Australian Government
Department of Foreign Affairs and Trade

INOVASI PHASE II - INVESTMENT DESIGN UPDATE

Start date: 1 July 2020	**End date:** 31 December 2023
Total proposed DFAT funding: Up to AUD 54.6m plus GST	**Total proposed funding from all donor/s:** N/A
Overall Risk Profile: medium	**Aid Works investment number:** INN435

A. Executive Summary

President Joko Widodo has identified 'human resource development' as a first-order priority for his second term, including greater emphasis on increasing human capital, the importance of soft skills, national character building and religious tolerance. This reflects, in part, concerns about Indonesia's economic trajectory and the urgent need to lift productivity, but also responds to risks to Indonesia's democratic resilience, national security and stability. COVID-19 is likely to test the government's ability to continue to pursue the human capital that it will need to manage the long-term social and economic consequences of the pandemic.

The education sector is a critical part of Indonesia's COVID-19 response and recovery efforts and contributes to all of its priorities. COVID-19 requires the Indonesian education system to adapt quickly to meet new needs and contexts, while also reinforcing the importance of addressing long-standing constraints. Despite the Government of Indonesia's (GoI) proactive support for 'learning from home' during school closures, it is likely that the pandemic will cause a setback to children's learning, particularly for children living in rural and remote areas, with lower socio-economic backgrounds and children with disabilities.

Indonesia's success in tackling what is now widely accepted as a 'learning crisis',[1] is of fundamental importance to Australia. The breadth and depth of our bilateral relationship means that Australia stands to benefit significantly from Indonesia's continued inclusive economic growth, stability and security. However, Indonesia still faces large poverty and inequality challenges, and these will be exacerbated by the social and economic impacts of the COVID-19 pandemic. Australia is well-placed to provide support for Indonesia to improve student learning outcomes in basic education.[2] This investment design update outlines how Australia can maximise its engagement and support to education reform in Indonesia at this critical stage of Indonesia's development.

Background

Indonesia's education system has made remarkable progress over the last two decades. Increased spending and a range of policy reforms have led to gender-balanced, near-universal school enrolment. Achievement against access targets has been good, but the challenges of improving quality and equity remain. Most Indonesian 15-year-olds do not have the fundamental skills needed to participate in the economy, society or further education, and are falling further behind their peers in the region and globally.[3] In the 2018 Programme for International Student Assessment (PISA), 70% of students achieved 'below basic' proficiency[4] for reading, and similar proportions for maths (72%) and science (60%). For Indonesia to benefit from its expected demographic dividend in 2030 and prepare for the 'fourth industrial revolution',[5] action is needed now.

GoI is increasingly concerned about this learning crisis, which is a major constraint to the country's economic and human development. High disparities in the quality of education within the country, together with poor

[1] Defined as low basic competencies despite several years of schooling. World Bank (2018) 'World Development Report: Learning to Realize Education's Promise' https://www.worldbank.org/en/publication/wdr2018

[2] Defined as primary and junior secondary schooling

[3] Indonesia's average reading score for PISA in 2018 was ranked 72nd of 79 participating economies. Indonesia's scores in all three domains (reading, math and science) dropped compared with 2015.

[4] Defined as below level 2 band in PISA.

[5] World Bank (2017) 'The Future of Jobs and the Fourth Industrial Revolution: Business as Usual for Unusual Business' http://blogs.worldbank.org/psd/future-jobs-and-fourth-industrial-revolution-business-usual-unusual-business

critical thinking skills – which PISA measures – present a risk to democratic resilience and stability. It is important to Australia to continue development cooperation with Indonesia for improved student learning outcomes in basic education – the foundation for a more skilled Indonesian workforce that will drive growth, diversification and ultimately strengthen economic and social ties between Indonesia and Australia. Australia is well-placed to provide this support, as a global leader in education and long-term development partner with Indonesia in the education sector.[6] Through past and current support, Australia has demonstrated it is a committed partner of Indonesia in basic education.[7]

Under Australia's Aid Investment Plan (AIP) for Indonesia, current basic education investments provide catalytic support to improve education quality by supporting improved effectiveness and efficiency of Indonesia's own systems. Australia's flagship investment is Innovation for Indonesia's School Children (INOVASI), which has supported national and sub-national partners (e.g. districts, civil society organisations) to pilot school-level approaches to strengthen teaching and learning, particularly in early grades. Pilots have successfully raised student test scores in partner schools and fostered locally-led reform and innovation.

A second investment, Technical Assistance for Education System Strengthening (TASS), provides strategic technical assistance to three counterpart agencies at the national level: The Ministry of Education and Culture (MoEC), the Ministry of Religious Affairs (MoRA), and the National Development Planning Ministry (Bappenas). TASS operates as a 'smart facility', responding to requests for targeted policy support and working with GoI to identify best-fit activities that can address teaching quality and disparities in learning outcomes.

A flexible, responsive and politically informed approach across both investments has enabled these programs to support GoI-led reform in a timely manner. This adaptive way of working means that Australian support can maximise momentum for positive change in priority areas as they arise. Both programs operate with a searching, politically informed outlook that seeks to pilot, demonstrate the efficacy of, as well as support scaling of more effective ways of working in the education sector.

Currently the INOVASI and TASS programs are jointly delivered under separate agreements with the same Managing Contractor. This document serves as a Design Update for Phase II of the programs under a unified, single contract from 1 July 2020 to 31 December 2023.

An Integrated Program: Why?

Based on our experience from Phase I of INOVASI and TASS, as well as the findings from the 2019 Strategic Review, bringing the two programs together will help us support GoI to more effectively bridge the divide between policy and implementation as well as to better integrate national and sub-national government systems and policies, informed by Australian-supported innovations and practices in schools and classrooms.

The 2019 Strategic Review of INOVASI and TASS found both programs to be "exceeding expectations" against program outcomes. One of the recommendations was to promote even stronger linkages between the programs, which is best achieved through the merging of both program mandates. This will facilitate more streamlined collaboration and alignment of program objectives and operations, while retaining the key and most effective platforms of both programs. In this context, integration of INOVASI and TASS can be viewed as a natural progression for Phase II, allowing for greater agility and responsiveness in the investment as a whole. DFAT and the delivery team will have greater flexibility to move resources around in order to pursue opportunities with the greatest potential to transform learning outcomes for Indonesian students.

[6] Australia's assistance began with scholarships for tertiary study in the 1950s, and major support to the basic education sector began in 2005.

[7] DFAT-commissioned Strategic Review Report: Australia's investments in basic education in Indonesia (2019).

Phase II Focus and Approach

The unified program (INOVASI Phase II or 'the Program') will sharpen its current focus on identifying and supporting changes to education practice, systems and policy which demonstrably improve student learning outcomes. The Program will support GoI and its partners in priority areas of basic education reform. 'Basic education' covers primary and junior secondary schooling, but the Program will continue to take a systems approach to drive quality improvements.

The Program will initially include a strong focus on supporting Indonesia's COVID-19 response and recovery in the education sector guided by GoI priorities, assessments of emerging needs and coordination with other partners.

The Program's expected end-of-program outcomes are that in priority basic education reform areas key actors will: implement effective processes that bridge the divide between policy and implementation; and apply sustainable policies, systems and practices - to support all students to achieve competence in foundational skills. Foundational skills includes basic skills such as literacy as well as more complex or 21st century skills[8] (see sidebar).

Foundation Skills: critical knowledge, attitudes and skills required to participate in education, the community and the workplace. They include 21st century skills and are a combination of:

- Basic language, literacy and numeracy skills such as listening, speaking, reading, writing, and the use of mathematical ideas; and
- More complex skills such as comprehension, analysis, synthesis, collaboration, problem solving, science literacy, and digital literacy.

In doing so, Australia will contribute to the goal of *accelerated progress towards improved learning outcomes for all Indonesian students*, which is highlighted as a priority in Indonesia's National Medium-Term Development Plan (RPJMN) for 2020-24. Improving learning outcomes will contribute to economic prosperity, stability and human development in the wake of COVID-19, which are shared goals for Indonesia and Australia.

In supporting education reforms, the Program will continue to focus on the three areas of investigation set out under the original INOVASI Investment Design Document (IDD) and inherent in TASS' focal areas: (i) the quality of teaching in the classroom, (ii) the quality of support for teachers, and (iii) learning for all. The main change will be in reconceptualising the Program from designer and implementer to broker, catalyst, collaborator, evaluator and communicator. Phase II will seek to achieve a balance between 'pilots', 'scale out' and 'systemic change' – with the latter ultimate outcome sought in Phase II.

Building on work in Phase I, the Program will have a stronger role in brokering partnerships with the private sector and civil society with three aims: 1) coalition building to support locally-led reform; 2) leveraging others' resources to achieve wider impact and support scale-out; and 3) brokering relationships between GoI and service providers for sustainability. To maximise impact and efficiencies, DFAT will facilitate strengthened collaboration with relevant DFAT-funded programs including trust fund support to the World Bank, the UNICEF Papua education initiative, DFAT's decentralised governance program (KOMPAK), DFAT's multi-country research program in education (RISE) and DFAT's gender equality and social inclusion programs (MAMPU and Peduli).

The Program will transition to a single name and brand in Phase II – INOVASI – and the existing TASS program will become a Systems and Policy work unit within an integrated staffing structure. The Systems and Policy team will maintain the core TASS mandate and will:

- continue to deliver targeted, short-term catalytic assistance to key decision makers at the national level (including technical advice, mentoring, brokering);
- provide technical advice and support to decision makers to put locally appropriate systems, policies and practices in place that drive improved student learning outcomes for all; and
- through the team's core staff, using a process consultation approach, continually work with GoI partners to help them clarify policy issues, map out analytic work, navigate recommendations, link with key stakeholders, and maintain momentum for the systems change.

[8] The term 21st century skills refers to a broad set of knowledge, skills, work habits, and character traits that are believed—by educators, academics, employers, and others—to be critically important to success in today's world.

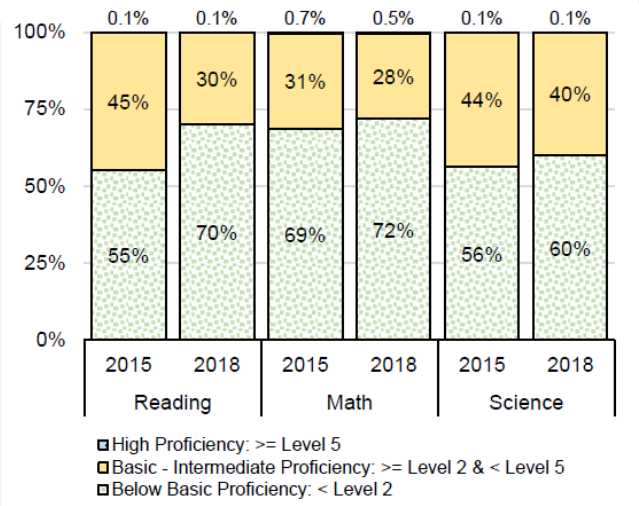
In doing so, the Systems and Policy team will consolidate and link the policy work that INOVASI is doing to: help achieve national improvement goals; strengthen linkages and coalitions for change within GoI; promote alignment of national and sub-national systems and policies for improved teaching and learning. The core piloting and evidence generating function of Phase I INOVASI is retained in Phase II. Responding to lessons from Phase I, pilots will be smaller and we expect will be increasingly funded by GoI. This will promote further government ownership, maximise efficiency within a more constrained aid budget and also enable another phase of learning about what works best when implemented by GoI. Evidence generation will be quicker while maintaining the integrity and credibility required to inform policy processes.

The Program will be implemented by a Managing Contractor and governed by a revitalised national-level Steering Committee that includes senior representatives of relevant Indonesian ministries, sub-national government representatives and DFAT. Governance arrangements at the sub-national level will be internal to GoI but will include sub-national Steering Committees with representatives from civil society and the private sector. The Australian Embassy's Human Development team will oversee the strategic and operational performance of the Program, and will lead strategic engagement and policy dialogue with GoI, supported by the Program.

B. Development Context and Situational Analysis (What problem are we addressing?)

Indonesia's education system is the fourth largest in the world with 54 million students taught by 3.8 million teachers.[9] Government spending on education has risen rapidly, increasing nine-fold in nominal terms from 2001 to 2014[10] with two-thirds of the budget now allocated to the sub-national level. Since 2015, Indonesia has achieved its targeted expenditure of 20% of its national budget on education, but in terms of percentage of GDP, education expenditure is one of the lowest in the region. In the wake of COVID-19 where GoI will be faced with increased pressures on its budget, it will be important for GoI to look for ways to maximise effective and efficient use of its education spending. Educational reforms over the last 15 years have supported a significant expansion in access but low and inequitable learning outcomes remain a significant problem.[11]

Figure 1: Indonesia's 2018 PISA results (proportion of students achieving different proficiency levels) (OECD data, 2019)



Low and Inequitable Learning Outcomes

Indonesia faces persistent and critically low performance of school students on various measures of foundational skills. Indonesia's PISA scores across all three domains (reading, maths, science) have shown little improvement since 2000, and dropped in 2018 compared with 2015. Seventy per cent of Indonesian 15 year-olds who were tested[12] achieved 'below basic' proficiency for reading on the test in 2018, compared with 55 per cent in 2015 (Figure 1). The Indonesian National Student Assessment (AKSI)[13] shows around half to two-thirds of students, depending on their socio-economic status, have not achieved the basic skills required for Grade 4. INOVASI's school survey found that 19%, 27% and 8% of grade 1-3 children in North Kalimantan, East and West Nusa Tenggara, respectively, failed to pass a basic numeracy test, meaning they were unable to recognise numbers or discriminate quantities (e.g. compare two groups of items and assess which has more or less).

[9] MOEC (2019). Available online: http://jendela.data.kemdikbud.go.id/jendela/; MORA Education Management Information System 2019. Available online: http://emispendis.kemenag.go.id/emis2016v1/ [2018-2019 figures as of 1 April 2019].

[10] World Bank (2018) 'Learning for all: towards quality education for enhanced productivity and economic growth in Indonesia' http://documents.worldbank.org/curated/en/462941519229451139/Learning-for-all-towards-quality-education-for-enhanced-productivity-and-economic-growth-in-Indonesia

[11] World Bank (2018) 'Indonesia Economic Quarterly: Learning More Growing Faster' http://documents.worldbank.org/curated/en/305361528210283009/Indonesia-economic-quarterly-learning-more-growing-faster

[12] PISA is a sample-based test.

[13] AKSI (Asesmen Kompetensi Siswa Indonesia) or Indonesia Student Competency Assessment is a PISA-like assessment currently of a sample of students in grades 4, 8 and 10 in the domains of reading, mathematics and science. Each grade is tested on a three-year cycle, e.g. grade 4 in 2016, grade 8 in 2017, grade 10 in 2018. Results reported in this document are from the 2016 test of grade 4 students.

Figure 2: AKSI 2016 Grade 4 - % of students in performance bands (poor, fair, good) averaged across the domains of literacy, mathematics and science, selected provinces (MoEC)

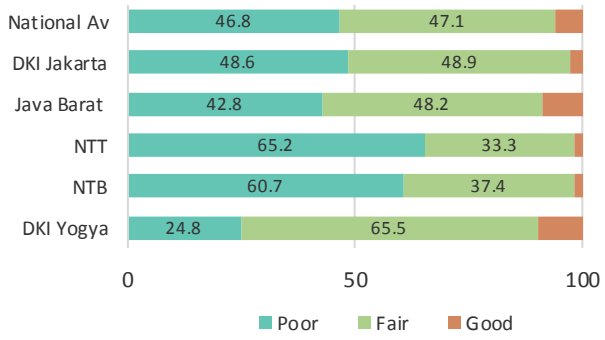


Figure 3: PISA 2015: % of students in the bottom and top socio-economic (ESCS) deciles and % percentage of "Resilient" (OECD, 2015)

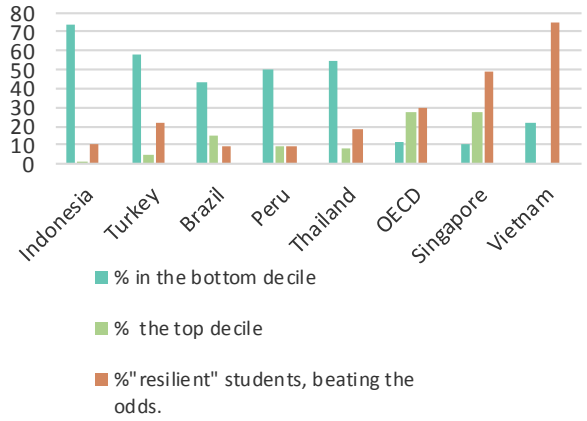
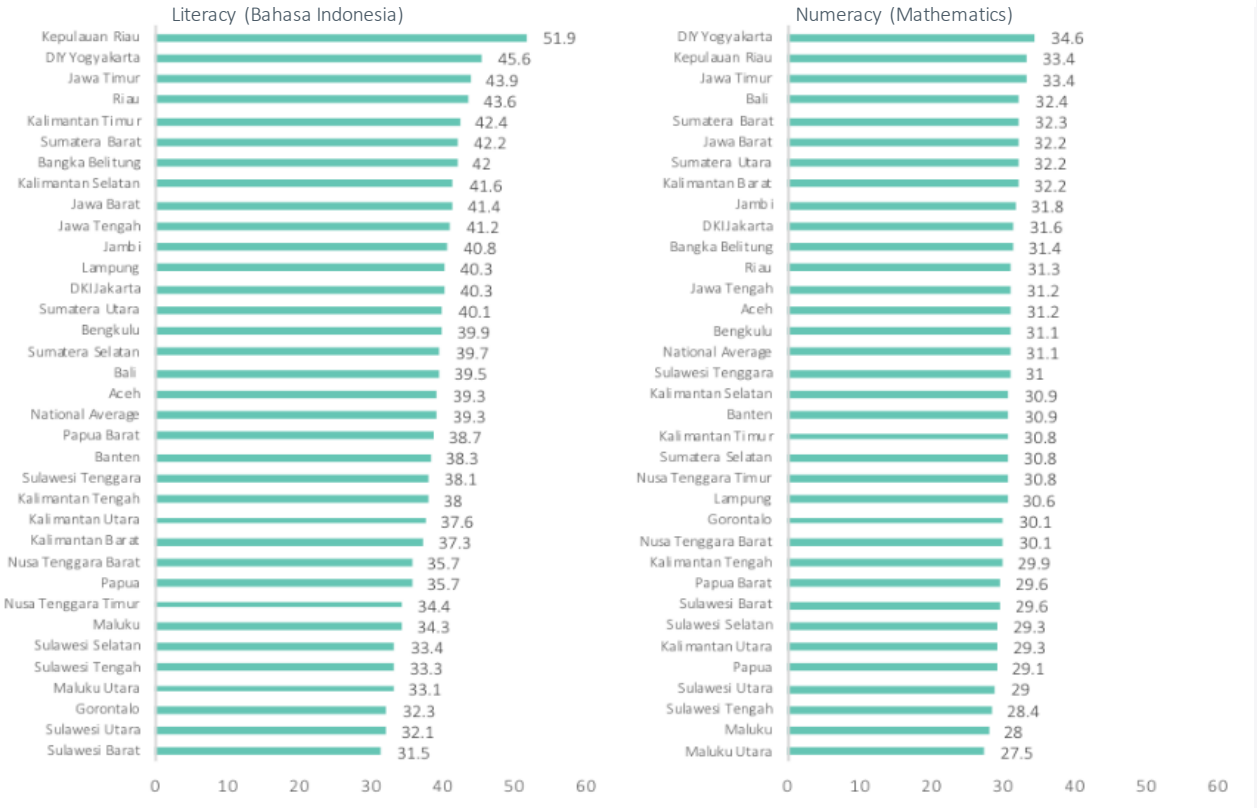


Figure 4: Average AKSI score (grade 4 students) by province in Bahasa Indonesia and Mathematics, 2016 (GoI)



There are large disparities in learning outcomes between different geographic areas and among different socio-economic groups. An indication of the extent of inequality can be readily seen in the AKSI results (see Figure 2), comparing the percentages in the Poor band for NTT (65.2%) to DKI Yogyakarta (24.8%) with the national average of students in the Poor Band (46.8%). OECD analysis of PISA results (2015) shows that, compared with other countries, Indonesia has a low percentage of 'resilient students' – e.g. students from the lower socio-economic quartile who have scored in the top decile of performance. Across all countries participating in PISA, about 29% of disadvantaged students are considered 'resilient'.

