of participation, districts and schools need to better understand where the out-of-school children are and what barriers to participation exist, so that better targeted schemes can be implemented. With regards to quality, available data on variation (urban-rural, by wealth quintiles etc.) in indicators suggest that specialized schemes are warranted to reduce inequity in the sector.

2.8 The learning agenda

Gaining and applying new knowledge

Five principles will govern knowledge creation through the Facility. The Facility's learning strategy requires an upfront acceptance by key stakeholders of five quality related considerations:

- **Expectations must be realistic.** Assessing measurable/verifiable changes in the quality of education, namely learning outcomes for children, takes time. There will be very few, if any, opportunities for rapid results to be demonstrated. The need for the Facility to also monitor process changes (e.g. intermediate results, such as changes in teacher practices) that occur as a result of pilot implementation may also delay the possible application of findings/new knowledge
- **Pilots must be adequately designed.** The quality of the design of each pilot will significantly determine the quality of M&E and learning that is possible. The action research methods and tools must be adequately robust, including establishment of clear baselines, theories of change, and appropriate indicators for measuring change. Robust impact assessment methodologies, where appropriate, must be considered as the pilot is being designed. There will be value in ensuring that all designs are peer reviewed.
- **Local capacity must be understood.** While adequate rigour in research methods is critical to the validity of findings, the Facility must also take account of local capacities to participate in the work and understand the results being achieved (or not) and the lessons learned. In addition to being robust, monitoring and evaluation tools must also be practical and relevant in the eyes of key local partners. Partners must be engaged in the M&E process if they are to be part of the learning agenda.
- **Appropriate analysis is essential.** The Facility must be able to undertake sophisticated analysis to help assess and verify higher level impacts or complex change processes.
- **Actual and potential beneficiaries must be identified.** The Facility must help key stakeholders to understand who is or is not benefiting most from improved practices/innovations. Attention to gender equality and inclusiveness must be a core element of all monitoring and evaluation work.

Verifiable results and a tight feedback loop for lessons learned will be essential if the Facility is to demonstrate its capacity to contribute to improving the quality of education in schools and to identify options for possible replication and scale-up of innovations. In order to meet this requirement the Facility will need to establish assessment mechanisms and support learning and engagement strategies at various levels. For example:

- **Individual pilot level:** The Facility will ensure that each pilot is well designed, and that it uses appropriate data collection, recording and analysis methods and tools, including the establishment of clear baselines against which any improvements in the quality of education and learning outcomes can be assessed. The development and implementation of each pilot will be conducted collaboratively with key partners (including participating schools) so that they learn from the process and take ownership of the results. For a selection of individual pilot activities, or clusters of similar activities in different locations, rigorous impact evaluations will be conducted to help ensure the validity and utility of results.
- **District and provincial levels:** The district and provincial authorities that partner with the Facility will be engaged in the development of the overall action research agenda within their respective areas, as well as the design of specific pilots. Related information needs at District and Provincial level will be explicitly incorporated into the Facility's M&E agenda, so that key decision makers are actively engaged in the learning agenda. It will be important for the

Facility to promote opportunities for sharing lessons-learned within Districts, across Districts (within Provinces) as well as between Provinces. Opportunities for such knowledge sharing would be enhanced through the Facility's collaboration with other elements of AusAID's sub national program, including with such programs as AIPD, which have their own established networks of partners and influence. Links with AusAID's support to the Knowledge Sector will also be important.

- ***AusAID and GoI at the national level:*** In order to support GoI national-level policy making, as well as AusAID's policy dialogue with GoI on how best to improve the quality of basic education in schools, the Facility will periodically report to national level stakeholders on the range of results being achieved and lessons being learned across the Facility's portfolio of work. The Facility will do this by presenting AusAID with clear information, in appropriate formats/media, that can then be used by AusAID to inform its policy dialogue with key GoI partners. The Facility's reporting to AusAID will also have a specific focus on helping to inform the design and implementation of other elements of the Australian aid program to the education sector.

Facility Monitoring and Evaluation

A rigorous M&E regime will ensure that Facility resources are employed efficiently and effectively and regular external reviews and/or independent evaluations of the Facility will be conducted to assess its relevance and use to AusAID and GoI (particularly MoF and Bappenas). In addition to the customary suite of activity management and monitoring tools (planning, budgeting, financial management, staff management, quality assurance of processes and products, data collection and reporting, etc.) and AusAID's QAI assessments of the Facility, regular external review and/or independent evaluation of the Facility are expected to refine and sharpen its focus on those areas where it can have most impact. It is also expected that annual program and performance reviews will be conducted to ensure focus on timely, useful products. This information would also feed into discussions with GoI (particularly Ministry of Finance and Bappenas) regarding expenditure quality and value for money.

2.9 The proposed Facility: A Preferred Model

AusAID already has several facilities or Facility-like initiatives in Indonesia. These include the Poverty Reduction Support Facility (PRSF), the Analytical and Capacity Development Partnership (ACDP) and the Indonesia Infrastructure Initiative (INDII). While these three entities operate in different ways, what they have in common is the capacity to support research or innovative practice in key priority areas, to operate a rolling work plan in order to be flexible and responsive, and to engage GoI at a high level. They also provide AusAID with an enhanced knowledge base and opportunities for stronger policy dialogue with GoI. The INDII model in particular will also provide a strong knowledge base on financing between national and sub-national entities.

The proposed Facility would share these common attributes but would differ in one significant way: it would operate primarily at the sub-national level. It is anticipated that the Facility will operate from a province-based hub, and would have 3 or 4 other provincial offices. Each participating province would identify 2 or 3 districts to be part of the Facility scope. Ideally the selected provinces and districts would be areas where AusAID already has some operational presence and effective working relationships. However, an essential condition for the final selection for participation (at both provincial and district levels) would be the enthusiastic commitment of local government, both elected and civil service officials.

The Facility would maintain national engagement through AusAID's existing (and future) education sector program coordinating mechanisms, as well as through regular direct communication with key

officials, especially in MoEC and MoRA. It will likely have a national level Line Ministry as Executing Agency.

