Prepared by : Sarah Leslie, Senior Program Manager Performance;
Ilsa Meidina, Program Manager Performance

Through : Joanne Dowling, Unit Manager Basic Education;
Jennifer Donohoe, Unit Manager Basic Education;
Hannah Birdsey, Counsellor Education, Scholarships and Knowledge

Approved by : Jean-Bernard Carrasco, Minister Counsellor **Date Approved:** 30 July 2013

Aid Activity Objective

The overall objective of Australia's Education Partnership with Indonesia (EP) is to support the Government of Indonesia (GoI) to achieve the priorities of its *Education Sector Strategic Plan 2010-2014 ('Renstra 2010-2014')* which has nine years of quality education for Indonesian children as its core objective. Australia does so in partnership with GoI and other development partners, including the European Union (EU) and the Asian Development Bank (ADB).

Aid Activity Summary

Aid Activity Name	Australia's Education Partnership with Indonesia		
AidWorks initiative number	INJ648		
Commencement date	5 November 2010	Completion date	30 June 2016
Total Australian $	A$ 524 million (committed amount)		
Total other $	-		
Delivery organisation(s)	- Cardno Emerging Markets (School System and Quality – SSQ) - GRM International (Performance Oversight and Monitoring – POM) - Asian Development Bank (Analytical and Capacity Development Partnership – ACDP) - URS Pty. Ltd. (Education Partnership Outreach Services – EPOS)		
Implementing Partner(s)	Government of Indonesia: MoEC (Ministry of Education and Culture) and MoRA (Ministry of Religious Affairs)		
Country/Region	Indonesia, Asia		

Aid Activity Name	Australia's Education Partnership with Indonesia
Primary Sector	(Basic) Education

Overview of the Aid Activity

Australia's Education Partnership with Indonesia is aimed at deepening and extending the outcomes of the highly successful Basic Education Program (AIBEP) and helping Indonesia to ensure nine years of good quality education for its children. The EP will provide more children with a good education and strengthen management of basic education at all levels. The EP is part of a broader program of support to Indonesian education that also involves the European Union and the Government of Indonesia, the Indonesian Education Sector Support Program.

Through the EP, Australia will work closely with GoI to:
- construct or expand up to 2000 more junior secondary schools and create approximately 300,000 new places for junior secondary school students;
- improve the quality of school and madrasah management by developing a professional development system which will be available to all 293,000 of Indonesia's school principals, school supervisors and district education officials;
- support good quality Islamic Education by helping around 1500 Islamic schools (Madrasah) to achieve accreditation against National Education Standards;
- work together with the European Union and the Asian Development Bank to support relevant, high quality and timely research and analysis that strengthens education policy.

The total value of this initiative is $524 million over the 5 years from 2011-2016.

The end of program outcomes (EOPOs) for this initiative are as follows:

- Enrolment in Junior Secondary Education in targeted districts increases
- Management of schools and madrasah improves
- Quality of Madrasah improves in line with the National Education Standards (NES)
- Policy-makers utilise research findings to inform education sector policy, planning and budgeting.

To measure progress against the above EOPOs, AusAID commissioned a Performance Oversight and Monitoring contractor (POM) to design and implement an Education Partnership Performance Management System (EP-PMS). This performance management system generates timely evidence to safeguard Australia's investment; improve management and implementation; and strengthen policy dialogue. The system also provides AusAID with actionable recommendations which are formulated from a wide array of M&E outputs provided not only by EP delivery organisations but also through POM-led research and evaluation activities. This innovative and wide-in-scope approach to M&E reflects AusAID's commitment to continuous improvement that is critical in ensuring effective aid delivery.

Annual Partnership Performance Report

Report Objective:

The Annual Partnership Performance Report (APPR) presents an annual overview of EP progress at all levels of the program logic and with respect to cross-cutting and overarching developmental themes. The APPR should highlight areas for improvement and recommend possible actions. This inaugural APPR focuses on progress from EP commencement in August 2011 to December 2012.

As the EP is in the early stages of implementation, as expected the evidence of progress against the outcomes is limited. Furthermore, with monitoring and evaluation systems only just being established, the evidence needed to make clear judgements about EP progress is limited. As these systems become fully operational, we expect the body of evidence to increase. Nevertheless, the need to assess EP progress against its End of Program Outcomes remains. This year's APPR, therefore, is about setting the tone and direction for subsequent reviews. Drawing more from evaluation studies and research, subsequent APPRs will report and analyse progress within the calendar year and will continue to recommend possible actions that could be taken to ensure the intended impacts of the EP are achieved.