Figure 3 shows the extreme challenge ahead in Indonesia for improving the achievement of many millions of students from highly disadvantaged backgrounds. More than 70% of the sample are in the bottom decile on the PISA index of economic, social and cultural status and just 10% demonstrated 'resilience', the ability to achieve at a high level despite challenging family circumstances.

The disparity in student performance across Indonesia's provinces is further illustrated in the two graphs in Figure 4. There is considerable variation among provinces in literacy, whereas all provinces are consistently weak in mathematics. These results are consistent with INOVASI findings for literacy and numeracy, which used an instrument linked to PISA and AKSI[14]. Achievement disparities are often even more pronounced within provinces and within districts than between provinces. For example, INOVASI's analysis of East Java results finds that 67% of districts are below the provincial average for science, 55% for mathematics and 33% for literacy. Indonesia also has disparities in education outcomes according to gender, disability and social groups, which is discussed in Section G.

School closures during COVID-19 are expected to cause a learning set-back in Indonesia, particularly for more vulnerable children. Education inequities risk being exacerbated without appropriate monitoring and support to these children during school closures and afterwards.

Constraints to Teacher Capabilities and Support

A major contributor to low student learning outcomes is poor teacher capability, which MoEC and MoRA both plan to lift through a series of reforms and initiatives. International evidence shows that what teachers know, do and care about accounts for 30 per cent of success in students' learning.[15] Most of Indonesia's teachers did not pass a recent national teacher competence test.[16] INOVASI has found that teachers do not have the knowledge and skills to teach literacy and numeracy in the early grades, and themselves achieve low scores on assessments of higher-order thinking skills.[17] Rote-learning and content-focused teaching approaches dominate, with limited use of more student-centred or active learning approaches. Teachers often see themselves as civil servants rather than as members of the teaching profession, so their focus is not automatically on learning.[18] The move to 'learning from home' during COVID-19 has highlighted the need to improve teacher capabilities in using technology to support learning effectively.

The quality of teacher professional development and support is a key issue. Only 40% of Indonesia's 421 teacher training institutions are accredited and there are large numbers of unqualified, community-hired teachers.[19] Studies show that GoI's recent teacher certification program has not yet had discernible effects on learning outcomes.[20] There is a large gap between pre-service teacher education – provided by universities or teacher training institutes - and the realities of teaching at the school level in Indonesia's education system. Few lecturers have ever taught in a school, and the curriculum is highly theoretical.[21] In-service professional development is often sporadic and teachers in remote schools tend to have fewer opportunities.[22] Recurrent budget for teacher training has only recently been allocated for Islamic schools and is becoming an increasing priority.

Broader teacher management issues, including around selection, distribution and accountability, also influence teacher performance – and these are in part due to challenges with the size of the workforce as well as broader political economy factors.[23] Australia's trust fund support to the World Bank[24] has enabled effective pilots and evidence generation on these issues in the last few years.

The original INOVASI Investment Design Document (IDD) and 2016 TASS Terms of Reference outline a number of key problems that the programs have supported GoI to address, which are predominantly, still relevant in 2019. They include: the low quality of teaching and learning throughout the system as measured by national and international testing; significant disparities in learning and access related to geography, poverty, gender

[14] Note that there is a small variation in the numeracy results, due to variations in INOVASI's sample, which is purposive and not randomly selected.

[15] Hattie, J. (2003). Teachers Make a Difference. What Is the Research Evidence? (pp. 1-17) Australian Council for Educational Research Annual Conference on Building Teacher Quality. Auckland: University of Auckland.

[16] RISE Country Research team Indonesia.

[17] INOVASI surveyed 641 teachers using a MoEC instrument based on international tests for grade 4 children and found the average scores (out of 100) for literacy were very low: 45, 48, and 56 for North Kalimantan, East and West Nusa Tenggara, respectively. The lowest scores were in the domain of interpreting and integrating ideas.

[18] Bjork, C. (2005). Indonesian Education: Teachers, Schools, and Central Authority. New York: Routledge.

[19] World Bank (2019). The Promise of Education in Indonesia: Overview (pp. 29)

[20] Kurniawati, S., Suryadarma, D., Bima, L. and Yusrina, A. (2018) 'Education in Indonesia: A White Elephant?' The SMERU Research Institute (p. 289); World Bank (2018) 'Indonesia Economic Quarterly: Learning More Growing Faster' (p. 39); World Bank (2018) 'Learning for all: towards quality education for enhanced productivity and economic growth in Indonesia' (p. 12).

[21] World Bank (2015). Indonesia: Teacher certification and beyond [Chapter 4: Policy Options for sizable and lasting changes in education quality, p. 49]

[22] World Bank (2019) 'The Promise of Education in Indonesia: Overview' (p. 31)

[23] Rosser, A. and Fahmi, M. (2018). The political economy of teacher management reform in Indonesia. International Journal of Educational Development, Elsevier, vol. 61(C), pages 72-81.

[24] Through ID-TEMAN and KIAT Guru as part of LSP.

and disability; inefficient and ineffective spending at all levels; and implementation challenges related to weak district leadership and accountabilities. One significant area of progress is in national testing, where massive scale-out of computer-based testing in national examinations and the progressive development and roll-out of Indonesia's AKSI test. The challenge remains to utilise testing to improve classroom practice. Annex D provides further analysis of the factors underpinning poor learning based on INOVASI research and pilots – including key system and policy factors such as curriculum and the language of instruction.

Weak Links between Policy and Implementation and Weak Accountability

Responsibility for delivery of education was devolved to local government in 1999, which is suited to a large system like Indonesia's. However, accountability is weak and coordination a challenge between the multiple levels now involved in education services (national, provincial, district, school),[25] as well as several ministries at the national level. There are also weak links between policy and implementation. Layers of regulation, much of it inflexible to different contexts,[26] have not solved and in some instances have compounded the problems that continue to arise. District capabilities to manage education services vary, with many districts displaying weaknesses in managing education resources effectively and efficiently.[27] There are challenges in ensuring that that local priorities and needs inform local policy, and for national policy to be informed by local concerns. Key counterparts for the Program acknowledge these challenges and value Phase II's intention to support the finding of new ways of tackling persistent problems that strengthen decentralised roles and responsibilities. The Australian-funded KOMPAK program has also been supporting GoI to address these challenges from the broader service delivery and governance perspective.

GoI Priorities and Momentum for Reform

Indonesia's 2019 national elections and planning for the next five years of development have focussed GoI on a) improving teaching and learning, and b) ensuring graduates acquire job-ready knowledge and skills. These issues are both prominent in the new RPJMN for 2020-2024 and corresponding draft *Renstras* of MoEC and MoRA[28]. The greater emphasis on human capital, soft skills, national character, and religious tolerance in the RPJMN for 2020-24 reflects the country's vision for Indonesia in 2045 and responds to perceived risks to national stability. The national conversation has increasingly converged on Indonesia's economic transition to the 'fourth industrial revolution' and capitalising on Indonesia's upcoming 'demographic bonus'.

Indonesia's commitment to achieving the SDGs by 2030 has provided new impetus and momentum to address education quality and equity. The SDGs are driving awareness of and commitment to address inequities *in student learning* (such as performance gaps between quintiles) and a stronger interest in supporting students with disabilities to access school. The inclusion of PISA indicators in the 2020-24 RPJMN and Indonesia's commitment to SDG 4 can support a focus on equity in learning at all levels. As the new term of government is established, there is pressure on MoEC to have a plan to improve the PISA scores (particularly the proportion of children achieving minimum competence).

President Joko Widodo has consistently indicated that building Indonesia's human capital is the signature priority of his second term. This has occurred in the context of several regional trade agreements coming into effect, including the ASEAN Economic Community, which promotes skilled labour mobility across ASEAN member states, and the new Indonesia-Australia Comprehensive Economic Partnership (IA-CEPA). Such regional and global initiatives add to the imperative for Indonesia to develop a highly skilled, productive and competitive workforce – or be left behind. There is also mounting evidence that frustrated youth who have no access to jobs or do not have relevant skills are more inclined to support violent extremism.[29]

However, there has been little acknowledgement to-date of the connections between the quality basic education and workforce skills development agendas. At times there has been an uneven focus on developing technical skills through vocational high schools (and at a higher level, in polytechnics and higher education institutions) meaning the job of preparing school students with higher order cognitive and socio-behavioural

[25] World Bank (2019) The Promise of Education in Indonesia: Overview (p. 8)

[26] Rosser (2019) Beyond Access: Making Indonesia's Education System Work (p. 12)

[27] Al-Samarrai, S. 2013. Local Governance and Education Performance: A Survey of the Quality of Local Education Governance in 50 Indonesian Districts. World Bank, Jakarta Indonesia.

[28] This focus was inaugurated by the recent Education Sector Review undertaken jointly by TASS and Bappenas and the formulation of the 2020-2024 Strategic Plans (Renstra) in MoEC and MoRA with TASS support.

[29] World Bank, 2017. Role of Education in the Prevention of Violent Extremism. Background paper to the joint World Bank-UN flagship report "Can Development Interventions Help Prevent Conflict and Violence?" http://documents.worldbank.org/curated/en/448221510079762554/120997-WP-revised-PUBLIC-Role-of-Education-in-Prevention-of-Violence-Extremism-Final.pdf

skills (often referred to as 'transferrable' skills) can be overlooked. Yet it is these skills that employers are demanding of young Indonesian workers, built on strong foundations in literacy, numeracy and science in earlier grades.[30] Simply put, if students have not developed minimum competence in literacy and maths, the prospect for a highly skilled and relevant workforce is very slim. Skills for entrepreneurship, lifelong learning and adaptation in a rapidly changing and globally competitive world depend on successful mastery of the thinking skills measured by tests such as PISA.

A further challenge is that while the focus of dialogue has evolved over the past decade from *access* to *quality*, the term 'quality' is ill-defined. Conversations about *learning* are still emergent and are not yet orienting systems, policy and practice – or accountability – at the various levels of government and in schools to improving learning outcomes. The effort now needs to shift to delivering the cognitive and non-cognitive outcomes that all children will need to become productive members of a regionally and globally competitive workforce.

The 2019 appointment of a new education minister Nadiem Makarim, former CEO of one of Indonesia's first and most successful internet start-ups, provides additional momentum for reform. Following a period of extended consultations, the Minister has embarked on a wide-ranging reform agenda to deliver on the President's priorities, which includes deregulation, innovation, teaching quality, school leadership, assessment, curriculum and technology use – areas which are even more relevant and urgent in the COVID-19 context. The Program will be well-placed to support these reforms and will remain flexible to respond to new GoI reforms where they are linked to improving student learning outcomes. Minister Makarim has indicated his support for DFAT's current education investments and his interest in continuing these approaches and receiving technical advice.

GoI's continued focus on basic education reform reflects the need for a long-term approach in tackling the difficult, and often persistent challenges in this sector. In this context, the proposed focus of INOVASI Phase II on supporting young Indonesians to acquire basic literacy and numeracy skills – as a critical foundation for higher learning and development of job-ready skills – remains highly relevant. Complementary policy work in Phase II can support GoI to determine how best to support the development of 21st century skills. Subtle, progressive shifts in the education landscape since the commencement of Phase I suggest that momentum is building for change: in systems, policy and practices as well as in outlook and new ways of thinking.

Development Partners, Private Sector and Civil Society

Other development partner support to the basic education sector has contracted since the original designs of TASS and INOVASI. Bilateral partners such as DFID, USAID and the EU refocussed their engagement with Indonesia on trade and cultural interests, with remaining development cooperation in education focussed on TVET and higher education. DFAT remains the only bilateral partner in basic education and funds or co-funds much of the work of other key partners: the World Bank ID-TEMAN trust fund, RISE and UNICEF. In 2020, a new World Bank loan to MoRA covering primary and secondary education (USD 250 million over five years) began implementation. Indonesian philanthropic organisations such as the Tanoto Foundation and the Sampoerna Foundation are emerging as significant funding partners in basic education (see Section D regarding potential partnership opportunities in Phase II).

The private school network is an important partner in Indonesia's education sector, accounting for around 48% of all schools, 31% of all students, and 38% of all teachers[31]. The sector is highly diverse: the number of high fee, high quality private schools is growing as Indonesia's middle class expands; and a far greater number of low fee and low-quality private madrasah and other faith-based schools serve Indonesia's disadvantaged populations. In some regions (e.g. Papua, NTT), Catholic and Protestant schools can account for up to 40% of all schools. Between them, Indonesia's two largest Islamic community organisations, Muhammadiyah and Nahdlatul Ulama, run 53,519 schools – around 53% of all private schools (and *madrasah*).

In the Islamic school sector, MoRA has turned its attention recently to incentivising large private providers (such as Ma'arif, Nahdlatul Ulama's education 'wing') to improve the quality of their teacher workforce. Given the size of private education provision, there is great potential for GoI to reconceptualise how it works with the private sector, engaging in new partnerships aimed at improving quality.

[30] UNICEF and Oxford Policy Management. PPT presentation, May 2019. Study on Skills for the Future in Indonesia. Not yet published.

[31] MoEC 2017 data, ref TASS ESR papers.

Digital start-ups are increasing their presence in the sector, providing opportunities for teachers to upskill and students to supplement school learning. The most well-known of these, Ruang Guru, Kopernik, and HarukaEdu, have come to the attention of the President. The COVID-19 pandemic and GoI 'learning from home' initiative has caused GoI to leap forward in partnering with EdTech companies and improving its online platforms, but has also shown challenges and areas for improvement in digital learning which the Program can support.

Local research and advocacy organisations (such as PSPK, Semua Murid Semua Guru, Ini Budi, Cikal Guru Kampus, Indonesia Mengajar, Fun School Movement) have had success in bringing about '*gerakan*', or people-centred movements agitating for innovation and change. The implication for Phase II is that there is a strong network of local organisations that the Program can partner with to support reform. In 2020 MoEC launched a major initiative 'Organisasi Penggerak', which draws on INOVASI's approaches. This initiative provides grants to a large number of NGOs, and through rigorous monitoring, aims to identify best practices in improving learning as well as potential long-term partners.

Effective Approaches: Lessons Learned from Phase I

The design of Phase II builds on the evidence, outcomes and lessons learned from Phase I of both INOVASI and TASS. In Annex D, we briefly summarise Phase I evidence and explain how this informs the design. Drawing on the independent review conducted in late 2018 and the programs' own documentation in six-monthly reports and strategy testing for INOVASI, we also discuss the main lessons learned from Phase I, which are summarised below:

1. Program approaches are effective and should be continued. This includes the flexible and politically informed approach adopted by both TASS and INOVASI, and the 'Problem Driven Iterative Adaptation' (PDIA) approach adopted by INOVASI.

2. Adaptive and responsive programming requires flexible staffing, planning and budgeting arrangements. Management and decision making in adaptive and responsive programs is inherently resource-intensive to enable timely responses and manage fluctuating implementation levels. It requires sophisticated monitoring and evaluation (M&E) to measure impact and feed into decision-making.

3. Different types of evidence are needed for different audiences and purposes. Information-based policy development requires both quick and compelling evidence, and a longer-term, more rigorous type of evidence.

4. A decentralised program works well. The most effective pilots in Phase I featured local ownership and adapted generic approaches to local context.

5. National policy engagement requires trust and benefits from sub-national context. TASS and INOVASI have both built trusting and collaborative working relationships with GoI, which should be leveraged in Phase II.

C. Strategic Intent and Rationale (Why?)

Australia's *Foreign Policy White Paper* identifies Indonesia as a key partner within the Indo-Pacific region. As a long-standing bilateral partner and dynamic member of the G20, Australia supports Indonesia's efforts to tackle inequality and maintain social stability, promote tolerance and pluralism, counter violent extremism, and promote regional stability. The relevant polices and strategies covering Australia's development cooperation are currently under review in the context of the COVID-19 pandemic. This proposed investment is consistent with current polices and sufficiently flexible to further adapt as part of Australia's support to Indonesia's COVID-19 response and recovery efforts.

Consistent with the government's *Strategy for Australia's Aid Investments in Education, 2015–2020* and Australia's *Aid Investment Plan – Indonesia, 2015/16-2018/19,* DFAT recognises that the Indonesian Government is responsible for improving its own education outcomes. By delivering catalytic assistance within a systems-focussed approach, Phase II will continue to enable Australia to be a partner to GoI as it tackles the stubborn and complex barriers to unlocking improved learning for all. Indonesia's long-term growth potential and development trajectory is highly dependent on the quality of its human capital and the country's ability to adapt in a rapidly changing and globally competitive world. As highlighted in the *2019 World Development Report: The Changing Nature of Work*, markets are increasingly demanding workers with higher levels of human capital, especially advanced cognitive and socio-behavioural skills. Highly skilled individuals are better at adapting to and taking advantage of change.