Six elements are regarded as critical if the Facility is to manage resources effectively, generate real results and be in a position to influence policy and policy implementation:

1. **Government ownership:** High level discussions of the concept have indicated that there is strong support for the concept at the national level (MoEC, Bappenas and MoRA). Discussion at the provincial level and in a few districts has also resulted in broad commitment to and support of a facility of the type described in this document. It is anticipated that the Facility Design Team will find the same level of support as other districts and provinces are introduced to the concept – if only because their needs are just as substantial and they too are subject to growing public pressure for schools to produce better results and for local governments to provide better services. Government ownership at all levels will be essential as it is envisaged that GoI partners and AusAID will together provide strategic direction to the work of the Facility through the Facility's governance structures. Wherever possible, champions of change will be identified at each level.
2. **Strong technical capacity:** It will be essential to staff the Facility with a highly competent and experienced technical team to: (i) assess and interpret needs and opportunities; (ii) stimulate the demand side at national, provincial and district levels; (iii) guide the development and implementation of action research activities (the pilots); (iv) provide advice on the governance and financing issues that impact on innovation and change processes; (v) support rigorous monitoring and evaluation of pilots; and (vi) extract key lessons and implement a continuous cycle of brief, timely reports for GoI and AusAID.
3. **A capacity to interpret the political economy and to manage stakeholder relationships:** It is anticipated that these tasks will be the responsibility of provincial level coordinators who are able to utilise resources within their own Province to facilitate and maintain a process that ensures that the facility is well versed in the political and budget realities of education activity in the province. The Provincial Coordinator in the hub province will have lead responsibility in this area.
4. **Affiliation with one or more international partners who are active in research that sheds light on enhancing quality in the classroom.** While a number of organisations fit this bill, potential partners include the Jameel Poverty Action Lab (J-PAL) which has recently established an office in Indonesia, Consortium for Education Access, Transitions and Equity (CREATE) and the Australian Council for Educational Research (ACER) – all of whom AusAID has a working relationship with.
5. **Strong financial management capacity:** also essential will be an experienced core financial management and administrative team at the hub province to manage resources (e.g. staff, logistics, grants, procurement, etc.).
6. **A strong communication and learning focus:** Communications and knowledge management expertise located at the hub province must be able to continuously feed information back into the education system at all levels and to AusAID. This is central to the work of the Facility.

Assuming a contractor will be engaged to implement the Facility, **the respective roles of AusAID and the contractor need to be clearly defined.** In brief, it is expected that the contractor's role would be to ensure that the Facility (i) operates effectively, efficiently and on schedule, and (ii) provides both AusAID and GoI stakeholders with knowledge products (in useful formats) which support learning, policy dialogue and action that contribute to improved learning outcomes in schools.

AusAID's role will be threefold: (i) to be part of the processes that governs the Facility and determine its research program; (ii) to engage with GoI in education sector policy dialogue; and (iii) to take a strategic view of its overall investment in education and how it can best impact on

learning, especially for the poor. For AusAID to be in a position to influence resource allocation and policy it will be essential that the Facility provide AusAID with an accurate assessment of political economy influencing particular policy areas and decisions. Evidence, compelling as it may be, is not enough alone. Influencing planning and budgeting will require an understanding of the interface between elected officials, bureaucrats and civil society and the capacity to engage each meaningfully as partners.

2.10 Is the proposed Facility the best option?

Four options were considered to meet our objective

1. Waiting for the new Education Partnership to be designed and incorporating a more flexible research mechanism in that design and providing more direct support at the sub-national level within the new partnership.
2. Delegating cooperation in this area of work to a partner. The most obvious partners are USAID as they are already implementing a comprehensive program of support to basic education in many provinces and districts through their PRIORITAS program, and the World Bank.
3. Designing a facility that would not only identify and test innovations, but also have the resources to more extend the pilots that determined effective innovations to become mini-projects and/or to scale them up to large investment projects.
4. Designing a facility that is modest in scale, and focuses only on identifying and testing innovations, and then promoting opportunities for further piloting and scale up using resources from other sources (both GoI as well as other larger donor funded programs).

Option 4 is preferred, primarily for the following reasons: (i) the Facility can directly assist AusAID to develop its future investment program(s) in the education sector – to this end it would be beneficial to AusAID to have the Facility operating as soon as is practical; (ii) while USAID has a substantial and well established program of support to basic education, the Facility would offer something substantially different in that it would explore a broader range of inefficiencies than school teacher practices and it would have system-wide reforms as an objective – it would in fact be complementary to the USAID program rather reflective of it; (iii) it is not beneficial to AusAID to delegate knowledge creation to the Bank (or any partner) as an AusAID Facility will assist in strengthening our position as a knowledge developer and knowledge application partner to GoI; and (iv) if the Facility were to take on larger scale piloting and replication of identified innovations, it would most likely lose its flexibility and at least part of its potential to respond nimbly to demand – it is better, at least initially, for the Facility to focus on small scale focused pilots and to work with partner districts and provinces to help them take on the task of further replication. Furthermore, an influencing factor is the intention that the Facility itself be relatively small, and work in no more than 4 or 5 provinces initially. In that way, the Facility concept may be tested and its processes assessed, improved and proved valid before the mechanism is taken to scale and other provinces and/or districts engaged.

3 The Mechanics

3.1 Getting started

The proposed Facility will identify its entry points at provincial, district and school level in terms of timing, champions and institutional readiness. Timing will take into account GoI's prescribed annual planning cycle and 5 year strategic planning cycle, into which the Facility would be seeking to embed activities and ultimately influence forward plans and budgets. The Facility will recognise that Government officials have limited capacity to engage in activities, make commitments or expend funds which are not already identified in their approved expenditure plan (DIPA). Getting into the planning cycle at district and provincial level may require an 18 month lead time and the Facility may

initially have to work in parallel, but aligned with DIPA. The Facility will seek to influence planning and budgeting by providing compelling evidence of what works in improving quality at the school level, and sound advice on the enabling environment for transformation to occur.

In its inception phase the Facility will articulate its underpinning values and objectives to its stakeholders in order to gain champions, recognising that people only become champions of an initiative when they perceive that there is a high degree of alignment of its values and objectives with their own.

Having established its local partners, the Facility will collaboratively set an agenda for the action research taking into account institutional readiness and key priorities. The action research with schools or clusters of schools will be supported by the technical and management teams of the Facility and will include: (i) analytical work to ensure clear understanding of problems and opportunities, including baselines; (ii) development and design of action research pilots; (iii) provision of resources to implement the action research, including grants as appropriate; (iv) monitoring and evaluation of results; and (v) development of learning products and communication to key stakeholders.

3.2 Governance

Governance arrangements could readily build on existing mechanisms. Recognizing that the oversight and coordination of many different aid programs/projects rapidly becomes a burden on government officials' time, wherever possible, already established mechanisms will be employed. At the national level, this may involve adding the Facility as an additional agenda item to the governance body already established for the Education Partnership.⁹ At the provincial level, the governance arrangements could involve integrating the Facility into arrangements already established for such programs as AIPD. At the district level, coordinating committees would be established to support the Facility's operations. Such committees would ideally be linked to/integrated with one or more of the existing bodies responsible for the oversight of education service delivery and its quality assurance.

