AUSTRALIA INDONESIA
BASIC EDUCATION PROGRAM
(AIBEP)

INDEPENDENT COMPLETION REPORT

MAY 2010

Aid Activity Summary

Aid Activity Name	Australia Indonesia Basic Education Program		
AIBEP initiative numbers	ING 133 (BEP Grants – Construction) ING 632 (BEP Loans – Construction) ING 529 (BEP Grants – All But Construction)		
Commencement date	5 April 2006[1]	Completion date	30 June 2010
Total Australian $	$200 million Loan. $187.6 million Grants.		
Total other $	n/a		
Delivery organisation(s)	MCPM – Cardno ACIL CSAS - Melbourne Development Institute		
Implementing Partner(s)	Ministry of National Education (MoNE) Ministry of Religious Affairs (MoRA)		
Country/Region	Indonesia		
Primary Sector	Education		

Acknowledgments

The members if the Independent Completion Report (ICR) team are most appreciative of the generous cooperation, views and time given by staff of the Ministry of National Education (MoNE) and the Ministry of Religious Affairs (MoRA), and the National Planning and Development Agency (BAPPENAS) during the ICR mission, both in Jakarta and in the Districts visited. The ICR Team also wishes to thank all those who met with the Team during the school site visits for both their time and hospitality.

The ICR Team also acknowledges the excellent logistic support provided by the AusAID post (including arrangements for meetings and field visits) and the Managing Contractors and thanks those consulted in Canberra and Jakarta for their valued time and inputs.

[1] The Project Loan and Project Grant Agreements become effective only on 1 September 2006 (Agreements signed 12 July 2006). The MCPM Contractor commenced work 5 April 2006, the planned start date.

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Annexes

Abbreviations

AIBEP	Australia Indonesia Basic Education Program (the 'Program')
AIDCP	Australia Indonesia Development Cooperation Program
AIPRD	Australia Indonesia Partnership for Reconstruction and Development
AusAID	Australian Agency for International Development
BALITBANG	Research and Development Board
BAPPENAS	National Planning and Development Agency
BINDIKLAT	Education and Training Directorate
BOS	Biaya Operasional Sekolah (school operational fund)
CDC	Construction and Development Consultant
CSAS	Contractor Strategic Advisory Services
EMIS	Education Monitoring Information System
EQAS	Education Quality Assurance System
ESSP	Education Sector Support Program
FMO	Field Administration Officer
FM	Field Monitors
FMIS	Financial Monitoring Information System
GoI	Government of Indonesia
GER	Gross Enrolment Rate
IAC	Independent Audit Contractor
ICR	Independent Completion Report
ICT	Information Communication Technology
JSS	Junior Secondary School
LPMP	Provincial Education Quality Assurance Institution/Lembaga Penjaminan Mutu Pendidikan Provinsi
MCPM	Managing Contractor Program Management
MoNE	Ministry of National Education
MoRA	Ministry of Religious Affairs
MTDP	Medium Term Development Plan
NER	Net Enrolment Rate
NFE	Non Formal Education
PSMP	Directorate of Junior Secondary School Management
RENSTRA	Education Strategic Plan (Rencana Strategis)
WDD	Whole District Development
WSD	Whole School Development

Executive Summary

Background, Context and Program objectives

The Australia Indonesia Basic Education Program commenced in April 2006 and will be completed by June 2010. Its objective is to support the Government of Indonesia in improving equitable access to higher quality and better governed basic education services in the targeted, disadvantaged areas. It has four key areas of focus: expanded equitable access; improved quality of education services; capacity development for governance of education services; and increased resource mobilization in the education sector, including policy advice, research and sector monitoring.

The program comprised both loans and grants totalling AUD387.6million, consisting of a A$200 million loan from the Australia Indonesia Partnership for Reconstruction and Development, and A$187.6 million in grants from the Australia Indonesia Development Cooperation Program and AIPRD. Loans and grants were provided for school construction through government systems; grants for school and District level capacity development for delivery of education services, policy advice and institutional and organizational development. The program was delivered using government systems through the Ministry of National Education (MoNE) and the Ministry of Religious Affairs (MoRA). Program management, monitoring, advice and capacity building was provided by two contractors; one focusing only on research and policy advice. An independent audit contractor provided audit services.

Key Program Achievements and Completion Report Team Findings

The Independent Completion Report Team found the AIBEP program was strongly consistent with and supportive of the Government's policy which gives priority to social justice, improved governance and assuring equity and quality of basic education services (Medium Term Development Plan 2005-09), These are also clearly articulated in the 2005-2009 and 2010-2014 national education sector strategic plans. AIBEP is also consistent with the strategic priorities of the Pillar 2 of the Australia-Indonesia Partnership Country Strategy (2008-13), and supportive of the Millennium Development goals and the Paris Declaration.

The program was found to be both effective and efficiently implemented with all four pillars achieving a good standard. Specifically the program has:

(i) Met the quantitative targets for construction. Specifically, 1510 schools will have been constructed under MoNE by June 2010; and 504 schools will have been constructed under MoRA by June 2010. The construction of 2014 schools, combined with the concurrent GoI construction program has resulted in over 4900 schools being constructed by GoI over the AIBEP contract period- an impressive achievement;

(ii) Met the target of creating approximately 330,000 new school places. The 2009 School Survey of AIBEP schools reports that 331,120 new school places had been created as of July 2009. Enrolments in AIBEP schools to July 2009 totalled 137,901 (125,776 for MoNE schools and 12,125 in MoRA), which is to be expected at this early stage of the program with many schools only just commencing classes; projections suggest targets will soon be met. Although it is not possible to accurately assess whether AIBEP has achieved the target of increasing the enrolment rate of junior secondary school students from the poorest 20% of households; school survey data indicate that 48% of those enrolled in AIBEP schools are from poor families;

(iii) Worked collaboratively with the Government of Indonesia to provide a strong foundation for improving the quality of education. This has been one of the program's most complex areas of engagement, requiring a range of responsive and flexible capacity-building inputs in a dynamic policy context. The Education Quality Assurance System in particular has been an important development. The sustainability of the quality-related initiatives developed under AIBEP will however depend on their continuation and institutionalization at District and school level for all schools. Capacity-building programs such as Whole School Development and Whole District development are unlikely to have sustained impact when implemented on a "once-only" basis, so continued support is recommended;

(iv) Improvements have been made in MoNE and MoRA management and governance of the education system as a whole. Activities under AIBEP have included efforts to strengthen the existing education information management systems and build improved financial information systems. Both are quite recent developments and will require time to become established; these are new concepts and human resource skills and experience in these remain weak. In addition, a monitoring and evaluative culture is yet to be a feature of MoNE and MoRA. At broader strategic levels, AIBEP has helped develop a better data base which will help improve informed decision making. Both these activities need further support under any follow on project, and;

(v) Provided high quality analytical and advisory services. The ICR Team notes that both contractors provided such support although through different approaches – with MCPM working to build capacity through on-going technical advice and capacity building support including analytical work and CSAS responding to specific requests for analytical/advisory support from the Government of Indonesia which were then largely undertaken by the CSAS Team and provided back to the Government. Meetings with officials, however, indicate that the CSAS studies are valued and have contributed to central level planning and analysis; the studies examined by the Team are of high quality. It is the view of the Team that the analytical support provided through Pillar 4 is vital and much valued by the Government, and should be continued, but may have been more effective if embedded as an integral and cross-cutting part of the overall program.

AIBEP is only just nearing completion and for many of the activities implemented under each pillar, outcomes are yet to be fully realised and it is premature to assess sustainability, although wherever feasible the indications of the likelihood of sustainability have been examined. AIBEP is rated strongly on the other evaluation criteria of gender, monitoring and evaluation, and analysis and learning. The design took into account lessons learned, but more importantly, program implementation adapted to internal analysis of feedback from implementation.

Lessons, conclusions and recommendations

Overall, AIBEP had been implemented effectively and efficiently, and has been successful in meeting stated program objectives. Construction targets have been met and indeed exceeded, and enrolment targets are on track and should be achieved. A sound foundation for quality improvements has been established through support for an integrated education quality assurance system which is supported at the District and school level through AIBEP by school evaluation, Whole District Development and Whole School Development programs. The community based construction model is regarded as both effective and appropriate and is strongly supported.

A program approach requires at design a framework within which concepts and program component activities are identified but which the contractor can then further develop during the first year of operation. Whilst AIBEP demonstrated such flexibility, the very detailed program design and program manual risked ‘projectising’ the program, and potentially inhibiting development of coherent and linked program components.

Working through Government of Indonesia systems has been highlighted as a key design feature of AIBEP. Implementation of this significant infrastructure program through existing government systems is assessed as having been very successful. Existing development partner government departments are seen to have benefited from improved monitoring and quality assurance developed within AIBEP. Value for money for new infrastructure is assessed as high. Levels of financial ‘leakage’ are assessed as low. Using Government systems has probably given AusAID more confidence to do this again, providing the opportunity to reduce the extra safeguards components it considered necessary to include in finalising the AIBEP design.

However, in reality the Program worked both through GOI systems and created parallel systems, the latter for grant funding and for safeguard reasons. It is not clear what definitive lesson can be drawn from this, partly as there is no real comparator, but there is no clear evidence of improved quality and lesser leakage under the parallel system, which came at a cost, compared with reliance on GOI systems.

A holistic approach is needed to seek improvements in the education sector with interdependent components developed as one system. Such an approach requires that all components, including buildings, equipment, school teaching and learning materials and training are developed synergistically.

Focus on provision of an increase in the number of schools to be built in one sub-sector can detract from the development and implementation of a systemic planning system that links provision of junior secondary schools to needs of satellite primary schools and of higher education, all within a quality improvement framework.

Many of the initiatives in Pillar 2 have been of a high quality but challenging to implement in a complex policy and institutional environment. These challenges were possibly under-estimated at project design, although the approach taken by program management was sufficiently flexible to enable the activities to be reviewed and adapted as required. Continued capacity building support will be required. Concepts such as education quality assurance and the whole school and District development programs are important and the Team recommends that these programs should be continued in the next phase of support.

Maintenance of new school facilities and provision of budgets that can cover this together with teaching materials and books remains a concern. Teacher salaries take up most of the BOS grants, with maintenance taking last priority. The Government needs to examine this further. CSAS has produced some reports on financing options for schools but further study of school financing is needed. Budgets exist for Districts for rehabilitation, but these preclude provision of books. Development partners such as AusAID can provide funds for rebuilding a derelict school but not for refurbishing a school in poor condition. The Team cannot offer a solution to this; more pragmatic studies are needed of how the system can be improved to ensure that the materials and facilities which support learning are adequately provided and supported.

An issue raised by MoNE and some development partners for future education programs was whether more emphasis should be given to refurbishment of existing schools rather than constructing new schools. Indonesia has approximately one million classrooms, with 30-50% of these in need of repairs or refurbishment. The cost to refurbish schools is approximately 55% of the cost to construct new schools. AusAID and other development partners need to examine whether rebuilding of schools nationwide, and extending facilities by adding laboratories and libraries, would have a greater impact than expanding the number of schools.

The analytical support provided through Pillar 4 is vital; much valued by Government and should be continued under any new program. Careful consideration needs to be given as to whether such support should be designed as a stand-alone activity that responds to Government analytical needs or whether such support should be focussed and directed upon supporting the effective implementation of other program components.

Finally, the Team considers that AIBEP has enhanced perceptions and opinions of the Government of Australia and AusAID within affected communities, including within the MoRA and Madrasah stakeholder groups. This provides a good opportunity for continued involvement.

Evaluation Criteria Ratings

Evaluation Criteria	Rating (1-6)
Relevance	6
Effectiveness	5
Efficiency	4
Sustainability	4
Gender Equality	5
Monitoring & Evaluation	5
Analysis & Learning	5

Introduction

Activity Background

1. The Australia Indonesia Basic Education Program (AIBEP) commenced in April 2006 and will be completed by June 2010. The Program was designed over a one year period starting in September 2005, with final design being completed after the program had commenced. It has a budget allocation of AUD387.6 million, consisting of a A$200 million loan from the Australia Indonesia Partnership for Reconstruction and Development (AIPRD), and A$187.6 million in grants from the Australia Indonesia Development Cooperation Program (AIDCP) and AIPRD.

2. The AIBEP objectives as specified in the original design were to contribute to improved equitable access to higher quality and better governed basic education services, especially in targeted, disadvantaged areas, in partnership with Government of Indonesia (GOI) and other development partners. It has four key areas of focus (termed pillars in the program documentation):

   (i) expanded equitable access – community-led construction of about 2,000 fully operational new and one roof junior secondary schools and madrasah (the precise number depending on the geographical location and the type of school); the creation of at least 330,000 additional formal school places and a significant number of additional non-formal school places; and the net enrolment rate of junior secondary school students from the poorest 20% of households to increase from 49.7% to 65%;

   (ii) improved quality and internal efficiency – subcontracted site supervision of construction to professional standards; better systems for management of: school assets; teachers; quality and availability of instructional materials; school and student performance;

   (iii) capacity development for governance of education services – strengthened systems for financial and performance planning and monitoring, and;

   (iv) increased resource mobilization in the education sector – increased volume and share of MoNE/MoRA spending to be directed towards basic education, particularly in poor and under-serviced districts; to be addressed through policy advice, research and sector monitoring, which supported the whole program.

3. Infrastructure was to be targeted at poor, remote and underserved districts with low overall enrolment rates and under-representation of girls at junior secondary level. This was intended to be verified by school mapping and site visits. Selection criteria would include: (i) evidence of community commitment to manage facilities construction, (ii) evidence of community capacity to undertake agreed management and accounting responsibilities, and (iii) undertaking by district or Islamic foundation, through a Memorandum of Agreement, to provide operational funds, including staff deployment, learning materials and operational budgets to the new school or madrasah.