Establishing the link between quality learning outcomes for all in basic education and enhanced productivity and growth through labour mobility, innovation, entrepreneurship and job matching is expected to remain a priority for Australia's development partnership with Indonesia, both in supporting COVID-19 response and recovery efforts, and beyond. While GoI continues to prioritise improving the quality of basic education, it also has a strong focus on strengthening technical and vocational education and training (TVET), and addressing labour market needs, in preparation for industry 4.0 and the growing digital economy. Improving foundational skills for all girls and boys will make a direct contribution to this agenda, providing the future pipeline of students for TVET institutions. Australia also plans to make a contribution to Indonesia's TVET reform efforts through the IA-CEPA Economic Cooperation program, as well as through increased commercial engagement by Australian TVET providers.

D. Proposed Outcomes and Investment Options (What?)

The goal of INOVASI Phase II is *to accelerate progress towards improved learning outcomes for all Indonesian students*. This goal is a shared development priority for Indonesia, Australia and also globally (see Figure 5 below). The Program goal retains the intent and most of the wording from Phase I design documents but is rearticulated in a way that brings the two programs together and sharpens the focus on equity and inclusion.

Figure 5: Contribution to and Alignment with Higher-level Development Goals

Goals	*Reference*
Government of Indonesia	GoI, National Medium-Term Development Plan 2020-2024 High quality and competitive human resources (President's instruction **#1;** agenda **#3)** • Increased equity of quality basic education services • Productivity • Character development including religious moderation, literacy culture, innovation, creativity
Government of Australia	Aid Investment Plan for Indonesia (AIP): [32] **#2** Human development for a productive and healthy society **#6** Children have improved literacy and numeracy **# 3** An inclusive society through effective governance **#11** Public policies are informed by evidence
Global	Sustainable Development Goals (SDG) **#**4.1: By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes

INOVASI Phase II will focus on facilitating and supporting GoI to make changes to education practice, systems, policy and implementation that demonstrably improve student learning outcomes for all. This focus reflects both the integration of the programs and the change in INOVASI's emphasis from developer and implementer, to broker, catalyst, collaborator, evaluator and communicator.

Program Logic

An integrated program logic is summarised in the diagram in Annex A, but this may be reviewed during implementation as needed, without changing the end-of-program-outcomes. The logic retains the intent and the theories of change of the original programs: that is, INOVASI and TASS already share a program goal of improved learning outcomes for Indonesian students, and both programs seek to support decision makers to use evidence in making the systems changes that will drive improvements in teaching and learning.[33]

The program logic is underpinned by several **critical approaches**. With a focus on systemic change, the Program will use iterative, adaptive and politically-informed ways of working to support local problem identification and solutions, evidence-informed policy and practice approaches, and a lens that promotes equality, equity and inclusion. These incorporate the principles of 'problem driven, iterative adaptation' (PDIA) that underpin INOVASI at all levels and the strong process consultation that underpins TASS. These approaches have been

[32] These reflect the current DFAT AIP Indonesia Objectives. These will be updated in line with Australia's forthcoming COVID-19 development strategy and updated aid performance framework.

[33] INOVASI's goal in Phase I has been to accelerate progress towards improved learning outcomes for Indonesian students. The goal of TASS has been improved quality of teaching and learning outcomes and reduced impact of disparities in selected areas of education reform.

found, both in practice[34] and the literature,[35] to be suitable ways of working when helping to address longstanding systemic problems. Rather than standard solutions, these approaches incorporate the sharing of knowledge and evidence, and iterative and adaptive solutions through relationships-based methods[36]. This promotes collaborative efforts of key stakeholders, alliances and coalitions.[37]

While all policy and system reforms promoted through the Program will be evidence-based, not all evidence will be derived from sub-national pilots. The Program will continue to engage international and Indonesian expertise using various approaches under TASS Phase I.[38] Evidence to support policy and system reforms will also be drawn from other programs and previous investments, research and policy analysis, and from practices developed by Indonesian partners (government and non-government). This blended approach is expected to enhance the effectiveness of the Program, ensuring advice balances global best-practice with what's contextually suitable and politically feasible for Indonesia. The continuing role of strategic communications will ensure evidence and knowledge are shared with decision makers (or end-users, according to the program logic).

In applying a lens of equality, equity and inclusion, the Program will meet students, teachers and communities where they are at – drawing on assessment data and local contextual analysis. Phase II will have a strengthened focus on improving student outcomes for those in the lowest performance bands on student assessments, while also seeking to support better-performing students to enhance higher order thinking skills and comprehension. Phase II will consider supporting GoI to design and implement remedial (catch-up) strategies but will continue working in a range of contexts (see below regarding targeting strategy). An updated Gender, Disability and Social Inclusion Plan will articulate concrete strategies to support gender equality, disability and social inclusion (see Section G).

The Program will **partner** with national and subnational governments, schools and *madrasah* and, where relevant, supporting them to partner with non-government organisations, other development programs and the private sector. The Program cannot facilitate change across the whole of Indonesia. Rather, the focus will be on key actors and decision-makers from (a) the central Government agencies that directly relate to the business of schooling and (b) Provinces, Districts and schools in selected geographic locations where learning outcomes are the most vulnerable. By focusing on these areas, the likelihood of achieving accelerated progress is more likely.

Similarly, INOVASI cannot facilitate change in all elements of the education system. Based on the problem analysis and experience from Phase I, the Program will **support priority areas of basic education reform**, such as teacher professional development, assessment and curriculum implementation – as agreed with GoI. The Program's focus will be on the following areas: **1) quality of teaching; 2) quality of support for teachers; and 3) learning for all**. It is these elements that will have the most impact on the long-term goal.

The Program will broadly use six **delivery methods** that have been shown by INOVASI and TASS to be successful in terms of facilitating the desired outcomes. The six are:

- continuous policy engagement;
- responsive research and analyses;
- expert technical advice and support;
- supporting GoI and its partners to pilot and trial new ideas and approaches;
- strategic communications for knowledge sharing; and
- brokering partnerships and coalitions and connecting institutions and relationships.

These delivery methods may be used separately or in combination to implement activities.

[34] Hind, J. and Rahim, D. (2018). *TASS Mid-Term Review– Evaluation Report.*

[35] Shaxson, L., Datta, A., Tshangela, M., and Matomela, B. (2016). Understanding the organizational context for evidence-informed policy-making. ODI.; Booth, D. (2015). Thinking and Working Politically. Professional Development Reading Pack, No. 13. GSDRC; Will, A., Tshangela, M., Shaxson, L., Datta, A., and Matomela, B. (2016). Guidelines and good practices for evidence-informed policy-making in a government department. ODI; Menocal, A., R. (2014). Getting real about politics: From thinking politically to working differently. ODI.

[36] Georgalakis, J., Jessani, N., Oronje, R., and Ramalingham, B. (2017). The Social Realities of Knowledge for Development. Impact Initiative.

[37] Laws, E. and Marquette, H. (2018). *Thinking and working politically: Reviewing the evidence on the integration of politics into development practice over the past decade.* TWP Community of Practice; Development Leadership Program. (2011). *Politics, Leadership and Coalitions in Development: Policy Implications of the DLP Research Evidence – Research and Policy Workshop, Frankfurt, Germany, 10-11 March 2011.* www.diprog.org

[38] Use of international specialists with career experience in education departments and agencies was a particularly effective approach in Phase 1 of TASS, e.g. previous personnel of the Australian Curriculum Assessment and Reporting Authority and the New South Wales Department of Education. Such specialists are not only strong technically but have a lived understanding of the complexities and compromises inherent in policy making.

Experience from Phase I points to a range of feasible early results or **emergent outcomes**: knowledge, skills, increased understanding, confidence, evidence, models, ideas, options, products, and stakeholder interactions (e.g. outputs) that inform the development and/or improvement of systems, policy, programs and practices at the various levels at which the program operates. An activity might generate one or more of these outputs. Similarly, experience points to a set of feasible emergent outcomes (see Annex A and C for details). Again, an activity might result in one or more emergent immediate outcomes. The iterative nature of the Program means that any of these early results may lead to further new or expanded activities that build on and complement the previous work. Timely feedback of what works (and does not) will be a critical feature of the Program. Such feedback will inform important next steps. Progress towards the intermediate and end-of-program outcomes will, therefore, not be linear.

Emergent outcomes will result in four **intermediate outcomes**, which are that in priority areas of basic education reform, key actors will;

- coordinate and collaborate with relevant national and subnational stakeholders to improve decision making related to education policy, systems, and practice;
- have capability in problem identification and determining relevant local solutions;
- scale effective education policies, systems and practices; and
- draw upon credible bodies of evidence to improve the effectiveness of education decision-making.

These are not sequential, and evidence may be seen of any or all of their achievement in tandem.

Intermediate outcomes are expected to support the achievement of two **end-of-program outcomes (EOPO)** by December 2023. In priority areas of basic education reform key actors will: 1) implement effective processes that bridge the divide between policy and implementation; 2) apply sustainable policies, systems and practices – both to support all students to achieve competence in foundational skills.

The wording of the EOPOs is amended from those in the IDDs for TASS and INOVASI to reflect the integration of the programs. However, the outcomes align with the previous program logics, with a stronger emphasis on systemic change as the ultimate aim of the program in Phase II. The EOPOs reflect the maturation of the programs and the expectation of significant changes to the critical components of the basic education system that will lead to improved student learning outcomes. INOVASI's theory of change recognises that durable change is needed in three areas in particular (quality teaching in classrooms, better support for teachers and learning for all).

While INOVASI's intermediate outcomes and EOPOs are set, activities, outputs and progress outcomes are all emergent. These are emergent because the complexity of the program's focus and its iterative, adaptive nature mean that activities cannot be pre-set. Rather, each will respond to a particular problem or constraint at hand, the political and institutional contexts, and counterpart capacities. Although responsive to local need, activities will be chosen strategically and deliberately in order to leverage local commitment to systemic change. Nonetheless, while all activities will be aiming to influence the EOPOs, they will not neatly package together to lead to uniform results.

Because of the context-specific nature of activities and the adaptive nature of the Program, outcomes will not be demonstrated uniformly across all settings. Start and end points on the journey to change will differ for each area of investment. Similarly, neither the number of indicators nor the degree to which they are demonstrated will be uniform. It is, therefore, not possible to state the exact magnitude of change in each policy area or location. Nonetheless, all outcomes will demonstrate progress towards the goal.

A key assumption in this program logic is that the responsible actors at both national and sub-national levels will be motivated to embark on the journey of change and work collaboratively to achieve the outcomes. Experience from Phase I of both INOVASI and TASS indicates that this has generally been the case. In Phase II, the Program will be even more focused on working with those actors whose motivation and commitment is high because experience has shown that this is essential for systemic change.

Integrated Areas of Technical Focus

The original technical focus of both programs will be retained: INOVASI's with a continued focus on the three areas of investigation (see above) through the lens of literacy, numeracy and inclusion; and the continuation yet sharpening of TASS's broader mandate to support national ministries and agencies in areas of systems and

policy reform that contribute to better teaching and learning for all.[39] While the Program's scope is primarily 'basic education' (junior and secondary schooling) it will continue to take a systems approach to improving learning (for example, being prepared to provide technical advice on the whole school curriculum).

Depending on the priorities of sub-national and national partners, political economy factors and evidence on what works, technical areas of piloting and technical advisory support may include: teacher professional development and support; teacher management and distribution; curriculum; assessment (formative, summative, diagnostic); digital learning; and aspects of the national standards and quality assurance systems. The Program's strengthened collaboration with other development partners and DFAT programs (see below) will also shape the nature of the Program's engagement in different technical areas.

Responding to Phase I lessons and GoI/GoA priorities, areas for increased attention at the national and/or sub-national levels may include:

- Numeracy and mathematics, which is critical for the country's future but has received less attention from policy-makers compared with literacy;
- Digital capabilities and delivery of teaching and learning resources, linked with competencies required for Industry 4.0 as well as the need to explore affordable solutions to achieve scale;
- Science[40] linked with workforce needs and PISA results;
- Higher order thinking and 21st century skills;
- Policy engagement on initial teacher education, drawing on pilots and program evidence – and made feasible through the recent merger of higher education into MoEC;
- A much stronger focus on equity and supporting gender equality (see Section G).

Any budget efficiencies resulting from the integration of INOVASI and TASS will be directed to support additional work in these areas (see Section E). The extent to which the Program can support new technical areas related to improved teaching and learning will be subject to budget availability and GoI priorities.

Geographical Focus and Targeting Strategy

The combined Program will better integrate top-down and bottom-up perspectives by working closely with government partners from national and sub-national levels to identify policy issues and explore the problems and pilot solutions at a local level.

Subject to budget availability, at the sub-national level the Program will remain engaged in all four existing provinces – NTB, NTT, North Kalimantan and East Java – and will not expand operations to new provinces. The current spread of provinces provides a balance of remote and disadvantaged regions with more developed, wealthier and politically significant regions. Continuing in current provinces will enable the program to maintain momentum, build on current programs, and avoid the political cost of withdrawing after a relatively short period in some regions. Expanding operations to new provinces will not be feasible in the limited timeframe; even if Phase II obtained additional budget, it takes time to build relations with local governments and obtain the contextual knowledge needed to be effective.

Where opportunities arise the Program may provide limited support for take-up and institutionalisation of approaches in other provinces, leveraging from others' resources (GoI, private sector, other development partners or DFAT programs). If there is political will and finances available to implement proven approaches in additional provinces, the Program will consider supporting these efforts through a technical advice role only.

Learning from the experience of Phase I, a more flexible approach to district selection is planned for Phase II. This approach will differentiate between a small number of 'key partner' districts (one or two per province) and a larger number of 'scale up' or 'support' districts. The former will be drawn from standout Phase I districts, while the latter will include most of the remaining Phase I districts plus, possibly, additional districts which make a convincing case to be involved. This approach will provide several benefits: (1) reducing the program cost by reducing program overheads in some districts, (2) increasing flexibility and adaptability to allow

[39] While these three focus areas are drawn primarily from the INOVASI IDD, they are strongly aligned with the original TASS TOR and 2019 Investment Summary which articulated two focus areas for TASS' responsive technical advice and support: poor teaching and learning (Focal Area 1); and disparities in teaching and learning outcomes (Focal Area 2).

[40] Phase II will explore whether science should be included as a new focal area, given its critical importance to Indonesia's Industry 4.0 ambitions. This will be determined in the transition phase, in consultation with GoI, DFAT and the World Bank. The World Bank has previous investments in science teaching at lower secondary level; this may sit as an area of comparative advantage for the Bank rather than INOVASI.

districts to opt in and out of the program, depending on commitment and opportunity, and (3) enabling a more differentiated, bespoke approach to program design and delivery in regions. To support this, the program will undertake a more decentralised approach to co-design pilots and systemic solutions at the province and district level to respond to local context, constraints and opportunities. This more flexible approach to district selection will also allow INOVASI to support and monitor scale-out by Muhammadiyah, NU Ma'arif and other Program partners, such as is already taking place in Central Java.

While there will be a variety of approaches to INOVASI supported activities at the district level, the difference between the two ways of partnering may be summarised as follows:

- *Key partner districts:* INOVASI will maintain an office and full-time presence. The district is expected to co-fund activities, including pilot implementation. DFAT funds will be used for technical assistance, co-design, and initial training where required, plus MERL and communications. These districts may become sites for longitudinal pilots and studies, where we may continue support and monitoring with a selected group of schools, teachers and children for the full period of INOVASI. They will also be sites for a more intensive systemic approach, applying the lessons of PDIA at the district level to create sustainable institutionalised systems for continuing improvement; and
- *Scale-out or support districts:* INOVASI may not have a permanent presence or maintain an office in all districts. These districts may elect to join the program, fully self-funding activities. INOVASI will offer a 'lighter touch' partnership, with limited technical, MERL and communications support. The districts will be sites for scale-out or for new small-scale pilots on various themes.

The Program will continue to work in a range of schools through purposive sampling and district government involvement in school selection. The Program will not only work in schools with the lowest education outcomes, but will support more targeted strategies to improve learning for all, including remedial strategies for the poorest performers. This approach draws on learning in Phase I, which has seen a move away from the initial INOVASI approach of targeting the average '60%' of schools to a more flexible approach.

The Program will adopt a differentiated approach at the sub-national level influenced by local context, demand and evidence. Depending on demand and opportunity, the Program could articulate a policy/practice focus for each province, such as curriculum implementation, assessment, teacher training, disability inclusion, or digital approaches. The Program will continue to support pilot designs that are based on evidence and local needs/solutions. A localised approach might mean, for example, in NTT focussing more heavily on gender equity and social inclusion as well as language transition issues, while in East Java focussing on Islamic education and higher-order thinking skills. In North Kalimantan, while building on the successful approach to literacy, the Program may explore numeracy and expanding the literacy program to higher grades. In NTB, the focus on inclusion is likely to be a priority, with pilots building on the disability identification tool/app and focussing more on strategies for including disabled children in mainstream classes.

Pilots, Scale-out and Systemic Change

A key aspect of the Program's approach is taking relevant national policy issues (especially pertaining to literacy, numeracy and inclusion) to support GoI to pilot local-level solutions, 'scale out' those which show promise and to confirm whether they are effective, and then to institutionalise effective solutions at sub-national and national levels to achieve systemic change. Phase II will seek to strike an appropriate balance between pilots, scale out and systemic change in line with the program logic.

- *Pilots* – this is a GoI-owned and led activity to test an approach before it is introduced more widely.
- *Scale out* – this is the implementation of INOVASI-derived activities with independent funding (GoI, civil society, other development partner programs or the private sector). Consistent with the Program's intermediate outcomes, supporting scale out will help leverage wider impact and generate additional new evidence about what works when implemented by others at a larger scale. The Program will focus on providing technical expertise and advice on monitoring efforts to support a more effective approach, countering the tendency of some stakeholders to demand fast and universal scale-out of new ideas without preserving the need for contextual flexibility/variations.
- *Systemic change* – this is defined as change to GoI management structures and processes for education (e.g. institutionalising the Program's work with teacher working groups and district

facilitators, influencing changes to teacher training systems). This aligns with *EOPOs* and is the Program's ultimate objective.

