

ASIAN DEVELOPMENT BANK

TAR:INO 37472

TECHNICAL ASSISTANCE

TO THE

REPUBLIC OF INDONESIA

FOR

SUPPORT FOR DECENTRALIZED EDUCATION MANAGEMENT II

September 2004

CURRENCY EQUIVALENTS

(as of 08 September 2004)

Currency Unit	–	rupiah(Rp)
Rp1.00	=	\$0.000108
\$1.00	=	Rp9,273

ABBREVIATIONS

ADB	–	Asian Development Bank
BAPPENAS	–	Badan Perencanaan Pembangunan Nasional (National Development Planning Agency)
BME	–	benefit monitoring and evaluation
EMIS	–	education management information system
ESR	–	education sector review
MOF	–	Ministry of Finance
MOHA	–	Ministry of Home Affairs
MONE	–	Ministry of National Education
MORA	–	Ministry of Religious Affairs
MSS	–	minimum service standard
NER	–	net enrollment rate
SDEM	–	Support for Decentralized Education Management
TA	–	technical assistance
TOR	–	terms of reference
UFDP	–	Unit Fasilitasi Desentralisasi Pendidikan (Unit for Facilitation of Decentralized Education)

TA CLASSIFICATION

Poverty Classification	–	Poverty intervention
Sector	–	Education
Subsector	–	Education sector development
Thematic	–	Inclusive social development and governance

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The Asian Development Bank (ADB) has provided substantial support to the Government of Indonesia during the last 30 years in developing all subsectors of education. Since the early 1990s, ADB has progressively increased support to basic education. To assist the Government with the initial steps of decentralizing education management, TA 3701-Support for Decentralized Education Management (SDEM) was approved in August 2001. Building on SDEM and lessons learned from other interventions, the Government requested ADB to continue its support for decentralized education management and focus on new tasks that have emerged during the first 3 years of implementing decentralization. In response, ADB included an advisory technical assistance (TA) called SDEM II in the Country Strategy and Program Update (CSPU) for 2004, with an allocation of \$500,000.¹ At the end of 2003, ADB agreed with the Ministry of National Education (MONE) on core outputs and activities for SDEM II, subject to confirmation by a multiagency-funded Education Sector Review (ESR)² that was finalized in February 2004. It has been proposed that funds from the European Union (EU) will substantially expand the scope of the TA at a later stage.³ The TA Framework is attached as Appendix 1.

II. ISSUES

2. The education system is the largest public service provider in Indonesia, employing over two million teachers and encompassing 202,000 schools and over 38 million students at the primary and junior secondary levels. During the 1980s and early 1990s, Indonesia achieved significant improvements of its human development indicators, including the educational indicators. However, the Asian financial crisis of 1997/98 had a negative impact and the educational indicators faltered after the crisis, but have recovered during the last few years. The net enrollment rate (NER) at the primary level increased from 60% in 1971 to 92.1% in 1998 and further to 92.7% in 2002. The NER at the junior secondary level increased from 47% in 1993 to 57.1% in 1998, and further to 61.7% in 2002 (data from ESR).

3. Cross-regional analyses of education expenditures in Indonesia are not readily available. However, studies by ADB and the World Bank in a selected number of provinces confirm that public education resources are not distributed equitably across regions. There is a wide cross-district variation in per student expenditures and per school expenditures, and student-teacher ratios that generally favor urban areas and put poor rural areas at a severe disadvantage. Redressing inequity in access and quality remains a major challenge for the decentralized education system.

4. The multiagency-supported ESR of 2004 analyzed the decentralized basic education system in Indonesia and concludes that the quality of education remains one of the country's

¹ The TA first appeared in *ADB Business Opportunities* on 5 December 2003.

² MONE. 2004. *Education in Indonesia: Managing the Transition to Decentralization*. Education Sector Review. Jakarta.

³ The EU through the European Commission indicated its interest to substantially increase the scope of the previously agreed core activities of SDEM II. Intensive consultations between MONE, European Commission, and ADB led to an extended and expanded design for a cofinanced TA project. The proposed EU contribution amounting to \$5 million will be provided on an untied grant basis and will be administered by ADB. This would extend the duration of the TA to 3 years. However, the EU funds are likely to be available only after March 2005. Given the scope of the evolving policy and capacity building agenda, as analyzed and documented by the ESR, the Government has reiterated its request for the ADB project to start immediately to meet the urgent demands of decentralized education management, while EU funds may be added at a later stage. Implementation schedule and the proposed financing plan would need to be adjusted accordingly.

major challenges. It confirms that enrollment expansion in Indonesia closed the gap between male and female students and across income groups at the primary level. Income equity and gender gaps remain an issue at the junior secondary and senior secondary levels. Government recognition of these challenges is reflected in the national education goals of (i) achieving 100% enrollment up to the junior secondary level (grade 9), (ii) ensuring that the poor and the disadvantaged have full and equal access to education, and (iii) providing education that is of acceptable quality and that is relevant to the economy and society. The ADB country strategy for Indonesia recognizes these objectives and states that improving the quality of and access to education for the poor will require improved targeting, increased funding, and increased efficiency.

5. Relevant decentralization laws⁴ are ambiguous regarding fiscal, political and administrative responsibilities of sub-national governments. The key challenge for the national Government is to ensure adequate allocation of resources by regional governments to the devolved parts of the education sector. MONE has identified nine obligatory functions and a large number of minimum service standards (MSS) in education for ensuring quality of education (Appendix 2). However, they need to be prioritized and operationalized for implementation. On financing of education, the new Education Law stipulates that a minimum of 20% of the central budget and 20% of the districts' budgets, both exclusive of salaries, must be allocated to education. However, the building blocks of fiscal federalism, like related expenditure and revenue assignments and intergovernmental transfers have not been fully developed.