Overview of the Report:

This year's report synthesizes the result of analysis conducted by POM in November and December 2012. The process comprised of three key stages:

1. A review of documentary evidence produced within the EP (e.g. monitoring reports, research reports, technical reports) and scanned through the analytical framework agreed in the EP's Performance Management System (PMS);
2. A series of key informant interviews to explore issues pertinent to the EP performance since its inception; and
3. A consultative workshop with EP stakeholders on 7 December 2012.

The report provides AusAID with an overview of changes to the context in which the EP is operating. It highlights achievements to date and how the results were achieved, with a particular focus given to the delivery mechanism, the impact of working in partnership, and the sustainability issues that the EP is currently facing. Most importantly, the report provides recommendations for all stakeholders of the EP on areas of improvement to ensure the intended impacts of Australia's investment in Indonesia's education sector are achieved.

Management Response

Overall, the report is comprehensive and provides practical recommendations and lessons to inform and guide future EP programming. The report provides overview of EP achievements and further insights and analysis on challenges that EP faces and the risks of not addressing such challenges. AusAID appreciates the critical issues raised and welcomes the opportunity to respond to the recommendations provided in the report.

In formulating this management response, AusAID consulted the implementing partners (Ministry of Education and Ministry of Religious Affairs of the Government of Indonesia) as well as the delivery organisations. These responses are, therefore, developed by taking into account the feedback provided to AusAID during the consultation process.

AusAID agrees with 21 of the recommendations and partially agrees with five. AusAID disagrees with one of the recommendations.

The APPR recommendations and AusAID's responses are laid out in the following section.

The following recommendations are in relation to EP Design

Recommendation One

Consider relevance of EP objectives in relation to the *2015 -2019 Rencana Strategis* (Renstra 2015-2019 - GoI's Strategic Sector Plan).

Response: Agree

Actions: AusAID will discuss EP objectives and their relevance to the future Education *Renstra* with GoI, in the context of GoI-led consultations on the Renstra and future work planning for the EP.

Recommendation Two

Consider relevance of EP objectives in relation to new Joint Results Framework (JRF) targets.

Response: Agree, noting that the changes to the JRF targets are within the scope of the original JRF priorities and therefore EP objectives are still relevant.

Actions: AusAID has reviewed the changes to the JRF and has shared the revised JRF with EP implementing partners. SSQ, ACDP and POM will be requested to use the revised framework.

Recommendation Three

Monitor the [GoI] budgets of critical EP support areas through the Annual Sector Financial Report.

Response: Agree

Actions: AusAID will work with POM to define the scope of the next Annual Sector Financial Report on education spending, specifically including areas of relevance to the EP's four components. The next study will be commissioned in October 2013.

Recommendation Four

AusAID and GoI to negotiate the removal of non-additionality principle for EP funds.

Response: AusAID **disagrees** with the proposed recommendation.

Actions: GoI has asked all donors that their funding be recorded in the national budget to enable integrated planning and budgeting, taking into account all resources available from all sources, as well as tracking and accountability of programs. This applies to all sectors of cooperation with GoI. In relation to education, GoI is meeting its commitment to spend 20% of the national budget in the sector so the focus of AusAID's policy dialogue on sector financing is on leveraging better results through more effective expenditure, not on increasing funding or seeking additionality.

Recommendation Five

Commission a review of factors influencing district funding of education, including steps to mitigate risks of financial substitution effects at district level.

Response: AusAID **agrees** with the proposed recommendation**.** AusAID acknowledges the benefits of conducting the proposed study in understanding the context in which EP is operating particularly the link between district supports for education and improving service delivery.

Actions:

AusAID and POM to include the proposed review of factors influencing district funding for education in the Annual Sector Financial Report. AusAID will consider including the assessment of financial substitution risks at district level in future Working in Partner System (WiPS) assessment.

Recommendation Six

Strengthen the EP theory of change to include a comprehensive mapping of existing donor initiatives in education and the relative position of EP.

Response: Agree

Actions: The design of the EP included extensive consultation and mapping of other donors' initiatives. AusAID will update this mapping in order to strengthen the EP theory of change.

Recommendation Seven

Agree on a classification of beneficiaries and identify realistic impact expectations.

Response: Agree, noting that the classification of EP beneficiaries is already stated clearly in the program design, however further analysis of beneficiaries with regard to specific vulnerabilities is needed in order to clarify impact expectations.