Pilots will continue in Phase II, but will be less prominent as a proportion of Program effort, with the emphasis on supporting national and district government efforts to pilot. Increasingly, pilots will focus at the system level as the Program works with government to test approaches and practices at a larger scale, leveraging the evidence from these pilots and other sources to drive policy and systemic reform for improved learning outcomes. The Program will increasingly seek co-funding from local and national government for pilots and technical activities (see below). The Program only anticipates fully funding pilots where relationships are new, or the Program is seeking to demonstrate new ideas or innovations to build buy-in and ownership. These pilots will be small in scale and will continue to use a PDIA approach to identify and explore relevant problems, co-design solutions and test these at local levels.

In the transition phase between Phase I and II, the INOVASI *Scale Out* strategy[41] will be refreshed to reflect integration with TASS and the program's focus on systemic change.

Partnerships and Coalition Building

In Phase I, INOVASI and TASS experimented with partnerships with universities, local NGOs, private enterprise, social entrepreneurs and faith-based organisations. In Phase II, we expect to increasingly engage with traditional and non-traditional partners, establishing coalitions and relationships that will outlast the program. In addition to partnering with government at all levels, the Program will increasingly seek to broker partnerships and coalitions between the government and non-government sector and also with industry. Partnerships and coalition-building will be guided by the program logic with the overall intent to: a) support joint policy advocacy; b) support sustainable and high quality delivery of education services; and c) leverage others' finances and technical resources to achieve greater impact.

Phase II could provide support to GoI (at various levels) to tap into significant private funding available through Indonesian companies' corporate social responsibility obligations, charitable organisations, and local philanthropic organisations. As discussed in Section B, the private sector is diverse and therefore partnerships require differentiated approaches, which may include:

- **Industry collaboration:** efforts to broker agreements with the book publishing industry, communities and local government to find financially viable ways for publishers to provide books to remote communities. DFAT and the Program will work with GoI partners to identify ways to assist industry to expand market opportunities while supporting improved learning outcomes for children.
- **EdTech companies:** supporting GoI to work with EdTech companies in developing or obtaining licences for teacher and student resources, building on the World Bank's recent analysis of the EdTech situation in Indonesia, Australia's past support to Ruang Guru, and growing Australian industry interest in this area (supported through AusTrade).
- **Universities and technical training institutes**: expanding engagement of academic staff for in-service training to bridge the gap between pre-service training and education practice. Phase II may also support GoI to explore greater use of private providers of teacher professional development more broadly. IA-CEPA could allow greater opportunities for Australian vocational and higher education providers to deliver training and consulting services.
- **Private schooling:** the focus will be on supporting MoRA's own partnership with Ma'arif NU and Muhammadiyah, which it is increasingly engaging with for sustainable funding of *madrasah* teacher continuous professional development. The Program will continue to support MoRA to build this strategy and expand to other regions. At the sub-national level, the Program will continue to provide technical support to these organisations as they scale out INOVASI approaches, and will explore potential new partnerships with Christian and Catholic private school networks in NTT.
- **Philanthropics working in basic education:** for example, Tanoto Foundation has a systems-focus and implements similar approaches to INOVASI but in different areas. It also supports initiatives in pre-service and early childhood education.

[41] INOVASI currently supports the scale-out of solutions within districts to find out what approaches work and what is realistic, affordable and sustainable for local actors. The current scale-out strategy differentiates between 'scale out' (of pilots within districts and provinces), 'scale-up' (of successful approaches through district, province and national level systems and policies) and 'scale deep', which refers to cultural change, change to mind-sets, values and beliefs required to sustain reforms, and support the creation of a culture of continuous improvement.

- **Corporate social responsibility (CSR):** the Program will seek to broker agreements with CSR programs at local and national levels, building on Phase I successes where local CSR programs have partnered with districts to support scale-out of teacher working group training and book publishing.

The focus of engagement with civil society organisations will shift from grant funds for NGO initiatives to a brokering role, bringing together service providers, funding agencies, users in local government, and communities to design and implement programs to improve learning outcomes. Grants to non-government partners will continue to be a feature of Phase II, though individual grants will be smaller and used as a strategic tool to build coalitions for change at local and national levels (8.22% of program activity costs budgeted for partnerships and coalitions).

A new Partnership Officer position has been included in the program team to support additional work in partnership and coalition building. The DFAT Human Development team in Jakarta will similarly establish a partnerships focal point and facilitate additional consultations with the private sector and civil society to explore partnership opportunities. The Program will also collaborate better with the World Bank, UNICEF and other relevant DFAT programs (see below).

Sustainability

In the context of the Program's approach, sustainability means that INOVASI-supported policy reforms and approaches are successful in terms of improving learning outcomes for children, and that these policy reforms and approaches are sustained beyond the life of the program. In Phase II the Program will promote sustainability in four main ways.

First, at the national level the Program will work to strengthen links between different parts and levels of the system; build stronger policy-related relationships; help stakeholders reach common understanding about the issues and challenges; explore the feasibility of new ideas and changes to the enabling environment; reach agreements about direction or resolution of policy issues; and, where appropriate, pilot solutions or conduct joint research to build an evidence base around the efficacy of different policy options. By getting behind GoI and supporting *their own* reforms and change processes, these ways of working are inherently sustainable. Systems thinking supports Indonesia to work towards a high(er) performing *system;* individual schools alone cannot be expected to implement and sustain the transformations that will be needed to improve student achievement.

Second, the Program will work in a politically informed way and support the principles of adaptive management within GoI where possible. At the district level, this may be a circular process, in that policy and systemic reform are intended to support scale-out in the short-term, and scale-up to enable continuing improvement in the longer term. In PDIA terms, this is called building state capability. The aim is for the system to be able to continually improve, developing ongoing evidence-based policy. The most important evidence in this context is the results of student assessments, which show trends in student learning. Ways in which Phase II may seek to support adaptive management principles within GoI include:

- Use of student assessment results and continued development of the AKSI tool;
- M&E systems for pilots, programs and policy implementation (see section F); and
- PDIA principles, including ensuring that national policy provides enough room for adaptation to local contextual needs.

Third, the Program will encourage increased GoI co-funding where possible, particularly for pilots, events and collaborative approaches to activities, to foster greater local ownership, increase sustainability and increase the likelihood of achieving end-of-program outcomes. Pilot funding can be multi-source, including district, village, school and teacher budgets for district level activities. Funding from national level GoI partners could cover workshops, research and analytical activities, and travel.

Fourth, the Program's increasing role in brokering partnerships and coalitions will further support sustainability (see above).

Collaboration with Other DFAT Programs and Development Partners

In Phase II, DFAT and the Program will support improved collaboration with other DFAT programs and other development partners in basic education. In late 2019, DFAT facilitated the revival of a Basic Education

Working Group, to be hosted by the World Bank, UNICEF and DFAT on a rotational basis. This working group usually meets quarterly with a focus on improved collaboration, but has met more regularly to coordinate support for COVID-19 response and recovery. In addition to the three hosts, regular participants include representatives from the INOVASI Program, DFAT's decentralised governance program (KOMPAK), DFAT's multi-country research program in education (RISE), SMERU Research Institute[42] and Tanoto Foundation – with the ability to invite additional participants on an ad hoc basis. Improved activity-level coordination will be supported through direct one-on-one relationships between programs/partners, as well as through internal DFAT discussions.

These meetings will facilitate information sharing, mutual learning, and work planning to address missing links and opportunities across DFAT's investment portfolio and achieve leverage across programs for scale out and up. The Program Director (or Partnerships Officer/Deputy Director, Learning) will lead regular engagement with other programs with follow up actions enacted at a technical level. The Program will share indicative work plans with the World Bank/ID-TEMAN, UNICEF, KOMPAK and RISE before their finalisation and submission to DFAT. DFAT and the Program will explore opportunities for joint activities at policy and/or implementation levels. At the sub-national level this will need to be in areas where relevant programs are both working (for example NTB is the only 'cross-over' province with KOMPAK).

DFAT will be more explicit around expectations for collaboration in updated strategies, designs, contracts and reporting requirements. As coordination with other investments involves multiple stakeholders each with their own set objectives and interventions, the Program will measured by the level of effort directed towards coordination and collaboration with other investments.

The aim of strengthened collaboration is to maximise effectiveness and efficiency and leverage the comparative advantage of individual programs and partners towards common goals. For example, RISE and the World Bank are expected to take greater leadership of the research agenda over the duration of Phase II. The Program will feed into these activities and draw on the results to supplement INOVASI generated evidence and the technical advice of program advisers. KOMPAK, the World Bank and DFAT's economic governance program (Prospera) have expertise in public financial management and spending analysis – so as much as possible Phase II will seek to draw on this rather than duplicate this work as it moves to support systemic change. Different partners/programs also have different sets of relationships and networks which the Program can draw on. With the increased focus on inclusion, gender equity and brokering coalitions and partnerships with civil society, the Program will consult with DFAT's gender equality and social inclusion programs (MAMPU, Peduli and Women in Leadership) before designing activities. DFAT's support to UNICEF in Papuan provinces will provide different lessons relevant to lifting learning results, which the Program will seek to draw on. Specific areas for collaboration with DFAT-funded programs are explained further in Annex E.

E. Implementation Arrangements (How?)

Implementation Strategies and Modalities

While retaining the successful elements of the modality, approach, and focus of TASS and INOVASI, they will operate as a single program with one Director and with three teams, each headed by a Deputy Program Director: Learning; Systems & Policy; and Operations (see Annex B, Organisational Chart). This integrated model will bring the two teams together at both the management and implementation levels. It will enable a blended approach to supporting system and policy reform at both national and sub-national levels. The approach responds to suggestions in the Strategic Review for program convergence. There will be a high degree of technical coordination across these teams, as suggested in the program logic (see Annex A). At the sub-national level, the Program will continue to work in four provinces subject to budget availability. Technical and personnel teams in each province will continue to report to a Provincial Manager and coordinate on technical matters across the different national-level teams.

The 'value proposition' of both TASS and INOVASI is reflected in their respective ways of working. Both have 'tight ends but loose means' – retaining sight of the objectives while being flexible in terms of what they do. TASS operates as a 'smart facility'. It responds strategically to requests for targeted policy support from national ministries. INOVASI is an adaptive program, which has adopted the principles of PDIA by exploring problems in policy implementation and supporting partners to develop solutions for local-level education

[42] SMERU Research Institute is an Indonesian independent institution for research and public policy studies. It is the implementing partner of RISE Program in Indonesia although the institute also carries other education-themed research.

delivery to inform national policy. Both think and work politically in terms of 'working with the grain' to identify locally resonant and locally-led reform entry points. Both are focussed on improving learning outcomes for Indonesian children through better systems, policies and practice.

An integrated INOVASI Phase II program delivers improvements across seven of the eight DFAT Value for Money principles. While Phase II will reduce duplication of functions in an integrated team, additional staff with different skill-sets are needed in new areas to respond to emerging priorities and the focus on systemic change. Efficiencies will be realised through a shared annual planning process, budget, staffing, governance arrangements, planning and Strategy Testing[43], branding (see below) as well as a shared monitoring, evaluation, research and learning (MERL) framework and reporting process. The integrated approach will provide:

- a continued capacity to respond strategically, using a flexible, facility-like approach at national level;
- an enhanced capacity to integrate responses to policy and implementation challenges at national and sub-national levels, and to support GoI to work collaboratively across levels;
- an enhanced capacity to inform policy and system support at sub-national and national levels by supporting GoI to pilot solutions in schools and districts with robust feedback loops; and
- reduced transaction costs for DFAT and GoI and more efficient liaison between the program and DFAT (and vice-versa).

An integrated Systems and Policy team will deliver the TASS functions of short-term technical advice to national ministries and agencies and extend this support to sub-national levels. A national team will continue to draw on short-term international expertise; while the need for short-term national expertise will be reduced as much of the responsive, national advisory assistance will be delivered by program staff and specialists. International short-term assistance may provide inputs at the sub-national level. Annual budgets will retain a flexible component to fund responsive systems and policy support.

Government of Indonesia Partners

Building on the strong collaborative relationships established in Phase I, the Program will work with MoEC and MoRA as key partners and will retain capacity to support Bappenas. We will coordinate closely with the World Bank, Prospera and KOMPAK on national and sub-national policy issues involving the Ministry of Home Affairs, the Ministry of Finance and the Ministry for Villages. Examples of such issues include policy to incentivise districts to build efficiencies in teacher deployment (multi-grade, multi-subject teaching) through fiscal transfers; or strategies to support improved learning through alignment of targets and indicators in district and provincial *Renstra* and the RPJMN.

Updated Governance and Planning Arrangements

The combined Program will be framed by a Subsidiary Arrangement between GoA and GoI and governed by a national Steering Committee that will meet biannually. As a bilateral decision-making forum, the Steering Committee will be co-chaired by Head of MoEC's Board of Research and Development,[44] MoRA's Director General of Islamic Education and DFAT's Minister-Counsellor for Human Development (or their delegates). Members will also include other relevant Echelon 1 representatives of MoEC and the Deputy Minister for Human Development Community and Culture in Bappenas;[45] DFAT senior managers; and the Program Director and Deputy Directors. In the transition phase (January to September 2020) DFAT, the Program and Steering Committee chairs will review and agree on updated roles and responsibilities for the Steering Committee to better support its strategic oversight function and support the Program's increased focus on systemic change and sustainability. Sub-national or non-government partners may be invited to participate in the Steering Committee on a rotational basis.

[43] As an adaptive program, INOVASI conducts routine strategy testing to review program strategies and adapt them to increasing understandings of the implementation contexts. This will continue in Phase II.

[44] A revised MoEC organisational structure is due to be announced in 2020. DFAT will review who the appropriate MoEC counterpart in discussion with GoI remains.

[45] DFAT 2019 Strategic Review recommended inclusion of other ministries in the SC; Phase II proposes engagement with those Ministries through program activities. The intent will be to support MoEC and MoRA counterparts to engage and collaborate across whole of government, rather than the Program leading those relationships. The Program will also utilise networks of programs such as KOMPAK to increase attention and engagement with other national ministries on key education issues.

A Technical Working Group(s) (TWG) will replace INOVASI's Management Unit[46] to action agreements reached at Steering Committee meetings and will be co-chaired by DFAT at the Counsellor level. The TWG will include representatives of MoEC, MoRA and other relevant ministries as well as sub-national representatives and non-government partners.

Sub-national governance arrangements will continue to be internal to GoI, with some changes compared with Phase I. The Program will continue to hold biannual provincial Steering Committee meetings including high-level district counterparts to approve work plans, review progress and set strategic directions. Key local stakeholders (including from civil society, disabled people's organisations, universities and the private sector) will be invited to participate in provincial Steering Committee meetings, which has already begun in Phase I. Currently all partner districts sign a memorandum of understanding (MOU) with the province, which in turn has an MOU with the centre. In Phase II the national government will continue to have an MOU with partner provinces, but not with districts, to support the more flexible district support arrangements (see Section D).

In Phase II we expect sub-national planning will increasingly involve national government, but that ownership of province/district programs will remain with the local government. In addition, the Program may provide technical advice to piloting and testing initiated by the national government (e.g. in support of national adoption and adaptation of solutions tested at sub-national level).

DFAT Oversight and Management

As recommended by the 2019 Strategic Review, DFAT will adopt a strategic partnership approach to Program oversight and management. DFAT's primary focus will be on direction setting (from a GoA standpoint), strategic dialogue with GoI partners, supporting collaboration with other programs and partners, as well as performance oversight of the Program and the Managing Contractor. DFAT and the GoI will agree on the Program's strategic direction through the Steering Committee, approving a medium-term planning framework that articulates specific areas of investment required at national and sub-national levels to drive change in the three areas of Program investigation (quality of teaching in the classroom, quality of support for teachers, and inclusion). The relative scale and scope of investment in each of the areas will be determined by ongoing technical and political economy analysis of emerging opportunities and entry points.

The annual work plan will provide detail on agreed investment areas and include indicative budgets. Authority for activity/pilot-level planning and decision-making will then be delegated to the Managing Contractor, working with relevant counterparts at national and/or sub-national levels. This will remove the need for the activity-by-activity approvals that were characteristic of Phase I (of TASS).

Branding Transition

The Program will adopt the INOVASI name, brand and logo for Phase II. INOVASI retains the stronger brand value and external presence, given the nature of its work at sub-national and national levels and its range of external platforms. TASS has had a lower profile and public diplomacy presence, with activities often being of a sensitive nature and, at the request of GoI, not widely promoted. Clear messaging and talking points will be developed for both programs to use with shared stakeholders in the transition phase, highlighting the planned brand transition, what this means moving forward, when it will come into effect, and other key details. This will be developed in consultation with DFAT and key GoI stakeholders. Early in Phase II, the Program will repurpose the INOVASI logo to accommodate the TASS brand.

F. Monitoring and Evaluation (How will DFAT measure performance?)

Currently, INOVASI's monitoring, evaluation research and learning (MERL) fulfils two functions: (1) program evaluation for accountability and learning, and (2) generating evidence to support policy. TASS M&E shares the first function, seeking to report on program achievements against the Program Logic and facilitating program learning and continuous improvement.

In Phase I of INOVASI, data collected and analysed for program M&E was also used to generate evidence of what works (and doesn't) to improve learning outcomes. Phase II will take these lessons and adopt a more streamlined and strategic approach to generating evidence from pilots. While effective in building a body of credible evidence to support policy change, the approach in Phase I proved to be overly ambitious, too slow

[46] TASS' working level coordination mechanism in Phase I was deliberately less formal than INOVASI's, consisting of quarterly updates to its working level counterpart in MoEC. This will be formalised in Phase II through the Technical Working Group.

and cumbersome. This resulted in some delays and frustration within the program. The key is to strike a balance between the need for timely, responsive performance information and for rigorous, credible evidence.

As far as possible, the Program will work with GoI to strengthen and use their M&E and data systems, in keeping with the focus on sustainability and GoI partnership. Phase I used GoI assessment and data systems (MoEC and MoRA have separate databases) and used a student learning assessment that was based on AKSI and PISA. INOVASI and TASS supported MoEC to pilot AKSI, use the results for policy and expand the system – including for data on special needs. Ideally, the AKSI instrument itself would be used for baseline and endline measurement in Phase II but it is unclear whether this will be ready in time. MoEC is currently developing new plans and policies for assessment, which the Program will need to adjust to once confirmed.

