

Free Basic Education Strategy Development

Volume 1

Final Report



The Education Sector Analytical And Capacity Development Partnership
(ACDP)

Free Basic Education Strategy Development

Volume 1 Final Report

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The Government of Indonesia (represented by the Ministry of Education and Culture, the Ministry of Religious Affairs and the Ministry of National Development Planning/ BAPPENAS, the Australian Agency for International Development (AusAID), the European Union (EU) and the Asian Development Bank (ADB) have established the Analytical and Capacity Development Partnership (ACDP) as a facility to promote policy dialogue and institutional and organizational reform of the education sector to underpin policy implementation and help reduce disparities in provincial and district education performance. The facility is an integral part of the Education Sector Support Program (ESSP) which consists of EU sector budget support with agreed arrangements for results-led grant disbursement, and earmarked policy and program-led AusAID sector development grant support consisting of a school infrastructure program, a nationwide district and school management development program and a program to accelerate the GOI's accreditation of private Islamic schools. This report has been prepared with grant support provided by AusAID and the EU through ACDP.



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This paper comprises Volume 1 of the report on Free Basic Education Strategy Development. The full report consists of nine volumes:

- Volume 1. Final Report
- Volume 2. Free Basic Education Conceptual Framework
- Volume 3. Analysis of School Operational Funds
- Volume 4. Financing Projections to 2020 for Free Basic Education
- Volume 5. Survey of Parental Contributions in Basic Education
- Volume 6. Human Resource and Institutional Capacity Development to Support Implementation of Free Basic Education
- Volume 7. Support for Poor Families in Meeting the Cost of Basic Education
- Volume 8. Accountability Framework for Implementation of Free Basic Education
- Volume 9. Draft Roadmap for Implementation of Free Basic Education

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LIST OF ABBREVIATIONS

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| | |
|----------|---|
| ACDP | Analytical and Capacity Development Partnership |
| ADB | Asian Development Bank |
| AusAID | Australian Agency for International Development |
| Bappeda | Badan Perencanaan Pembangunan Daerah (Regional Agency for Development Planning) |
| Bappenas | Badan Perencanaan Pembangunan Nasional (National Agency for Development Planning) |
| BOS | Bantuan Operasional Sekolah (School Operations Funds) |
| BSM | Bantuan Siswa Miskin (Scholarships for Poor Students) |
| EMIS | Education Management Information System |
| FBE | Free Basic Education |
| FGD | Focus Group Discussion |
| Gol | Government of Indonesia |
| HLTWG | High Level Technical Working Group |
| MI | Madrasah Ibtidaiyah (Primary Madrasah) |
| MoEC | Ministry of Education and Culture |
| MoF | Ministry of Finance |
| MoHA | Ministry of Home Affairs |
| MoRA | Ministry of Religious Affairs |
| MSS | Minimum Service Standards |
| MTs | Madrasah Tsanawiyah (Junior Secondary Madrasah) |
| NES | National Education Standard |
| TNP2K | National Team for Accelerating Measures for Countering Poverty |
| SD | Sekolah Dasar (Primary School) |
| SMP | Sekolah Menengah Pertama (Junior Secondary School) |
| SNP | Standar Nasional Pendidikan (National Education Standards) |
| SUSENAS | Survei Sosial Ekonomi Nasional (National Socio-Economic Survey) |
| ToR | Terms of Reference |

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

1. Objectives and Deliverables

The Free Basic Education (FBE) Strategy Development project commenced work on 4 December 2011 with the objective of developing a comprehensive implementation strategy for Indonesia's basic education. Key deliverables required of the project included the design of a conceptual framework for free basic education and costing projections for the delivery of the program to the year 2020, with a particular focus on the operations of the *Bantuan Operasional Sekolah (BOS)* funds. This core work was supported by a survey of parental contributions to basic education and by papers outlining the accountability framework, the roadmap for the implementation of the strategy, and an outline of the associated capacity development program. An additional deliverable was a paper focusing on support for poor families, to ensure that no children were excluded from basic education because of their families' financial situation.

2. Methodology

The methodology required by the Terms of Reference (ToR) focused on four key elements:

- a review of relevant legislation, regulations, and literature both national and international;
- a survey of parental contributions to basic education;
- a gathering of data on current operations of Indonesia's basic education system; and
- the development of a strategy for implementation of FBE through the use of a process involving close collaboration with the key stakeholders.

The first two sets of activities were implemented in line with expectations, as articulated in the ToR and in the Inception Report. The study of regulations and relevant literature was undertaken in the first two months of the project, and was supplemented in later stages by additional documentation and literature as required. The survey of parental contributions to basic education was implemented in May-June 2012.

Information gathering about the operations of Indonesia's basic education system proved more challenging. Indonesian basic education programs suffer from not having a well-functioning Education Information Management System (EMIS) at the national level. MoEC and MoRA run separate information systems. Although both gather information in the categories needed for planning, monitoring and evaluation, the data gathering and management at local level is not sufficiently robust to produce a reliable, comprehensive national picture, and the design and operations of the national information systems make it difficult to integrate different categories of data. For instance, in integrating teacher data with school data the project could only manage a sample of 43%. The project frequently had to work with incomplete data sets, relying on statistical processes to extrapolate national data from the available sample data.

The planned methodology of close collaboration with stakeholders in the development of the FBE strategy proved challenging. The project's design, as presented in the Proposal and approved at the Inception Report meeting, assumed that a group of 12 Echelon 1 and Echelon 2 executives from the Ministries most involved in the management of basic education would meet on a monthly basis to consider papers written by the consultancy team, and to gradually build up a joint understanding of and commitment to a preferred FBE strategy. This group of 12, called the High Level Technical

Working Group (HLTWG), included representatives of the Ministry of Education and Culture (MoEC), Ministry of Religious Affairs (MoRA), the National Planning Board (BAPPENAS), Ministry of Finance (MoF) and Ministry of Home Affairs (MoHA). Experience showed that while this would have been the ideal way of working, expecting such a large group of very senior officers to come together 12 times during the year was not realistic given the other demands made on their time. In consultation with members of the ACDP Secretariat, the approach was changed to working with members of the HLTWG individually and in small groups, and to undertaking some of the preparatory work with relevant members of their staffs. The project's seminar budget was changed from holding large formal seminars to focusing on a number of smaller, "supplementary" seminars. The revised methodology worked well, with the project collaborating particularly closely with MoEC and MoRA to produce the required outputs and deliverables. The institutional consultations were supported by Focus Group Discussions with regional stakeholders in five provinces, and by a National Consultation which engaged representatives of the education community including religious foundations and professional associations of educators.

Access to senior officers continued to be challenging, and was not always available at important times when decisions on elements of the strategy had to be made. Meetings and consultations with staff of the HLTWG members proved helpful in those situations, but could not always produce authoritative responses to the project's draft proposals.

3. The legal and regulatory framework of basic education

An examination of Indonesia's legal and regulatory framework for basic education shows that the national government has prioritised the area from the beginning of independence. Starting with the 1945 Constitution and continuing to the present day, the main thrust of the legislative framework stresses the compulsory nature of basic education and government's responsibility for providing it. The standard to which education is to be delivered is articulated by the very ambitious National Education Standard (NES), which even some of the best schools in Indonesia, and many in the developed world, cannot meet in full. In the light of this idealistic standard which would benefit from being revised, the government enacted the Minimum Service Standards (MSS), which provide an interim step on the way to NES and a "floor" below which providers of basic education should not have to operate. This standard is likely to need revision to a higher level in the future, as an increasing number of Indonesia's schools and madrasahs reach and surpass the MSS.

The current set of regulations prohibits government schools and madrasahs which provide basic education from charging compulsory fees. Only International Standard schools are allowed to charge compulsory fees, and only under specified circumstances. Private schools/madrasahs are allowed to charge fees, commensurate with their communities' ability to pay, to bridge the gap between their present situations and that indicated by either the NES or MSS standards. In all cases, students from poor families must be exempted from fees.

Although the government accepts responsibility for funding basic education in government schools and madrasahs, Indonesia's current financial capacity means that relying only on government funds still risks the quality of education in some locations not reaching even the MSS, while in others, there is a risk that abolition of compulsory fees could result in the quality of education offered being reduced. In the immediate future, the schools and madrasahs will need to seek voluntary parental contributions, and these are allowed by the regulations.

The legal framework raises a possible presumption the government should also fully fund the cost of basic education in private schools/madrasahs. Many of these were established by private foundations because of a lack of government schools/madrasahs and provide the only access to basic education for some students. In practice, the government provides only partial support to private education providers. The cost of bridging the existing gap so that all government schools/madrasahs reach at least the MSS standard is very challenging and the private sector will be needed to make a substantial contribution from its own resources for at least some years to come. Consequently the draft conceptual framework for basic education, as outlined below, assumes that at this stage the government will be able to make only a partial contribution to the cost of basic education in private schools/madrasahs.

4. The conceptual framework of basic education

The draft FBE conceptual framework outlined below takes into account both the legal/regulatory framework of basic education, and the current practice and fiscal capacity of the Indonesian government.

The government system

The government accepts responsibility for full funding of basic education in the government system, covering capital, personnel and operational non-personnel budget lines. Due to current fiscal capacity, the government gives priority to ensuring that all government basic education schools/madrasahs operate at at least MSS level. The cost of ensuring that quality across the system meets the MSS is substantial (see below) and will need to be managed gradually, according to government capacity. Three changes can be considered to improve the efficiency and transparency of the system.

1. The use of BOS funds to provide base salaries to temporary teachers should be gradually phased out, so that ultimately all basic salaries in the government system are paid from the salaries budget.
2. The system of BOS payments should be changed to provide additional, compensatory payments to those smaller schools/madrasahs which are essential to the operations of the basic education system. This can be funded from savings made by not adjusting the current tariff for inflation for some years to come.
3. The eligibility for receipt of functional allowances by teachers should be changed from five to one year's continuous service, to bring it in line with the length of service required for receipt of the professional allowance.

The private system

For the immediate future, the government accepts partial responsibility for the funding of basic education in private schools/madrasahs, to a level commensurate with fiscal capacity. This means:

- support with major and minor capital expenditure, excluding the building of new private schools/madrasahs;
- support for personnel budgets by provision of functional and professional allowances to MSS staffing levels;
- provision of operational non-personnel budgets on the same basis as for government schools/madrasahs.

The three possible improvements to the basic education funding system outlined for government schools/madrasahs (above) apply equally to the private sector.

5. Financial implications of the draft FBE framework

A key deliverable of ACDP 006 has been to project, to the year 2020, the financial implications of implementing the proposed draft framework. These implications are summarised below, in the four main budget categories.

(1) Capital expenditure.

The project examined the budget gap between the current situation in basic education schools and madrasahs, and that which would see all mainstream¹ basic education facilities operating at at least MSS level in relation to capital budget items.

The costs identified by the project err on the side of underestimation. Data available at national level cannot identify the need for additional primary schools/madrasahs or additional primary classrooms, although it is certain that some are required. The costs which could be identified amount to Rp 20.232 trillion, with Rp 11.766 trillion for government schools/madrasahs (Rp 3.986 trillion for primary and Rp 7.780 for junior secondary) and Rp 8.466 trillion for the private sector (Rp 2.843 trillion for primary and Rp 5.624 trillion for junior secondary).

Working on the assumption of the gap being filled, the projections for additional capital expenditure to the year 2020, as required by MSS, were calculated as per Table 1, below.

Table 1. Projected capital expenditure to maintain mainstream Indonesian basic education schools and madrasahs at MSS level after the gap between the situation existing in 2012 and full achievement of MSS in capital expenditure items has been eliminated. Costing in trillion rupiah.

| YEAR | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|---------------|---------------|---------------|--------------|--------------|--------------|--------------|--------------|
| Grand Total | 10.057 | 11.133 | 11.064 | 9.370 | 3.786 | 3.918 | 4.159 | 4.413 |

(2) Personnel Expenditure

Calculating the number of full-time-equivalent teachers needed to staff the basic education system in accordance with MSS requirements, and adding 10% to the total because a perfect match of teachers and classes is impossible on a national scale, shows that the number of permanent teachers in the system is 15% short of the MSS teacher to class/classroom ratio. The distribution of teachers in the system varies widely, with some districts needing more than double the number of teachers they currently have, and others having twice as many as required by the ratio.

The shortage of permanent teachers is much higher in the private than in the government system.

If the government wanted to fund the salaries of the additional teachers needed in 2011 to ensure that all schools/madrasahs in the private system had a permanent teaching force matching the MSS staffing ratios, the cost would be an additional Rp 8.119 trillion per year. Adopting a more realistic

¹ Mainstream basic education facilities do not include schools formally designated as "small" (*kecil*), one-roof schools, and special education schools

and affordable approach would involve the government gradually increasing the proportion of teachers in the private system in receipt of either the functional or professional allowance, with the numbers of teachers eligible in each school/madrasah being capped by the MSS ratios.