Actions: AusAID and EP implementing partners will collaborate in assessing the degree and nature of vulnerability of EP beneficiaries as part of developing the Social Inclusion Strategy (see Recommendation Eight below). The assessment is expected to contribute to setting more realistic benchmarks of EP impact.

Recommendation Eight

Finalise, socialise and implement an EP social inclusion strategy, including a mechanism to assess its implementation.

Response: Agree

Actions: AusAID will work with EP implementing partners to develop and implement a social inclusion strategy, including a mechanism for regular assessment of implementation.

The following recommendations are in relation to EP Management

Recommendation Nine

Strengthen the management of the EP with increased AusAID senior management resource that has overall EP overview and responsibility.

Response: Partially agree

In 2012-13, AusAID increased its senior management team resources at post, including upgrading the Head of AusAID position, assigning a Minister Counsellor as Head of Programs, and engaging a lead Education Sector Specialist. AusAID Education Counsellor retains overall EP overview and responsibility.

Actions: AusAID will keep the adequacy of resourcing for EP under review.

Recommendation Ten

Strengthen the EP governance mechanisms to ensure proactive management of EP performance.

Response: Partially Agree. The current governance mechanisms provide appropriate representation from GoI, AusAID and other development partners at both strategic and operational levels and include performance management as a key function and responsibility. However, the performance focus of the Governance Oversight Group and Technical Oversight Group meetings could be strengthened.

Actions: AusAID will support better-informed performance management discussions in EP Technical Oversight Groups and Governance Oversight Groups' meetings by utilising APPR findings and performance information from other monitoring and evaluation reports.

The following recommendations are in relation to EP Performance Oversight and Monitoring

Recommendation Eleven

Consolidate the EP theory of change, to include 1) Clear assumptions about each step of the EP logic, 2) Clear and measurable results expectations for each step of the EP logic through the identification of performance milestones.

Response: Agree

Actions: AusAID will work with EP implementing partners to identify assumptions and performance milestones for the EP theory of change.

Recommendation Twelve

Consolidate the EP theory of change, to include a comprehensive risk register at EP level.

Response: Partially Agree. The EP has comprehensive risk registers in place which are regularly used in program management. AusAID agrees that the EP theory of change should include analysis of risks to End of Program Outcomes.

Actions: AusAID, EP implementing partners and delivery organisations will analyse risks to achieving the EP End of Program Outcomes.

The following recommendations are in relation to Component 1 of the EP

Recommendation Thirteen

Diversify Component 1 approach to access improvement while keeping the focus on infrastructure provision, e.g. supporting school rehabilitation and/or extension programs.

Response: Partially agree

Actions: AusAID is currently considering additional modalities to achieve Component 1 objectives. However, any change to program implementation arrangements are subject to GoI demand and both GoI and GoA budget availability.

Recommendation Fourteen

Review construction targets in recognition of current timeframes and capacities.

Response: Partially agree

Actions: AusAID, through its delivery organisations, will continue to monitor achievement of construction targets. Any decision to review targets will be done in conjunction with the response to recommendation 13.

Recommendation Fifteen

Commission a study to understand factors of non-submission from districts and identify remedial actions. (Component 1).

Response: Agree

Actions: AusAID will include analysis on factors of non-submission and remedial actions at district level in the upcoming District Infrastructure Planning Study to be conducted by POM. AusAID Access, Performance, and Visibility Unit Manager will coordinate the process. AusAID continues to work with the Ministry of Education to facilitate districts with low enrolment rates to apply for new schools.

Recommendation Sixteen

Review district and site selection processes, to include a measure of transition.

Response: Agree

Actions: AusAID will consider adding the primary-to-junior-secondary transition rate to the selection criteria for Component 1 district selection and will discuss this with the Government of Indonesia. AusAID is already developing training for district government to help them in identifying the need for new schools. Transition rates and analysis thereof will be part of this training.

Recommendation Seventeen

Commission a study to understand factors of capacity and identify actions to develop district capacity to fulfil their Component 1 Memorandum of Agreement obligations.

Response: Agree

Actions: AusAID will commission POM to conduct the study.

Recommendation Eighteen

Review and clarify the role of field monitors with respect to an increasing involvement in oversight of construction process.

Response: Agree

Actions: In January 2013, AusAID conducted the Field Monitor Evaluation which recommended 1) the role of field monitors needs to be made clear to all parties involved in building schools; and 2) field monitors need to be given authority to direct construction works. School building guidelines and legal documents have been revised to incorporate these changes.