In Phase II, increasing attention will be paid to monitoring and evaluating the effectiveness of systemic change and scale-out. Where feasible this will be in terms of improvements to learning outcomes, but also include some quantitative and qualitative analysis to capture lessons learned and assess policy influence. M&E of independently-funded pilots will be light and SASSY (simple, affordable, scalable, and sustainable).

Another lesson from Phase I is the need to better monitor and evaluate the effectiveness of communications products, events and strategies to ensure they are well-targeted and achieving strategic objectives. A greater proportion of effort will be required for analysis and communication of results, reflecting the increased attention given to systems and policy reform. Phase II will also increase the visibility of the Program's research and learning. This will be a significant source of information to drive INOVASI's knowledge brokering function.

M&E of TASS in Phase I closely followed the DFAT best practice guidance on M&E of facilities; each activity had an articulated program logic which was monitored to assess whether activity outcomes were achieved. A results framework aggregated these activity-level data to assess the facility's overall effect. Estimated counterfactuals for each activity were used to help determine TASS's contribution and added value. As TASS evolved from a wholly responsive, demand-driven facility to a 'politically smart facility', this approach to M&E was less suited to capturing the increasing proportion of program support provided outside of short-term technical assistance activities and the M&E was adapted to capture the role of the core team and the effect of their process consultation approach.

During the transition period (January - September 2020), a comprehensive review of the MERL approaches (from the INOVASI and TASS programs) will be undertaken, resulting in an updated MERL strategy and results framework by October 2020. The aim will be to develop a lighter, more flexible, responsive and proportional set of methodologies to produce evidence and measure the Program's progress and contribution to intermediate and end-of-program outcomes. This review will inform the development of an integrated approach to M&E, a combined program logic, theory of change and results framework. DFAT and GoI will be engaged in this process. That updated MERL strategy and results framework will be guided by the DFAT Monitoring and Evaluation Standards 2 and 3 as well as updates to DFAT's higher level performance frameworks for the aid program, in line with Australia's forthcoming COVID-19 development strategy.

G. Gender Equality, Disability and Other Cross Cutting Issues

Phase II will increase its focus on equality, equity and inclusion, to support a reduction in persistent disparities and provide enhanced education opportunities for all. This is even more important in the wake of COVID-19, since women and girls will likely experience the impacts from the disease and economic disruption more acutely. Rapid surveys conducted by INOVASI in April 2020 provide early evidence that children whose learning outcomes will be affected more negatively by school closures are: children with disabilities, children whose parents are from a lower socio-economic background and/or are less educated, and children from rural and remote areas.

Findings from Phase I of both programs show that the education access and performance gaps are influenced by local cultural and religious traditions (see sidebar) as well as more general perceptions of the roles of girls and boys, and women and men in society. Therefore, approaches to improving equal access and reducing performance gaps need to be highly contextualised.

Gender Equality

A draft World Bank report on inclusion in Indonesian education finds that Indonesia has achieved gender parity in access, with a Gender Parity Index (GPI) of 1.00 for school enrolment rates among children ages 7-12. The ratios for 13-15-year-olds and 16-18-year-olds have shifted to a slight female advantage, with a GPI of 1.02 (World Bank, 2019). There is regional variation though – the GPI in some provinces significantly favours boys (e.g. South Buton, Sulawesi at GPI of 0.5) and others favour girls (e.g. Probolinggo, East Java at GPI of 1.61)[47]. Boys drop out earlier to pursue employment, while girls often drop out to take care of younger siblings or others, or due to early marriage. A rapid participatory situation analysis conducted by INOVASI in 2017 in North Kalimantan confirmed that boys were more likely to drop out than girls, and a comprehensive situational analysis in Sumba, East Nusa Tenggara, found the tendency for boys to repeat was higher than for girls[48]. This finding is aligned with the regional and national trends relating to children's failure to learn in school.

INOVASI has found that gender and social inclusion vary according to local context. Issues around poverty, isolation, language, religious and ethnic background, and early marriage are location-specific. Many children from poor families are employed, either paid or unpaid, to support their families (Amigó 2010). Children in many areas are malnourished as a result of cultural practices (INOVASI 2018). Child marriage is common in East Java, Sumba and NTB. Girls typically marry earlier than boys and are expected to have children promptly, meaning they typically drop out of schooling (MoNPD, TASS 2018, ACDP 2013). A high proportion of girls are married before 18, for example in East Java: 41% in Probolinggo, 34% in Sumenep, 24% in Pasuruan, 17% in Kota Batu and 7% in Sidoarjo (BPS 2019). Interestingly, in Sukapura sub-district, Probolinggo, one village has adopted a local regulation which appears to be effective in limiting child marriage in the area (INOVASI 2019). Meanwhile, the caste system in East and Central Sumba divides people into *maramba* (masters) and *ata* (servants) (INOVASI 2018). Children from the servant caste are not given the same opportunities for schooling or higher education.

On international tests such as PISA, Indonesian girls outperform boys in reading and mathematics, and are only slightly behind boys in science; this is consistent with INOVASI's end-line results for literacy and numeracy in primary aged children. The above World Bank report also finds that women are underrepresented in the workforce and in leadership positions in schools and civil service roles in the education system.

In a baseline study on teachers' status across three pilot areas (West Nusa Tenggara, East Nusa Tenggara and North Kalimantan) conducted in Phase I,[49] variations were evident across the provinces in the comparative proportions of men and women teachers with civil service status, and almost all teachers reported that they had had the opportunity to participate in professional development activities. By contrast, an analysis of school leadership positions reveals a lack of opportunities in Indonesian schools for women principals. Women represent 39 per cent of all the school principals in primary schools, and the percentage continues to decline in junior secondary and senior secondary schools.[50]

Phase I saw some successful efforts to support gender equality in education, such as incorporating GESI sessions in all INOVASI and TASS-supported training, and using a gender lens to disaggregate and analyse data. These efforts could be strengthened in Phase II, and although girls generally outperform boys in student learning assessments, more work could be done to explore gender issues in the classroom in a more nuanced way. This may include investigating the ways in which socially-constructed roles for boys and girls are reinforced in schools, the education system and in education policy (including the curriculum, teaching resources and teacher training) and how this plays out in the classroom.

In Phase II, the Program will deepen its commitment to supporting the GoI to enhance women's voices in leadership and decision-making, promoting girls and women as actors and participants in education, and to promoting the needs of boys. During the transition phase, the Program will develop a Gender, Disability and Social Inclusion Plan, which will update previous program strategies in gender, and will be framed by DFAT's Gender Equality and Women's Empowerment Strategy. During this process, the Program will coordinate with other DFAT initiatives, including MAMPU and the Women in Leadership program, as well as Indonesian gender

[47] World Bank, 2019.

[48] ACDP, 2016.

[49] INOVASI. (2018). Survei Inovasi Pendidikan dan Pembelajaran Indonesia (SIPPI).

[50] The baseline data shows a relatively high number of women teachers with civil servant status in North Kalimantan (79.6 per cent). In contrast, only 57.14 per cent of men teachers are registered as permanent civil servants. This contrasts with results in West Nusa Tenggara where only 51.54 per cent of women teachers have permanent civil servant status compared to 60.27 per cent of men teachers.

equality organisations, to ensure that the plan is contextualised and well-informed. The Program will also draw on international short-term specialists and a full-time Indonesian gender specialist, and explore the feasibility of a pilot focused on gender equality in Phase II using PDIA.

Disability and Social Inclusion

While Indonesia has adopted a policy of inclusive education, and inclusive schools have been designated in all districts, teachers and administrators do not yet have the skills, understanding or resources to identify or include children with special needs in regular classes.

The primary school enrolment, attendance and completion rates for Indonesia's children with disabilities are low. Data from the 2010 census indicated that only 53% of people with disabilities ever attended school compared to 98% of people with no disability. UNESCO (2018) found that youth aged 15–24 with no schooling have two or three times the rate of disability as youth with schooling. Also, children with a mild level of disability have a 63.4% lower probability of completing primary school relative to their counterparts with no disability, while having a severe level of disability reduces that relative chance to only 24.2%.[51] Stigma and negative attitudes are a major constraint to the inclusion of children with disabilities. Other obstacles they face include physically inaccessible schools and toilets. Teachers do not have the technical knowledge or methodologies to support children with disability in mainstream classes.

In Phase I, INOVASI and TASS approached disability inclusion successfully through: incorporating social inclusion sessions in all INOVASI and TASS-supported training; using disability inclusion to disaggregate and analyse data; substantial gains at the national and sub-national level on disability inclusion, including through development and policy advocacy around a student assessment tool and piloting programs for mother tongue transitions; and designing and implementing targeted interventions for poor and remote communities (such as multi-grade teaching approaches). INOVASI's disability-inclusive education pilot, SETARA, has the potential to influence how children with disability are identified and taught. The pilot developed the Student Learning Profile tool which identifies disability and learning and support needs of children, based on the UNICEF/Washington Group Child Functioning Module.[52]

In Phase II, the Program will further strengthen its focus and commitment to supporting the GoI to enhance the voices of people with disability in leadership and decision-making, as well as to supporting the GoI to identify and address barriers that prevent people with disabilities from participating in and benefiting from education. While Phase II is focused on improving education quality, it will seek to address the issue of access, where requested or where it is a critical impediment to government's goals, as part of its social/disability inclusion approach. It will do this through analysis, technical advice and partnership brokering – drawing on the evidence from pilots and connecting this with other actors' expertise, resources and activities. This includes collaborating at the national and sub-national level with local CSOs and also with other development programs and partners.

The Program's Gender Equality and Disability and Social Inclusion Plan will be informed by the DFAT's *Development for All 2015-2020 Strategy*. Building on the work in Phase I, the Program will consult with Disabled People's Organisations (DPOs), disability specialists, DFAT's Disability Section and other DFAT initiatives such as the Peduli program, to ensure that inclusion perspectives are incorporated into the ongoing design and implementation of Phase II. The Program will draw on this experience to conduct research and continue current pilots at national and district levels to identify, explore and respond to the main barriers to inclusion. The issue of exclusion goes beyond attendance at school and must address the diverse learning needs of girls and boys within schools. Sometimes referred to as 'silent exclusion', this includes children with disabilities currently not attending school, or in school but not accommodated. To ensure that this approach is well informed and builds capacity within the system, DPOs and people with disabilities will be involved in implementation, monitoring and evaluation of the Program.

Poverty

Poverty is a key issue that has many complex impacts on learning ability and learning opportunity. It constrains equal participation and performance of girls and boys for different reasons. GoI's focus on education quality

[51] Adioetomo et al., 2014.

[52] https://data.unicef.org/resources/module-child-functioning

and SDG 4 (in particular indicator 4.1) will provide an entry point for the Program to support GoI efforts to reduce disparities in education outcomes associated with poverty, including through monitoring the performance of the lowest quintiles in PISA, AKSI and the national examinations, and supporting GoI to develop strategies to raise scores of the lowest performers. The Program will need to be sensitive to poverty increases and changes brought about by COVID-19, and adapt assistance as appropriate.

Disaster Recovery and Risk Reduction, Climate Change and the Environment

In Phase I, INOVASI worked with districts, international agencies and NGOs in Lombok, NTB, to help develop and pilot approaches to post-earthquake schooling. This included psycho-educative approaches in the classroom, community engagement and community-based construction of semi-permanent school buildings during the reconstruction phase. Phase II will maintain flexibility to support disaster response and recovery as needed and in collaboration with other DFAT programs, including as part of Indonesia's response to the COVID-19 pandemic in the education sector. For example, coordinating with other development partners, the Program will assist GoI in the recovery stage, for example by providing technical advice to support more effective digital or home-based learning approaches. The Program will also support integration of climate, disaster risk reduction and environment considerations during implementation.

Innovation and Private Sector

Sections B and D provide analysis of private sector partners and opportunities for engagement. The approach, successfully developed in Phase I, focuses on expanding the change space for teachers and local administrators to innovate – and to make and sustain innovative practices that improve learning outcomes. This involves increasing *ability*, through technical training in such areas as basic literacy and numeracy, increasing *authority*, through political processes that give explicit support to teachers and administrators to innovate, and increasing *acceptance*, through working to change mind-sets and shift the cultural values and beliefs embedded in the system which inhibit change. Building on this experience, and leveraging the changed political environment at the national level, Phase II will continue to support, celebrate and diffuse innovation. Three factors suggest fertile grounds for supporting innovation in Phase II: Minister Makarim's private sector background and focus on innovation; disruption caused by the COVID-19 pandemic; and Phase I's existing work to support local innovations.

H. Budget and Resources (What will it cost?)

The INOVASI Phase II (01 July 2020 – 31 December 2023) budget is up to a maximum of $54.6 million (excluding GST), and is modelled on continuing current annual expenditure levels across both programs. The INOVASI Phase I piloting and grants teams[53] have been integrated into one team for Phase II (Education Pilots and Partnerships unit). We anticipate a much more integrated approach, with more cost-sharing from government partners and non-traditional funders, such as CSR and philanthropic organisations. Phase II will be less focussed on developing new modules for in-service training, and more on supporting scale out and adapting existing materials to local contexts. While we will retain some funds for grants to support specific initiatives, we do not expect this to be a major budget item as it was in Phase I.

Over the Phase II period, we anticipate the balance between 'pilots and partnerships' and 'systems and policy' work will shift, with proportionately more effort put into systems and policy and less into pilots and partnerships over time. This is because the classroom/school-focussed pilots are expected to have produced results and will be scaled out with GoI (district-level) funds, while more pilots and activity are anticipated at the system level to support scale-out, scale-up and sustainability.

The commitment to ongoing strategy testing and assessing what is and is not working will also extend into the planning and budgeting space. The Program will need to maintain flexibility with regard to budget availability and changes in the deployment of joint, matching funds and private sector contributions as they arise. Annual planning and budgeting will continue, with the first six months of each plan containing high levels of predictability and the second half of the planning period being more indicative. Six monthly reviews of plans and budgets will provide opportunities to calibrate, adjust and to stay agile and focussed on maximising returns

[53] INOVASI's approach is focused on building local capacity. All stages involve local stakeholders including representatives from local government bodies, school principals, teachers, parents, communities and local organisations. Pilots are implemented at the school cluster and Teacher Working Group (KKG) level and focus on locally identified education themes and challenges. In July 2018, INOVASI commenced a new grants and partnership program with 17 education NGOs and associations from around Indonesia. These organisations will help INOVASI answer its core questions of what does and doesn't work to improve student learning outcomes in literacy, numeracy and inclusive education in Indonesia.

on investment. This will also facilitate continual monitoring of resources and cost efficiencies should unanticipated fiscal constraints emerge during the implementation of Phase II.

I. Risk Management and Safeguards (What might go wrong?)

As is the case with every problem-driven, searching approach to development, Phase II will be primarily focussed on investments that are innovative and therefore potentially higher risk. The Program needs to take on some risk as it establishes a credible evidence base for what is and isn't working in education system reform, while at the same time legitimising the Program as a knowledge broker. In Phase II, DFAT and the Contractor will support a positive risk culture by embedding risk management into strategic and operational planning, management and decision-making at all levels. Risk mitigation will be achieved through piloting and experimentation at a manageable scale and, when in new territory, making small bets. Routine strategy testing is also a key mitigation strategy for the adaptive/flexible component of the Program.

On GoI's side, the highest risk is that, either politically or administratively, the government is unable to make the changes to systems, policy and practice that are needed to improve teaching and learning, or to learn from the Program's evidence and effective pilots. This could happen at national, provincial and/or district levels. It would prevent the Program from achieving its EOPOs, undermine chances for the Program's impact being sustained after it finishes and have negative implications for scaling up or replicating successful trials elsewhere in the country. At the national level, this risk will be minimised through active engagement with both MoEC and MoRA and their direct endorsement of and support for the sub-national work. Apart from regular policy dialogue, this risk will be mitigated by ensuring INOVASI prioritises locally-supported solutions to local- identified problems, and activities that are promoted by locally focussed coalitions.

On Australia's side, key risks are that updated Australian development policies and/or reductions to Australia's funding contribution may limit Program effectiveness. The Phase II design provides flexibility to respond to future policy and budget changes. The focus on supporting sustainability, seeking increased co-financing and budget scenario planning exercises will also help to mitigate this risk.

Another risk is an inability within DFAT to effectively manage uncertainty, which would compromise the Program's ability to experiment or adapt. This risk commonly emerges when staff change. This could lead to the imposition of overly centralised decision points and approval processes, or to progressively more stringent requirements (e.g., for tightly defined budgets and work programs). Mitigation strategies largely need to focus on maintaining a clear line of sight from the purpose and rationale for Phase II through to each discrete sub-program or activity it supports. Program annual plans, progress reports and management processes will continue to focus on the outcomes being sought or achieved, not on micro-level inputs and tasks. This will provide both governments with reassurance and minimise the risk of Program flexibility and adaptability being eroded over time.

Risks associated with integrating the two programs include diverting attention from program delivery as one team is established; potential perception that service levels to the national government will decrease; and potential loss of valuable staff members where reductions in personnel are occurring. These risks will be mitigated during the transition phase and in Phase II through early consultative engagement with GoI; joint work planning; transition workshops across both TASS and INOVASI teams; branding transition (as described in section E above); and independent facilitation of integrated operations procedures and manuals.

Safeguard risks are high, in particular the risk that the Program could have an adverse impact on children. Activities supported through Phase II will be working to help improve the education opportunities available to children, especially young children and including children with disability. They will also consciously be targeting disadvantaged women and youth. Accordingly, DFAT, through the Managing Contractor, will be responsible for ensuring that all implementing partners understand and adhere to DFAT's safeguard policies, including on Child Protection and Preventing Sexual Exploitation, Abuse and Harassment. It will also be necessary to ensure that minority groups (e.g. language minorities) are not excluded in Phase II activities. Effective risk assessment and management measures in place in Phase I will be continued and updated for Phase II.

Phase II will continue entering into legally binding service agreements, providing coalition and partnership grants to other organisations, including non-government organisations, research organisations, universities and potentially other implementing partners. The Managing Contractor will continue to refine its standard processes that ensure due diligence assessments are completed in relation to all new partners

The overall risk profile for Phase II is assessed as medium. However, the nature of the Phase II design – flexible, adaptive, iterative and responsive – reduces the likelihood of most of the identified risks having unacceptable consequences, as has been the case with the existing controls in Phase I programming.

