PART III

AFTER REDIP

CHAPTER 8 RATIONALE FOR A POST-REDIP PROJECT

8.1 Basic Problems Facing Junior Secondary Education in Indonesia

Problems with Indonesia's junior secondary education system are well documented in World Bank and Asian Development Bank appraisal reports and summarized in the previous chapters of this report. During pilot activities, problems were verified and descriptions are categorized below under key development categories.

8.1.1 Access

The issue of access has long been a problem in Indonesia. When basic education was extended to include junior secondary education beginning in 1994, access at this level became a serious problem. There was and is insufficient classroom space to handle the demand resulting from increased enrollment. Although not a direct target for REDIP, the project needed to look at ways to overcome the negative impact of high enrollment rates resulting in higher teacher/student ratios; double and triple sessions in some schools; creation of new, private "registered" schools that are clearly below meeting basic educational needs; discrimination against students whose EBTANAS scores were lower; and other outcomes.

One perceived solution to the access problem in rural areas was the creation of SLTP terbuka or rural open schools. There are no fees; no uniforms are required; classes are scheduled in the afternoon; and a core school principal and supervising teachers supervise the school facilitator or pomong assigned to the SLTP terbuka. In some cases, the supervising teachers visit the SLTP terbuka, but in the main, students are to attend the supervising school once or twice weekly. SLTP terbuka has experienced significantly high dropout rates. One REDIP pilot site attributed this to the long distances students needed to travel to the supervising school. They solved this problem by having each school in the cluster take on students closest to their school rather than having all students from the 25 villages in the cluster travel to one core school. SLTP terbuka offers one solution to limited access for the rural poor but needs to be refined to reduce dropout rates.

A second problem relates to the poor quality of some private schools. To meet the increased demand for space, communities, teacher groups, religious organizations and others have created private schools. Many are located in inadequate facilities; have few resources; and often rely on teachers who work in the morning at other schools or who do not meet certification standards of their government school counterparts. These schools are classified as registered meaning they are not equivalent but below the standards for government run schools. Under one K3S pilot, principals of these schools are working closely with other school principals. The K3S has created some solutions for problems found in private schools. Students may use libraries and laboratories at government schools and receive surplus textbooks from government schools. One school about to be closed by its yayasan not only decided to keep the school open but

provided additional funding. It was the school's association with K3s that changed the mind of yayasan members. Still, many private schools operate well below basic educational standards.

Another serious problem relates to shifts. Double and triple shifts are used at some schools to absorb the overflow of junior secondary school students. Often the same teachers who work in the morning session work in the afternoon session. School days are shorter to accommodate shifts. These conditions affect the quality of education. While the shortage of spaces for students continue, the problems that arise have a negative affect on quality. In these situations access has taken priority over improving quality. One solution has been suggested to convert primary schools to junior secondary schools. Many of these schools were built to meet the increased demand when primary education was declared compulsory. Primary school populations are now smaller due to lower birth rates, creating lower utilization of primary education facilities. These could be converted to SLTP schools. Access issues need to be resolved so that educational quality can be addressed more effectively.

8.1.2 Internal Efficiency

This type of efficiency measures the unit cost to produce a graduate. Several ways to measure efficiency are to examine dropout rates, completion rates, and repetition rates. Higher rates increase the cost to generate a single graduate from junior secondary schools. Lower rates reduce unit costs, increasing the internal efficiency of education. This frees up resources that can be targeted to improve educational quality. By freeing up resources, educators can focus on improving quality even with limited resources available.

A second challenge to efficiency has to do with excessive costs in support of education. Education is the largest employer in Indonesia, many employees duplicating tasks to support and administer education. Through cumbersome regulations, efficiency is reduced. For example, the procedures for procurement and shipment of textbooks requires that orders pass from the lowest level of the national government offices, the kancam, through three levels until it reaches the national government. Shipment is from the government publisher back through three levels of warehousing and may not reach the schools because no money is left to pay for shipment from the kandep warehouse.

One aim of decentralization is to relocate decisions to the district governments while streamlining a variety of procedures. This will reduce significantly the number of national level employees. This is becoming a reality with the elimination of kandep and kancam offices in districts where decentralization has occurred. Dinas offices have hired some of these civil servants while others will remain unemployed. It is hoped that the overall number of civil servants supporting education will be reduced so that more revenue will flow to the schools. Unfortunately it is more likely that even though education costs are reduced the national government will not pass the savings to districts as part of the block grant mechanism. There is some evidence that districts will reallocate its limited resources to other sectors of the economy so that ultimate increases in efficiency will see revenues pass to other sectors, not education.

Since this is beyond the control of individual schools, efficiency gains must be the responsibility of the principal using effective school and community-based management techniques. One major effort would be to have parents and community participate more in school planning and program implementation. When the school has closer ties with its community and these contacts are positive, the likelihood is that dropout rates, repetition rates and absenteeism will decrease. REDIP has seen some evidence of this. One school worked closely with parents and local community representatives and implemented a plan to "sweep" the neighborhoods during school hours. When students were found outside of school, parents were notified and students were disciplined. Students began to learn that their parents and community valued education and were working together to ensure that students would benefit from the experience.

Other efficiency gains can be made at the school level. Research into current practices of schools have demonstrated that a system of school and community-based management increases efficiency by better allocating limited resources and reducing rates that increase the cost of graduating a student. In the short term, school districts should consider an aggressive training program for schools and communities in ways to consolidate budgeting, develop school-based plans, and allocating resources. This would have the added benefit of improving quality as well as increasing efficiency. The ADB's current project, Decentralization of Social Services Delivery is focused on this very issue and results should be reviewed and adopted as part of REDIP's future efforts.

8.1.3   External Efficiency

Do educational programs meet society's needs? If graduates are not qualified for the labor force or match society's needs then the educational system is not externally efficient or relevant. A great deal of money is invested in education and one measure of success of education is how much graduates contribute to society. To measure this, correlations may be made between completion levels of education and specific societal outcomes. For example, in Indonesia, recent data demonstrates a significant correlation between the level of education and reduction in infant mortality rate, reduction in the national birth rate, and improvement in family income. These relationships are particularly high after the completion of junior secondary education. Correlations may be made across all sectors involving political, economic, social and environmental sectors.

There is much concern about the relevancy of the current educational system. Many are concerned that the curriculum covers too much breadth with insufficient depth. Depth of learning is required if students are to achieve a higher level of understanding (referred to as higher order learning). This means that students must learn skills, knowledge and attitudes that can be blended and applied to situations where creative and critical thinking is required. In other words, higher order learning is a requirement of advanced societies. It is what a nation needs to sustain democratic institutions, improve the economy, and solve problems related to health, nutrition, and the environment to name a few areas.

Therefore, a key element in meeting society's needs relates to what should be taught and how it is taught in Indonesia's schools. Based on problems discussed earlier and as a result of tradition, the Indonesian system of education concentrates on learning primarily related to knowledge and to a lesser extent, basic skills development. There are many reasons for this, as one would expect. Teacher in-service training is poor; schools don't have sufficient resources; managers of the system are oriented more toward political realities and regulatory compliance rather than what children need to learn to function in society; and other reasons as well.

By decentralizing the system, communities are expected to take more responsibility for schools and possibly the learning that occurs in schools. This may or may not represent a shift from political to social control of education. For example, in most schools the principal heads the BP3 organization. This means that a civil servant controls the decision-making process of a community organization. To improve relevancy, it may be best for local systems to change this; get more involved in decision-making about educational programs; and involve greater representation of the community. Community input can lead to relevancy. For example, businessmen may be invited to speak at career days to explain to students what kinds of employees are important to their success. They may be included on committees to help shape curriculum. Currently, the kind of thinking needed to improve relevancy of education or external efficiency is not present at the school, community or district level.

At the national level, MONE needs to relinquish some of the control and responsibility for curriculum, allowing district and local systems to have more say in what is taught. Now, MONE controls 80 percent of curriculum decisions. The 20 percent of local content is actually decided by the Kanwil where they select several topics from which districts decide what they will teach. Local content, therefore, isn't really local content. Teacher certification is also decided at the national level. And the national testing system (EBTANAS) does much to determine how teachers will teach so that students score well on these high stakes tests. Decentralization can address these and other problems of relevancy by delegating more decision to lower levels and then provide significant training in how this can be done.

8.1.4 Quality

The most important yet most difficult domain to measure is educational quality. Improvement of quality is the main thrust of REDIP. Quality is actually an extension of the discussion concerning external relevancy. From the national perspective, educational quality is achieved if the goals of society are met as defined by the needs of the economic, social, political and environmental sectors. From the school level, educational quality is achieved if the quality of life of its graduates, their families and their communities are improved.

As illusive as the topic of quality is, researchers look at measures of quality by comparing school systems that meet societal goals as compared to schools that do not meet them. Researchers then look for similarities and differences to describe how successful schools and school systems operate differently than non-successful schools. Since the impact of education can only be measured over a long period of time, researchers use predictors or proxies of quality for measurement. If students stay in school, do well on various measures of learning, have low

absence rates and report they are satisfied with school, these measures can predict that their impact on society will be positive. If other stakeholders such as teachers, parents, and community members report they are satisfied with schools, support their schools, and incur opportunity costs to make sure their children stay in school, then this can serve as another measure of quality. The REDIP project defined selective measures of quality and collected information on the baseline survey and post-pilot survey to see if there were any changes in these selected predictors of quality.

REDIP also defined pilot activities that required school and community stakeholders to try new ways of interacting. In other word, REDIP provided certain resources such as revenue, books, expertise and supervision – standard educational inputs – and asked stakeholders to interact in new ways (change certain educational processes). Decentralization is supposed to create new ways for district, sub district and school-level stakeholders to interact using the same educational inputs as received in the past. One reason for this is that educational research suggests that certain patterns of interaction improve the quality of education. Most stakeholders do not currently practice these patterns. The conclusion is that since stakeholders don't know how to interact in effective ways, they use traditional patterns of education that have a negative impact on educational quality.

Traditional patterns of interaction include using centralized policy and planning and requiring local level educational structures to simply implement. This includes such factors as those mentioned earlier – curriculum, teacher education, textbook selection and testing. This is one pattern having a negative impact. At the classroom level, higher order learning is poor because pedagogy is teacher-centered, not student-centered. Teachers lecture and students copy. Students do not work together on authentic problem solving, complete projects or allowed to ask too many questions. At the school level, the principal is the educational leader. Teachers are not seen as school leaders and not involved much in planning and evaluating the success of the school's educational program. At the community level, the school is perceived as a closed system. Parents and community members are kept outside with little input other than deciding how much money they will contribute through BP3.

Research indicates that such patterns of how education is conducted in Indonesia do not contribute to the quality of education. As suggested, students leave school early because they don't see relevancy. Community members provide little support to the school because they have no say in what is taught or understand how they can help. Principals are not trained as educational leaders and how to involve teachers, parents and community in the process of education. It is expected that REDIP is examining these key elements of quality and will make recommendations on how changes can be made at the community and school level (REDIP focuses on processes at the school cluster, kecamatan and individual school levels) so that attitudes and behaviors of stakeholders change. This, in turn, will lead to higher quality, as researchers and practitioners suggest.

8.1.5 Legal and Regulatory System

Laws and regulations either create an enabling environment or inhibiting environment for education to achieve its goals. All educational systems are created through a nation's legal structure and clarified through policies, regulations, rules and procedures established at different levels of government. REDIP needed to function within the intensive changes underway due to the passage of two significant laws – Number 22 and Number 25 of 1999. Essentially, these laws set into motion decentralization of all government functions shifting responsibility for many activities from the national level to district levels. A new education act is being considered to replace Law No. 2 of 1989. This would align the current educational system with laws 22 and 25 and specify roles and responsibilities of MONE and the 361 education districts. For now, districts will have to function under laws 22 and 25 while reconciling decentralization requirements with the now outdated 1989 education act.

It will be difficult for school districts to move forward in designing quality education systems until some clarity is brought to the regulatory environment. Who is now responsible for curriculum, teacher training, school accreditation, textbook selection, financing education? If districts move forward prematurely assuming certain conditions, they may place themselves in the difficult situation of recanting or voiding new district regulations. The national government must move quickly in designing and passing a new education act so that school districts have a clear understanding of what they can and can't do.

In the meantime, districts, sub districts and schools can find ways to move forward under the current laws and regulations. It is likely that districts will be given more authority, not less under a new education law. By interpreting existing regulations to their fullest, lower levels of the educational system can improve the quality of education with no fear of having to retrench under a new law. For example, the law and regulations concerning BP3 describe roles and responsibilities that are broader than those currently assumed by BP3. This community organization is encouraged to participate in the fullest possible way in planning and implementing education. The education law and regulations are clear on this point. With proper training at the school/community level, stakeholders can learn how this can be achieved.

REDIP's pilots dealing with BP3 and TPK provide some insight on what activities lead to improved educational quality. Although TPK is not a specified organization under the current regulations, kecamatan-level BP3 organizations and kabupaten-level organizations should be created. These do not exist now in most cases. Other projects such as COPLNER and COPSET along with REDIP provide insights on how to link individual schools to a sub district level structure. These in turn can link, in the future, with district-level school boards when they are created.

The BP3 example is one of a number of examples that reflect on how decentralization can improve quality under the current education law and regulations. More details may be found in *Working Paper VIII* produced under REDIP. This paper explores the current regulatory system and suggests ways to improve the performance of the national, provincial, district, and sub

district and school levels. The paper was prepared with this very issue in mind. Educators need to be clear about the laws and regulations currently regulating education before changing them.

8.1.6 Management, Administration and Supervision

The act of decentralization shifts much of the responsibility for planning, implementing and evaluating education to lower levels within the system (it is still unknown what role MONE will play in educational governance, management, administration and supervision). Although this provides sufficient opportunities for decisions to be made closer to where they are to be implemented, lower level managers are less qualified and less well trained than their counterparts at the national level. School principals, for example, are selected from among teachers. They have had no formal preparation for such advancement. Although some in-service training is provided (not in all cases), the nature of the training deals with regulatory compliance. Second, under decentralization, the role of school supervisors will be vested with the district-level authority. Districts will inherit a system that has gone through recent restructuring where supervisors are to become subject matter experts. This will make an already bad situation worse. There was a significant shortage of supervisors prior to the change in duties. The shortage will be made much worse since many current supervisors are not qualified as subject matter experts.

Third, districts now or will have legal authority to manage education. Many of the 361 districts will need to expand employment to fulfill this role. It is likely that many new staff will be brought over from their former assignments at MONE. They will bring traditional ideas of how education should be managed. Fourth, at the school level, school-based management with community involvement is desired. Parents and community members have no experience in assuming roles that require effective planning and decision-making. Principals are the lynch pins ensuring this should happen. They will be asked to open a closed system. Yet, as suggested, they have no training in such an important element of educational quality.

At the national level, MONE is and will continue to experience major changes and shifts in responsibility. No one is sure of the role MONE will play in education. Until such time as a new education law is drafted and passed, districts will be unable to take on complete responsibility for managing education. Districts need to know how much control they will have over curriculum, instructional design, professional staff development, teacher pre-service training and certification, school accreditation, and many other issues.

These problems suggest that an aggressive system of training and development needs to be established. Stakeholders from government, the social sectors, students and parents need to be trained on how to play a larger part in improving education. There are a number of institutional structures at various levels that could take part of the responsibility for conducting training and development for the new roles of stakeholders from the school through district levels. These include the MONE training centers in each province, the various teacher training colleges, and numerous consultants that were trained under multilateral and bilateral development projects in education.

The problem is that no one really knows who is responsible for training and development of this type and who will pay for it. Until MONE establishes its new structure and passes a new education act, districts will be left on their own to assume how they will deal with preparing the human resources components at the district, sub-district and school levels. This is a rather haphazard approach and without some form of coordination across districts, wastes opportunities to build capacity of organizations and institutions at a key period when such institutional strengthening is most necessary.

8.1.7 Educational Financing

Always a problem for educational systems, the process of decentralization coupled with results of the recent economic crisis, has created a particularly acute problem for district educational systems as well as at schools and their communities. Although under funded, schools could count on the national government to pay teacher salaries and provide some level of funding for facilities maintenance and materials, equipment and supplies. Revenues generated through BP3 organizations established at each school augment this. Although decentralization will still guarantee salaries of civil servants in the near term, it is unknown how district governments will continue financing education once the decentralization transition is completed and civil servants are full employees of districts.

The 361 districts are to receive block grants from the national government and will then determine how to allocate block grant revenues across the sectors including education. Based on REDIP data collected from Central Java where 12 districts have already completed the transition, districts have appeared to reduce non-salary education revenues by approximately 40 percent from the levels formerly provided by the national government. Salaries appear to be guaranteed so staffing levels, in the near term, should be preserved. It is the non-salary budget that will be impacted. Schools will need to rely on BP3 to make up the shortfall. In addition, schools will need to find other revenues within their communities from sources other than parents. Some REDIP pilots have experimented with several techniques to raise additional revenues at the school level. Some were successful while others failed. Still, REDIP's contribution to fund raising at the school and community levels will help these schools augment lost revenues due to decentralization.

Until the transition is completed, no one knows how the national government will assure equity in educational financing between rich and poor districts. No mention is made in current legislation as to what role provincial governments might play in financing education. These two unknown factors may be key to providing additional funding to school districts. It is likely this will not be determined for several years. Until then, schools and sub-districts (kecamatan) must develop new skills in revenue generation similar to those practiced during REDIP. In addition, special interest groups will need to develop capabilities in lobbying district parliamentarians and government executives to ensure that higher percentages of district revenues are allocated for education. This could be achieved when district school boards are created. These boards could be linked to the TPK organizations piloted under REDIP. TPK could, in turn, be linked to school BP3 organizations so that information can flow from the school to the district level quickly and serve the needs to advocate for education to district parliaments.

8.2 Improvement in the Educational Administrative System

8.2.1 The Decentralized System and Its Current Situation

GOI finally commenced national scale administrative reorganization in January, 2001 in order to decentralize the administrative functions and the decision-making authorities according to the national laws, No. 22/1999 and No. 25/1999 signed by the former president, Habibie. The administrative functions will be mainly transferred to and concentrated on the district level (kabupaten/kotamadya level), which are the Bupati/Walikota and the district councils (DPRD). At the same time, there are also nation-wide controversies over the unclear direction of the decentralization and the lack of preparation for the transitional period in every sector.

Educational administration is not an exception concerning the situation noted above. Although information about the merger of the regional ministry offices (Kanwil-provincial level, Kandep-district level, Kancam-sub-district level) with the local government (Dinas) was spread among each office, there were no concrete guidelines released as to what function each office would take over or maintain before the realization of decentralization in January, 2001. The "merger" has simply been the absorption of former into latter. It is observed that the central government policy of decentralized functions as well as responsibilities (proposed together with the World Bank) have not been well informed to those related local offices for the preparation of the coming transitional period (see **Table 8-1**).

It is, therefore, possible to predict a significant degree of administrative dysfunction. Especially in secondary education at the district level, this may occur at least for the transitional period towards decentralization. This is due to the limited number of personnel who are capable to manage and implement secondary education delivery at the district level. The average number of personnel was approximately from three to five in the Planning and Programming Sub-Department at Kandep and none in the former education bureau, Dinas P&K of the district government. Moreover, these officials were mostly just dealing with supporting administrative function for the provincial ministry office (Kanwil). At present, officials in educational administration at the district level are facing a lack of technical support and adjustable guidelines for secondary education delivery in the districts.