4. AIBEP comprised:

   (i) a loan and grant for expansion of access involving school construction through the Ministry of National Education (MoNE) and the Ministry of Religious Affairs (MoRA), using GOI systems; (ii) grant financed central level policy, institutional/organizational development, systems development and policy advice through technical assistance, and;

   (ii) grant financed training and capacity development for services such as whole school development (WSD), whole district development (WDD), construction assistance and advice through construction and development consultants (CDC), and fiduciary safeguarding, monitoring and reporting services. Program management, monitoring, advice and capacity building was provided by the Managing Contractor Program Management (MCPM) and the Contractor Strategic Advisory Services (CSAS). The Independent Audit Contractor (IAC) provided audit services.

Evaluation Objectives and Questions

5. The objectives of the Independent Completion Report (ICR) as per the terms of reference were to: (i) evaluate the extent to which AIBEP achieved its objectives; (ii) assess Australia's impact on education sector development; and (iii) provide lessons learned that will inform and shape the early implementation of the Education Sector Support Program (ESSP).

6. The terms of reference noted that four key issues had arisen during implementation that should shape the scope of the ICR: (i) impact and sustainability of new schools built; (ii) working through government systems; (iii) effectiveness and cost effectiveness of capacity building for new principles and district education personnel; and (iv) impact and support for analytical and technical assistance services.

7. In this context, AusAID requested that the evaluation team should examine four key questions:

   (i) whether AusAID's loan of AUD200 million to finance 1510 new public schools (under MoNE) and whether the grant provision of AUD60 million to finance 504 private madrasah (under MoRA) have had the impact that was expected at design, and examine the prospects for long term sustainable returns on the investment;

   (ii) lessons learned in working through Government of Indonesia systems (MoNE public schools), including the use and effectiveness of the Construction Development Consultants (CDCs);

   (iii) whether the AUD35 million investment in new school/madrasah induction processes (and district capacity building) was cost effective in design and achieved the anticipated outcomes, and;

   (iv) whether the AUD20 million spent on analytical and technical services (including improving the education quality assurance system) had provided the expected impact on GoI thinking in strategic and policy development in the education sector.

Evaluation Scope and Methodology

8. This ICR assesses the program's overall performance against eight evaluation criteria: relevance, effectiveness, efficiency, impact, sustainability, gender equality, monitoring and evaluation, and analysis and learning, but emphasis has been given to effectiveness, efficiency, impact and sustainability, as requested by AusAID.[2] For each evaluation criteria, the Team identified focus questions for each pillar, covering both the four key questions provided by AusAID and other important questions identified by the team. The four focus questions of AusAID cut across the four pillars and have been addressed within each evaluation criteria and pillar assessment.

9. The findings presented in this ICR are largely based on qualitative assessments including interviews with key stakeholders and informants and analyses of secondary sources of data and information. There were limited opportunities for primary data collection. In summary, the methodology comprised:(i) review of relevant literature – including contractor/GoI/donor reports and relevant research, and policy studies; (ii) analysis of available primary and secondary data sources (e.g. GERs/NERs, GoI and donor program reports and analyses); (iii) semi-structured interviews with key stakeholders:[3] and (iv) field visits to a small number of MoRA/MoNE schools and district offices in South Sulawesi and South Kalimantan..

10. The team discussed with AusAID the issue of changes to some of the program activities and how the ICR should address changes from the original Logical Framework. The Logframe in the original design sets out outcomes for all activities originally planned, and not all of these have been implemented as a result of decisions taken by AusAID and the Contractors during project implementation (for example as a consequence of the mid-term review).[4] The need to take this into

2 AusAID suggested a 75:25% emphasis on these four focal criteria compared with the four other criteria.

3 GoI officials at central and District levels, AusAID officials in Canberra and Jakarta, staff of MoNE and MoRA involved during program design and implementation, teachers and teacher associations/unions, PTA's, CDC's, community and religious leaders, other development agency representatives, and private sector providers.

4 The MCPM Annual Performance Report 2009 notes that "in accordance with the philosophy of the rolling program approach, the focal areas and intended outputs for the program may change. New focal areas and outputs identified, or existing focal areas and outputs, may be revised".

account was accepted by AusAID; the ICR team examined these changes and their rationale, and has made an assessment of their appropriateness.

Limitations of the ICR

11. It must be recognised that this is an independent completion report and not an ex-post evaluation report. The program is almost complete; the Activity Completion Report was not complete during the ICR preparation, although a draft was provided to the team towards the end of the Team's visit. While the ICR has followed standard evaluation approaches and methodology and based its assessment against the 8 evaluation criteria, guided by evaluation questions, the ICR is largely based on secondary sources for assessment and verification. Time was limited, as were opportunities for field work, precluding development and testing of rigorous questions and surveys. Lack of comparative data has limited opportunities for cost comparisons, cost effectiveness and efficiency analysis.
12. Regarding Pillar 4, the outcomes specified in the design document were that there would be an increased volume and share of MoNE/MoRA spending directed towards basic education, particularly in poor and under-serviced districts. The ICR has provided some data on this, but no specific activities were included in AIBEP to address these anticipated spending outcomes – instead, the Pillar provided policy advice, research and sector monitoring, which were intended to improve management and efficiency of the sector, thus hopefully contributing to this goal. The issue of attribution arises anyway, given the relatively small scale of the AIBEP contribution in education spending, the activities of other development partners, and the scale of Government's own expenditure.

ICR Team

13. The ICR team comprised: Graham Walter – M&E Specialist, Team Leader; Fabia Shah – Education Specialist; and Russ Streader – Infrastructure Specialist.

Evaluation Findings

Relevance

14. Overall, AIBEP relevance is rated as six (6).
15. The objective of AIBEP is to support the Government of Indonesia (GoI) to improve equitable access to higher quality and better governed basic education services in targeted, disadvantaged areas in partnership with GoI and other development partners. It has four key areas of focus: expanded equitable access; improved quality of education services; capacity development for governance of education services; and increased resource mobilization in the education sector, including policy advice, research and sector monitoring.
16. The Program supports the Australia-Indonesian Partnership Country Strategy 2008-2013.[5] This strategy outlines a strong shift towards strategic partnership between the GoI and the Government of Australia and within the education sector targets "improved education access, quality and governance'.[6] In particular, AIBEP strongly supports the "investing in people" focus (Pillar 2) of the partnership.
17. In the context of development partners' mutual responsibilities in addressing international aid and development principles, the Program actively addressed indicators 1, 4, 9 of the Paris Declaration and partially addressed indicators 2, 3, 5a, 5b, 11 and 12[7]. The Program is strongly aligned with the Millennium Development Goals - Goal 2.A (achievement of 'universal primary education'),[8] and Goal 3.A (elimination of gender disparity in primary education) were especially addressed whilst Goal 7.C[9]

5 "The goal is for the Governments of Indonesia and Australia to work in partnership to achieve a more prosperous, democratic and safe Indonesia by implementing Indonesia's National Medium Term Development Plan". - Australia Indonesia Partnership Country Strategy 2008-13, 2008, p12.
6 Australia-Indonesian Partnership Country Strategy. Objective 5.
7 Refer to Section III. Indicators of Progress, Paris Declaration of Aid Effectiveness, February 28 to March 2, 2005
8 http://www.undp.org/mdg/basics.shtml
9 Table – 'Official list of MDG indicators', Millennium Development Goals 15 January 2008

(increased access of primary school children to improved water and sanitation) was partially addressed.

18. In 2008, the OECD Development Assistance Committee undertook a review[10] of AusAID with respect to compliance with the objectives of the Paris Declaration. Many of the issues raised are actively addressed within AIBEP, for example, improving mutual accountability through the use of the GoI systems and Program financing largely through the national budget; improved cost effective aid management through the strengthening of existing GoI systems, relying upon existing GoI resources to procure and implement infrastructure[11] and capacity building of both GoI and private industry human resources. The Program exemplifies the changing organisational priorities within AusAID, in embracing AusAID policy through the use of recipient government systems, anti—corruption initiatives, gender policy and others, within an appropriate operational framework and a genuine culture of partnership.

19. The Program is consistent with the strategic objectives of GOI. At the time of AIBEP's design, the policy environment was highly conducive for education reform, with leadership and commitment from the highest level. In 2005/06, the Indonesian Parliament had approved policy-led increases in central expenditure on education from Rp 25 trillion to Rp 65 trillion by 2009 – a first step towards meeting the GoI target of a 20% share of current expenditure on education. Subsequently, the National Parliament approved a new law designed to improve the performance, deployment and management of teachers and other education personnel, including provision for special area and professional incentives for teachers - measures that are part of GoI's broader macroeconomic stabilization policy which focused on ensuring education and other social sector spending was increasingly pro- poor and directed towards increased volumes and shares of resources to currently under-served areas.[12]

20. In support of this policy commitment, both the 2005-09 and 2010-14 national education strategic plans (Rencana Strategis - RENSTRA) have set objectives for access, equity, quality and governance - the key 'pillars' of the AIBEP - supported by defined programs and activities which included key program performance indicators. Both RENSTRA's have also included a strong focus on gender equity and reaching the 'unreached' (in particular disadvantaged children in remote and poorer locations) – key focal areas of the AIBEP program. As discussed further below, the education policy landscape in Indonesia has continued to evolve over the period since AIBEP commenced in 2006 with implementation of the two RENSTRAs, and AIBEP has adjusted to these changes, retaining its relevance.

Effectiveness

21. Overall AIBEP is rated five (5) for effectiveness, all four pillars achieving this good quality standard.

Pillar 1

22. AIBEP was effective in meeting the objective of expanded access through construction of junior secondary school facilities in the targeted areas. Specifically, the Program has met (and will exceed) the quantitative targets for construction: (i) 1510 new and 'one roof' public junior secondary schools (JSS) will have been constructed under MoNE by June 2010; and (ii) 504 new and 'one roof' private Madrasah Tsanawiyah schools will have been constructed under MoRA by June 2010. The construction of 2014 new schools, combined with the concurrent GoI construction program, has resulted in well over 4900 schools being constructed through and by the GoI over the AIBEP contract period – a very impressive achievement.

23. Design and contract documentation generally conforms to Indonesian design codes and standards, although the IAC found that there were instances of design documents not being approved,[13] or inconsistent with revised cost proposals. It is understood that there has been no formal review of the structural design to confirm extent of earthquake resistance[14] however, the design appears to be

10 'Evaluation of the implementation of the 'Paris Declaration: Case study of Australia Australian Agency for International Development (AusAID)', DAC, 2008

11 Although it is noted that in mid 2007, the MoRA infrastructure grant funding (AUD60M) was removed from the GoI system and expended through the Program imprest

12 AIBEP Final Design Document, 16 May 2006. Pg 8

13 Draft Compliance Audit of MoNE, 2009, PWC

14 Although approximately 60-70 sites have been inspected by MCPM for damage and resistance potential, Interview MCPM 29 March 2010, 31 March 2010

more resistant than comparable regional buildings.[15] The use of a standard structural design solution across all regions irrespective of site conditions remains a concern – refer to further discussion in Annex 5.

24. The community based construction model is regarded as both effective and appropriate – over the period of the Program over 4900 new school infrastructure was completed in a timely and cost efficient manner. It is seen that community/end-user ownership of resource inputs and outputs is typically strong and likely to aid sustainability as compared to a traditional contractor approach. Further it is likely to reduce fiduciary risk - strong community ownership and oversight of both the construction process and the end product being reported as discouraging leakage, corruption and inefficiencies.

25. Based on experience elsewhere in Indonesia,[16] the contractor model typically results in several tiers of sub-contractors (particularly so in more remote areas), with each tier needing to make its own profit and cover risk. The final tier sub-contractor actually doing the construction work typically only receives a relatively small percentage of the original contract amount and therefore has little incentive to purchase quality materials, do good quality work or meet deadlines. As each sub-contract is awarded more overhead capital is consumed, with less money left for actual construction. This pyramid mechanism severely erodes control and provides additional opportunities for 'profit' making via inappropriate practices, resulting in lower efficiencies and less value for money as compared to the community construction model.

26. Less obvious are the intangible benefits of 'ownership', 'responsibility', 'reputation' and 'pride' of community stakeholders which is seen to lessen the incentive for corrupt practices at the community level. This is not to say that corruption did not occur[17] but that the overall loss due to corruption in the construction process is considered less than that which typically occurs within the private contractor model.[18] These findings are consistent with studies prepared in 2004 examining the costs and quality of community based construction.[19]

27. The main disadvantage of the community based construction model is lack of appropriately skilled personnel. Professional input, oversight and assistance for infrastructure constructed by (generally) unskilled community personnel was provided utilizing an adaptation of MoNE's existing system using construction and development consultants (CDC) - private consulting engineering companies and/or individuals. Within the Program, MCPM contracted CDCs directly, rather than MoNE contracting them under their standard operating procedures. The CDC had a similar function under AIBEP as under the normal MoNE construction program, although contracted to and paid by MCPM. Over the four years of the Program,[20] 14 separate CDC companies were contracted by MCPM and these private companies were responsible for implementing 52 CDC contracts, with subcontracted or employed engineers and architects. MCPM also employed Field Monitors (FM) to monitor CDC performance, and, later in the Program Financial Assurance Officers (FAO's) to provide guidance and support to (MoRA) construction committees.