6. The ESR has identified a policy reform agenda for making decentralization work for education by (i) establishing clear roles, appropriate governance structures, and financing arrangements at all levels of Government; (ii) reforming the structure and processes of the national ministry to meet its new roles; (iii) increasing the education resource envelope for the district and city governments; and (iv) having provincial and district/city governments prepare and implement a multi-year regional investment and resource plan. Decentralization, if implemented effectively, offers a major opportunity for education delivery to be more efficient and responsive as regional governments have better information about regional preferences; thus decentralization should enhance allocative efficiency. It is necessary to put in place effective accountability mechanisms and management systems, which are backed by adequate resources.

7. A lack of proper preparation for implementing decentralized education in Indonesia has meant that clear strategic direction and decisions on building blocks for decentralization are still pending. The Unit for Facilitation of Decentralized Education (UFDP), as a focal point for coordinating policy issues and supporting the high-level interministerial steering committee⁵ at MONE, is best placed to undertake this policy reform agenda provided it can establish an open dialogue with all Directorate Generals of MONE, an area where it encountered difficulties in the past. There is a need to assist MONE in formulating effective strategies and addressing the following issues: (i) governance and management of education at all levels, (ii) finalization of MSS and quality assurance, (iii) transparency in resource allocation and utilization, and (iv) monitoring and performance-based evaluation. Governance, transparency, and accountability within the broader context of decentralized administration will remain issues high on the agenda for many years to come.

⁴ Law 20/2003 on the National Education System and the Regional Government Law 22/1999.

⁵ The steering committee is chaired by the secretary general and members include directors general of MONE; director general of budget, Ministry of Finance; director general of regional autonomy, Ministry of Home Affairs; and deputy in charge of social welfare of BAPPENAS.

8. Even though external assistance to the education sector in Indonesia is substantial and has been increasing over the years, support to MONE on strategic issues has not received much attention so far, except through SDEM. SDEM provided support to MONE for (i) initial establishment and building capacity of the UFDP at MONE; (ii) initial preparatory work on drafting of obligatory functions and MSS in education; (iii) monitoring the decentralization process and its effects; and (iv) establishing a foundation for district-level education sector planning and management and preparing recommendations to streamline district-level education management. The proposed activities of SDEM II will build on lessons learned of SDEM and support the national Government's efforts to ensure delivery of effective, equitable, and efficient education services within the framework of a well-designed decentralized education system.

III. THE TECHNICAL ASSISTANCE

A. Purpose and Output

9. The goal of the TA is to support the establishment of an equitable, effective, and efficient education system, which is based on well-functioning decentralized service provision and contributes to a better-educated population. The TA will support UFDP in consolidating the work and outputs of SDEM and enable the unit to formulate policies and support decision-making of the interministerial steering committee on key policy reform issues. The purpose of the TA is to assist and improve the capacity of MONE to implement strategic changes required for an equitable, effective, and efficient decentralized education system.

10. The outputs of the TA will consist of (i) concise MSS, related technical standards and detailed implementation guidelines and performance indicators for education tested in selected districts;; (ii) a master plan for implementation giving a clear and concise definition of roles and administrative functions of different levels of Government, including appropriate regulatory frameworks⁶; (iii) recommendations regarding multi-year regional investment and resource plans that are consistent with new roles, functions, standards, and regulations; (iv) a basic design of education management information and operation system in support of MONE's new roles and functions (including regulatory and quality assurance functions); and (v) a plan for strengthening the monitoring, evaluation, and internal control mechanisms of MONE.

B. Methodology and Key Activities

11. The TA activities will build on outputs of SDEM and support decentralized education management in terms of delivering effective, equitable, and efficient education services. Activities at the national level will be implemented by MONE and instituted in coordination with the National Development Planning Agency (BAPPENAS), Ministry of Regional Affairs (MORA), Ministry of Finance (MOF), and Ministry of Home Affairs (MOHA). The TA will work with a selected number of case districts.⁷ The TA will examine ongoing and proposed interventions and programs in the education sector and ensure integration of lessons and experiences in policy formulation, based on extensive consultations with stakeholders through seminars, workshops, and focus groups, both at national and district levels.

⁶ The regulatory framework in education is defined in broad terms and includes legislation as well as the overall environment in which the various stakeholders (central, provincial, and district governments; schools; parents; teachers; and students) operate.

⁷ Sample districts will be selected based on criteria like (i) networks of districts that have benefited from multiple interventions and demonstrated progress in transparency and accountability, (ii) responsiveness to the education reform agenda, and (iii) geographical focus of ADB.

12. In support of MONE, the TA will (i) review and consolidate existing work on MSS and obligatory functions, taking into account ESR findings and prepare a draft policy document outlining concise MSS in education, related technical standards, and objectively verifiable indicators; (ii) develop an overall framework for implementing and monitoring MSS and related standards at various levels, including at the school level; (iii) review the existing assignment of governance, managerial, and financing functions at various levels of Government and identify appropriate assignments for an improved decentralized education system; (iv) prepare a master plan that clarifies roles and functions of Government at all levels, specifying human resource and financial implications and requirements; (v) assess resource requirements at all levels and identify mechanisms for the flow of funds to districts and schools and prepare recommendations for a multi-year regional investment and resource plan; (vi) prepare a draft proposal outlining the basic design of a feasible education management information system (EMIS), including a benefit monitoring and evaluation (BME) system as an integral part of the EMIS; (vii) establish an interactive web site at MONE to facilitate stakeholder dialogue on policies, management, and governance issues; and (viii) review current monitoring, evaluation, and internal control functions of MONE and identify adjustments required by new roles and functions demanded by decentralization.