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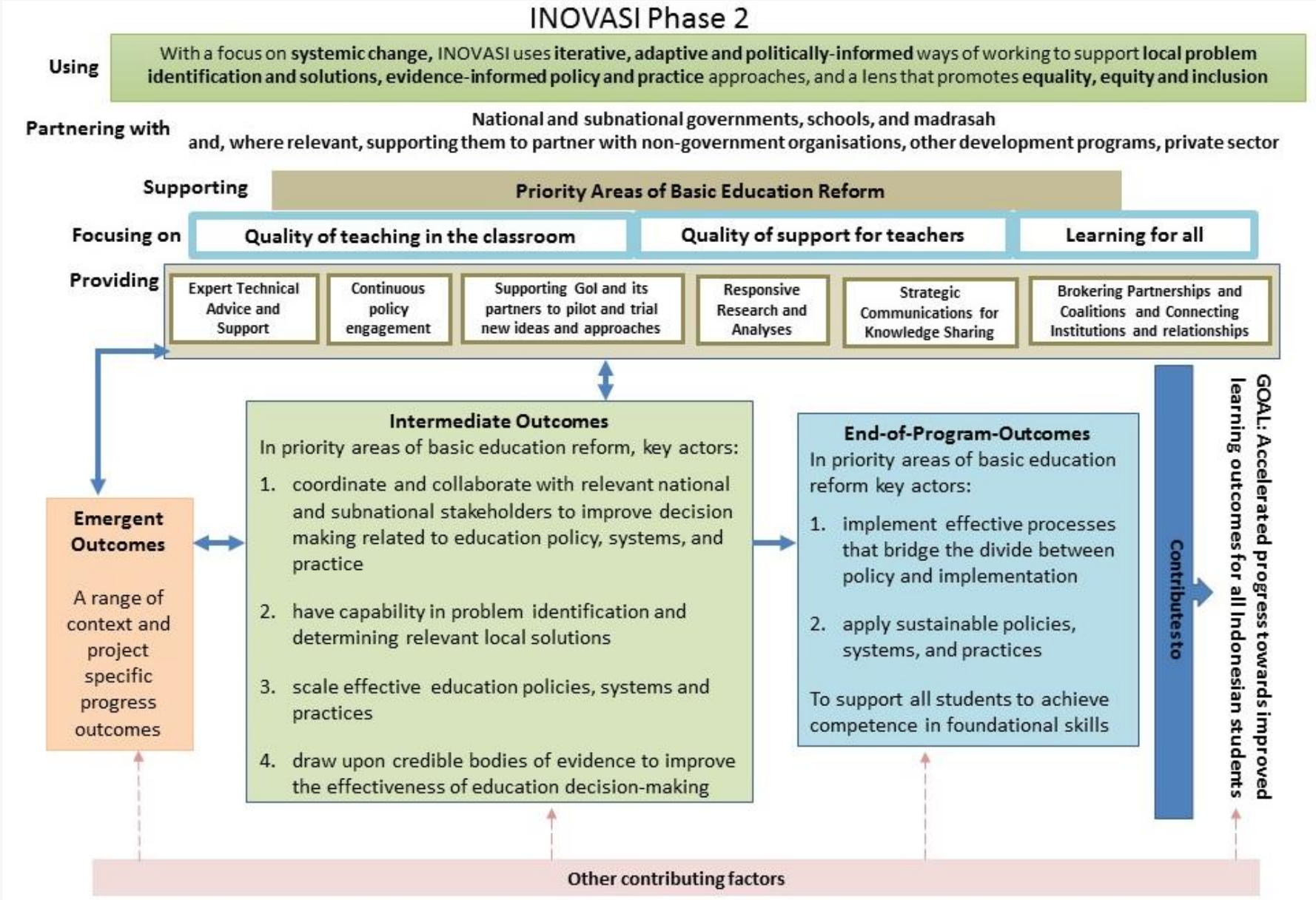
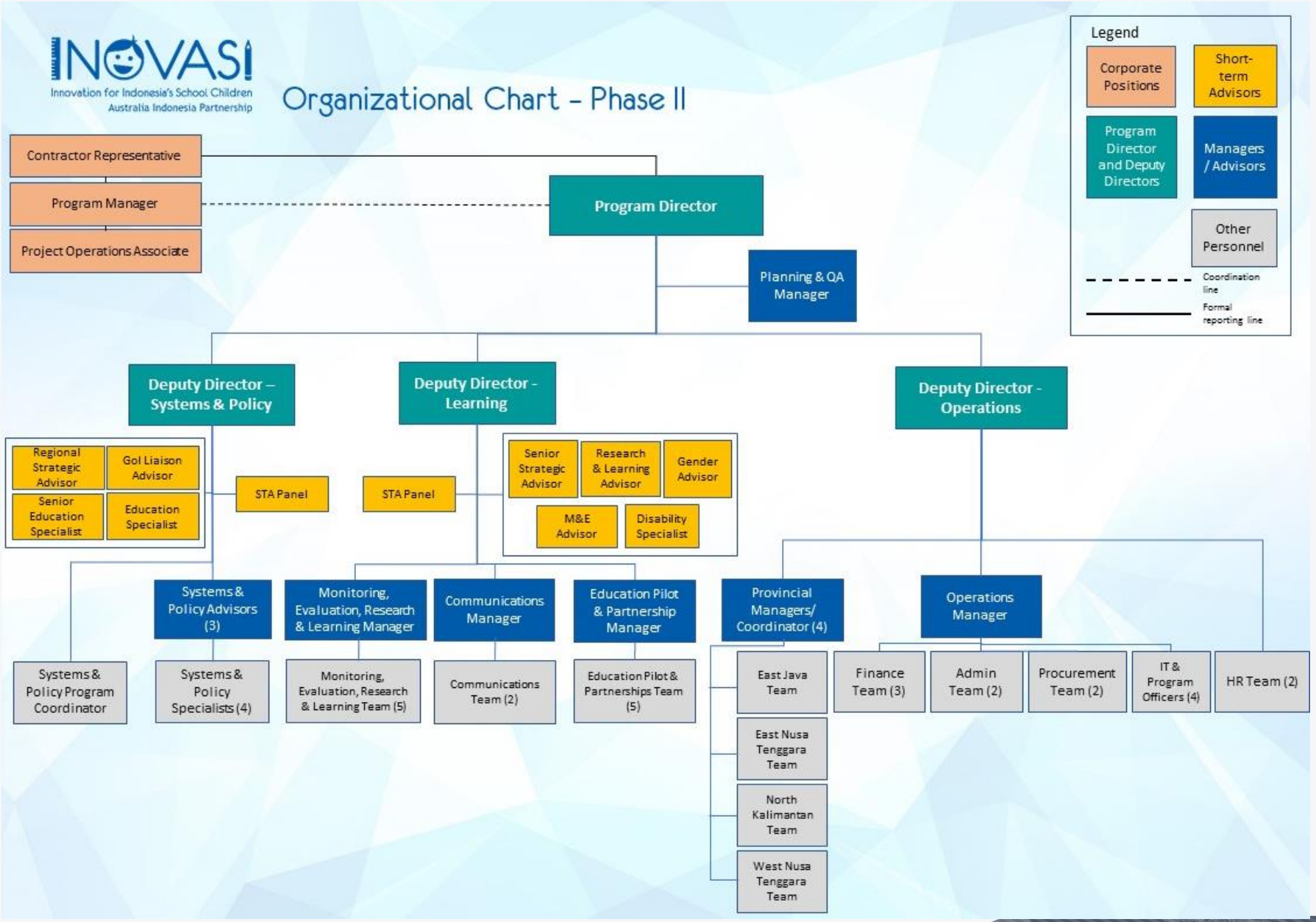
ANNEX A: Program Logic Diagram



ANNEX B: Program Organisational Chart (May be adjusted as needed during implementation)



ANNEX C: Indicative Monitoring and Evaluation Framework

This indicative M&E framework will continue to be developed over the transition period of Phase I and will be formalised as part of the broader MERL plan, due as an early milestone in Phase II. At that point in time, indicators will be added that are linked to DFAT's updated PAF and baselines will be determined (informed by 2019 Annual Monitoring reports for TASS and INOVASI), which in turn might result in changes to the targets.

Key Evaluation Questions[54]:

- To what extent has INOVASI achieved the intended outcomes? Why or why not?
- To what extent has INOVASI's focus on GESI resulted in improvements to gender equality and social inclusion?
- To what extent is INOVASI leveraging durable change[55] in the education sector? Why or why not?
- How well are INOVASI's underlying design approaches and theories of change working to bring about the desired change?
- To what extent has the internal adaptive learning focus of INOVASI achieved the expected objectives?
- To what extent are lessons about 'what works and what does not' identified in a timely way and acted upon by key actors?

Table 1: Indicative M&E Framework

	Desired result	Indicator	Data collection method & frequency	Risks	Who will collect and analyse the data	Baseline	Target	Use
Broader Goal	Accelerated progress towards improved learning outcomes for all Indonesian students	Improved student learning outcome scores – of students in the participating districts	Instruments to be determined – might involve a combination of: Periodic EGRA AKSI as per GoI's assessment routine	Implementation of the assessment might not be consistent The instruments might not be well developed It might be difficult to make comparisons	GoI and the program, depending on the instrument	TBD	TBD	Evidence of which students, in which locations, are improving foundation skills – and whether the increase is accelerated or as expected – thus helping to point to: (a) which schools and districts are using

[54] This is not meant to be an exhaustive list at this stage but more indicative for the purposes of providing initial guidance for the exercise. This will be developed further over the Phase I transition period.

[55] Change that endures beyond the life of the program (i.e. is embedded into systems and practices).

			Program generated baselines and end-lines					practices that work, and (b) where the program is having a contribution
End of Program Outcomes	In priority areas of basic education reform key actors: 1) implement effective processes that bridge the divide between policy and implementation 2) apply sustainable policies, systems, and practices to support all students to achieve competence in foundational skills	Evidence of one or more of the indicators as outlined in EOPO indicator list, Table 2	Six-monthly INOVASI reflection workshop (over 2-3 days) using data from activity M&E and periodic spot checks to assess overall performance against expectations, identify trends to EOPOs, showcase particular change stories, identify issues and assess contribution	Participants might not share openly, so issues and lessons might not be fully identified	Facilitated by the MERL team with various team leaders and counterparts MERL, GESI and Systems and Policy teams, undertake desk review of activity M&E data to verify evidence	TBD using 2019 annual monitoring of TASS and INOVASI when available	Trend towards outcome in each of the EOPOs	Evidence to show: • Extent outcomes are being achieved, where, and why • Approaches that are working (or not) and why • Parts of the system requiring more attention • Level of INOVASI contribution • Potential change stories
			Rapid Annual[56] evaluation – to assess (1) relevance of underlying assumptions and approaches; and (2) contribution to larger-scale, sustainable change, including INOVASI's value-add	Stakeholders might be fatigued from regular M&E and reluctant to participate	MERL team with an external M&E specialist to add external perspective	N/A	N/A	Evidence will show: • Whether and how assumptions and program theory need to be adapted • Extent underlying approaches are being applied

[56] Or six-monthly if resources permit.

								• Level of INOVASI contribution
Intermediate Outcomes	In priority areas of basic education reform key actors: 1) coordinate and collaborate with relevant national and subnational stakeholders to improve decision making related to education policy, systems, and practice 2) have capability in problem identification and determining relevant local solutions 3) scale effective education policies, systems and practices 4) draw upon credible bodies of evidence to improve the effectiveness of education decision-making	Evidence of one or more of the indicators as outlined in Intermediate outcome indicator list, Table 2	Six-monthly INOVASI reflection workshop (as per EOPO level)	As per EOPO level	As per EOPO level	TBD	Majority of expected changes each year (75%)	Evidence to show: • Extent outcomes are being achieved, where, and why • Approaches that are working (or not) and why • Parts of the system requiring more attention • Level of INOVASI contribution • Lessons • Extent coalitions are forming and the strength of them
			Social Network Analyses		MERL Team		TBD	
Emergent Outcomes[57]	**Positive changes in key actors input to decision-making and policy dialogue**	Proportion of the priority investment	Impact/Feedback logs maintained on regular basis	Inconsistent recording results in poorer data	Staff collect – analysed by MERL team[58]	TBD	Majority of expected	Evidence will show: • Which activities achieved

[57] The tailored nature of support means that immediate or progress outcomes cannot be fully pre-determined. They will be emergent, based on the intervention and context-specific objectives. However, drawing on experience from Phase 1, the following is a list of likely emergent outcomes.

[58] If resources permit, ideally this material could also be analysed by stakeholders as part of their capacity development and learning from implementation.

	Positive changes in interactions, linkages, relationships between key actors Positive changes in knowledge, skills understanding, confidence, attitudes, practices Positive changes in awareness of how to interrogate problems and explore appropriate local solutions Access to, and consideration of, a range of credible evidence Communications facilitates good K2P2P New ideas and approaches are tested, and existing innovations harnessed Applicability and feasibility of new ideas and approaches clarified Positive changes in levels of ownership and leadership Agreements reached between key actors in relation to direction, priorities, resolution of education issues	areas that result in a relevant and appropriate mix of emergent outcomes	Analysis of collated activity M&E and End-of-Activity Workshops	Late or weak data from M&E and End-of-Activity Workshops will compromise analysis	MERL team		changes each year (75%)	expected outcomes (and unexpected outcomes), and demonstrated what worked (or did not) • Emerging issues and possible adaptations for future activities • Potential change stories
			Periodic spot checks at district, province and national levels – document review, interviews, FGDs, GESI Health Check, QA Tool, observation	If joint visits are not possible to arrange, monitoring will be less participatory	MERL, GESI, Systems and Policy teams as well as key counterpart groups			

Table 2: Indicative List for each outcome

Note: Indicators are indicative. It is not necessary to demonstrate all indicators because of the context-specific nature of outcomes. Outcomes will not be achieved uniformly across participating schools, districts, provinces and national agencies because INOVASI's work is context-specific, supporting local efforts to improve learning outcomes and reduce learning inequities. Neither the number of indicators nor the degree to which they are demonstrated will be uniform

End-of-Program-Outcomes	Indicators
In priority areas of basic education reform, key actors implement effective processes that bridge the divide between policy and implementation to support all students to achieve competence in foundational skills	Independently of INOVASI facilitation, participating key actors build into their processes: • Stakeholder analyses are used to identify and plan who and how to engage key actors (vertically and horizontally) • Coordination and collaboration with key actors (vertically and horizontally) as part of education policy development and implementation • Adjustments to proposed policies, systems and practices are made based on input from a mix of key actors • Periodic reviews are undertaken to assess how well a policy, system or practice is being implemented and necessary improvements are made • Key actors establish formal protocols and agreements to support ongoing collaboration with technical partners and service deliverers
In priority areas of basic education, key actors apply sustainable policies, systems, and practices to support all students to achieve competence in foundational skills	• Functional laws, regulations, and/or guidelines that focus on improving student learning outcomes for all students are in place and are effectively socialised with key actors • Revisions to standards, assessment and curriculum are functional and are focused on enabling improved levels of competence in foundational skills for all students • Teachers, principals and supervisors sustain those changes in their practice that have been shown to work to raise students' competence in foundational skills, including students with disabilities and those from disadvantaged groups • Practices that are known to work to raise the competence in foundational skills of all students are embedded into continuing professional development programs and pre-service courses • Incentives are put in place to help maintain a focus on the priority areas of education reform and to sustain the changes • Improvements in the quality, accessibility and usability of online resources support teaching practice and learning outcomes for all students

Intermediate Outcomes	Indicators
In priority areas of basic education reform, key actors coordinate and collaborate with relevant national and subnational stakeholders to improve	• Key actors initiate and successfully engage with a mix of relevant stakeholders (vertically and horizontally) as part of their decision-making process • The many factors that impact on the implementation of education policies, systems, and practices are considered when making decisions • Knowledge shared between key actors (vertically and horizontally) improves decision-making

decision making related to education policy, systems, and practice	
In priority areas of basic education reform, key actors have capability in problem identification and determining relevant local solutions	Key actors: • Understand and use a mix of contextually-relevant processes and tools to unpack and better understand problems, contexts, possible solutions, resource availability, and entry points for interventions • Work collaboratively to own and solve local problems, and monitor interventions • Collect and analyse data appropriate to the local context and provide stakeholders with the evidence in a timely manner • Use the evidence from pilots and scaled initiatives to identify lessons of what works and doesn't and make necessary adjustments based on the findings
In priority areas of basic education reform, key actors scale effective education policies, systems and practices	• Key actors scale what has been shown to work, adjusting as needed for the local context • Scaled initiatives are appropriately resourced • Scaled initiatives include locally functional MONEV processes, including locally functional baselines and end-lines where relevant
In priority areas of basic education reform, key actors draw upon credible bodies of evidence to improve the effectiveness of education decision-making	• Data sharing between key actors allows for more comprehensive and accurate analyses • Improvements made to databases, processes and systems better support data gathering and analyses for use in education decision-making • Key actors analyse data (or draw on analyses undertaken by reputable others) and use it for their decision-making • Teachers use classroom-based diagnostic data to improve students' learning • Key actors use the evidence from pilots and scaled initiatives to identify lessons of what works and doesn't, and make necessary adjustments based on the evidence

ANNEX D - PHASE I OVERVIEW AND LESSONS LEARNT

The design of Phase II builds on the evidence, outcomes and lessons learned from Phase I of both INOVASI and TASS. This annex briefly summarises the evidence from INOVASI's Phase I pilots and touches on evidence from TASS's work. This annex also summarises the main lessons learned from Phase I of the two programs, drawing on the strategic review conducted in late 2018, the programs' own documentation in six-monthly reports, and strategic testing for INOVASI, and explains how the evidence and lessons inform the design of Phase II.

A. Evidence from Phase I of INOVASI

INOVASI aims to build a body of evidence about what works (and what does not work) to improve learning outcomes, and to use that evidence to inform policy. One of the key lessons from Phase I is that it takes time to produce solid evidence from pilots. Stakeholders – including national and local government – are not always willing to wait for this evidence before scaling out piloted programs or forming policy based on the pilots. As a result of this reality, and following a strategy testing in late 2017, the expectations for evidence were adjusted in the end-of-program outcomes embedded in the Theory of Change, from 'a *rigorous* body of evidence' to 'a *credible* body of evidence'.

While the term 'rigorous' implies a random controlled trial (RCT) approach, 'credible' is more aligned with the PDIA approach adopted by INOVASI. To use a medical analogy (which is the field in which RCT originated), a new treatment takes many years to develop (using an iterative, problem-solving approach, like PDIA). It is only when the researchers are certain they have a successful treatment that RCT studies are conducted. In the event of successful scale-outs and positive emerging evidence, we hope in Phase II to be able to conduct RCT studies to produce rigorous evidence of effects.