28. The effectiveness of the CDC was undermined by the tripartite contractual and reporting relationships that existed between the CDC, MCPM and MoNE. This created misunderstandings and enabled avoidance of contractual responsibilities by some CDCs.[21] On the one hand MoNE's management of CDC performance was weakened by the CDCs financial/contractual relationship with MCPM, while on the other hand MCPM's ability to manage CDC performance was weakened by the CDCs reporting role to MoNE. CDC understanding of contractual obligations was further subverted by their English language contracts with MCPM (see also paragraph below).[22]

29. There is no doubt that the use of the CDC is a key factor in enabling the community based construction program - without the CDC (or similar) control and oversight mechanism the construction program would have failed. However, CDC performance was dependent upon whether

15 A recent regional earthquake resulted in the destruction of all schools other than recent buildings constructed under AIBEP
16 Comparisons are made between actual school infrastructure construction costs of AIBEP and the Aceh Rehabilitation Program Infrastructure Component (ARPIC), also funded by AusAID.
17 Corruption did appear to happen on a small scale as evidenced with the 'Complaints Register'.
18 As was noted consistently in interviews, e.g., MoNE 26 March 2010, MCPM 29 March 2010, site visit PP Darul Abrar, 23 March 2010
19 West Java Basic Education Project Completion Report, World Bank 2005. "A Study of School Construction Advisory Services", Warta CIMU. April 2004
20 Cardno ACIL email 18 March 2010
21 Interviews MCPM 18 March 2010, 29 March 2010, 31 March 2010, MoNE 26 March 2010
22 Interviews MCPM 29 March 2010, 31 March 2010

engineer qualified CDCs or architect qualified CDCs were used. CDCs were seen to be most effective where engineers were used [23] whereas there appears to have been a larger proportion of architects in the Program.[24] As noted above, common architectural designs were adopted [25] and so much of the need for professional architectural design input was negated – conversely the 'standard' structural design required an experienced engineer's assessment on a site-by-site basis. At the time of program implementation, there was an increased demand on the pool of qualified engineers and architects in Indonesia, given both this expanded program and other major reconstruction programs in Aceh and Nias. Another factor was that tendering, and contracting, was in English, creating a barrier to entry and likely reduced the number of CDC firms that could, and/or wanted to, bid. It could be expected that a small number of firms would have limited networks to recruit consulting staff – tendering in Bahasa may have enhanced market access to more engineers and architects.

30. Performance also appears to have been undermined by generally low remuneration [26] and benefits, lack of performance incentives combined with isolated, remote locations that may be very 'foreign' to the CDC.

31. MCPM provided training to CDC prior to building commencement, although it was seen that not all CDCs had completed their training.[27] The IAC noted that insufficient documentation exists of what training was provided by CDC to school construction committees (it recommended that MoNE should evaluate this),[28] but also concluded that MCPM had put adequate controls in place to ensure CDC fulfilled their obligations. The ICR Team agrees that controls were put in place but that these controls did not necessarily assure CDCs fulfilling their obligations. Early program weaknesses in M&E were picked up by the MCPM which then mitigated weakness in CDC performance by the use of the Field Monitors, however, the effectiveness and impact of FMs appears limited.[29] The use of Financial Assurance Officers for MoRA infrastructure, however, is seen to have contributed significantly to financial accountability and processing times at the community level.

32. The effectiveness of Field Monitors is perceived as limited. The FM's role was essential as an observer to 'keep an eye' on the CDC and report problems, concerns and issues – FMs had little authority. It appeared that the FM role was predominately in checking i.e. that the construction committee was doing its paper work and that the CDC completed reports in accordance to the site M&E requirements. Compounding this was that the FMs were a sparse resource who typically had a number of school sites to observe – some sites received one visit a week – others once a month. Relying upon a chance occurrence of the FM being on a particular site at the time of a crisis or inappropriate activity was slim. Due to the FM's perceived limited value, it is suggested that in future capacity building at the district level take place such that personnel have a role similar to that of a 'building inspector' – a professional who monitors both M&E as well as physical compliance on site. This would benefit the program and also assist the District in capacity building in building control – a local governance issue requiring considerable strengthening within Indonesia.

33. In late 2008, it was recognized by MCPM[30] that construction delays to a significant number of MoRA (madrasah) school sites were caused by the time lag between tranche entitlement and actual payment of the tranche.[31] Community construction members were seen to have difficulty with timely and accurate reporting, i.e. the complexity of the guidelines challenged the committees. Financial Assurance Officers were introduced by MCPM and contributed significantly to improved financial accountability and accuracy, and faster processing times at the community level. The FAO's provided basic quality assurance to the project's financial records. It was seen that the overseeing of accurate and timely accounting records directly resulted in considerable reductions in MoRA construction delays.

34. School site selection was an issue that led to challenges beyond the anticipated expertise of the CDC, FM's and construction committees. With respect to construction criteria only, it appears that sites were often chosen based simply on availability, e.g. the site may have been 'less desirable'

23 Interviews MCPM 18 March 2010, 29 March 2010, 31 March 2010, MoNE 26 March 2010, site visits 220 – 24 March 2010,
24 It was noted that the Program is 'infested with architects', Interview, MCPM 31 March 2010
25' As built Drawing Gedung SD-SMP SATAP TIPE C-@, Technical Guidelines, Books I and II
26 For example, Program drivers received more pay than degree qualified engineers.
27 Internal Control Review 2008 Managing Contractor Program Management (MCPM) - June 2008, PWC.
28 Draft Compliance Audit of MoNE, 2009, PWC.
29 MCPM Interview 31 March 2010
30 MCPM Interview 31 March 2010, site visit
31 There were typically only two tranche payments issued during the construction period – 50% initial followed by 50% paid at 45% satisfactory completions.

vacant public land or unproductive land donated by a benefactor.[32] Other factors such as proximity of rivers and main roads need to be considered - for example, at one school site visited it was found that some nearby students did not attend due to an extremely busy highway between.[33] At another site, the new USB was located approximately 100 metres off the access road - sites fronting the access road were above flood level, but not the school site; this particular site [34] is flooded with up to two metres depth for seven months of the year.

35. Infrastructure budgets did not provide for land acquisition, or any major site works - provision of the school site was the responsibility of the local District authority. As noted, some sites were not ideal for school construction. Some exceed minimum allowable slopes; some are adjacent to natural (e.g. abutments) and other manmade hazards (e.g. busy roads). The District was responsible for site preparation prior to construction, but this did not always occur due to limited District financial and human resource capacity. Typically, drainage and essential landscaping to school sites was incomplete at the time the school becomes operational. Further discussion on this matter is covered in Annex 5. The IAC also examined the selection and verification of school sites and found that not all met the agreed criteria;[35] and recommended that MoNE should provide documentation of justification where school sites did not meet the criteria.[36]

36. Existing GOI Acts[37] and Regulations[38] stipulate the need for accessibility for the disabled. In reality very few public buildings in Indonesia comply, including education infrastructure.[39] Under AIBEP, disabled access and ablution provisions were included in new school and madrasah infrastructure design, albeit later in the Program, and generally building construction after complied with this, although not universally. Overall, provision of access for persons with disabilities – including provisions for ablution facilities – is regarded as requiring further attention. It would appear that control over this aspect of AIBEP infrastructure is not strong. During site visits it was also apparent that community stakeholders did not place a high value on such compliance, which may indicate need for associated strengthening within future socialisation and/or training programs (see Annex 5 for further discussion on these provisions).

37. More details of critical structural connections need to be included within contract documents, e.g. connection detailing of roof trusses to masonry walls, reinforced concrete column-beam connection over the walkways.[40] Inspection of the as-built details in the few sites visited indicated that the (largely unskilled) community construction teams struggled with the more complex building connection details. The drawings do reflect standard industry practice; however, in this case the 'industry' was not necessarily knowledgeable of details involving a number of unfamiliar structural element connections and, in some cases, materials (see Annex 5).

38. The 2009 School Survey of BEP schools reports that 331,120 new school places had been created as of July 2009.***41*** Enrolments in AIBEP schools to July 2009 totalled 137,901 (125,776 for MONE schools and 12,125 in MORA schools).***42*** This is to be expected at this early stage of the Program with many schools only just commencing classes. Although enrolment targets were not set under AIBEP, the Team recommends that enrolment data should continue to be closely monitored by the GoI in AIBEP supported schools after the completion of the AIBEP program in June 2010 to properly assess the access impacts of the 2000 new schools.[43]

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32 Interview MCPM 17 March 2010

33 Parental concern over the dangers of this road resulted in attendance to another school further away - SMPN #3 Paccellekang – USB, 22 March 2010

34 The CDC and construction committee were assessed as having done a very good job on this site – essentially built 'Venice style' on timber piles and using boats - SMPN # 3 Gambut – USB, 21 March 2010

35 Draft Compliance Audit of MoNE, 2009, PWC.

36 Refer Also To The MCPM Paper On Site Selection" School Site Selection: A Question Of The Suitability Of Current Criteria, November 2009

37 Every educational institution shall give equal treatment and opportunities to the disabled students - Article 12, Act of the Republic of Indonesia Number 4, 1997

38 In 1998 the Ministry of Public Works issued Technical Standards of Accessibility of the Building and Environment - Asia-Pacific Development Centre on Disability

39 Accessibility Survey - HWPCI, the Bina Paraplegia Foundation, Trisakti University's Civil Planning and Engineering Faculty, and the Jakarta branch of the Indonesian Architects Association, 2001& 2003,

40 Also refer to the technical discussion with the Back to Office Reports

41 These figures were drawn from the 2009 School Survey (MCPM) which is the most recent Survey data that was available to the Team.

42 It is difficult to predict forward enrolments at this stage however, the BEP 2009 School Survey estimates that by the beginning of the 2012-2013 school year enrolments will be between 250,000-300,000.

43 This could be undertaken with some technical support from AusAID if required and would provide critical information/data to inform the design of future construction programs.

39. In addition, given AIBEP's focus on enabling access for disadvantaged children and GoI's articulated concern with accessing "hard to reach" children, (the "last 5% and last 20% of primary and junior secondary school age children respectively")[44] it will be important to ensure GoI monitoring tools and mechanisms include a special emphasis on tracking enrolment/retention rates for these groups. In order to assess AIBEP's impact in terms of achieving the set access and quality education targets, the ICR Team notes that the annual School Survey instituted under AIBEP provides a strong basis for continued monitoring of key impact indicators and strongly recommends that it be continued, with appropriate levels of capacity building support provided to the GoI (possibly within MoNE's Statistics Centre) over a period of time to undertake this task. To be sustainable, training to collect, analyse and report on such data should also be developed at District/Provincial level. The support provided to the Provincial Education Quality Assurance Institutions (known as Lembaga Penjaminan Mutu Pendidikan Provinsi or LPMP's) under AIBEP provide a solid foundation and entry point for further capacity building support of this nature.

40. It was not possible to assess with any accuracy whether AIBEP has achieved the target of increasing the enrolment rate of junior secondary school students from the poorest 20% of households from 49.7% to 65% as the Team was unable to verify (i) how the baseline of 49.7% was derived and the accuracy of the methodology that informed it; and, similarly, (ii)) how the target enrolment figure of 65% was identified and the accuracy of the methodology that informed its derivation. Following a review of the early Program documentation provided (which did not yield further information in this regard) this issue was raised with MCPM who noted they had faced the same difficulty at program commencement. In view of this critical information gap, MCPM reporting data has not tracked performance against these baseline and target figures – and used data on enrolment of children whose families qualify for the Government Keluarga Miskin (GAKIN) scheme as a proxy.

41. It is the Team's view that this is a reasonably accurate benchmark as the family income criterion for the scheme is IDR 600,000 per month (US$60) and is used by GoI to monitor poverty levels countrywide.[45] However it is critical that future program designs set out clearly how baselines and target figures are derived and identify any issues associated with their accuracy to ensure that appropriate monitoring tools can be developed and impact can be more clearly assessed. In relation to the planned ESSP, it should be noted that changing the use of GAKIN eligibility as a poverty proxy will make cross program (e.g. AIBEP to ESSP) comparisons difficult unless an appropriate methodology is found to ensure that new baselines and targets are GAKIN equivalent.

42. The AIBEP School Census and Survey 2009 indicates that to date, 48% of those enrolled in AIBEP schools are from families qualifying for GAKIN support, suggesting that AIBEP schools are reaching poor families. [46] It is clear from reporting data, however, that this figure varies from location to location with some schools in some locations having higher/lower proportions of GAKIN/non-GAKIN students. Given the Program's emphasis on reaching underserved communities, it is the Team's recommendation that program monitoring data continue to track this key access objective. As enrolment rates increase it will be useful to monitor (by location) whether access by poorer (i.e. GAKIN qualified families) continues to increase or begins to plateau and the factors informing these trends.

43. A review of the 2009 School Survey data and M&E reports jointly produced by MCPM and the GoI indicate that the proportion of students required to travel more than 3 km to school has been reduced over the Program period – by 5% in 2006-7 and 2007-8 respectively to 20% in 2008-09. It is reported that approximately 85% of the 125,776 AIBEP students now enrolled in JSS travel less than 3 km to school. It is not clear from the data available if these early enrolments may have been drawn from relatively "accessible" locations and whether children in remote, difficult to access locations (e.g. rugged areas off Kalimantan or Sulawesi) have yet been accessed. It is will be critical over the next 3-5 years to carefully track enrolments in this regard and the Team recommends enrolment monitoring (e.g. through the School Survey and GoI systems) be sensitively designed to capture this important information. As noted above such monitoring could be built into further capacity building efforts at both District and school level and would provide the GoI with an improved information base upon which to design mechanisms for drawing these "hard to reach" children into formal schooling.

44 EFA MDA 2007, Annual Sector Monitoring Reports (AusAID), 2008/2009.
45 This is equivalent to US$2 per family per day – well below the World Bank poverty benchmark of US$2 per person per day.

