

INDONESIA PROGRAM FAQs

Current Australian support for education

Why is the Government spending \$500 million on education in Indonesia?

- Our Education Partnership with Indonesia is an investment in the future of Indonesia and Australia
 - supporting a strong education system in our largest neighbour advances Australia's long-term national interests because it lays the foundations for Indonesia's growth, stability and security
 - educated societies are more stable, better able to hold their governments accountable; and there is strong correlation between educational achievement and improved health outcomes.
- Indonesia has a population of 240 million people, with around 120 million people living on \$US2 a day or less, and highly vulnerable to poverty
 - basic education is a key tool to lift people out of poverty
 - almost 15 per cent of Indonesia's 13 to 15 year olds (around 2 million children) do not attend junior secondary school because schools are too expensive, too far away, or the quality of teaching is poor
 - the quality of education in Indonesia is poor compared to its Asian neighbours; according to a 2007 World Bank report 46 per cent of year nine graduates do not reach full literacy.
- The Government of Indonesia highly values Australian assistance to education and requested further Australian support to build on the successful Basic Education Program (\$395 million from 2006-2011)
 - the Basic Education Program created around 330,000 new school places by constructing or extending 2,074 junior secondary schools, including 504 Islamic junior secondary schools.

What does this \$500 million fund?

- This Partnership funds:
 - building or expanding up to 2,000 junior secondary schools creating around 300,000 new junior secondary school places in disadvantaged districts
 - developing and rolling out a national system for strengthening school management that will facilitate continuous professional development for around 293,000 school principals, school supervisors and district government education officials
 - assisting around 1,500 Islamic schools to improve and operate more professionally to meet national education standards and reach accreditation
 - supporting evidence-based sector policy research and analysis, to be delivered through the Asian Development Bank
 - independent monitoring and audit to protect Australian funds
 - promoting learning and outreach across all components.
- It enables Australia to work closely with Indonesian decision makers to improve policy formulation and implementation
 - Australia co-chairs an education dialogue with Indonesia's Vice Minister for Education on improving access, quality and

governance in the sector which is an opportunity to improve coordination and policy advice at the highest level.

- Has the Partnership commenced? How much has been spent so far, and on what?**
- Yes. Since its commencement in 2011, the total expenditure for the Education Partnership is over \$109 million. The breakdown of this support is:
 - School construction funds of \$56.5 million
 - Training on school management for around 650,000 principals, treasurers and schools committee members and piloting of the national system for strengthening school management (\$35.3 million).
 - Support for quality improvements in 565 Islamic schools (\$5.5 million).
 - Support to evidence-based education sector policy research and analysis by the provision of \$10 million to the Analytical Capacity Development Partnership (ACDP) delivered through the Asian Development Bank.
- Have any schools been built under the Partnership?**
- No, no schools have yet been completed under the new program. However construction began in September 2012
- Why can't Indonesia fund its own education programs?**
- The Government of Indonesia has strong commitment to provide nine years of quality education to all children by 2015 and is meeting its constitutional requirement to spend 20 per cent of its budget on education (around \$32 billion in 2012)
 - Australia's support of around \$100 million a year helps Indonesia meet these goals and use their resources more efficiently so they can achieve better results with future funding.
- How is Australia ensuring funds will not be used corruptly?**
- The Partnership includes mechanisms to safeguard Australian funds as well as promoting transparency in Indonesia's own education system
 - an oversight group with representation from both Governments will regularly review financial and performance reporting
 - AusAID selected GRM International Pty Ltd under the Education Partnership – Performance and Oversight Monitoring Contract in August 2011, to manage the conduct, by a qualified auditor, of financial and compliance audits of funds provided through Indonesia's systems
 - GRM will also provide independent oversight and monitoring of Australian fund flows and will track program outputs and assess the impact of each component to ensure that Australia's \$500 million investment is delivering results
 - the Partnership will support Indonesia to improve its complaints handling system so communities can better hold decision makers to account; under the previous program, this same system demonstrated that fiduciary controls work
 - Australia will work directly with local governments and schools to improve management of public finances, so that their own funds will also be better used and monitored
 - disbursement of funds are governed by a Grant Agreement and Procedures Manual that set out the conditions for payments to the Government of Indonesia, management of Australian funds, procurement, and procedures for detecting and managing any identified fraud.

- Why isn't Australia funding anti-corruption education programs?**
- The Partnership does not directly support any particular subject area in the Indonesian curriculum but rather focuses on improving the education system that delivers that curriculum
 - The Indonesian Government has developed an anti-corruption curriculum for school students
 - Australia is funding training for school leaders, through the Partnership, which focuses on improving school management, including financial management
 - Indonesia's Corruption Eradication Commission also provides training to the committees of local community representatives who oversee school construction under the Education Partnership.
- What other donors are involved in this program of education support?**
- The Partnership is being delivered with the European Union (contributing up to around \$480 million), the Asian Development Bank and the World Bank.
- Why is Australia funding more school construction?**
- Indonesia has assessed it needs 4,700 more schools over the next four years to meet demand for junior secondary school places, and has asked Australia to help fund it because it helps improve access in disadvantaged areas more quickly
 - Australia has worked with Indonesia over the last five years on a successful school construction program in poor provinces (20 of the 33 provinces)
 - the schools represent good value for money as they are built with local community labour - the average cost is about \$220,000 for 6 class rooms, a library, a toilet block, and a staff room
 - around 190 children will attend each of these new schools.
 - But, above all, this program aims to improve the way that Indonesia spends its own resources
 - In 2010, Indonesia incorporated Australia's guidelines into its construction policy - promoting increased transparency and introducing building standards which make schools more resistant to earthquakes.
 - Access alone does not achieve education outcomes. Indonesia acknowledges that the quality of education is variable across the country and of a lower standard than in other Asian middle-income countries
 - By working with Indonesia on developing innovative policies and systems for quality improvement, our support is catalysing positive change that will impact every schoolchild in Indonesia in the coming years and beyond
 - For example, we are supporting the creation of a continuous professional development system for principals and other school officials that will improve school management across Indonesia well into the future
 - Under component 3, our support to improve the quality of 1,500 madrasah is providing a model for the Indonesian Government to then roll out itself to all remaining unaccredited madrasah in Indonesia - around 29,000 in total.
- How will Indonesia maintain these schools?**
- The community-based construction model used by Australia and Indonesia helps to manage the risk of poor maintenance through local

capacity and ownership

- this construction model provides school communities with the incentive and motivation to contribute to the ongoing maintenance of the school, having been involved in its original construction.
- Future Australian support to schools and district governments will also help to improve school-based management so funds available to schools are better allocated, including for maintenance
 - in the immediate term, a targeted training program for approximately 650,000 school leaders is being delivered in 2011 and 2012 to help to improve the effective use of school operation funds, including for school maintenance.

Why doesn't Australia fund teacher and student programs?

- The new partnership does not fund teacher programs because the Ministry of Education and Culture already has an on-going program to support teacher professional development – including providing scholarships to 250,000 teachers per year to upgrade their qualifications
 - the World Bank is supporting the Government to improve this program
 - Indonesia has requested help in ensuring that the benefits of this investment in teacher quality will be sustained through good education management at school and district level.

Background

Education is the largest sector in Australia's aid program, and a large part of Australia's \$2.5 billion five year commitment to Indonesia. Prime Minister Gillard announced the Education Partnership on 2 November 2010 in Jakarta. The program is being delivered in partnership with the European Union (EU). The EU's experience in education along with its financial resources, make it an ideal partner for Australia. The EU announced its contribution (around \$480 million) on 25 May 2010.