

**Australia-Indonesia Education Sector Development**  
**Midterm Review**  
**May 2008**

**Submitted to**  
**AusAID,**  
**Jakarta, Indonesia**

**Submitted by**  
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## Acronyms and Abbreviations

Acronym/ Abbreviation	Bahasa Indonesia	English
AusAID	Badan Australia untuk Pembangunan Internasional	Australian Agency for International Development
BEP	Program Pendidikan Dasar	Basic Education Program
BSNP	Badan Standar Nasional Pendidikan	National Education Standards Board (MoNE)
CBC		Community-based Construction
CDC	Konsultan Konstruksi dan Pembangunan	Construction and Development Consultant
CSAS	Kontraktor Layanan Kepenasehatan Strategis	Contractor Strategic Advisory Services
DIPA	Daftar Isian Pelaksanaan Anggaran	Development Budget of a Central Ministry
ELOIS		Equality of Learning Outcomes in Islamic Schools
ELTIS		English Language Training in Islamic Schools
EQAM	Manajemen Penjaminan Mutu Pendidikan	Education Quality Assurance Management
FMIS	Sistem Informasi Manajemen Keuangan	Financial Management Information System
GOI	Pemerintah Indonesia	Government of Indonesia
LAPIS		Learning Assistance Program for Islamic Schools
M & E	Monitoring dan Evaluasi	Monitoring and Evaluation
MCPM	Kontraktor Pengelola Manajemen Program	Managing Contractor Program Management
MDC	Pusat Pembangunan Madrasah	Madrasah Development Centre
MoNE / DEPDIKNAS	Departemen Pendidikan Nasional	Ministry of National Education
MORA / DEPAG	Departemen Agama	Ministry of Religious Affairs
MTR		Midterm Review
NFIE	Pendidikan Non-formal dan Informal	Non-Formal and Informal Education
PGMI	Pendidikan Guru Madrasah Ibtidayah	Teacher Education in Madrasah Primary Schools
PTPM		Program Targets and Performance Matrix
RENSTRA	Rencana Strategis	Strategic Plan (MoNE / MoRA)
SISWA		System Improvement through Sector Wide Approaches
SMC		School Management Committee
SWAp		Sector-wide Approaches
UIN	Universitas Islam Negeri	State Islamic University
WDD	Perencanaan Bidang Pendidikan yang Terpadu di Tingkat Kabupaten	Whole District Development
WSD	Perencanaan Sekolah Terpadu	Whole School Development

## BASIC PROGRAM DATA AND INFORMATION

	BEP	LAPIS
Activity Commencement Date	ING632 : 1 July 2006 ING133: 1 May 2005 ING529: 1 May 2006	13 January 2004
Activity Completion Date	31 December 2013	31 December 2009
Cost of Activity to Australia	Total: AUD 357,397,122.92 AUD 200 M (AIPRD Loans) AUD 100 M (AIPRD Grants) AUD 55 M (DCP Grants) AUD 2.397 M (Budget Measure)	Total AUD 30,805,475.00 AUD 30,500,000 (DCP Grants) AUD 305,575 (Budget Measure)
AidWorks reference no.	ING632 (AIPRD Loans) ING133(AIPRD Grants) ING529(DCP Grants)	INF817
Primary Sector	Education	Education
Country	Indonesia	Indonesia
Form of Aid	Loan and Grants	Grants
AusAID Branch and Review Manager's name	Jakarta Sally-Anne Henfry	Jakarta Priya Powell
Implementing Partners	Government of Indonesia	Government of Indonesia
Delivery Organisations	Ministry of National Education (MoNE) Ministry of Religious Affairs (MoRA)	Ministry of Religious Affairs (MoRA)
Evaluation Date	Province MTR 1 April 2008 Jakarta MTR 7-11 April 2008	
Duration of the Evaluation / Review	Province MTR : 1 day Jakarta MTR: 5 days	
Cost of Evaluation/Review	AUD 154,055	
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**Midterm Review**  
**Basic Education Program**  
**Learning Assistance Program for Islamic Schools**

**SUMMARY OF FINDINGS**

Overall the mid term review found BEP and LAPIS progress to be satisfactory, effective and efficient. The MTR team noted that BEP is consistent with and supportive of the Government of Indonesia (GoI) and AusAID's policies and programme framework and that LAPIS is meeting a very strong need for quality improvement in private Islamic schools. There is overall agreement that more and better donor coordination is needed and that coordination should be led by GOI. The MTR notes significant progress has been made against the intermediate outcomes of the BEP to date including; (i) 380 number of schools have been built under pillar 1; (ii) approximately 3,000 teachers, school committee members, school principals, school supervisors and district officials have been trained in various aspects of educational delivery that will improve quality in the long term under pillar 2 ; (iii) the foundations have been laid for several important support systems under pillar 3; and (iv) several useful studies have been published under pillar 4.

While the BEP is on track to deliver most of the objectives it is unlikely that the target to construct 500 MORA schools will be reached by June 2009. An extension of the BEP is recommended for 6 months to help give MORA a better chance at achieving the targets and to provide adequate support to ensure these schools are operational. Other recommendations for the remaining period of the program include improving coordination at various levels between MONE-MORA; centre-province-districts; formal and non-formal education; BEP and LAPIS; donors; and across quality inputs, and providing assistance to improve socialisation on quality assurance at all levels of government. It is recommended that BEP maintain the current strategic management structures and processes over the remaining course of implementation including the extension period.

The review found that LAPIS's initial exploratory approach and efforts to build trust and strong relationships within the Islamic education sub sector provided a solid basis for the development of a strategic plan and informed the subsequent design and implementation of a number of ongoing consolidation and innovation activities. The MTR also found that LAPIS has established brand recognition that represents an asset from which future efforts can benefit.

Some of the key achievements of the LAPIS Consolidation Activities to date include for ELTIS (i) ELT training materials, resources and curriculum developed; (ii) 2,306 people trained, in English language and teacher training, including 33 master trainers; for PGMI (i) adoption of the undergraduate degree for primary teachers, developed under LAPIS, by the Government as the national standard for that degree; (ii) 11 capacity building workshops delivered; (iii) first writing group established and materials in 6 subjects being prepared; (iv) 25 subjects for development agreed; uniform set of competencies and curriculum and 25 subjects for development agreed; and for ELOIS (i) six Women Study Centres forming partnerships with ELOIS; and (ii) a gender database of disaggregated baseline and quantitative data on 106 madrasahs.

The MTR notes that the achievement of wider effects for LAPIS will be dependent on the sustainability of activities. A key MTR recommendation for the remaining period of LAPIS is to explore strategies and mechanisms to include LAPIS in the national education system; and supporting MORA's Gender Group to develop a "national gender strategy". The MTR also recommends beginning to explore setting up an independent foundation to manage a continuing LAPIS facility and building capacity within MORA.

Some of the key lessons learned from BEP and LAPIS to date include; (i) the timeframe of three years is far too short for a program approach that focuses on system and institution improvement, and provides support within existing local systems at government pace; (ii) the demand-oriented and flexible approach of LAPIS is perceived as empowering and creating a strong sense of ownership; networking and trust building with stakeholders; (iii) community initiation of/involvement in activity implementation is important, and (iv) more needs to be done in the future to increase participation of disadvantaged students in junior secondary education.

In relation to future programming, the MTR recommends that future assistance take a longer-term view of the sector, sharpening the focus and building on accomplishments under BEP and taking into consideration AusAID's comparative advantages, good experiences or a possible AusAID niche. The MTR notes that with more donors being involved in sector wide support in the future, AusAID can focus on fewer interventions. The MTR recommends merging BEP and LAPIS approaches under a different (SWAp) support modality. The MTR also recommends focusing more at the provincial and district level. Areas of future support should include elements that may not be sustainably completed under the current BEP. For example: (i) development and monitoring of the BSNP standards; (ii) improved quality of national examinations and classroom-based assessment; (iii) teacher capacity development in school-based curriculum development and planning for all MORA and MONE schools; (iv) support capacity building for policy research, data collection and analysis; (v) development and expansion of WSD and WDD systems; and (vi) support for enhanced gender and inclusive education systems.