Pillar 2

44. Improving the quality of education has been a core focus of AIBEP and one of the Program's most complex areas of engagement, requiring a range of responsive and flexible capacity-building inputs in a dynamic policy context. As can be expected, the education policy landscape in Indonesia has continued to evolve over the period since AIBEP commenced in 2006 as the GoI has set about implementing the respective 2005-09 MoNE and MoRA Renstra's.[47] The revision to the school accreditation process in 2009 to align with BSNP standards (Badan Standar Nasional Pendidikan-National Education Standards Board),[48] the requirement (as of 2010) for all Indonesian schools to have a School Management Committee as a condition of registration, and a growing emphasis on inclusive education, are just some examples of the shifts in the policy landscape since AIBEP commenced that have required adjustments in program delivery to ensure inputs remain relevant and effective and delivered as efficiently as possible. It is the view of the ICR Team that a key strength of the Program has been the flexibility to respond to such shifts both quickly and effectively – drawing on relevant expertise and support as required by the GoI.

45. In reviewing the quality related activities, the ICR Team recognises that building effective relationships based on mutual respect and trust is the foundation of effective capacity building. Consistently positive feedback from government counterparts at both national and provincial level suggest that building such relationships has been a core strategy of AIBEP's quality improvement efforts with positive impacts to date. In particular, the GoI identified support given to the development of an Education Quality Assurance System (EQAS) at the national level and Whole School Development (WSD) and Whole District Development (WDD) at the provincial level as particularly effective - although importantly these counterpart staff also noted that building real capacity in critical areas such as these requires longer time-frames than that of the AIBEP program - particularly given that frequent changes in counterpart staff has not been uncommon.

46. Assessing the effectiveness of many of these activities in Pillar 2 is therefore somewhat premature – the longevity of concepts such as WSD/WDD and EQAS and the extent to which they have contributed to quality improvements will best be measured over the next 5-10 years. Some indicative achievements to date have included:
    (i) provision of technical/analytical support to the GoI for the development of BSNP National Standards and performance indicators;
    (ii) support has been provided for the development by GoI of a draft regulation and system to recruit, select and develop capacity for new principals and new supervisors which will enhance initiatives to improve the quality of principals and supervisors and provides a key link to systemic reform efforts in teacher and education personnel quality improvement;
    (iii) Provision of technical and capacity building assistance to the GoI to support the development of the EQAS Regulatory Framework (Ministerial Regulation 63/2009) which was put in place by GoI in late 2009;
    (iv) provision of capacity- building support and training to school leaders and school supervisors (92% of AIBEP School Management Committees claim to be active and 84% report having a School Development Plan);
    (v) completion of Whole District Development workshops in 240 Districts and development and provision of training manuals to participating Districts;
    (vi) capacity building support of "clusters" of Provincial Education Quality Assurance Institutions (LPMPs) assisted by the Education Training Directorate (BINDIKLAT) to enable them to act as quality assurance centres, and;
    (vii) completion of school monitoring by district (SMD) and self supported school evaluation (SSSE) pilot programs in 17 Districts).

47. Although the ICR Team did not attend any WSD/WDD workshops, relevant training manuals and associated training materials (translated from Indonesian to English) were provided. The Team was

47 The 2008-09 Renstra's for 2005-09 articulate national education policy and strategy and broadly cover (i) expanded access to educational opportunities and improving equity; (ii) improving both the quality and relevance of education provision through the establishment of a national education standard system; and (iii) strengthening governance and accountability systems at central, district and school levels.

48 Previously, from 2005-late 2008, accreditation was based on 9 components of school quality using a checklist (yes-no) scoring system. The accreditation process became more nuanced in 2008 with the changeover to BSNP standards with the independent accreditation body (BAN-SM) translating the 8 sets of BSNP standards into 157-169 items for measurement , using a four point scoring range (a,b,c,d) and supplemented with a weighting system for each item to prioritise particular dimensions of school quality. 2010, AIBEP. Annual Sector Monitoring Report- 2009.

also able to meet with key MCPM staff responsible for the design and implementation of the training as well as a limited number of GoI workshop participants, GoI and MCPM staff working on EQAS and reviewed an English translation of Ministerial Regulation No 63/2009 outlining the system.

48. Based on the written documentation provided to the Team, the design and content of the WSD/WDD training programs and manuals focus on enabling Districts to implement the eight (8) BSNP standards with a focus on modules related to: district laws and budgets; standard operating procedures; District planning and resource management; teacher accreditation schemes; capacity building of section heads and; infrastructure maintenance. The target participants of the training are well defined and include key personnel at District level including Head(s) of Education and MOHA staff amongst others. Training has been provided in 5 workshops, accompanied by appropriate materials and are led by National Trainers who have been trained through the Program to deliver the training under the guidance of the contractor. Similarly the WSD training is provided to school improvement teams (Tim Perbaikan Sekolah – TPS) and include workshops addressing key areas of the BSNP standards and EQAS including: teaching and learning; curriculum; school based management including budgeting and strategic planning; educational assessment; maintenance and asset management; community participation; non formal education; and gender and inclusive education. National trainers, Provincial Coordinators and District Coordinators are also responsible for the delivery of the WSD Training. The training content reviewed by the Team appeared both relevant and contextualized – with a focus on using a variety of facilitation strategies.

49. The ICR Team believes that the effectiveness of a number of these activities, particularly the WDD/WSD capacity building programs as well as the more recently finalized SMD and SSSE programs will depend, to a large extent, on their continuation and institutionalisation at District and school level. Whilst achieving immediate outcomes, such programs are unlikely to have sustained impact when implemented on a “once-only” basis. It is the Team’s recommendation that the concepts embedded in such programs are important and that the programs themselves should be continued in the next phase of support as appropriate by the GoI.

50. Teacher education personnel quality improvement was an important focus of the quality strengthening focus of Pillar 2 and has been undertaken in partnership with TENDIK (Directorate of Education Personnel). The incorporation of continuous professional development and performance appraisal into the draft regulation on (new) recruitment, selection and licensing of school principles is an important development and will, if approved, provide the GOI with a process to address the critical competency issues at that level. Similarly, AIBEP’s support for the development of a new draft career structure for teachers, principals and supervisors is likely to have a significant positive impact on improving teacher competencies and performance if approved. It will be important to monitor progress of these two initiatives with continued support for their approval and implementation beyond the term of AIBEP itself.

51. The Team notes that “improved quality and availability of teaching and learning materials for teachers and students” was a key outcome under Pillar 2 of the Program. The AIBEP Activity Completion Report 2006-2010 notes that supplementary reading materials have been provided for all 2014 AIBEP schools – with all meeting gender equality standards. During the (limited) field visits undertaken by the Team, materials for both teachers and pupils appeared scarce and this was consistently raised as a critical concern at school level. In addition the 2009 School Survey noted that only 50% of schools had library books – a responsibility of the GoI although libraries have been built into the design of all AIBEP schools. The Team recommends that further evaluation of the availability of materials take place as a key priority.

52. Progress on AIBEP’s non-formal education (NFE) component has remained slow and has not gained the traction and support for effective implementation that was envisaged at program design. There are concerns within the GoI of the potential “pull” effects of NFE programs with consequent negative impacts on formal enrolments, although evidence that this is the case remains limited. The field visits undertaken by the Team, although only providing an impressionistic assessment, suggested that many AIBEP schools are already running NFE programs after school hours although capacity/training issues remain.

53. Recognising the lack of critical support for NFE required for implementation, MCPM adapted the program activities to support the socialisation of the NFE packets through a local consultant appointed through the provinces. Support was then provided to develop baseline data from AIBEP

schools (i.e. number of AIBEP schools willing to provide NFE programs) to identify if future expansion of NFE activities was required. The 2009 School Survey consequently reports that the "potential" number of NFE students is approximately 25,523, although in discussions with MCPM[49] it was noted by MCPM that the number of informal places available out-of -school hours is technically equal to the number of formal places created (i.e. over 330,000 places) if all school premises built and supported through AIBEP were utilised. Separately, in examining the achievement of the NFE component it was unclear to the ICR Team how the original design target of creation of a "significant number" of additional NFE places was to be translated quantitatively as no precise targets were identified.

Pillar 3

54. AIBEP's interventions were generally found to be effective and supportive of GoI efforts to improve governance at the central level. In particular, AIBEP was able to effectively respond to GoI requests for support to the MoNE and MoRA RENSTRAs and assist in the development of implementation guidelines (now issued) which provide a good basis for measuring progress against RENSTRA targets. Assistance was also provided to the Statistics Centre in further developing its Educational Management and Information System (EMIS), although the decentralisation process gives the Statistics Centre no mechanism to enforce Districts to remit data to the Centre.

55. The development of a Financial Monitoring Information System (FMIS) was also supported by AIBEP and has been integrated into the Finance Bureau's systems, and is being implemented in key working units; standard operating procedures have been developed. However, it appears that staff have not fully utilised the FMIS Help Desk facilities which are available, and require further support to effectively use ICT and the FMIS system. These are discussed further below.

Pillar 4

56. The objective of Pillar 4 was increased resource mobilization in the education sector with increased volume and share of MoNE/MoRA spending to be directed towards basic education - particularly in poor and under-serviced districts. To achieve this it focused on policy advice, research and sector monitoring. It is too early for the Program to assess the impact of AIBEP on resource mobilisation, and attribution is likely to be fraught. However, reports produced under this Pillar show that there has been a continued upward trend in public expenditure on education, with the proportion of national expenditure growing from 12% in 2001 to 20% in 2009, and as a percentage of GDP from 2.5% to 3.7%. District level expenditure has also increased, although AIBEP Districts still remain below the national average.

57. Both CSAS and MCPM contributed to this Pillar. MCPM provided assistance to both MoNE and MoRA in developing their RENSTRAs, and in analysis at operational levels, including capacity building in these analytical activities. MCPM worked directly with MoNE and MoRA staff in the analysis and report drafting, in the process providing hands on training, but the reports remained the responsibility of MoNE/MoRA, thus ensuring ownership. CSAS has produced a number of quality studies and reports and provided some capacity building assistance. The Team notes that CSAS reports have generally been prepared by CSAS and national consultants but have been demand driven in response to requests from GOI. Much of this work has been with the Centre for Research and Development (Balitbang) in MoNE, who coordinated such work and provided staff support, particularly in data provision. Studies/reports have covered varied subjects including monitoring of sector data, financing of education, and quality checks of madrasah education. Major work with BAPPENAS included assistance in preparation of the education chapter of the Medium Term Development Plan (MTDP). Meetings with GOI indicate that the studies are valued, providing data, ideas and guidance for GOI in analysing issues and preparing their own reports; the studies examined by the Team are of high quality, demonstrating sound methodology and analysis. A comprehensive database has been created with links to other data sets, and with new analytical software has created an enhanced analytic facility (EAF), which has been handed over to Balitbang - it is understood that this will be handed over to the ESSP ACDP once established.

58. However, it is not clear from the design to what extent CSAS' work was intended, or indeed has been able, to effectively inform and support the delivery of activities under Pillars 1, 2 and 3. The ToRs for Pillar 4 in this regard are not clear on what such cross cutting support was meant to mean in terms of

49 Discussion between ICR Team member, Fabia Shah and Brian Spicer, MCPM on 27 March 2010.

specific activities and responsibilities, although it was focused on overall Program performance in meeting sector targets and objectives. It is the view of the Team that the analytical support provided through Pillar 4 is vital and much valued by GoI, but may have been more effective if embedded as an integral and cross-cutting part of the overall Program. This is discussed further in para.71 below.

Efficiency

59. Efficiency is rated as four (4). All components were efficiently implemented and program efficiency could be rated as five - an assessment consistent with the findings of the mid-term review (August 2008)[50] – however for the reasons discussed in paras.137 – 140 below, the use of parallel systems for some components (construction was largely conducted through GOI systems) with additional safeguard elements came at a cost with no clear evidence of improved quality and lesser leakage compared with reliance on GOI systems. This less efficient use of resources thus affects the rating.

Pillar 1

60. Infrastructure outcomes under Pillar 1 included the construction of 2,014 new junior secondary schools and 'significant systemic achievements have provided a strong foundation for the ongoing development and quality improvement of basic education in Indonesia'.[51]

61. The revised (2008) program manual reflects the gradual transition of the Program, clarifying management systems and recognising that the original design scope was perhaps too ambitious and that effective outcomes are better served through a condensing/distillation of appropriate resource inputs.[52] At the conclusion of AIBEP, construction was undertaken in a timely manner (after falling behind schedule early in the Program) and construction outputs are seen to be very good value for money with resource inputs noted to have been efficiently used. In particular, the community construction model is seen to be efficient when comparing overall costs (building cost per m^2) which are significantly less[53] than equivalent construction under a contract based model.

62. The three different community construction delivery methods were compared i.e.: (i) MoNE managing CDCs who were contracted to MCPM, (ii) MoRA utilising MCPM to directly oversee construction using MCPM contracted CDCs and FMs, and, (iii) the pre-existing MoNE model of managing and contracting CDCs directly to oversee the projects. There is no conclusive evidence that the quality of outputs using construction delivery methods vary significantly. The efficiencies of the modes are also similar, ignoring and appreciating that the MCPM overhead costs are somewhat disguised in generic budget codes. As acknowledged by MCPM,[54] site approval delays and lack of MoRA capacity resulted in the need for construction mode (ii). The key finding is that comparison between mode (i) and (iii) shows no significant variance.