C. Cost and Financing

13. The total cost of the TA is estimated at \$625,000 equivalent of which \$223,000 is in foreign exchange and \$402,000 equivalent is in local currency. The Government has requested ADB to finance \$500,000 equivalent, covering the entire foreign exchange cost and \$277,000 equivalent in local currency cost. The TA will be financed on a grant basis from ADB's TA funding program. ADB will finance domestic and international consulting services, production of reports, policy papers, organization of workshops, studies, field testing, and administrative and support services. The Government will finance the remaining \$125,000 equivalent of local currency costs by providing counterpart facilities. A detailed financing plan and cost estimates are in Appendix 3.

D. Implementation Arrangements

14. The TA is expected to begin in November 2004, and will be implemented over a period of 18 months until April 2006. The first month will constitute an inception phase to prepare and confirm detailed implementation plans, including staffing, budgets and a clear description of deliverables and performance milestones. The inception phase will also determine the sample/case districts. ADB will engage a team of one international consultant and four domestic experts to provide 10 person-months and 52 person-months, respectively, of consulting services. ADB will select a local or international consulting firm in accordance with the *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for engaging domestic consultants. The quality and cost-based selection method and simplified technical proposal format will be used in selecting the consulting firm. The outline terms of reference for consultants are in Appendix 4. All procurement under the TA will be in accordance with ADB's *Guidelines for Procurement*. The consulting firm will be responsible for procuring equipment. The equipment purchased previously under SDEM will be used for activities under the proposed TA.

15. Implementation arrangements will be similar to those under the SDEM. MONE will be the Executing Agency for the TA and will charge UFDPA with implementation under the overall supervision of MONE's secretary general. The steering committee as established under the

SDEM, chaired by the secretary general of MONE and with representatives from MONE, BAPPENAS, MOF, MORA and MOHA, and the State Ministry of Administrative Reforms, will meet quarterly, consider major outputs, guide the implementation of the TA, and ensure intra- and inter-ministerial consultation and policy coordination. Participation of key stakeholders will be facilitated through workshops, meetings, and existing mechanisms at various levels.

16. MONE will appoint a project manager in the UFDP who will be responsible for the daily management of the TA. The project manager will report to a project director, who will be the secretary of the steering committee. The project manager will also be responsible for (i) coordinating with project managers in selected districts, (ii) networking with other projects and organizations, and (iii) working closely with domestic and international consultants and ensuring that the team is available for project activities as scheduled. MONE will provide the necessary counterpart facilities and will facilitate the consultants' liaison with district and local governments and with other relevant agencies. Following a detailed schedule for delivery of outputs, the consultancy firm will submit for approval by MONE and ADB (i) an inception report within one month of TA implementation, giving a detailed timetable for the assignment and delivery of outputs, (para. 10) and a work plan of the team over the project period of 18 months; (ii) an interim report, within six months of the start of services, documenting the status of progress and providing draft reports on the outputs as per the agreed schedule; (iii) a midterm report after 10 months; (iv) a draft final report after 16 months, documenting the achievements and impact of the TA against deliverables as well as draft policy papers/reports on each of the outputs; and (v) a comprehensive final report after 17 months of TA implementation after incorporating the comments of ADB and Government on the draft final report. All reports must be submitted in English, with a summary of at least five pages in Bahasa Indonesia.

IV. THE PRESIDENT'S DECISION

17. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$500,000 on a grant basis to the Government of Indonesia for Support to Decentralized Education Management II, and hereby reports this action to the Board.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal</p> <p>Equitable, effective, and efficient education system established based on well-functioning decentralized service provision for a better-educated population</p>	<ul style="list-style-type: none"> • Delivery of decentralized educational services facilitating quantifiable/qualitative improvements in educational standards • Policies, procedures, and systems developed allowing comprehensive education plans and balanced resource flows compatible with decentralized responsibilities • Minimum education service standards agreed upon and achieved in districts and schools • Schools/districts mobilizing resources from various sources to meet minimum service standards in education 	<ul style="list-style-type: none"> • National and local budget and expenditure information • Regular government monitoring of minimum standards • Annual education sector plan and performance assessment • Project monitoring mission reports 	
<p>Purpose</p> <p>Improved capacity of MONE to implement strategic changes that promote an equitable, effective, and efficient decentralized education system</p>	<ul style="list-style-type: none"> • Policies and outputs developed and considered /agreed to by the steering committee, and policy statements issued by the Government for implementation • Adequate and sustainable resources earmarked in national and local budgets • Web site and education 	<ul style="list-style-type: none"> • Steering Committee minutes • <i>Unit Fasilitas Desentralisasi Pendidikan</i>(Unit for Facilitation of Decentralized Education) reports • Annual national and local budget and expenditure reports • Annual education sector plan and performance assessment reports prepared by national and local 	<ul style="list-style-type: none"> • Continued government commitment to regional autonomy • Commitment of the inter-ministerial steering committee to take a lead and coordinate management of change (organization, processes, procedures, and resource and allocation patterns) and to resolve issues in decentralized

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
	management information system data include updated benefit monitoring and evaluation (BME) information and frequency of use of data by Ministry of National Education and selected districts.	governments	education management
<p>Outputs</p> <p>(i) Concise MSS, related technical standards and detailed implementation guidelines and performance indicators for education tested in selected districts</p> <p>(ii) A clear and concise definition of roles and administrative functions, including appropriate regulatory frameworks prepared in terms of a master plan for implementation</p> <p>(iii) Recommendations regarding multi-year regional investment and resource plans that are consistent with new roles, functions, standards, and regulations</p> <p>(iv) A basic design of education management information and operation system in support of MONE's new roles and functions (including regulatory and quality assurance functions)</p>	<ul style="list-style-type: none"> • Government policy paper giving MSS and indicators approved within 6 months of Technical Assistance (TA) implementation and appropriate orders (administrative/ legal) prepared, validated, and disseminated by TA completion • Master plan on roles and functions prepared within 9 months of TA commencement and implementation plan considered by MONE by TA completion • Policy options for preparation of multiannual investment and resource plan prepared for MONE, province and pilot district levels • EMIS developed and established at MONE within 6 months of TA commencement and plans to link with pilot districts, formats for regular data collection developed • EMIS interface with existing educational data bases and incorporated relevant data 	<ul style="list-style-type: none"> • UFDP monitoring reports • Project quarterly and technical reports • Asian Development Bank review missions • Workshop records and outputs • Technical reports on EMIS and capacity-building plans for each case district and central level as appropriate • Steering committee and program technical committee minutes 	<ul style="list-style-type: none"> • Effective interministerial coordination and no major resistance to interdepartmental coordination by MONE • No resistance from the districts to regular UFDP visits and discussion on decentralized education issues with various stakeholders including school authorities and parent-teacher associations