However, a sub-national governance structure is an exciting alternative. It is possible to substantially raise the profile of the Facility as a significant player in decentralised education service delivery by designing a governance structure that requires a senior provincial authority (a governor or vice-governor) to chair (or co-chair). This would better ensure broader buy-in at the province and district level and would also prompt consistent levels of visibility of the Facility within Bappenas and the line agencies.

Regardless of the model followed, **careful consideration needs to be given to AusAID's engagement with MoHA**, which is currently weak at least with respect to AusAID's work in the education sector, as this may need to change with the funding of a sub-national Facility.

3.3 Location

The sub-national focus requires a sub-national location for the Facility. It is therefore proposed that the main hub would be in one province where the political conditions were most favorable, and from where a core technical team could readily travel to other participating provinces.

The proposed criteria for selecting the first group of participating provinces are:

⁹ The current scope of the Education Partnerships is profiled at Annex 2. While the Facility itself will (at least initially) operate outside the established structures/arrangement for broader EP, it must nevertheless be seen (and used) as an important complementary initiative. Lessons learned from the Facility's work could be used to inform AusAID's assessments of current EP initiatives (such as the impact of the professional development for school principals/supervisors and the madrasah accreditation programs) as well as the development of future programs.

- AusAID already has an established sub-national presence, through implementation of existing programs that support front-line service delivery (e.g. AIPD, ACCESS and LOGICA)
- The province can demonstrate clear interest in and high level support for the objectives and intent of the Facility
- The province has a significant poor population among which learning outcomes are low.

Based on these criteria, an initial listing of provinces would include Aceh, NTT, NTB, East Java and South Sulawesi. As well as meeting AusAID's pro-poor objectives, beginning with provinces from this group may help accelerate Facility start-up and allow for synergies between different elements of AusAID's overall aid program at the sub-national level.

However, further consultation is required at all probable locations to firmly establish the level of interest and support from provincial and district governments.

3.4 Duration

It is anticipated that the Facility would commence operations in mid-2014, and that it would operate for an extended period to pilot promising practices and to develop and disseminate useful and effective practice, perhaps for as long as eight to ten years. Within a longer-term on-going investment strategy of building Facility expertise and reputation, AusAID will initially support a four year program which, subject to rigorous performance review, would be extended. If it remains of use/value to GoI and AusAID, and continues to meet performance standards, it could continue longer-term. Decisions would be made at key review points about the extent to which the Facility would extend its reach to other provinces and/or deepen the reach within the initial group of provinces.

4 Design Considerations

The following issues require further research or analysis during the design. Further issues may also be identified during the Concept Peer Review and subsequent consultations with GoI.

4.1 Governance and management

Governance and management arrangements for the Facility will be developed during the design process, based on further consultation with key stakeholders. Issues to be considered include the role of MoHA as well as which agency should take the lead convening role at the national level. At provincial and district levels, the respective roles of different agencies also needs further analysis, although it should be not be assumed that there will be a one-size-fits-all arrangement.

4.2 Resource requirements

Financial Resources

Preliminary analysis of likely costs show that an investment of **AUD36 million** for the first four years (AUD9 million per annum) is required. Indicative costings are provided at Annex 4. In context, this represents roughly 7 per cent of AusAID's annual education sector spend and 1 per cent of the total portfolio spend.

Human Resources

AusAID staffing: AusAID will need a human resource profile to ensure that it is able to capitalise on the knowledge generated by the Facility to inform future designs and policy engagement. Lessons

from other programs, including AusAID-Mekong NGO Engagement Platform, will be considered during design.

Facility staffing: A summary of the indicative staff needs is provided below. How staffing resources might best be allocated between the provincial hub and other participating Provinces will need to be determined during the design process.

Type of input	Description
Provincial hub office	<ul style="list-style-type: none"> Team leader, Basic education systems specialist, Education Research Specialist,, Training / Learning Specialist, M&E specialist Communications Specialist (covering all provinces) Provincial Coordinator for ‘hub’ province Finance and admin support (including IT) Short-term specialist pool (e.g. Legislation/regulations, Surveys/Statistics, Education Financing, Economics/Cost-benefit analysis, Web-design & management, etc.)
Provincial level personnel x 4 ‘additional’ provinces	<ul style="list-style-type: none"> Provincial Coordinator / Gol Liaison officer (x4 – one for each Province) Basic Education Specialist (x4 – one for each Province) Finance & admin/logistics support (x 2 for each Province)
District level personnel x 10 districts	<ul style="list-style-type: none"> District Coordinators (x10 – 2 for each of 5 Provinces) Part time facilitators
General operating costs	<ul style="list-style-type: none"> Offices, communications, travel, meetings, translation and interpreting, printing / publication, etc. (one hub office, 4 other Provincial offices, + some form of District office x 10)
Activity / action research costs	<ul style="list-style-type: none"> Payments to local service providers / experts Training / workshop events and materials Study visits / exchanges Monitoring and evaluation costs (including conduct of mapping, KAP surveys, special studies, etc.) Grant funds / incentive payments based on results achieved
Support from an specialist educational research organisation	<ul style="list-style-type: none"> Support from a specialist educational research agency is being considered, such as JAL, CREATE and the Australian Council for Educational Research.

5 Risks and Mitigation Measures

The following table provides a preliminary assessment of the most prominent potential risks to effective mobilisation and implementation of the proposed Facility, and how these risks might be mitigated.

Risk	Mitigation measures
Gol commitment/ownership There are three interrelated concerns: <ul style="list-style-type: none"> Inadequate support and commitment from MoEC and MoRA – at National, Provincial and/or District levels; Lack of Gol ownership (given that a Facility model sits somewhat outside Gol) 	Dissemination and socialisation of the Facility concept with key national agencies, and solicitation of their feedback and comments which will be taken into account during design. Further consultation both with national agencies and proposed target provinces and districts during the design process, and incorporation of their views. Ensure a key role for Gol at national and sub-national levels