63. MCPM reports that there is no concrete evidence of 'financial leakage', however records seen within the complaint handling system show some leakage occurred. Reports from the IAC cited above indicate instances of this, but not on a major scale. The ICR Team was not able to independently verify this however through comparison of: (i) completed cost per square metre; (ii) overall quantities of infrastructure built; (iii) other regional infrastructure/construction outcomes; and (iv) combined with general impressions gained during the many interviews and document review, leads to the conclusion that 'leakage' under this Program was indeed relatively small. Certainly, the comparison can be drawn with the traditional AusAID managing contractor infrastructure model wherein overheads are seen to cost anything from 20% to 45% of program finances – much of this cost is directly attributed to the management of risk and assurance to, and for, the Government of Australia that 'value-for-money' has been achieved and that the program expenditure is transparent and

50 The MTR noted that, "The BEP is efficient. Operational work planning and implementation are satisfactory, and the management of the budget is appropriate according to (the IAC) Relations and coordination with local authorities, institutions, beneficiaries and other development partners 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". Mid Term Review Aug 2008. P 16

51 AIBEP – Activity Completion Report – Draft 30 March 2010, p7

52 'This has meant a reduction in the number of focal areas, and a refining of activities for the final two years of the program' – PM V1 3rd Edition 2008, p 9

53 Comparisons are made between actual school infrastructure construction costs of AIBEP and the Aceh Rehabilitation Program Infrastructure Component (ARPIC), also funded by AusAID.

54 MCPM Draft Activity Closure Report March 2010, p13, p19

accountable. However, it could be argued that using in-country systems and knowingly allowing for, say, 5-10% 'leakage' is more responsive to, and sensitive to, development needs and fiscal control realities.

64. MCPM confirms that AIBEP expenditure is anticipated to reach almost 100% of both the loan and grant budgets and as at 30th June 2010 is estimated to be AUD 146.82M, being almost 100% disbursement against the total budget of AUD 147.35M.[55] 'This will include an additional 60 new schools and 1,813 projects of enhanced infrastructure including additional classroom, library and science laboratory were funded through program underspend'.[56]

65. Construction cost budgeting practices affected both effectiveness and efficiency of construction. Applying a standardised budget over virtually all District construction created problems; such an approach does not adequately accommodate inflationary effects, differing site conditions, transport variances, remoteness and other regional factors – and needs to be considered in future construction budgets through the provision budget flexibility or contingency[57] – applicable, as a minimum, to the locality or District.

66. In AIBEP, external technical inputs to manage risk and oversee quality did not include the services of an ISO Auditor. It is recognised that the need for external expertise was minimised under AIBEP through the creation and implementation of what is seen as very good and appropriate quality assurance systems and processes. Despite this it is recommended that at least once – early in the Program preferably – an ISO audit be undertaken to confirm that appropriate quality assurance is in place. Capacity building of partner government organisation and associated AusAID's management teams at the same time is also regarded as a preferred management and risk mitigating action.[58] As noted under Effectiveness, CDC professional responsibility/liability was seen to be sporadic sometimes approaching nonexistent – it is hard not to draw the conclusion that the CDCs stamp on the construction drawing (together with that of MoNE) is where the CDCs responsibility effectively ends.[59]

67. It is assessed that AIBEP completed infrastructure quality ranged from exemplary to below acceptable standards in a small percentage of cases.[60] Typically end-users expressed satisfaction with AIBEP infrastructure quality.[61] Quality checklists incorporated during the Program for community based construction are considered comprehensive and appropriate, however there is 'scope for improvement so that the checklists have a more direct impact on construction quality'.[62] Comment was made that CDCs sometimes 'just went through the motions' when filling out these check lists.[63] The reasons for this could be inexperience, poor pay, lack of incentive or weak culture or approach to quality within the individual or CDC organisation. CDCs could have more impact upon quality but amended contractual mechanisms would have been necessary – such as incentives/bonuses for performance outputs. It is understood that CDC's salaries were typically only slightly above average but low by comparison to other personnel engaged directly by MCPM[64] – so above average performance expectations were unrealistic.

68. Quality was dependent upon many factors, not the least being an experienced and diligent CDC, skilled community labour, and as would be expected, the composition of the school construction committee was critical. An example of a preferred construction management arrangement was where an 'acting' principal was head of a construction committee as a 'good' infrastructure outcome appeared to have direct bearing on whether or not the 'acting' principal was permanently appointed (as school principal) – i.e. an effective performance incentive.[65]

Pillars 2 and 3

55 MCPM Draft Activity Closure Report March 2010, p13
56 AusAID feedback on Draft Aide Memoire, 1 April 2010
57 Particular caution must be exercised with Contingencies as they can easily become the most abused financial aspect of a project
58 This is particularly so for a Program such as AIBEP recognised as the largest single AUSIAD project to date.
59 Back to Office Report, May 2009, p7. Also it is noted that the Indonesian legal system and insurance industry does not currently cope for PI scenarios.
60 Anecdotal feedback and reference/assessment of Back to Office reports
61 All stakeholders met on site visits as well as many written references confirm this.
62 Back to Office Report, May 2009, p13
63 Interview MCPM 29 March 2010
64 It was commented that the Program drivers received higher pay than degree qualified engineer CDCs
65 The observations regarding committee leadership were drawn during the ICR Teams site visits where first hand examples were noted seemingly corroborating the opinions – which were then discussed at length with various members of the MCPM and including CDCs and FMs

69. It is assessed that the use of time and resources to support improved quality under Pillar 2 and 3 were efficient overall. In particular, strengthening the base for future capacity building across a number of key areas through the development of the EQAS achieved significant outcomes for the financial inputs provided. As much of the financed inputs were human resource related through the provision of technical assistance by MCPM, the Team believes that the efficiency dividends owe much to the strength and trust of professional relationships built between the GoI counterparts and the technical assistance team provided through MCPM. In terms of being responsive to changing needs, the Team found that the introduction of WDD training to support WSD efforts was an appropriate and efficient improvement upon the original design, and achieved without significant cost implications. Although difficult to assess retrospectively, this more comprehensive approach to building improved school and student performance management and monitoring systems through a holistic WSD/WDD program from the commencement of AIBEP may have further improved efficiencies.

Pillar 4

70. Pillar 4 was implemented by a different contractor to Pillars 1, 2 and 3, although its objectives included analytical support to the whole Program. The Team notes that such analytical support is critical to informing the design, implementation and monitoring of project interventions, however it is unclear whether a dual contractor model was the most effective and efficient approach for AIBEP. There was initial lack of clarity in demarcation of the roles and responsibilities of the two contractors, although coordination arrangements and responsibilities were subsequently agreed. However the design expectation of shared information between two separate competitive contractors was perhaps idealistic. In addition, the separation raised the risk of the analytical work not necessarily supporting priority areas of Pillars 1-3: MCPM noted instances where studies were designed by CSAS not taking into account work they were already conducting in that area, missing opportunities for more synergy; a single contractor responsible for all components may have better addressed this issue. Given that it is impossible to put a monetary value on the output/value of these studies, it is likewise impossible to assess whether it was a cost effective component. As discussed further below, the studies have been valued by GOI and development partners, but whether this is worth the funds disbursed is a qualitative assessment beyond this Team.

Impact

71. Not rated, as per AusAID rating guidelines for ICRs. In line with the findings under the core criterion of relevance, effectiveness, efficiency and sustainability as well as in gender equality and monitoring and evaluation, the project has had a positive impact on the intended beneficiaries within a short time frame of only 3 years. Critically, in addition to the construction of the 1510 new MoNE schools and 504 MoRA schools, with creation of over 330,000 new school places (the 2009 School Survey of BEP schools reports that 331,120 new school places had been created as of July 2009) [66] enabling enrolment of approaching 140,000 students to date, management systems were strengthened in the key program areas of construction and education quality assurance.

Pillar 1

72. Management systems jointly developed by MoNE and MCPM appear to have had strong impact and GoI ownership. MCPM's role in strengthening and enhancing MoNE systems is widely respected and recognised within MoNE although wider application of the improved systems across all MoNE/MoRA departments currently appears to be limited. In particular, the complaint handling system is well supported and ongoing, and, the construction reporting system is appropriate, well supported and ongoing[67]. However, the AIBEP website, whilst providing a useful information delivery mechanism, has not been readily accessible and therefore underutilised at the community and school level.

73. Physical infrastructure outcomes are very visual and as such can influence perceptions of overall impact. This is further reinforced by the reality that infrastructure activities typically consume larger proportions of the development budget. Stakeholders and end users met by the Team were generally

66 These figures were drawn from the 2009 School Survey (MCPM) which is the most recent Survey data that was available to the Team

67 The IAC Internal Control Review of MoNE, 2009 reports that while these have not yet been formally handed over to MoNE, plans are in place for this.

aware that the AIBEP funding originated from Australia; however they were not aware that some had been funded by a loan as opposed to grant financing.[68]

74. A key impact of AIBEP is that the substantial loan financing for MoNE allowed the timely facilitation of the construction of the additional 1510 new schools. With the addition of the 504 grant funded schools for MoRA, and the concurrent GoI construction program, over 4900 new schools have been constructed by GoI over the AIBEP contract period. This outcome alone advances the GoI's strategic 'education for all' targets by many years. Provision of these new facilities has also positively impacted on community spirit and pride, promoting local support for the development of quality education improvements, as supported under the other pillars.

75. For the MoRA program, and specifically in relation to financial and development capacity support for the private madrasah, some doubts were raised regarding a possible undermining effect of the 'free education' policy on the historical community culture of providing both financial and resource (predominately voluntary labour) support to sustain private madrasah.[69] There is evidence that under the education policies introduced from 2004 specifically following the 2005 introduction of BOS, community spending on education has dropped significantly,[70] accompanied by a drop in voluntary support. This could have serious implications for sustainability unless the BOS and other supporting mechanisms are adequate. The contributions to MoRA under AIBEP may have compounded this problem. Anecdotally[71] it was noted that if a third party (e.g. GoI or a 'donor') is perceived to be funding a school project then all voluntary community labour immediately stops with expectations resulting that material and labour inputs to the project will be paid.

76. The potential undermining of this traditional community support mechanism revolving around the community's madrasah could possibly lead to the weakening of social fabric, generational attitudes and behaviour, and this issue must be very carefully considered in any future program. On a positive note however, there was strong feedback and expressions of good will within the MoRA and Madrasah stakeholder groups to AusAID involvement and funding - it is clear that the MoRA inclusion within AIBEP has enhanced perceptions and opinions of Australia within the associated communities.

Pillar 2

77. With their focus on improving human resource capacity to use new skills, methodologies and implement new systems and approaches, many of the quality improvement/quality assurance capacity-building activities in Pillar 2 of AIBEP are only embryonic in terms of their impact. Organisational/institutional capacity building takes time and sustained support, particularly in an educational system as complex as Indonesia's, and does not lend itself readily to impact assessment over a three year time frame.

78. There have however been some clear positive impacts of the Program which were identified by the ICR Team. The promulgation of Ministerial Regulation 63/2009 as the legal basis for EQAS in September 2009 is a significant achievement and provides a strong basis and regulatory framework for continued quality assurance efforts by the GoI. In particular, EQAS contains the key elements of a comprehensive national quality assurance system that provides a strong framework for ongoing quality improvements in the future - including support for all levels of schooling against core sets of standards - e.g. the Minimum Service Standards and the National Education Standards, processes for the certification, licensing and professional development of education personnel, requirements for the accreditation of schools and approaches for strengthening educational management capacity at school and District level (through processes such as WSD and WDD. The technical assistance provided to the GoI in support of the development of the Regulation through AIBEP was widely and positively acknowledged by GoI officials during the ICR mission. Similarly, capacity development of the LPMP as quality assurance institutions in support of EQAS has been consistent with the need to build capacity beyond the central level

79. Whilst the quantitative targets set for WSD/WDD training will have been largely achieved by the completion of the Program, the extent to which such training will impact at the school/district level through improved school/district management practices and ultimately delivery of a quality education

68 Team discussions at GoI, Provincial, District and community levels indicated that there was no clear delineation between the funding types
69 Private madrasah make up approximately 80% of all madrasah (MoRA, 17 March)
70 MoNE Deputy Minister, 19 March 2010
71 Perceptions gained from site discussions and during interviews with MoRA officials, CDCs and FMs.

to children in classrooms has yet to be demonstrated. The impact of both EQAS and the WSD/WDD will largely depend on their effective socialisation/implementation at central, provincial, district and school levels.

80. In summary whilst, many of the initiatives in Pillar 2 have been of a high quality, they have been challenging to implement in a complex policy and institutional environment. It is the view of the ICR Team that continued capacity building support will be required – particular for programs such as EQAS where implementation of processes such as Supported School Self-Evaluation and improved School Monitoring by Districts have only recently commenced. It will also be critical to ensure improved coordination between quality improvements focused at the Supervisor and Principal level (the key areas of focus for AIBEP) and those related to teachers (also a focus of the World Bank supported BERMUTU program). It is clear that to have impact and be sustainable, quality improvements must be addressed systemically – and across all levels of government (National, Provincial, District) simultaneously.

Pillar 3

81. As with Pillar 2, institutional and organisation capacity building have been critical to the achievement of outcomes under Pillar 3 which has focused on improved educational governance. Support was provided for the finalisation of the 2010 – 2014 National Strategic Plan (RENSTRA) and of the MoRA RENSTRA (signed by the respective Ministry in November and October 2009). Significant and long-term organisational capacity building support was provided by MCPM (and also by CSAS) in the development of these plans – including one-to-one technical support, workshops and other training. In contrast to the previous RENSTRA which was primarily developed by external consultants, the GoI underlined its clear ownership of both current RENSTRA's – noting that AIBEP's role through the managing contractors' was supportive in nature through the provision of technical and analytical advice at Government request, with most of the drafting being done by staff.

82. AIBEP has provided strong support for the development of a reliable educational management and information system (EMIS) and achievements to date will provide a solid foundation upon which further improvements can be made. However it is clear that much remains to be done in this critical area and support for a quality national EMIS should remain a key focus of the GoI over the next 12 months if such a system is to be realised. The Team notes that a reliable EMIS is at the core of an effective quality assurance system such as EQAS– and that MoRA/MoNE, LPMP, provinces and Districts must have the capacity to enter, manage and analyse data so that they can inform quality improvements at the school level. It is the view of the ICR Team that further support in this regard may be required and that this be the subject of further discussions between the GoI and Government of Australia in the context of planning for the next phase of (ESSP) support.