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
(v) A plan for strengthening the monitoring, evaluation, and internal control mechanisms of MONE	<ul style="list-style-type: none"> • Number of information sets, best practice guides put on the web site • Number of UFDP staff and pilot district staff trained using new EMIS, number of reports with analysis and use of information available on the EMIS • Workshops held on important outputs listed and outcomes reflected in Government policy papers 		

**DRAFT COMPULSORY AND STANDARD COMPETENCY OF MINIMAL SERVICES
FIELD OF EDUCATION, YOUTH, AND SPORT**

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
1.	Implementation of 9-year basic education	1.1 Educational services for elementary schools/MI	1 Rough Participation Number (APK)	120%	Number of schoolchildren against the number of children within the age group of 7–12 years
			2 Pure Participation Number (APM)	90%	Number of schoolchildren within the age group of 7–12 years against the number of children within the age group of 71–2 years
			3 Distribution of learning opportunities	0.8	The lowest APK of 5 subdistricts against the highest APK of 5 subdistricts
			4 Participation of female students	100%	Number of female children in school against the number of female children within the age group of 7–12 years
			5 Number of dropout children	1%	Number of dropout children against the number of children during 1 year
			6 Number of students promoted	98%	Number of children promoted against the number of children of their group
			7 Number of students who passed	100%	Number of children who passed against the number of children who took examination
			8 Level of school completion	90%	Number of students who finished school against the number of students 6 years ago
			9 Students continuing to secondary school (SLTP)	100 %	Number of students accepted at secondary school against the number of students that passed the elementary school examination
			10 External evaluation through sample tests	90%	Number of students who achieved passing grades against the number of students who took the examination
			11 Ratio of students toward classroom teachers	30 Students	Number of classroom teachers against the number of elementary school's students
			12 Availability of sufficient elementary school teachers	90%	Number of elementary school teachers available against the number of elementary school teachers that should be available according to ideal ratio
			13 Teachers qualified to teach	90%	Number of teachers qualified to teach against the number of teachers
			14 Availability of nonteacher educational staff	80%	Number of nonteacher educational staff against the number of schools

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			15 School's suitable infrastructure	90%	Number of rooms against the number of classrooms, completeness of building toward the completeness of learning infrastructure, funds for maintenance
			16 Number of students with complete textbooks	90%	Number of students against the textbooks of each subject
			17 Application of school-based management	90%	Number of schools that applied school-based management against the total number of schools
		1.2 Educational services for secondary schools /MTs	1 Rough participation number (APK)	90%	Number of schoolchildren against the number of children within the age group of 13–15 years
			2 Pure participation number (APM)	80%	Number of schoolchildren within the age group of 13–15 years against the number of children within the age group of 13–15 years
			3 Distribution of learning opportunities	0.8	The lowest APK of 5 subdistricts against the highest APK of 5 subdistricts
			4 Participation of female students (APK SLTP Perempuan)	90%	Number of female children in school against the number of female children within the age group of 13–15 years
			5 Dropout children	1%	Number of dropout children against the number of children during 1 year
			6 Number of students promoted	98%	Number of students promoted against their cohort groups of each class grade
			7 Number of students passed	90%	Number of students who passed the examination against the number of students who took the school's final examination
			8 Level of school completion	90%	Number of secondary school's students against the number of students who entered school 3 years ago
			9 Students continuing to secondary school	70%	Number of students who continued to secondary school against the number of secondary school's graduates
			10 External evaluation through sample tests	90%	Number of students who achieved passing grades against the number of students who took the sample tests
			11 Teacher ratio toward study groups of each subject	5 RB	Number of subject teachers against the secondary school's students by taking into account the number of study groups, lesson hours, and obligations to teach per week
			12 Availability of sufficient subject teachers	90%	Number of suitable subject teachers against the total number of subject teachers
			13 Teachers qualified to teach	90%	Number of teachers qualified to teach against the number of teachers

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			14 Availability of nonteacher educational staff	80%	Number of nonteacher educational staff against the number of schools.
			15 School's suitable infrastructure	90%	Number of rooms against the number of classrooms, completeness of building toward the completeness of learning infrastructure, funds for maintenance
			16 Number of students with complete textbooks	90%	Number of secondary school's students against the number of textbooks of each subject
			17 Application of school-based management	90%	Number of schools who applied school-based management against the total number of schools
2.	Implementation of secondary education	2.1 Educational services for high school/MA	1 Rough participation number (APK)	90%	Number of schoolchildren against the number of children within the age group of 16–18 years.
			2 Pure participation number (APM)	60%	Number of schoolchildren within the age group of 16–18 years against the number of children within the age group of 16–18 years.
			3 Distribution of learning opportunities	0.8	The lowest APK of 5 subdistricts against the highest APK of 5 subdistricts
			4 Participation of female students (APK SLTP Perempuan)	90%	Number of female children in school against the number of female children within the age group of 16–18 years
			5 Dropout children	1%	Number of dropout children against the number of children during 1 year
			6 Number of students promoted	98%	Number of students promoted against their cohort groups of each class grade
			7 Number of students passed	90%	Number of students who passed against the number of students who took the school's final examination
			8 Level of school completion	90%	Number of secondary school students who finished school against the number of students who entered school 3 years ago
			9 Students continuing to college	25%	Number of students who continued to college against the number of high school who graduates
			10 External evaluation through sample tests	90%	Number of students who achieved passing grades against the number of students who took the sample tests
			11 Teacher ratio toward study groups of each subject	5 RB	Number of subject teachers against the number of high school students, taking into account the number of study groups, lesson hours, and obligations to teach per week
			12 Sufficient availability of subject teachers	90%	Number of suitable subject teachers against the total number of subject teachers