(1) Current Situation in the REDIP Pilot Sites

The REDIP Study Team conducted field visits to collect information on the current degree of decentralization in the two pilot provinces (Central Java and North Sulawesi), four pilot districts (Kab. Brebes, Kab. Semarang, Kab. Minahasa, and Kod. Bitung), and four pilot kecamatans (Kec. Banjarharjo, Kec. Banyubiru, Kec. Kombi, and Kec. Bitung Tengah). As of March 8, 2001, each council in the REDIP pilot provinces (Central Java and North Sulawesi) and districts (Kab. Brebes, Kab. Demak, Kab. Klaten, Kab. Semarang, and Kab. Wonosobo in Central Java Province and Kab. Minahasa and Kod. Bitung in North Sulawesi Province) has passed the tentative reorganization plan of educational administration as shown in **Figure 8-1** to **8-6**. The general procedure of the reorganization plan at the district level is as follows.

1) The planning units of both district ministry offices and Dinas of district governments work together to prepare the drafts of the reorganization plan and submit them to the heads of each office.

2) Both heads approve the draft together as a tentative plan and submit it to the Bupati/Walikota.

3) The Bupati/Walikota submit the proposal of reorganization plan to the council for approval.

Table 8-1: Previous and Proposed Responsibility for Key Education Functions

Function	Previous Responsibility	Proposed Responsibility	
		Long-term	Interim
System Planning & Programming:			
Primary		BAPPEDA-II led team to	BAPPEDA-II led team to
Junior Secondary		include all agencies	include all agencies
Curriculum Design and Content:/a			
Primary	MOEC	MONE/Dinas I	MONE/Dinas I
Junior Secondary	MOEC	MONE/Dinas I	MONE/Dinas I
Selection of Textbooks:			
Primary	MOEC & Dinas II	*School (from MOEC list)*	*School (from MOEC list)*
Junior Secondary	MOEC	*School (from MOEC list)*	*School (from MOEC list)*
Procurement of Textbooks:			
Primary	MOEC & Dinas II	**Dinas P&K II**	**Dinas P&K II**
Junior Secondary	MOEC	*Dinas P&K II*	*Dinas P&K II*
Content of In-service Teacher Training:			
Primary	MOEC/Kanwil	MONE/Kanwil/Dinas	MONE/Kanwil/Dinas
Junior Secondary	MOEC/Kanwil	MONE/Kanwil/Dinas	MONE/Kanwil/Dinas
Delivery of In-service Teacher Training:			
Primary	Kanwil/Kandep	**Dinas II**	**Kanin/Kandep**
Junior Secondary	Kanwil	*Dinas II*	*Kanin/Kandep*
Appointment and Promotion of Teachers:			
Primary	Governor	**Bupati/Walikota**	**Bupati/Walikota**
Junior Secondary	MOEC Kanwil	*Bupati/Walikota*	*Bupati/Walikota*
Supervision of Teachers:			
Primary	Kandep	**Dinas II**	**Kanin/Kandep**
Junior Secondary	Kandep	*Dinas II*	*Kanin/Kandep*
Evaluation and Assessment of Education Programs:			
Primary	MOEC	MONE	MONE
Junior Secondary	MOEC	MONE	MONE
School Construction/Major Rehab.:			
Primary	Dinas PUP	**Dinas PUK**	**Dinas PUK**
Junior Secondary	Kanwil MOEC	*Dinas PUK*	*Dinas PUK*
School Rehabilitation and Maintenance:			
Primary	Dinas PUP	*Community (LKMD/BP3)*	*Community (LKMD/BP3)*
Junior Secondary	Kanwil MOEC	*Community (LKMD/BP3)*	*Community (LKMD/BP3)*
School Equipment and Furniture:			
Primary	Dinas P&K	**Dinas P&K II w/school**	**Dinas P&K II w/school**
Junior Secondary	Kanwil	**Dinas P&K II w/school**	*Dinas P&K II w/school*

/a The current policy allows for 20 percent, which should be encouraged.

Note: Entries in italics indicate a proposed change from current practice.

Source: The World Bank (1998:79)
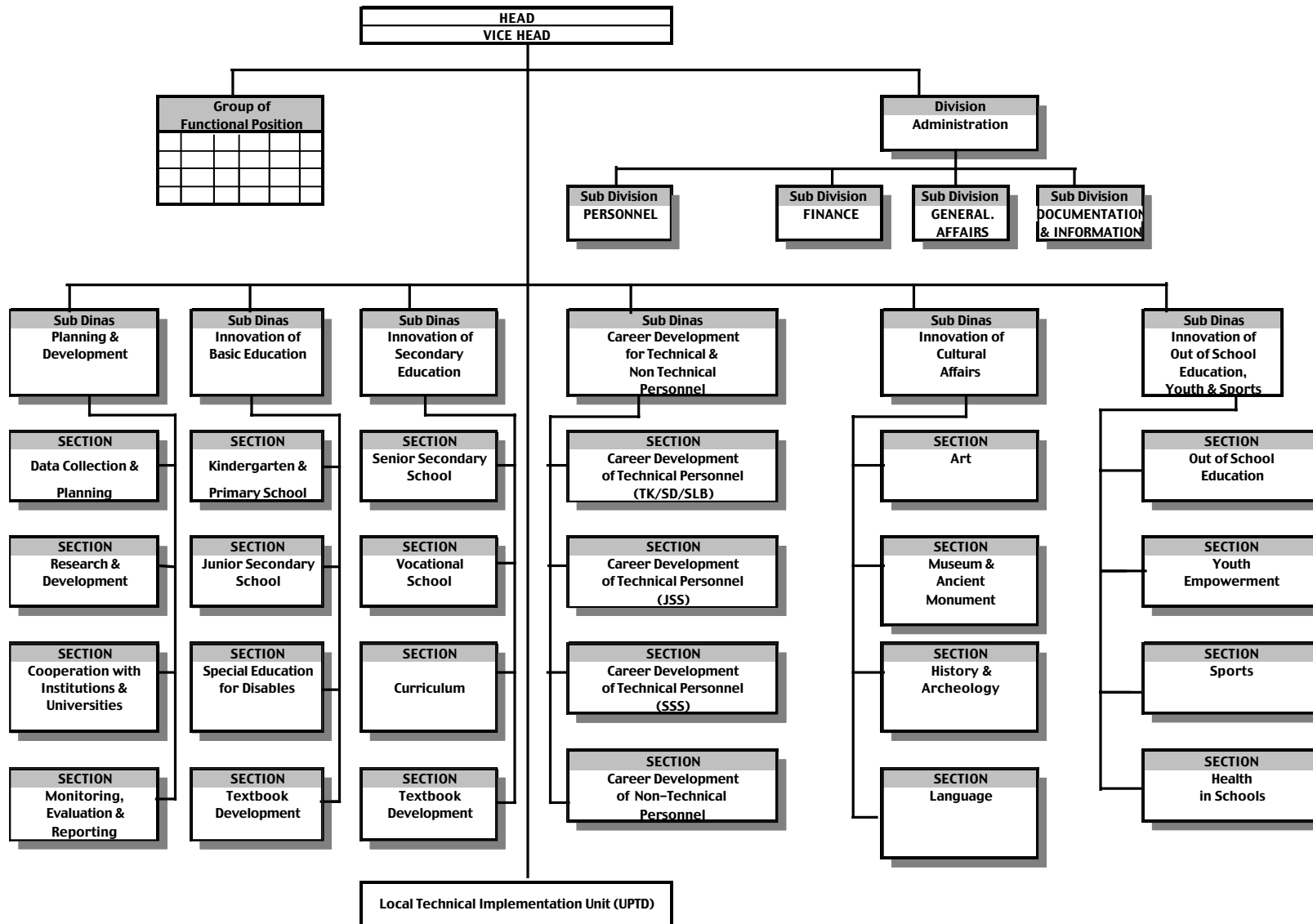
Figure 8–1: Dinas P & K Central Java Province

HEAD
VICE HEAD

Group of Functional Position

Division
Administration

- **Sub Division** PERSONNEL
- **Sub Division** FINANCE
- **Sub Division** GENERAL. AFFAIRS
- **Sub Division** DOCUMENTATION & INFORMATION

Sub Dinas Planning & Development
- **SECTION** Data Collection & Planning
- **SECTION** Research & Development
- **SECTION** Cooperation with Institutions & Universities
- **SECTION** Monitoring, Evaluation & Reporting

Sub Dinas Innovation of Basic Education
- **SECTION** Kindergarten & Primary School
- **SECTION** Junior Secondary School
- **SECTION** Special Education for Disables
- **SECTION** Textbook Development

Sub Dinas Innovation of Secondary Education
- **SECTION** Senior Secondary School
- **SECTION** Vocational School
- **SECTION** Curriculum
- **SECTION** Textbook Development

Sub Dinas Career Development for Technical & Non Technical Personnel
- **SECTION** Career Development of Technical Personnel (TK/SD/SLB)
- **SECTION** Career Development of Technical Personnel (JSS)
- **SECTION** Career Development of Technical Personnel (SSS)
- **SECTION** Career Development of Non–Technical Personnel

Sub Dinas Innovation of Cultural Affairs
- **SECTION** Art
- **SECTION** Museum & Ancient Monument
- **SECTION** History & Archeology
- **SECTION** Language

Sub Dinas Innovation of Out of School Education, Youth & Sports
- **SECTION** Out of School Education
- **SECTION** Youth Empowerment
- **SECTION** Sports
- **SECTION** Health in Schools

Local Technical Implementation Unit (UPTD)

Figure 8–2: Dinas P & K North Sulawesi Province

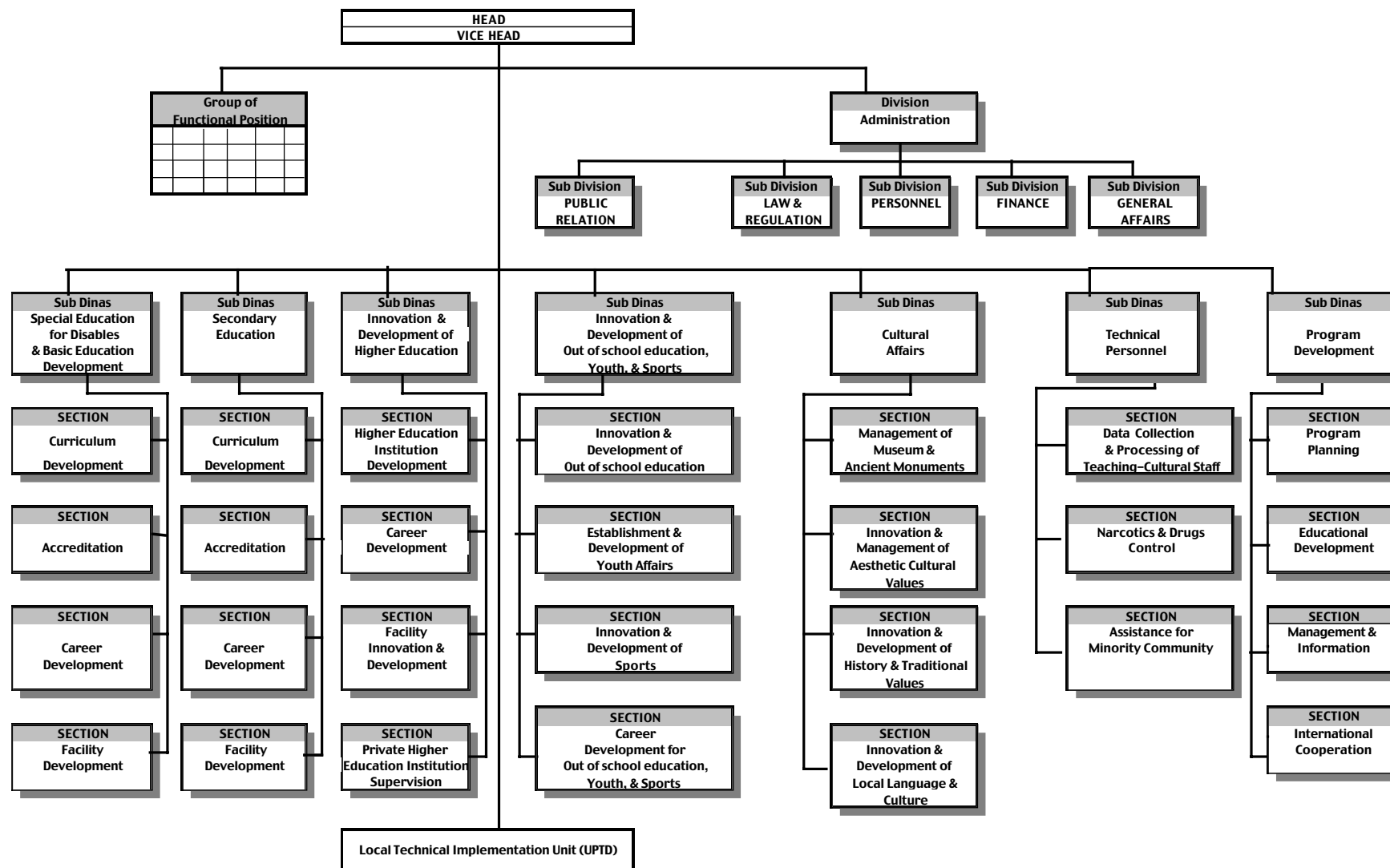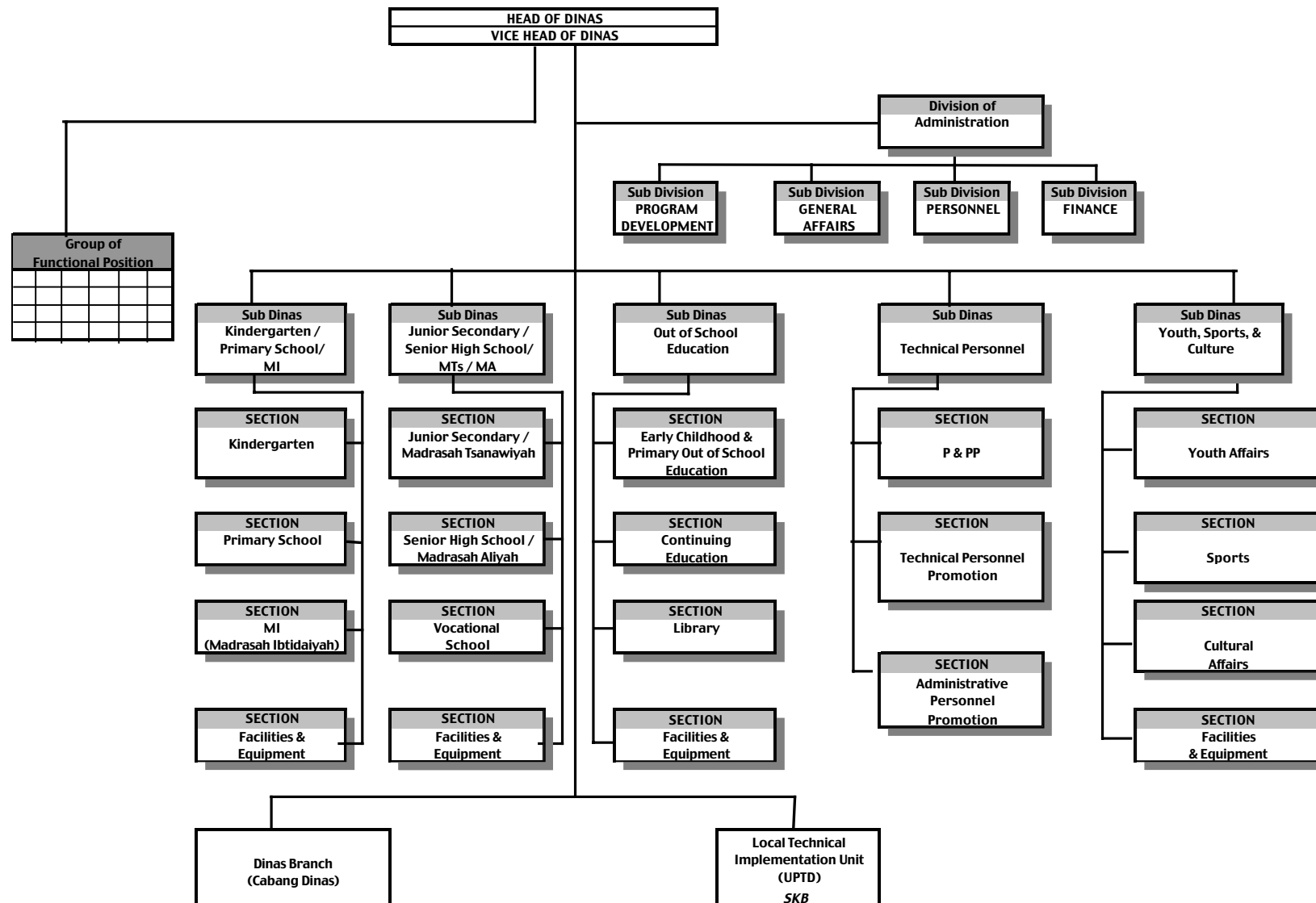**Figure 8–3: Dinas P & K Kab. Brebes**