ACDP 006 has constructed an Excel-based tool which can automatically calculate a wide range of scenarios in costing the personnel budgets required for implementation of MSS. For example, using the assumptions that the teaching force is composed of 85% permanent and 15% contract teachers, that all newly recruited teachers are qualified, that the government pays all the additional salaries needed to meet MSS staffing requirements in both government and private schools/madrasahs, and that 30% of the additional teachers receive the functional and 30% the professional allowance, shows that in 2012 the government's personnel budget would have needed an additional Rp 21.119 trillion. Not paying the salaries of private teachers would reduce this amount by Rp 8.119 trillion, but this would still leave a large budget gap to be filled. Consequently, it may be appropriate for the government to limit its personnel budget for private basic education to providing the functional and professional allowances for teachers, leaving the foundations responsible for the base salary. The number of teachers in receipt of the allowances could be gradually increased, subject to the government's fiscal capacity.

The cost of improving the staffing of the basic education system would be significantly reduced if the distribution of teachers could be improved. Using the calculation assumptions provided in the paragraph above, a 50% improvement in the efficiency of teacher distribution would produce savings of Rp 2.12 trillion per year.

(3) Operational non-personnel expenditure

The main change of funding operational non-personnel expenditure proposed by the project concerns changes to the system of BOS payments. At present, these are provided on a per-student-enrolment basis, advantaging larger schools/madrasahs and disadvantaging smaller ones. The project has created an Excel-based tool which automatically calculates the per-student operational non-personnel budget needed to deliver the compulsory basic education curriculum, at a minimal cost, in schools/madrasahs of different sizes. The calculations show that for 2013, the current BOS tariff provides the required budget for this minimal level of operations to a primary school/madrasah with 95 students, while for a junior secondary school/madrasah the break-even point is 154 students. If an additional 20% is added to the operational non-personnel costs of delivering the compulsory curriculum to allow for some payments of honorariums, consumption and purchase/repair/replacement of minor capital equipment, the break-even point moves to 117 students for primary schools/madrasahs and 219 students in junior secondary schools/madrasahs.

If the BOS tariff was frozen for a period of years, the savings gained from not adjusting the tariff for inflation could be used to start a supplementary BOS payment system to compensate those schools/madrasahs which fall below the break-even point. The compensation could be paid to groups of schools/madrasahs, e.g. a primary school with between 50 and 100 students requires an additional Rp 187,555 per student for delivery of the compulsory curriculum at the lowest possible cost, or Rp 303,533 per student with the 20% additional loading. The compensation payments would have to be introduced gradually, as they may not be immediately financially manageable. For instance, the compensation for a junior secondary madrasah with between 50 and 100 students, including the 20% loading, would be as high as Rp 911,235 per student. It is important that any system of compensation payments to small schools/madrasahs be accompanied by an effective program of school/madrasah mergers, wherever possible, to increase the efficiency of the system.

The Director of Junior Secondary Education (MoEC) who is responsible for the BOS funding program for both primary and junior secondary schools has requested and received the ACDP 006 tool for calculating the operational non-personnel budgets needed by schools with different student numbers. His staff will evaluate the possible use of the tool at national, provincial, district/city and school level.

(4) Personal expenditure

The project analysed two sources of data relating to personal expenditure on basic education. Data from the National Census Education and Social Module and data from the project's own survey of parental contributions showed broadly similar high levels of expenditure by families with children in basic education, with many families spending more than a million rupiah per year per student in primary, and over two million rupiah per student in junior secondary education. The largest categories of expenditure, particularly in the government schools/madrasahs, are on items such as uniforms, transport and pocket money. These high costs are difficult for poor families. International experience shows that the most effective way of supporting such families is through conditional cash transfers, whereby the families receive funds to use for educational expenses, provided that conditions such as regular school attendance are met. Indonesia has a system of such payments, *Bantuan Siswa Miskin (BSM)*. A major project currently underway in the office of the Deputy President is working to improve the administration and effectiveness of these scholarships which have not been sufficiently effective. Proposals are being developed to improve the scholarships' administration, which has been very fragmented, and its targeting which has seen, for example, only 3.4% of junior secondary students in the poorest quintile of the population receive the scholarship, while 1.9% of those in the richest quintile were also in receipt of them. It is thought that improvements to the BSM program, including improved targeting, increase in coverage, and a rise in the per-student payment will be the most effective way of improving support for poor families with personal cost of basic education.

6. Supporting papers

In addition to the papers dealing with the conceptual framework of FBE, the financial projections, BOS funding, parent contributions to basic education and assistance for poor families, the project also produced papers related to the possible implementation of the FBE strategy. These deal with the FBE accountability framework, capacity development, and the roadmap for implementation of FBE. The timescales provided in these documents are indicative only, being dependent on the nature and timing of Indonesian government decisions in relation to the draft strategy for implementation of FBE.

7. Other relevant matters noted by the project

Sharing of funding responsibility for basic education among levels of government.

The legislative framework makes it clear that funding responsibilities for basic education should be shared between national and local levels of government. The responsibility for directly managing basic education rests primarily with districts/cities, but provinces also have an important coordinating function. There is wide variation in the degree to which provinces and districts contribute to the cost of basic education, and not all provinces effectively meet the requirement that 20% of their budgets be spent on education. A number of local government authorities already provide an additional BOS

payment from their own resources. but these tend to be, like the national BOS payment, a flat per-student rate. Such funds would be better targeted at additional payments or compensation to the smaller schools/madrasahs which do not currently get sufficient funding from BOS.

Relationship between MSS and accreditation

It would be desirable to get a closer relationship between the MSS and accreditation criteria. Accreditation provides certification while the MSS does not, providing an incentive for principals and school communities to give priority to the accreditation process. Integration of the two processes would help to improve the focus of school/madrasah development programs and reduce the complexity of the planning processes.

MAIN TEXT

1. INTRODUCTION

This paper is the Final Progress Report of ACDP 006, the Free Basic Education Strategy Development project. This 12-month project commenced on 4 December 2011, with its Terms of Reference (ToR) specifying the following development objectives, purpose and results.

Development Objectives

The development objectives of the support to Free Basic Education Strategy Development are to contribute towards achieving medium to long term social and economic national development goals through the development of effective policies, strategies and programs for implementation of Free Basic Education in Indonesia.

Purpose and Results

The purpose of the support to Free Basic Education Strategy Development is to develop a comprehensive implementation strategy for free basic education. The intended results are therefore more effective policies, strategies, systems, financing, and capacity which will ensure that all children of primary and junior secondary school ages are able to access schooling that at least complies with the Minimum Service Standards for Basic Education.

Key outputs and deliverables of the project are discussed below. Each of the deliverables is covered more fully in the eight supplementary papers accompanying the Final Progress Report:

1. *The Conceptual Framework of Basic Education*
2. *Study on Parental Contributions to Basic Education*
3. *Financing Projections to 2020 for Implementation of Free Basic Education*
4. *Analysis of BOS Funding*
5. *Accountability Framework for Free Basic Education Implementation*
6. *Human Resource and Institutional Capacity Development Strategy*
7. *Assistance for Poor Families with Personal Costs of Basic Education.*
8. *Draft Roadmap for Implementation of Free Basic Education*

The ToR for ACDP 006 is provided as Appendix 1.

2. THE INDONESIAN BASIC EDUCATION SYSTEM

The Indonesian formal basic education system comprises primary education of six years' duration and junior secondary education of three years. The teaching is delivered in schools, both government and private which are overseen by the Ministry of Education and Culture (MoEC) and in madrasahs overseen by the Ministry of Religious Affairs (MoRA). Both the schools and madrasahs are required to teach a mandated national curriculum, with the madrasahs required to provide additional Islamic instruction. In addition to the formal basic education institutions described above, the Indonesian system also provides informal education programs consisting of materials which can be used by students without extensive teacher support. The work of ACDP 006 excluded both the informal system and special cases such as one-roof schools in remote areas which attach a small junior secondary component to a primary school. The project did not cover the education of children with special needs, nor the provision of education to children in very remote areas such as those in parts of Papua, where residential facilities may be required to ensure access to basic education.

Table 2. Number of basic education schools/madrasahs and students, Years 2009-10

| | Government | % | Private | % | Total |
|--|-------------------|-------|------------------|-------|-------------------|
| Primary schools | 130,563 | 91.1% | 12,689 | 8.9% | 143,252 |
| Primary school students | 25,239,328 | 91.1% | 2,464,665 | 8.9% | 27,703,993 |
| Primary madrasahs | 1,675 | 7.5% | 20,564 | 92.5% | 22,239 |
| Primary madrasah students | 413,168 | 13.5% | 2,637,828 | 86.5% | 3,050,996 |
| Junior secondary schools | 17,714 | 59.3% | 12,152 | 40.7% | 29,866 |
| Junior secondary school students | 6,905,458 | 74.6% | 2,349,548 | 25.4% | 9,255,006 |
| Junior secondary madrasahs | 1,418 | 10.1% | 12,604 | 89.9% | 14,022 |
| Junior secondary madrasah students | 610,348 | 24.0% | 1,931,491 | 76.0% | 2,541,839 |
| Total formal basic education facilities | 151,370 | | 58,009 | | 209,379 |
| Total formal basic education students | 33,168,302 | | 9,383,532 | | 42,551,834 |

These schools/madrasahs had an overall ratio of 15.97 students per primary teacher (16.79 in primary schools and 11.08 in primary madrasahs) and 12.89 students per junior secondary teacher (14.53 in junior secondary schools and 9.14 in junior secondary madrasahs). It should be noted that this ratio includes a large number of temporary teachers (*guru honor*) as well as permanent teachers.

3. THE PROJECT'S METHODOLOGY: PLANNED AND REVISED

The project's initial work plan, broadly consistent with the methodology outlined in the Technical Proposal Submission Form, was submitted and approved at the Inception Workshop meeting held on 2 February 2012. It consisted of the following key elements.

3.1. Study of written sources and references

These included an examination of the relevant legislative and regulatory framework, of the historical development of Indonesia's basic education, of its current operations and funding system, and of lessons from other countries, both developed and developing, relevant to the Indonesian context.

3.2. Data gathering

The project found a number of challenges in gathering information about the current operations of Indonesia's basic education system. Neither MoEC nor MoRA have a centralised system which can effectively support co-ordinated information gathering. Directorates and sub-directorates dealing with areas such as facilities and personnel have to be approached separately, and getting detailed data is challenging both because of the nature of the information systems available, and because of the competing workload of the officers involved. The lack of accurate and accessible Education Information Management Systems (EMISs) was very noticeable. For example, in working on financial projections to the year 2020, the project had to use extrapolations from samples of data to complete the national picture. It was noticeable that although schools and madrasahs are requested to produce many reports on their operations, these reports are not generally analysed to a point where a summary of the data becomes available at systemic level. A case in point are reports on school and madrasah self-evaluations which could show their level of achievement of standards such as Minimum Service Standards (MSS) and National Education Standard (NES) and which would have been particularly useful. No analysis of these reports exists at a systemic level.

3.3. Consultative processes

The project was tasked with working collaboratively and supportively with the management of the Indonesian basic education system. As articulated in the ToR and in the Technical Proposal, the project was to develop the strategy for implementation of FBE through a gradual, iterative process. At the heart of this process was the High Level Technical Working Group (HLTWG), comprising senior executives at Echelon 1 and Echelon 2 level who have direct national-level responsibility for the management of Indonesia's basic education system. It was planned for this group of 12 senior officers to meet on a monthly basis to consider papers written by the consultancy team, and to gradually build up a joint understanding of and commitment to a preferred FBE strategy.

Following the Inception Report meeting held on 2 February 2012, the next meeting of the HLTWG was convened on 8 March 2012 to consider an initial iteration of the FBE conceptual framework and to approve the detailed methodology and instruments of the Survey of Parental Contributions to Basic Education. This meeting was successful in agreeing on parts of the conceptual framework of FBE, and in approving the survey methodology and instruments. Following this meeting it became evident that expecting such a large group of very senior officers to come together another ten times during the year was not realistic given the other demands made on their time. In consultation with members of the ACDP Secretariat, the approach was changed to working with members of the HLTWG individually and in small groups, and to involving relevant members of their staffs. The project's seminar budget was approved to focus on a number of smaller, "supplementary" seminars.

Working through the supplementary seminars proved to be effective, although access to senior officers remained limited, and there were times when getting authorised feedback on key elements of the strategy proved difficult. Much of the consultative work using the changed methodology was undertaken with the Directorate-General of Basic Education, especially the Secretariat of the Directorate General and the Directorates of Primary and of Junior Secondary Education. Work with MoRA was conducted in cooperation with the Directorate of Madrasah Education and with the Planning Bureau. Several other organisations were also involved including the National Education Standards Bureau, and the office of the Deputy President. The departments of Home Affairs and Finance provided some input during the larger consultation meetings including the Inception Report and the National Consultation.

On several occasions, the project was asked by executives of MoEC to provide additional assistance in relation to work being undertaken by them. This included providing advice on the formulation of additional regulations on school/madrasah ability to charge fees, and on the MSS. In the first month of the project the Deputy Minister of BAPPENAS also requested the team for a rapid assessment of the funding required to bridge that gap between the situation then existing and one where all mainstream basic education schools/madrasahs reached at least MSS standard. The results of the rapid assessment were provided, and with subsequent improvements contributed to the calculations of FBE finance projections discussed below.