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			13 Teachers qualified to teach	90%	Number of teachers qualified to teach against the number of teachers
			14 Availability of nonteacher educational staff	80%	Number of nonteacher educational staff against the number of schools
			15 School's suitable infrastructure	90%	Number of rooms against the number of classrooms, completeness of building toward the completeness of learning infrastructure, funds for maintenance
			16 Number of students with complete textbooks	90%	Number of high school students against the number of textbooks for each subject
			17 Application of school-based management	90%	Number of schools that applied school-based management against the total number of schools
		2.2 Educational services for SMK	1 Rough participation number (APK)	90%	Number of schoolchildren against the number of children within the age group of 16–18 years
			2 Pure participation number (APM)	60%	Number of schoolchildren within the age group of 16–18 years against the number of children within the age group of 16–18 years
			3 Distribution of learning opportunities	0.8	The lowest APK of 5 subdistricts against the highest APK of 5 subdistricts
			4 Participation of female students (APK SMK Perempuan)	90%	Number of female children in school against the number of female children within the age group of 16–18 years
			5 Dropout children	1%	Number of dropout children against the number of children during 1 year.
			6 Number of students promoted	90%	Number of students promoted against their cohort groups of each class grade
			7 Number of students passed	90%	Number of students who passed the examination against the number of students who took the school final examination
			8 Level of school completion	90%	Number of SMK students who finished school against the number of students who entered school 3 years ago
			9 Students continuing to college	5%	Number of students who continued to college against the number of SMK graduates
			10 Graduates who obtained employment	75%	Number of SMK graduates who obtained employment against the number of SMK graduates
			11 External evaluation through sample tests	90%	Number of students who achieved the passing grades against the number of students who took the sample tests
			12 Teacher ratio toward study groups of each subject	5 RB	Number of subject teachers against the number of SMK students, taking into account the number of study groups, lesson hours, and obligation to teach per week

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			13 Availability of sufficient subject teachers	90%	Number of suitable subject teachers against the total number of subjects teachers
			14 Teachers qualified to teach	90%	Number of teachers qualified to teach against the number of teachers
			15 Availability of nonteacher educational staff	80%	Number of nonteacher educational staff against the number of schools
			16 School's suitable infrastructure	90%	Number of rooms against the number of classrooms, completeness of building toward the completeness of learning infrastructure, funds for maintenance
			17 Number of students with complete textbooks	90%	Number of SMK students against the number of textbooks of each subject
			18 Application of school-based management	90%	Number of schools that applied school-based management against the total number of schools
3.	Implementation of out-of-school education services	3.1 Services of illiteracy training	1 Number of illiterates	< 5%	Number of illiterates within the age group of 10–44 years against the number of people within the age group of 10–44 years
		3.2. Educational services to communities who had no opportunities to take formal education through PKBM	1 Number of people in learning Package A equal to Elementary School	90 %	Number of learning people against the number of school-age people not attending formal school
			2 Number of people in learning Package B equal to Secondary School	90 %	Number of learning people against the number of school-age people not attending formal school
			3 Number of people in learning Package C equal to High School	90 %	Number of learning people against the number of school-age people not attending formal school
		3.3 Educational services to communities that had no skills and occupations	1 Participation of communities in learning Skills and Expertise Education through courses/KBU/candidate	10 % KK Pra KSK	Number of learning people against the total number of people of KK Pra – KS with economic reasons
4.	Implementation of pre-school services (PADU)	4.1 Educational services for kindergarten	1 Number of children enrolled in kindergarten program	20 %	Number of children 4–6-years old enrolled in kindergarten program against children 4–6 years old
			2 Public participation	90%	Number of kindergartens against the number of villages in the district/city
			3 Ratio of students toward classroom teachers	25	Number of teachers qualified to teach against the number of teachers

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			4 Teacher suitable to teach	90%	Number of rooms against the classrooms, completeness of building toward the completeness of learning infrastructure
			5 Kindergarten's suitable infrastructure	60%	Amount of costs prepared for maintenance
			6 Application of school-based management	60%	Number of schools that applied school-based management against the number of schools
		4.2 Integrated service post, kid-leaving place (TPA), play groups	1 Number of children taking part in PADU activities	65 %	Number of children within the age group of 0–4 years who took Padu activities against the number of children within the age group of 0–4 years.
			2 Public participation	90%	Number of services against the types of activities for 0–4 year-old children
5.	Implementation of sport activities	5.1 Educational sport services	1 School's sport achievement index		The number of students with sport facilities available at school
			2 Level of students' physical fitness	90%	Number of fit student against the number of students
			3 Number of clubs and branches of school's sports	3	Number of clubs and branches of sport developed by school
			4 Number of students taking part in the provincial POPDA (Regional Sport Event)	5/15	Number of sport branches and number of students selected to participate in POPDA (Pekan Olahraga Pelajar Daerah) tingkat provinsi
			5 Adequate playground	90%	Number of suitable playgrounds against the number of schools
			6 Ratio of physical education teacher toward study groups	5RB	Number of sport teachers against learning groups
			7 Adequate sport equipment	90%	Number of adequate sport equipment against number of schools
			8 Formation of BAPOPSI at the district/city level	1	The functions of BAPOPSI (Badan Pembina Olahraga Pelajar Seluruh Indonesia) at the district/city
		5.2 Public sport services	1 Level of the physical fitness of the community	80%	Number of people per community group with the level of fitness against the number of people under the group
			2 Number of branches and types of public sports	5	Number of branches and types of public sports developed and popular
			3 Number of people taking part in the public sport activities	10%	Number of people who participated in the activities of public sports against the total population
			4 Number of public sports for competition	5	Number of public sports for regular competition every year
			5 Number of clubs/team of public sports	20	Number of sport clubs/team with management at the district/city
			6 Formation of Federasi Olahraga Masyarakat Indonesia	1	The function of FOMI (Federasi Olahraga Masyarakat Indonesia) at the district/city