In relation to forward programming in the Islamic Education sub-sector the MTR's overall recommendation is to continue supporting and improving the quality of Islamic education. The MTR recommends: (i) engaging with MORA at the strategic and operational level to improve effectiveness; (ii) exploring further options for the establishment of an institution that can take over the responsibility of LAPIS; and (iii) exploring possibilities and identifying strategies to scale up and mainstream good LAPIS practices to be funded by the MORA.

Other key recommendations for the future include undertaking a range of analytical studies including exploring the factors other than access to schools that influence participation, particularly of children from disadvantaged backgrounds; a comparative analysis of the cost-to-benefit of alternative models for reaching underserved or out-of-school primary and junior secondary age children; following up on student enrolment and participation and teacher availability in MORA constructed schools, and mapping of teacher training needs.

## **A. The Midterm Review**

1. **Purpose.** The purpose of the 2008 midterm review (MTR) of the Basic Education Program (BEP) 2006-2009, and the Learning Assistance Program for Islamic Schools (LAPIS) 2004-2009 was to assess implementation progress and quality of progress against targets, and forward implications for the Government of Australia's contribution to education sector development beyond current commitments.

2. **Process.** The MTR was undertaken as an independent review including (i) review of background materials, (ii) interview of national key stakeholders, (iii) field visits, (iv) a workshop involving provincial, district and school stakeholders, and (v) a series of bilateral workshops in Jakarta over a period of five days. The workshops in Jakarta consisted of government teams that undertook technical reviews of the BEP pillars 1-4, and support for Islamic schooling (BEP and LAPIS), made recommendations on adjustment to BEP/LAPIS, and made proposals for future Government of Indonesia (GOI)-AusAID cooperation in education sector development. Donors and contractors also provided input into the MTR process. For MTR methodology, see Annex 1.

3. **Participation.** Participants in the MTR were national stakeholders, including line managers within the Ministry of National Education (MONE) and the Ministry of Religious Affairs (MORA), senior managers in MONE and MORA, province, district and school stakeholders, AusAID staff, contractors and donors.

## **B. Programs**

### **1. The Basic Education Program**

4. **Design.** In partnership with GOI and donors, the overall BEP objective is to support the implementation of the MONE RENSTRA 2005-2009, and the MORA strategic priorities. The BEP consists of four integrated pillars, consistent with MONE/MORA policy pillars: (i) increased access to high quality formal and non-formal basic-education opportunities, especially for currently under-served areas and disadvantaged groups; (ii) improved standards, quality and internal efficiency and consequent sustainability in the education sector; (iii) effective capacity building for education performance management, monitoring and service delivery, particularly related to governance and accountability reforms; and (iv) increased volume, effectiveness and equity of resource mobilization and allocation in the education sector.

5. **Services.** The BEP provides budget support for construction, using Indonesia's own financial and management systems and community model; and supports high level strategic assistance in order to ensure system-wide improvements and institutional development through technical assistance, capacity building, training, and policy research across the two ministries--MONE, MORA—at central, provincial and district levels.

6. **Monitoring.** The design of the monitoring and evaluation process and system for the BEP builds on a rolling program approach that will use annual performance assessments and operational research findings to inform BEP strategy and program adjustment. The two key monitoring and evaluation documents for BEP are the Program Targets and Performance Matrix (PTPM) and the Monitoring and Evaluation Framework. The PTPM reflects the summary of targets and progress against workplans, following the rolling approach with adjustments. The Monitoring and Evaluation Framework includes more detailed performance indicators, at the goal, purpose, outcome and output levels. The PTPM is in Annex 2.

### **2. The Learning Assistance Program for Islamic Schools**

7. **Design.** The overall goal of LAPIS is to contribute to poverty reduction by improving the quality of basic education in Islamic schools. The objectives of the LAPIS are to enhance (i) the capacity of support agencies to provide quality education services in the Islamic basic education sub-sector; (ii) the capacity of madrasah communities to manage and provide quality education; and (iii) the capacity of local networks to improve their madrasah communities. It comprises two broad types of activities (i) consolidated activities which essentially are designed project activities, and (ii) innovation activities involving small grant activities to local communities. Currently, LAPIS has three consolidation activities in addition to the innovation activities, (i) English Language Training for Islamic Schools (ELTIS), (ii) Teacher Education in Madrasah Primary Schools (PGMI); and (iii) Equality of Learning Outcomes in Islamic Schools (ELOIS).

8. **Services.** The LAPIS does not work directly through the government system instead it works in a partnership with private education institutions. The goal is to be achieved by building the capacity of key stakeholders working in the Islamic education sub-sector to plan, manage and deliver improved basic education services. Services include technical assistance, capacity building, training and block grants for innovation activities.

9. **Monitoring.** LAPIS has recently reworked its monitoring and evaluation (M&E) framework to be able to better measure how each activity contributes to the LAPIS goal and purpose. The M&E will be applied at two levels, (i) program and (ii) activity. The program level is concerned with overall monitoring of LAPIS, evaluating how effectively each activity has contributed to the LAPIS goal and purpose. At the activity level, M&E will describe how effectively each activity has achieved its own goal, purpose and outputs. The framework is still under development and further refinements to the methodology are expected following its first implementation.

## **C. Progress/Quality of Progress**

### **1. The Basic Education Program**

10. Because of the nature of the AusAID support (especially for quality and governance), most initiatives will not demonstrate progress in terms of outcomes and impact for many years, therefore, the MTR will mainly report on the progress of main inputs, outputs and intermediate outcomes. More progress details will be found in the contractors' annual progress reports and in the Annexes.

11. **Pillar 1: Expanded Equitable Access.** The enhanced equitable access to basic education will include the provision for more than 330,000 new junior secondary places in some 2000 new junior secondary schools including approximately 500 Madrasah junior secondary schools. All schools constructed aim to be built to standards that optimise the number of school places, facilitate attendance by girls and (to the extent possible) disabled students, and are appropriate to local environmental conditions.

12. More than 90% of the 380 schools, junior secondary schools and Islamic junior secondary schools, constructed under BEP in 2006-7 are fully operational with large and almost parity enrolments of both boys (50.8%) and girls (49.2%). The target enrolment of 20,000 for these schools in their first year of operation has been exceeded with total numbers of approximately 28,000. School communities report satisfaction with their new school facilities, with more than 43% reporting high or very high levels of satisfaction. Further school construction for MONE is now underway with more than 500 new schools under construction.

13. As a result of the BEP's focus on poverty reduction, schools are constructed in disadvantaged and remote areas. The challenges of construction at more remote and geographically difficult areas were not foreseen at the BEP design stage. Therefore, the achievement of the ultimate target of 1500 expanded "one-roof" and new schools through MONE may not be achieved. The fact that the number of BEP schools is below planned targets is largely a function of overly optimistic targets than weaknesses in the implementation program. Feedback from the MTR indicated that the decisions on sites should be transferred to the local level for more effective programs since they are more knowledgeable about the needs at this level. A localised approach may also help accelerate construction.

14. Forty-five of the 46 MORA schools were completed and in use in 2007. Data from an initial survey indicate that all of the junior secondary schools, with very few exceptions, met expectations in terms of enrolments. This is partly because the new schools are in more densely populated areas but it also reflects the wishes of many parents whose children attend Madrasah primary schools to send them to an Islamic junior secondary school rather than to a public school.

15. Similarly, the challenges of constructing Islamic schools were not anticipated at design. The MORA has a unit dedicated to the management of public madrasah facilities, including infrastructure and materials. This unit has, however, limited experience of planning and managing large scale construction activities, therefore, the Managing Contractor Program Management (MCPM) is handling the MORA program. Site selection for further schools has been delayed due to concerns about the eligibility criteria being used by MORA to screen proposals. The construction of 36 schools is expected to start during the 1st quarter of 2008 with the balance of MORA's 500 sites to begin during the 2nd quarter. Although efforts will be made during the remaining period to catch up, targets may not be reached. The MTR identified a need to review the current site selection and verification processes so that experiences so far can feed into future planning.