83. As discussed under effectiveness above and sustainability below, both the EMIS and the FMIS are well embedded in management systems, but the supporting human resource processes are still weak. FMIS has been integrated into the Finance Bureau's systems, and is being implemented in key working units, while standard operating procedures have been developed. However these are very recent developments under the Program, without being in operation yet for one complete budget cycle; it is thus premature to assess what impact they are likely to have. An ongoing monitoring and evaluative culture is not yet a characteristic of either MoNE or MoRA, thus attitudinal changes will be required for the system to have an impact.

Pillar 4

84. Under Pillar 4, the work of CSAS has provided significant impacts in the preparation of the MTDP and GOI analysis on aspects of the education system, BAPPENAS reporting that CSAS helped joint policy work, sharpening issues, analysing performance data, and identifying performance indicators, and helped to develop strategies for financing education. A full listing of reports is provided in CSAS own annual reports, but BAPPENAS cited in particular the draft of the education chapter for the MTDP, the Annual Review of Education Sector Financing, and studies on education financing and management in particular. In addition, studies were conducted of topics as varied as access to higher education in eastern Indonesia, impact of text book grants, extent of school-based curriculum development, and formulae for education financing. However, as noted above, while GOI indicated these studies have provided valued inputs into policy formulation it is not possible to assess their specific impact on policy formulation. They have definitely been valued resource documents, and the impact of CSAS working alongside planning staff in these studies has had a positive impact.

Feedback from staff in MoNE and BAPPENAS confirmed this assessment, but they also clearly indicated that they have been in charge of policy formulation, and ownership of current strategy documents is high. The donor community indicated a strong assessment of the value of these studies for them in helping them assess their positions and determine the direction and composition of their programs.

Sustainability

85. Sustainability of AIBEP is rated as four (4), however AIBEP is only just nearing completion and for many of the activities implemented under each of AIBEP's Pillars it is premature to assess sustainability, although wherever feasible the indications of the likelihood of sustainability have been examined. The Team recommends that a post evaluation take place in three years time to assess the continued impact of AIBEP's access, quality and governance support.

Pillar 1

86. It is apparent that future maintenance of infrastructure will present significant challenges - examples of the predicted issues include:
    - budget allocations, whilst substantial nationally, are mainly used on teacher salaries, with any allocations to maintenance as a last priority;
    - the demarcation between 'light' rehabilitation and 'heavy' rehabilitation[72], and differing funding mechanisms (leading to conscious delay in maintenance by school management);
    - addressing ongoing shortfalls in capacity within school asset management human resources and financial resources;
    - possible undermining of the culture of madrasah community financial and resource (voluntary) maintenance assistance through the inclusion of fully funded AIBEP funding of the private school construction (para.76 above), and;
    - sustainability of school water supplies: the supply of water and potable water to a significant percentage of schools is problematic, placing additional strain upon very limited recurrent budgets.

87. The Program created asset manuals and undertook training for both inclusion of maintenance within school budgets and the maintenance processes and this was confirmed in all the schools and madrasah visited. This training, however was an adjunct to the main capacity building training courses and as such may not have had the impact required. The asset maintenance manuals (in Bahasa) are seen to be quite appropriate and useful but late publication and delivery problems have meant that the full impact of these is yet to be realised.[73]

88. It is clear however that the biggest issue will simply be resource funding. Although it is understood that the GoI has some broad estimates of future budget needs, the Team did not sight whole of life infrastructure cost estimates, nor detailed maintenance plans, although several were reportedly being drafted. The concern is that infrastructure maintenance budget allocations are typically last on the priority list, and as a consequence also universally end up being omitted from annual budget plans due to lack of funding. This is a very prevalent situation in most developing nations.

89. Mechanisms to cope with the ongoing maintenance (i.e. sustainability) issue are employed by school management resulting in the systemic encouragement of not undertaking maintenance. A common strategy – be it deliberate or simply resulting from lack of resources - appears to be allowing minor maintenance to slip until the minor maintenance deteriorates to a serious maintenance need or a 'refurbishment' (noted as the difference between 'light' and 'heavy' maintenance – see footnote). At this point, i.e. 'heavy' maintenance is necessary, different funding can be applied for.

90. Indonesia experiences various earthquake intensities throughout its archipelago, and as noted in various back to office reports,[74] a '"one design" fits all [could] be based on the most extreme earthquake intensity case'. However, the standard MoNE school and madrasah designs do not consider the 'most extreme case' – be it seismic or specific site conditionality. From the perspective

72 An arbitrary level of repair work – decided by MoNE or the district office subjective review – wherein the proposed work shifts from being 'maintenance' to 'refurbishment'. Maintenance is funded by the school – rehabilitation is funded by the state.

73 The Asset Maintenance Manuals were printed in late 2009 and subsequent problems with Indonesian Post resulted in a significant 'loss' of many deliveries. A follow up print run occurred in early 2010 and these were still in transit at the time of the ICR. It is noted that none of the school sites visited appeared to have asset maintenance manuals.

74 Back to Office Report , internal AusAID QA reports – May 2009 – p7

of long term building sustainability, aspects of the current design require further assessment. A number of issues concerning the current 'standard' architectural and engineering design will result in significant impact on the future sustainability of Pillar 1 infrastructure – these issues are covered in more detail within Annex 5.

91. The sustainability of AIBEP's efforts to increase enrolments to fill the 330,000 new JSS places that have been created under the construction program will need to be carefully and closely tracked over the next year. [75]The increases in GER in AIBEP MONE Districts by 16% from 76 to 88.4 between 2006 and 2009 are encouraging but not conclusive. The Team recommends that further analysis of realistic enrolment targets to be achieved in AIBEP Districts be undertaken before the closure of the Program, providing a basis for continued monitoring over the next 3 -5 years. To effectively assess sustainability a range of (GER/NER/transition rates) data will be required as well as cross-cutting data on gender and the extent to which AIBEP supported schools are reaching "hard to reach" children.

92. Given the strong focus on providing a "quality education" in AIBEP schools and the strong emphasis on quality being given by the GoI, it will be important to track/institutionalise learning outcomes data in GoI education monitoring systems over the coming years. Consideration may be given to also tracking achieving of core competencies (using an agreed sampling approach that includes schools and students in a range of locations).

93. The Annual School Survey developed by MCPM could be used as a mechanism for undertaking such monitoring (as well as continued access and learning outcome monitoring recommended above) – with continued refinement. Responsibility for such monitoring would need to be located and resourced within a central GoI location with input from relevant areas. The Team recommends that further discussions take place between GoI and AusAID to identify how such monitoring can be continued and an appropriate institutional location as well as appropriate resource and capacity-building requirements.

Pillar 2

94. A strong indicator of sustainability for many of the quality-related components under Pillar 2 is the degree of central Government commitment to and ownership of the initiatives - many of which represent significant shifts in education policy and practice. The promulgation of Ministerial Regulation 63/2009 for EQAS underlines GoI commitment to the establishment of a strong education quality assurance system by putting in place a strong framework for continued capacity building – and guiding the work of semi-autonomous institutions such as BSNP. AIBEP technical support played an important role in development of this Ministerial Regulation as well as the development of BSNP National Standards and associated performance indicators to underpin the collection of reliable and valid information on key quality areas.

95. The absence of a coordinating mechanism for the multiplicity of quality improvement initiatives now being undertaken by GoI is of concern to the ICR Team. Without such a mechanism there is a real risk of duplication and possibly the implementation of varied or inconsistent approaches. Improvements in curriculum design and assessment for example must necessarily be synergistic with improvements in teacher quality (including certification) and quality assurance (through the LPMPs). The Team notes however that a mechanism in itself is not sufficient to assure sustainability – strong incentives to improve and harmonise quality improvement and assurance efforts at all levels of government are also critical.

96. As noted above, whilst the quantitative targets set for WSD/WDD training will have been largely achieved by the completion of the project, the sustainability of this training will impact at the school/district level through improved school/district management practices and ultimately delivery of a quality education to children in classrooms has yet to be demonstrated. The Team commends the decision to include District capacity building (through WDD) to complement WSD – a decision which recognises that to be sustainable a comprehensive approach to quality improvement that engages with all levels of government in a decentralised system such as Indonesia's is critical.

97. The ICR Team recognises that the process of developing competencies and capabilities at the District and school levels through concepts such as WSD/WDD will take time and that socialisation of these initiatives has just commenced at Provincial, District and school levels. It is their integration

75 These estimates are drawn from the 2009 Annual Performance Report.

and active utilization of these concepts where sustainability will be ultimately tested. Moreover it should be underlined that both WSD and WDD with their focus on improved management, planning and budgeting are a key part of a strong quality assurance system and should be applied to all schools – not just those targeted by AIBEP. A key test of the sustainability of the WSD/WDD concepts/models will be their continuation after AIBEP has been completed. In this regard, the ICR Team recommends that an assessment of WSD/WDD traction be included in an ex-post evaluation of the AIBEP program.

98. The critical role of the LPMPs in assuring quality is well recognized, however to be sustainable, the support provided through AIBEP to build LPMP capacity needs to be continued by GoI in the next phase of the Program. A strong foundation has been laid through AIBEP through the development of LPMP standards and performance indicators and Action Plans as well as through the capacity building program implemented in 5 clusters of LPMPs and supported by BINDIKLAT. The ICR Team recommends a continued focus on LPMP capacity building over the next 5 years, including on-going training for LPMP staff in all aspects of data collection, analysis and reporting through the University of Indonesia Education or similar program.

Pillar 3

99. Overall, it is the view of the ICR Team that the FMIS is operational in key working units within MoNE's Bureau of Finance, and the ability to monitor reports from operating units has enabled the identification of areas where assistance is needed to improve timeliness of financial reporting in MoNE. FMIS has been developed to take advantage of MoNE's national education wide area network, and training has been provided in coordination with the MoNE's ICT centre, however staff skills in ICT are limited and the FMIS Help desk is not being effectively utilized. Communication between operating units and MoNE and the Help Desk has also been a constraint, raising some concerns as to the ability to effectively maintain FMIS and expand it to all operating units.

100. Both the EMIS and the FMIS are well embedded but the supporting human resource processes are still weak – these take time to embed and opportunities for MCPM to work with counterparts has been limited, according to MCPM. Developing desk help services and pilot testing processes are undertakings that will take longer than the current program has allowed, complete life cycles of the new processes has not yet happened. Counterparts reportedly know what the needs are but presently do not have the skills or experience to take these further as they have never done this before.

Pillar 4

101. As per the design of Pillar 4, analytical and technical support was largely conducted by the CSAS team, with national consultants, and with only a limited focus on capacity building of GOI staff. Achieving sustainability was not therefore a key focus of the support provided under this Pillar. CSAS has produced a number of quality studies and reports in response to requests from GOI. While BAPPENAS and Balitbang are developing the capacity to continue such strategic analysis, the education financing studies and other operational work may not be sustained without further assistance. As these studies seem to be valued by GOI and the donor community alike, continued support seems necessary.

Gender

102. AIBEP is rated five (5) under Gender.

103. Information relating to assessment of gender equity promotion and opportunities within the school construction process has not been collated. Anecdotally, it appears that when females were represented on the construction committee it was typically in a Head or senior role, for example, a female principal would usually become head of the construction committee.[76] Traditional societal roles with respect to construction imply low female involvement. All construction committees interviewed during the site visits[77] responded that women were not involved in the construction but often provided meals, drinks and cleaning services at completion.

104. Information relating to assessment of gender equity promotion and opportunities within the school construction process has not been collated. Anecdotally, it appears that when females were

76 This was seen in instances of the eleven sites visited 20 to 24 March 20101 inclusive
77 ICT Team site visits conducted 20 to 24 March 20101 inclusive

represented on the construction committee it was typically in a Head or senior role, for example, a female principal would usually become head of the construction committee.[78] Traditional societal roles with respect to construction typically imply low female involvement – this is not abnormal and occurs in most countries. All construction committees interviewed during the site visits[79] responded that women were not involved in the day-to-day construction work and activities but often provided support such as meals, drinks during the project (e.g. morning tea or lunch) and/or cleaning services at completion.

105. Enhanced gender equality in education services for girls and women through gender mainstreaming was a key target outcome under AIBEP. In quantitative terms, gender parity in enrolment at the junior secondary school level has been almost achieved in AIBEP target districts - for both MoNE and MoRA schools. In MoNE schools, enrolment for boys was 51.1% and 48.9% for girls, and 51.3% and 48.7% respectively in MoRA schools.[80] It should be noted however that gender parity in access to basic education is widespread across Indonesia, including in non-BEP schools. [81]

106. A Ministerial Regulation on Gender Mainstreaming in Education has been approved during the period of AIBEP and, whilst not yet fully socialised, gender responsive management, inclusive education planning and capacity building on inclusive and gender responsive curriculum development have been (appropriately) introduced in the WSD training. This is an important element of the WSD/WDD training and, in reviewing the gender and inclusive education training module, the ICR Team found it to be both relevant and sensitive to the Indonesian context as well as embedding key gender mainstreaming concepts. However impact, and ultimately sustainability, will require sustained training in this regard – and is strongly recommended by the ICR Team. During field visits, the ICR Team found that most schools had an awareness of gender mainstreaming concepts as introduced through the WSD/WDD training, but still required further support to embed them at school management level. A number also understood gender as relevant to 'women" suggesting that further awareness – raising is required – particularly as a number of poorer regions where AIBEP is being implemented also face challenges with regard to retention of boys beyond the JSS level.