Figure 8−4: Dinas P & K Kab. Semarang
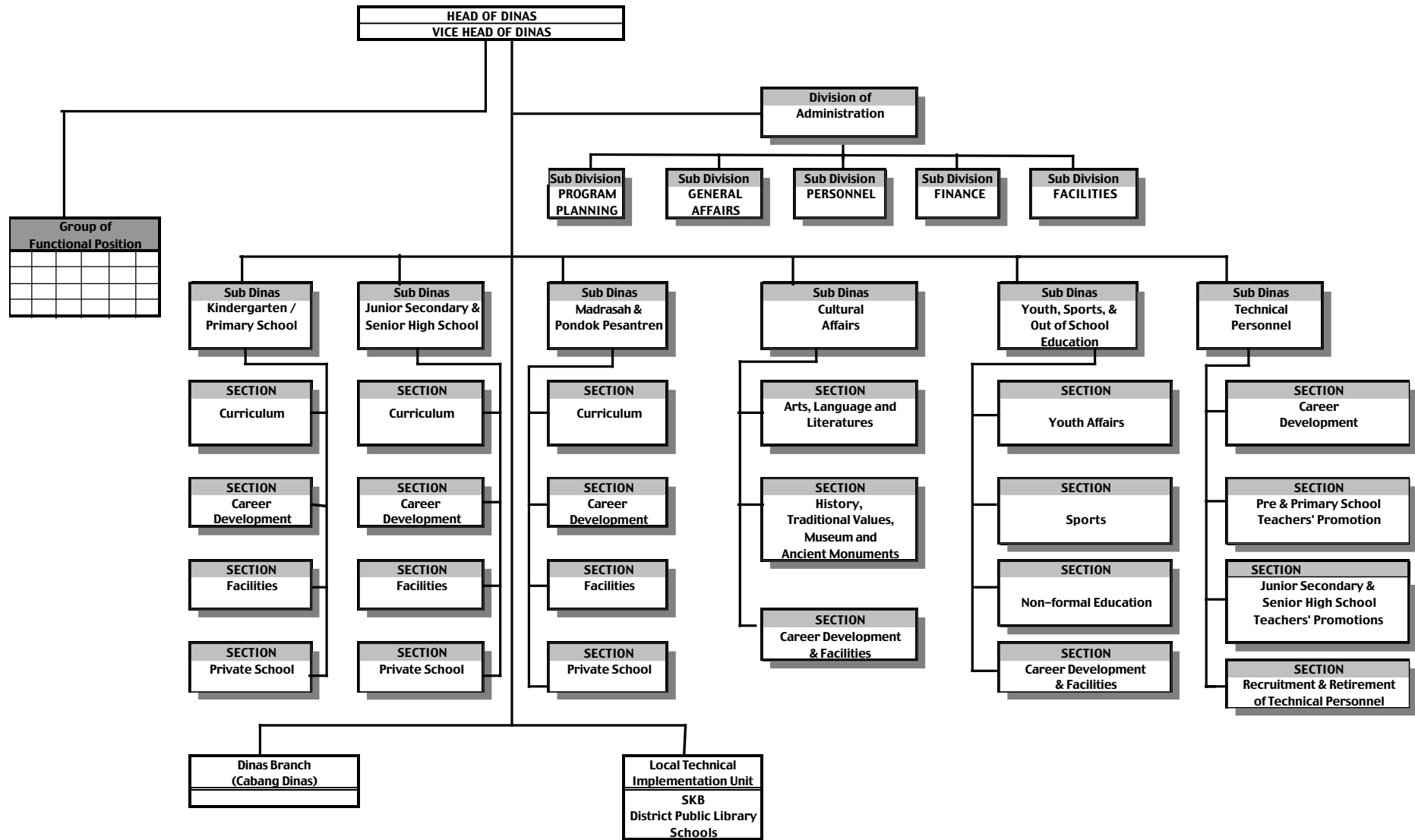
Figure 8–5: Dinas P & K Kab. Minahasa
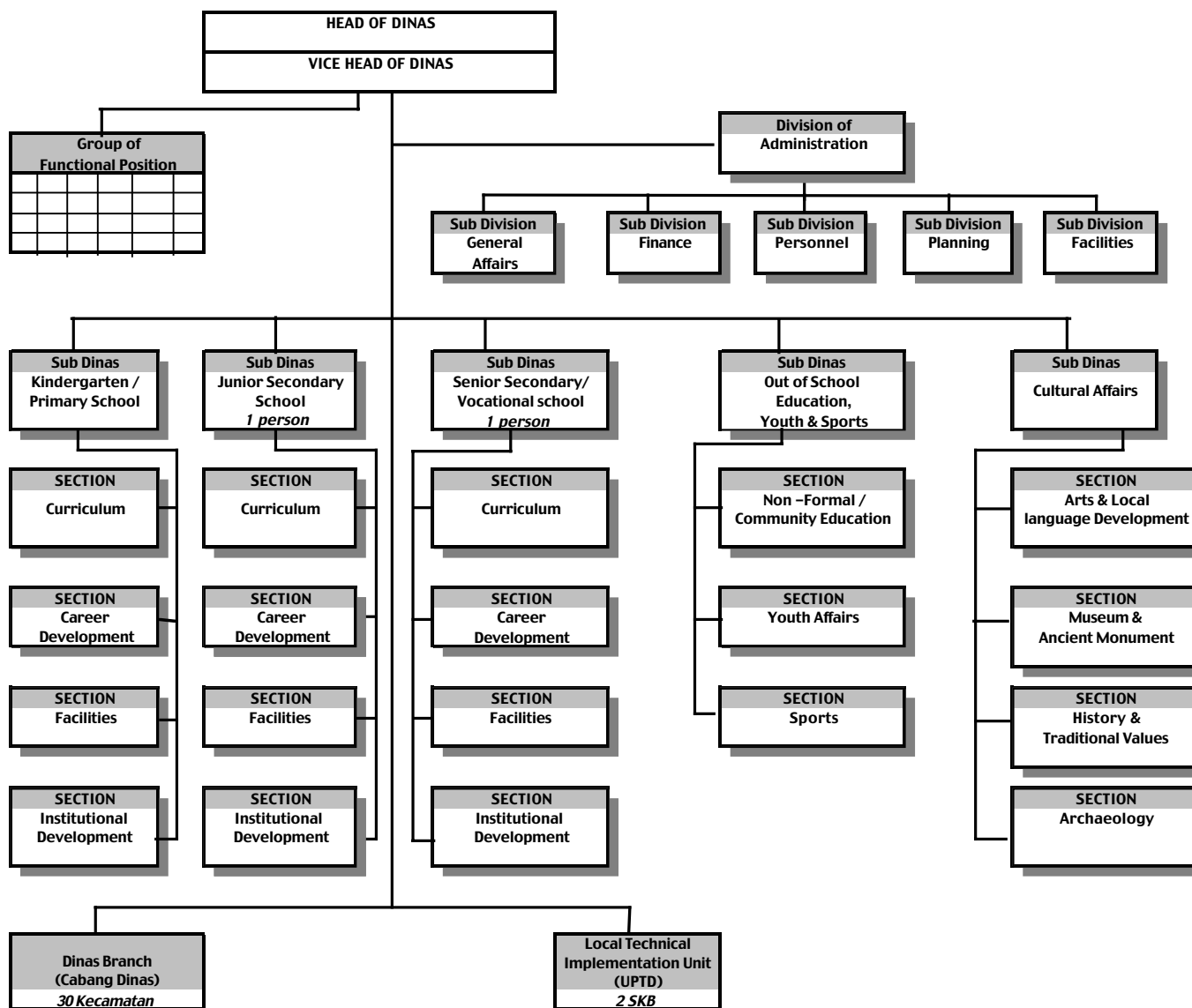
Figure 8–6: Dinas P & K Kod. Bitung
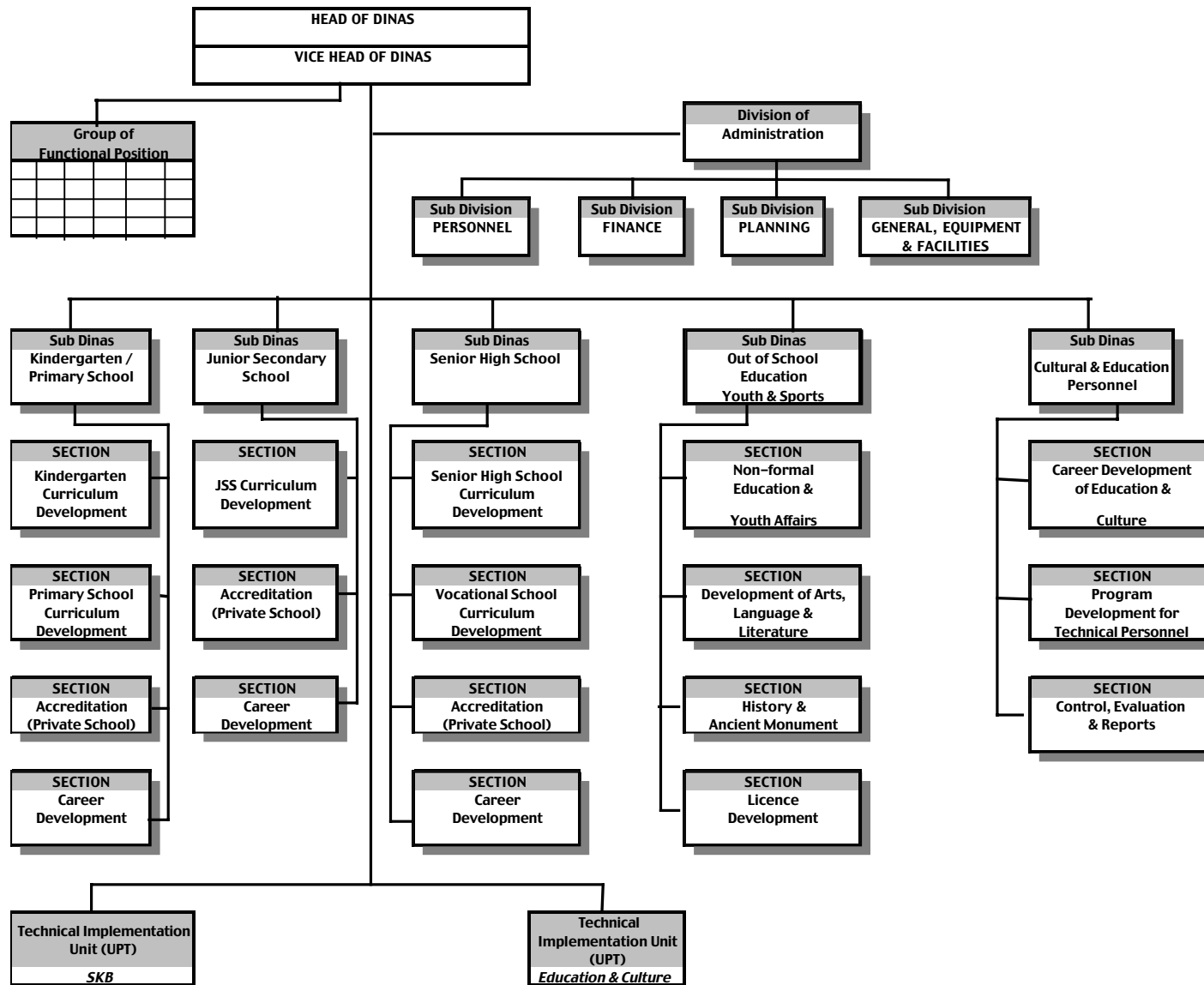
| HEAD OF DINAS |
| VICE HEAD OF DINAS |

Group of Functional Position

Division of Administration

- **Sub Division PERSONNEL**
- **Sub Division FINANCE**
- **Sub Division PLANNING**
- **Sub Division GENERAL, EQUIPMENT & FACILITIES**

Sub Dinas Kindergarten / Primary School
- **SECTION** Kindergarten Curriculum Development
- **SECTION** Primary School Curriculum Development
- **SECTION** Accreditation (Private School)
- **SECTION** Career Development

Sub Dinas Junior Secondary School
- **SECTION** JSS Curriculum Development
- **SECTION** Accreditation (Private School)
- **SECTION** Career Development

Sub Dinas Senior High School
- **SECTION** Senior High School Curriculum Development
- **SECTION** Vocational School Curriculum Development
- **SECTION** Accreditation (Private School)
- **SECTION** Career Development

Sub Dinas Out of School Education Youth & Sports
- **SECTION** Non–formal Education & Youth Affairs
- **SECTION** Development of Arts, Language & Literature
- **SECTION** History & Ancient Monument
- **SECTION** Licence Development

Sub Dinas Cultural & Education Personnel
- **SECTION** Career Development of Education & Culture
- **SECTION** Program Development for Technical Personnel
- **SECTION** Control, Evaluation & Reports

Technical Implementation Unit (UPT)
SKB

Technical Implementation Unit (UPT)
Education & Culture

(2) New Structure

Some analysis of this tentative reorganization is summarized below.

Dinas P&K or Diknas at provincial level

Kanwils all over Indonesia were officially closed on March 1, 2001.

1) The Planning Unit is no longer an independent unit. The planning function will be absorbed into each section or the sub-dinas of program development in North Sulawesi Province. The planning function will be downsized into one section called the Data Collection and Planning Section in Central Java Province.

2) The Youth Affairs, Sports, and Out of School Education Departments merged into one sub-dinas.

3) The Cultural Affairs, Museums & Historical Monuments, and History and Traditional Values Departments also merged into one sub-dinas.

4) JSE administration merged with the Primary Education Unit into one sub-dinas called the Innovation of Basic Education.

5) Dinas in North Sulawesi Province created a higher education establishment and development unit.

6) Both Dinas established one education section for the disabled.

Before further analyzing the district dinas, one fact should be mentioned here. At this point, MORA has no plan to merge with the local government. The administration of religious affairs will remain as it was before January 2001.

Dinas P&K[1] at district level

1) Although the Madrasah education administration merged with each education level in Kab. Semarang and Kab. Brebes, the function will withdraw since the MORA regional offices are not going to merge with Dinas as noted above.

2) JSE and SSE administration is added in the organization as one independent sub-dinas in Kab. Brebes and Kab. Semarang.

3) JSE administration is arranged into one independent sub-dinas in Kab. Minahasa and Kod. Bitung.

4) Planning function is divided into each sub-dinas according to the educational level and field.

Cabang Dinas P&K at kecamatan level

1) Kancam (ministry kecamatan office) was absorbed into Cabang Dinas (local government bureau office at kecamatan level) in Kec. Banjarharjo in Kab. Brebes and Kec. Banyubiru in Kab. Semarang. Both the former kancam heads were appointed as heads of the Cabang Dinas.

2) There is no change yet in kecamatan educational administration offices in Kec. Kombi in Kab. Minahasa and Kec. Bitung Tengah in Kod. Bitung.

---

[1] The name of each dinas of educational administration varies in each district according to the expected function.

3) There has not been clear information whether kindergarten and primary school supervisors now belong to cabang dinas at kecamatan level or dinas at district level in the 4 kecamatans.

(3) Personnel Transfer

As of March 8, 2001, the change of personnel at former Kanwil/Kandep was recognized only in North Sulawesi province. 64 personnel out of 447 moved from Kanwil to district Dinas. They received offers from district Dinas or voluntarily found posts in the district office. No dismissal of governmental officials has been found so far at any office. Generally, Dinas P&K in many districts are facing an insufficiency of personnel. Even after the merger of two offices (Kandep + Dinas P&K), there are more available posts for personnel of former Kanwil. Every official of former Kandep / Kanwil maintains NIP status as a national civil servant, yet they will receive salary from local government beginning at the next payment.

In the reorganized structures, it is observed that former MONE officials are appointed to higher posts than Dinas officials such as the head of Dinas and the heads of sub-dinas. The basis of these appointments is having higher qualification for education administration.

(4) Financial Situation

Except Kab. Brebes, no provincial Dinas or district Dinas has precise information concerning their budget allocation. Generally, there are three categories of budget from the national government: DAU, Dana Dekonsentrasi (for development budget), and DAK. As of March 8, 2001, only the delivery of DAU has been announced, yet the details of that budget are still unclear. Determination over budget allocation is still in the process at the councils in the districts and provinces except Kab. Brebes.

In case of Kab. Brebes, the Dinas P&K prepared their regional education plan in close cooperation with the Bupati and DPRD committee. The Dinas has already been informed that the budget for the education sector of the district will be increased up to 25-30%. This Kabupaten is the first district that approved the reorganization plan and started the operation according to the plan for year 2001 in the province.

However, every official in charge of EBTANAS implementation is worried about the delay of EBTANAS. They have not received any concrete information on this year's implementation including budget allocation.

(5) Job Description

As of March 8, 2001, almost no guidelines were informed to officials at former Kanwil in the education sector. They are still just waiting for their new job description or personnel restructuring plan and worrying about what kind of roles they will play in this new era. The new structure of Dinas is the only available information regarding decentralized administration in North Sulawesi Province. There was no such information available to officials at former Kanwil in Central Java Province. A similar situation was observed even in the districts. The

preparation of transitional procedure for decentralization is not efficient and thus is causing confusion among local experts in the educational sector. Urgent policy measures need to be established in the regional and local governments to avoid continuing the current situation.

8.2.2 REDIP's Lessons to Learn

(1) There is a need to link communities, schools, kecamatan, and kabupaten

Although the Kecamatan is an effective entry point for both access and quality improvement of JSE, REDIP pilot activities were the first opportunities for the kecamatan communities to work together on JSE improvement with an exception of the pilot kecamatans of UN-COPLANER and JICA-COPSEP activities. MONE kecamatan offices (kancam diknas) as well as local government education branch offices (Cabang Dinas P&K) have been in charge of the supervision of PE principals and teachers. JSE school principals and teachers in the same kecamatan almost never held meetings to exchange information and ideas for their skill development. Usually, other JSE training programs and official meetings have been held at Kabupaten/Kotamadya level so far. In this way, the opportunities for principals to exchange problems and ideas related to similar socio-cultural, socio-economic and geographic dimensions were quite limited. The opportunities for teachers to attend MGMP (Teacher's Subject Matter Study Group) in the capitals of each district is also still limited and the cost to participate is relatively high. Students' parents also have not had any experience to participate in education improvement activities together with principals and community members around the schools.

REDIP pilot activities have proved that the kecamatan is an effective and efficient channel for JSE cluster and socialization activities. The schools in the pilot kecamatans have been able to create close relationships with the kecamatan communities and education administrators to solve regional problems together. The participants have identified regional problems and have found creative solutions suitable to specific situations in the regions. It was observed that participants of kecamatan level activities have a stronger sense of 'community' around JSE schools than at the district level. Through REDIP activities, 'community' awareness has been able to grow for improving the access and quality of JSE. Most of the participants quickly responded to and were highly motivated by the project interventions.

Though in the REDIP practice, the involvement and initiative by former Kandep (ministry district office), which has merged with current Dinas, was limited, Dinas P&K[2] at district level will be fully in charge of JSE in the current decentralized organization, and there is a need to train qualified personnel for JSE delivery at the district level. For this purpose, REDIP type activities are effective. They help to transfer the technical support to the lower administrative level, which currently means from provincial level to district level. The interim team of technical assistance by former Kanwil officials should take place in the further implementation. In this way, the interim team can support district officials' management skills and avoid the predictable paralysis of JSE delivery. Meanwhile, the team can also develop their own expertise

---

[2] The name of Dinas varies in each district. Some are named 'Dinas P&K' and some others are named 'Dinas Pendidikan (Education)'.

for future training activities for district officials as well as other related training programs conducted at provincial level.

(2) Kecamatan is a relevant size for self-management

Almost all the participants in REDIP pilot activities brought up the point that the 'kecamatan' is an efficient size for the local community to collaborate for improvement of JSE. They can easily manage meetings, make agreements among participants, and realize their agreements into concrete action in a short period. Relative costs, such as transportation, preparation of materials, and snacks, are also quite low. In this way, TPK members have actively experimented and organized all sorts of effective and creative activities with involvement of their communities. It can be stated that the kecamatan can function for school and community planning, decision-making, self-motivation, and enhancement of awareness.

(3) 'Swakelola system' (self implementation and management) is an applicable mechanism

In the REDIP activities, self-micro planning was the starting point. Once the activity plans of each component and menu were agreed among all participants and met the project criteria, members of each component and menu implemented and managed the activities with the project fund (except one menu, School Block Grant, which requires matching funds from the community). This financial resource will be replaced with local governmental funds in the future. Only when all the procedures from current situation analysis through planning to implementation becomes transparent among all participants, can schools or groups gain trust and accountability and successfully self-implement and manage. In this way, REDIP has verified that the Swakelola system (self implementation and management with governmental funding) works and is applicable for JSE improvement at school level as well as Kecamatan level.

Additionally, the small-scale Swakelola system can contribute to the low leakage of funds (corruption) since users or beneficiaries directly watch the "managers' accounting". They can also put pressure on the managers to be accountable. In case managers fail, the communities will immediately respond to such incidents and disclose the information to the public.