Risk	Mitigation measures
<p>institutional structures)</p> <ul style="list-style-type: none"> • Lack of understanding and support from MoHA will make it difficult for the Facility to operate effectively. <p>Should any of these potential problem arise and persist they could create serious bottlenecks for Facility implementation as well as for scaling up/replicating good practices</p>	<p>in Facility governance and in strategic decision making regarding the focus of the Facility's work, and ensuring they are kept well-informed of the Facility's on-going work and the results being achieved.</p> <p>Support from target districts would be ensured during implementation through pursuing a demand-led approach, in cooperation with district and provincial authorities.</p>
<p>Lessons/results are not available in good time</p> <p>Lessons learned from implementation of Facility activities/action research are not available in good time, and therefore do not support design of future investments in the education sector (from 2016 onwards).</p>	<p>Early start-up of the Facility should be pursued, with AusAID adhering to tight deadlines in its own approval, tendering and selection processes.</p> <p>Once mobilised, the presence of existing AusAID programs and partnerships at the provincial and district levels should be capitalised on.</p> <p>The Facility should support the design and implementation of some activities/pieces of action research that are of relatively limited duration (e.g. up to 24 months).</p> <p>Expectations as to what the Facility can achieve and by when need to be realistic and appropriately managed.</p>
<p>Promising school-based initiatives are not sustained or replicated</p> <p>This has proved to be a problem for many well-intentioned donor funded initiatives in the education sector in Indonesia.</p>	<p>The Facility must help ensure it is primarily demand led (even though there may initially be some elements of a supply sided approach to get things moving). This means taking time to ensure all key partners truly understand their respective commitments to initiatives/activities supported through the Facility.</p> <p>The Facility needs to develop practical options and recommendations relevant to the regulatory/legislative environment for sustainability and replication of good practices. On-going political economy analysis will be important.</p> <p>As appropriate, assistance in drafting new regulations/procedures to support replication of effective practices/new systems could also be provided.</p>
<p>GOI policy and staff changes</p> <p>Changes in policy and high staff turnover/changes make innovations difficult to replicate or sustain.</p>	<p>The Facility must expect to work in an increasingly dynamic policy environment, and with on-going GOI staff changes. It would therefore need to keep abreast of policy making at national and sub-national levels (though key contacts/partners) and also ensure it is not over-reliant on one or two individuals for support. It must remain responsive and flexible, and work with/in support of coalitions for change.</p>
<p>The Facility's flexibility/responsiveness is compromised</p> <p>For example, this might occur if either GOI and/or AusAID require centralised approval processes and highly defined work plans/budgets</p>	<p>The Facility's overall annual work programs and budgets must not be too detailed, but rather set clear guiding parameters regarding the issues it will work on, how and where. The focus should be on the results it is aiming to help deliver (lessons / options for replication) not the details of inputs or micro-activities.</p>
<p>GOI policies on donor funding at sub-national</p>	<p>Discussions need to be held with key national stakeholders, including Bappenas, MoHA and MoF, to clarify how the</p>

Risk	Mitigation measures
level Indonesia’s policies on donor funding at the sub-national level restrict the ability of the Facility to work in a flexible and responsive manner	Facility would be best configured and managed, particularly with respect to planning / budgeting and financial management issues.

During the design process, further analysis will be required of all the above mentioned risks as well as the proposed mitigation measures. Consultation with GoI partners on the nature of these risks and appropriate mitigation measures is clearly critical. Risk management is an ongoing and dynamic process.

6 Next steps

Following appraisal of the Concept Note, and assuming that approval is given by AusAID to proceed with design, the following design process and timeline is proposed. Advice from peer reviewers on the feasibility of the timeline is welcomed.

19 th -31 st August	Design mission in Indonesia, including consultations in Jakarta and at least one additional province.
2 nd -13 th September	Preparation and submission to AusAID of draft design document.
16 th -20 th September	Review of draft design document by AusAID, and provision of comments to design team.
23 rd -27 th September	Revision of draft design document and submission to AusAID of final design document.
2 nd - 4 th October	Seek approval from Head of AusAID to proceed to Design Peer Review.
7 th -18 th October	Design Document sent to Peer Reviewers.
25 th October	Design Peer Review.
28 th October – 1 st November	Finalize document following Peer Review.
4 th – 8 th November	Head of AusAID approval of design.
11-29 th November	Financial Approval and Procurement Method Approval sought from Head of AusAID Jakarta Scope of Services and Basis of Payment developed.
December-February	Tender and assessment of bids.
March-April	Contract negotiations

Annexes

A1 – Situation analysis of education in Indonesia

Broad development and policy context

AusAID's global education sector strategy, Promoting Opportunities for All, states "education is an enabler of development and crucial to helping people overcome poverty." Education offers access to improved incomes, employment and enterprise opportunities that can be a pathway out of poverty. For this reason, AusAID's global strategy commits the aid program to working on improving access to basic education, improving the quality of learning, and strengthening education sector policies and systems for better service delivery.

Improving access to high quality education is a priority for the Government of Indonesia (GoI), as articulated in the Medium Term Development Plan 2010-2014 and the Master Plan for Advancing and Accelerating Indonesia's Economic Growth (2011). Australia's current (2008-2013) and draft (2014-2019) Country Program Strategy for Indonesia likewise identify education as a priority sector for investment.

AusAID's draft Country Strategy also sharpens the aid program's focus on reaching the poor, in the largest numbers and in the poorest places, with tailored approaches to reach those most at risk of exclusion from the benefits of growth and development. It commits AusAID to working in ways that support the more effective use of GoI resources and systems, share the risk of innovation, and build the evidence-base of what works and what doesn't.

Sector context and key issues

The following section provides context for the proposed investment with a summary analysis of basic education access, quality and system governance in Indonesia. The three dimensions of access, quality, and governance are critically interlinked.

Access

Indonesia has made impressive strides in access to education over the last two decades, measured in terms of gross enrolment rates (GER), but progress is uneven across levels of education, rural and urban populations, and socio-economic quintiles. There are also significant regional disparities. As shown in the table below, there is almost universal coverage at the primary level. Junior secondary access is increasing, however a 2012 study of out-of-school children conducted by UNICEF estimates the total number of children out-of-school in the 7-15 age group at 2.5 million.¹⁰ Senior secondary and tertiary enrolment rates are still lagging, although demand is expected to grow as junior secondary continues to expand and GoI moves to a compulsory 12-year education model from 2013. Access to formal pre-primary programs remains low which is problematic in light of the strong evidence of the potential returns from investing in those early years.

Table 1:

Net Enrolment Rates 2009/10	Primary	Junior Secondary	Senior Secondary	Tertiary
	95.2%	74.5%	55.7%	17.9%

Source: Ministry of Education and Culture

¹⁰ UNICEF, *Global Initiative on Out-of-School Children*, Indonesia Country Report (2012).

The UNICEF 2012 study highlights that, in Indonesia, drop-out rates within each cycle of basic education (primary or junior secondary) are low but that the rate of children dropping-out in the primary to junior secondary transition is high. The study notes strong financial drivers for this, due to increasing costs for households at the junior secondary level notwithstanding government support at both levels. Perceptions of the value of education (largely derived from perceptions of the quality of education service delivery) were also identified as an issue. Better understanding of and responses to these drivers would enable more children, especially the poor, to make the transition from primary to junior secondary, and beyond, which would have a significant positive impact on access.