Meanwhile, emerging evidence is generated and communicated to stakeholders. In 2018, INOVASI produced a document, titled 'INOVASI: Emerging evidence and policy recommendations' (Sept 2018), which summarised the evidence in key thematic areas for sharing with government. This has recently been updated and co-published with MoEC's Education Policy Research Centre (*Puslitjak*) as a series of policy briefs.

Related to this, during Phase I of INOVASI, it became evident that credible evidence required to support policy includes the evidence of scale-out. It is only when a piloted program is implemented by government partners (rather than fully by INOVASI) that we really know if it works. In 2019, a document was prepared to explain this approach: *INOVASI Scale-out: a strategy for scale-out and beyond*. A good example is the one included in the body of this document, titled 'Case Study: North Kalimantan'. Here the program worked closely with stakeholders, from all levels of government and non-government sectors, to scale out a piloted program of book procurement, teacher training, and cross-coordination among community, village, school and district governments. The results, described below, indicate that this holistic approach, which built momentum for reform, was successful in terms of end-line results, which verify the qualitative findings of earlier spot-checks.

Over the four years of Phase I, INOVASI has produced evidence from a series of pilots and activities in 17 districts across four provinces (East Java, North Kalimantan, West Nusa Tenggara, and East Nusa Tenggara). This evidence is beginning to paint a coherent picture of what works and what doesn't to improve learning outcomes for girls and boys – and to reduce disparity across and within regions. Evidence reported in the 2018 Emerging Evidence document, and updated in the recent policy briefs, points to problems and likely solutions relating to the big policy questions of how to improve learning outcomes in literacy, numeracy and inclusion. Recently released results from end-line surveys are still being analysed. Preliminary findings support the evidence discussed in the policy briefs and are discussed below. All of this evidence suggests directions and focus for Phase II.

Case Study: North Kalimantan

INOVASI works with two districts in North Kalimantan; Malinau and Bulungan. INOVASI's approach in Bulungan has been more comprehensive and holistic than in Malinau, or any other district. Stakeholders have been very responsive in Bulungan, and the program has included village, school cluster, district, province and national government partners, along with partners from the university, NGO and private sectors. Using a PDIA approach, beginning with problem exploration, the INOVASI team developed a distinctive set of interventions, co-designed with these local partners. A small group of schools was selected for the initial pilot. Close supervision and mentoring were provided by government and the INOVASI team; local policy, regulations, a government working group and co-funding arrangements were developed. The program addressed the issue of book supply (both digital and printed books) for schools, community reading centres, and libraries (including village libraries) as well as providing cluster-based training for teachers, simple formative assessment and a locally-devised remedial program for struggling readers.

The results of basic literacy tests show that improvements in Bulungan were substantially higher than in Malinau and exceeded the average East Java score. Bulungan exceeded all districts in East Java, except for Batu. However, Bulungan began with a low pass rate (below 60%), while Batu's initial pass rate was high (close to 90%).

The essential lessons from this and from broader INOVASI experience in Phase I are as follows:

- The PDIA approach works well at district level, building ownership of the problem and the solutions, leading to whole-of-district scale out of proven practices. This is essentially a thinking-and-working-politically (TWP) approach, using the problem-driven iterative methodology of PDIA.
- Initial pilots can be small (Bulungan began with only seven schools) and produce big results
- Effective pilots draw on the knowledge of what works and what doesn't work from previous projects and are comprehensive and holistic. The Australian government has been partnering with Indonesian government, non-government sector and other donors in Indonesia for around fifty years. The pilot in Bulungan included technical training for teachers, drawing on earlier work (a lesson from the 'pure' PDIA approach used in the earlier Guru BAIK pilot in NTB, which relied heavily on teacher initiative while not providing the benefits of technical training); and it included a political approach at district level, co-funding and partnerships with all levels of government, with the university, and NGOs.
- Localized programs can drive national policy change (in this case, the national government has changed regulations and practices around book approval to streamline the process enabling more books to be procured by schools)
- Use of early evidence can build local ownership of the problem and drive reform. The North Kalimantan team did not wait for the lengthy process of producing the above results, but instead used preliminary findings from a rapid assessment conducted in 2017 to get buy-in from local partners. Local partners need to 'own' the problem.

Literacy

The problem of low literacy levels in Indonesia stems from (1) lack of a teaching methodology (teachers are not trained in how to teach reading, either in pre- or in-service), (2) lack of space and direction in the curriculum (there is no explicit curriculum for teaching reading in early grades, and it is generally assumed that children can read without being taught to do so; meanwhile regulations explicitly prohibit the teaching of reading in pre-school), (3) lack of appropriate and engaging reading material for beginning readers, and (4) transition programs using mother tongue as an instructional language, while permitted, are not supported with an agreed methodology or approach.

INOVASI found that teachers do not have the foundational knowledge and skills to teach literacy and numeracy in the early grades. We surveyed 641 teachers, using an instrument developed by MoEC's assessment centre (*Puspendik*). The teacher test used items from the 2011 Progress in International Reading Literacy Study (PIRLS) for the reading test and the 2011 Trends in International Mathematics and Science Study (TIMSS) for the numeracy test. Considering that the instrument was based on international tests for grade 4 children, the average scores (out of 100) for literacy were very low: 45, 48, and 56 for North Kalimantan, East and West Nusa Tenggara, respectively. The lowest scores were in the domain of interpreting and integrating ideas, which confirms the need to improve higher-order thinking skills (HOTS) for teachers as well as children.

Teaching of literacy is not covered well in pre-service training and does not form part of the current school curriculum or teacher education curriculum, creating a major impediment to raising learning outcomes. This is an issue for MoEC and MoRA. As a result, Phase I pilots focused on literacy and numeracy training for teachers through teachers' working groups (*kelompok kerja guru* or KKG) to trial upskilling of teachers in literacy fundamentals in an affordable and scalable way. The results, described below, are positive. We have also built relationships with teacher training colleges, such as the primary education faculty of the University of Borneo in Tarakan, state universities in Makassar, Semarang, Mataram and Surabaya, the Nahdlatul Ulama University of Surabaya, and the Sunan Ampel State Islamic University of Surabaya.

Phase II should focus on scale-out and further iteration of successfully piloted approaches to teacher training, while strengthening links to teacher training institutes and non-government organisations to provide ongoing in-service teacher training and improve pre-service training, based on this experience.

It has been commonly assumed that Indonesian children are not motivated to read, and that this contributes to the lack of a reading culture and low levels of literacy in the country.[59] However, the pilots on literacy demonstrated that this is not necessarily the case. INOVASI surveyed 4,772 students in three provinces and found that 85%, 94% and 91% (in North Kalimantan, West and East Nusa Tenggara, respectively) 'love to read'. Children are highly motivated to read but are unable to do so due to the lack of attractive, age-appropriate books in schools and villages. We have been working with MoEC's Centre for Curriculum and Book Development, along with local government, village communities, non-governmental organisations, industry and the private sector to make books available to children in the North Kalimantan region and also in the country as a whole.

Phase II should include efforts to bring more and better children's books to schools and communities, especially in remote areas, through partnerships between book publishers and NGOs, district government and villages. Solutions may need to focus on (1) building a viable commercial model to encourage book publishers to expand and supply markets in this space, and (2) new approaches to use of digital books and reading materials in classrooms, villages and homes.

Findings from the pilots on language transition in Bima and East Sumba show that pedagogically informed approaches to using local languages for instruction in the early grades can work in regions where children come to school unfamiliar with the national language. This approach supports the transition to *Bahasa Indonesia*, the language of school, in a structured way. While a full mother-tongue literacy program may be desirable from a linguistic point of view, it is unaffordable and impractical in many areas with small language groups and limited resources.

This work needs consolidating in **Phase II**, with targeted approaches tailored to specific linguistic, cultural and educational contexts informing national and local policy. It is clear from our work in Phase I that transition from mother tongue to Indonesian is a major contributing factor to poor learning outcomes in remote areas, especially in the eastern islands. The solutions to this challenge are still being worked out through programs run by UNICEF, INOVASI and local non-government organisations in Papua, NTB and NTT.

Numeracy

The problem of Indonesia's poor performance in higher-level mathematics tests, such as the international PISA and TIMSS, stems from a curriculum which (1) moves too fast without building a solid understanding of basic, foundational concepts in early grades, (2) focuses heavily on abstract computation, while not building broader mathematical understanding and higher-order thinking skills required to perform well in PISA tests and in the workforce. These include estimation, data management, problem-solving, and real-world applications of mathematical methods. The solution will require adjustments to the curriculum and teacher training.

Through the numeracy pilot activity in West Nusa Tenggara and East Java, and 'Guru BAIK' – a series of training activities designed to change teachers' mind-sets in an iterative way across West Nusa Tenggara – we found that teachers in the mid-primary grades (3–4) struggle to understand and teach concepts related to fractions and division. INOVASI also tested the 641 teachers on basic understandings of numeracy, using the *Puspendik* instrument based on international tests for grade 4 children: the average scores for numeracy were very low: 46%, 64%, and 50% for North Kalimantan, East and West Nusa Tenggara, respectively. Meanwhile, analysis of the last PISA results by *Puspendik* shows that junior-secondary students fail to grasp the mathematical concepts used in real-world problems. International experience suggests that this is because the mathematics curriculum moves too fast (Pritchett and Beatty 2012)[60] and children in early grades are not given the opportunity to acquire a solid understanding of numbers or the ability to think mathematically.

INOVASI's school survey found that 19%, 27% and 8% of grade 1-3 children in North Kalimantan, East and West Nusa Tenggara, respectively, failed to pass a basic numeracy test, meaning they were unable to recognise numbers

[59] A widely reported 2012 UNESCO study found that the level of motivation to read among Indonesian children was as low as 0.001, meaning that only one in 1,000 children is highly motivated to read. https://theconversation.com/semangat-membaca-di-pelosok-menantang-anggapan-minat-baca-rendah-8202

[60] https://www.cgdev.org/publication/negative-consequences-overambitious-curricula-developing-countries-working-paper-293

or discriminate quantities (e.g. compare two groups of items and assess which has more or less). The curriculum and the teachers' guides prioritise the ability to perform mathematical processes (sums), often without the students adequately understanding how these apply in the real world. INOVASI's numeracy pilot thus focused on building a solid concept of numbers by teaching and learning basic numeracy concepts in a meaningful and playful way in the early grades. More work is required to test this methodology and develop policy recommendations in this area.

Meanwhile, INOVASI has found that even modest, short-term, professional development provided in teachers' working groups can make a significant difference. For example, after participating in the *Guru BAIK* pilot, teachers felt confident to independently solve learning issues (the score was 4.1 out of 5). Teachers' pre-post test scores improved (1) from 35 to 80 for identifying learning difficulties; (2) from 61 to 76 for identifying root causes of learning difficulties; (3) from 10 to 28 for developing learning scenarios; and (4) from 25 to 65 for developing summative and formative assessments. Importantly, test scores of grade 1-3 students with teachers who participated in INOVASI professional development training improved by about 55% for mathematics, and by about 20% for Bahasa Indonesia. While the improvements in developing learning scenarios are still very low, pilot monitoring found that teachers develop learning scenarios that fit with specific basic competencies and address identified difficulties faced by the students. Learning from this experience, the foundational literacy short course implemented in 2018-2019 aimed to support teacher development in this area.

Phase II should focus on expanding the pilot work on numeracy, possibly including science in upper-primary grades, both of which should focus on building higher-order thinking skills (HOTS) and application of mathematics in the real world. This is likely to include scale-out in some districts. At the same time, the evidence of Phase I pilots can feed into emerging discussions at the national level on curriculum and teacher training.

Inclusive education

While Indonesia has adopted a policy of inclusive education, and inclusive schools have been designated in all districts, teachers and administrators do not have the skills or understanding to identify or include children with special needs in regular classes.

Work on inclusive education in Central Lombok and with MoEC has raised a number of issues: (1) while teachers can learn to identify special needs among their students, we need to ensure that children with mild learning delays are not labelled as 'disabled'; and (2) teachers need the skills to manage differentiated learning tasks among children with diverse ability levels in their classrooms. This is a prerequisite to successfully integrating special needs students. These findings suggest that teachers need support in teaching a differentiated curriculum and ensuring that all the children in their classrooms can learn at their own pace across the curriculum.

INOVASI and TASS worked with MoEC to develop and pilot an instrument and application to identify special needs based on functionality rather than a medical model. This is still in progress.

Phase II will need to refine the instrument/app, based on results of the pilot, and develop a teacher handbook and training materials to support teachers in mainstreaming children with special needs in regular classes.

Assessment

A major constraint to efforts to improve education for Indonesian children is the lack of credible, transparent data on learning outcomes. The problem is that parents, community, the education system, local government and legislators are generally unaware that there is a problem with learning outcomes. Meanwhile, at the national level, the poor performance of Indonesian children, as measured in PISA, TIMSS and other credible tests, may be regarded as a crisis. Put simply, the problem is how to get the problem to 'matter' to the public and to decision makers.

Evidence from INOVASI's work in North Kalimantan, West Nusa Tenggara, East Nusa Tenggara and East Java demonstrates that student assessments using credible methodologies can raise awareness among decision makers at sub-national levels (through provincial and district level offices and through the Sumba Education Forum in East

Nusa Tenggara) (ACDP 2016).[61] These assessments include, for example, the Early Grades Reading Assessment (EGRA), the Indonesian National Assessment (INAP), the Indonesian Students Performance Assessment (*Assessment Kinerja Siswa Indonesia* or AKSI) which replaced INAP, and related instruments, such as INOVASI's Student Learning Assessment (SLA). Assessments that highlight the problem of poor literacy levels, particularly in the mid-primary grades, have created a sense of urgency and led to strong support for policy and programs to address the issue in districts and schools. However, this is still a work in progress. Carrying out more nuanced analyses and interpretations of assessment results will enable more effective evidence-based policy and planning to target specific needs and focus on improving learning outcomes at sub-national levels.

In **Phase II** we will continue to work with *Puspendik* and local districts to pilot the use of AKSI as a measure of learning outcomes in literacy, numeracy and science – and a driver for educational reform. We anticipate that the AKSI instruments will be ready in time for the Program to adapt and adopt for use in baseline/end-line studies, working with government partners from national, province and district levels to administer the tests and analyse the results, feeding these into the policy and planning process.

End-line results and preliminary analysis of literacy outcomes

The following analysis draws on baseline and recently released end-line results from the four provinces for the pilots. More detailed analysis is underway. This section focusses on results from literacy pilots. Note that INOVASI has also generated evidence in other areas of investigation, including numeracy and inclusion. Literacy is used here to illustrate key points, as this is the more comprehensive of the three.

Figure 9: Percentage of students who passed basic literacy test, baseline data, grade 1-3,

National	East Java	N. Kal	NTB	NTT
59%	79%	52%	61%	22%

Taking the literacy scores (Figure 9) as an example, the differences in student performance across districts are startling. Girls and boys in NTT performed the lowest in baseline literacy tests, and the gap is substantial compared to other three partner provinces, while the gaps among the other three provinces are statistically less significant.

Children in NTT are constrained by a combination of poverty, isolation, lack of access to pre-school education, lack of appropriate reading material, and the use of local languages rather than Indonesian in the home and wider community. This sometimes intersects with culturally based discrimination around gender, ethnicity and social status.

In **Phase II**, we expect to use this evidence to co-design, pilot and, where appropriate, scale-out further refined solutions to the problems relating to literacy and learning outcomes in different contexts, including NTT. The focus on gender equity and social inclusion (GESI) and local context will be stronger than in Phase I. There are good opportunities for this in East Sumba, where the district intends to scale-out the program to all schools, and at the provincial level building on the government's road map. Phase II will also provide opportunity to build on alliances with UNICEF, the Asia Foundation, and local NGOs working on mother tongue literacy programs.

In East Java, where conditions are much more conducive to learning, INOVASI is working with regular schools, madrasah (including many affiliated with NU Ma'arif) and private Muhammadiyah schools. Children in regular schools consistently outperform those in public madrasah, while the Muhammadiyah students, whose schools are in the top 20% of all primary schools,[62] consistently outperformed all others (Figure 10).

[61] The Sumba Education Forum (*Forum Peduli Pendidikan Sumba* or FPPS) was established by Sumba's four district heads. The aim is for policymakers to coordinate and share information and experiences in improving school effectiveness. The forum was established as a result of evidence from research by the Analytical and Capacity Development Partnership (ACDP 2016).

[62] Based on INOVASI's metrics, which focus on learning outcomes.

Figure 10: Percentage of students who passed basic literacy test (letters, syllables, words), baseline data, grade 1-3, 2018

East Java			Muhammadiyah		
All	Male	Female	All	Male	Female
82%	78%	87%	99%	99%	99%

The trend for children's learning outcomes in comprehension and responding to text is similar to that for the basic literacy test: NTT is the lowest, and the gaps among the other three provinces are less obvious. Comprehension tests include HOTS items; there is still a lot of room for improvement. The comprehension test consists of three components with an increasing level of difficulty. Baseline results show consistent trends across provinces and pilots (Figure 11); the higher the level of thinking skills required, the lower the outcomes.

Figure 11: Average results for comprehension / higher-order thinking skills (baseline), grade 1-3, 2018

	East Java	North Kalimantan	NTB	NTT
Average scores / Cognitive domain	71.0	65.6	62.0	47.4
Focus and retrieve stated information	73.2	75.7	66.2	51.9
Make straightforward inference	58.3	59.8	51.0	37.7
Interpret and integrate ideas and information	57.7	48.9	46.8	31.0

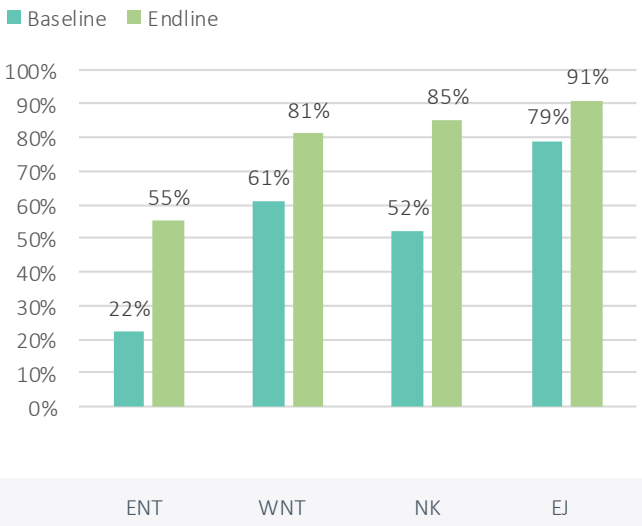
Ongoing work in **Phase II** should focus on comprehension and higher-order thinking skills in East Java, building on the more advanced basic literacy in this region.