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
		5.3 Achievement of sport services	1 Number of clubs and branches of sports built 2 Number of athletes with good achievements and the level of achievement attained 3 Number of sport branches for competition 4 Frequency of competition for each branch each year 5 Jumlah lapangan terbuka 6 Number of adequate sport equipment 7 Number of basic-level trainers with accreditation/certification according to the sport branch 8 The function of KONIDA at the subdistrict level	90% 15% 10 1 4 90% 80% 80%	Number of sport clubs and branches developed against the existing sport clubs and branches Number of athletes with good achievements against the active athletes Number of sport branches for regular competition at least one in 2 years. Number of competitions held at the district/city level for each branch developed Number of open playgrounds used for various sport branches Number of adequate sport equipment against the number of sport branches developed Number of basic-level trainers with accreditation/certification against the number of trainers for each sport branch The function of KONIDA at the subdistrict level against the number of subdistricts
6.	Development of youth participation	6.1 Services of attitude and insight development 6.2 Services of youth skill development	1 Number of youth organizations 2 Number of training in character and attitude formation 3 Number of drug seminars and HIV/AIDS prevention 4 Number of organization training centre/sanggar 1 Youth participation in productive economic activities 2 Number of skill training centre/sanggar	50% 50% 2 1 50% 1	Number of youths who participated in community youth organizations. Attitude and character formation training in community Number of drugs and narcotics workshops and HIV/AIDS prevention in a year Number of organizational training centre/sanggar per subdistrict Number of youths in productive age against number of working youth Number of skill training centre/sanggar per subdistrict
7.	Statistics implementation of education, youth and sport	7.1 Statistics services of education, youth and sport	1 Publication of education, youth and sport statistics 2. Progress report of education, youth and sport	Once a year Once a year	Existence of education, youth, and sport statistics formally issued by the government Existence of education, youth and sport's progress report addressed to government in related sector

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
8.	Development of community participation	8.1 Education board implementation in district/city	1 Functions of educational board in accordance with the standard	100%	Implementation of Education Board in district/city conforms to the standard.
		8.2 School committee implementation of Education Unit	1 Implementation of school committee	100%	Number of school committees (PLS) against the total number of educational units
		8.3 Services of education workshop	1 Implementation of workshop on the importance of education to the community	80%	Increase in workshop activities for community about the importance of education in developing life quality
9.	Implementation of special education (PLB)	9.1 Services of special education (PLB) in SDLB/MI	1 Rough participation number (APK) in special education	120%	Number of schoolchildren who deserve to have special concerns against the number of children within the age group of 7–12 years
			2 Pure participation number (APM) in special education	90%	Number of schoolchildren within the age group of 7–12 years against the number of children within the age group of 7–12 years
			3 Distribution of learning opportunities	0.8	The lowest APK of 5 subdistricts against the highest APK of 5 subdistricts
			4 Participation of female students	100%	Number of female students against the number of female children within the age group of 7–12 years
			5 Rate of dropout students	1%	Number of dropout students against the number of children during 1 year
			6 Number of students promoted	98%	Number of students promoted against the number of children their cohort groups
			7 Number of students passed	100%	Number of students who passed against number of students who took the test
			8 Level of school completion	90%	Number of students who finished school against the number of students in last 6 years
			9 Students continuing to junior secondary school (SLTP)	100 %	Number of students accepted at junior secondary school (SLTP) against number of students who passed the elementary school test
			10 External evaluation through sample tests	90%	Number of students who achieved passing grades against the number of students who took the test
			11 Students' ratio to classroom teachers	30 Studs.	Number of classroom teachers against the number of elementary school students
			12 Availability of sufficient elementary school teachers	90%	Number of available elementary teachers against the number of elementary teachers in ideal ratio

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			13 Teachers qualified to teach	90%	Number of teachers qualified to teach against the number of teachers
			14 Availability of nonteacher educational staff	80%	Number of nonteacher educational staff against the number of schools
			15 School's proper infrastructure for special education	90%	Number of rooms against number of classrooms, completeness of building against the completeness of learning infrastructure, funds for maintenance
			16 Number of students with complete textbooks	90%	Number of students against textbooks for each subject
			17 Application of school-based management	90%	Number of schools that applied school-based management against the total number of schools
		9.2 Services for special education of SLTP/MTs (PLB)	1 Rough participation number (APK)	120%	Number of school children against the number of children within the age group of 12–15 years
			2 Pure participation number (APM)	90%	Number of schoolchildren within the age group of 12–15 years against the number of children within the age group of 12–15 years
			3 Distribution of learning opportunities	0.8	The lowest APK of 5 subdistricts against the highest APK of 5 subdistricts
			4 Participation of female students	100%	Number of female students against the number of female children within the age group of 7–12 years
			5 Rate of dropout	1%	Number of dropout students against number of children in 1 year
			6 Number of students promoted	98%	Number of students promoted against the number of children in their cohort groups
			7 Number of students passed	100%	Number of students who passed against the number of students who took the test
			8 Level of school completion	90%	Number of students who finished school against the number of students in last 6 years
			9 Students continuing to senior secondary school (SLTA)	100 %	Number of students accepted at senior secondary school (SLTA) against the number of students who passed the junior secondary school (SLTP) test
			10 External evaluation through sample tests	90%	Number of students who achieved passing grades against the number of students who took the test
			11 Students' ratio to classroom teachers	30 Studs.	Number of classroom teachers against the number of junior secondary school students