16. The construction of all 500 MORA schools are expected to have started during the 2nd quarter 2008. Although efforts will be made during the remaining period to catch up, targets may not be reached by the end of the BEP but it is expected that all MORA schools should be completed by September 2009 with the majority (more than 60%) operational in time for the 2009-10 school year. To ensure completion of MONE and MORA schools an extension of six months, until the end of 2009 is recommended.

17. Coordination between MONE and MORA construction is currently difficult since generally the MORA school construction program is taking place in districts where the BEP is not helping MONE to build national schools. The greatest need for effective coordination is for an extensive and national program of school mapping (GIS supported by a multi-layered information system) so that real access needs can be assessed against available capacity. This is an initiative currently being supported by Pillar 3.

18. Quality improvement of construction has been supported through the introduction of a quality checklist and a comprehensive construction reporting system. Improvements and refinements to the GOI's site selection, verification and school mapping processes have been made so that the schools are located in the areas of Indonesia where they are needed the most. Further, improvements and refinements to the standard site designs have been introduced, particularly in relation to sustainable harvesting of timber (requirement to plant new trees for each cut down) and earthquake resistance.

19. During the second year of construction, more modifications have been made to the standard designs including better facilities to assist disabled access, including special larger toilets for those in wheelchairs, ramps, hand rails, etc., and development of detailed water

and sanitation guidelines, to assist construction committees in installing septic tanks, ensuring sewerage is properly treated, and does not leach out into the surrounding water table.

20. The community-based construction model appears to have worked reasonably well. A survey undertaken at the end of 2007 found a high level of satisfaction with the quality of the schools at the school and community level. Furthermore, the cost per sq. metre is approximately 60% of contractor-based construction. However, the model is very top-down where the communities only get to supervise the construction of schools according to a central government prototype. A critical review over the next year or post-BEP should explore the possibilities to make the process district-based and more responsive to community needs, interests and environmental conditions.

21. **Access Issues.** The availability of more facilities, has not been matched by increased enrolments to the extent expected. This indicates that there are other barriers to participation, especially for students from disadvantaged backgrounds. National surveys indicate that school fees and non-fee costs are a major barrier for many children. What the gap will be between expected and actual enrolments under BEP is difficult to predict as the data available is the data used for deciding that the new schools would meet the criteria.

22. MONE has an established relationship with a number of Construction and Development Consultants (CDCs) who bid for the MONE construction program. It seems that the MONE contracted CDCs have a well resourced personnel base with experienced field consultants who know the requirements for MONE community-based construction. These firms are used to the MONE way of working which involves a much less intensive process of monitoring from the centre than is the case for the Managing Contractor Program Management (MCPM) and their contracted CDCs. Because of the size of the construction program for the GOI under MONE, and for the GOI through BEP, it has pushed the limits of available qualified construction supervisors. Hence, the CDC engaged by the MCPM are much less experienced in school construction through a community-based approach, and the personnel proposed as field consultants tend to be much less experienced and are often previously unemployed.

23. There are also tasks involved in the CDC contracts under MCPM--especially in relation to building community participation-that are not skills usually available among builders, engineers and architects. MCPM-contracted CDCs are supervised through MCPM field monitors, and much is asked of them directly and through a demanding reporting system, but they have no contractual relationship with either MONE which controls the payments of the block grants, or with the School Construction Committee. Their role is essentially one of help, advice and support. Hence, the MCPM CDCs have no contractual power - they can only report problems through the established channels and expect that MONE will respond appropriately. Further, there is the contradictory situation of the CDC being under the day-to-day management responsibility of MONE yet without a contractual relationship. To improve the construction program, there is a need to streamline the key contractual, operational and accountability relationships between MONE and the schools, the CDCs and MCPM.

24. The BEP access pillar imposes additional supervisory and accountability standards upon the participants, on the assumption that they improve the quality and efficiency of the community-based construction model. However, this level of supervision adds to overall costs by approximately 0.5% in the case of new schools and by 1.0% to 2.0% in the case of one-roof-schools. If the cost of CDCs and field monitors is combined then overall supervision and monitoring costs are of the order of 5% to 9% for new schools and from 9% to 17% in the case of one-roof-schools. An issue is whether the supervision expenses and the additional staff requirements yield quality improvements justifying the higher costs, and to what extent the BEP model would be sustainable in a time of budget restraint. Interviews with

construction specialists indicate that schools constructed using GOI processes and funds are of acceptable standard.

25. While the School Construction Committees have ensured a fundamental community engagement with the construction process, the most recent data indicate that women are not participating in the ongoing work of the School Management Committees (SMC) to the extent anticipated. Gender equity is particularly hard to promote in a program that relies upon a traditionally male-dominated construction industry in remote areas where people often have quite set views. It may well be that, as in many countries, the tendency is for the male-dominated Construction Committee to continue on as the SMCs. The issue will be addressed through the Whole School Development (WSD) program and socialisation workshops in coming months. However, it is unlikely that there will be a significant change in traditional and cultural attitudes within the lifetime of the BEP construction program.

26. Field visits to MORA-constructed schools showed less students, teachers and on-going activities compared with visits to public schools (Annex 3). It was explained that it takes longer for private Islamic schools to attract students as the yayasan and the school have to prove itself to the community before parents are willing to send their children to the new school. The government schools have known channels of support for teacher salaries, operational costs and teacher professional development. Private Islamic schools on the other hand, largely rely on a combination of schools fees, block grants from MORA and income derived from the yayasan and wider community through other activities. Hence, private Islamic schools may need a longer start-up period. Further and long-term follow-up of MORA constructed schools will be needed.

27. **Pillar 2: Improved Quality.** The quality purpose will be achieved through a range of activities including support for the GOI to (i) upgrade the qualifications and competencies of teachers to reach the new minimum standards determined by the National Education Standards Board (BSNP)<sup>1</sup>; (ii) establish an integrated national Educational Quality Assurance Model (EQAM) designed for teacher and school quality assurance; (iii) ensure provision of improved quality of teaching and learning materials so that all students and teachers have access to core books and materials; (iv) provide an improved national examinations system, including classroom based assessment; (v) support the extension of non-formal education opportunities to remote and disadvantaged communities; (vi) provide for gender equality and greater inclusiveness of disadvantaged groups within the education sector whether as students, parents, employees or community stakeholders.

28. The main focus of the BEP assistance to MONE and MORA so far has been on developing the base for future capacity building across all aspects of quality improvement. International evidence suggests that it takes a minimum of ten years to see the full effects of educational reforms of this kind.

29. *To enhance teacher management and quality assurance systems*, an organisational and capacity review of the Centre for Development and Empowerment for Teachers and Educational Staff and provincial level education quality assurance institutions has been undertaken, and the findings and recommendations have been socialised. The review led to the request for BEP support for the development of a model and strategy for the EQAM,

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<sup>1</sup> The BSNP is an independent quality assurance body that has been given the major authority and responsibility for assuring the quality of educational services delivered to students and communities across Indonesia. It was established in response to Act 20 (2003) which required the development of eight sets of national education standards and systems and monitoring and reporting on their achievement for (i) learning content, (ii) graduate competencies, (iii) learning processes, (iv) teachers and educational personnel, (v) equipment and infrastructure, (vi) education management (vii) finance, and (viii) educational assessment and evaluation.

which will be the framework for the quality improvement of Indonesian schools and teachers. The EQAM will be introduced in BEP-constructed schools, and progressively in all MONE and MORA schools, in 2008. The BEP has also supported an evaluation of the future responsibilities, capacity and training needs of school supervisors to enable them to play a critical role in the proposed EQAM.

30. *To support availability and quality of school instructional materials*, the role of the Book Centre has been reviewed, and plans implemented for retraining personnel to meet new and emerging needs. Assistance has also been provided to clarify the Book Centre's relationship with BSNP and to facilitate greater understanding of how standards and GOI gender equality requirements should impact texts and other teaching and learning resources.