The project's ToR mandated the undertaking of formal Focus Group Discussions (FGDs) in five provinces. These were undertaken between 18 and 20 September 2012 to gather feedback on the draft framework of basic education and the financing requirements implicit in it. Care was taken to ensure that the FGDs were well prepared and well attended. Members of the consultancy team visited each of the locations several weeks before the consultations, meeting with senior local officials and securing their cooperation. The FGDs generated both lively discussion and valuable input into the project. The five locations were the capital cities of the provinces of Banten, Yogyakarta, South Kalimantan, Nusa Tenggara Timor and West Sumatra. Participants at each consultation included politicians and senior bureaucrats responsible for basic education at the level of the province and of one district and one city in each of the provinces. Other key stakeholders included representatives of schools and madrasahs, government and private and both urban and rural.

A National Consultation was held on 20 November 2020, consisting of key national stakeholders in basic education. At this meeting the consultancy team presented the final draft of the proposed FBE framework, and the related financing implications and scenarios. The discussion covered a wide range of topics including the funding of basic education in the private sector, with those representing the sector arguing the government's responsibility for full funding of the program, particularly in the area of personnel expenditure, which many private providers find difficult to finance from their own sources.

A comprehensive list of organisations and of the key individuals consulted in the work of ACDP 006 is provided as Appendix 2, and further details of cooperative work with Indonesian authorities are provided in sections of the Progress Report dealing with particular outputs (see below).

4. CONCEPTUAL FRAMEWORK OF BASIC EDUCATION

The conceptual framework of basic education underpins the work of the project as a whole. Other main deliverables such as the financial projections for the funding of basic education to 2020 are based on it. The framework identifies the main constituent elements of delivering basic education, the laws and regulations which shape its delivery, and funding responsibilities.

4.1. The legislative and regulatory framework of free basic education

A presentation of the legal framework of basic education can be found in the supplementary paper, *The Conceptual Framework of Basic Education*. The main thrust of the legislative framework stresses the compulsory nature of basic education and government's responsibility for providing it. The main thrust of the legislative framework stresses the compulsory nature of basic education and government's responsibility for providing it. The 1945 Constitution states that enriching the intellectual life of the nation is one of the goals of independence and that every Indonesian citizen is entitled to education. Basic education is compulsory, and the government is obliged to provide financing for the program.

This broad direction provided by the Constitution is supported by the key education Law 20/2003 which states that all citizens between seven and 15 years old are obliged to participate in basic education, and their parents are obliged to ensure that this happens. National and local governments guarantee that at least basic compulsory education will be free of charge, but society as a whole also shares the responsibility for delivery of compulsory education.

The standard to which basic education should be funded by government is the National Education Standard (NES), as established by Government Regulation 19/2005, but this standard is set at a very high level, well beyond the government's funding capacity. The standard is set so high that it is unattainable by even some of the most highly regarded schools in Indonesia, and some of the requirements, such as that each primary school should have a sports field and a recreation area, cannot be met by many schools in the developed world which are regarded as being of appropriate standard. It is an option for the government to review this standard and to modify it to reflect a standard which is high, but which good providers of Indonesia's basic education providers will be able to meet in full.

Recognising the very high challenge set by the NES, Government Regulation 65/2005 established the Minimum Service Standards (MSS) for a range of government activities, including education. Ministerial Regulation 15/2010 outlines the 27 criteria which form MSS for basic education. The MSS is not regarded as a target in itself, it is a "floor" or a minimum level below which it is hoped no Indonesian basic education school or madrasah will be forced to operate. Calculation of the costs of delivering Indonesia's basic education shows that the gap between the present situation and all mainstream basic education providers reaching at least MSS level is still very large (see below), reinforcing the utility of its role as an "interim" step to the eventual achievement of NES. It is expected that MSS will be revised over time, as finances allow, so that the interim standard will move gradually closer to the NES.

Over the years, the pressure for Indonesia's basic education system to be "free" has grown, especially since the introduction of the *Bantuan Operasi Sekolah* (BOS) funds in 2005. "Free basic education" has been an election slogan used in national, provincial and district/city elections, and the community's expectations of its delivery have grown. The most recent articulation of relevant national policy is in Ministerial Regulation 44/2012 which specifies that most government schools

and madrasahs delivering basic education are not allowed to charge compulsory fees. In the government system, only International Standard schools and madrasahs are allowed to charge fees, with particular conditions attached, but poor families have to be exempt.

4.2. The government's obligation to fund basic education in private schools/madrasahs

The earlier Government Regulation 60/2011 which also dealt with the issue of compulsory fees was seen by many in the private education sector as interfering with their ability to charge fees. Regulation 44/2012 now makes it clear that private providers of basic education are allowed to charge fees for capital expenditure where there is a gap between the current condition of the school/madrasah and the standards specified in MSS or NES. The private sector still has a concern about this regulation, because it appears to forbid them from charging fees for operational costs if they choose not to accept BOS funding. Some of the richer private schools and madrasahs find this a difficult imposition, since acceptance of BOS funds requires them to report all their finances to government in accounting formats which may not suit their existing book-keeping and reporting formats, despite the fact that BOS funds constitute only a small part of their income. This part of the regulation may need to be reviewed.

The legislative framework makes clear the government's obligation to fund basic education but it does not state explicitly to what extent the government is obliged to fund basic education in private schools/madrasahs. The government has the right to provide assistance, and has done so for many years. For example, some government teachers paid from the national budget are assigned to teach in private schools/madrasahs, and the government has funded repairs of classrooms in these facilities.

Representatives of the private school/madrasah sector believe that they have a case for asking the government to fully fund private basic education. The Indonesian private education sector was created largely because of the need to respond to a lack of government provision of basic education. In areas where children could not attend government schools/madrasahs many private education foundations were established to fill the gap. There are still many children in Indonesia who attend private schools/madrasahs not because that is the first choice of their families, but because there is no place for them in the government sector.

Internationally, common practice is for governments not to fully fund private education facilities. Full government funding would have to mean full government control to ensure appropriate accountability for the use of taxpayer funds. Such a situation sets up an uncomfortable tension, with the rights and roles of the private owners becoming very limited. A common practice in many countries, both developing and developed, is for governments to provide partial funding to private schools. In the Philippines, the government provides full operational, but not capital funding, to schools which serve students forced to use those facilities because of an inadequate supply of government schools. In Indonesia, using the Philippines model is not currently an option. The data and information systems necessary to make it function are not yet available, and the complexity of deciding which students are in that position makes it unlikely that such a funding system can be developed in the foreseeable future. Partial funding of private basic education facilities appears to be the most realistic option at this time, particularly since full funding carries financial implications which the government would find very onerous at this time. A detailed examination of the funding implications is provided in the supplementary paper, *Financing Projections to 2020 for Implementation of Free Basic Education*.

4.3. The draft conceptual framework of basic education

The proposed draft conceptual framework of basic education can be represented in the following illustration.

Illustration 1. The draft free basic education framework

| Funding System Government Responsibility | |
|---|--|
| Govt. School/Madrasah | Private School/Madrasah |
| <u>Capital expenditure</u> Both major and minor | <u>Capital expenditure</u> <ul style="list-style-type: none"> - Government funding for additional classrooms where this is a more efficient option. - Assistance with building of specialist facilities such as laboratories in private SMPs/MTs's which are essential to the delivery of the compulsory curriculum to MSS level. - Repairs of classrooms where the foundation running the school cannot afford to do it. - Provision of minor capital equipment to MSS level. |
| <u>Personnel</u> Wages and either functional or professional allowance | <u>Personnel</u> Functional or professional allowance to staffing levels consistent with MSS. |
| <u>Operational Non-personnel</u> Sufficient for the delivery of the compulsory curriculum at the lowest possible cost. | <u>Operational non-personnel</u> Sufficient for the delivery of the compulsory curriculum at the lowest possible cost. |
| <u>Personal Cost</u> Assistance to poor families by provision of scholarships. | <u>Personal cost</u> Assistance to poor families by provision of scholarships. |

It should be noted that the framework does not require the government to meet the cost of all salaries of teachers in the private basic education system. The framework confines the government's present obligation in this area to the provision of either functional or professional allowances to permanent teachers in the private system, to the level of staffing required by MSS (see discussion in Section 7, below).

The shaping of the conceptual framework was an extended process, involving consultations with senior officers in MoEC and MoRA. Particular assistance in this task was provided by the Secretariat of the Directorate-General of Basic Education and Ministerial advisory staff. Views were also provided by senior officers of Bappenas and of MoRA. In addition to these inputs, the project obtained strong input from its Focus Group Discussions and the National Consultation. These consultations were generally supportive of the draft framework. The Secretariat of ACDP were closely involved throughout the process.

The financial implications of the draft framework are provided after.

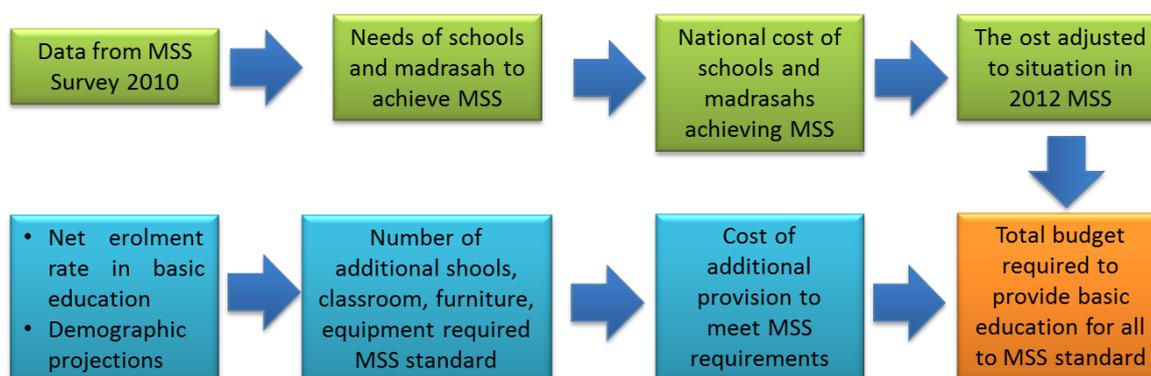
5. FINANCING PROJECTIONS FOR IMPLEMENTATION OF FREE BASIC EDUCATION TO THE YEAR 2020: CAPITAL EXPENDITURE

Penghitungan kesenjangan dilakukan dalam dua tahap. The first identified the gap existing between the current situation of Indonesia's providers of basic education and one where all of them were operating at least at MSS level. The second step was the projection of the additional on-going costs to keep the system operating at MSS level to the year 2020.

In the first stage of calculations, the project utilised mostly data from the 2010 MSS survey, and calculated the cost of the gap identified by the survey. The survey's sample of 3,966 primary and 1,248 junior secondary schools and madrasahs, both government and private, is regarded as adequately representative of Indonesia's basic education sector. For a number of MSS indicators, it is the only available data set which identifies the degree to which Indonesia's basic education providers meet MSS requirements. Where the MSS survey data was used, the gap identified by the survey was extrapolated to national level and then quantified in rupiah of current value, i.e. 2012. Where more recent, more complete and/or more reliable data was available from government sources, that data was utilised in preference or supplementary to the survey data.

The second key stage of the calculation involved broadening the access to basic education, ensuring that it is available at MSS level to all Indonesian children. The calculation of costs in this stage involved the identification of changes in the size of the cohort of students undertaking basic education, per year level, and the assumption that the net school participation rate reaches 100%. The cohort of students used for this stage of the calculation is the cohort which will be in basic education in 2014. Demographic trends used in the calculations were derived from the national census data and from data held by MoEC and MoRA. The two key stages of calculating the cost of all Indonesian providers of basic education achieving MSS level in capital budget items are represented in Illustration 2, below.

Illustration 2. The approach to calculating the gap between current situation and achievement of MSS in capital budget items



The detailed calculations of the gap are provided in the paper, *Financing Projections to 2020 for Implementation of Free Basic Education*. In total, they add up to a minimum of Rp 20.233 trillion, with Rp 6.829 required for primary and Rp 13.404 for junior secondary facilities.

The figures provided in Table 3, below, show the summary of the projected capital expenditure to the year 2020 needed to ensure that basic education schools and madrasahs can meet MSS standards in this regard. A detailed breakdown of the figures is provided in the supplementary paper, *Financing Projections to 2020 for Implementation of Free Basic Education*. The projections were constructed using the same data sources as those used for identifying the gap between the current situation and achievement of MSS. In addition to those data sources, the calculations also took into account the projected changes in student numbers and rates of depreciation of buildings and equipment. Wherever possible, the depreciation rates were taken from official sources. For example, using information obtained from the Department of Public Works shows that school classrooms will need minor repairs after 25 years, and if this is not done, major repairs will be needed four years later.

It should be noted that the projections are additional to the existing gap calculated above, and that any part of that gap not filled in 2012 will need to be carried forward into subsequent years.

Table 3. Projections for capital expenditure to the Year 2020 needed to fulfil MSS.