In all provinces, girls outperform boys. This is consistent with international trends. Girls had higher average achievement than boys in 48 of the 50 PIRLS 2016 countries, and boys did not have higher achievement in any countries. The gender gap in reading achievement has favoured girls since 2001 and does not appear to be closing.[63]

Phase II will provide an opportunity to explore the problem of gender gaps in context and pilot solutions.

In general, based on raw scores, INOVASI pilots have increased basic literacy skills as follows (Figure 12). Low starting points offer bigger gains than high starting points, especially for basic literacy skills. NTT and Kalimantan both increased by 33 percentage points. However, the percentage increase for NTT is substantially higher than North Kalimantan, i.e. 150% compared to 63%. For NTB and East Java, the percentage increases are smaller, 33% and 15% respectively. The achievement for comprehensive skills is still low for all. This finding highlights the need for a more differentiated approach in Phase II. Where basic improvements have been made, interventions should go beyond improving basic literacy by giving teachers better methodologies and giving children access to appropriate books, focusing on comprehension and HOTS.

Figure 12: The percentages of students passing literacy basic test; INOVASI baseline (2018) and end-line (2019)



[63] What Makes a Good Reader: International Findings from PIRLS 2016; TIMSS and PIRLS International Study Centre, Lynch School of Education, Boston College; http://timssandpirls.bc.edu/pirls2016/international-results/pirls/summary/

These findings are consistent with broader trends, both national and international, identified in the literature. A recent SMERU study[64] found that an extremely small proportion of Indonesian individuals are skilled in literacy and numeracy. Although between 2009 and 2015 the PISA results indicate an increasing trend, the absolute number remains very low. Only around 79,000 students out of 3.1 million in 2015 can be regarded as skilled in mathematics. Out of the 79,000, 15,700 have high mathematics skills. The number of individuals skilled in reading is even lower. Only 35,900 individuals could be considered as skilled, and 1,900 of those have high skills.

Emerging evidence from INOVASI's Phase I pilots has fed into national policy discussions and has prompted the national government to address issues around inclusion and the identification of special needs among children. The pilots have also catalysed the government to commence a review of the national curriculum, especially around literacy and numeracy in primary years; to improve systems and regulations enabling better access to appropriate reading material for beginning readers; and to begin to adjust national policy and systems to support multi-grade teaching as a means of improving efficiency and effectiveness. Program evidence is also being used to inform national systems for continuing professional development of teachers. INOVASI has worked with TASS to bring this evidence into the policy process.

Going forward into **Phase II**, we expect to build on this evidence as we co-design and implement pilots in partner provinces. In Phase II we anticipate that the design of pilots will increasingly involve national and sub-national stakeholders working together with experts from the program. As described, the evidence from Phase I will help teams craft solutions to pilot at local levels which are tailored to their contexts. For example, literacy and numeracy pilots in East Java should focus heavily on higher-order thinking skills (HOTS) and transferable 21C skills, such as problem-solving, real-world application of mathematics, inference and critical literacy; pilots in Sumba, on the other hand, should focus more on basic literacy and numeracy and address local issues around mother-tongue transition, book procurement, and GESI issues in context.

Overall, a targeted effort to improve basic skills in the lowest quintile, including poor performing regions, such as NTT, is likely to have the greatest impact on Indonesia's performance on PISA, while all will benefit from introduction of HOTS through literacy and numeracy. Involving national and local stakeholders more in the design of pilots will help sharpen the policy focus, so that each pilot is co-designed to answer a specific policy question at local levels.

B. Evidence from Phase I of TASS

TASS was not designed to be an evidence-generating program. However, various products delivered by the program and secondary sources drawn on in activities have provided an evidence base for policy engagement with GoI. TASS's value add has been to make this evidence available to policy and decision makers within individual activities, and then provide 'post-activity' support to navigate knowledge and products through the decision-making process, brokering the knowledge to policy cycle.

A 2018 mid-term evaluation[65] commissioned by TASS found that TASS's approaches (i.e. thinking and working politically and knowledge to policy) are making a difference, having made an important contribution in the vast majority (86%) of activities evaluated. The approaches added value by helping the government achieve outcomes that are more likely to lead to policy implementation because they were targeted towards longer-term outcomes, engaged relevant stakeholders, and were timely and feasible.

The evaluation found that in more than 75% of activities evaluated, TASS demonstrated that it actively and purposefully helped GoI take steps that maximise the chances of policy decisions being implemented. Its close working relationships with counterparts helped TASS to understand needs and identify early when an approach or output needed to be adapted. TASS helped the government find its own best-fit solutions rather than creating something externally.

TASS's M&E system has captured evidence of conceptual and instrumental use of TASS products – including evidence – and its application to new or improved policies, systems, process and programs. Key examples are described below.

[64] SMERU Working Paper: The Stock of Highly Skilled Individuals in Indonesia; author: Sandra Kurniawati and Daniel Suryadarma, 2019

[65] TASS Mid-term Review Evaluation Report, August 2018.

Education Quality Assurance Review

In 2018, TASS reviewed the Education Quality Assurance (EQA) System[66], in particular the relevance and appropriateness of MoEC's EQA System – the National Education Standards, internal School Quality Assurance, and external School and Madrasah Accreditation. The review found that EQA is being implemented to varying degrees but is not yet effective in informing school improvement strategies nor district/provincial budget allocations for quality improvement, and it focuses on compliance rather than performance. The review made six recommendations to MoEC[67] that emphasised the need to shift the focus of the Education Quality Assurance system from compliance to improvement, revision of related instruments, processes and the National Education Standards in support of this and promoting stronger alignment between the quality assurance and accreditation processes for greater combined impact on the quality of teaching and learning.

Outcomes of the policy dialogue and brokering with the agencies responsible for the EQA system over the 18 months since the review was completed include:

- The units responsible for Quality Assurance and Accreditation have made significant (currently still draft) revisions to the instruments for internal school evaluation and external accreditation. Changes sharpen the focus on indicators of quality and school improvement and use a performance-based criteria for scoring levels of performance.
- The units responsible for Quality Assurance and Accreditation have formed a joint taskforce and joint work plan to pursue alignment of instruments and indicators.
- As recommended in the review, the accreditation process now draws on MoEC's primary data system[68], enabling one source of to capture all needed information and significantly reducing the administrative burden on schools to prepare for external accreditation. Previously schools were required to enter information in two systems.
- The board responsible for the National Education Standards is revising the standards, prioritising the standards that make the greatest contribution to improved teaching and learning and shifting from a compliance to performance and improvement focus[69].

Organisational Review

A 2018 review of the MoEC organisational performance, supported by TASS, aided the ministry to better understand their internal constraints in relation to achieving their strategic objectives[70]. TASS's role as a trusted partner and facilitator in the organisational review supported MoEC to consider an effective role for the Ministry in the decentralised education system and what it would require taking a whole-of-ministry approach to improving quality – including how they collaborate horizontally with other national government agencies and vertically with local governments.

Since the review process was undertaken, there has been an increased awareness of these organisational constraints and the need to collaborate more effectively with the district and provincial governments that deliver education services. This was particularly evident in the 2020-24 Strategic Planning process; substantial debate was observed on the feasibility of achieving draft targets, given that the Ministry does not play an implementing role, as well as the nature of engagement vertically and horizontally that would be required to achieve their high order objectives. MoEC has advised they are drawing on the review to develop a new organisational structure to be implemented from 2020.

Successful related efforts to support decision makers improve the feasibility of policy implementation (through acknowledgement and recognition of the decentralised education system) are illustrated by MoEC taking up TASS recommendations to negotiate new teacher places with the Ministry of Home Affairs and districts and provinces.

[66] Education quality assurance (EQA) was first developed and implemented from 2005 following the articulation of a set of National Education Standards (NES) and the establishment of education quality assurance institutions (LPMP) in each Indonesian province.

[67] Develop a single, overarching quality improvement or school excellence framework. 2. Shift the focus from EQA from quality assurance to school improvement. 3. Identify and focus the attention of schools and district/province education personnel on those standards and indicators that are most important for improving the quality of education. 4. Revise the national education standards, with a focus on the educative standards. 5. Shift the focus of accreditation from compliance to the quality of educational processes and outcomes. 6. Implement action to more fully engage local governments in the quality assurance and quality improvement processes.

[68] Dapodik – *Data Pokok Pendidikan*, MoEC's Education Management Information System.

[69] For example, the current National Education Standards proscribe one standard that must be achieved by schools. The proposed new standards will include statements of progressive performance, providing a clear pathway for schools to plan and demonstrate improvement.

[70] Such as a lack of strategic intent and commitment to shared objectives; tendency to operate in silos; and ways of thinking of their role that had not evolved since decentralisation commenced in 1999. There are significant financial disincentives for the Ministry to release various programs and activities it delivers to the levels of government that have responsibility for them under decentralisation laws.

Previously MoEC would have determined the allocation of places to districts and provinces itself – while it is not well placed to know the specific context of each locality and how teacher resources are best distributed.

Public-Private Partnerships

In the Islamic education sector, TASS has been encouraging the Ministry of Religious Affairs to engage strategically with the private sector (over 90% of madrasah are privately owned and managed). As a result, MoRA has entered into Memorandums of Understanding with major players in the privately managed education sector (such as Ma'arif NU) who will fund the professional development of their own teachers in MoRA's teacher development system[71], leveraging available professional development, financial, and other resources across the public and private sectors to enable greater reach of the system.

C. Lessons learned from Phase I of INOVASI and TASS

Some key lessons arising from Phase I which will inform Phase II are as follows:

Program approaches are effective and should be continued

TASS and INOVASI have both successfully implemented approaches to engaging with stakeholders and designing activities.

- INOVASI found in Phase I that the PDIA approach (problem-driven iterative adaptation) is a highly effective way of working and has evolved as a way of thinking, rather than an activity to be delivered.
- TASS found that a 'thinking and working politically' approach is highly appropriate and effective when working across a sector, at scale, in complex and challenging settings.
- Both programs found that the greatest traction in systems and policy was achieved with counterparts who had clarity of purpose and who were about to work on, or were already working on, a change process, and invited the program to be a trusted partner and/or facilitator in their process.

Traction and buy-in should be a key criterion for determining partners and/or activities in **Phase II**, and as a means for promoting sustainability. **Phase II** investment will continue to work 'with the grain' of the Indonesian context for educational reform – acting as a critical friend, identifying strategic entry points and areas where there is an emerging consensus which will drive political commitment and action.

Adaptive and responsive programming requires flexible staffing, planning and budgeting arrangements

Adaptive and responsive programming has the accountability of standard programming with the unpredictability of politics.

- In TASS, the stop-start nature of the ad-hoc Short-term Advisory modality (both in the back-end requirements for mobilisation, and in the nature of in-and-out support where work continues in Indonesia) constrained the program's ability to maintain momentum on reforms.
- The focus on well-designed technical training in INOVASI's second-round pilots came, to some extent, at the expense of local diversity.
- Both TASS and INOVASI identified at various points of the programs a need to meet internal pressures (management, planning, reporting, technical quality, internal QA), while still aligning to the needs and timelines of counterparts, which can have an impact on activity outcomes.

Management and decision making in adaptive and responsive programs is inherently resource-intensive to enable timely decisions and responses, fluctuating implementation levels, and needing well-resourced sophisticated monitoring and evaluation to measure impact and feed into decision making.

[71] TASS and INOVASI supported the design and piloting of this system.

A revised structure that draws on the most effective parts of both programs and allows for fluctuating resource levels, including hybrid use of long-term staff and drawing on short-term expert advisers, has been designed for **Phase II**.

Different types of 'evidence' are needed for different audiences and purposes

Use of early evidence, tailored to audiences, can build local ownership of the problem and drive reform.

- For INOVASI's North Kalimantan team, using preliminary findings from a rapid assessment in 2017 was the most effective way to get buy-in from local partners, rather than waiting for the lengthy process of producing polished results. Conversely in Sumba (NTT), a lengthier evidence-generation process was required to bring about commitment to action.
- Senior policy and decision makers don't have time to read lengthy reports and polished narratives. TASS learned early on that opportunistic sharing of shortened briefs, bulleted advisory notes/papers, and concise presentations, shared through relatively informal communications channels, can be the most effective means to engage with key stakeholders.

At the same time, a longer cycle of baseline-endline is needed to produce more rigorous evidence to support broader policy and programming. The Program will also need capacity – either internally or through collaboration with other programs, such as RISE – to conduct RCT-type studies of scale-out in selected districts.

Policy engagement in **Phase II** will continue tailoring outputs in ways that focus on achieving the outcomes and meeting the policy windows of counterparts. The Program will develop a more nimble, speedy and responsive MERL approach, able to rapidly produce compelling evidence to (1) build local commitment, (2) feed back into pilot design and implementation, and (3) support national and local policy development. Targeted RCT studies will be conducted, where justified, to produce rigorous evidence to support international dialogue and national policy. Phase II will also need a strong understanding of individual stakeholder interests and means of communication to ensure information is shared in a strategic and targeted way.

A decentralised and holistic approach works well

The most effective pilots and approaches in Phase I were those with the greatest degree of local ownership and the greatest adaptation of generic approaches to local context. This includes Bulungan in North Kalimantan, Central Lombok in NTB, and East Sumba in NTT. In all cases, there has been strong buy-in from districts, along with local initiative from government and INOVASI's provincial teams.

Phase II will require (1) a strong decentralised approach, with strong local leadership and capacity in provincial teams to support local initiatives within the team; (2) a more flexible approach to working with districts under the umbrella of the provincial steering committee (this will entail more flexible sub-national governance arrangements); and (3) a more flexible budget and personnel structure at sub-national level.

National policy engagement requires trust, and benefits from sub-national context

Both INOVASI and TASS have had strong engagement at the national level in Phase I. Both have built trust and strong collaborative working relationships. While the two programs tended to work in different sections of the ministries, towards the end of Phase I, they work in an increasingly more integrated way.

- TASS's responsive facility approach is well appreciated by GoI counterparts and enables the program to meet short-term requests for support in a strategic and highly influential ways manner.
- INOVASI's focus on piloting solutions at sub-national level while engaging with national counterparts on the big policy issues is also well appreciated and is effective, though it takes longer to produce results.
- Both programs benefit from integration of the two approaches. An integrated program will better enable support for a vertically integrated policy and planning approach within GoI.

Phase II should build on the trusting collaborative relationships established at the national and sub-national level to achieve end-of-program-outcomes in a strategic and highly effective way. This means, as far as possible, maintaining key current personnel and approaches. Phase II should retain both the responsive approach of TASS and the longer-term strategic approach of INOVASI.

ANNEX E: Collaboration Summary Table

PROGRAM	POTENTIAL AREAS FOR COLLABORATION
KOMPAK	• Joint advocacy and policy engagement to improve the focus of district education spending on what matters for learning; to incentivise districts to improve efficiency of teacher deployment; and promote local strategies to better prepare disadvantaged children for school through quality early childhood education. This will expand the reach and engagement of both programs across ministries: MoEC, MoRA, Bappenas, MoHA and MoF; • Coordinated support for national and sub-national education planning to ensure a consistent focus on improving learning outcomes; • Policy engagement regarding Minimum Service Standards; • Piloting tools and approaches to identifying out-of-school children with special needs and including them in mainstream class programs; and • In NTB, INOVASI Phase II to prioritise scale out to districts already supported by KOMPAK
UNICEF (Papua Rural & Remote Education)	• Sharing technical approaches and joint policy advocacy to improving literacy and numeracy for all boys and girls • Exploring opportunities to jointly address the basic literacy-learning gap during transition from ECED to Elementary School
World Bank (ID-TEMAN, and from 2021 ABIP)	• Joined up advisory support to MoRA related to policy and systems for madrasah teacher support. • Opportunistic collaboration related to World Bank / ID-TEMAN pillars, including regarding teacher management and accountability, systems-level analysis, joint research agenda
RISE	• Shared development and use of research instruments and methodologies; particularly the student learning assessment and MoEC's Indonesian student competency assessment (AKSI). • Engagement cross-program in research design and quality assurance process, sharing and use of evidence generated from both programs. • If possible, INOVASI to use the PDIA approach to develop and test workable solutions to the challenge of improving learning outcomes, RISE to assess selected, scaled-out solutions using a rigorous random controlled trial (RCT) approach.
MAMPU, PEDULI and Women in Leadership program	• Consultations & technical support for Gender and Disability Inclusion Plan, social inclusion strategies (e.g. regarding child marriage) and civil society partnerships and engagement in the Program • Ensuring visibility of work plans and priorities, sharing technical expertise as opportunities arise • Enabling access to decision makers in education ministries for advocacy of issues of common interest

Prospera	• Technical advice on education-sector related support, such as sectoral spending reviews, education financing policy support, and labour market and workforce skills needs analysis.
IA-CEPA Economic Cooperation Program (under-design)	• Collaboration on non-cognitive skills in TVET, by supporting the program to advocate and provide technical support for TVET graduates to gain the technical and soft skills employers require'.
Australia-Indonesia Partnership in Disaster Risk Management	• Supporting AIP-DRM to plan and advocate for resumption of education services post-natural or manmade disaster, including responding to the impacts of the COVID-19 pandemic.
AIPJ-2	• Sharing resources, joint advocacy and access to decision makers in the Islamic Education Sector in relation to building tolerance in schools and madrasah
DFAT global education programs such as All Children Reading.	• Sharing lessons and results from our early grade literacy pilots.
KSI	• Potential collaboration on building capacity of MoEC's Policy Research Centre.
JPAL	• Explore opportunities for assistance with rigorous evaluation
Australia Awards and alumni	• Assist the Australia Awards/Alumni Team in determining the recipients of Short Term Awards and Alumni Grants and selecting projects that amplify/complement the work that the Australian Government already does in Indonesia. • Engage with/provide input to the revitalisation of Australia Awards Alumni team's 'Circles of Influence' activity, which supports alumni's professional development in their sector/circle.
Volunteers program	• Liaise with manager of Volunteers program regarding engaging volunteers to support strategic objectives in education.
BRIDGE	• Explore opportunities for collaboration regarding use of ICT in the classroom and teacher professional development.