31. Other accomplishments include improved cooperation between the Book Centre and publishers; the decision by the Book Centre to develop teacher guides and manuals and provide supplementary reading materials to schools. In terms of the latter, a national school survey of textbooks and supplementary reading materials, including children's reading habits, has been carried out across a wide range of MONE and MORA schools. An evaluation and procurement system for introducing supplementary materials into schools, initially into BEP-constructed schools as part of the Whole School Development program (WSD), and a training package for teachers have also been developed. In addition, a training module for book management in schools has been developed for introduction into all schools.

32. A National Publishers' Forum was supported by the BEP and the recommendations have been used as the basis for developing an action plan for improved production and distribution methods for textbooks, leading to the design of a transparent Book Centre monitoring and support system for textbook distribution to schools that provides real choice of books at school level.

33. Support for school-based curriculum is being provided as a result from a specific request by MORA in line with the relevant national curriculum and BSNP standards. Training-of-trainers courses and materials, training materials and manuals have been developed and tested, including a school curriculum development manual. The school-based curriculum will be extended to all BEP MORA and MONE schools, and a training program is now being offered as part of the WSD program.

34. *Improved school and student performance management and monitoring systems* have been supported through WSD and Whole District Development program (WDD) activities--partnerships at the central, district and school levels as the foundation for school and district quality improvement in both education management and delivery. For example, both school and district education leaders and management groups are learning the importance of using up-to-date school data for analysis and planning. The MTR found that the WSD/WDD initiatives were strongly supported by both MONE and MORA as well as stakeholders, and inclusion of representatives from both the gender and the inclusive schooling focal areas has strengthened the activity considerably.

35. A major role for the BEP is to support the GOI initiatives to improve the quality of education through a number of major inputs developed by the BSNP. The initial design of the eight BSNP standards has been completed and the first stages of a standards monitoring system have been developed. The BEP has also helped clarify and strengthen the relationship between the Centre for Educational Assessment and the BSNP through the proposals for the establishment of a National Examination Authority with joint membership from BSNP, MONE and MORA. A strategy and plan has been developed to support the introduction of classroom based assessment and student achievement reports and profiles.

36. Support to Non-formal and Informal Education (NFIE) as a substitution for, and complement to, formal education is in an early stage. A report on the legal and regulatory requirements for alignment of the formal and non-formal systems has been completed. In addition, the BEP, through its WSD and WDD initiatives, is strongly promoting the concept and availability of NFIE in some of the most disadvantaged districts in Indonesia.

37. WSD and WDD provide for the holistic development of schools and districts within the public and Islamic sectors. Currently activities focus on districts where BEP is supporting the construction of junior secondary schools. The program has been able to integrate and develop many of the ideas and initiatives developed in other parts of the BEP such as improved textbook development and management, the introduction of supplementary reading materials, developing school-based curriculum planning and introducing school asset management systems, as well as developing many aspects of the EQAM such as school self-evaluation and school-based planning and management. The WSD also provides a model and examples that can be used throughout the MONE and MORA school systems. One of the key achievements has been the building of partnerships at the central, district and school level. At the central level, the strong commitment of both MONE and MORA to this activity has been reflected in the leadership that has been provided through the various directorates. The inclusion of representatives from both the gender and the inclusive schooling focal areas has strengthened the activity considerably. The WSD/WDD programs are very highly rated by stakeholders, with proposals to extend the support to non-BEP schools.

38. *Enhanced gender and inclusive education systems* have been supported through organizational and strategic capacity-building. A Ministerial Regulation on Gender Mainstreaming in Education has been completed and is awaiting enactment to enable the effective implementation of a national gender policy under decentralisation. The BEP has supported the POKJA Gender (Gender Mainstreaming Working Unit) to develop the capacity at central, provincial, district and school levels as a means to achieve gender equality and equity in education, including policy directions, and the development of a pilot model for 'gender-friendly' districts. Gender mainstreaming aspects have also guided the review of curricula and materials as well as the development of test items under BEP components.

39. To ensure that gender equality principles and practices are embraced within the WSD and WDD program, specific gender related publications will be distributed to all provinces and districts under WDD and be available for distribution to schools and communities. The first three publications are (i) gender indicators in education, (ii) guidelines for gender mainstreaming programs in education, and (iii) the National Action Plan for Gender Mainstreaming Program in Education. Overall, major activities are on schedule and there is strong support for gender equity among senior members of the education hierarchy, especially directors general. For more information on gender mainstreaming, see Annex 4.

40. Originally part of a joint activity – Gender and Inclusive Education - the inclusive education activity has become a new focal area under the BEP. There is a commitment from both MONE and MORA to use inclusive education as the core strategy for promoting and achieving nine years of compulsory schooling for all children and youth aged 7-15 years, irrespective of gender, physical and intellectual differences and handicaps, and economic and social circumstances.

41. The program is in its first phase. It focuses on national and local inclusive education policy development and accompanying regulations. Initial achievements so far include (i) a draft decree to establish a national working group/task force for inclusive education, and the development of a national action plan; (ii) the draft of a ministerial regulation on inclusion, including an inclusive education support system; (iii) a draft of an action design for a resource

centre for inclusive education and special needs education; and (iv) support to the development of financial standards for inclusive education, including per-pupil costs by level. More information on inclusive education is found in Annex 5.

42. **Pillar 3: Capacity Development for Improved Governance of Education Services.** Improvement in governance within the education sector is facilitated by support to the Government to (i) ensure that the RENSTRA are used as the basis for annual planning and sector performance assessment; (ii) ensure enhanced financial management at both MONE and MORA; (iii) implement more equitable school funding mechanisms; (iv) ensure improved stakeholder servicing by educational information systems at all levels; (v) strengthen internal education audit capacity and (vi) encourage and facilitate information communication technology (ICT) innovation in the education sector.

43. The MONE RENSTRA is still the only complete and legalised RENSTRA in the education sector. In MORA, the Islamic education RENSTRA has been completed with BEP support and legalised by the decree of the Directorate General of Islamic Education but is not yet socialised or connected with monitoring, planning and evaluation. For MORA, the processes of developing the RENSTRA have included, to some extent, links with the operational finance and planning processes, making the process more integrated than that in MONE

44. The BEP has provided support to review the financial management and information system (FMIS), identify additional needs, and to complete/adjust the software. An FMIS centre has been established in the Finance Bureau with adequate computer and technical support, to service the system and support user needs. A decree on mandatory use is in preparation. Based on the experience of the MONE FMIS, MORA may decide to develop a similar system to assist planning, budgeting, expenditure transactions, accounting and reporting.

45. The BSNP financial standards have not been approved, and are currently under revision. The weakness of the BSNP finances standards, and lack of any systematic affordability strategies have led to an absence of a financing framework with which to connect allocation processes. Hence, in terms of equitable mechanisms for school funding operating at central and district levels, the key achievement so far has been to bring the parties together and to begin the complex policy discussions with each party focusing on its own role.

46. An integrated education information system has been developed, covering both MONE and MORA, backed up by coordinated technical solutions for district, provincial and central levels.

47. Support for internal education audit has focused on a capacity building of MORA in performance audit skills development. It has resulted in the completion, regulation and publication of audit guidelines for performance audit of schools and a decree issued by MORA. A decree attachment details audit steps on how to conduct financial and operational audit of block grants.

48. The BEP has also supported the development of a framework for implementation of organizational restructuring in MORA.

49. **Pillar 4: Improved Education Sector Resource Mobilisation** The program focuses on (i) supporting the GOI to ensure that the expanded access and quality improvements resulting from the achievements under pillars 1-3 are sustained through more effective district-school level financing; (ii) ensuring close alignment of the BEP achievements with government education sector development priorities; (iii) improving capacity in strategic

planning, including GoI/donor joint resource allocation for addressing priority needs in education; and (iv) improving education sector performance monitoring. While pillars 1-3 are managed by MCPM, pillar 4 is managed by the Contractor Strategic Advisory Services (CSAS).