Million Rupiah, value Rp 2012

| YEAR | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Gov schools | 6,372,109 | 6,350,143 | 6,647,716 | 6,675,815 | 2,418,500 | 2,526,310 | 2,679,114 | 2,841,160 |
| Priv schools | 1,431,235 | 1,470,901 | 965,973 | 613,523 | 478,018 | 446,687 | 474,959 | 505,015 |
| Total | 7,803,344 | 7,821,044 | 7,613,689 | 7,289,338 | 2,896,518 | 2,972,997 | 3,154,073 | 3,346,175 |
| Gov mdrs | 181,297 | 712,753 | 688,871 | 129,608 | 137,385 | 145,859 | 154,855 | 164,147 |
| Priv mdrs | 2,072,516 | 2,599,641 | 2,761,072 | 1,950,805 | 752,286 | 799,504 | 849,926 | 903,519 |
| Total | 2,253,813 | 3,312,394 | 3,449,943 | 2,080,413 | 889,671 | 945,363 | 1,004,781 | 1,067,666 |
| Grand Total | 10,057,157 | 11,133,439 | 11,063,632 | 9,369,750 | 3,786,188 | 3,918,360 | 4,158,854 | 4,413,841 |

6. FINANCING PROJECTIONS FOR IMPLEMENTATION OF FREE BASIC EDUCATION TO THE YEAR 2020: PERSONNEL EXPENDITURE

The methodology used in these calculations is detailed in the supplementary paper, *Financing Projections to 2020 for Implementation of Free Basic Education*. Shortcomings in the data bases available at national level mean that the project had to use only the sample where schools data base and teachers data base were able to be matched. The size of the sample (43%) was, however large enough to allow extrapolation to national level.

1. Teacher numbers required to meet MSS

Using the available data, the project was able to calculate to what extent the national system as a whole meets MSS staffing requirements. These requirements were taken to be:

- For SD/MI: One teacher for each class of students, with the principal also counted as a teacher.
- For SMP/MTs: One teacher for each 24 lessons to be delivered, with the principal also counted as a teacher.

It is recognised that a perfect distribution of teachers cannot be achieved, and that an education system always needs a buffer additional to the ideal teacher ratio. A 10% buffer was added to the calculations.

On a national level, the data produced the following result, counting only permanent teachers employed by both the government and the private systems:

Table 4. Shortage of permanent teachers in the basic education system according to MSS level, year 2011

| School Madrasah | Status | Percentage of shortage of permanent teachers to MSS level, including 10% buffer |
|-----------------|---------|---|
| SD | Govt | 11% |
| SD | Private | 18% |
| MI | Govt | 7% |
| MI | Private | 48% |
| SMP | Govt | 12% |
| SMP | Private | 82% |
| MTs | Govt | 25% |
| MTs | Private | 97% |
| Total | | 15% |

In addition to the permanent teachers counted in Table 4, the system relies on many teachers, most part time, who are usually paid from BOS funds. Table 5, below, demonstrates the funding needed if the government were to assume the responsibility for paying all the basic salaries and allowances of teachers in both the government and private system, to MSS staffing levels, from a salaries budget. The sum is largest for 2012, because that year includes the cost of bridging the existing gap.

Subsequent years show further adjustments which will need to be made because of changes to the teaching force caused primarily by factors such as retirement and mortality rates.

Table 5. Projections to 2020 of the budget needed for the teaching force of basic education, additional to the teaching force employed in 2011, in million rupiah. Both government and private teacher salaries paid by government. 40% of all teachers receive the functional allowance and 50% the professional.

| YEAR | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------|-------------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Govt SD | 10,274,732 | 321,779 | 452,127 | 2,065,010 | 2,266,770 | 2,774,192 | 2,734,799 | 3,347,609 | 3,047,084 |
| Priv SD | 2,929,791 | 56,033 | 71,385 | 373,944 | 413,310 | 457,477 | 470,892 | 520,728 | 515,294 |
| Govt MI | 236,690 | 0 | 0 | 44,547 | 29,698 | 40,138 | 35,638 | 41,577 | 34,198 |
| Priv MI | 1,232,471 | 8,033 | 8,033 | 90,931 | 82,416 | 92,939 | 103,462 | 97,438 | 101,454 |
| Govt SMP | 2,363,111 | 41,445 | 272,794 | 274,868 | 388,525 | 330,295 | 376,286 | 354,546 | 403,144 |
| Priv SMP | 3,842,132 | 50,757 | 543,520 | 651,774 | 566,551 | 740,129 | 633,696 | 560,937 | 517,518 |
| Govt MTs | 317,538 | 19,674 | 0 | 56,400 | 7,870 | 35,534 | 7,870 | 0 | 7,870 |
| Priv MTs | 1,689,427 | 10,410 | 10,410 | 66,053 | 125,600 | 126,901 | 67,354 | 10,410 | 126,901 |
| TOTAL | 22,885,893 | 508,132 | 1,358,269 | 3,623,528 | 3,880,740 | 4,597,605 | 4,429,997 | 4,933,245 | 4,753,463 |

If no functional or professional allowances were to be paid, the sum required for 2012 would be reduced from the 22.886 trillion rupiah shown in Table 5 to Rp 18.154 trillion - but this nevertheless represents a very large demand on the national education budget. If private sector teacher wages of Rp 8.119 trillion are removed from the calculation, the budget for 2012 is reduced to Rp 10.036 trillion, still a challenging sum for the education budget.

ACDP has constructed an Excel-based tool which can automatically calculate a wide range of scenarios in calculating the personnel budgets required for implementation of MSS. The paper, *Financing Projections to 2020 for Implementation of Free Basic Education* provides a range of scenarios, mostly assuming the funding basis provided by the conceptual framework which has the government paying both salaries and allowances for government teachers, but only the allowances for teachers in private schools/madrasahs. The scenarios also include variations based on efficiency of teacher distribution. Some districts have a great shortage of permanent teachers in their basic education systems when the MSS standard is applied, while some others show a large surplus meaning that some areas can have more than double the number of permanent teachers required by MSS ratios.

The Indonesian government has been aware of the inefficiency of teacher distribution in the system and has tried to address it. The latest measure are the Five Ministers' Regulations issued in October 2011, requiring local education authorities to improve the distribution of teachers in their areas. On evidence to date, little progress appears to have been made, although it is still relatively soon after the regulations were issued. Table 6 below, demonstrates the savings which can be made if the distribution of teachers is improved on a national scale.

Table 6. The budget needed in 2012 for the teaching force of basic education, additional to the teaching force employed in 2011, with no salaries paid to teachers in the private system, 40% of both government and private teachers receiving the professional and 40% the functional allowance, and a range of efficiency of teacher distribution, in million rupiah.

| | No improvement on current level of efficiency | 30% improvement on current level of efficiency | 80% improvement on current level of efficiency |
|-----------------|---|--|--|
| Govt SD | 9,668,109.24 | 8,723,881.54 | 7,151,099.71 |
| Priv SD | 474,228.73 | 429,959.33 | 351,983.90 |
| Govt MI | 222,726.46 | 207,303.53 | 165,343.49 |
| Priv MI | 202,265.72 | 179,131.27 | 145,473.87 |
| Govt SMP | 2,223,596.17 | 2,004,313.23 | 1,640,408.43 |
| Priv SMP | 623,377.43 | 561,456.72 | 458,911.10 |
| Govt MTs | 298,784.27 | 268,656.86 | 220,175.55 |
| Priv MTs | 275,194.83 | 250,899.92 | 202,075.87 |
| TOTAL | 13,988,282.85 | 12,625,602.39 | 10,335,471.93 |

The table shows that even a 30% improvement in efficiency of teacher distribution reduces the budget by Rp 1.363 trillion, while an improvement by 80% increases the saving to Rp 3.653 trillion.

Another factor very important to efficiency of teacher distribution is the assignment of subject teachers in secondary education. Most international tertiary systems structure their courses so that a graduate has not only a major, but also at least one, and often two minor areas of study. Thus a science graduate may have a major in physics, but can also have minors in mathematics and chemistry. In Indonesia, an economics graduate may have studied mathematics in the economics faculty, but is not recognised as having a minor in mathematics. If he wants to be a teacher, he can be certified as a teacher of economics only and is judged not to be qualified to teach mathematics. This situation leads to serious inefficiencies in Indonesia's basic education system which has many small SMPs and MTs's.

7. FINANCING PROJECTIONS FOR IMPLEMENTATION OF FREE BASIC EDUCATION TO THE YEAR 2020: OPERATIONAL NON-PERSONNEL EXPENDITURE

The main form of supporting basic education schools/madrasahs in the area of operational non-personnel expenditure is the *Bantuan Operasional Sekolah* (BOS) funding.

7.1. Purpose of BOS Funding

BOS is a national program broadly designed to support the implementation of Nine Years Compulsory Education and the achievement of the quality of basic education which is required. From its introduction in 2005, a key objective of the BOS program was the broadening of access to basic education. From 2009 onwards, the program's objectives expanded to include raising the quality of basic education. The introduction of BOS also relates closely to Free Basic Education (FBE) policy and Pro-Poor programs. From 2007 BOS guidelines for both schools and madrasahs instruct that with the exception of International Standard schools, all students in government primary and junior secondary schools and madrasahs should not be charged fees.

The primary purpose of BOS is the provision of schools' and madrasahs' operational non-personnel costs. BOS funds are explicitly allowed to be used for 13 categories of payments, and forbidden for others. Among the permitted items of expenditure are honorariums, and these are frequently used to provide a basic wage to temporary teachers, although this wage is often very low and inconsistent with teachers' professional status. It may be an option for the government to move away from allowing this method of funding basic teacher salaries by gradually increasing the number of the teachers who are paid from the salaries, rather than the BOS, budget. The financial implications of this are provided in the paper *Financing Projections to 2020 for Implementation of Free Basic Education*.

7.2. Adequacy of BOS funds for schools/madrasahs of different sizes

The draft conceptual framework of FBE indicates that the operational non-personnel budget should be sufficient for schools and madrasahs to implement the compulsory basic curriculum, at a minimal cost.

BOS funds are provided to schools/madrasahs on a per-head-of-student basis, with each primary student attracting Rp 580,000 and each junior secondary student, Rp 710,000 in 2012. This funding system does not allow for a differentiation between fixed cost and variable cost. It is clear that larger schools/madrasahs are advantaged, and small schools/madrasahs are disadvantaged by the system. Prior to the work of ACDP 006, no detailed study had been done on how this method of BOS funding affects schools/madrasahs of different size.

ACDP 006 built on work previously undertaken by Decentralised Basic Education 1 which itemised all the activities and sub-activities that schools/madrasahs engage in during a school year, based on the eight National Standards. All operational non-personnel items and services which schools need to purchase or pay for in a school year were listed against the relevant activities. ACDP 006 comprehensively reviewed the lists of activities and items with a range of primary and junior secondary schools and madrasahs, both government and private, urban and rural, representing different socio-economic contexts.

Based on this comprehensive list of activities, items and payments, ACDP 006 calculated the operational non-personnel cost of delivering a year's program of basic education in Indonesian schools and madrasahs. In general, the standard of delivery was tied to the MSS. It is recognised that in relation to the curriculum, the only applicable standard is the NES, so from the MSS perspective, the calculation was based on the minimal cost at which the compulsory NES curriculum could be delivered. The criteria for the calculation are as outlined below:

- the funds are used for the delivery of the compulsory curriculum only;
- all optional activities such as extra-curricular activities and out-of-school sport and other competitions are excluded;
- the school/madrasah uses a syllabus which requires minimal provision of teaching aids and equipment;
- all salaries and honorariums are excluded, with the exception of the honorarium of the school/madrasah treasurer;
- all consumption costs are excluded;
- all minor capital costs, such as books, are excluded; and
- school/madrasah and school/madrasah grounds maintenance costs are included.

ACDP 006 has developed an Excel-based tool which can automatically calculate the amount of operational non-personnel funds which schools/madrasahs of different sizes need to deliver the compulsory curriculum at minimum cost. Table 7, below, shows that using the criteria listed above, the current BOS tariff is adequate for a school or madrasah with 95 students. It cannot meet the needs of primary schools/madrasahs which are below that size. Larger schools/madrasahs are advantaged by the funding system, the larger the more advantaged.