8.2.3   Long-Term Improvement on Administrative System

(1) Governmental Policy Implications

Decentralized functions and responsibilities in JSE delivery have been indicated by MONE and BAPPENAS (proposed together with the World Bank) as seen in **Table 10-1** and REDIP *Interim Report I* (p.4-7: Table 4-2). The direction of JSE delivery in the long term aims at:
    1) school-based management,
    2) district level administration, and
    3) national standards
However, educational administration of 1) and 2) has currently been facing a lack of preparation. There has also been a serious delay in posting of personnel and determining financial resources. It also seems rather inefficient that the implementation of reorganization (personnel) has preceded the detailed planning of each unit function and administrative system.

(2) Applicable Guidelines with Phased Procedures and Technical Assistance System

In order to avoid deterioration in educational administration and to protect present school quality, applicable guidelines which comply with phased procedures for each function and responsibility should urgently be implemented by the central government during the present transitional period.

As noted above, the district educational administrations are currently experiencing a shortage of technical skills to deliver JSE. Resource persons are concentrated in the former Kanwil and can provide appropriate guidance to district level JSE administration. Therefore, establishment of an interim team of technical assistance by former Kanwil officials should be considered for the smooth transition to district autonomy.

(3) Clearer Check and Balance System

The district and provincial councils (DPRD) are expected to function as checks and balances to the Bupati/Walikota's or Governor's proposals. However, since the role of DPRD is still ambiguous, its present value is in doubt. In only a few cases are DPRDs playing their appropriate role as forums for open-discussion, fair approval, and social interests.

Therefore, an effective monitoring and reporting system (from which institution to which) for crucial administrative functions should be urgently established. Such a system would create relevant criteria in each district and province in order to evaluate administrative performance. The special committee for decentralization (SOT-PANSUS) should be expected to expand their duties to realize this kind of monitoring and reporting system.

(4) Establishment of 'Education Board' at District and Sub-district Level

Establishment of an "Education Board" can be one alternative to create an effective monitoring and reporting system in educational administration. It is observed that the social voice of the community has been quite limited in contributing to a fair "reward and punishment system" in educational administration, especially concerning the attitudes and behaviors of principals and teachers. Students' parents and communities around the schools have significant potential to participate in watching or monitoring school quality. The communities around the schools should be able to contact the Education Board about any findings and concerns. This alternative can create positive tension among the teaching staff as well as school administrators.

8.3 School-Based Management and Community Participation

8.3.1 General Situation Before REDIP

After the recent economic crisis, the decreasing ability of the central government to provide enough funds for education is hampering the quality and equity of education and Indonesian government adopted the strategy of decentralization in order to solve these problems. Decentralization of the educational system allows more authority and autonomy not only for local governments, but also for the schools. Under the decentralized education system, schools are expected to play the active roles in planning and implementing educational activities based on the local needs and conditions, and in enhancing the communication with the parents and the community in order to mobilize local resources.

BAPPENAS's Task Force on School-Based Management and Decentralization in Education argues that school-based management and community participation will improve the efficiency, quality and equity of education. School efficiency can be improved through greater autonomy of the school principal or the school board in managing resources, community participation in educational quality control, and streamlined bureaucratization. Quality of education can be improved thorough participation of parents, flexibility of school management and teaching-learning process, professionalism of school principals and teachers, and an incentive/disincentive system. Equity of education can be improved by increasing the community's contributions in educational financing.

Thus, in principle, the importance of school-based management and community participation is well understood and emphasized by the central government, but the government still does not know how to implement it. In this sense, REDIP's experiences on KKKS (Menu 1), BP3 (Menu 4) and Block Grant (Menu 5), are important contributions for the future Indonesian model for school-based management and community participation.

8.3.2 REDIP's Lessons to Learn

(1) Capacity Is There; Opportunity Was Not

REDIP assumed that the school is capable to plan and implement the new activities, and mobilize and manage the new resources from the community. This assumption is found quite right. Although REDIP cannot provide enough preparation time and training for the principals, parents, and the community due to the short time of the pilot phase, all schools were managed to conduct the new activities described in REDIP manuals, with the assistance of local field consultants hired by REDIP. This suggests that the schools have a capacity to plan and manage various school-based activities, but so far they have never given an opportunity to show their capacity.

Like the school, the community also proved its capability to collaborate with the school and help the school to improve its education by providing financial support as well as human resources. BP3 activities showed how the local population helped the school in the improvement (cleaning, painting, etc.) of the school environment through voluntary work, as well as in the provision of local instructors in local contents classes such as traditional dance and music,

sewing, automobile repairs, and so on. REDIP experiences have shown that if the right opportunity is given, the community is ready to help the school to improve the quality of education.

(2) Resources Are There; Mobilization Was Not

Before REDIP, the schools had seldom mobilized the resources from the community, but during REDIP, they were able to mobilize various resources from the community which includes not only financial contribution from the community, but also in-kind donation and local resource persons for local content classes such as traditional music and dance classes. Through educational awareness campaign and open seminars, the schools were able to attract the community's attention towards education, and it seems that the community became more collaborative to the schools and more willing to help for the school's needs. Thus REDIP showed that there are resources in the community which the schools can rely on, but seldom mobilized before REDIP.

In addition to the resources from the community, there is another important resource, that is, the experiences and knowledge which the school principals and teachers already have. When one principal or teacher faces the problem which seems not to be solved easily, the other principals or teachers may have experiences and knowledge on how to solve similar problems. Under REDIP, KKKS and MGMP activities encouraged for the principals and teachers to share their experiences, exchange their ideas, and learn from each other. This is found to be a very effective way to solve the school problem in a very practical manner which is appropriate for local environment and culture.

(3) Principal's Roles and Capacity for School-Based Management

Under the new decentralized educational administration system, the school principals started to feel the pressure to acquire the skills, knowledge and understandings of school-based management, which was evidenced by their active participation in REDIP's KKKS-based activities. Under school-based management, the principals are expected to play roles of not only a school administrator, but also an educational leader as well as a community mobilizer.

In order for the school principals to understand the new roles and learn the new skill, REDIP's experiences on KKKS-based activities have shown that peer-to-peer learning through KKKS (principals' meeting) and study tours to other model schools are more effective learning methods than traditional seminars which were often lectured by the government officials from the provincial and district offices. Using the existing KKKS structure, the principals from public schools as well as private schools, the principals from MONE schools as well as MORA schools, met regularly to exchange information, experiences and ideas among themselves, and many principals felt encouraged to plan and initiate actions to solve the problems in their schools. While the principals may need further training for practical problem solving techniques, but working together with peer principals certainly enhanced their motivation to perform better, especially among the principals of private schools and religious schools which used to be considered as the second-rate schools by the community. Principals from public schools were

instead able to learn fund raising techniques from the principals of private schools and religious schools, so the peer-to-peer learning is found reciprocal and mutually beneficial.

(4) Kecamatan's Roles

REDIP's activities were conducted both at school level and at Kecamatan level. TPK (Component A), KKKS (Menu 1) and MGMP (Menu 2) were implemented at Kecamatan level, and Kecamatan level was found the effective level for working together, mainly because of the small and manageable number (usually 5 to 20) of junior secondary schools in Kecamatan. The strong support by the Head of Kecamatan (Camat) and the active leadership and good co-ordination played by the Head of Kecamatan Education Department (called as Kakancam) were found essential for successful implementation of REDIP activities. Under the decentralization system, there is ambiguity on the roles of Kecamatan, but REDIP experiences have shown that Kecamatan is the most effective level for school-to-school co-ordination and community participation due to its closeness to the school and the community than Kabupaten.

In general, Kecamatan can play the following four roles:
- to inter-connect schools in Kecamatan,
- to inter-connect residents in Kecamatan,
- to link schools to residents in Kecamatan, and
- to connect schools and residents in Kecamatan to Kabupaten educational administration.

(5) Monitoring and Evaluation Mechanism

While REDIP hired local consultants to monitor and evaluate activities at school and Kecamatan levels, it is important to develop internal monitoring and evaluation mechanism in Kabupaten and Kecamatan levels. The data collection for monitoring and evaluation should be conducted in a bottom-up manner starting from the school level. First, all stakeholders on school-based management and community participation (not only principals and teachers, but also parents, students, and the community) and Kabupaten and Kecamatan officials should get together to identify the appropriate indicators for monitoring and evaluation, and develop the formats for financial records and activity reports. Then, after the schools compile and submit the financial records and activity reports to Kecamatan office, Kecamatan officials should check these records and reports by visiting the school regularly, hopefully every month. It is important to emphasize that the main purposes of monitoring and evaluation are not to criticize the school's failures, but a) to discuss school stakeholders on how to improve school-based management and promote community participation, and b) to discourage the misuse of the fund by some influential figures.

8.4 Rationale for REDIP II: Final Comment

In light of the changing structure of basic education, it is difficult to design appropriate project interventions to improve the quality of education. This difficulty arises from the fact that it is yet unknown what laws and regulations will be put into place and how educational governance and funding will be divided among the different levels of government from the national to the sub-district levels. Nevertheless, funding agencies such as the WB and ADB are moving forward with their plans for additional external investment in basic education. The "unknowns" should not prevent other funding agencies from moving forward in tandem with projects now being designed or implemented.

The educational system is a multi-tiered system and interventions need to be designed to change elements of the system at all levels. **Figure 8-7** shows the political, social and educational organization of basic education from the school level to the district level. Whereas much of the WB and ADB activities have been directed to improve schools and levels of government from the district level through to the national level, other projects have designed interventions at the community level, whether village or sub district level, and linking these stakeholders directly with schools.

Research suggests that to improve the quality of an educational system, interventions need to occur at these different levels of the system as well as across social, political educational and even economic units internal and external to education. Therefore, it is critical to understand how the various internal and external elements of the educational system through the district level will function in the context of Laws No. 22 and No. 25 of 1999. **Figure 8-7** will prove helpful when reading and interpreting the following paragraphs:

The Political Structure: The decentralization legislation specifies autonomy for the provincial government and the district governments (kabupaten or kotamadya). The decentralization of educational authority to the district level will create a number of impacts on education. The bupati or walikota (head of the urban district) will have primary responsibility for the executive decisions related to education. Whereas the district parliaments will be responsible for passing laws related to such topics as revenue generation or civil service employment, the chief executive will rely on the Dinas P&K II office to formulate regulations and procedures for educational implementation. Formerly this was the responsibility of MOEC (now MONE) with implementation at the district level falling to the P&K Kandep office of MOEC for secondary education and the Dinas II office of the Ministry of Home Affairs for primary education. It is generally believed that the Kandep offices of MONE will be merged with the Dinas II offices while the Kancam offices of MONE will be merged with the Cabang Dinas offices. There is less certainty with regard to the Kandep Agama or religious schools offices.
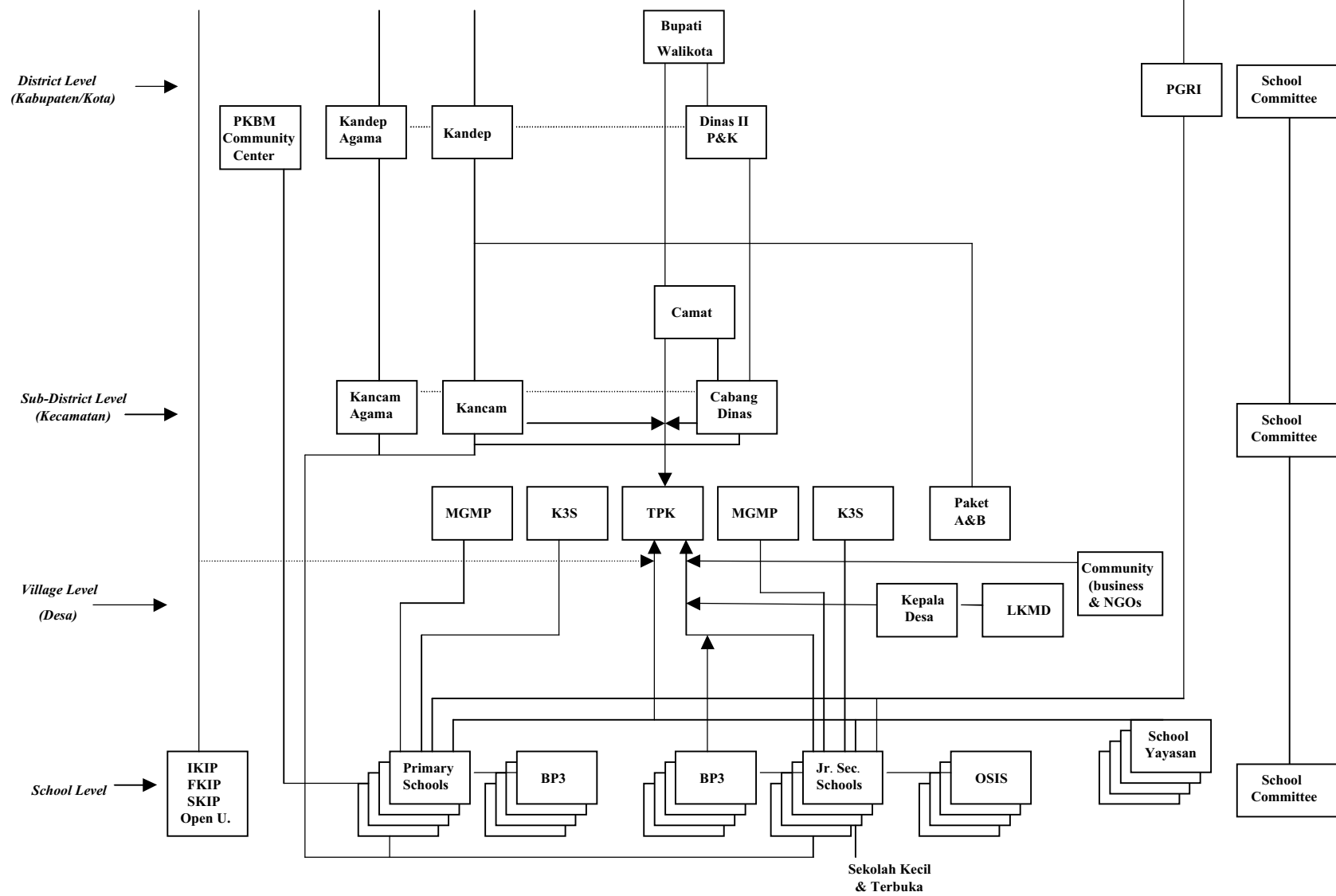
Figure 8-7: Political, Social and Educational Structure at the District Level and Below

The Camat heads the sub district government or kecamatan. The range of duties is similar to the Bupati but at the sub district level and the Camat reports to the Bupati. The Camat relies on educational inputs from the Cabang Dinas P&K. At the village level or Desa, the Kepala Desa is the head of this autonomous political structure or village council (Lembaga Muszyawarah Desa). It is the Kepala Desa's responsibility to represent the interests of the community within the political area of the village. This may include education; however, there is no official brief that the Kepala Desa is responsible for educational activities and programs.

It is anticipated that the national government will be responsible, through MONE with support from MORA, to develop general guidelines and minimum standards for education. Such activities as determining a national curriculum, educational research and development, equity financing, and policies for special and disadvantaged groups may form the key responsibilities of MONE. The Kanwil P&K offices (MONE offices at the provincial level) are likely to serve to disseminate information from the national government, handle enforcement of those regulations established at the national level and collect data about education from lower levels of education. Overall, it is expected that there will be a substantial reduction in force serving education at the national level. At the autonomous provincial level, no educational responsibilities have accrued to government, and provincial parliaments and governors will have little involvement in national education or district-level educational authority. It remains to be seen what laws may be passed by provincial parliaments that directly or indirectly impact on education.

The Educational Structure: With the Bupati or Walikota now responsible and accountable for education across the nation, the educational structure will change significantly. First, it is likely civil servants will be reassigned and hired at district employees. Dinas II P&K will prepare educational implementation regulations in response to national laws and decrees and district laws and decrees. The cabang Dinas is likely to be delegated the responsibility to provide management oversight. It remains to be determined which level of government and which agency within that level will handle school inspection which now resides in Kancam offices of MONE or the Kanin offices which were formerly Kandep offices but reduced to inspection authority only.

Second, universal education is now mandatory through year nine. Decentralization allows for the consolidation of management of basic education creating a more efficient structure. As mentioned, it is likely that the Kandep/Kancam offices will merge with the Dinas offices to further consolidate management and supervision of basic education at the kabupaten/kotamadya and kecamatan levels. Thus one organizational structure, not two, will be responsible and should be held accountable for governance and supervision.

Third, assets formerly controlled by MONE will be transferred to district ownership. Districts will be responsible and accountable for establishing systems to manage assets and resources. Recourse allocation and acquisition regulations and procedures, and consolidated financing, budgeting and accounting systems, need to be established not only at the district level but also at the school level. Schools will be responsible to the district. It is expected that different system

requirements can now be consolidated and simplified. Such procedures as DIP/DIK budgeting require separate accounting systems. This will now be eliminated resulting in a simplified system involving only one authority located at the district level. Further, it is anticipated that more funding will be provided by the national government to districts in the form of block grants. From the district to the school level better program and financial planning abilities will be needed to utilize the block grant system more effectively.

Fourth, much talk has been generated about bottom-up planning and school based management (SBM). It is expected that even with a simplified system, schools will be under-funded as compared to the needs of the system to produce well-trained graduates. The school will receive more attention as the center by which new forms of community involvement will lead to the evolution of schools that are more efficient, relevant, and effective. Stakeholders at the school level are likely to become more active participants in aspects of planning, implementation and evaluation of educational performance.

A number of educational structures exist that are designed to improve the quality of education and increase the resources assigned to provide education. These exist at various levels from school-level to national level and include the following:

1. **The Schools**. Primary and junior secondary schools were formerly managed by different political structures. Since this is now a consolidated and decentralized function, these two levels of education may be encouraged to work more closely together and create more seamless functions dealing with curriculum, teacher training, community services, fundraising and others. Those schools operated by government will continue to be structured in the same way. In addition to the standard SLTP schools it is likely that SLTP Terbuka and SLTP Kecil will continue to serve specialized populations; however, new techniques may be introduced to improve effectiveness. There may be some changes in governance and management of public and private religious schools operating through MORA. Also, private religious and secular schools may benefit financially as a result of decentralization. In fact REDIP has fostered some changes that have had direct impact on increasing enrollments of under-enrolled private MTs schools. Paket A and Paket B programs are likely to continue but there has been no discussion how these will be managed under decentralization. One major change in personnel will involve a change in employment classification. Currently national civil servants, all staff will be reclassified as district civil servants. For employees of private schools, the yayasan will continue to employ staff and manage schools. A question arises as to whether district governments will continue seconding government staff to private schools.

2. **Student Organization or Organisasi Siswa Intra Sekolah (OSIS).** OSIS is a junior secondary student organization within schools. Programs cover a range of activities from sports to volunteerism and students select the program in which they wish to participate. Students manage these programs and have teacher advisors assigned. Similar to emerging interest in service education and character education programs in

the USA, OSIS offers an excellent opportunity to expand student involvement in active learning. Also, OSIS could be expanded to be a kecamatan-level organization so as to serve broader community needs. This program has received no direct attention in externally funded projects, but the potential should not be ignored in the future.