It is also important to look beyond the simple measure of access based on enrolment. Research undertaken by the Consortium for Research on Educational Access, Transitions and Equity (CREATE) offers a useful model for understanding access as access to learning, not just to physical services, being the true measure of education service delivery.¹¹ Applying this framework to Indonesia suggests that the battle has not yet been won. Data from international assessments of student learning also suggests that enrolment rates are not reflective of true access to learning; they mask significant numbers of children who are enrolled but are still missing out on learning. Poor quality is a driver of low access in two ways – firstly as a disincentive for children to attend school and secondly as a constraint to meaningful access (to learning, not just enrolment).

Access to ECED services, as noted above, is limited, which may be a combination of limited supply of places, highly variable quality and cost, and enrolment not being seen as a priority by communities or governments. Delivery of high quality ECED services is complicated by the cross-sectoral nature of such services (health, education, social welfare), requiring a high level of inter-Ministry coordination. GoI (BAPPENAS-led) is currently preparing a Presidential Decree on ECED services which takes an integrated, holistic approach to ECED and will hopefully clarify roles and responsibilities. However, implementation arrangements and funding availability remain uncertain.

Enrolment in senior secondary has been increasing in recent years, largely driven by increased access amongst the poorer quintiles. However, the difference between the poorest quintile and the richest is still significant; approximately 75% of 15 year olds in the poorest quintile are enrolled in school, compared to 90% for the richest. By age 18, the gap has widened considerably, with only 30% from the poorest quintile still enrolled in education compared to 55% for the richest.¹²

Regional disparity in access is also an issue – for example, the Net Enrolment Rate (NER) for primary school students in the urban centres of Jakarta and Yogyakarta is above 97%, while in Sulawesi Barat and Papua Barat it is around 87%; at junior secondary level Jakarta is again the highest at 89%, Nusa Tenggara Timur the lowest at 59.6%.¹³

Indonesia's record with regard to gender parity in education participation is commendable (in both access and transition at primary and junior secondary levels); however broader issues associated with gender equality remain. These include gender stereotyping in teaching material; teaching and classroom practice; restricting girls' or boys' participation in certain types of activities or roles; and ensuring safety from harm or harassment to, during, and from the school day. A recent study of ten years of gender mainstreaming in Indonesia's education system reviewed through a gender lens found a strong base exists (policy and budgetary) on which to pursue improvements in equality and quality.¹⁴ However, challenges remain in implementation, such as the presence of champions within

¹¹ The CREATE framework analyses the impact on overall 'access to learning' rates of children who enrol late, fail to attend properly, drop out or repeat, fail to transition, and/or fail to acquire requisite knowledge and skills

¹² World Bank, 2012, Spending more or spending better: Improving education financing in Indonesia: A public expenditure review. Still in draft.

¹³ Ministry of Education and Culture, 2009-10 Education Statistics in Brief

¹⁴ Review of a Decade of Gender Mainstreaming in Education. ACDP-005. June 2012.

government, the collection of sex-disaggregated performance information, and under-representation of females in leadership positions.

Quality

In order for nations to realize the potential economic gains from education, providing access to schooling is simply not enough. Children also need to develop behavioural and cognitive skills as a result of participating in schooling in order to enhance their productivity in the economy. Research finds a one standard deviation increase in scores on international assessments of reading and mathematics is associated with a 2 per cent increase in annual growth rates of GDP per capita.¹⁵ The World Bank's Education Strategy recognizes that for governments and donors to derive value for money from investments in education, they must contribute to "measurable gains in learning".¹⁶

Available evidence suggests that Indonesia's significant investment in education services is not currently delivering strong learning outcomes for students. While the national exam (Ujian Nasional – UN), required for students in grades 6, 9 and 12, has consistently high pass rates, issues with the validity of the tests and the integrity of UN management make this an unreliable indicator of learning outcomes. Indonesia does participate in a number of international standardised diagnostic tests, such as the Program for International Student Assessment (PISA), the Trends in Mathematics and Science Study (TIMSS) and the Progress in International Reading Literacy Study (PIRLS) and these tests show Indonesian students performing poorly relative to other participating countries, which include several in the immediate region (Singapore, Malaysia, and Thailand).¹⁷ On the PISA Science test the average score decreased significantly between 2006 and 2009. Science scores also decreased significantly on the TIMSS test between 2007 and 2011. Using 2007 TIMSS data, the World Bank showed that Indonesia's results were worse than students from other participating countries even after controlling for socio-economic status.¹⁸ In the same report, the World Bank states "among a recent cohort of children who completed grade 9, only 46 per cent actually attained functional literacy".

Learning outcomes everywhere have been consistently linked to the quality of the teacher in the classroom. GoI has initiated a national teacher certification system in a massive and costly effort to upgrade teaching skills amongst the existing teacher workforce, while simultaneously increasing teacher salaries and investing in upgrading teacher training colleges. Preliminary results from a 2012 World Bank evaluation of the certification program show it is having (at least so far) almost no impact on learning.¹⁹ Further, the certification process centres on skills upgrading, but it is not linked to mechanisms that hold teachers accountable for the quality of their teaching, such as performance appraisal, rewards and sanctions, assessment feedback, or community engagement.

The critical issues with regards to quality are many and complex, including: building capacity for and incentivizing better teacher performance and student learning; integrating the acquisition of behavioural and cognitive skills into curriculum and teaching methods; and utilisation of effective student assessment to demonstrate results and enhance learning.

Education service delivery in Indonesia is characterized by diversity. Delivering services to national standards is made particularly challenging by the widely varied environments in which these services must be delivered. Special challenges are faced by small schools, remote schools, and schools in districts where capacity is particularly low for serving the poorest communities. Many different

¹⁵ Hanushek and Woessmann, 2007, *The Role of Education Quality in Economic Growth*

¹⁶ World Bank, *Education Strategy*, p. 2.

¹⁷ The OECD Programme for International Student Assessment (PISA) evaluates education systems worldwide every three years by assessing 15 year olds' competencies in the key subjects of reading, maths and science. The International Association for the Evaluation of Education Achievement's (IEA) Trends in International Mathematics and Science Study (TIMSS) reports every four years on the maths and science achievement of 4th and 8th grade students worldwide.

¹⁸ World Bank, 2010, *Transforming Indonesia's Teaching Force*, p2.

¹⁹ Personal communication, World Bank office Jakarta.

interventions have been tried (scholarships, boarding schools, multi-grade teaching, satellite or open schools) but success has been limited and often failed to be systematised, replicated, or sustained. On-going work to support evaluation and learning about how to better support quality education delivery in these difficult operating environments is therefore warranted.

Governance

The education sector is struggling to come to terms with the impact of decentralisation. Some sound policy frameworks are in place, such as the devolution of much decision-making authority to the school level (School-Based Management or SBM), supported by direct funding (BOS grants), but there are challenges in implementing effectively across all districts in the archipelago, leading to frustration and a tendency to look for mechanisms to regain control on behalf of the national government. Conversely, there are some functions, such as teacher management, which have been retained at the national level, resulting in significant inefficiencies.