Table 7. Minimal operational non-personnel budget of SDs/MIs of different sizes, with no allowance for honorarium, consumption, minor investment, and cost related to specialist subject teachers (Year 2013)

| | NUMBER OF CLASSES | 12 | 6 | 6 | 6 | 6 |
|----|---|------------|------------|------------|------------|------------|
| | NUMBER OF STUDENTS | 400 | 192 | 95 | 90 | 60 |
| NO | SCHOOL/MADRASAH PROGRAMS | | MSS | BREAK EVEN | | |
| 1 | MINIMUM STUDENT COMPETENCY | 402,050 | 402,050 | 402,050 | 402,050 | 402,050 |
| 2 | CURRICULUM AND SYLLABUS | 2,158,365 | 1,869,485 | 1,732,245 | 1,732,245 | 1,732,245 |
| 3 | TEACHING AND LEARNING ACTIVITIES | 10,665,066 | 6,933,866 | 5,448,469 | 5,377,316 | 4,986,566 |
| 4 | TEACHER AND EDUCATION STAFF DEVELOPMENT | 8,085,000 | 6,105,000 | 4,125,000 | 4,125,000 | 4,125,000 |
| 5 | PROVISION OF TEACHING & LEARNING FACILITIES | 13,125,000 | 13,125,000 | 13,125,000 | 13,125,000 | 13,125,000 |
| 6 | TEACHING-LEARNING MANAGEMENT | 24,675,151 | 23,768,151 | 23,581,110 | 23,570,526 | 23,512,401 |
| 7 | STUDENT PERFORMANCE EVALUATION | 27,177,050 | 10,798,550 | 4,317,984 | 4,083,425 | 2,795,300 |
| | COST BEFORE INFLATION AND ALLOWANCE FOR HONORARIUM, CONSUMPTION, AND MINOR CAPITAL INVESTMENT | 86,287,682 | 63,002,102 | 52,731,858 | 52,415,562 | 50,678,562 |
| | COSTS PER STUDENT | 215,719 | 328,136 | | 582,395 | |
| | ESTIMATED 2013 INFLATION RATE | 5% | 5% | 5% | 5% | 5% |
| | TOTAL COSTS AFTER INFLATION | 90,602,066 | 66,152,207 | 55,368,451 | 55,036,340 | 53,212,490 |
| | COSTS PER STUDENT | 226,505 | 344,543 | 580,000 | 611,515 | 886,875 |
| | HONORARIUM, CONSUMPTION, AND MINOR CAPITAL INVESTMENT | 0% | 0% | 0% | 0% | 0% |
| | TOTAL COSTS | 90,602,066 | 66,152,207 | 55,368,451 | 55,036,340 | 53,212,490 |
| | COSTS PER STUDENT | 226,505 | 344,543 | 580,000 | 611,515 | 886,875 |

Using the same criteria, the "break even" points for SMPs and MTs's are 154 and 160 respectively.

The project's consultations showed that it is not considered possible for schools/madrasahs to deliver the basic curriculum without incurring some honorarium, consumption, and minor capital costs. If an additional 20% is added to the costs to allow for these categories of expenditure, the "break even" points become as per Table 8, below. There is no cost difference between government and private facilities.

Table 8. Operational non-personnel budget "break even" points of schools and madrasahs of different sizes including 20% allowance for honorarium, consumption and minor investment

| | |
|----------------------------------|--------------|
| Primary school | 117 students |
| Primary madrasah | 117 students |
| Junior secondary school | 219 students |
| Junior secondary madrasah | 192 students |

The costs in MTs in Table 8 are higher than those for the SMP because the madrasah has an additional subject load of four religious subjects. MIs also have additional religious subjects, but the funding model used in table 7 does not count the operational non-personnel costs associated with specialist teachers, either religious or secular such as teachers of sport or "local content".

During the consultations, arguments were raised that the BOS tariff should also support the operational non-personnel costs associated with specialist teachers at primary level. If these costs are allowed, the break even points rise to 127 students for SD and 129 students for MI.

The calculations show that at both primary and secondary level, the adequacy of BOS funding is strongly dependent on the number of students enrolled. This is true whether the calculation used is minimal; minimal +20%; or minimal + 20% + specialist primary teachers.

ACDP 006 consultations and FGDs showed very strong support for addressing the current inequity in the system by providing compensation to small schools/madrasahs. It was recognised that this cannot be done by reducing the BOS tariff of schools/madrasahs with larger numbers of students and using those funds to compensate small ones. But a system of additional support or compensation for small schools/madrasahs may be possible, alongside of a freezing of the tariff for a period of time. The limitations of Indonesia's current Education Management Information System (EMIS) make it too difficult to manage a level of compensation specifically for each school/madrasah which currently falls below the "break even" line, but it may be possible to establish compensation based on groups of schools/madrasahs, e.g. a group with enrolments between 50 and 100 students, and another between 100 and 150.

As an indicator, the compensation level currently required for groups of schools/madrasahs is provided in Table 9, below.

Table 9. Compensation above current BOS tariff required by small schools/madrasahs for delivery of the compulsory curriculum

| School/madrasah | Compensation for minimal MSS | Compensation for minimal MSS + 20% for honorarium, consumption and minor investment | Compensation for minimal MSS + 20% for honorarium, consumption and minor investment, + subject teachers |
|----------------------------------|------------------------------|---|---|
| Prim. school 50 -100 students | 187,533 | 303,533 | 341,040 |
| Prim. school 100 -150 students | 0 | 0 | 7,854 |
| Prim. madrasah 50 -100 students | 187,533 | 303,533 | 341,040 |
| Prim. madrasah 100 -150 students | 0 | 0 | 7,854 |
| JS school 50-100 students | 582,146 | 840,575 | - |
| JS school 100-150 students | 65,288 | 220,000 | - |
| JS madrasah 50-100 students | 593,034 | 911,235 | - |
| JS madrasah 100-150 students | 71,823 | 262,741 | - |

7.3. Need to Improve Efficiency by Mergers

Considering providing additional, compensatory funding for small schools and madrasahs raises questions of efficiency. Indonesia has many small schools and madrasahs delivering basic education. In some cases, there is no choice but to retain them because they are the only way to provide basic education in many rural communities. But in other cases, particularly in urban settings, school mergers are a viable option. An example is provided by the cities of Yogyakarta and Jakarta. Table 10, below, shows the average number of students in the bottom five deciles of basic education schools/madrasahs in those cities in 2011.

Table 10. The minimum and average number of students in the bottom five deciles of basic education schools/madrasahs in Yogyakarta and Jakarta.

| PROVINCE | LEVEL | 10th Pctl | 20th Pctl | 30th Pctl | 40th Pctl | Median |
|---------------|---------|-----------|-----------|-----------|-----------|--------|
| DI YOGYAKARTA | SD/MI | 54.0 | 72.0 | 84.0 | 96.0 | 114.0 |
| | SMP/MTS | 51.0 | 81.0 | 129.0 | 186.0 | 267.0 |
| DKI JAKARTA | SD/MI | 84.0 | 126.0 | 162.0 | 192.0 | 216.0 |
| | SMP/MTS | 48.0 | 78.0 | 108.0 | 150.0 | 204.0 |

Given the much higher per-student cost in small schools/madrasahs, it is difficult to justify an education system which has 10% of junior secondary schools/madrasahs in Jakarta with an average of just 48 students, and in Yogyakarta with an average of 51 students. It is not just that the operational non-personnel per-student budget required is uneconomically large. The personnel and capital costs, per student, are also very high and difficult to justify. In Indonesia small schools/madrasahs tend to serve the poorest sections of society. This means that the communities served by small schools/madrasahs are generally the least able to provide the additional resources needed to ensure that the education their children receive is of adequate quality. There is an urgent need to consolidate the provision of basic education by mergers, wherever it is possible. The implementation of this task is the responsibility of local, rather than the national government. In the light of little local government action to rationalise the efficiency of basic education provision, the national government has acted through the Five Ministers Regulations of October, 2011, which

direct local governments to act in this regard. To date, the Regulations have had very limited effect, and the strategy may need to be revisited.

8. PARENT CONTRIBUTIONS TO BASIC EDUCATION

8.1. An overview of parent contributions to basic education

The ACDP 006 Survey of Parent Contributions to Basic Education had its methodology and instruments approved as a part of the Inception Report. The study was carried out to establish the education-related costs borne by parents of children in basic education. A full report of the study's methodology and findings is provided in the supplementary paper, *Survey on Parental Contributions to Basic Education*. The survey was complemented by an analysis of the national census data, Susenas, which surveyed the level of parental contributions in the years 2003, 2006 and 2009.

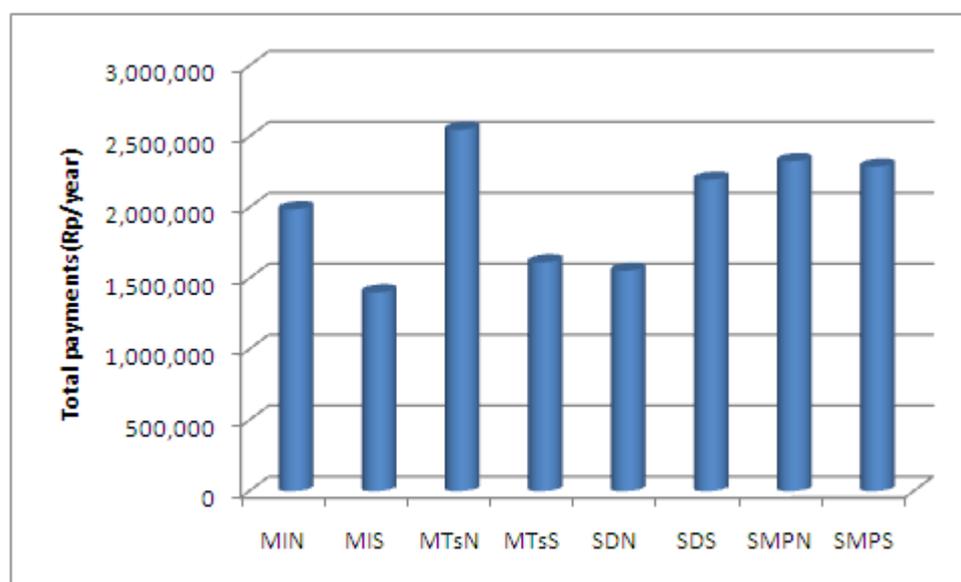
The *Susenas* data showed the following pattern:

Table 11. Average total parents' costs for basic education 2003 - 2009 per student per year (values in nominal and constant Rp 2011)

| Schools/madrasahs | Average Total Parents' Costs/Year Per Student | | |
|-----------------------|---|--------------------------------------|--------------------------------------|
| | 2003 | 2006 | 2009 |
| Government SD | 294,864 (2003) 509,264 (2011) | 444,482 (2006) 585,612 (2011) | 829,708 (2009) 920,870 (2011) |
| Private SD | | 976,676 (2006) 1,290,744 (2011) | 1,387,040 (2009) 1,539,454 (2011) |
| Government MI | 273,234 (2003) 471,908 (2011) | 538,976 (2006) 710,112 (2011) | 841,750 (2009) 934,242 (2011) |
| Private MI | | 509,474 (2006) 671,248 (2011) | 892,392 (2009) 990,448 (2011) |
| Government SMP | 758,876 (2003) 1,310,672 (2011) | 988,314 (2006) 1,302,124 (2011) | 1,310,782 (2009) 1,454,812 (2011) |
| Private SMP | | 1,581,266 (2006) 2,083,350 (2011) | 1,768,982 (2009) 1,963,354 (2011) |
| Government MTs | 600,172 (2003) 1,036,566 (2011) | 774,932 (2006) 1,020,990 (2011) | 1,270,802 (2009) 1,410,438 (2011) |
| Private MTs | | 776,182 (2006) 1,022,636 (2011) | 1,261,060 (2009) 1,399,622 (2011) |

ACDP 006 conducted its own survey of parental contributions in May-June 2012. The survey which involved 2,781 parents in 228 schools/madrasahs in 10 districts/cities also showed high average levels of parent contributions, within a range even higher to that of the 2009 Susenas data.

Illustration 3. Total Parent Expenses for Basic Education, per student per year, ACDP 006, Year 2012



The contributions which parents are required to make to basic education are substantial, both in the government and in the private system, and the general trend is for these contributions to be increasing. As data from the ACDP 006 survey demonstrates, (Table 12, below) most of the expenditure is not on school fees.

Table 12. Proportion of parent expenditure on basic education as school/madrasah fees, ACDP 006, 2012

| Type of school/madrasah | Gov/ private | percentage of expenditure as school/madrasah fees |
|-------------------------|--------------|---|
| MI | Gov | 4.1% |
| | Private | 11.0% |
| MTs | Gov | 17.2% |
| | Private | 23.3% |
| SD | Gov | 3.5% |
| | Private | 7.9% |
| SMP | Gov | 15.2% |
| | Private | 27.5% |

Items on which parents spent the most money were uniforms, transport and pocket money. The Susenas data, complemented by the ACDP data, also shows that "additional courses" are a growing component of the expenditure.

8.2. Importance of voluntary parent contributions

Most parents indicated a willingness to make contributions to the cost of their children's education in the form of payments to the institutions which their children attended, provided that the funds given were used for the improvement of education quality. Those associated with government MIs were

the least willing (56.3%) and those associated with private SMPs most willing (78.8%), closely followed by parents of students in government SMPs (73.6%).