50. The teaching force accounts for the greatest proportion of the education budget and is the most influential factor in improving student outcomes. Even small systems improvements in the quality and management of teachers can create great leverage in terms of student learning. The BEP has supported the Directorate General of Quality Improvement of Teachers and Education Personnel to ensure that a reliable and valid data underpins decisions about workforce deployment and expenditure for certification and upgrading. Major achievements include (i) the establishment of a vastly improved teacher profile data set and capacity building for continuous improvement, (ii) links established with the National Civil Service Agency as a means of verifying data and improving the reliability of future collections, and (iii) the development of alternative options for teacher certification and upgrading of qualifications with identified savings of between US\$0.7-1.7 billion by 2016 (Teacher Upgrading and Certification-Cost Analysis Study).

51. Steps towards more equitable distribution of resources to schools have also included the preparation of a Basic Education Baseline Study, and a Financial Performance Report, including policy implications for decision makers. Further, an initial study on the school grants for textbooks has been completed and the report provided to Minister.

52. The Financial Performance Report found that nationally, the picture is very positive for district education spending relative to aggregate district expenditure but particularly within districts included in the BEP. There was a 21% average annual growth in district education budgets between 2006 and 2007. BEP districts showed strong positive commitment to education with 25% annual growth in education funding between 2006 and 2007 budgets. Education expenditure at the district level is growing 1.3 times faster than aggregate district expenditures across Indonesia. BEP districts grew their education expenditures at 1.5 times the rate of aggregate district expenditures between 2006 and 2007. The expenditure reported does not include BEP expenditures. The reasons for the higher budgets and spending in BEP districts are not known, but may indicate a commitment to education.

53. A paper has also been prepared on alignment of targets and indicators across key documents, and the PTPM was revised in January 2008. The annual review of PTPM ensures that changes in GOI priorities are reflected under the BEP.

54. Data analysis and the establishment of baselines for NFIE have been undertaken, and a strategic plan has been prepared and published. The formulation of a strategic plan and annual plans and budgets for MORA are at a beginning stage.

55. The donor/GOI environment has become very dynamic lately in response to the World Bank proposed System Improvement through Sector Wide Approaches (SISWA). CSAS has maintained close relationships with key Education Sector Working Group members; held consultations with the European Union and the World Bank on options for BEP engagement in SISWA; and collaborated with the World Bank to verify aspects of data and financial analysis. Hence, groundwork has been established for future development of formal GOI/donor agreement on principles and priorities for joint partnership arrangements.

56. To support improved education sector performance monitoring, the Annual Sector Monitoring Report has been completed. The report consists of the Basic Education Baseline Study, and Stock Take of Statutory Reporting Requirements and incorporates poverty as an integrating theme across key performance indicators. A Monitoring and Evaluation Framework was also developed collaboratively by MCPM and CSAS.

57. **Quality and Governance Issues.** A main concern across all quality components is under-qualified teachers, and teachers with mismatched subject expertise. This aspect affects implementation and progress of quality interventions. Other issues raised at the MTR were the fragmented coordination, and the inadequate understanding of the eight education standards among district-level MORA officials..

58. In terms of strategic planning, an MTR concern was raised about the many activities supported under the BEP which made focusing and monitoring difficult.

59. A common theme highlighted throughout the MTR consultations was the lack of coordination: between ministries, between central-province-districts, between BEP and LAPIS, between donors, and across components.

60. In spite of good progress, the absence of a gender mainstreaming action plan with explicit goals, performance indicators and targets makes it difficult to assess performance under BEP. The gender mainstreaming outcome under BEP is stated very generally, and the performance indicators outlined in the Monitoring and Evaluation Framework are too broad and cannot realistically be achieved during a three-year program framework.

61. **Procurement.** The 2007 procurement processes for pillars 1-3 consisted primarily of the procurement of the CDCs for the 2007/08 construction program. Other formal procurement included the supply and distribution of supplementary reader materials under pillar 2 and the supply of computer hardware under pillar 3.

62. One of the key issues confronting the MCPM in procurement processes, and for the management of CDCs, is the fact that MONE, through its development budget (DIPA) funded program, operates construction programs concurrently. An increased number of MONE-DIPA funded schools in 2007, plus an increased number of BEP funded schools are all competing in the same market space for CDCs.

63. The MCPM's experience during the past two years has been a decreasing level of interest from CDCs. Approximately half the total number of CDCs responded to MCPM tenders as compared to MONE tenders in 2007. This is potentially influenced by a number of factors: (i) limited construction capacity within the market overall means less interest in the BEP tender process, (ii) increased scrutiny and supervision from a donor-funded program, (iii) complicated management structure between the MCPM and MONE/MORA Program Management Unit, (iv) the requirement to submit tenders in English, (v) a more rigorous selection process, and (vi) the more remote and challenging locations which the BEP services comparative to the majority of the MONE DIPA funded program. The latter means a more challenging work environment as well as limitation of the number of CDCs with the necessary geographic experience.

64. Efforts are being undertaken to respond to these issues and to increase the pool of CDCs willing and able to respond to tenders for 1000+ schools. Increasing the levels of tender documentation available in both Bahasa Indonesia and English will also continue. With only one year of the BEP left, investigating national bidding in Bahasa Indonesia is not a viable option, however, this should be considered should the construction continue into subsequent phases.

65. Procurement under CSAS has mainly consisted of consulting services. No major problems have been encountered.

66. **BEP Performance at MTR.** The BEP is performing satisfactorily. The BEP is relevant, consistent with, and supportive of GOI's and AusAID's policy and programme framework. The

objectives correctly address identified problems and social needs. The nature of the problems originally identified has not changed and the program is showing flexibility and adaptability to changes in the policy environment.

67. The BEP is effective, realizing or on track delivering most of the objectives that were set in the initial design and in PTPM: (i) as described in para. 12, a large number of schools have been built, student enrolment has exceeded targets and communities expressed satisfaction under pillar 1; (ii) a large number of teachers, schools and district officials have been trained in various aspects of educational delivery that will improve quality in the long term under pillar 2; (iii) the foundations have been laid for several important support systems under pillar 3; and (iv) several useful studies have been published under pillar 4. Delays and shortcomings in implementation are to a great extent attributed to too ambitious goals or unforeseen challenges.

68. By the end of BEP the following results are expected: (i) 2000 schools with 330,000 students enrolled; (ii) endorsement for implementation of the EQAM at both MONE and MORA which will support quality improvement at school level – including better management, improved planning, improved supervision and teacher support, improved classroom teaching, improved school monitoring; (iii) enhanced capacity of teachers and schools as organisations to effectively implement school-based curriculum; (iv) enhanced capacity for quality school-based assessment and for improved and competency based classroom assessment at the individual teacher level; (v) improved management, including planning and budgeting in all BEP schools and districts, including BEP supported private Madrasah; (vi) improved quality of national examinations (Grades 3, 6 and 9); and (vii) all BSNP standards for basic education in place and operational with appropriate and agreed key performance indicators and an M&E framework for BSNP.

69. The BEP is efficient. Operational work planning and implementation are satisfactory, and the management of the budget is appropriate according to Price Waterhouse Coopers. Relations and coordination with local authorities, institutions, beneficiaries and other donors is good as is the quality of information management and reporting. Procurement, training, and contracting have been provided as planned. Technical assistance has helped provide appropriate solutions, develop local capacities and produce results. Monitoring is, however, not yet optimal. Baseline information is still inadequate. The BEP Monitoring and Evaluation Framework was only approved in December 2007 so the main reporting document has been the PTPM. The Monitoring and Evaluation Plan calls for a series of studies and surveys to better assess the impact of BEP. This will take place in 2008. Technical assistance will also be provided.