A high degree of autonomy at the school-level is associated with maximising learning outcomes but only when it is implemented in combination with strong accountability. Higher levels of autonomy and weak accountability returns the worst of all possible outcomes with regards to learning. A recent World Bank review of the implementation of SBM in Indonesia found that implementation has not been fully effective, thus anticipated benefits may not be realised. Indonesia's SBM system retains relatively high levels of decision-making authority at the district level.²⁰

Indonesia has a constitutional commitment to spend 20% of the budget, at all levels of government, on education (broadly defined). Gol first met this commitment in 2009, leading to a doubling of spending in real terms from 2001 levels. While this represents a substantial commitment from the government, it is similar to neighbours Malaysia and Thailand and far from excessive.²¹ Basic education receives by far the largest share of public resources. However more than 60% of the basic education budget goes on salaries, not including additional salary expenditure from operational budgets (Bantuan Operasional Sekolah - BOS) for contract teachers. Districts spend 63% of the basic education budget but around 80% of this goes on salaries, with very limited direct support from districts to schools.²² Inefficiencies in teacher management and distribution, compounded by perverse incentives on districts to address the issue, are resulting in significant waste and have the potential to become unaffordable even with the 20% commitment.

In summary, Indonesia's education sector can be characterized as an environment of opportunity, afforded by Gol policy and budgetary commitment, coupled with entrenched policy and implementation problems, including persistent regional disparities in resourcing and outcomes. There are many complex questions about the nature of service delivery improvement, community involvement, sector financing, and other issues that require on-going analysis and learning to help identify new, more effective and/or more efficient solutions.

²⁰ World Bank, *Implementation of School-Based Management in Indonesia*, 2012, p.127

²¹ World Bank, *Spending more or spending better : Improving education financing in Indonesia : A public expenditure review*, op.cit

²² *ibid*

A2 – Profile of stakeholder interests, roles and issues

Summary conclusions drawn from stakeholder consultations conducted to date are as follows:

- The Facility can expect strong support nationally from MoEC, MoRA and BAPPENAS however the positions of MoHA and MoF are unknown at this stage. At provincial level strong support can be anticipated from the Dinas and MDC/MoRA. At both provincial and district level the Dinas, Board of Education and Bappeda are very supportive of the quality focus and have ideas. They may not have counterpart funding but expressed willingness to support the program with accommodation and partnership. The provincial officers met with were able to articulate a very informed and strategic view of the issues and the relationship between implementation and an enabling environment.
- In provinces and where purpose designed education support programs have been running for some time (eg SEDIA in Aceh) there may be additional institutional support from coordinating boards such as the TKPPA. These boards have largely been successful because of the level and quality of the persons appointed. While they do not have direct control over resources, they have significant influence. From Aceh, in particular Sabang, there are important lessons for how needs can be identified, solutions posed and then how good practice and high expectations can be spread throughout a district. They have been successful in identifying issues & problems which are specific to district/sub-district, geographical situation, and individual schools. The “One size fit all” paradigm is being replaced in Sabang by a demand based approach.
- Many stakeholders expressed the view that cascade training by LPMPs, KKGs and a host of other groups and partners, is not working. This approach needs to be evaluated prior to building it into the Facility menu. As the teachers’ union in West Lombok put it succinctly, “the working groups are not working.” Too few teachers have the opportunity to attend and the training offered is often low quality or irrelevant.
- In general, teachers felt let down by the training they have experienced to date. LPMP and MDC however are underfunded for their roles and KKG & MGMP lack expertise and access to expertise. A common complaint was that training was ad hoc and not based on analysis of their needs. From almost all stakeholders (teachers through to Dinas) the need for follow-up and contextualising of in-service training was stressed. In addition, stakeholders are becoming increasingly sensitised to the perverse impact of training on the time that teachers spend in their classrooms. This all means there is a need for a new approach in training, coordinated and supported by a holistic approach from the district that recognises the needs of all the contributors to quality education – teachers, principals, school committee members, community members, supervisors, Dinas staff and officials, and can deliver training in ways that don’t impact adversely on students’ learning.
- Supervisors should be considered for a strong role in the program. The timing is good – roles are evolving, selection appears to be more targeted and resources being allocated for travel. However in many places they may still be selected on irrelevant criteria, their university training is inadequate and in many cases they are not invited to either teacher and principal training workshops which means their knowledge of curriculum and pedagogy is likely to be lagging behind the teachers’ they are supposed to be supervising.
- The team found that many stakeholders, at all levels, engage in monitoring and mapping school quality but these efforts are often not coordinated and time and resources may be wasted unless there are procedures to integrate these. If data collections were better coordinated, more time and effort could be spent on analysis and communication of information.

- Parent partnership appears to be under-utilised and could be a key feature of initiatives to be supported by the Facility. The SMP5 Gerung School Committee is a shining example of how parents can be significant partners in changing the organisational climate of schools and supporting both teachers and students in the learning process. While the current role of school committees in quality education may seem to be weak, their potential for supporting quality teaching and learning should not be underestimated.
- The capacity of local university partners at provincial level is likely to be very variable. The addition of some twinning arrangements or partnerships with other universities, Indonesian and Australian could be very helpful to the Facility, as would be the identification of an education research partner to provide support for action research and operationalizing innovations for the classroom.
- The PGRI has some quality initiatives programs and good networks which could be used to support the program. They could be significant partners in rural and remote areas where their professional and teacher welfare roles are closely intertwined.
- The design team did not meet with students at this stage of the design process but recognises that students are key stakeholders and should be actively engaged in efforts which focus on innovation in teaching and learning. The more that students are aware of and can talk about the learning process the more they are likely to be active, motivated and self-directed participants.

The Facility's proposed governance and management arrangements, as well as the overall approach to Facility implementation, will take these issues into account. However, it is important to note that stakeholder analysis needs to be on-going and context specific. If and when the Facility commences operations, further stakeholder analysis will therefore be required in the specific geographic locations it is operating in.

In preparing this Concept Note, the main issues that have been consistently raised by key stakeholders (as to what impacts most on the quality of education in schools) are as follows:

- Teacher, principal and supervisor professionalism, competence and support mechanisms
- Student attendance, behaviour and active engagement in learning
- The failure of existing teacher in-service mechanisms to have a significant impact on teaching and learning
- Resource availability and effective management at school level
- Effectiveness of school committees and community engagement in supporting effective schools / student learning
- Fragmented coordination and communication between key support agencies, and unclear roles
- Lack of reliable data and information on which to base decisions on resource allocation and management
- Weak and/or inappropriate assessment systems (e.g. for child learning and for teacher/principal competence)
- Weak accountability and incentives for performance (individual and institutional)
- Limited knowledge /experience on how to best promote more inclusive education in schools (education for all)

Recognising these weaknesses, key stakeholders have been generally very supportive of the concept of an education Facility that would help them address such issues, through development, trialing and testing innovative practices that work and are sustainable.