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			12 Availability of sufficient special education teachers in junior secondary school (SLTP)	90%	Number of available junior secondary school teachers against the number of the proper junior secondary schools in ideal ratio
			13 Teachers qualified to teach	90%	Number of teachers qualified to teach against the number of teachers
			14 Availability of nonteacher educational staff	80%	Number of nonteacher educational staffs against the number of schools
			15 Proper school facility for special education	90%	Number of rooms against number of classrooms, completeness of building against the completeness of learning infrastructure, funds for maintenance
			16 Number of students with complete textbooks	90%	Number of students against textbooks for each subject
			17 Application of school-based management	90%	Number of schools that applied school-based management against the total number of schools
10.	Implementation of educational staff and teacher management for elementary and secondary education	10.1 Quality and quantity development of educational staff for SD/MI	1 Promotion instrument of elementary teacher	90%	Appropriate types and number of instruments for promoting teachers
			2 Educational staff promotion for SD/MI	100%	Systems, mechanisms, and funds allocated to educational staff promotion
			3 Distribution of learning opportunities	50%	Systems, mechanisms and funds allocated to educational staff to upgrade level of educational profession, at least equal as D2 for elementary school teacher
			4 Infrastructure and medium for teacher profession development	80%	Funds allocated for teacher development through sanggar, field of study training, volunteer work with senior teacher, guide book, and teaching material
			5 Test instrument for teacher profession	Once in 2 years	Systems, mechanisms, and funds allocated for profession test as teacher development instrument of SD/MI
			6 Training opportunities	50 %	Systems and mechanisms for participating in regional and national training in the substance field of teaching, classroom management, and school administration
			7 Career development in educational field	50%	Availability of structured career development opportunity both equal with functional position and in structural line of educational field (vice principal, principal, school inspector, section head, department head, and educational department head)

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
		10.2 Quality and quantity development of educational staff for SLTP/MTS	1 Promotion instrument of SLTP/MTs	90%	Appropriate types and number of instruments in selecting SLTP/MTs educational staff
		2 Educational staff promotion for SLTP/MTs	100%	Systems, mechanisms, and funds allocated to educational staff promotion of SLTP/MTs	
		3 Distribution of learning opportunities	50%	Systems, mechanisms, and funds allocated to educational staff that followed level of educational profession equal as S1 for SLTP/MTs educational staff	
		4 Infrastructure and medium for teacher profession development	60%	Funds allocated for teacher development through sanggar, MGMP, field of study training, volunteer work with senior teacher, guide book, and teaching material development	
		5 Test instrument for teacher profession	Once in 2 years	Systems, mechanisms and funds allocated for profession test as teacher development instrument of SD/MI	
		6 Training opportunity	50%	Systems, mechanisms, and funds allocated for participating regional and national training in the substance field of teaching, classroom management, and school administration in SLTP/MTs	
		7 Career development in educational field	50%	Availability of structured career development opportunity both as functional teacher position and in structural line of educational field (national instructor of study field, main teacher, curriculum developer, vice principal, principal, section head, subdepartment head, and educational department head)	
		10.3 Quality and quantity development of educational staff for SMU/SMK/MA	1 Promotion instrument	90%	Appropriate types and number of instruments in selecting SMU/SMK/MA educational staff
		2 Educational staff promotion for SMU/SMK/MA	100%	Systems, mechanisms, and funds allocated for educational staff promotion of SMU/SMK/MA	
		3 Distribution of learning opportunities	50%	Systems, mechanisms, and funds allocated for educational staff that followed level of educational profession equal to S1/S2 for SMU/SMK/MA educational staff	
		4 Infrastructure and medium for teacher profession development	60%	Funds allocated for educational staff development through sanggar, MGMP, field of study training, volunteer work with senior teacher, guide book, and teaching material development	

No.	Compulsory Competency	Types of Services	Indicators of Performance	Scores	Explanation
			5 Test instrument for teacher profession	2 tahun sekali	System, mechanism and fund allocated for profession test as teacher development instrument of SMU/SMK/MA
			6 Training opportunities	50%	Systems, mechanisms, and funds allocated for participating in regional and national training in the substance field of teaching, classroom management, and school administration
			7 Career development in educational field	50%	Availability of structured career development opportunity both as functional teacher position and in structural line of educational field (national instructor of study field, main teacher, curriculum developer, vice principal, principal, section head, subdepartment head, and educational department head)

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing ^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	176	0	176
ii. Domestic Consultants	0	200	200
b. International and Local Travel	20	9	29
c. Reports and Communications	2	7	9
2. Equipment including Web Site Development ^b	0	8	8
3. Training, Seminars, and Workshops	0	15	15
4. Data Processing and Analysis	0	6	6
5. Miscellaneous Administration and Support Costs	0	9	9
6. Contract Negotiations	5	0	5
7. Contingencies	20	23	43
Subtotal (A)	223	277	500
B. Government Financing			
1. Office Accommodation and Transport	0	25	25
2. Remuneration and Per Diem of Counterpart Staff	0	80	80
3. Others (workshops, studies, reports)	0	20	20
Subtotal (B)	0	125	125
Total	223	402	625

^a Financed by the Asian Development Bank's technical assistance funding program.

^b The equipment will become the property of the Government upon conclusion of the TA.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The international consultant will serve as team leader and a domestic consultant as deputy team leader.