The following recommendations are in relation to Component 2 of the EP

Recommendation Nineteen

Identify intermediate steps in Component 2 logic to articulate expected shifts in knowledge, attitudes and practices in post-training phase, with appropriate mechanisms to review progress against expectations.

Response: Agree

Actions: AusAID has been working closely with EP implementing partners and delivery organisations to develop the Grant Agreement and Procedures Manual which articulates more clearly the program logic for component 2. AusAID has also been working with implementing partners in developing a Component 2 monitoring and evaluation (M&E) system, including developing a performance assessment framework to better measure Component 2 achievements.

Recommendation Twenty

Establish robust monitoring process for Component 2 Grant Agreement implementation, with

- Clear result milestones and targets;
- Clear support function for SSQ;
- Remedial action should monitoring indicate implementation failure.

Response: Agree

Actions: AusAID is working closely with EP implementing partners and delivery organisations to develop a Component 2 Grant Agreement and M&E system that will include a focus on GoI capacity to implement, supported by technical assistance requirements. AusAID will work with EP implementing partners and delivery organisations to formulate benchmarks for measuring progress and will continue to monitor whether implementation is on track.

Recommendation Twenty One

Adjust the pedagogical content of school and madrasah principal Continuing Professional Development (CPD) training materials for on-line delivery and develop e-learning skills of beneficiaries.

Response: Agree

Actions: GoI, through its relevant ministries, is taking the lead in the development of an on-line system for school and madrasah principal's Continuing Professional Development. AusAID is facilitating discussions between GoI pedagogical and technical teams to develop, test, and roll-out this system.

The following recommendations are in relation to Component 3 of the EP

Recommendation Twenty Two

Monitor the opportunities and constraints for MoRA uptake of the sub-national implementing partner (SNIP)/madrasah development centre (MDC) model.

Response: Agree

Actions: AusAID and EP delivery organisations are working closely with MoRA to determine the capacity required to continue the implementation of the SNIP/MDC model.

Recommendation Twenty Three

Develop a sustainability strategy for Component 3.

Response: Agree

Actions: AusAID and EP implementing partners and delivery organisations will formulate a Component 3 sustainability strategy and ensure that any necessary changes to program implementation, based on the strategy, are made.

The following recommendations are in relation to Component 4 of the EP

Recommendation Twenty Four

Promote a socialisation strategy of research findings and ensure a robust M&E system is designed and implemented by implementing partners and by POM.

Response: Agree

Actions: AusAID will work closely with the ADB to ensure the Analytical and Capacity Development Partnership (ACDP) implements its M&E framework, which will measure its success and achievements against the program's goals. ACDP has also developed a communications strategy which will address issues raised in the APPR.

Recommendation Twenty Five

Strengthen the ACDP logic to include assumptions behind and expected shifts in knowledge, attitudes and practices of relevant policy-makers.

Response: Agree

Actions: AusAID will work with EP delivery organisations to review and adjust the ACDP logic to better reflect the expected impact of the program.

Recommendation Twenty Six

Ensure consideration is given to all mechanisms available to ACDP in response to demand. Consider entering into dialogue with new AusAID-funded Knowledge Sector Initiative (KSI) to ensure experiences with respect to fostering more evidence-based policy making are shared.

Response: Agree

Actions: ACDP is diversifying its approaches to responding to information needs. AusAID will facilitate dialogue between ACDP and KSI once KSI has been mobilised.

Recommendation Twenty Seven

Encourage policy makers involved in the EP to use ACDP and feed EP lessons and findings into ACDP work.

Response: Agree

Actions: Cross-component collaboration has been taking place quite effectively in the past year as linkages between ACDP, Component 2 and Component 3 of Education Partnership have been established. For example, AusAID facilitated the National School and Madrasah Accreditation Board (BAN-SM) to request ACDP support in reviewing and improving its accreditation instrument and practices. This is likely to lead to more meaningful accreditation of madrasah supported through Component 3. ACDP has also received a request from MoEC, supported by the Component 2 delivery organisation, to review its Principal Preparation Program to better understand its impact on improving the quality of school principal selection. The results of this review have the potential to improve the efficiency and effectiveness of future activities funded through the Education Partnership and to enhance the likelihood of sustaining previous gains.

AusAID will continue to encourage EP implementing partners and delivery organisations to access ACDP support and advice.