Table 13. Willingness of parents to make a contribution to the cost of educating their children, in order to improve the quality of education offered.

| School/ Madrasah | Gov/ private | Willingness to make a contribution to improve quality of education | | | | Total | |
|---------------------|-----------------|---|------|-----|------|-------|-----|
| | | Yes | | No | | | |
| | | N | % | N | % | N | % |
| MI | Gov | 111 | 56.3 | 86 | 43.7 | 197 | 100 |
| | Private | 172 | 65.4 | 91 | 34.6 | 263 | 100 |
| MTs | Gov | 84 | 58.7 | 59 | 41.3 | 143 | 100 |
| | Private | 254 | 66.1 | 130 | 33.9 | 384 | 100 |
| SD | Gov | 486 | 58.1 | 350 | 41.9 | 836 | 100 |
| | Private | 153 | 71.8 | 60 | 28.2 | 213 | 100 |
| SMP | Gov | 299 | 73.6 | 107 | 26.4 | 406 | 100 |
| | Private | 267 | 78.8 | 72 | 21.2 | 339 | 100 |

Some of those parents who stated they were not prepared to make such contributions indicated that their reasons had to do with a lack of faith that money provided would really be used to improve the quality of education. The project found schools and madrasahs are not yet sufficiently transparent with how the money provided by parents is used. As a part of the study of parental contributions, the project collected the planning and reporting documentation from the schools/madrasahs in the sample. Although current regulations require schools and madrasahs which receive BOS funds to report details of all their expenditure regardless of the source of income, 90% of the sample reported only on their use of BOS funds. Among the 10% which reported on expenditure of other sources of funds including parent contributions, the reporting leaves much room for improvement. In reporting use of parent funds, an average of 42% of the expenditure was categorised as for "other purposes".

Most school/madrasah principals report that forbidding charging of fees will impact negatively on the quality of education they can offer. Although the negative impact is feared more in private than in government institutions, 62.3% of government primary school/madrasah principals report that if parents are not required to contribute to the cost of education, the negative effect on the quality of education will be medium or large. For government junior secondary schools/madrasahs, the figure is 57.6%. In this context, the ability of government schools and madrasahs to raise funds through voluntary parent contributions is very important, and improving the transparency of the use of such contributions is an essential improvement. Greater transparency can increase the likelihood of parents being willing to provide financial support.

The government's policy on free basic education is aimed at reducing the financial burden on parents, but it is also stated that free education should not mean a reduction in quality. Private schools and madrasahs are currently free to charge fees, provided these are reasonable and provided that poor families are exempted. In government institutions, however, and in particular in those which had in the past charged fees and offered a service of higher quality, parental voluntary contributions will be crucial to ensuring that there is no reduction in quality. Improving the transparency of how such funds are used is an essential component in the strategy to deliver free basic education without reduction in quality. The project has addressed this issue in its supplementary papers, *Analysis of BOS Funding* and the *Accountability Framework for Free Basic Education Implementation*. The former paper discusses in depth the improvement of

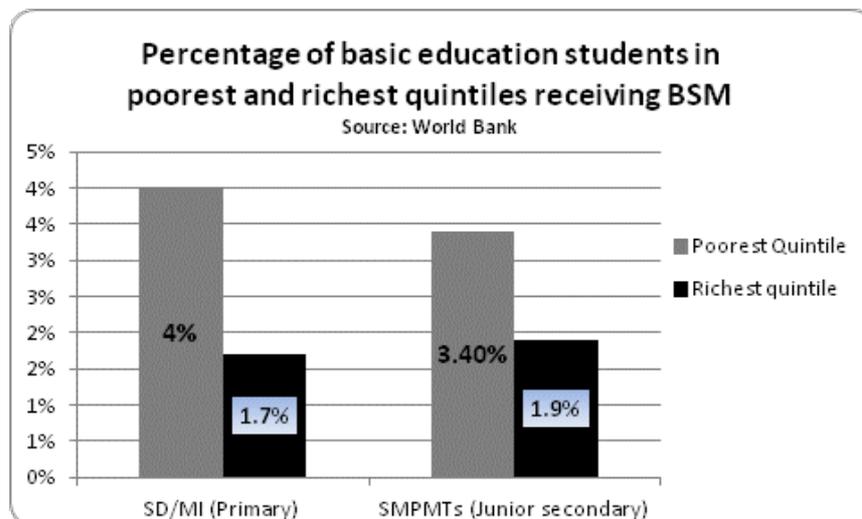
school/madrasah accountability instruments and audit processes, and the latter incorporates the suggested improved instruments in the proposed accountability framework for delivery of FBE.

8.3. Support for poor families with personal costs of basic education

Ensuring that poor students are exempt from any charges levied by schools/madrasahs addresses only a part of the challenges faced by poor families who want their children to complete nine years of schooling. As evidenced by Table 12, above, most of the costs borne by families educating their children consists of items other than school fees. These items, classed as personal expenditure, include uniforms, transport, pocket money for food and the cost of additional, non-compulsory courses and programs. These costs can be too difficult for poor families to meet, and have been identified as a major contribution to students dropping out before completing basic education.

The Indonesian government has addressed the area of education-related personal costs since 1999, when its first program specifically designed to support the education of poor children was introduced. In 2008, the government introduced a new program, *Bantuan Siswa Miskin (BSM)*. The program, delivered in the form of cash transfers, is essentially a scholarship program. In 2012, it has targeted 6,599,683 basic education students at a cost of Rp 2.59 trillion. Conditional cash transfers such as the BSM are internationally recognised as the most effective way of providing targeted support for poor families in areas such as education expenses. The BSM program, if well administered, can help boost demand for education by reducing the financial barriers to participation, and help to decrease the cost to families. At present, the BSM program is operating at below optimal levels of efficiency, with inaccurate targeting, inadequate coverage and significant administrative problems. Illustration 4, below, shows that a large number of students from the richest quintile of Indonesian families are in receipt of the scholarship which should be available only to the poorest.

Illustration 4. Percentage of basic education students in poorest and richest quintiles receiving BSM, years 2009-10



A full discussion of issues associated with the BSM program is provided in the supplementary paper, *Assistance for Poor Families with the Personal Cost of Basic Education*. The National Team for Accelerating Measures for Countering Poverty (*Tim Nasional Percepatan Penanggulangan Kemiskinan, or TNP2K*) is currently working in the office of the Vice President to improve the operations of the program focusing on better identification of recipients, a more effective system of administering the scholarships and improving the program's coverage to encompass a larger

percentage of students from poor families. ACDP has consulted with TNP2K, and supports the direction being taken.

9. POLICY OPTIONS

ACDP 006 has identified the following as possible policy development options for consideration.

1. That the basic education conceptual framework as outlined in this paper be accepted by the Indonesian government, socialised through the strategy outlined in the paper, *Free Basic Education Communication Strategy*, and supported by the implementation of the capacity building strategy outlined in the paper, *Human Resource and Institutional Capacity Development Strategy to Support Implementation of Free Basic Education*, and by the implementation of the accountability framework outlined in the paper, *Accountability Framework for Basic Education*.
2. That the central government implements a longer-term strategy to ensure that all basic education schools/madrasahs have the facilities, including buildings and basic equipment, specified in MSS. The bridging of the gap between the present situation and the desired situation should be undertaken incrementally, based on government fiscal capacity.
3. That permanent and contract teachers employed by foundations managing private schools/madrasahs be paid an allowance by central government, and that allowance be either the professional allowance where the teacher meets the requirements, or the functional allowance where the teacher is not eligible for the professional allowance. The number of teachers receiving the allowances in any basic education school/madrasah should be restricted to the number of teachers to which the school/madrasah is entitled by the MSS staffing criteria.
4. That the rules governing the eligibility for receipt of functional allowance be changed, so that teachers become eligible for it after the first year, rather than after five years of continuous service.
5. That the BOS budget be gradually adjusted to become a budget purely for operational non-personnel expenditure, with the central government implementing a long-term strategy to ensure that:
 - all eligible teachers employed in the government basic education system, to MSS staffing levels for each school/madrasah, are paid their basic wages from the salaries budget rather than the BOS budget. As an initial step in 2014, the government commences to pay a percentage of this group of teachers from the salaries budget, with the percentage depending on government fiscal capacity, and that additional eligible teachers, with the number dependent on fiscal capacity, begin to have their basic salaries paid from the wages budget in each of the years 2015-2020; and
 - items such as school books and teaching aids currently classified as "minor capital expenditure" be reclassified as operational non-personnel expenditure, in line with common overseas practice.
6. That the BOS program be adjusted to reflect the different operational costs of schools and madrasahs of different sizes, by the gradual introduction of a compensatory annual payment for groups of schools/madrasahs which fall below the "break even" point in relation to the BOS tariff. The compensatory payment should not be made to small schools/madrasahs which are targeted for merger.
7. That government and private school/madrasah planning and reporting of the use of both compulsory and voluntary parent contributions be improved to ensure increased transparency and accountability, in line with the accountability instruments outlined in the paper, *Accountability Framework for Basic Education*.

8. That the policy of not allowing government schools/madrasahs to charge compulsory fees be evaluated in 2015, with focus on the impact of the policy on the quality of the basic education programs delivered in the government system.
9. That the Indonesian government proceeds as a matter of urgency to increase the efficiencies in the delivery of the basic education program, viz:
 - Teachers working in secondary schools and madrasahs need to be qualified to teach at least two subjects. This involves changes to the rules of professional certification, and in the longer term, changes to the structures of undergraduate courses which produce candidates for the teaching professions.
 - Additional strategies be utilised to ensure a more effective distribution of the existing basic education teaching force, including:
 - an evaluation of the policy, strategy and implementation of the Five Ministers' regulation on improving teacher distribution (regulation dated 3/10/2011);
 - enforcing a system of financial sanctions/rewards for local government areas dependent on their effectiveness in improving the efficiency of teacher distribution; and
 - development of a national strategy for the consolidation/merger of small basic education schools/madrasahs. It is recognised that in many situations, geography dictates that small schools/madrasahs are the only way to deliver basic education, and that in those cases merger is not possible and the facilities need to be supported to operate at at least MSS level.
10. That central government designs and implements a cost-sharing arrangement for financing of basic education with provincial and district/city authorities, encompassing the following requirements:
 - all local government authorities spend a minimum of 20% of their budgets on education; and
 - provinces are not able to count the decentralised BOS funds which they administer as a part of their 20% contribution.
11. Provincial and local governments coordinate their funding of education to prioritise the attainment of MSS, with a particular focus on supporting the operational costs of smaller schools/madrasahs which cannot be merged, and which fall below the "MSS break even" line for operational non-personnel costs. In making this calculation, local authorities should also take into account the price differential existing in various districts.

APPENDIX 1
TERMS OF REFERENCE

8. Appendix 1. Terms of Reference

| | |
|----------------------------------|--|
| Topic: | Free Basic Education Strategy Development |
| Source of Support: | The Education Sector Analytical and Capacity Development Partnership (ACDP) |
| Method of Selection: | IDC – QCBS |
| Duration of Assignment: | 12 months |
| Implementing Partners: | Ministry of National Education (MoNE), Ministry of Religious Affair (MoRA), Ministry of National Development Planning (<i>Bappenas</i>) |
| Contracting Organization: | Asian Development Bank |

I. Development Objective(s)

1. The development objectives of the support to Free Basic Education Strategy Development are to contribute towards achieving medium to long term social and economic national development goals through the development of effective policies, strategies and programs for implementation of Free Basic Education in Indonesia.

II. Strategic Background

Constitutional Mandate and Public Economic Consideration

2. The Fourth Amendment of the Constitution, Article 31, verse 1, provides that every citizen is entitled to education. Verse 2 of the same Article as well as National Education Law (Law 20/2003), Article 11, verse 2, states that central and regional governments are obligated to fund basic education services. Furthermore, Article 34, verse 2 of the National Education Law states that central and regional governments must guarantee provision of basic education services free of charge.

3. The constitutional and regulatory mandates above are very much in line with the need to support national development from the human resource side. Basic education benefits individuals with basic reasoning skills, ability to read and write, enabling them to access information and other non-tangible benefits to improve their quality of life. Communities consisting of individuals completing at least basic education are potentially easier to organize, more able to comprehend information and public initiatives targeting them as collective beneficiaries. Socialization of government programs including family planning, promotion of environment-friendly agricultural practices, eradication of contagious diseases, and the like are easier to implement in communities where individuals have, at least, a basic level of education.

4. However, within the current socio-economic context basic education (primary and junior secondary education) provides limited advantages at the individual level in the labor market. The formal sector, private companies and the public sector alike, rarely recruits new employees with junior secondary education or less. The fact that basic education in itself (i.e. prior to potential transition to higher levels of education) has such significant benefits to the community, and the

limited contribution of basic education to individuals' labor market prospects, underlines the nature of basic education as a public good, and therefore justifies full public funding for its provision.

School Financing and Disparity

5. The basic education system in Indonesia consists of primary schools/madrasah ibtdaiyahs (SD/MI) and junior secondary schools/madrasah tsanawiyahs (SMP/MTs). The general stream, SD and SMP, are predominantly public; around 91% of SD and around 59% of SMP are public schools. The madrasah stream, on the other hand, is dominated by the private sector; more than 90% of madrasahs (MI and MTs) are privately operated and funded.

6. Funding for public schools/madrasahs comes from district/city governments (for SD and SMP) and MORA province/district office (for MI and MTs) and covers teachers and other personnel salary costs, other recurrent expenditures to support day to day school operations, and investments in infrastructure, equipment, and institutional and personnel capacity improvements. Schools also receive resources for infrastructure, equipment, and training for their teachers and school principals from the central government in a less systematic way.

7. Parents are obligated to make financial contributions at rates mutually agreed between the school and the parents in a school committee meeting. These financial contributions are generally used to support expenditures oriented towards enriching teaching and learning processes in school. It is also a significant source of funds to top-up teachers' salary. In addition parental contributions are also made through the practice of school officials soliciting informal/ illegal payments. This is acknowledged as a significant problem.