A. Institutional Reform and Decentralized Education Management Specialist (international, 10 person-months)

2. As team leader, the specialist will prepare an inception report with a detailed timetable for the assignment and delivery of outputs listed in para. 10 of this report, giving the sequence and spread of activities of the team over the project period of 18 months; and agree on the plan with the project director/manager and the Asian Development Bank (ADB), in the first month of TA implementation. The detailed timetable will include (i) the time schedule and detailed terms of reference (TORs) and responsibility of each consultant within the overall schedule for deliverables specified in para. 10, and (ii) a time schedule for workshops and seminars and meetings with stakeholders at national and district levels.

3. The specialist will have overall responsibility for coordinating all the outputs and ensuring the delivery of all the reports, outputs, and deliverables of Support to Decentralized Education Management (SDEM) II as per the agreed upon timetable. The specialist will be based in the Unit for Facilitation of Decentralized Education (UFDP) and work closely with the project manager, steering committee, and UFDP. The specialist will

- (i) guide the work of the domestic educational institutional and policy expert;
- (ii) prepare a policy paper on the education sector, outlining broad strategies for education decentralization and clarifying the roles of government at all levels as per activities listed in logical framework output (ii); and
- (iii) guide and coordinate with all domestic consultants and be responsible for timing and quality of all reports and outputs presented to the Government and ADB.

B. Education Finance Specialist (domestic, 12 person-months)

4. The specialist will work with the Ministry of National Education (MONE), Ministry of Finance, Ministry of Home Affairs, National Development Planning Agency (BAPPENAS) and Ministry of Religious Affairs and selected districts. The specialist will

- (i) review finance work done under SDEM in the light of the education sector review (ESR) and experience gained at district level, assess resource requirements at all levels and identify mechanisms for flow of funds to the districts and to the schools (formula-based with a view to making school funding more equitable) consistent with new roles and minimum service standard (MSS), and Kepmen 35; and prepare a draft “planning and budgeting for education” policy paper;
- (ii) organize a workshop to discuss the paper (assessments and recommended mechanisms for flow of resources) with key stakeholders and domestic and international experts to get inputs on best practice and agree on a final policy paper; and
- (iii) through technical assistance in the selected districts, prepare a multi-year regional investment and resource plan and assess the benefits of adopting this

system (as against the existing system of one-year plans), and prepare a policy options paper for consideration and decision of the Government.

C. Education Quality and Standards Expert (domestic, 14 person-months)

5. The expert will have significant expertise in education quality management, including setting standards for providing education at the district and school levels and in operationalizing a system of education quality assessment. At least 5 years work experience in a national agency for education quality management, experience in developing education quality management in Asia, and an advanced degree in education and the social sciences are highly preferred.

6. The expert will work with the different units within MONE that are involved in education quality management development, which will include UFDP, Directorate General of Primary and Secondary Education, Education Quality Assurance Agency, Research and Development Agency, and National School Accreditation Agency. The specialist will

- (i) review and consolidate existing work on MSS and obligatory functions in the light of the ESR findings and other developments, and prepare a draft policy document giving concise MSS in education, related technical standards, and outcome-based indicators;
- (ii) develop overall framework and instructions for implementing MSS and related standards and for monitoring performance of MSS at various levels, including at the school level, with time frames for implementation. This will be done in close collaboration with the work on institutional mapping, recommending roles of government at various levels to ensure consistency;
- (iii) discuss the policy document and test the implementation and monitoring framework with all stakeholders in the selected districts and revise/reformulate based on discussions; and
- (iv) prepare a final draft for UFDP to seek the decision of the steering committee on the policy document and implementation framework.

D. EMIS and PPME Specialist (domestic, 12 person-months)

7. The specialist will work primarily with UFDP and case districts. The specialist will

- (i) undertake a comprehensive review of existing education management information system (EMIS) at various levels and that proposed or developed under various externally funded programs and Government programs, and recommend a simple EMIS after identifying the nature and quantity of information required at various levels for policy and budgeting purposes;
- (ii) develop a benefit monitoring and evaluation (BME) system as an integral part of the EMIS system, to provide a database for monitoring implementation of MSS and quality aspects of the education interventions and delivery of services;
- (iii) establish the EMIS in MONE and in selected districts, test and build the capacity of all concerned to have a fully functional EMIS at various levels;
- (iv) prepare a plan for further dissemination and replication in other districts;
- (v) source and supervise the establishment of an interactive web site at MONE to disseminate and receive inputs on policies, new management and governance functions, problems and issues, so as to feed into evolving policy in the future;

- (vi) will, in close association with the team leader, identify appropriate monitoring and evaluation and internal control functions for the central Ministry in the light of its new roles and functions, and develop a comprehensive but simple system for facilitating regular monitoring by the central Ministry;
- (vii) identify linkages and requirements of EMIS at various levels of the Government and ensure that these are included as a part of the EMIS; and
- (viii) test the system in MONE and prepare a final plan for smooth implementation.

E. Educational Institutional and Policy Expert (domestic, 14 person months)

8. The expert will work in coordination with the international institutional reform and decentralized education management specialist. The expert will undertake the following tasks:

- (i) review the existing assignment of governance, managerial, and financing functions at various levels of Government, and identify appropriate assignments for the decentralized education system;
- (ii) review existing institutional structures and identify appropriate structures consistent with changed governance, managerial, and financing functions;
- (iii) prepare a master plan that includes (a) clarification of roles of the Government at all levels, consistent with new structures and functions, (b) specification of human resource and financial implications and requirements, and (c) recommendations on an implementation framework and policies and programs that need to be changed;
- (iv) identify the core functions of the central Ministry (which may include articulating and harmonizing of education policies, designing an implementation program as well as investment and resourcing plan for these policies, ensuring civil society voice, establishing MIS, and monitoring for MSS and quality standards); and
- (v) prepare a plan for implementing of reform of structures and processes of the Central ministry including changes in education policies and program.