107. Whilst 80% of schools surveyed in the 2009 School Survey note that they have a Gender Policy in place and 66% an Inclusive Education Policy, the utility and implementation of these policies has not yet been assessed. Until such an assessment has been undertaken at school level, it is not possible to properly assess impact in these 2 key areas. The ICR Team therefore recommends that an assessment is undertaken in a sample number of schools in different geographical locations to assess ways in which these policies have been incorporated within school management plans and their implementation.

108. The ICR Team notes that of the 791 schools that reported in the annual School Survey (2009), 91% reported having an "active" school management committee (SMC). Females represented 30% of SMC membership, with higher proportions of female parents (32%) and teachers (40%) represented than community leaders (20%) and private sector members (16%).

109. The ICR Team was advised that all supplementary reading materials provided through the AIBEP program were carefully scrutinised to ensure that they were gender-sensitive in content. These materials were not however available to the ICR Team in English so could not be reviewed to confirm this.

Monitoring and Evaluation

110. Monitoring and evaluation under AIBEP is rated as five (5). The M&E system established is good quality and of value for managing the many program activities, however for many activities outcome and impact data has not yet been generated, either because the activity is new, or will take time to have an impact. This lack of outcome data is not a reflection on the system.

78 This was seen in instances of the eleven sites visited 20 to 24 March 20101 inclusive
79 ICT Team site visits conducted 20 to 24 March 20101 inclusive
80 BEP School Census and Survey, 2009. Verification of this data was not possible given the timeframes that would be required to collect/verify GoI data.
81 The ICR Team notes that a key issue raised in the Annual Sector Monitoring Report for 2009 is that the proportion of men with senior secondary school (SSS) education is growing 3 times faster than the proportion of women with SSS qualifications. Whilst outside of the direct purview of AIBEP, it suggests that the gender equality achieved at JSS level is not being translated to SSS - an issue with significant implications for the future labour force composition. See: Annual Sector Monitoring Report, 2009, AIBEP, pg 13.

111. Monitoring and Evaluation (M&E) is a challenge for a program approach, particularly when working through government systems where implementation responsibility largely rests with government. In addition, the M&E system has to satisfy the varied needs of GOI (MoNE, MoRA and BAPPENAS), the Australian Government (AusAID), and the contractors (MCPM and CSAS). The original design logical framework and the revised logical framework developed during program implementation are very good examples of logical frameworks at these stages of the Program, with explicit outputs and outcomes and performance indicators. Monitoring systems developed during program implementation were practical and informed management about program progress and performance.

112. The Program design included an Indicative Program Logical Framework, with program targets at outcome and output levels, and an Indicative Education Sector Policy Action Matrix, with anticipated annual policy actions for each of the four years of the Program, and performance indicators for end of program period in 2009. This was based on enabling an effective policy engagement process. The M&E system proposed was more of an M&E strategy than an action M&E, although actions and targets were specified. However baseline data was not provided for these indicators.

113. The Design document anticipated that there would be ongoing development and refinement of the logical framework, incorporating the policy action matrix, during program implementation, and development of appropriate baseline indicators. Inputs would be provided by MoNE and MoRA's M&E units in the development of reporting systems, with reports being targeted at the PSC, PMCU and PMU. However, it is not clear from the Design document what capacity analysis had been conducted of MoNE and MoRA's M&E capacity, nor to what extent they had been involved in the design.

114. MCPM developed a full M&E logical framework in 2007, which was approved by the PSC in December 2007. This linked all levels of monitoring and is included in the 2007 Program Manual revision. It provides outcomes, intermediate outcomes, outputs, targets and means of verification. It does not include activities and responsibilities, and is not a system for program performance monitoring, but was used by the MCPM as a basis for their M&E system – their Annual Plans incorporated M&E reporting within each proposed activity as a basis for ongoing M&E as well as longer term evaluation of program effectiveness. As such, it is a good example of a workable M&E system. MCPM has an M&E team, which focuses on data collection and analysis, and also supports Pillar team members and activity leaders. Units were also established within MoNE and MoRA to manage and monitor the CDCs and School Construction Committees in the implementation of the construction activities.[82]

115. The Team considers the logical framework as of very good quality, with appropriate indicators to measure program performance in contributing to sector outcomes. It also includes specific indicators for program outputs allowing monitoring of activity performance, and this has been done by the MCPM and reported on in its annual reports.

116. The Team notes, however, that given the significant conceptual changes in Pillar 2 during program implementation noted above, preparation of an annual change frame to track these changes would have been helpful and could have improved program monitoring.

117. The quarterly and annual reports prepared by MCPM for the PCMU and PCU generally provide good information on progress towards outputs, together with detailed descriptions of inputs and activities, and as such are appropriate. Each activity within the Program has an M&E system and has reported against the logical framework performance indicators. Reporting at this output and activity level is thorough, as set out in the MCPM Annual Performance Report. The MCPM noted, however, that AusAID's concern on risk aversion resulted in program reporting becoming excessive (monthly and quarterly reporting), reinforcing a perception of the Program being a project and not a program. The Team emphasises with this view, but notes that from their experience, AusAID reporting requirements are more onerous than for some other funding agencies, and could usefully be reviewed to determine what reporting is actually required for effective and efficient management and accountability purposes (see also para.123 below).

118. With regard to monitoring and reporting on gender, the ICR Team found that AIBEP data was gender-disaggregated wherever possible (e.g. student enrolments, retention, teacher and principle

82 Activity Completion Report (draft), MCPM, p16

profiles) and reports utilised this data to analyse critical trends and highlight concerns. The annual School Survey was particularly important in this regard and could be further enhanced and utilised as a tool to consider some of the key issues highlighted through implementation (e.g. relatively low numbers of female principles, female teacher mobility constraints). It is not clear however if either MoNE or MoRA have the capacity at present to undertake such analyses – at present capacity appears to be limited. Particularly important is the continued development of an effective gender-sensitive EMIS system that is related to both the National Education Standards and the Minimum Education Standards.

119. Some of the activities and outputs lead to outcomes that can only be assessed in the longer term, such as the EQAS, WSD and WDD programs. The M&E program has undertaken some large studies to provide baselines for future evaluation and impact assessments. The annual School Survey's undertaken in 2008 and 2009 have provided important quantitative data and should be continued as a monitoring instrument with further refinements – including the addition of qualitative data. The ICR Team understands that a "Reality Check" monitoring tool has also been developed by CSAS, although the data was not available at the time of the ICR for the team to undertake an assessment of its methodology and findings. These data "snapshots" will allow future analysis of trends and comparisons.

120. CSAS has monitored performance at the sector level and has produced annual reports noted above. The Team has reviewed these reports and finds them comprehensive and of high quality, with very useful data on the education sector, covering many sector level outcome indicators included in the logical framework (e.g. school enrolment, transition and completion rates disaggregated by gender, schools meeting national standards, budget allocations for basic education).

121. Overall the M&E system and its logical framework basis represent good practice, particularly given the program approach through government systems. The two contractors have helped improve the quality of data collection by improving systems to collect the data. Much of this has been developed by MCPM within MoNE and MoRA, while CSAS has developed a sector data base, which is being handed over to government and the ESSP. Progress has been made in improving the capacity of MoNE and MoRA to collect, analyse and use the data, but more support is needed in embedding M&E concepts within MoNE and MoRA as an effective monitoring system that is used by MoNE and MoRA management.

122. As referred to above, the IAC was appointed by AusAID as an oversight agency to help ensure that correct procedures and adequate control systems were followed by the MCPM and MoNE and MoRA, including reporting requirements. Annual 'Internal Control Reviews' were conducted of MCPM examining its role and performance, and annual Compliance Audits of MoNE and MoRA. In addition random school audits were conducted. The focus was on compliance with procedures. Additional level of monitoring was required by AusAID as a risk mitigation measure due to its lack of exposure at design stage of working with MoNE and MoRA, using government systems. While the IAC found instances of no or incomplete compliance, overall they noted these were to be expected in such an environment; there is a need for a level of flexibility, whilst still managing risk. IAC reports documented performance and compliance and made recommendations for improvements to the systems, including implementation of site selection criteria, and reporting overall. They indicated their recommendations would be useful in developing the program manual and procedures for any follow on program.

Analysis and Learning

123. AIBEP is rated as five (5) for analysis and lesson learning. The design took into account lessons learned from GOI and donor experience, while, importantly, program implementation adapted to internal analysis of feedback during implementation.

124. The original Program design was developed following an initial design mission that "screened a number of strategic alternatives for Australian support against the following key design considerations: (i) consistency with reform plan priorities, (ii) predictable, immediate and verifiable policy impact, (iii) complementarity with (not supplementary to) Government funding and (iv) evident capacity for program implementation"[83]. The design document reports that design followed widespread consultations with GOI and the donor community, with a design working group

83 Executive summary of AIBEP Design Document, 16 May 2006

(comprising AusAID, MoNE, MoRA and BAPPENAS) established to draw on their experiences. A donor partnership retreat held in September 2005 provided lessons learned from partners. In particular the World Bank's 2004 Education Sector Review[84] and an AusAID literature review[85] provided lessons. The World Bank Review included a capacity assessment for decentralisation, while a 2005 Policy brief on improving education[86] quality gave particular emphasis to local governments and decentralisation reforms.

125. The design document highlights several lessons learned on which its design was based: (i) a focus on strengthening school/community management, especially for infrastructure projects, can enhance ownership and likely sustainability of interventions; (ii) well-planned infrastructure projects have a high degree of assurance of positive impact on access[87]; (iii) community-based management of infrastructure projects is significantly more effective and efficient than centralised approaches as well as reducing fiduciary risk; (iv) quality improvement projects are likely to be more sustainable if activities and financing are built into school and district routine operations - without strong district level engagement, externally assisted quality improvement initiatives are unlikely to be adopted by other schools and madrasah but (v) support for quality improvement and quality assurance can have limited impact on improving education standards, unless it is based on a systems approach. Analysis of the design shows that these concerns were taken on board in the design (most are discussed in the sections above) however the design initially focused on WSD and not WDD, neglecting lessons (iv) above with its emphasis on strong district engagement.

126. The program approach for AIBEP emphasized the need for flexibility and it is clear from the analysis in the sections above that internal monitoring reporting systems, studies by MCPM, and MCPM's own professional skills and experience influenced design changes. AIBEP was conceived as a program yet in design it appears as a set of projects. It was meant to be a systemic set of activities, but design documents and the first Program Manual show it was fragmented – a series of projects linked by a program goal. As program activities progressed in the first year MCPM saw the need to refine the program and make it a cohesive whole. On the quality side, for example, improvements targeted at teachers, principals and school supervisors should be cohesive, and developed systematically. The GoI has sought to do this with AIBEP support through EQAS– albeit later in the Program than was desirable. Nevertheless EQAS does represent a systemic approach to quality improvement and provides a solid foundation for real change. In Pillar 3, the focus on RENSTRA and capacity development to implement it helped pull together the finance, planning and monitoring of the varied "projects". RENSTRA provided the framework, but its implementation needed financial management. The AIBEP components of financial planning, prioritising and monitoring were needed, and MCPM pulled them together into a coherent package, the recognition by MCPM of the RENSTRA as the framework providing the rationale.

127. NFE and strengthening the internal audit function within MoNE and MoRA were both program components, but during early program implementation it seemingly became clear that there was no traction within government in pursuing these activities. The Program thus learned from this and did not pursue it – although now there is some interest in pursuing the audit capacity building activity at District level through BAWASDAs and activities have commenced.

128. Regarding Pillar 4, as noted above, outputs have been valued by GOI, and notably by BAPENAS, and a good database has been developed, but it is not possible to date to see this has influenced any changes in policy as a result of findings. Nevertheless the findings are likely to inform policy in the future, for example in education financing strategies.

129. Development partner cooperation and shared learning from experiences has not been as effective as envisaged at design, which had envisaged that AusAID would be well placed to play a lead role in ongoing measures to strengthen GoI/development agency partnerships in the education sector. The education sector working group met relatively regularly, but unfortunately GOI rarely participated and thus it was a meeting between development partners. Discussions tended to cover broad sector level activities and each partner agencies' planned program, rather than principles of cooperative partnerships covering all development partners. However a few formed good working relationships (e.g. AusAID, the European Union and the Asian Development Bank). Some of the

84 World Bank Education Sector Review 2004
85 Indonesia Education: Literature Review and Implications for AusAID, Valerie Haugen, September 2005
86 World Bank 2005: Indonesia Policy Briefing Note on Improving Education Quality.
87 It cited the World Bank report where World Bank –supported school infrastructure projects resulted in enrolment growth 25% above target

CSAS studies were presented at these working groups, but the group did not get into implementation details of each other's ongoing programs. Development partner cooperation at this activity level was not structurally built in to the design, although the MCPM, through its networking and personal relationships, tried to ensure complementarity of activities, and avoid overlaps. The MCPM reported to the Team, however (and other partner agencies confirmed this) that two development partners largely worked on their own to their own agenda (which is understandable in a way) resulting in different styles of approach in parts of the country to capacity building and implementation of WDD concepts.

Evaluation Criteria Ratings

130. The evaluation ratings assessed by the Team are set out below. Rationale for these is included in the text sections above and is not repeated here.

Evaluation Criteria	Rating (1-6)
Relevance	6
Effectiveness	5
Efficiency	4
Sustainability	4
Gender Equality	5
Monitoring & Evaluation	5
Analysis & Learning	5

Conclusions and Lessons Learned

131. Overall, the Team found that AIBEP had been implemented effectively and efficiently, and is a successful program. EQAS in particular has provided a foundation for real change. The community based construction model is regarded as both effective and appropriate and is strongly supported. However, school site selection was found to be an issue that led to construction challenges beyond the anticipated expertise of the CDC, FM's and school construction committees; it has also led to some concerns about planning of appropriate locations and marginalised schools.