8. Funding for private schools/madrasahs mainly comes parental contributions. Parental contributions fund investment and other day to day operational expenditures including teachers' salary and benefits. Many private schools also receive government subsidies in a variety of forms. The most common form is secondment of civil service teachers to private schools and in kind contributions including equipment, furniture, teaching media, and infrastructure. Until recently public subsidies to private schools/madrasahs were awarded in a less systematic way, based more on discretion rather than rules, leaving private schools with uncertainty as regards resource planning.

9. Uneven, and often insufficient, government funding for public schools and the demand driven nature of expansion of the private schools has led to greater reliance on parental contributions, which has in turn led to greater disparity in access to resources among schools serving different communities with different socio-economic status. This situation has persisted for more than four decades now and has created substantial disparities in the availability of resources, including infrastructures, equipments, and human resources – principal, teachers, and other support staff – which has ultimately led to disparities in the quality of basic education.

10. Free basic education policy, in compliance with constitutional and legal mandates, needs to be situated within the overall objective to systematically improve the quality of basic education, and to close the gaps in access to quality education between children from different socio-economic backgrounds. This implies the need for affirmative public funding to ensure sufficient access to resources for all schools to support good quality teaching and learning.

11. The necessary inputs and resources to secure adequate quality of basic education services that are to be provided for without costs to students and parents will be benchmarked to the Minimum Service Standards (MSS) for Basic Education. The MSS (Ministerial Regulation 15/2010) is therefore one of the primary parameters in developing free basic education policies, strategy, programs and financing.

New Policy Environment and Opportunity

12. A systematic scheme of subsidy for schools started in 2005 for the first time with the implementation of School Operational Assistance program, better known as the BOS Program. BOS treats equally private and public schools, by allocating operational funds assistance based on the number of students (at equal unit costs for public and private school). BOS represents a substantial increase in financial resources for all schools, in particular for many private schools serving poor communities.

13. BOS was introduced as a key enabling program for achieving free basic education and following implementation, many SD/MI and SMP/MTs public and private, particularly those located in small towns and rural areas, were able to stop requiring parents to contribute financially to their children's schooling. In this respect, 'free basic education' was partially achieved although not necessarily complying with Minimum Service Standards. None the less, this represents a significant milestone for implementation of free basic education and suggests future feasibility, recognizing that operational funding may need to be fine tuned to allow schools to support quality teaching and learning as required by the MSS without parental contributions.

14. The MONE Regulation on Education Quality Assurance System (EQAS) reinforces the policy environment for a more systematic quality management and improvement necessary to support implementation of Free Basic Education. In addition, specific funding instruments are established, including conditional grants (DAK) which can provide targeted supplementary investment to support essential inputs to improve quality at the school level.

15. Together, the above aspects have created a strong enabling environment for implementation of free basic education in Indonesia. Successful implementation which ensures standardized adequate levels of quality will require the development of comprehensive strategies, including institutional, capacity development and financing aspects taking into account the holistic policy environment and the various related regulations, mechanisms and programs. In particular, there are two key dimensions of reform that need to be managed very carefully: (a) to systematically improve the overall quality of basic education services, prioritizing the closing of quality gaps among schools and regions; and (b) to ensure adequate levels of funding for basic education services, both public and private.

III. Results

16. The purpose of the support to Free Basic Education Strategy Development is to develop a comprehensive implementation strategy for free basic education.

17. The intended results are therefore more effective policies, strategies, systems, financing, and capacity which will ensure that all children of primary and junior secondary school ages are able to access schooling that at least complies with the Minimum Service Standards for Basic Education.

IV. Scope of Work

Technical Scope

18. The specific timing and duration of the following activities will be agreed as part of inception planning, taking into account linkages and inter-dependencies. However, as a general principle the activities will be undertaken simultaneously to ensure progress and timely completion.

- i. Support the Government to develop a conceptual framework for Free Basic Education policy. This will include definitions of the scope and quality of basic education services to be provided free of charge, the nature and scope of any parental contributions that may be

permitted, and roles and responsibilities of different levels of Government (centre, province, and district) in funding and implementing FBE. The framework will address all types of educational institutions, public and private. The framework will be developed iteratively, and taking into account the progress and outcomes of related tasks outlined below. The development of the framework should take into account relevant lessons from other countries. The approach to this task would involve the followings:

- a. Review of the policy and regulatory context, historical context, relevant existing policy instruments, strategies and programs, and relevant research related to basic education in Indonesia. Develop technical papers/materials to inform the discussions and consultations outlined below.
 - b. Facilitate a series of high-level discussions among key decision makers in MONE, MORA, MOHA, MOF, and BAPPENAS, on Free Basic Education policy, as a means of developing the conceptual framework. It will be important to undertake the first such discussion early in the consultancy to establish principles and consensus.
 - c. Facilitate regional consultations through focus group discussions in at least five regions (tentatively Jakarta, Yogyakarta, Mataram, Medan, and Makassar) from selected province, district, and school management and other education stakeholders. The purpose of the regional consultations is to solicit information and views on FBE policy and implementation, including aspects of the conceptual framework.
- ii. Undertake a study to analyze the current situation as regards parental/student contributions in basic education. This will include analysis of the nature and prevalence of direct and indirect contributions. Direct contributions (user fees) are made from parents/students to schools and madrasahs. User fees may be formal or informal, and legal or illegal. Indirect costs are those costs not directly related to the provision of education services, e.g. transport, meals etc. The analysis will be undertaken by conducting a national sample survey on parental contributions. This will include interviews/focus group discussions with parents, community groups, civil society and non-government organisations. The survey will be supplemented by analysis of national household survey data related to expenditure on education.
 - iii. Undertake financial analysis to project the total costs of implementing quality free basic education nationally. The analysis should use simulation modeling to develop a set of financing scenarios over periods to 2015 and to 2020, taking into account enrolment projections. Financial analysis should build on the Minimum Service Standard (MSS) baseline survey. Analysis will cover all types of free basic education provision. Scenarios will detail key investment and operational expenditures and include assumptions on policy priorities related to the conceptual framework developed for Free Basic Education. The analysis will incorporate macro-economic projections and assumptions on education resource allocations for the purpose of financial needs/gap analysis.
 - iv. Review the School Operational Assistance (BOS) for the purpose of aligning spending of BOS funds to achieve the MSS for Basic Education. This will aim to ensure that funds are budgeted and allocated to the most important inputs to meet the standards which will have greatest impact in improving the quality of teaching and learning. The review will make specific recommendations related to BOS unit costs and eligibility to the high-level FBE technical working group. Following approval, the team will assist with developing/ revising BOS guidelines and operational instruments as necessary (e.g. for updating BOS unit costs).

Develop options for supplementary policy instruments and strategies to ensure that all school age children can take advantage of FBE. Particular attention will be given to targeted strategies to a) ensure availability of access to basic education in remote, disadvantaged or under-served areas, and b) ensure that children from poorer families can attend school, including, but not limited to, special scholarship schemes to cover in-direct costs of schooling. The consultant team should draw upon innovation and good practice internationally.

- v. Develop a comprehensive accountability framework for schools receiving public and private funds/parental contributions. This work will build on the materials for school financial management training developed recently by MONE in collaboration with ADB, AusAID, USAID, and the World Bank. It is envisaged that the work will include development of regulatory instruments and procedure manuals to govern the use of parental and third parties contributions along with public funds, to ensure financial accountability.
- vi. To support the Government to develop a strategy for human resource and institutional capacity development to support implementation of free basic education through relevant initiatives, programs and systems including MSS, EQAS, and BOS. This will include capacity needs assessment and planning to identify existing institutional and human resource capacity at school, district and province, and capacity development planning for scaling up effective implementation. Specific attention should be given to capacity development for implementing MSS for marginal schools and schools at risk.
- vii. To support the Government to develop a Roadmap for Implementation of Free Basic Education. The roadmap will take into account the various strategy development activities outlined above, and will also include broad strategy for nationwide socialization of FBE policy.

Scope of Assistance and Timeframe

16. A team of five consultants will undertake the work outlined above. The team will be comprised of the following personnel:

| Team Members | Person Months |
|--|----------------------|
| Team Leader (Basic Education Policy and Governance Expert) | 12 |
| Education Finance Expert | 12 |
| Public Finance Management and Decentralization Expert | 12 |
| Capacity Development Expert | 12 |
| Data Analyst | 6 |
| Research Assistant | 6 |

17. The team will comprise five national consultants and one international consultant.

18. The consultancy will be implemented in 2011/2012 over a period of 12 months from mobilization to finalization of the outputs. It is planned that the consultancy will commence in October 2011.

19. The outputs and various reports will be developed through extensive document collection and review, consultations with relevant Government officials in Jakarta, and development partner representatives and other stakeholders as necessary, and comprehensive consultations through field visits.

20. Five regional consultations will be undertaken (outlined in 18 i c). In addition, up to five field visits may be undertaken. Field visits will be identified and planned for the purpose of gathering additional information and increasing understanding of key issues arising from ongoing analysis and development of the outputs. It is envisaged that field visits will ensure coverage of the range of

different types of basic education provision, public and private, in urban, rural and remote locations, and areas of different socio-economic status (ensuring coverage of some disadvantage/poorer areas).

21. Provision for selective MoNE and MoRA staff participation in field visits should be proposed for the purpose of facilitating ownership and building capacity. These aspects will be detailed in the field visit plan developed during inception and included in the Inception Report.

22. Specific consultations will also be held with other ACDP supported consultancy teams and information shared, as required, to ensure effective linkages and information sharing between related activities. In particular it will be essential that the Madrasah Education Financing Study team is consulted.

V. Deliverables Outputs

23. Except for the inception and final progress reports specified below, the schedule and deadlines for the delivery of the following outputs will be agreed with the high-level FBE technical working group (outlined in paragraph 24) through the processes of inception planning and ongoing progress meetings.

- i. An Inception Report covering approach and methodology, work plan, and schedule and field work plan, maximum 15 pages. *Within one month of mobilization.*
- ii. A final progress report covering all stages of the work completed and summarizing the outputs below, highlighting key issues and any recommended follow up. Maximum 25 pages. *Two weeks prior to the end of the assignment.*
- iii. Free Basic Education Conceptual Framework.
- iv. Study on Parental Contributions in Basic Education.
- v. Financing Projections to 2015 and 2020 for Implementation of Free Basic Education (including explanatory narrative with assumptions).
- vi. Paper on BOS Funding including analysis and recommendations on aligning BOS spending with achievement of MSS. Revised guidelines for BOS spending and associated operational instruments as required.
- vii. Paper on Supplementary 'Pro-Poor' Policy Instruments to support implementation of FBE Policy, presenting options and recommendations.
- viii. Accountability Framework, including related regulatory instruments, for both public and private schools receiving funds from public sector and private/parental contributions.
- ix. Human Resource and Institutional Capacity Development Strategy to support implementation of FBE.
- x. A draft Roadmap for Implementation of Free Basic Education, taking into account the various policy and strategy development outputs outlined above.

VI. Management and Reporting Arrangements

24. A high-level FBE technical working group will be established to oversee the development of the Free Basic Education Strategy including the progress of the consultancy. The working group will be chaired by the Vice-Minister of National Education and will meet monthly. Members of the technical working group will include:

- Deputy Minister for Human Resources and Cultural Affairs, *BAPPENAS*
- Special Advisor to the Minister of National Education, *MONE*
- Director General of Basic Education, *MONE*
- Director General of Islamic Education, *MORA*

- Director General of Regional Finance, MOHA
- Secretary, Directorate General of Basic Education, MoNE
- Directors of Primary Education, MoNE
- Director of Junior Secondary, Education, MoNE
- Director for Madrasah Education, MoRA
- Other relevant Government officials as required

25. The consultancy team will report on progress to the high-level FBE technical working group as required. The ACDP Secretariat and advisory team will provide support to the working group.

26. The Director General of Basic Education (MoNE) and the Director General for Islamic Education (MoRA) will each designate a staff member to assist with coordinating the work of the team. This will include providing guidance on persons to be met, locations for field visits, planning consultation workshops, assisting with accessing appropriate documentation and participating in field visits and technical meetings.

27. The ACDP Program Manager/ACDP Secretariat will convene specific coordination meetings bringing together consultancy teams and/or technical departments/ agencies from other ACDP supported activities for the purpose of monitoring progress, information sharing, and facilitating effective linkages between related activities.

28. Thirty (30) hard copies of each of the output documents will be delivered to the ACDP Program Manager/ Secretariat, and also submitted by email.

29. The ACDP Program Manager in consultation with the high-level technical group will be responsible for approving the various outputs and reports.

VII. Consultation, Socialization, Dissemination and Follow-up

30. As a minimum, the consultancy team will ensure consultations with the following Government institutions and development partners:

- Ministry of National Education, relevant Directorate Generals, departments/ centres;
- *Bappenas*, Directorate for Religion and Education;
- Ministry of Religious Affairs, Directorate for Islamic Education and Directorate for Madrasah Education;
- Ministry of Finance;
- Ministry of Home Affairs;
- National Education Standards Agency; and
- Asian Development Bank, AusAID, European Union, World Bank and other international development partners.