3. **The Musyawara Guru Mata Pelajaran or MGMP for teachers.** The MGMP was designed as a kecamatan-level teacher development program. Some effort has been instituted to encourage MGMP to develop as a district-level program. At the primary level, teachers of the same grade level meet together while at the junior secondary level similar subject teachers meet. The purpose of these supposedly regular meetings is to share experiences and improve teaching. MGMP members are supposed to have access to Guru Inti or master teachers who serve as experts and can advise and provide on-serve training.

4. **The Kelompok Kerja Kepala Sekolah or K3S for school principals.** The K3S is a parallel organization to MGMP but for principals. Although designed to improve performance of principals as academic leaders and school managers, much of what has occurred has been limited to addressing cross school administrative needs such as scheduling cawu tests and paying for them. In many places meetings are not regularly scheduled and the entire design of the K3S is lost. One potential positive outcome as seen under the REDIP Project is that public and private schools have learned much from each other and quality of all schools has been lifted. For example one school identified as the Sekolah Induk or lead cluster school in a kecamatan supervises an SLTP Terbuka. As with many of these schools, high drop out rates were experienced and this was attributed to the long distances students had to travel to the supervising school twice weekly. The K3S is solving this problem by all eight member schools handling SLTP Terbuka students living near to the closest school, significantly reducing the distances they must travel. Like the MGMP, these kecamatan-level organizations are powerful mechanisms for improving the quality of education if properly utilized.

5. **Teacher and Principal Pre-Service and In-service Training.** There are a number of institutions involved in pre and in-service training of teachers and other professional staff. The IKIP, FKIP and STKIP are school education faculties that award not only diplomas but provide the AKTA teacher certification. Primary teachers must achieve a D2 (two years) while junior secondary teachers need to achieve D3, a fairly new regulation. In order to train a large number of teachers whose diplomas were one year short of the requirements, the government through external funding set up programs through the Universitas Terbuka or Open University. This allowed teachers to continue working while meeting new certification standards. For in-service programs the Balai Penataran Guru (BPG) provincial training centers and the Pusat Pengembangan Penataran Guru (PPG) national training centers were established and financed by MOEC/MONE. Numerous programs are offered each year to various school staff. These centers are generally well equipped with boarding facilities, classrooms, libraries and other resources. In addition to a small core staff, these institutions will draw from

IKIPs, the government and even private sources to acquire appropriate instructors while keeping recurring costs down. Thus, a professional development system structure is in place to provide pre and in-service training and when coupled with MGMP/K3S could be a powerful tool in improving the quality of education.

6. **Persatuan Guru Republik Indonesia (PGRI), a Teachers' Organization.** PGRI for many years served as a poltical institution within education to serve the Golkar party. All teachers were required to pay dues that were divided among national, provincial and district-level headquarters. As a result of the 18th Congress held in 1998, PGRI has shifted its focus to improving professionalism within the teaching environment. It still collects dues from teacher members but as an institution it is far from achieving its goals due to insufficient capacity to meet its mission. With assistance, PGRI could become a professional teachers' organization which might include a teachers' advocacy role. By improving the working conditions and pay of teachers, PGRI could assist in increasing teacher motivation by changing self-image of teachers. It could produce educational materials such as journals, instructional aids, conferences, and books on best practices. PGRI has taken the first step by decoupling itself as a political entity; therefore, it can serve as an independent association dedicated to improvement of teaching conditions in schools. The structure is in place but needs considerable capacity building.

The Social Structure: In this context, the social structure refers to the community and their possible involvement in education. For many years education has functioned as a closed system keeping social structures outside of planning, decision-making, program implementation and evaluation. Under decentralization, schools are being encouraged to include social structures in planning, decision-making, implementation and evaluation activities. In other words, schools are being asked to become open systems. In addition to encouraging individuals such as parents to participate social organizations are seen as having much to contribute to education. Four such organizations are described as follows:

1. At the school level, the **Badan Pembantu Penyelenggaraam Pendidkan** or **BP3** organizations are established through Ministerial Decrees 0487/U/1992 and 054/U/1993 and authorize the creation of such community bodies comprised of parents, teachers, other educational personnel and community figures. Decree No. 0293/U/1993 further defines BP3 to support all levels of education with the purpose of representing parents' interests, establish cooperative relationships, attempt to obtain voluntary donations, and establish a forum for communications. In reality, BP3 serves as a parent/school organization mainly to determine monthly fees that parents should pay to the school and is likely to be headed by a civil servant.

2. The **Lembaga Ketahanan Masyarakat Desa** or **LKMD** is a village level elected organization in which community members participate to determine community improvement needs. Money for such improvements is provided by the Ministry of

Internal Affairs and primarily used for infrastructure work including school repairs. Both the Kepala Desa and school principals are likely to be members.

3. **The Pusat Kegiatan Belajar Masyarakat** or **PKBM** is a community learning center funded by the Directorate of Community Education in MONE. The campuses may be found at 304 different primary schools although it is unknown how many are still functioning. The district-level community centers were designed to provide an array of community services such as Paket A and Paket B education, literacy programs, income generating program, individual interest programs, quality of life programs such as those involving nutrition and reproductive health, and poverty alleviation programs. Services are offered to the community as an evening program using primary school facilities. No such entity has been designed for junior secondary education.

4. The **Tim Pengembangan Kecamatan (TPK)** was created in 15 locations serving as pilot sites under the REDIP project. This was based on earlier models of kecamatan-level community organizations under the COPLANER Project. Membership is comprised of political, business, community and education members of the kecamatan community. The focus of their energies is to develop ways to improve the quality of education of member schools through numerous activities such as fund raising, competition, and good communications. These organizational structures have demonstrated a positive contribution to education since 19991 when founded under COPLANER and continued through the COPSEP and REDIP. It serves junior secondary education as part of REDIP but could be expanded to include primary thus covering the span of basic education.

5. **School Committees** were created to management the block grant and student scholarship programs funded by all of the recent education loans. The committees were created to select students and schools as well as manage and monitor the flow of money, selection and implementation activities. The activities are currently monitored externally by the British Council under contract to the ADB until 2001. The committees operate at the school, kecamatan and kabupaten levels. Although these committees operate separately from other community structures, there is no reason that such activities could not be merged with the BP# at the school-level and the TPK at the kecamatan-level.

The social structure has been the most ignored of the domains that should participate in effective educational delivery. Research indicates the one element of a quality school program is the level of commitment, support and involvement of parents and community in the educational process. The four organizations mentioned above are in-place and can serve as building blocks for creating closer relationships between schools and the communities they serve. Each represents a different level of participation from the school through village, kecamatan and kabupaten levels.

Many question arise as to what role these political, educational and social organizations should play and how they need to change to improve basic education delivery. Still other questions need to be asked involving the linkage between the political system and basic education delivery. How will curriculum change and how much authority will districts have in formulating curriculum? Who will be responsible for school accreditation and teacher certification? Will the EBTANAS continue in use as a national external examination? How will public and private, religious and secular schools change if at all under decentralization?

Three points are apparent from this discussion. First, many organizational structures exist already that can assist in improving education. Very little needs to be done to create new structures to improve education. Indonesia, therefore, has a basic system in place through to the district level to meet the needs of education. Second, all organizations in this system have inherent weaknesses and are in need of strengthening so as to better fulfill their roles in serving education. Third, even if strengthened, these political, educational and social organizations are loosely coupled or have no relationship to each other. To create a true educational system, appropriate linkages need to be created between and among these players to create a true educational system.

It is, therefore, recommended that a future JBIC-funded project have two goals:

1. In conjunction with other funded projects, build capacity of key organizations that will strengthen specific elements of education.

2. Determine appropriate linkages between and among these organizations and assist in strengthening those linkages through development of appropriate regulations and human resources development activities.

As mentioned, the WB and ADB are preparing two loans that will have the same goals and objective but located in different provinces. It is likely that such loans will strengthen the educational system at the district and school levels. This means that many organizations such as the TPK, PGRI, PKBM, LKMD and others will receive little attention. The more elements of the system that are strengthened the more effective the system will become. Therefore, the JBIC loan should be utilized to complement the WB and ADB loans by strengthening system elements that are not the focus of these loans. The REDIP project has pointed to effectiveness of the TPK an institution not being considered by either the WB or ADB. By working closely with these funding agencies within the same provinces they are working, JBIC will add value by creating a more complete decentralized educational system. This can be done by identifying the appropriate organizations; developing a capacity building plan and implementing it; and then linking these organizations to each other and to those being strengthened under the WB/ADB loans.
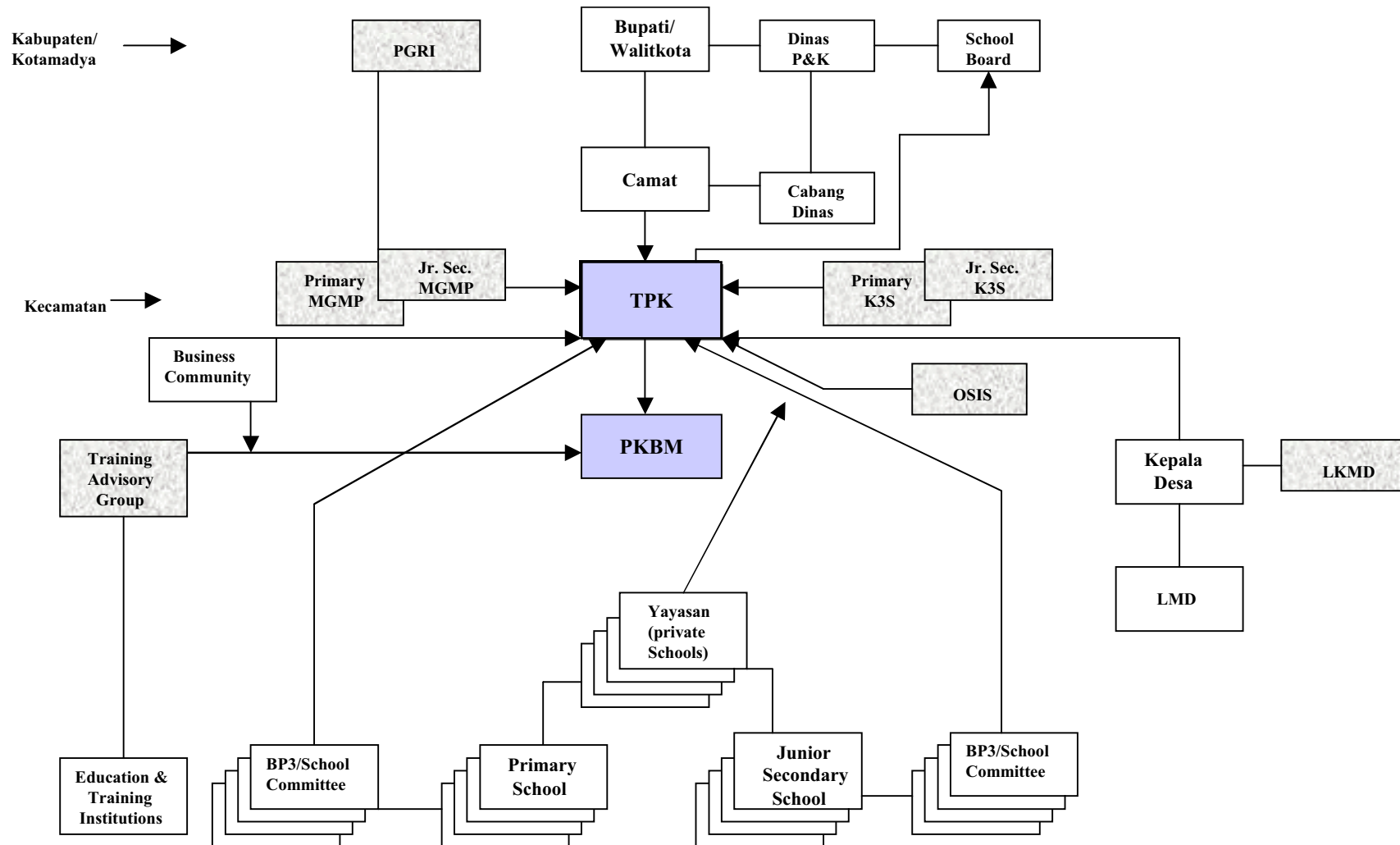
Figure 8-8: Target Organizations for Capacity Building

Figure 8-8 identifies those organizations that could be beneficiaries of such a loan. The key structure is the TPK. Based on the results of REDIP, the TPK has demonstrated its importance as the most appropriate linking mechanism at the kecamatan level. Arrowed lines show that membership is comprised of the important political, social and educational organizations. As a linking mechanism, the TPK has the function of serving as a forum for these diverse stakeholders to work together to solve community problems that extend beyond individual schools. Representative stakeholders return to their organization to disseminate results of TPK meetings. The camat can inform the cabang dinas of key implementation decisions as well as keep the kabupaten/kotamadya level political structures of important developments at the kecamatan level. The kepala desa can do the same for the village.

Eventually, another function of the TPK will be to establish and manage the PKBM or community learning center. In its original design, the PKBM was established at the district level. In reality the PKBM can be more responsive to community needs at the sub district level and since the TPK membership represents the broadest elements of the community is the most likely organization to manage the PKBM. Further since the PKBM may charge fees for certain services not only will it be a self-financing organization, it can fund the TPK so it becomes a sustainable community institution.

Those boxes that are shaded represent the organizations that may be the focus of capacity building under the JBIC loan since these are the organizations that the WB and ADB will least likely fund. In the case of the MGMP and K3S organizations, these are shown as overlapping structures. One important element of the loan may be to tighten the relationships between primary and junior secondary education, especially at the transition years (years 6 and 7). The emphasis on institution building will be on professional development on-service activities. This might include using outside training services provided by the IKIP/FKIP/SKIP as well as provincial-level resources of the Open University and BPG. It may also use informed sources from the community whether parents, NGOs and business and industry. It is recommended that another structure be created to serve as training advisors to the PKBM. Members from the education and training community can assist the PKBM in training needs analysis, development, implementation and evaluation so as to provide the necessary expertise on an as-needed basis. This can be fostered through the TPK.

Further professional development may be fostered through strengthening the PGRI at the district level, the lowest level of the PGRI structure. PGRI needs significant input on developing priorities that will benefit education and how to sustain these efforts through financial self-sufficiency. Income may be generated through sale of publications, teachers' attendance at conferences, and membership fees, and grants to conduct specific research such as developing a relevant incentive system for schools and school districts.

OSIS is recommended as a new structure at the kecamatan level. Students at the junior secondary level can benefit greatly from this type of participation and they have much to contribute to education. They can be involved in peer tutoring, help teachers develop inexpensive or no-cost teaching aids, fundraising, and developing more relevant experiences for

students. Representative would be selected from each school in the kecamatan to attend certain meetings of the TPK that focused on needs where students could help with solutions.

The LKMD has been sited by the WB as an organization eventually responsible for maintaining school facilities. In fact, the LKMD's role may be broader with respect to education. Help may be sought to provide volunteers for the school and help to identify other facilities that could serve education including formulation of a community library and museum. LKMD reflects the unique culture of Indonesia especially in rural areas. It has the potential of linking educational activities with other village-level activities and as such should be included in future development plans.

Finally, as an effort to de-politicize education and to transfer some authority to non-civil servants, the multilateral agencies are recommending the creation of school boards at the district level. This should be legitimized in the new education law anticipated in late 2001 or early 2002. This affords a link to the TPK from the district level similarly to the linkage of the two dinas offices. With a possible merging of BP3 structures with school committees and their linkage to the TPK, the chain is completed and the necessary element to achieve transparency is established.

Since an educational system must be viewed in the context of a number of inter-related resources, processes, structures and people from the classroom through to the national level, problem solving must take a systems approach. If one focuses on improving the quality problem while ignoring the access problem, it is likely that interventions will be less effective. The REDIP pilot programs isolated elements of the system that relate to quality and attempted to study specific impacts resulting from interventions. It must be remembered, however, that in the real world, recommendations related to improvement of quality must be linked to other aspects of the system. When REDIP reaches an implementation phase, it must consider how it will work with schools and their communities to look at identifying and solving educational problems in an integrated manner.

CHAPTER 9   THE POST-REDIP PROJECT

9.1   Background

Indonesia has largely achieved universal primary education.   Its gross enrolment rate exceeded 100% during the mid-80s.   Following this remarkable achievement, the government of Indonesia set junior secondary education as the next target to aim at.   In 1989, it adopted a policy of nine-year basic education, extending the period from the previous six years.   The policy was further consolidated in 1994 when the then President Soeharto declared that the country would achieve the nine-year basic education for all by 2013.   In contrast to primary education, junior secondary education at that time only achieved a 54% gross and a 40% net enrolment rate.   The government's efforts since then rapidly improved the figures, however; the gross enrolment rate reached 72% in 1999, despite the economic crisis and slowdown since 1997.

Although these figures are highly respectable, one challenge remains ahead: quality.   It is commonly acknowledged that quality of students varies considerably across Indonesia but on average is low.   The quantitative expansion of nine-year basic education must proceed together with the qualitative improvement.   With this respect, Indonesia still has a long way to go.

Another aspect that has become increasingly crucial is educational management.   In accordance with the government decision, Indonesia's system of educational management has been decentralized since January 2001.   Kabupaten and Kota governments now bear responsibility for the management of junior secondary education.   In line with this reform, it has been strongly recommended to install two principles in the new system: community-based approach and school-based management.   However, decentralization is a totally new concept to Indonesia and few people have experience of community participation in educational development or of school-based management.   Consequently, no clear picture exists about what the new decentralized system should be and most people remain unprepared to work in accordance to the principles of community-based approach and school-based management.

Against this background, two experimental TA projects assisted by JICA (COPSEP: 1995-2001 and REDIP: 1999-2001) have targeted the kecamatan level and field-tested some pilot projects that are perfectly in line with decentralization, community-based approach and school-based management.   REDIP, in particular, has achieved a remarkable success in just one year and proved that the experimented system is workable and effective in the regional context.   Based on the results and findings of the REDIP pilots, a larger scale project (the "Post-REDIP Project") is thus designed to replicate the model, as appropriately modified, in other places of Indonesia.

9.2   Objectives

The Post-REDIP Project has the following objectives:

1) To increase enrolment to junior secondary education
2) To improve quality of junior secondary education and improve students' learning
3) To assist the local governments to manage junior secondary education delegated from the central government
4) To induce community participation in the educational management and development
5) To mobilize community resources to improve junior secondary education
6) To increase people's awareness about education

9.3 Project Site and Target Groups

The Post-REDIP Project will be implemented in Central Java and North Sulawesi, the two provinces where REDIP and COPSEP have been carried out.   The reason for this selection is to best utilize the project experiences accumulated in the provincial and kabupaten officials and local consultants during the past years.   Considering that REDIP and COPSEP could so far cover only a very limited part of the provinces, it is logical that we give first priority to the remaining kecamatan and schools in the same provinces.