70. A preliminary analysis of achievement of wider effects (impact) at this early stage is constrained by the lack of official data from districts. Reporting against purpose indicators is therefore limited. Assessments so far indicate that steps have been taken that will ultimately lead to the achievement of purpose. However, the BEP timeframe of three years is too short for a program approach that focuses on system and institution improvement. An extension of the BEP or continuation of the components under a different (SWAp) support modality will increase the likelihood of achievement of the BEP purpose.

## **2. The Learning Assistance Program for Islamic Schools**

71. From start up until mid 2006, LAPIS developed extensive local networks and mapped priority needs in 805 schools in 13 provinces. Over 50 small scale activities (\$2000 – \$100,000 per activity) were completed in a variety of areas including school based management, teacher upgrading, English language training, gender mainstreaming, income generating activities, emergency responses etc. The key outcomes of Phase I were the

lessons learned from the pilot activities and the relationships that were developed over this period. Building on these lessons and relationships, LAPIS prepared a strategic implementation plan in April 2006 which set out directions for LAPIS Phase II. This process included designs for the three Consolidation Activities: ELTIS, PGMI and ELOIS.

72. Formal assessments of Consolidation and Innovations Activities have not yet been completed since they have not been operating long enough for outcomes to fully emerge. ELOIS which has been operational since January 2007 is starting to identify emerging outcomes; but PGMI and ELTIS which commenced in June 2007 have yet to identify outcomes. Some preliminary outcomes through ELOIS indicate that (i) demand for gender materials is increasing, (ii) Women's Study Centres show increased ability to provide improved gender training, (iii) principals and teachers demonstrate an awareness of the need for gender perspectives to school improvement, and (iv) MORA is actively engaging with and supporting ELOIS.

73. Key outputs achieved under the LAPIS Consolidation Activities include for ELTIS (i) ELT training materials, resources and curriculum developed; (ii) 2,306 people trained, in English language and teacher training, including 33 master trainers; for PGMI (i) adoption of the undergraduate degree for primary teachers, developed under LAPIS, by the Government as the national standard for that degree; (ii) 11 capacity building workshops delivered; (iii) first writing group established and materials in 6 subjects being prepared; (iv) 25 subjects for development agreed; uniform set of competencies and curriculum and 25 subjects for development agreed; and for ELOIS (i) six Women Study Centres forming partnerships with ELOIS; and (ii) a gender database of disaggregated baseline and quantitative data on 106 madrasahs.

74. A LAPIS Self Evaluation Study found that the activities were viewed as highly relevant, with good efficiency and impact. The activities provided improved knowledge and skills; improved management and teaching/learning processes and had a positive impact on student results. Consistent requests were made to repeat and extend the activities. This positive view of LAPIS was consistently repeated during interviews, field visits and at the MTR meetings.

75. The Study, however, also identified weaknesses. An increased focus is required on project management processes, especially M&E. The innovation activities were viewed as being too short, lacking follow-up and ongoing M&E during implementation, and showed poor planning and networking in some instances. While the LAPIS viewed the activities as a mechanism to identify needs and strategies, build networks and relationships, and identify consolidation activities, the stakeholders viewed the activities as development opportunities which required careful project management. As a result of the Study, LAPIS will place more emphasis on project management elements in future innovation activity cycles.

76. **LAPIS Issues.** The successful implementation of the overall LAPIS program so far has raised the issue of sustainability, and the need to build capacity to maintain sustainability of the program's outcomes. The LAPIS and the stakeholders have identified possible scenarios, including setting up an independent foundation to manage a continuing LAPIS facility, or building capacity within MORA.

77. **LAPIS Performance at MTR..** Like BEP, LAPIS is performing satisfactorily. LAPIS was originally conceived as an exploratory facility that was to build trust and strong relationships within the Islamic education sector and to provide small grants to selected target groups. From this basis, LAPIS was to then develop a strategic plan based on a full understanding of the needs of the sector and incorporating good development design aspects into its ongoing work. LAPIS therefore did not go through a traditional design and tender process. It was originally not results-based and had no agreed overall project

indicators. Goal, purpose, outcomes, outputs and monitoring have evolved over time as a result of experiences.

78. The LAPIS is meeting a very strong need for quality improvement in private Islamic schools as it is an area not previously supported by donors. The objectives of Phase I were to build relationships with stakeholders in the sub sector and to pilot innovative activities in order to identify suitable activities to be scaled up, and these were largely achieved. This is evidenced by the successful scaling up of three subprojects based on lessons learnt, and the growing demand for partnership with LAPIS from schools, NGOs, local and national government. Results to date for LAPIS Phase II indicate that the objectives are appropriate and that consolidation activities are on track to meet their objectives. This assessment will be further quantified through a school based mapping activity that will provide a baseline for tracking LAPIS progress against its goal.

79. Analysis so far indicates that in terms of responsiveness, stakeholder management, and innovation, LAPIS is performing effectively. LAPIS has engaged with stakeholders in such a way that there is a high level of ownership and stakeholders feel that they can influence direction and also create opportunities through the small grants.

80. Overall, LAPIS is considered to be a very successful program by the stakeholders. As an organisation, it has a positive image, has indicators of a strong continuous improvement culture, with good team work, well supported and skilled staff and solid systems and processes as well as a capacity to adapt to change. LAPIS have established brand recognition that represents an asset from which future efforts can profit.

81. Any achievement of wider effects will be dependent on LAPIS sustainability. Until the programs are firmly embedded within an existing delivery system, they are susceptible to failure after the life of the program. A key MTR recommendation for the remaining period of LAPIS is to explore strategies and mechanisms to include LAPIS in the national education system.

## **D. Issues**

### **1. GOI / AusAID Strategy and Alignment**

82. The BEP design is based on the GOI's National Development Plan, the MONE Strategic Plan (RENSTRA 2005-2009), and AusAID sector and country strategies. With high enrolment at the primary level, the focus of capacity expansion and equity of access is appropriately placed on the junior secondary level. In the meantime, recognizing the low quality and internal efficiency at both levels, and the need to improve governance, will continue to be priority areas for the years to come.

83. A recently launched Australian Government policy, 'Better Education: A Policy for Australian Development Assistance in Education' specifically notes the role of state, private, religious-based non-government organization in the delivery of education services, and commits Australia to working with all parts of the system. The AusAID's 'Indonesia Education Strategy' puts this into operation by allocating up to 30% of AusAID's Indonesia education sector funding to support the improvement of Islamic schools. This aligns Australia's Strategy and Indonesia's policies and plans.

84. Another objective of Australia's assistance to Indonesia's education sector is to help Indonesia implement its plan for an effectively functioning and inclusive school system, providing opportunities for all girls and boys to access a nine year program of quality basic education. This aligns well with the Indonesian Government policy and strategy as stated in

the Presidential Instruction No. 19/2000 on Gender Mainstreaming in the National Development.

## **2. Contract and Management Arrangements**

85. The AusAID organization and procedures are found to be appropriate for the BEP. AusAID staff provide adequate operational support, management and administrative services to the program, and have established a good working relationship with their counterparts in the GOI. The challenge is that AusAID does not recruit country staff with education specialist knowledge and experience. Staff with general knowledge may function satisfactorily as long as the projects are on a small scale and narrow in scope. Specialist skills are needed in the design and implementation of reform efforts on the scale implied in the BEP and LAPIS and in a future, more programmatic approach.

86. The current level of involvement of AusAID staff in the day-to-day management of implementation seems to go beyond that anticipated in the BEP design. Although this may be a positive thing, the involvement implies higher than necessary transaction costs for the contractors and, to be effective, requires a level of technical expertise and experience that currently is not available. The MTR consultations indicated that less involvement in day-to-day project oversight and decision-making, and more focus on the strategic relationship with the GOI, and on monitoring strategic aspects would strengthen implementation.

87. All three contractors under BEP have previous experience with implementing a sectoral/program approach, appear to have adequate sector expertise and capacity to engage in sector wide strategic thinking and negotiation, and have staff capable of contributing to capacity development.

88. The contractors have all managed to engage GOI in the design and planning at all levels and seem to have built trust with all of their key counterparts. The changing policy environment in Indonesia has allowed the contractors to demonstrate their ability to adapt to new requirements. The independent audit contractor has fulfilled their contractual obligations and report that expenditure controls are adequate to the expected level of quality assurance.

