

**DFAT Management Response to the Strategic Review of Australia’s Investments in Basic Education in Indonesia  
(INOVASI, TASS and ID-TEMAN)  
July 2019**

In the final quarter of 2018, a strategic review assessed three of Australia’s education investments in Indonesia: Innovation for Indonesia’s School Children (INOVASI), Technical Assistance for Education System Strengthening (TASS), as well as the World Bank Trust Fund for Improving Dimensions of Teaching, Education Management and Learning Environment (ID-TEMAN). The main purpose of the review was to inform strategic and management decisions for Australia’s future support to the sector. The review focused on the relevance, effectiveness and efficiency of the current investments in the changing context, and identified lessons learnt as well as potential improvements in design, governance and management. It also served as an assessment of the outcomes and impact of the programs to the date of the review. DFAT’s response to the recommendations is as follows:

<b>Recommendations</b>	<b>Response</b>	<b>Explanation</b>	<b>Action Plan</b>	<b>Time-frame</b>
<u>Recommendation 1</u> Australia should maintain a medium to long-term interest in basic education at current levels as core to Australia’s bilateral interests in Indonesia.	<u>Partially Agree</u>	DFAT notes that human capital development is a critical priority for the Government of Indonesia and a specific focus for President Jokowi’s second term. Basic education is a key contributor to this growth, and Australia is well-positioned as a trusted partner in the sector. Medium-term priorities for Australia’s development cooperation program will be articulated and agreed with the Government of Indonesia in an updated Aid Investment Plan for Indonesia.	DFAT to ensure findings from this strategic review and other relevant analysis informs DFAT’s updated Aid Investment Plan for Indonesia and related strategy documents for the sector.	July 2019 – June 2020
<u>Recommendation 2</u> DFAT should exercise its options to extend TASS and INOVASI within the current contract and management arrangements, and continue its partnership with the World Bank in education. Caution should be taken in bringing	<u>Partially Agree</u>	Subject to delegate approvals and a more detailed analysis of the costs, benefits and risks, DFAT will consider enacting the extension clauses for TASS and INOVASI and bringing the programs together under one design for Phase 2.  DFAT will continue its partnership with the World Bank in the education sector as part of a new country-level strategic partnership and	DFAT to undertake a design update for TASS and INOVASI programs, including options for a unified Phase 2 of INOVASI and TASS.  DFAT to ensure findings from this strategic review and other relevant analysis informs the	July 2019 – December 2019  July 2019 – June 2020

the approach together under one program design at the end of the extension period (June 2020).		trust fund, currently in design. The scale and scope of DFAT support will be determined on an annual basis as part of new DFAT-World Bank partnership government arrangements.	design of the new Australia – World Bank partnership and related trust fund.	
<u>Recommendation 3</u> Australia (through DFAT education team at Post) should extend the scope and strategic intent of its engagement in the sector, working with a broader group of stakeholders and developing a stronger analytic and policy agenda.	<u>Partially agree</u>	DFAT’s future stakeholder and policy engagement will be shaped by the priority sector outcomes articulated and agreed with Government of Indonesia through the updated Aid Investment Plan and related strategic and program documents.	DFAT to ensure that the findings of this strategic review and other relevant analysis informs the development cooperation strategy and design documents for the education sector, including the proposed scale and scope of DFAT engagement and strategic intent.	July 2019 – June 2020
<u>Recommendation 4</u> Post should consider adopting a more strategic partnership approach to program management and oversight in the next phase, and streamline its design, monitoring and evaluation, reporting and funding procedures.	<u>Partially agree</u>	Subject to delegate approvals and taking account of more detailed analysis of associated costs, benefits and risks, DFAT will consider options for more streamlined approaches to program management and oversight for Phase 2 (refer above) as part of the design update process.	As above, DFAT to ensure that the findings of this strategic review and other relevant analysis informs the development cooperation strategy and design documents for the education sector, including options for more strategic and streamlined approaches to program management and oversight.	July 2019 – June 2020