A3 – Matrix of AusAID’s Education Partnership support

Component	Cost	Expected results	Delivery
Junior secondary school construction & expansion (C1)	AUD 215.7 million in earmarked budget support	Create around 300,000 more new junior secondary school places by building or expanding up to 2,000 schools. This will improve enrolment rates in districts with low enrolment rates. 1st tranche (\$30m) was disbursed to MoF in January 2012 & the 2nd tranche (\$25m) in June 2012. 451 schools will be built in 2012 cycle. Construction started in September 2012 & is expected to complete around March/April 2013.	Direct funding to Indonesia’s Ministry of Finance (\$210m) & contractor (SSQ \$5.7m)
School & District Level Staff Professional Development (C2)	AUD 188.6 million in earmarked budget support	Establish & make operational a national system for strengthening the leadership & management capacity of all 293,000 school principals, school supervisors & district government officials through provision of a \$110 m grant to GoI. This will ensure the benefits of Indonesia’s investment in education personnel quality will be sustained through good education management at school & district level. The grant funded program of support is based on approved PFM & procurement assessments; &, approved detailed program design. Additional training provided on management of school operational block grants (BOS - Bantuan Operasional Sekolah) to around 650,000 principals, treasurers & schools committee members in 2011-12 (\$26 m). PFM & procurement assessments done, management response approved.	Direct funding (\$136 m including \$26 m BOS training grants) & contractor/s (\$52.3m)
Islamic School Accreditation (C3)	AUD 47 million in technical assistance & block grants	Block grants & technical assistance to around 1,500 private Islamic schools to improve their quality in line with National Education Standards with the aim of helping them achieve accreditation. 11 provincial institutions are also receiving block grants to provide support to targeted & non-targeted madrasah in selected districts. This will form a model at the provincial level for the Government of Indonesia to support quality improvement of the remaining 29,000 private Islamic schools with their own funds. 565 madrasah in 7 provinces (7 sub-national partners) are supported in Phase 1. The remainder will be selected in 18 month Phases as the program rolls out over the 10 Provinces with the largest numbers of unaccredited madrasah.	Contractor (Contract 1: SSQ \$47 m which includes block grants \$35 m)
Analytical & Capacity Development Partnership (C4)	AUD 25 million	Support evidence-based sector policy research & analysis & to monitor the partnership’s outcomes. This will assist the Government of Indonesia to implement its national education policy with good quality analytical advice to improve sector efficiency & effectiveness.	Managed through a trust fund by the Asian Development Bank in one grant
Performance, Oversight & Monitoring	AUD 12	To provide rigorous monitoring of Australian fund flows, including tracking program outputs, & assessing the impact of all four components to ensure the impact of Australia’s investment contributes to Indonesia’s development goals. Next version of	Contractor (Contract 2 GRM)

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Component	Cost	Expected results	Delivery
	million	POM Plan due in June 2012.	
Education Partnership Outreach Services	Up to AUD 12 million	To provide visibility of Australia as a partner supporting Indonesia's education development goals, through public affairs & outreach activities. For example, production & delivery of educational materials packs -including library books to all Component 1 & 3 recipient schools; delivery of English language training workshops for teachers; & organisation of high profile media events such as Ministerial openings of education partnership constructed schools. EPOS tender closed on 29 May 2012.	Contractor (Contract 3: URS Australia)
	AUD 500m		

A4 – Donor support to basic education in Indonesia and lessons learned

Lessons learned from donor support to basic education in Indonesia

The main lessons that need to inform the design of the proposed EIF are as follows:

- The education system in Indonesia is large, dispersed, variable, and comprised of a large number of individuals operating under different incentives and pursuing different ends. It has proven itself resistant to change in the functional sense (i.e. delivering better learning outcomes for students) while undergoing successive reforms in systems and process. Development interventions need to take account of this reality and apply adaptive management principles of experimentation and iteration.
- The ability to influence or leverage system governance (including the legal/regulatory framework, incentives, accountability mechanisms, and resourcing flows) is critical if interventions are to be scaled up or have systemic and lasting impact. There are many examples of international partners working intensively at the school level with good results, but with models that are not affordable or replicable for the world's fourth largest education system.
- Improvements in the quality of basic education require a holistic systems-based approach. Single or isolated interventions on their own, such as classroom-based teacher training, can have limited or no impact on education quality unless they are complemented by improvements to other elements of the system, such as teacher incentives to perform, improved school management and financing arrangements, and/or enhanced community and parent engagement in supporting their children's learning.
- Developing partnerships based on mutual respect/trust, and a clear understanding of mutual responsibilities, is critical if donor support is to be effective. Establishing such partnerships takes time, and needs to be built on/sustained. Depth of engagement can be easily compromised if donor resources are spread too thinly.
- There is a significant amount of data already being collected by education sector stakeholders that is relevant to supporting improvements in basic education. However, there is often limited analysis of this data, or effective presentation and sharing of findings, that would better help decision makers improve their resource allocation and management decisions.
- Despite decentralisation, decision making within Indonesian institutions is still largely centralised, and it is often difficult for middle-level managers to take any initiative without clear instruction from higher levels. New initiatives / ways of working within the bureaucracy often need to be supported by new formal regulations.
- Coordination and cooperation between the different agencies / bodies with a responsibility for, or direct interest in, improving the quality of education in schools is often weak. Donors can usefully support enhanced communication and collaboration between these stakeholders when they are seen as a trusted and objective partner. Improved provincial and district level coordination can build shared accountability for better education outcomes by embedding the practice of joint problem-solving amongst actors with different capabilities and authority.
- Professional development for education providers needs to be continuous, and the impact of sporadic classroom based training is limited. On-going mentoring, support and incentive mechanisms are required.
- There are many known good practices that can support improved quality of education, such as using more active and participatory teaching/learning approaches in the classroom, having active school committees, training teachers/principals and supervisors together, etc. The main problem is replication and sustainability after-donor support has finished.

- Donor expectations as to what they can and cannot influence need to be realistic. There is often a political imperative to show quick results, and to have these clearly branded as the donor's achievements. This needs to be tempered by a recognition that donors, particularly in a large emerging economy such as Indonesia, are only a minor player in influencing most development outcomes.

Summary of recent donor support to basic education in Indonesia

AusAID

Australia is the largest bi-lateral donor to Indonesia's education sector.