89. In general the managing contractor and consulting services arrangements are adequate and appropriate. This conclusion is based upon opinions voiced by both the aid recipients and the contractors, and also the fact that the BEP has managed to move relatively smoothly and rapidly from basic design to full scale implementation. It is therefore recommended that the current strategic management structures and processes be maintained over the remaining course of implementation.

## **3. Government/ Donors Coordination**

90. There is overall agreement that more and better donor coordination is needed. Better donor coordination lowers transaction costs, reduces overlaps and ensures complementarity. District coordination is particularly critical and should focus on technical areas. Current coordination mainly consists of information sharing.

91. Coordination should be led by GOI. While geographic mapping of donor activities is useful, the GOI should focus on strategic mapping, identifying gaps based on its plans. However, donor harmonization in Indonesia is a challenge because of fragmentation within the GOI at the central level and as a result of decentralization, hence, it is difficult for donors to coordinate. The GOI needs enhanced leadership assistance, both at the central and local levels. It is further expected that under a SWAp umbrella, donor coordination will be strengthened.

92. In terms of synergies between BEP/LAPIS and other donor projects, it was noted that both programs already support the RENSTRA pillars, and that BEP's information system, assessment and examination system as well as quality assurance are areas of particular synergy with LAPIS. Further, lessons learned from current programs, e.g., construction of schools, quality assurance, assessment and examination as well as capacity building and analysis at the strategic level will inform the SISWA design.

## **E. Key Lessons**

93. Providing additional facilities is not enough to increase participation of disadvantaged students in junior secondary education. Other strategies such as addressing financial constraints, commitment to education from district governments, socialization on the importance of education, and encouragement from principals and teachers are also necessary.

94. There is a need for flexible and locally appropriate school designs to better suit the realities of community-based construction. Construction guidelines should be reviewed, including materials availability in remote regions of Indonesia, and the reality of inexperienced field consultants. Improving access to students in the most remote areas will also need explore alternative approaches that take into account lower number of students and availability of teachers.

95. BEP support to policy/strategy capacity building and operational aspects through two different contractors has not proved effective. It has been a source of unnecessary friction at times between the roles of CSAS and the role of MCPM in terms of who is responsible for which target and activity. A single contractor can better ensure linkages between strategies and operations.

96. A timeframe of three years is far too short for a program approach that focuses on system and institution improvement, and provides support within existing local systems at government pace. The goal, purpose and outcomes framework of the BEP, are therefore more suited to a five-year timeframe. However, progress will be evident under the BEP at the intermediate outcome level and this will provide a good foundation for further systems improvement. Potential AusAID support for a SWAp needs to take a long-term view.

97. Success factors under LAPIS to continue to build on are (i) the demand-oriented and flexible approach that is perceived as empowering and creating a strong sense of ownership, (ii) networking and trust building with stakeholders, and (iii) community initiation of/involvement in activity implementation. At this stage, however, LAPIS experience has shown the need to focus more on outcomes; improved project management, especially monitoring and evaluation; and follow up of all Innovation Activities. More socialisation to enlist support and facilitate implementation is also needed. Further, using Indonesian gender specialists, particularly male, knowledgeable in the Al'Quran, and having opportunities for both joint and separate sessions for men and women have proved a good strategy for gender awareness training.

## **F. Forward implications (for remaining period of BEP and LAPIS)**

98. The recommendations for forward implications and forward programming are based on interviews with stakeholders, field visits and the MTR reviews. No need for major changes of the design has been identified for the remaining period of the BEP or LAPIS. The targets of 2000 schools under BEP are, however, not likely to be met within the current timeframe.

99. The BEP is supporting key priority areas of RENSTRA, and the progress is satisfactory. For some key focal areas under BEP, the initial planning will have been carried out and the foundations laid but, as a result of the long term nature of system improvements, subsequent changes and capacity building at province, district and school levels, institutionalisation, follow-up and scaling up will not be possible by the current completion date. Lack of further support in certain focal areas may jeopardize investments so far. It is therefore recommended that future investments by AusAID include continued support of promising BEP interventions.

100. Another consideration is whether to keep the current completion dates for the program or to provide an extension. Since the design of a multi-donor sector development program will take time, and the upcoming elections in 2009 may further delay the process, extension of the programs is recommended. An extension would keep the momentum going until such a time when a SWAp program framework is agreed upon. Even if the SWAp preparation process would move quickly, late entering into the framework would not have any detrimental effect. In most SWAps, donors join at different times. An extension of BEP until the end of 2009 is therefore recommended.

### **1. The BEP : Key Recommendations**

101. Extend the BEP by six months.

102. Invest further in building the capacity of the community, including programs to increase the awareness of the program, to improve understanding of program criteria, available budgets, conditions and standards and to develop human resources at the local level.

103. Explore the possibilities to make the CBC process district-based and more responsive to community needs, interests and environmental conditions

104. Consider either transferring the BEP's CDC's functions to the GOI, or requiring the CDC's signature to release funds to the local counterparts.

105. Undertake an in-depth examination of the community-based construction (CBC) model used by BEP focusing on overall construction quality, factors influencing quality, relative costs, other educational and non-educational benefits associated with CBC, etc. This should take place, ideally, in 2008 and early 2009 if it is to properly inform any further stages of construction.

106. Discuss options with and assist GOI in enhancing its leadership in coordination, both at the central and local levels i.e., coordination between MONE-MORA; centre-province-districts; formal-nonformal education; donors; and across quality inputs.

107. Improve socialisation on quality assurance (i) within GOI and (ii) at the centre-province-district levels.

108. Follow up on student enrolment and participation and teacher availability in MORA constructed schools. As mentioned in para. 26, field visits to MORA-constructed schools showed less students, teachers and on-going activities compared with visits to public schools. There is a need to find out if this is only a start-up problem or something that is going to persist over time. Results will help identify problems in the private sector and inform future possible investments.

109. Undertake mapping of teacher training needs. Inadequate teacher quality was a common theme identified in MTR discussions. With more focus on education quality in the future, it will be necessary to identify effective strategies and interventions.

110. Maintain the current strategic management structures and processes over the remaining course of implementation. Focus AusAID supervision on strategic relationships with the GOI, and on monitoring strategic aspects.

111. Reduce the scale of reporting to quarterly and annual reports which focus on delivery of outputs against plan, expenditure against targets, and more focus upon emerging issues and how the contractors propose to deal with them. The current heavy emphasis on reporting detracts contractors from their primary duties and stretches the absorptive capacity of GOI.

112. *Specific components:* (i) improve curriculum development task forces in all provinces and districts; (ii) establishment a curriculum network between the Centre for Curriculum Development at the central level and the curriculum networks at the provincial and district centres; (iii) improve 'governance' capability of MONE staff at the district and provincial levels to enable them to develop systematic plans using the institutionalised information system database; and (iv) prioritise capacity building for the database personnel at the MONE provincial and district offices.

113. *Crosscutting areas:* (i) train teachers on inclusive education and gender mainstreaming; (ii) produce gender-oriented school kits at provincial and district levels; (iii) provide socialization on inclusive education; and (iv) collect data on children with special needs

## **2. The LAPIS: Key Recommendations**

114. Explore further the options for the establishment of an institution that can take over the responsibility of LAPIS. The envisioned institution should be able to play the role of the current LAPIS to present itself as a neutral and capable unit to build bridges between disparate groups of stakeholders. Discussions with stakeholders seem to converge towards the setting up of a foundation-like independent entity to assume the role of LAPIS at the national level.

115. Explore possibilities and identify strategies to scale up and mainstream good LAPIS practices to be funded by the MORA. A "local stakeholder forum" needs to be established to facilitate communication and mutual support among members, disseminate information and facilitate the preparation of sustainability strategies that could benefit from the recent MORA policy to appropriate a larger share of the budget to private madrasahs.