31. According to need it may be appropriate to consult with other Government departments, e.g. the Coordinating Ministry of People's Welfare.

32. At regional levels the consultancy team will ensure comprehensive stakeholder consultations and focus group discussions, to ensure feasibility of implementation, acceptability and sustainability, with the following:

- Provincial and district education offices of both MoNE and MoRA
- Provincial and district planning agencies of *Bappenas*
- The full range of different types of basic education service providers, including teachers and other personnel

- Parents and community members
- Other education related bodies/non-government organizations/civil society as appropriate

33. Following production of the various outputs specified above, technical meetings, focus group discussions and consultative workshops will be planned as appropriate, to review the outputs and to solicit comments to feed into revisions.

34. The high-level FBE technical working group, through the officials outlined paragraph 26, in consultation with the ACDP Program Manager/Secretariat, will be responsible for agreeing circulation and further socialization/dissemination (which may be supported by ACDP). This may include dissemination through the ACDP and/or MoNE websites, inclusion in the ACDP journal, presentations at ACDP conferences/ seminars.

35. Following completion of the outputs it is envisaged that the high-level FBE technical working group will consult with the highest levels of Government in respect to FBE policy including plans for nationwide socialization.

VIII. Required Consultancy Profile

36. The Team Leader (Basic Education Policy and Governance), will have the following qualifications, skills and experience:

- A Master's degree in education policy, governance, or related fields;
- At least 10 years of experience in basic education policy and governance;
- Experience in similar undertakings in Indonesia or in other developing countries setting;
- Fluency in English reading, communicating, and writing - fluency in Bahasa Indonesia is a plus;
- Substantial knowledge and experience regarding Indonesian education policy, governance and financing;
- Substantial knowledge on Indonesian education planning and management at central, provincial, and district levels;
- Substantial knowledge and experience on school governance and planning;
- Substantial knowledge on decentralization and division of labor among levels of governments in Indonesia;
- Experience in cross-cutting issues regarding education development and reform.

37. The Education Finance Expert will have the following qualifications, skills and experience:

- A Master's degree in public finance, education finance, or related fields
- At least 5 years of experience in education finance, including basic education;
- Fluency in English reading, communicating, and writing - fluency in Bahasa Indonesia is a plus;
- Substantial knowledge and experience regarding Indonesian education policy and financing;
- Substantial knowledge on Indonesian PFM and related regulations including regulations on education financing;
- Substantial knowledge on Indonesian education planning and budgeting at central, provincial, and district levels;
- Substantial knowledge and experience on school financial management and budgeting;
- Substantial knowledge on decentralization and division of labor among levels of governments in Indonesia;

38. The Public Finance Management and Decentralization Expert (National) will have the following qualifications, skills and experience:

- A Master's degree in management, planning, finance or related fields;
- At least five years' experience in local government planning and budgeting;
- Fluency in English reading, communicating, and writing - fluency in Bahasa Indonesia is a plus;
- Substantial knowledge on education policy agenda and reform in Indonesia including related cross-cutting issues;
- Substantial knowledge on decentralization and division of labor among levels of governments in Indonesia;
- Substantial knowledge on national and sub-national government fiscal balance system and funds channeling mechanisms;
- Substantial knowledge and experience on school planning and budgeting.

39. The Capacity Development Expert will have the following qualifications, skills and experience:

- A Master's degree in education, management, governance, or related fields;
- At least five years' experience in institutional and capacity development;
- Fluency in English reading, communicating, and writing - fluency in Bahasa Indonesia is a plus;
- Substantial knowledge on basic education policy agenda and reform in Indonesia including related cross-cutting issues;
- Substantial knowledge on decentralization and division of labor among levels of governments in Indonesia;

40. The Data Analyst (National) will have the following qualifications, skills and experience:

- Masters degree in statistics or a related area in data analysis;
- Significant experience related to analysis of Government of Indonesia data on education, including education finance; and
- Excellent skills in data analysis, including finance analysis, and presentation of statistics.

41. The Research Assistant (National) will have the following qualifications, skills and experience:

- Masters degree in education, or related area;
- Significant experience in designing, planning and undertaking research including sample surveys, and participatory research;
- Excellent skills in the analysis and presentation of research findings.

APPENDIX 2

INDIVIDUALS /INSTITUTIONS CONSULTED

9. Appendix 2. Individuals/ Institutions Consulted

| NO. | NAME | POSITION AND ORGANISATION |
|-----|--|--|
| 1. | Dra. Nina Sardjunani, MA | Deputy Minister, Human Resources and Culture, Bappenas |
| 2. | Dr. Subandi Sardjoko | Director Religion and Education, Bappenas |
| 3. | Suprpto B. | Directorate of Religion and Education, Bappenas |
| 4. | Endang S. | Directorate of Religion and Education, Bappenas |
| 5. | Dr. Ir. Taufik Hanafi, MUP | Special Adviser to the Minister, Social and Economic Policy |
| 6. | Dr. Thamrin Kasman | Secretary General Basic Education, MoEC |
| 7. | Prof. Suyanto, Ph.D | Director-General Basic Education, MoEC |
| 8. | Ir. Sri Renani Pantjastuti, MPA | Head of Division of Legal and Personnel Affairs, Secretariat General of Basic Education, MoEC |
| 9. | Supriyatno | Head of Section, Data and Information Directorate-General of Basic Education, MoEC |
| 10. | Liberty Marpaung, M.Ed | Division of Legal and Personnel Affairs, Secretariat General of Basic Education, MoEC |
| 11. | Nurma Dewi Saleh, M.Ed | Head of Section Collaboration, Division of Legal and Personnel Affairs, Secretariat General of Basic Education, MoEC |
| 12. | Prof. Chairil Anwar Notodipuro | Head of Balitbang, MoEC |
| 13. | Dr. Bambang Indriyanto | Head of Research and Policy Centre, MoEC |
| 14. | Dr. Mahdiansyah | Head of Section, Middle School Research, Balitbang |
| 15. | Dr. Yaya Jakaria (mewakili Dr. Bambang Indriyanto) | Research and Policy Division, Balitbang |
| 16. | Dra. Wiwiek Kamsiyah, M.Pd | Deputy Director Program and Evaluation, Primary Education, MoEC |
| 17. | Drs. Samino, M.A | Head of Section, Facilities, Primary Education, MoEC |
| 18. | Enny P. (mewakili Bpk. Suyoto) | Programs Section, Primary, MoEC |
| 19. | Abdul Mukti | Head of Section, Facilities, Primary Education, MoEC |
| 20. | Agung (mewakili Dr. Ibrahim Bafadal, M.Pd) | Division of Primary Education, MoEC |
| 21. | Gesit Mulyawan | Primary Education Department, MoEC |
| 22. | Dhany H. Khoir | BOS Team, Primary Education Directorate, MoEC |
| 23. | Agung Tri W. | Primary Education Directorate, MoEC |
| 24. | Dr. Didik Suhardi, Ph.D | Directorate of Junior Secondary Education, MoEC |
| 25. | Drs. Susetyo W.M.ed | Head of Section, Facilities, Junior Secondary Education, MoEC |
| 26. | Kusnadi | Facilities, Junior Secondary Education, MoEC |
| 27. | Primahadi (mewakili Bpk. Khamim) | Programs Section, Junior Secondary, MoEC |
| 28. | Dedi Karyana | Head of Section, Junior Secondary Education, MoEC |
| 29. | Budi Susetyo | BOS Consultant, Junior Secondary Directorate, MoEC |
| 30. | Yendri Wirda Burhan | Research Centre, Balitbang |
| 31. | Wulandoro S. | Division of Legal and Personnel Affairs, Secretariat General of Basic Education, MoEC |
| 32. | Sumharmoko | Junior Secondary Directorate, MoEC |

| NO. | NAME | POSITION AND ORGANISATION |
|-----|--|--|
| 33. | Juandanilsyah | Junior Secondary Directorate, MoEC |
| 34. | Khamim | Junior Secondary Directorate, MoEC |
| 35. | Maruli TS. | Junior Secondary Directorate, MoEC |
| 36. | Harnowo Susanto | Junior Secondary Directorate, MoEC |
| 37. | Cepy Lulaman R. | Junior Secondary Directorate, MoEC |
| 38. | Basuki W. | Junior Secondary Directorate, MoEC |
| 39. | Ninik Purwaning | Junior Secondary Directorate, MoEC |
| 40. | Abdul Nashir | Junior Secondary Directorate, MoEC |
| 41. | Chamdun | Junior Secondary Directorate, MoEC |
| 42. | Budianto | Junior Secondary Directorate, MoEC |
| 43. | Prof. Dr. Dedi Djubaedi, M.Ag | Director, Islamic Education, MoRA |
| 44. | Rohmat Mulyana | Deputy Director, Institutional, MoRA |
| 45. | Dra. Ida Nor Qosim, M.Pd.I | Deputy Director, Facilities, MoRA |
| 46. | Syafi'i, M.Ag | Deputy Director Human Resources, MoRA |
| 47. | Abdullah Fadih | Deputy Director, Organisation, MoRA |
| 48. | Unang Rahmat | Deputy Director, Curriculum and Evaluation, MoRA |
| 49. | Dwi Susilo | Staff, EMIS, MoRA |
| 50. | Satya Muharamman | Staff, EMIS, MoRA |
| 51. | Siti Sakdiyah | Education, MoRA |
| 52. | Yeni Sulserawati | Education, MoRA |
| 53. | Ahmad Zayadi | Head of Planning and Information System, MoRA |
| 54. | Victoria Elisna H. | Staff, Information System, MoRA |
| 55. | Nasri | Staff, Information System, MoRA |
| 56. | Rohil | Staff Planning and Budget, MoRA |
| 57. | Dodi Irawan | Staff, Information System, MoRA |
| 58. | Machsus | Staff Planning and Information System MoRA |
| 59. | Bambang Jumantoro | Staff, Planning and Budgeting, MoRA |
| 60. | Asep Sj | Staff EMIS MoRA |
| 61. | Hesti Kusumaningrum | Staff, Information System, MoRA |
| 62. | Haidir | Staff, Information System, MoRA |
| 63. | Nanik Puji Hastuti | Staff, Reporting and Evaluation, MoRA |
| 64. | Sugiharto, SH. | Staff, Reporting and Evaluation, MoRA |
| 65. | Musrifah | Staff, Reporting and Evaluation, MoRA |
| 66. | Pradani Musyatmaja | Staff, Reporting and Evaluation, MoRA |
| 67. | M. Arief Fath | Staff, Reporting and Evaluation, MoRA |
| 68. | Sunny Y. | Staff, Reporting and Evaluation, MoRA |
| 69. | Ahmad Khanali | Staff, Reporting and Evaluation, MoRA |
| 70. | Faturahman (mewakili Drs. Herry Purnomo, M.Sos.Sc) | Budgeting Division, DoF |
| 71. | Azhar (mewakili H. Edi Sugiharto, SH., M.Si) | Division of Local Autonomy, MoHA |
| 72. | Kandi I. | Division of Local Autonomy, MoHA |
| 73. | Romlah | Division of Local Autonomy, MoHA |
| 74. | Hamdani | Ministry of Home Affairs |
| 75. | Rikie | Ministry of Home Affairs |
| 76. | Agus Salim Hakim | Principal SMP Al Azhar BSD |
| 77. | Suwito | Principal SD Al Azhar BSD |

| NO. | NAME | POSITION AND ORGANISATION |
|------|-------------------------|--|
| 78. | Hj. Salmah | Principal MI Al Bahri |
| 79. | Ubaidillah | Principal MTs Al Bahri |
| 80. | Suhartati | Principal SDN BA 06 |
| 81. | Amril M. | UNJ |
| 82. | Khomsiyah | National Education Standards Board |
| 83. | Baedhowi | Muhammadiyah Basic Education Council |
| 84. | Maskuri | Muhammadiyah Basic Education Council |
| 85. | Karolus Jande | Catholic National Education Council |
| 86. | Soedijarto | <i>Association of Indonesian Education Graduates</i> |
| 87. | M. Sahiri H. | <i>Union of Indonesian Teachers</i> |
| 88. | Drs. H. Endang Abutarya | <i>Indonesian Association of School Supervisors</i> |
| 89. | John Virtue | Senior Education Advisor - ACDP Secretariat |
| 90. | Abdul Malik, Ph.D | Senior Education Advisor - ACDP Secretariat |
| 91. | Alan Prouty | Project Management Consultant - ACDP Secretariat |
| 92. | Basilus Bengoteku | ACDP Secretariat |
| 93. | David Harding | Core Advisor, ACDP Secretariat |
| 94. | Lestari Boediono | ACDP Secretariat |
| 95. | Sutarum Wiryono | Asian Development Bank, Project Officer (Education) |
| 96. | Destriani Nugroho | European Union, Project Officer (Education) |
| 97. | Dewi Sudharta | AusAID |
| 98. | Amelia | AusAID |
| 99. | Patricia Bachtiar | AusAID |
| 100. | Hetty Cislowski | Education Policy Research and Review, AusAID |
| 101. | Andrew Rosser | Education Resource Facility, AusAID |
| 102. | Samer Al-Samarrai | Senior Education Economist, World Bank |