AusAID works in partnership with the Ministry of Education and Culture and the Ministry of Religious Affairs, in support of both ministries' sector objectives, as articulated in their strategic plans (Renstra 2009-2014).

Australia's main program in the sector, the Education Partnership 2011-2016 (with a value of around AUD524m), contributes to:

- increased access to education at the junior secondary level, through school construction;
- improved education quality through better school based management as a result of the principals' continuous professional development program;
- improved education quality through supporting the accreditation of schools (madrasah) in the Islamic education sector; and
- more informed policy-making through access to high quality research and analysis.

The Education Partnership also funds independent monitoring and audit to protect Australian funds, and the promotion of learning and outreach across all program components.

A key strength of the Education Partnership is that it is largely implemented through GoI systems, and thus has strong national level ownership. However, a weakness, at least for AusAID, is that it provides little opportunity for engagement at the sub-national level, and thus limits opportunities for AusAID to learn about what is happening on the ground. The Education Partnership, as currently configured, has very limited flexibility for experimentation or for responding to specific (or emerging) issues affecting education quality in schools.

In addition to the broader EP, AusAID has also been providing targeted support to the provinces of Aceh, Papua and West Papua to improve education policy and service delivery. Support to Aceh Province through the SEDIA program ended in June 2013, while a second phase of support to Papua and West Papua (through UNICEF) is currently being designed.

A matrix summarising the main elements of the Education Partnership, including expected results, funding and delivery mechanisms is provided at Annex 2.

It is also important that AusAID support for education at the sub-national level be effectively coordinated with other relevant AusAID programs, in line with AusAID's emerging focus on having a more coherent focus across the aid program on front-line service delivery. For example, the AIDP, LOGICA and ACCESS programs all include a focus on improving basic service delivery (including education), and have already established working partnerships with key provincial, district and community level stakeholders. AusAID investments in education at the sub-national level must complement and build on this work and these partnerships. At present there remains significant fragmentation, which can be confusing for local partners.

Other development partners

USAID

The most significant other bilateral donor to the education sector in Indonesia is USAID, primarily through its current PRIORITAS Program for basic education. This program runs from 2012-2016 with a value of US\$84 million.

USAID Prioritas builds on the experience of more than 20 years of previous USAID support to basic education in Indonesia. Its main aims are to:

- Improve the quality and relevance of teaching and learning in schools through pre and in-service training
- Develop better management and governance in schools and districts; and
- Support better coordination within and between schools, teacher training institutions (TTI's and government at all levels.

The program currently works in 7 provinces (Aceh, North Sumatra, Banten, West Java, Central Java, East Java and Central Sulawesi) and 69 partner districts. It is expected to expand to Papua and possibly to NTT and NTB in 2013/14.

It will be essential that the proposed Facility coordinates with and complements the work of USAID Prioritas at the sub-national level. The Facility will nevertheless be significantly different in scope, given that it aims to facilitate improved learning and innovation rather than deliver a pre-planned package of training and related support services.

World Bank

The World Bank has a long history of engagement in supporting the education sector in Indonesia. It provides financing, support for analytical work and some specific project support. Two particularly relevant projects are summarised below:

Better Education through Reformed Management and Universal Teacher Upgrading (BERMUTU)

The BERMUTU project seeks to improve teaching quality and performance. This project supports a framework for ensuring that teachers will have the opportunity to upgrade their knowledge of the subjects they are teaching, and at the same time improve their teaching skills. It also works to improve the accreditation system for teacher training courses.

The project works in several ways, through university based teacher education, through local level teacher development programs, and through finding ways to increase teacher accountability and incentives systems. BERMUTU works directly with selected universities which have teacher training programs, providing grants on a competitive basis to encourage them to improve their accreditation status and to improve their outreach programs for training teachers in remote and rural areas, mainly through IT based methods. It also works with groups of teachers, school principals and supervisors in 16 provinces and 75 districts/cities (in selected school clusters), providing opportunities for teachers in rural and remote areas to upgrade their skills through distance learning.

Basic Education Capacity Trust Fund (BEC-TF)

The BEC-TF aims to help GoI to achieve Millennium Development and Education for All Goals by supporting good governance in education. It worked with national and local governments to improve the way finances and information are managed, so that both funds and information flow through the system more efficiently and allow better decisions to be made at all levels in Indonesia's decentralised system. It worked with local governments, education offices, parliaments, education boards, and representatives of school committees and head teachers who will all have improved access to the information they need to be able to perform their duties better, and the knowledge and skills to use this information in the planning, management and monitoring of education service delivery.

The BEC-TF focused on three main areas, using a combination of technical assistance, training and grants to local governments:

1. Supporting the Government-led Thematic Education Dialogue forum to conduct policy analysis, engage in policy dialogue with stakeholders and development partners, and maintain an overview of the education sector as a whole;
2. Improving governance and efficient resource use through increased transparency, accountability, improved budget processes and performance-based financing, improve financial management and accounting, especially in local governments;
3. Strengthening capacity of existing information and performance assessment system so that better, more timely information can be used by stakeholders at all levels.

European Union

The EU has been a key development partner in the education sector over the last decade. Its engagement has been mostly in partnership with other development partners (ADB, AusAID, the Netherlands, UNICEF, World Bank), thereby contributing to more harmonised approaches to external assistance.

The EU is currently providing a contribution of EUR119 million to the Education Sector Support Program Phase 2. The previous EU contribution to Phase 1 was EUR 201 million.

UNICEF

In general, UNICEF's work in education in Indonesia focuses on understanding and responding to inequities in education service delivery including:

- Strengthening the collection of data on the situation of children in schools, and out of classes, through community-based information systems;
- Assessing the reasons why many young children do not participate in early childhood development, which limits their success in entering and completing primary classes, and other barriers to primary school enrolment and completion;
- Improving the skills of school principals, supervisors and education officials to manage and delivery quality primary education that reaches all children;
- Engaging communities and local civil society to deliver better quality services for marginalised children, for example through school-based management.

Australia provided funding of around \$7.3 million (Rp72.4 billion) to UNICEF to implement the Australia-UNICEF Education Assistance to Papua and West Papua program. The program runs from April 2010 to June 2013.

The goal of the current program is to contribute to improved quality of primary education in Papua and West Papua through strengthened education planning, teaching practices and school management.

The program has two components:

- Component 1: supports the provincial education offices of Papua and West Papua and six targeted districts to improve education planning and budgeting.
- Component 2: supports improved school based management in urban schools and improved early grade and multi-grade teaching practices in rural and remote schools in the six targeted districts. 491 primary schools (out of total 809 schools), 307 in Papua and 184 in West Papua, will be directly supported.

A second phase of support is currently being designed. The second phase will focus on improving education in rural and remote areas.