The basic formula used in REDIP about the site and target selection was to identify a kecamatan and deal with all junior high schools (SLTP, MTs, *Terbuka* and *Paket* B, public and private) located in the kecamatan.   According to the evaluation of the REDIP results, this formula proved extremely effective to induce and encourage community-wide participation.   Therefore, this same formula should be applied to the Project.   Given that a number of kecamatan should be selected as the sites, their actual selection can be done in two alternative ways:

1) Select a few kecamatan each from several kabupaten; and
2) Select a few kabupaten and cover all kecamatan in them.

The first method is the approach used by COPSEP and REDIP.   It is appropriate for an experiment which requires that the sample be as diversified as possible to represent the wide range of conditions in the real world.   For the Post-REDIP Project, however, the second method is strongly recommended for one particular reason.

One shortcoming of REDIP, as it turned out, was the weak involvement of kabupaten-level administration (Kandep MONE, Kandep MORA and Dinas II).   As for Dinas II, it was expected because Dinas II had yet to be given formal authority to deal with junior secondary education at the time REDIP was implemented.   Kandep's involvement, however, was not up to expectations due partly to the fact that REDIP covered only one, two or four kecamatan under their administration.   A way to correct this situation, evidently, is to select *all kecamatan in a given kabupaten* as project sites.

If the second approach is used, the selection of kabupaten will be done with respect to the following criteria:

- Number of kecamatan
- Number of junior high schools
- Enrolment rate
- NEM scores
- Accessibility
- COPSEP performances (if applicable)
- REDIP performances (if applicable)
- Duplication with other donor-assisted projects

Basic data to be used in the selection are summarized in **Tables 9-1** and **9-2**.

Table 9-1: Populations and Number of Kecamatan and Junior Secondary Schools by Kabupaten (Central Java)

Kabupaten/Kotamadya		Population (1997)	Kecamatan	Junior High School (1999/2000)			Population per Kecamatan	Population per School
				SLTP	MTs	Total		
Kab.	Cilacap	1,540,240	22	160	45	205	70,011	7,513
Kab.	Banyumas	1,385,228	27	127	40	167	51,305	8,295
Kab.	Purballinga	752,412	16	57	33	90	47,026	8,360
Kab.	Banjarnegara	811,408	18	54	34	88	45,078	9,221
Kab.	Kebumen	1,141,797	22	101	56	157	51,900	7,273
Kab.	Purworejo	703,072	16	92	12	104	43,942	6,760
Kab.	Wonosobo	688,488	13	62	22	84	52,961	8,196
Kab.	Magelang	1,035,544	21	119	62	181	49,312	5,721
Kab.	Boyolali	857,207	19	89	36	125	45,116	6,858
Kab.	Klaten	1,099,458	26	126	27	153	42,287	7,186
Kab.	Sukoharjo	715,158	12	69	14	83	59,597	8,616
Kab.	Wonogiri	973,752	24	120	18	138	40,573	7,056
Kab.	Karanganyar	739,321	17	77	21	98	43,489	7,544
Kab.	Sragen	841,846	20	86	20	106	42,092	7,942
Kab.	Grobogan	1,200,850	19	89	66	155	63,203	7,747
Kab.	Blora	789,376	16	75	35	110	49,336	7,176
Kab.	Rembang	543,668	14	44	27	71	38,833	7,657
Kab.	Pati	1,087,414	21	76	110	186	51,782	5,846
Kab.	Kudus	675,869	9	43	48	91	75,097	7,427
Kab.	Jepara	888,711	12	56	73	129	74,059	6,889
Kab.	Demak	903,006	13	51	84	135	69,462	6,689
Kab.	Semarang	812,823	15	85	35	120	54,188	6,774
Kab.	Temanggung	637,542	13	63	30	93	49,042	6,855
Kab.	Kendal	837,894	17	76	32	108	49,288	7,758
Kab.	Batang	613,136	12	50	24	74	51,095	8,286
Kab.	Pekalongan	721,317	16	53	23	76	45,082	9,491
Kab.	Pemalang	1,193,748	13	85	23	108	91,827	11,053
Kab.	Tegal	1,292,464	18	68	53	121	71,804	10,682
Kab.	Brebes	1,652,088	17	90	67	157	97,182	10,523
Kod.	Magelang	122,960	2	21	2	23	61,480	5,346
Kod.	Surakarta	519,470	5	84	7	91	103,894	5,708
Kod.	Salatiga	104,834	4	20	2	22	26,209	4,765
Kod.	Semarang	1,367,949	16	166	31	197	85,497	6,944
Kod.	Pekalongan	342,715	4	26	8	34	85,679	10,080
Kod.	Tegal	314,711	4	31	5	36	78,678	8,742
	Total	29,907,476	533	2,691	1,225	3,916	56,112	7,637

Source: Jawa Tengah Dalam Angka 1998
          Profil Pendidikan Propinsi Jawa Tengah Tahun 1999/2000

Table 9-2: Populations, Number of Kecamatan and Junior Secondary Schools by Kabupaten (North Sulawesi)

Kabupaten/Kotamadya		Population (1997)	Kecamatan	Junior High School (1997/1998)			Population per Kecamatan	Population per School
				SLTP	MTs	Total		
Kab.	Bolaan Mongondow	418,416	15	76	16	92	27,894	4,548
Kab.	Minahasa	714,374	30	220	4	224	23,812	3,189
Kab.	Sangihe Talaud	270,067	18	69	6	75	15,004	3,601
Kod.	Manado	399,714	5	84	6	90	79,943	4,441
Kod.	Bitung	107,243	4	21	2	23	26,811	4,663
	Total	1,909,814	72	470	34	504	26,525	3,789

Source: Sulawesi Utara Dalam Angka 1997
          Kanwil Pendidikan Propinsi Sulawesi Utara

9.4   Basic Principles

The Post-REDIP Project will adopt the following five considerations as its guiding principles.

(1) Kecamatan and Kabupaten Levels as the Prime Targets

The Project aims at the kecamatan and kabupaten levels as its prime targets.   It identifies the kecamatan as the most appropriate unit for community-based educational management.   It also involves the kabupaten (and kota) because that level is to assume the administrative responsibility for junior secondary education in accordance to the decentralization.

(2) Simultaneous Empowerment of Community and Schools

The Project will directly empower the community and the schools at the same time.   REDIP has proved that their simultaneous empowerment will effectively and mutually enhance the project impact.

(3) Equal Coverage of All Schools

The Project will cover all the schools in a given kecamatan on an equal basis.   REDIP has also proved that this principle is particularly instrumental to achieve community-wide interest and participation.

(4) Flexibility

The Project will impose as little restriction as possible on the project activities.   The Project will only provide the general guidelines to the participants and ask them to propose activities of their own needs and preferences.   No set amount of budget or list of activities will be given.

(5) Performance-Linked Rewarding System

The standard duration of the Project implementation is two years (excluding the preparation period).   The period, however, may be shortened or extended according to the participating kecamatan's or school's performance.   After the interim evaluation at the end of the first Activity Year, poor performers may face premature termination of the Project.   On the other hand, good performers may be given a third year as the extra Activity Year after the standard two years finish.

9.5 Project Components

9.5.1 Main Components

The Project will be composed of two components (Component A and Component B). Component B further consists of four "Menus." Component A is aimed at the community at large while Component B deals directly with individual schools. Their brief descriptions will follow.

(1) Component A: Kecamatan SLTP Development Team (TPK: *Tim Pengembangan Kecamatan*)

Background   At present, there is no formal organization at the kecamatan level in which representatives of SLTPs, kecamatan administration and local community can meet together. As the administrative system for junior secondary education is decentralized, there is a strong need for such an organization at the kecamatan level to foster community-SLTP linkages.

                An immediate need is the coordination of the Project activities in the kecamatan. The Kecamatan SLTP Development Team is to be created to meet this requirement.

Objectives   To promote better junior secondary education to all students in the kecamatan.

                To act as the kecamatan-level coordination body which will guide, support, facilitate and monitor the activities carried out in the Project.

Members
- Camat (optional)
- Head of Kecamatan Office (Kakancam)
- Representative of SLTP Principals (1 or more)
- Representative of BP3s (1 or more)
- Representative of SLTP teachers (1 or more)
- Community and/or religious leader (1 or more)
- Representative of village heads (1 or more)
- Representative of Dinas Pendidikan Kabupaten/Kota

Structure   Chairman should be elected from among the members (except the representative of Dinas Pendidikan Kabupaten/Kota)

                Secretary should be appointed from among the members. SLTP principal is recommended for this position.

Actions   Basically, TPK can and should do whatever activity it thinks appropriate and effective to improve junior secondary education in the kecamatan. Some suggestions for the possible TPK activities:

1. SLTP Forum
2. Planning Kecamatan's junior secondary education
3. Monitoring the Project
4. Awareness campaign
5. Fund raising
6. Inter-school sports games
7. Art contest and exhibition

(2) Component B Menu 1: KKKS-Based Practical Training

Objective   Give principals practice-oriented training which is:

- Practical (find and try out a solution to their real school management problems)
- KKKS-based (mutual communication and peer pressure)
- Utilizing available courses/materials and adding something new
- With strong on-site follow-up or monitoring of their post-training applications

Actions

1. Deliver and give the BPG one-week training program (or equivalent) to the KKKS principals.
2. Let each principal identify one problem to tackle in his/her school. Let him/her prepare a report describing the problem and his/her plan on how to approach it.
3. Have the principals to present their reports at KKKS meetings and discuss them. Let the principals modify their report and plan.
4. Organize a study trip to a nearby school which is regarded as a model or outstanding school. The principals meet with the principal, teachers, students and/or parents of the school and have detailed discussions with them to find hints to their solutions.
5. Let the principals take actions to solve their problem identified earlier. Provide some funds if necessary.
6. Review the results together at the KKKS meetings. Give the "Best Solution" award to the best performing principal, if appropriate.

(3) Component B Menu 2: MGMP Revitalization

Objectives   To reorganize and revitalize MGMP as the most effective means for the teachers to share their experiences, skills and teaching tools and equipment at the kecamatan level.

To initiate one or some of the concrete actions below:

- Development and utilization of teaching materials
- Improvement on the evaluation method (continuous evaluation of

students' learning)
- Improvement of teaching methods/skills

Actions
1. Reorganize MGMP so that both SLTP and MTs schools are represented in one MGMP.
2. Let the MGMP members think over why it is difficult to share information, experience and tools. Review past or similar experiences of Indonesia and foreign countries. Have them to draw up a plan to overcome the difficulties.
3. Select one or some from among the three actions indicated above. Organize a program to carry out the subject.
4. If necessary, purchase additional textbooks for every student to have one.
5. At regular MGMP meetings, members should report the progress of the action program and discuss details.
6. Hold a workshop to present the final outcome of the action program(s). Various ways of presentation and sharing can be tried as well: For instance, open class, a joint meeting of KKKS and MGMP, a presentation at the Kecamatan SLTP Development Team.

(4) Component B Menu 3: BP3 Activities

Objectives
To expand BP3's functions to become a PTO (Parent-Teacher Organization) which facilitates school-parent interactions.

Actions
1. Reorient BP3 to take various actions like:
- Open classes for parents to attend
- Home visit by teachers
- Parent-teacher meeting
- Parent education evenings
- Programming for local contents
- School-family events (sports, performances, displays)
- Provide repairs, clean the grounds, paint, plant, etc.
- Volunteers to assist school or extra-curricular activities
- Publication of a school newsletter
2. Offer an award to the "Most Active BP3" to be selected by the Kecamatan SLTP Development Team.

(5) Component B Menu 4: Block Grant

Objectives
To give the school an opportunity to quickly satisfy some pressing needs of its own choice.

To provide training to principals on how to secure funding through grant proposal writing and on how to ensure accountability throughout the whole process.

To encourage local fund raising through the required matching funds scheme.

Actions
1. Principal prepares a request for the block grant indicating how much is needed for the purpose and how he/she will raise matching funds as part of the amount. (The Project will provide either 60%, 75% or 90% of the total amount. The balance must be raised by the school to qualify for the grant.)
2. Upon approval by the Project, money will be transferred to the school bank account.
3. School spends the grant and submit Monthly Report.
4. Field Consultant will closely monitor the process throughout the period.

9.5.2   Subsidiary Components

(1) Baseline and Post-Project Surveys

As part of the standard project evaluation process, "before-project" and "after-project" surveys shall be conducted on all the participating junior high schools. Basically, the two surveys collect data for the same set of indicators. The data will be compared to see the impact of the Project. The indicators should be selected in advance with respect to the objectives of the Project. REDIP developed an extensive list of indicators and a set of questionnaires to be used for this purpose. They will provide a good basis to design the surveys.

(2) Achievement Tests

One standard indicator should be students' achievement. The baseline and post-project surveys may not be an appropriate method to measure this, however, because the sample will not be identical for the two surveys. To measure improvement on students' achievement as accurately as possible, achievement tests should be conducted twice each year (at the beginning and at the end) on the same sample of students selected from the participating schools.

(3) Training

Training shall be provided to main participants of the Project on the concepts of and the skills for educational planning at the kecamatan level. Training shall be repeated each year with emphasis put on different contents:

Year 1   On the basics of educational planning and proposal writing (as part of socialization)

Year 2   Follow-up training on the educational planning and project formation (in conjunction with the exchange program)

Year 3   Follow-up training on the educational planning and project formation (in conjunction with the exchange program)

Year 4   Overseas training for selected TPK members and Kabupaten officials

(4) Exchange Program

This program will provide TPK members an opportunity to exchange their Project experiences among themselves.   Since the Project encourages the participants to formulate activities according to their own needs and priorities, there would be no formula set in advance by the guidelines.   Under such a condition, it would be very effective for them to learn from others' experiences in order to improve their activity design and implementation.   The Project will conduct an exchange program in the middle of the activity year (twice in total for Activity Years 1 and 2).   TPK representatives will visit other TPKs to have a meeting, take an observation trip to participating schools, discuss problems and solutions, etc.

(5) Special Study

A Special Study will be built in the Project as a preparation for another project to come after the Project.   Since the Project is still of small scale and covers only limited sites, another round of project will be necessary to implement the REDIP model in other areas.   The Special Study's purposes are to identify appropriate sites for the next round project and to review the Project's performances so far to see whether design modifications will be needed in the next project.

9.6 Organizational Structure

As of mid-March 2001, the government system for educational administration is still under reform and its whole picture has yet to be seen. Furthermore, even where the new system is in place, it very much remains just "on paper" and should be test-run whether and how it works. Of particular concern to the Post-REDIP Project are two issues:

1)   How is *Dinas Pendidikan* of Kabupaten organized and who will be in charge of junior secondary education?

2)   How is *Dinas Pendidikan* of Province related to *Dinas Pendidikan* of Kabupaten?

According to preliminary information, Kabupaten now has freedom to organize its administrative structure as it likes (it did not under the previous regime) and consequently administrative structure for junior secondary education varies among kabupaten. (For instance, in one kabupaten SLTP and MTs are managed by the same section while in the other two sections deal with SLTP and MTs separately.)

The second issue is very murky as well. In principle provincial *Dinas Pendidikan* under the new system only has "consultative" roles vis-à-vis *Dinas Pendidikan* kabupaten. It no longer has the same kind of administrative authority that the former kanwil had over *Dinas Pendidikan* kabupaten. However, it is totally unclear if this provision will work as stipulated.

Considering these circumstances, it seems difficult and premature to design a proper structure for project implementation at this stage. It may be more appropriate to draw the organizational structure later when the new system has fully become operational.

9.7   Implementation Plan

9.7.1   Possible Financial Sources

Possible financial sources for the Post-REDIP Project include following ones.   A brief description of them and assessment of their possibility will follow.

(1) GOI Budget

With the implementation of the government decentralization starting January 2001, budgetary processes are under a complete restructuring.   It is not immediately clear, for instance, who is in a position to carry out the Project and appropriate the necessary budget: the Ministry of National Education or participating Kabupaten?

More limiting is the overall financial resources available for education.   According to very preliminary information and calculation, the estimated costs for Block Grant (Component B Menu 4) alone will far exceed a typical kabupaten's total budget for non-salary items for junior secondary education.   Given these conditions, it will be practically impossible for the Indonesian government (either the Ministry or Kabupaten) to finance the Project.

(2) On-going Loan

Another possible source is on-going loans.   The World Bank and the Asian Development Bank have several basic education projects under way.   The Project can be implemented as part of the existing loan projects with some adjustments and modifications made as needed.   This possibility appears appealing but informal discussions with Bank officers in charge of the education projects suggest that this possibility is in fact very slim.   The on-going projects are based on an intricate set of agreements, contracts, regulations, etc. and amending one part would take undue toil on the part of Project Manager.   Unless he or she has a strong reason to do so, this will not take place.

(3) New Loan

Arranging a new loan has become extremely difficult for the Indonesian government due to two recent developments.   One is the worry over the accumulating debt burden that is threatening the very sustainability of the national economy.   The Finance Ministry now poses a very strict screening on loan proposals in an effort to limit the debt increase.   The other factor is the recent decentralization.   Because of the sweeping reforms of the administrative and financial structure of the government, all new loan projects have been put on hold until the new system is well in place and some critical issues are cleared.

(4) Grant

Though international donors generally provide grant assistance in various forms, one natural target should be the Japanese grant program.   However, the program has serious limitations to be used for the Post-REDIP Project.   Major limitations are:

1) The grant is in credit or in kind, not in cash.

    2) The grant in principle is only for investment, not for consumables or activities.

These constraints practically deny the eligibility of the Post-REDIP Project for a Japanese grant.

There is possibility that other bilateral donors may be interested in financing the Post-REDIP Project under their grant programs. No contact has been made so far, however, and this possibility has yet to be explored.

(5) Other Sources

The World Bank has been administering the "Japan Social Development Fund" since 2000. This Fund is to provide "additional" funds in grant for two years to "existing" World Bank projects. To be eligible, the activities are grassroots-oriented to achieve social development. The Post-REDIP Project might be a strong candidate for the financing. However, this Fund has one constraint: It does not cover project management costs. This condition is a severe disincentive for Project Manager to utilize the Fund.

A similar Fund has also been established in the Asian Development Bank but the same limitation applies.

Dutch government has a special fund for Indonesia entrusted to the World Bank Indonesia Office. This fund can be a source to finance the Post-REDIP Project. However, since the World Bank's priority in education is placed on the primary level, the Post-REDIP Project may face difficulty to get approved. Instead, a more appropriate formulation is a "research" project to try out the REDIP model targeting the primary schools. This is an interesting possibility because REDIP seems to have proved that the model can be applied to the primary schools, too, without much modification.

Another possible source is JICA. Various schemes under JICA might be utilized to finance the Project. However, these schemes are basically of the "technical assistance" nature and none quite fit well to the proposed Project except the "Development Study" scheme (the one used for REDIP). It is certainly one possibility to employ the same "Development Study" scheme as REDIP but a difficulty is that, in principle, JICA will not repeat the same or similar Study.

9.7.2   Time Schedule

The Post-REDIP Project will be implemented in four years.   The draft schedule is described in **Figure 9-1**.