132. AIBEP's flexible program approach was one of the key strengths of the Program, with adjustments being made as implementation proceeded, greatly improving relevance, GOI commitment, and effectiveness. As noted above, improving the quality of education has been a core focus of AIBEP and one of the Program's most complex areas of engagement, requiring a range of responsive and flexible capacity-building inputs in a dynamic policy context, the education policy landscape in Indonesia continuing to evolve. AIBEP was able to respond to such shifts both quickly and effectively. However, the approach should not be too flexible, which can lead to strategic drift. The overall goal, intermediate and immediate outcomes, and priority areas of focus for the Program should be clearly specified at design. Flexibility should largely relate to adjustment of approaches in delivering a component, timing of any component, and possible dropping or addition of a component if the education environment changes. But the initial goal and anticipated outcomes should remain the prime influence on any such changes.

133. A program approach requires at design a framework within which concepts and program component activities are identified but which program management can then further develop during the first year of operation. An overly specified program design and program manual risks generating a 'projectised' approach for the program, removing flexibility and potentially inhibiting development of coherent program components.

134. AIBEP's good M&E system and internal analysis of feedback from the system, allowed program management to adjust and adapt program implementation to such analysis and feedback during implementation.

135. A holistic approach is needed for a program such as AIBEP, with interdependent components developed as one system. Training of teachers, principles, and District supervisors and coordinators should be one cohesive system. Capacity building at District level (WSD and WDD, including training in financial management, planning and monitoring, EMIS and FMIS) should be part of a holistic system running from central levels, through Provinces and Districts to schools. This requires consideration of inclusion of all appropriate components, including buildings, equipment, school teaching and learning materials and training, if not being provided by others.

136. In this context, AusAID's own concerns and agenda should not overly influence a program design, particularly when there is apparently no buy-in by government on specific concerns, which then inhibits integration into a coherent program. Examples in AIBEP include NFE and audit strengthening where there was no traction in government to pursue these. On the other hand, AusAID did not insist on the inclusion of curriculum development in AIBEP, reportedly as GOI considered this an internal matter; GOI still shows no interest in outside assistance for this. Gender concerns were also not a major focus of program activities even though program design analysis had shown the relatively low levels of female participation in higher level school and in community level school management; this exclusion reflected the main focus of the Program on increased access and improved quality. Teacher training was also excluded, this being a World Bank program activity at program design. On the other hand, a donor requirement to exclude any necessary component (in this case school hardware and text books) could jeopardize a program unless care is taken that some other entity finances this.

137. Working through GOI systems has been highlighted as a key design feature of AIBEP. Implementation of this significant infrastructure program through existing GoI systems is assessed as having been very successful. Existing development partner government departments are seen to have benefited from improved monitoring and quality assurance developed within AIBEP. Value for money for new infrastructure is assessed as very high. Levels of financial 'leakage' are assessed as low. Using GoI systems has probably given AusAID more confidence to do this again, providing the opportunity to reduce further the extra safeguards components it considered necessary to include in finalising AIBEP.

138. While working through GOI systems was successful, in reality the Program both worked through GOI systems and created parallel systems. The loan for MoNE school construction was through GOI systems, but the grant for construction of MoRA schools was implemented by MCPM through a parallel system. In the MoRA case, MCPM substituted for the Ministry of Finance. The Program did, however, adopt the GOI system of community based construction, which had already been proven to be cost effective, which this ICR endorses. However, as concluded in para.62 above, there is no discernible difference between the quality of schools built under the program model of MoNE managing CDCs who were contracted to MCPM, and the pre-existing MoNE model of managing and contracting CDCs directly to oversee the projects.

139. The CDC component was also parallel, although following the GoI approach. The IAC role duplicated GOI internal audit systems – while parallel, both this and the CDC component approach were included largely as safeguards. However these parallel systems came at a cost. An AusAID 2009 internal report[88] noted that the parallel audit system had considerable disadvantages being more expensive than GOI systems and having no authority within GOI, presenting difficulties in having recommendations followed up. Similarly while the program M&E system identified that District governments did not fulfil their monitoring and supervisory obligations, resulting in variations in school construction quality, MCPM had no authority or mechanisms to effectively address this.

140. The Paris Declaration commits partners to work through government systems; this is largely due to increased ownership and commitment by governments under such a system and the consequent capacity building and increased likelihood of sustainability. Recent analyses of the reconstruction programs in Aceh following the earthquake and tsunami showed that working on-budget and through GOI systems improved ownership and capacity, although off-budget operations with parallel systems tended to be implemented faster. As noted above, AIBEP, worked both through GOI systems, and through parallel systems, the latter for grant funding and for safeguard reasons. It is not clear what definitive lesson can be drawn from this, partly as there is no real comparator, but there is no clear evidence of improved quality and lesser leakage under the parallel system, which came at a cost,

88 Delivering Aid Efficiently and Effectively through and to Partner Government Systems, T Cadogan-Cowper, February 2009.

compared with reliance on GOI systems. However, the overall declared intent by AusAID to work through GOI systems, and the approach adopted by MCPM and CSAS in involving GOI fully in the Program, has appeared to increase ownership and commitment of GOI. In any further program AusAID needs to balance the needs for its own safeguards (with the resultant costs) with working through GOI systems.

141. The quality of the built product varied from poor to high - overall the as-built infrastructure outcome is assessed as good. The use of proven GoI standard school designs, materials and construction methodology is supported, however some minor improvements to designs, materials and construction are recommended for similar future programs/projects. More diligence is also necessary for site selection in with respect to both construction criteria and student access.

142. A key lesson learned through AIBEP is that community-based management of infrastructure projects is more effective and efficient than centralised approaches and can reducing fiduciary risk. Direct transfer of funds to school committee accounts, alongside capacity building and financial oversight measures is an effective vehicle for strengthening school management, governance and accountability mechanisms. [89]

143. For a follow on education program, a key lesson learned from AIBEP is that quality improvement programs are more likely to be sustainable if activities and financing are focused on the school and district level in a decentralised context such as Indonesia's. AIBEP's support for WSD and WDD have recognized this and provided a strong foundation for continued engagement by the GoI.

144. Focus on provision of an increase in number of schools to be built detracts from the notion of a systemic (District and national) planning system, linking provision of junior secondary schools to needs of satellite primary schools and of higher education. The risk of building schools that become marginalized is increased.

145. Many of the initiatives in Pillar 2 have been of a high quality but challenging to implement in a complex policy and institutional environment. These challenges were possibly under-estimated at project design stage, although the program approach adopted by AIBEP allowed the necessary flexibility to adapt the Program to them. It is the view of the ICR Team that continued capacity building support will be required.

146. Given AIBEP's emphasis on reaching underserved communities, and in order to assess the program's impact in terms of achieving the access and quality education targets, the ICR Team strongly recommends that program monitoring continues to track enrolment. The annual School Survey initiated under AIBEP should be continued with appropriate levels of capacity building support provided to the GoI to undertake this task.

147. The Team notes that improved quality and availability of teaching and learning materials for teachers and students was a key outcome target under Pillar 2. Whilst at present there is not a strong evidence base to assess the achievement of this outcome, field visits by the Team indicated that materials for both teachers and pupils were scarce. This was consistently raised as a critical concern at school level. The Team recommends that further evaluation of the availability of materials take place as a key priority.

148. The ICR Team notes that the inclusion of the WSD and WDD programs under AIBEP responded to the critical need to improve the capacity to manage and deliver quality education services in Districts, schools and communities where AIBEP schools have been constructed. As a significant proportion of that training has only taken place over the last 12 months and on a one-off basis, it is difficult to properly assess its effectiveness and impact. What is clear however is that the WSD/WDD programs respond to a clear articulated need for capacity building support, are highly regarded by GoI and have been well designed - with improvements made as the Program has been delivered. Continued capacity building of this nature is central to the successful implementation of the quality improvements targeted under EQAS and should include both AIBEP and non-AIBEP schools. The ICR Team recommends that consideration be given to continuing the focus on school and District capacity building through such programs (or similar) in the future – ensuring that training is provided consecutively and comprehensively over a period of time, rather than on a one-off basis.

149. Maintenance of new school facilities and provision of budgets that can cover this together with teaching materials and books remains a concern. Teacher salaries take up most of the BOS grants,

89 This was also identified as a lesson learned in the original design of AIBEP and with AIBEP implementation has been further tested with positive results. For further detail, see the AIBEP Final Design Document, 2006. AusAID.

with maintenance taking last priority. GOI needs to examine this further. CSAS has produced some reports on financing options for schools but further study is needed of what can be provided within the GOI framework. Budgets exist for Districts for rehabilitation, but these preclude provision of books. Development partners such as AusAID can provide funds for rebuilding a derelict school but not for refurbishing a school in poor condition. The Team cannot offer a solution to this; more pragmatic studies are needed of how the system can be improved.

150. An issue raised by MoNE and some development partners for future education programs was whether more emphasis should be given to refurbishment of existing schools rather than constructing new schools.[90] Indonesia has approximately one million classrooms. MoNE data collected in 2005 showed that 30-50% of these classrooms located in approximately 173,000 schools were in need of repairs or refurbishment– further, 50-70,000 of these schools are in need or major refurbishment or re-building. Figures provided[91] indicate that the cost to refurbish schools is approximately 55% of the cost to construct new schools. As a general rule, incremental improvement leads to more sustainable outcomes and so addressing the estimated 300,000 to 500,000 run down classrooms across Indonesia may be more effective and provide better development outcomes. Therefore effectiveness – in terms of value for money - of a program/project refurbishing existing infrastructure could be significantly higher than a program of new construction. However, the potential increased number of students - 'increased access' - would also need to be carefully assessed along with other issues that complicate the analysis i.e. it was seen that AIBEP provided new facilities in remote areas where 'no-one' else wanted to work[92].

151. AusAID and other development partners thus need to examine whether rebuilding of schools nationwide, and extending facilities by adding laboratories and libraries, would have a greater impact than expanding the number of schools.

152. It is the view of the Team that the analytical support provided through Pillar 4 is vital and much valued by GoI, but may have been more effective if embedded as an integral and cross-cutting part of the overall Program. It needs to be continued under any new program.

153. On gender, the Team recommends that an assessment is undertaken in a sample number of schools in different geographical locations to assess ways in which gender policies have been incorporated within school management plans and their implementation. M&E systems were good, feeding into program management. AIBEP is strongly rated for Analysis and Learning, the design having taken into account lessons learned, but more importantly, program implementation adapting to internal analysis of feedback from implementation.

154. AIBEP is only just nearing completion and the ICR Team notes that for many of the activities implemented under each of AIBEP's Pillars it is premature to assess sustainability, although wherever feasible the indications of the likelihood of sustainability have been examined. The Team recommends that a post evaluation take place in 3 years time to assess the continued impact of AIBEP's access, quality and governance support.

155. Finally, the Team considers that AIBEP has enhanced perceptions and opinions of the Government of Australia and AusAID within affected communities. The Team witnessed positive feedback on AusAID's involvement in the education sector as a whole, including a feeling of good will within the MoRA and Madrasah stakeholder groups beyond the issue of religion or private/public partnership and support. This provides a good opportunity for continued involvement.

Recommendations

156. The following recommendations are summarised from the main text and section above on conclusions and lessons learned

(i) Working through GOI systems is highly recommended. In any further program AusAID needs to balance the needs for its own safeguards with the resultant costs, when determining what components can be fully implemented through GOI systems.

90 Stakeholder Workshop 1 April 2010, Deputy Minister, MoNE 19 March 2010
91 Deputy Minister, MoNE 19 March 2010
92 Stakeholder Workshop 1 April 2010

(ii) The community based construction model is regarded as both effective and appropriate and is strongly supported. However, more diligence is needed in site selection, with justification being provided in cases where school site selection does not meet the specified criteria.

(iii) The program approach with its flexibility is recommended, but the overall goal, intermediate and immediate outcomes, and priority areas of focus for the Program should be clearly specified at design to avoid strategic drift. Flexibility should largely relate to adjustment of approaches in delivering a component, timing of any component, and possible dropping or addition of a component if the education environment changes.

(iv) A holistic approach is needed for a program such as AIBEP, with interdependent components developed as one system. Training of teachers, principles, and District supervisors and coordinators should be one cohesive system. Capacity building at District level (WSD and WDD, including training in financial management, planning and monitoring, EMIS and FMIS) should be part of a holistic system running from central levels, through Provinces and Districts to schools. This requires consideration of inclusion of all appropriate components, including buildings, equipment, school teaching and learning materials and training, if not being provided by others.

(v) In this context, AusAID's own concerns and agenda should not overly influence a program design, particularly when there is apparently no buy-in by government on specific concerns, which then inhibits integration into a coherent program.

(vi) For a follow on education program, quality improvement programs are more likely to be sustainable if activities and financing are focused on the school and district level in a decentralised context such as Indonesia's.

(vii) Focus on school and district capacity building through programs such as WSD and WDD should be continued. Continued capacity building support for other activities under Pillar 2, including LPMP capacity building, is needed.

(viii) Capacity expansion should focus on meeting the District and national needs, linking provision of junior secondary schools needs of satellite primary schools and higher education, not on number of schools to be built.

(ix) The Annual School Survey should be continued, with appropriate levels of capacity building support.

(x) Further evaluation is needed of the availability of teaching and learning materials.

(xi) Further studies are needed of financing options for schools, including addressing the issue of maintenance.

(xii) An assessment should be undertaken in a sample number of schools in different geographical locations to assess ways in which gender policies have been incorporated within school management plans and their implementation.

(xiii) Analytical support provided through Pillar 4 is vital and much valued by GoI, and needs to be continued under any new program.

(xiv) Given that AIBEP is only nearing completion and outcomes are yet to be realised, a post evaluation could be undertaken in 3 years time to assess the continued impact of AIBEP's access, quality and governance support.