116. Support MORA's Gender Group to develop a "national gender strategy" during the remaining period of implementation.

## **G. Forward Programming (beyond the current phase of BEP and LAPIS)**

### **1. Options: BEP**

117. The period post-MTR is going to be characterized by discussions with GOI on how AusAID best can contribute to a coordinated multi-donor SWAp, such as the proposed education SISWA, under GOI leadership. Future AusAID assistance will need to be considered in light of its comparative advantages, good experiences or a possible AusAID

niche, e.g., geographical location, special populations or Islamic education. This consultation process will be fluid and take time and the outcome cannot be predicted.

118. Options at this stage will be based on the current BEP progress and experiences. The program has about 1½ years left. Should AusAID consider completing the programs in 2009, and make a completely new start under a proposed SWAp, or should support build on BEP accomplishments so far and provide continued support under a possible SISWA framework? The MTR assessment points to the latter. The BEP is currently supporting vital quality and equity components, i.e., teacher quality, school quality, teaching-learning materials, school-based curriculum, education standards and national examinations and assessment, information systems, gender and inclusive education, areas that will play an important role in the improvement of education and its monitoring. The work carried out by BEP is setting the foundations for a much longer implementation phase. The discussions on the SISWA framework have so far not included much on quality aspects. AusAID could share its BEP experiences, and discuss with GOI and other donors the possibility of continued support, expansion and institutionalisation of current focal areas under BEP as well as additional quality support under SISWA.

## **2. BEP : Key Recommendations:**

119. Continue support to improve access for formal education in disadvantaged areas but the main focus should be on quality. Teacher quality improvement was the area of most need according to MTR consultations. Discussions with other donors supporting teacher quality and an assessment of teacher training needs may be starting points.

120. Take a long-term view for educational assistance support. A SWAp by definition takes a long-term view, with a medium term expenditure framework that normally covers a longer period, therefore, the current 3-year timeframe should to be extended. This would help provide the GOI with predictable funding.

121. Sharpen focus and build on accomplishments under BEP. With more donors being involved in sector wide support in the future, AusAID can focus on fewer interventions. Areas of support should include elements that may not be sustainably completed under the current BEP. For example:

- Development and monitoring of the BSNP standards to ensure the quality of both the monitoring and reporting.
- Improved quality of national examinations and classroom-based assessment, particularly the institutionalisation and support of quality changes and corresponding capacity development at provincial and district levels.
- Development of WSD systems to allow programs to be put in place for schools constructed towards the end of BEP, and extend WSD beyond BEP schools to ensure national institutionalisation of the quality improvement agenda at school level.
- Development of WDD to allow programs to be put in place for schools constructed towards the end of BEP.
- Teacher capacity development in school-based curriculum development and planning for all MORA and MONE schools
- Support strategic advisory and analytical services
- Support capacity building for policy research, data collection and analysis
- Support Enhanced Gender and Inclusive Education systems to ensure the necessary changes at district and school level and expansion.

122. Focus more support at provincial and district levels. Under BEP most support is provided at the central level since the program aims at improving systems and institutions. Support will be needed for implementation at decentralised levels.

123. Involve the Ministries of Home Affairs and Finance in the design, implementation and management processes. Decentralised quality implementation and sustainability will not be possible without the support of these ministries.

124. To inform future investments, explore factors other than access to schools that influence participation, particularly of children from disadvantaged backgrounds, as these factors might impair the impact of the construction program. (Of the school-aged children not enrolled in school interviewed for the National Socio-economic Survey 2003, 67% cited "financial reasons" as the main factor.)

125. Undertake a comparative analysis of the cost-to-benefit of alternative models for reaching underserved or out-of-school primary and junior secondary age children to inform policy choices. Reaching the last 10% of 7-12 year olds not attending primary school or equivalency programs will cost more per student and per capita than reaching the first 90%. Enrolling and retaining 13-15 year olds in good quality junior secondary programs will become increasingly expensive as the program rolls out into remote areas.

126. Continue support and improve the quality of Islamic education. The focus should be on improving the quality of teachers (main priority) and on institutional capacity building, but also some infrastructure could be considered since quality education requires basic accommodation. The decision and extent of investment in infrastructure should be based on experiences under BEP. Assistance could be provided to the ten regions with lowest scores in the national exam. The MTR consultations recommended that support should focus on private madrasahs mainly because the large proportion (around 90 percent) of the private schools within the overall Islamic education sector.

127. Engage with MORA at the strategic and operational levels to improve effectiveness. This is particularly important since the share of MORA budget allocation for private madrasah is increasing significantly to reflect the size of private schools. To support improvement in the efficiency of allocation of the public funds flowing to the private madrasahs, planning, programming, and implementing capacity needs strengthening.

128. Support gender mainstreaming under a future SWAp/SISWA.. Specifically, AusAID could assist in (i) working with other donors to influence the SWAp, (ii) introducing specific gender issues into policy dialogue, (iii) facilitating analytical work to identify gender inequalities, (iv) supporting gender-responsive budget initiatives, (v) promoting local development of gender action plans, and (vi) linking gender equality with other cross-cutting issues such as HIV/AIDS.

129. Support inclusive education under a future SWAp/SISWA, keeping the demand-driven approach and the use of local, existing budgets.

### **3. Options: LAPIS**

130. LAPIS has moved from an early start up phase where innovation and responsiveness were the core considerations to a consolidation phase where a need for a more defined strategy and good internal systems and processes became vital and into a mature phase where the resources and demands are well established and have to be effectively delivered. One and a half years from now is a relatively short time to see the longer term benefits and to create sustainable outcomes. The choices are either to dissolve LAPIS or insert it into a SWAp, or to continue with a LAPIS II to further consolidate and expand activities. The MTR

recommendation is to continue with a second LAPIS program. Currently LAPIS operates in the private sector, outside the government system, although it has some links to MORA, and it needs institutionalisation within the national system for sustainability. That process is likely to be more effective in a LAPIS II than under a SWAp where most investments tend to focus on existing institutions.

131. MORA is receptive to the idea and has expressed interest to house an independent LAPIS. While housing LAPIS within MORA premises would ensure closeness and carry potential for better coordination with government policy and greater access to public resources, the arrangement might at the same time threaten its neutrality and independence.

132. The State Islamic University, (UIN) Jakarta, with its track record of housing a number of independent NGO-type research and publication entities, presents itself as a another alternative and has expressed interest to house LAPIS. To put it within UIN Jakarta will guarantee neutrality, however the downside will be that the support from other Islamic universities will not be as strong as if it is located in MORA. Besides, coordination with policy processes may not be as strong.

133. LAPIS may also reconsider supporting the Madrasah Development Centre (MDC) as part of institutional capacity building to support sustainability. LAPIS has tried working with MDC earlier but with less encouraging results. However, MDC is located at the province level and could potentially serve as an extension of LAPIS. Improved coordination between the MORA provincial office and the MDC should be part of the basic approach. Further discussion with MORA is needed to ensure that this is the way forward.

134. There is a need for further exploration and discussions with MORA and other stakeholders, hence, it is too early to give a firm recommendation. The remaining period of LAPIS should be used as preparation for this task.

#### **4. Key Recommendations: LAPIS**

135. Support the institutionalisation of LAPIS under a LAPIS II, including models of program implementation developed by LAPIS, to increase the impact at the national level more systematically.

136. Explore the possibility of using MDCs for institutional capacity building to support sustainability.

137. Expand the scope, and strengthen the capacity at community levels to identify needs and plan for education improvement in anticipation of more public resources.

138. Explore possibilities to mainstream good LAPIS practices to be implemented on a larger scale, funded under MORA budget.

139. LAPIS uses a bottom up approach to service delivery in contrast to BEP that uses a top down approach. The MTR identified a need to merge these two approaches in any future program, e.g. in teacher training and gender mainstreaming.

## ANNEXES

<b>Number</b>	<b>Title</b>
1	Methodology
2	PTPM
3	Findings of Site Visits
4	Gender analysis
5	Inclusive education analysis
6	Persons met
7	Documents