Year 1	Year 2	Year 3	Year 4
Setup and Socialization	Activity Year 1	Activity Year 2	Extra Year and Phasing Out

Inception

Socialization 1

TPK Setup

Socialization 2
Initial Training

Menu Selection

Proposal for
Activity Year 1

Baseline Survey

Initial Disbursement

Activity Year 1

TPK 2nd Training
TPK Exchange

Interim Evaluation

Proposal for
Activity Year 2

*Special Study
for REDIP III*

2nd Disbursement

Activity Year 2

TPK Exchange

Final Evaluation

Proposal for
ActivityYear 3

Extra Disbursement

Extra Activity Year 3

TPK Overseas
Training

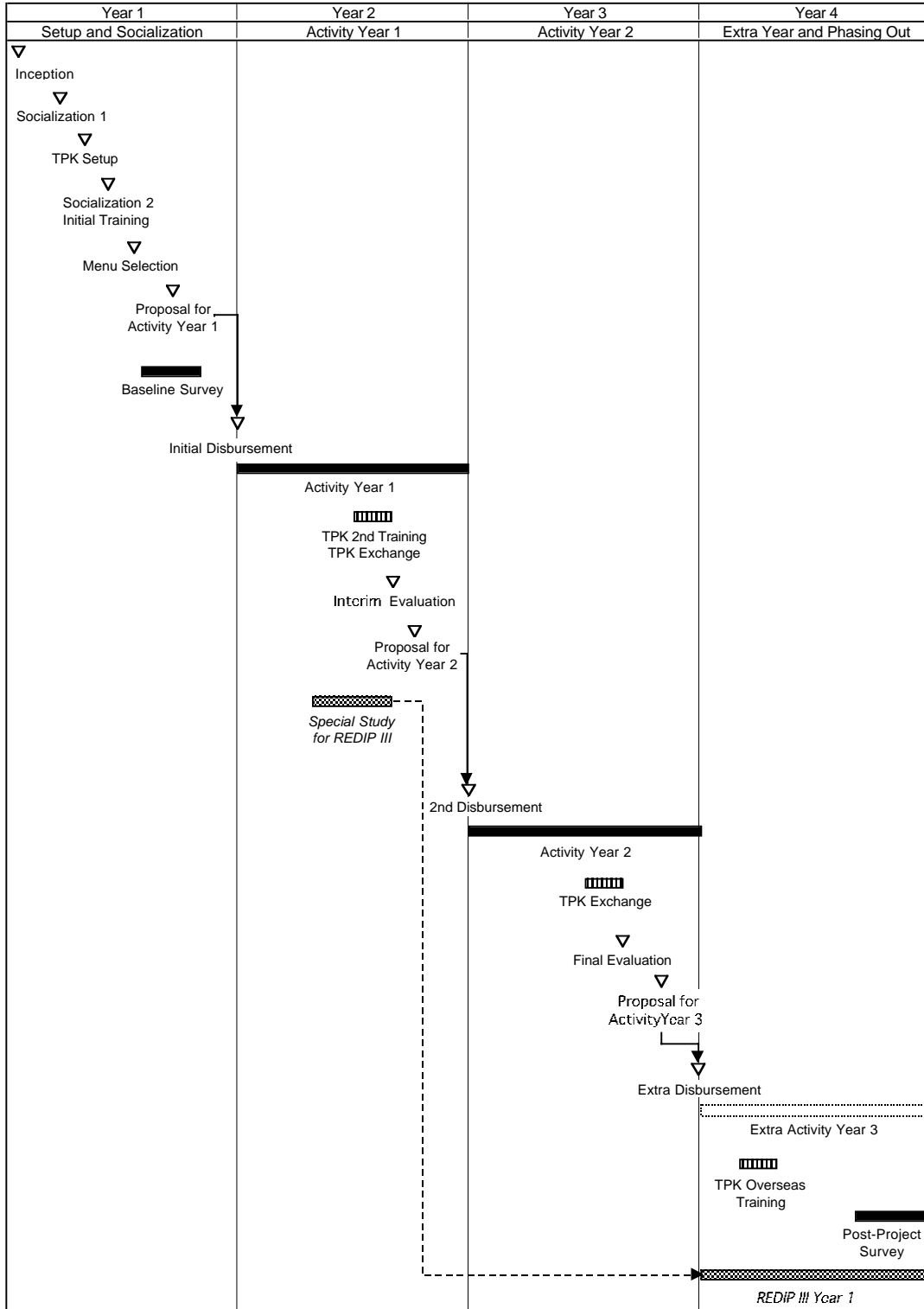Post-Project
Survey

REDIP III Year 1

Figure 9-1: Timetable for the Post-REDIP Project

9.7.3   Implementation Procedures

The Post-REDIP Project will follow the procedures described in **Figure 9-2**.

REDIP   Post-REDIP Project

Year	Month		Action	Year	Month	Action
1999	May	1	Site selection	1	1	Inception
	June	2			2	Socialization 1
	July	3			3	
	Aug	4	Baseline survey		4	TPK setup
	Sept	5			5	Socialization 2 Initial training
	Oct	6			6	Menu selection
	Nov	7	Pilot design Manual preparation Socialization (Province)		7	Baseline survey Proposal writing
	Dec	8	Menu selection Socialization (Kecamatan) TPK setup		8	
2000	Jan	9	Proposal writing (Phase 1)		9	Proposal screening
	Feb	10	Proposal screening		10	
	Mar	11	Initial disbursement (Phase 1)		11	
	April	12			12	Initial disbursement
	May	13		2	13	REDIP II actitivities start (Activity Year 1)
	June	14			14	
	July	15	Proposal writing (Phase 2)		15	
	Aug	16	Proposal screening		16	
	Sept	17	Second disbursement (Phase 2) Monitoring		17	
	Oct	18	Monitoring		18	
	Nov	19	Monitoring		19	TPK second training
	Dec	20	Monitoring		20	TPK exchange
2001	Jan	21	Post-Pilot Survey Auditing (Block Grant)		21	Interim evaluation (monitoring)
	Feb	22	Auditing (Block Grant)		22	Proposal writing for Activity Year 2
	Mar	23	Post-Pilot analysis TPK exchange (planned)		23	Proposal screening
	April	24	Post-Pilot analysis		24	Second disbursement
	May	25		3	25	REDIP II actitivities start (Activity Year 2)
	June	26	Workshop		26	

Figure 9-2: Procedures of the Post-REDIP Project

<div align="center">

CHAPTER 10   PROJECT APPRAISAL

</div>

10.1   Economic and Fiscal Appraisal

There are both efficiency and equity grounds for further public investment in JSE of Indonesia. As will be described in the following sections, existing JSE resources are not fully utilized, and even if they were fully utilized, it would not be sufficient enough to achieve universal provision of JSE.   On equity grounds, there is an obvious tendency that students from economically poorer families enroll in poorer financed and equipped SLTP/MTs, yet they tend to pay higher costs.

Given the limited financial resources made available to SLTP/MTs through public finance, the Project's fiscal impacts to those schools as well as DINAS Kabupaten government will be considerable.   This is opportune timing for the project formulation as the implementation of governmental decentralization just started in January 2001, while many DINAS Kabupaten governments may face even worse financial constraints during the transition period.   In turn, the economic rate of return for the project investment is estimated at 13.0% (with direct project costs including management costs plus recurrent costs borne by public expenditures, and salary increments as a benefit).

10.1.1   Focus on Existing Educational Resources

Similar to its previous version, the Project will focus on individual SLTP/MTs and TPKs in Central Java and North Sulawesi provinces.   The following table suggests CJ and NS have two issues in terms of JSE access provision.   (1) The existing institutions (teachers and classrooms) have not been fully utilized to actualize their potential of maximizing JSE access, within current frameworks.   (2) Yet even if the existing system is fully utilized, it is not sufficient to provide universal JSE access by 10-20 % (CJ) and 10% (NS), according to 1999-2000 figures.

<div align="center">

Table 10-1: Brief Review of JSE in CJ and NS

</div>

	JSE-Aged Population	Total Enrolment	JSE-Aged Enrolment	Enrolment Capacity*	Number of Classrooms	Teacher Pupil Ratio
Central Java	1,845,700	1,545,590	1,209,740	1,429,200 (40) 1,607,850 (45)	35,730	18
North Sulawesi	164,500	117,621	86,460	152,560 (40) 171,630 (45)	3,814	12

* Approximation by multiplying pupil-classroom ratio of 40 and 45. In 2000, a new standard was set at 40
Source: MONE (2000)

The Project focuses on the issues above, as essentially it is not a physical investment project. The Project's main aim is to foster school-based and community-based education capability through actualizing the potential qualitative and quantitative capacity of existing educational resources provided (teachers, BP3, MGMP, KKKS, community organizations, etc) and classrooms. The grant fund is for financing micro interventions proposed by SLTP/MTs and TPKs.   Nevertheless, physical rehabilitation will not be discarded in the Project, as it may be

indispensable for fostering the capabilities of the schools.

At the time of this report's preparation, it is anticipated that the Project would select several Kabupatens in CJ and NS first. The project would offer grant funds opportunity for all SLTP/MTs under the selected Kabupatens. Kabupaten situations may vary, however, on average a Kabupaten may have from 20 to over 100 SLTP/MTs.

Though the target Kabupatens are yet to be selected after the project implementation, a certain approximation regarding fiscal impact of the Project to Kabupaten-wide educational expenditure is possible. According to the latest report from Central Java Province, the proposed size of the Project's annual expenditure would be equivalent to approximately 80% in the 2nd and 3rd year (40% in 4th year), and 20% (10%) of all the public (central and regional) finances provided to SLTP/MTs through Kabupatens[1]. For a hypothetical average Kabupaten if selected, the figures are remarkably high 1000% (500%) and 280% (140%), respectively.

Through and after target Kabupatens selection, their financial administration capability will need to be assessed as to whether the Project grants funds administration will be channeled through DINAS Kabupaten office. The given budget frame of Rp. 125 Mil. is just a budget guideline; the Project will be flexible enough to reflect the varied needs of SLTP/MTs and TPK.

Table 10-2: Kabupaten Level Educational Expenditure: Central Java Province
(Rp. Mil, 1998/99)

(Rp. Million)	Central Government	Yayasan	BP3 Fee (Orang tua Siswa)	Regional Government	Others	Total	Number of SLTP/MTs
Province (Total 35 Kabupaten)	**17,189**	2,123	46,576	**2,059**	996	**68,943**	3,893
Average Kabupaten	**491**	61	1,331	**59**	28	**1,970**	111

Source: Kanwil Central Java (1998)

Table 10-3: Approximated Grant Fund Amount per School (Mil.)

Block Grant Amount/year/school	
2nd and 3rd Year	50
4th year	25

*Amounts here are set for initial project cost design only, thus they cover all the activities such as workshop.

---

[1] Figures used here do not include salary for teachers and staff. Considerable discrepancies were found in regional public finance for education. For an example, Kabupaten-based figures shown in the main text do not match with what is supposed to be Provincial level JSE budget numbers, and both of which are provided from Kanwil. Other discrepancies are found among data made available at MONE and those provided from Kanwil. This may put into question the credibility of fiscal projection done in REDIP Interim Report I (1999) (probably it overestimates figures), thus that projection may need to be revisited.

Table 10-4: Estimated Fiscal Impact of the Project at Provincial and Kabupaten Level:
Central Java Province

	Number of Schools	Total Block Grant Annual Amount (Mil)		% to Central + Regional Government		% to Total Finance	
		2nd and 3rd Year	4th Year	2nd and 3rd Year	4th Year	2nd and 3rd Year	4th Year
Province (Total 35 Kabupaten)	300	15,000	7,500	82%	41%	22%	11%
Average Kabupaten	111	5,550	2,775	1068%	534%	282%	141%

*Provincial total finance is calculated from accumulation of budget allocated to all the 35 Kapbupatens in Central Java.

10.1.2 Implications of the Decentralization

As decentralization of governmental organization has been implemented since January 2001, the central government has already allocated the budget for year 2001. There are several fundamental changes in the fiscal/financial arrangements. (1) Kabupaten (not provincial) will be the focal point of and responsible for regional public administration, finance and services. (2) The central government will make parallel and direct public budget allocation to Provincial and DINAS Kabupaten governments in the form of "Block Grants" consisting of only two items: "salary" and "non salary" for DIK (routine) budget. There will be no detailed itemization as was practiced before 2000. (3) More revenue for public finance can be raised at the local level, as Provincial and DINAS Kabupaten governments have more autonomy to set up their own taxation.

At the time of this report's preparation, it is reported that Provinces and DINAS Kabupaten governments are supposed to complete their detailed budget plan by the end of January 2001, however many Kabupaten (DINAS) governments have NOT completed the preparation yet. Central Java province, for example, has finished its distribution plan among its own provincial level governmental institutions (previous Kanwils), however budget design at each DINAS Kabupaten government (and thus, Kecamatan) is not completed. Many of them are still working on designing organizational structures that merges Kandep and Dinas structures.

This is opportune timing for implementing the Project, because (i) under the decentralization, public services (including education) are financed through "Block Grants", which is very similar to that of the Project. Further (ii) Focus on individual SLTP/MTs and TPK at the Kecamatan level will provide another perspective on how these down-to-earth institutions would function in a new decentralized situation. The Project will bridge a gap between the current decentralization discussion, which is so focused on centralization in DINAS Kabupaten government, and the reality in the Kecamatan and School levels.

10.1.3 Return to Education in Indonesia[2]

The estimated rates of return to junior secondary education (JSE) have been the highest among

---

[2] For the details of the data on which the rate of return was calculated, please see the **Technical Notes** in **Appendix 10**.

other sub-sectors of education in Indonesia (**Table 10-5**). Compared to those returns to all other education sub-sectors may have declined. It is noteworthy that decline of rates for JSE is relatively limited in the past two decades. Private and social return was calculated by comparing costs: direct cost such as tuition, books, transportation, etc., and indirect cost (income forgone) to households, to benefits: increments of salary. In calculation of social return, public expenditure for JSE is also included as a direct cost. It is estimated that private and social rates of return to JSE are estimated at 13% and 12% respectively in 2000.

Table 10-5: Estimated Rate of Return to Education of Indonesia

		1976	1977	1978	1978	1982	1989	1992	2000
Primary	Private	14.5%*	25.5%						6.0%
	Social				21.9%		4%	6.9%	5.6%
JSE	Private	14.5%*	15.6% **						**13.4%**
	Social			32.0%	16.2% ***	17%	14%	12.5%	**12.8%**
SSE	Private	14.5%*	15.6%**						10.0%
	Social			32.0%	16.2% ***	22%	11%	8.0%	9.7%
Higher	Private	18.4%							7.9%
	Social					11%	5%	5.8%	7.7%
Estimated by		Payaman (1981)	Psacha-ropoulos (1982)	Clark (1983)	Psacha-ropoulos (1982)	McMahon, et. al (1992)	McMahon, et. all (1992)	World Bank (1998)	REDIP Estimate (2001)

* Estimated for entire primary and secondary education
** Estimated for entire secondary education
*** Estimated for entire secondary education

10.1.4   Cost Benefit Analysis

The economic return for the Project investment is estimated at 13.0%. It is estimated by solving Internal Rate of Return (IRR) to the project that equates a flow of costs (the Project investment including management cost, and direct recurrent educational expenditure by government), and benefit from the Project investment[3]. The following formula was employed for the estimation.

$$\sum_{t=1}^{t=33} \frac{Et - Ct}{(1+r)t} = 0$$

Where
T: Project year since implementation
Et: Benefit from gained incomes (refer benefit section of the report)
Ct: Project cost and direct and indirect project cost (refer cost section of the report)
r: Internal rate of return

The analysis was done based on national level data, following the advice of the REDIP

---

[3] This IRR estimation is more "conservative", as it counts direct household expenditure, which may not be included in other IRR calculation. If excluding direct education expenditure by household , IRR for REDIP-II investment is estimated at 16.5%.

counterpart, because (1) target Kabupatens are not selected thus it is safe not to pursue particularities, and (2) national level data are the most credible ones made available to the mission during the short period allowed to staff.

(1) Costs

Direct Project Cost: The proposed Project will finance approximately 400 SLTP/MTs and 30-40 TPK activities in Central Java and North Sulawesi Province. As said, SLTP/MTs will offer an opportunity of grant funds of Rp. 125 mil. over the course of three years. Though the exact number of SLTP/MTs and TPKs are to be defined in the initial stage of project implementation, a following overall financial schedule is prepared for project economic appraisal. They are spread over four years, with very limited investment cost in the first year. Also annual project management costs are added.

Direct Education Cost: Direct educational expenditures for JSE by household and government are considered during the period of school enrolment of students.

Table 10-6: Overall Financial Plan: Project (Mil. Rp.)

	Total	2003	2004	2005	2006
I. Investment Cost	50,000	0	20,000	20,000	10,000
Central Java	37,500	0	15,000	15,000	7,500
North Sulawesi	12,500	0	5,000	5,000	2,500
II. Project Management Cost (Rp.)	16,300	4,075	4,075	4,075	4,075
Local Consultant	200	50	50	50	50
Kabupaten Management Cost (Local)	700	175	175	175	175
Intl' Consultant	8,400	2,100	2,100	2,100	2,100
Contingency	7,000	1,750	1,750	1,750	1,750
Total	66,300	4,075	24,075	24,075	14,075

(2) Benefit

Economic benefit of the Project was estimated on increasing access to JSE (enrollment increment of 8,000 over 400 SLTP/MTs is assumed annually). It is also assumed that part of the JSE-graduates would continue to upper education; approximately 74% and 42% of JSE and SSE graduate continue to upper education in 1997. The stream of output resulting from the Project investment is modeled as a function of the following four levels of increment graduates/dropouts.

- JSE graduates
- JSE graduates that dropout from SSE
- SSE graduates
- University Graduate

The total number of beneficiaries of the above outflow over a thirty-year period amounts to approximately 0.2 million over the course of 30 years. Different income-age profiles are applied for different levels of graduates/dropouts, and no additional wage premium was assumed for dropouts or quality improvement of education, to avoid over-calculation. Income-

age profiles are estimated based upon "Indicator Tingkat Hidup Pekerja (Indicators of Labor's Social Life) 1998-2000" by BPS (National Statistics Office).

10.2   Technical Appraisal

10.2.1   Proposal-based Grant with Matching Fund Requirement

The Project is an improved and expanded version of REDIP with the same focuses on Kecamatan (TPK) and individual SLTP/MTs.   The Project employs a combination of TPK and the "Proposal-based grant with matching fund requirement" of which feasibility and effectiveness has been proved in REDIP, as follows:

(1) It fostered innovative and creative attitudes of stakeholders at TPK and SLTP/MTs through proposal preparation practices.   TPK functioned as a mutual self-help institution networking SLTP/MTs.   Such attitudes would not be necessary in routine planning;

(2) The matching fund requirement restored SLTP/MTs link with its community and facilitated wider participation by the community.   BP3 worked as a focal point, and

(3) Proposed micro interventions that address both the needs of qualitative improvement and the quantitative expansion, and many positive consequences have been observed.

The Project will replicate such outcomes gained in REDIP.

Financing and auditing procedures of the Project are presented in Section 10.3. Though proposed procedures fully reflects lessons from REDIP, it may need to be refined further in order to suit it with actual budgeting protocol and procedures at DINAS Kabupaten and Kecamatan government under the new decentralized structure.   Though overall frameworks for the decentralization have been given, detailed allocation of authority and responsibility covering various layers of the government are still too vague.   For example, there is no common understanding among governmental officers about eligible institutions to be counterpart institution for international project.   These issues still need to be confirmed in the project implementation stage.

10.2.2   Quantitative and Qualitative Improvement of JSE

In general, micro interventions proposed by SLTP/MTs are a good mix of measures addressing both quantitative and qualitative aspects of JSE.   For example at the school level, micro projects may renovate and rehabilitate classroom and other facilities.   It might also introduce new materials and teaching aids that would directly improve teaching and learning processes in the classroom. Most importantly, all micro interventions are planned and designed by individual schools under their own responsibility.

Certain regulations were manipulated to deliberately actualize a good mix in REDIP.   Such regulations should remain in the Project, though it is not necessary to be as strict as in REDIP. In the REDIP, all the school are virtually required to purchase some teaching aids or materials, because REDIP, as a social experiment project, strictly focused on measuring impacts to teaching and learning processes by different types of educational interventions.   In the Project, the restriction would not be set in such a way.   Instead, SLTP/MTs or TPK will be required to assess whatever their own needs are, prioritize and phase them in an accountable manner, and

logically and convincingly demonstrate them in an attractive proposal.   This, in turn is a total process of strengthening their capability in school- and community- based education management.

One reminder is that the Project should secure a sufficient number of field consultants specialized in building structures and facilities.   Experiences from REDIP suggest that the majority of schools would propose physical intervention, and most of them would be done by locally available personnel to SLTP/MTs and TPK.   However, the quality of physical improvement in REDIP done by local personnel has not been proved yet.   By assigning field consultants made available for schools, it is possible to secure the quality.   It is a minimum requirement for any REDIP-rehabilitated facilities to meet the national facility and building standards set by the Ministry of Public Works.

10.3 Institutional Appraisal

10.3.1 Governmental Decentralization and Its Reflection on PIU Formation

The Project will need to pay special attention to the new protocols and procedures to be practiced at local governments after the decentralization. The proposed Project organizational setting (section 9.5 and 9.6) would be just a prototype at best, and it may need to be readjusted to reflect the new responsibility and roles of governmental stakeholders in education. The following issues of DINAS Kabupaten government, may need to be studied in the initial stages of the Project, especially regarding its implication to TPK and SLTP/MTs:

- Governance, Organizational Structure, Management and Supervision, protocol and procedures
- Entrance and Graduation Policy
- Program, Curriculum Instruction and Resources
- Assessment and Evaluation
- Educational Personnel
- Community/BP3 involvement in Education
- Finance

10.3.2 TPK

As described in Section 3.3, TPK at Kecamatan has been proved very appropriate as a project focus. In many Kecamatans, TPK activities have revitalized education initiatives at the Kecamatan level, and functioned effectively as a mutual self-help organization for individual SLTP/MTs staff/teachers that are implementing REDIP activities. Some of the Kabupaten have decided to secure certain budgets, and have instructed all the Kecamatan to set up TPK to replicate REDIP outcomes. The attempt of Kabupaten Semarang, which is one of such Kabupatens, is noteworthy because Kecamatan has been rather overlooked as a public service provision unit in the decentralization discussion. It is worthy to consider for the Project a collaboration with such autonomous attempts for TPK replication. It would encourage such a Kabupaten initiative, as well as contribute to more cost-effective and less conflictive implementation of the Project.

TPK is not a fully legitimated body but in Kabupaten Semarang for example, it will probably be formed as Yayasan (foundation) or QUANGO (Quasi-governmental NGO). This attempt suggests that TPK has the potential to be an education administrative institution that links DINAS Kabupaten government (now responsible for JSE provision, replacing the national government's role) and individual SLTP/MTs, in addition to the function of mutual self-help among SLTP/MTs in a Kecamatan. If this were actualized, it would be a very unique and innovative form of local educational administration. The Project should assist such TPK movement very carefully, and assist them to maximize and actualize its rich potentials.

10.4   Social Appraisal: Equity Consideration

Given that universal primary education is about to be achieved in Indonesia, JSE has become one of the focuses in terms of equitable delivery of education access and outcome.   Since poorer SLTP/MTs tend to be located in economically poorer communities, redressing the quality gap in improvement of such SLTP/MTs means improvement of JSE access and quality for students from poorer economic backgrounds.

REDIP experiences suggest that one of the reasons for the under-utilization of existing JSE institutions is that SLTPs and MTs, especially in poorer villages, are less attractive for students and parents due to poor physical and didactical conditions, and children (parents) are reluctant to (let children) enroll.   MONE has budgetary schemes for physical rehabilitation and teacher in-service training, however, it has not been functioning effectively due to serious financial constraints.   Also, several regional educational administrators suggest that "human factors" are quite dominant in budget negotiation/clarification with upper institutions.   Unequal school finances indicated by deviation of school expenditure per student (excluding salaries) among REDIP SLTP/MTs are shown in **Figure 10-1** below.
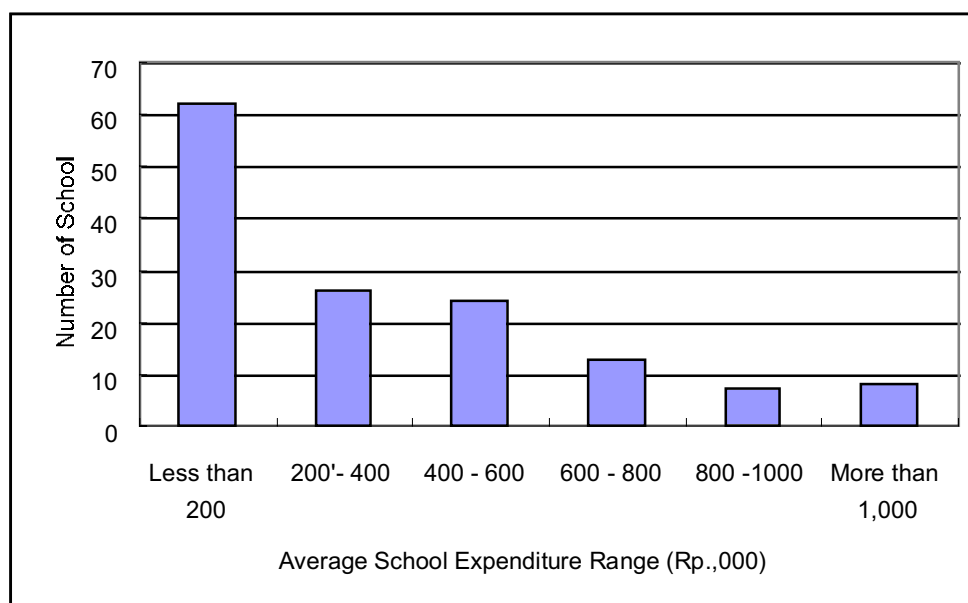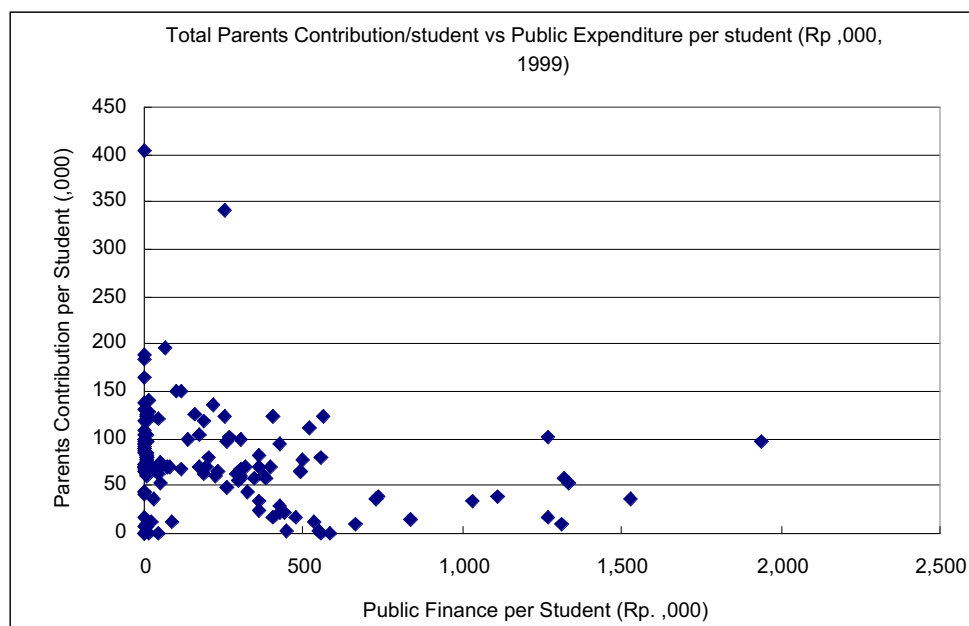

Source: REDIP Baseline Survey
Figure 10-1: Average School Expenditure per Student
REDIP-1 SLTP/MTs (N=140,1999) (Rp, 000)

The figure shows SLTP/MTs are not equitably financed.   In general, virtually richer SLTP/MTs become richer and poorer schools become poorer in Indonesia.   Nevertheless some lucky schools may receive financial aid for school rehabilitation, in-service training, procurement for new teaching aid materials, etc.   However, actually available goods and services through fully itemized and earmarked budgets are frequently deviated from their needs.   It is very frequently observed that a school may need to wait for a couple of years for a budget to procure some essential equipment such as desks, chairs, textbooks, etc.

In addition, the JSE entrant system in Indonesia is an open system, thus children can freely choose which schools to submit their application. There is a quasi-market mechanism functioning, in which EBTANAS performance of a school is a dominant market signals that defines school popularity. Further there is a tendency that public finances favor such popular schools. Thus, an obvious tendency exists that richer schools receive more applications from students from richer families. While poorer schools accommodate students from economically poorer families and receive less public finance, yet charge more fees to parents (**Figure 10-2**)[4]. Such a poor school tends to be rather isolated in the community and there is less sense of belonging to the community, and most parents prefer to send their children to better schools in a neighboring community. Such quality problems connote access issues as well.

Total Parents Contribution/student vs Public Expenditure per student (Rp ,000, 1999)

Figure 10-2: Annual Parent Contribution and Public Finance per Student at SLTP/MTs REDIP-1 SLTP/MTs, 1999 (N=140), (Rp. ,000)

The Project will provide SLTP/MTs with an opportunity for proposal-based grant funds with matching fund requirement. The grant funds will be flexible enough to cope with diversified needs at SLTP/MTs and MTs. As suggested, there is a tendency that poorer schools received bigger grant funds compared to their size in the routine budgeting in REDIP, and such tendencies will be replicated in the Project as well.

As stated in **Section 10.1**, the Project would contribute to redressing unquotable distribution of educational resources among SLTP/MTs, by covering poorer schools. In REDIP, physical and qualitative (didactic) improvements at schools have restored their linkages with community, and such improvement process has been co-piloted by both school and community. It resulted in

---

[4] Yonezawa (2001) points out that a smaller school receives more public finance per student from the government, hence, in that sense public JSE finance in Indonesia is some how "equitable". It is not, however, sufficient enough to redress the inequity, which is indicated in the Table, demonstrated in **Figure 10-2.**

an increased number of new entrants in many schools.
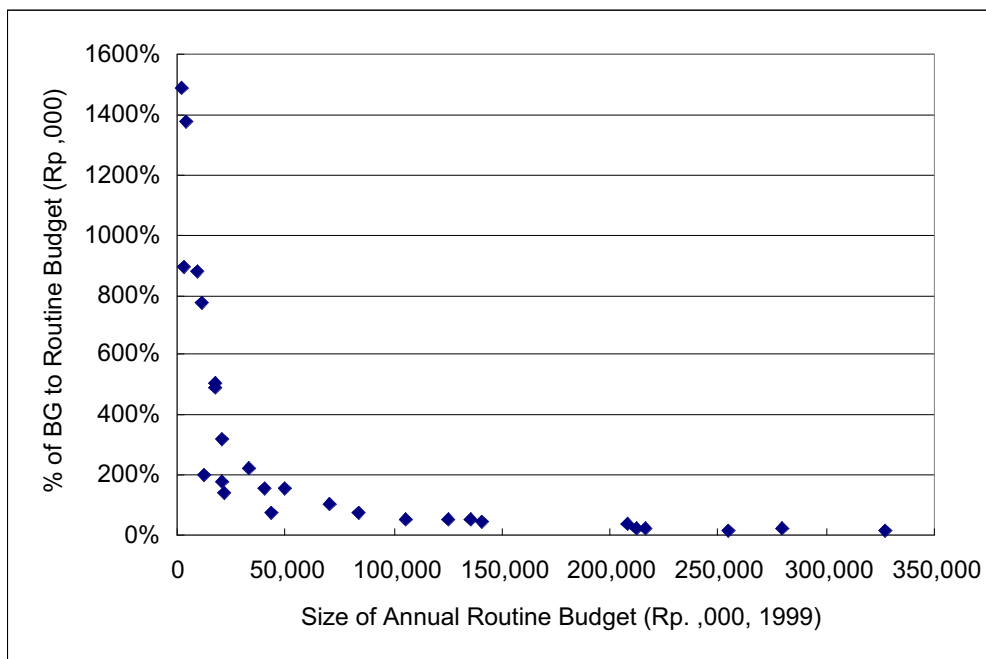
Figure 10-3: Size of the Grant in REDIP Compared to Routine Budget (N=27) (%)

In turn, one of obvious by-product of REDIP is the improvement of basic supplies of the community. Some economically poor communities have benefited from clean water and electricity introduced to the school. In some communities, REDIP provided these basic supplies for the first time. Such spillover effects are also anticipated in the Project.

Gender enrolment in Indonesian JSE has been fairly balanced. At national level, 48.6% of those enrolled are female. Figures for Central Java and North Sulawesi provinces are 48.9% and 48.5%[5]. REDIP did not observe serious discrepancies between these stated figures and actual student appearances in classrooms at targeted schools. However, it is worthy to pay attention to actual gender compositions observed in the classrooms and the increment of enrolment as the Project progresses[6].

---

[5] MONE (2000)

[6] Probably, gender differences in participation of BP3 and TPK are worth a closer look in the Project. In REDIP, most of the BP3 and TPK key personnel are male, and less participation by females was observed.

10.5 Environmental Appraisal

There are no serious environmental damages foreseen in the Project as a whole, in view of the highly dispersed nature of the project. Nevertheless, the initial situation of school facilities will be reviewed and mitigation measures need to be identified and taken as required. Environmental standards for safety, waste disposal, use of hazardous materials, and other aspects of the construction and rehabilitation are codified in "Guideline of Location Decision of a School (Pedomann dan Mekanisme Penentuan Lokasi Sekolah)" prepared by the Ministry of Public Works. All the buildings and structure to be built or rehabilitated under the Project will need to comply with these standards. No involuntary resettlement will be involved in the Project.

10.6   Readiness

The Project, as a dissemination project of REDIP, will target the same provinces as in REDIP: Central Java and North Sulawesi.   Provincial government, DINAS Kabupaten government, as well as TPK have shown that there is strong willingness to continue REDIP activities, and they have clear expectations to replicate the activities for other regions that are not covered under REDIP.   Also experienced personnel through REDIP will be available as local government counter-parts.   Thus, thanks to REDIP experiences, the Project is better prepared for project implementation.   In addition, as shown in the Chapter 7 of this report, draft design of tasks and activities schedules, and the procurement plan for the first year's activities, have been completed and are ready for the start of project implementation.

10.7   Sustainability

Both REDIP and the Project are not physical infrastructure investment projects, but focus on human capability enhancement at school and Kecamatan level of education management education.   As such, sustainability question would not point to, for example, "how to maintain the newly-built school that may require some additional human and financial resources to maintain it."   Rather in REDIP, sustainability questions point to how to maintain the activities and necessary procured/renovated equipment and facilities.

Keys to activity sustainability are laid in localities of need assessment and intervention ownership.   REDIP has demonstrated that its project implementation tool – proposal based grant with matching fund requirement – has been effective in restoring local and "grassroots" educational initiatives at Kecamatan and school-community level.   Also REDIP has wiped away a sense of "fear" of being self-sufficient from local personnel involved, by continuously encouraging SLTP/MTs and TPK to promote micro-project by themselves.   In a centralized system, they tend to just follow what they are told by upper institutions, and they felt they were not supposed to be innovative and creative.   Virtually, REDIP "authorized" and notified that, now they are encouraged and expected to be more creative and innovative, and it worked out in many cases.   These are key mechanisms that would be a base for sustainability in REDIP, and with improved project implementation tools and attitudes, they will be replicated in the Project.

10.8   Risks

The following potential risks are anticipated, together with possible risk minimization measures to be taken.

Table 10-7: Potential Risks

Risk	Risk Rating	Risk Minimization Measures
New protocols and procedures after decentralization at various levels of governmental institutions may still be vague.	S	In the initial stage, the Project will review and examine the de-facto protocols and procedures with focus on SLTP/MTs-Kabupaten and TPK-Kabupaten relationship. Also appropriateness and possibility of by provincial government involvement will be considered. Project tool (proposal-based grant funds with matching fund requirement) and PIU formation will be adjusted reflecting above findings.
Bupati (Kabupaten supervisor at DINAS Kabupaten government), who may not have education background as a specialty, may not be interested in education	M	Socialization activities will be conducted in the first year. Also the possibility of inviting DINAS-Kabupaten to bid their proposal to participate in the Project activities will be explored.
"from outputs to objective"		
The high expectations established by TPK (Kecamatan) and School could exceed the REDIP's budget allocated	M	A close and frequent liaison and coordination will be established between field consultants and PIU to fit the total proposed amount from TPK/school within the budget made available to the Project. Proposed size of funds will be carefully examined, to avoid dependency of educational stakeholders
REDIP input may not be fully effective due to lack of complementary inputs (such as training of proposal preparation).	M	The Project will provide training workshop on micro planning and proposal preparation. This will cover problem analysis, resource analysis, costing and budgeting, and technical writing of the proposal. Day-to-day consulting services will be provided to SLTP/MTs and TPK through field consultant
The IT hardware and software procured under the Project could suffer from in appropriate physical conditions of the school and rapid obsolescence unless updated as the REDIP is implemented	M	Installment of computers will be inspected. Leasing arrangements and/or software and hardware update by introduction of a maintenance contract will be explored as a means of reducing this risk.
Financial administration of grant fund at school may not be of good enough quality to assure accountability	S	A workshop on book keeping for school administrators will be arranged. Day-to-day consulting services will be provided to SLTP/MTs and TPK through a field consultant.
Matching fund generation may not achieve its target activity	M	A fund generation workshop will be arranged to share hints of successful activity administration. Also a mix of negative and positive incentives will be set to maximize the matching fund to be generated.
"from components to output"		
Physical improvement and rehabilitation done by local resources (i.e. not construction firm) may have quality problems.	M	A field consultant in charge of supervision of physical improvement of school facilities and equipment will be assigned.
The supplier of TPK/School may lack in capability to provide technical support to maintain the procured equipment/facilities	M	Where necessary coordinated procurement at Kecamatan level will be prepared, with an appropriated duration of warranty and maintenance contract.

Risk Rating- H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)