

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SESS/SERD

TA No., Country and Name TA 3957-INO: Integration of Poverty Considerations in Decentralized Education Management			Amount Approved: \$600,000	
			Revised Amount: \$600,000	
Executing Agencies Ministry of National Education (MONE), later changed to National Development Planning Agency (BAPPENAS)		Source of Funding \$300,000 TASF \$300,000 UK DFID	Amount Undisbursed: \$131,856	Amount Utilized: \$545,958
TA Approval Date: 30Oct2002	TA Signing Date: 08Jan2003	Fielding of First Consultants: April 2003	TA Completion Date Original: 30Apr2004 Actual: 31 Dec 2006 Account Closing Date Original: 30Apr2004 Actual: 31 Aug 2007	

Description: The Government of Indonesia requested ADB assistance for strengthening the poverty focus of the ADB-financed Decentralized Basic Education Project (DBEP). The broad goals of DBEP (approved November 2001) are to contribute to poverty reduction by improving access to basic education, and to support the implementation of regional autonomy by supporting decentralized management of basic education. Technical support for poverty targeting was not included in the DBEP capacity building packages, so the TA sought to fill this gap (with a focus on the 16 DBEP districts in Bali and Nusa Tenggara Barat). In November 2005 a major change in scope was approved to build on the main findings (detailed below) by channeling uncommitted TA funds to the design of a conditional cash transfer (CCT) program which would increase the demand for education among the poor. The executing agency shifted from MONE to BAPPENAS.

Expected Impact, Outcome and Outputs: The intended impact of the TA was to support the achievement of 9 years' universal basic education that serves the needs of poor and marginalized people. The intended outcomes were (i) targeting mechanisms designed to increase poor and vulnerable children's access to education, (ii) increased awareness, commitment, and capacity of MONE, local governments, and civil society to deliver basic education to poor and vulnerable children, and (iii) equitable education programs in the DBEP districts. The planned outputs were poverty mapping for 16 districts, 50 participatory poverty studies (about 3 villages per district), and capacity building workshops (32 workshops, 460 people trained). On completion of these activities (revised during implementation, as discussed below), a change in scope directed remaining resources to the design of Indonesia's CCT program. The output was detailed CCT design, ready for piloting in 7 provinces in 2007.

Delivery of Inputs and Conduct of Activities: The TA as formulated sought to strengthen DBEP's pro-poor orientation (i.e. poverty targeting) and to build stakeholders' capacity in poverty analysis and planning. The terms of reference were generally appropriate, though some adjustments were made at inception when the EA requested that the participatory poverty studies be limited to 9 districts (as opposed to 16) lest their ability to supervise and participate be stretched too thinly. TA implementation deviated quite substantially from the original plans, and ultimately there were 3 distinct phases. In Phase 1, the original consultants (one international, 8 person-months, and one domestic, 15 person-months), did not perform their tasks to a satisfactory standard. The DBEP team had to complete the poverty mapping. During a February 2004 review mission, the EA expressed the need for a focus on capacity development at the district level in pro-poor planning and poverty targeting. The TORs for the capacity development component were thus expanded. The TA end date was extended and new consultants (one international, 4 person-months, and 2 domestic, at 4 person-months each) were fielded in November 2004, marking the beginning of Phase 2.

The Phase 2 consultants undertook four participatory poverty studies in Nusa Tenggara Barat and Nusa Tenggara Timur (where DBEP intended to expand). The studies were based on focus group discussions and key informant interviews across the range of stakeholders, and assessed issues from the demand for education to access to service provision, quality and relevance, and the planning process. A series of 6 two-day capacity development workshops was organized in Lombok Barat, Lombok Timur, Bima, Dompu, TTS and Rote Ndao from March–May 2005, with an average of 27 participants from district education, health, and planning departments, the family planning board, the ministry of religious affairs, the district assembly, subdistrict officials, school officials and teachers, village leaders, and informal leaders/NGO representatives. The workshops explored why poverty is linked to low demand for education, agreed on minimum conditions for learning and options for improving quality, and developed action plans for addressing poverty in education planning and management processes. A national workshop was held in May 2005 in Jakarta. Participants were 18 representatives from the district workshops plus 32

participants from central government, NGOs and the donor community. The outputs of the workshop were to disseminate TA findings and to discuss the ways in which service provision is failing to work for the poor, an analytical framework for considering education and poverty, and the policy steps needed to improve education services for the poor. Retention of participants was a challenge. The consultants' performance was satisfactory, and concluded in June 2005.

Phase 3 of the TA was conceived out of two of the main findings of the Phase 2 final report, namely that (i) reducing the direct costs of schooling or subsidizing family expenditures will increase demand for education among the poor, and (ii) that integrating health and nutrition issues in education can have a significant impact on the general welfare of poor students, can enhance their ability to learn, and can reduce dropout. In late 2005 the Government was beginning the design of a CCT program (where cash benefits are provided to poor families on the condition that they make human capital investments such as sending children to school and to health checkups) and requested ADB support. A major change in scope provided 5 person months of an international CCT expert plus 16 person months of various domestic sectoral experts. The consultants worked as an integral part of the BAPPENAS CCT team and in close collaboration with the World Bank IndoPov team. The TA was extended twice more and closed on 31 December 2006. The EA highly appreciated the flexible inputs. Based on solid analytical work the ultimate output was a complex CCT program design that will be pilot tested in the 2nd half of 2007. One of the national consultants has been integrated in the CCT implementation team. Over the duration of the TA, ADB staff undertook four review missions in total. ADB performance was satisfactory, particularly in adapting the TA to changing needs over time. The EAs' performance was also satisfactory.

Evaluation of Outputs and Achievement of Outcome: In phase 1, nine participatory poverty studies were prepared for three villages each in the eight districts of Tabanan, Badung, Bangli, Gianyar, Klungkung, Bima, Sumbawa, and West Lombok, and Denpasar City. The consultants prepared poverty maps for selected districts in Bali and NTB. These were used by MONE in selecting districts and subdistricts eligible for DBEP support. In phase 2, the new consultant team submitted inception and final reports, monthly reports, and four participatory poverty studies. The useful findings from these studies were included in the Indonesia Country Poverty Analysis prepared for the Country Strategy and Program 2006-2009. There were more than 200 participants in workshops and seminars. Under Phase 3, the consultants reported directly to the BAPPENAS Director for Poverty Reduction and worked as an integral part of the CCT team, undertaking supply side assessments, working on benefit delivery mechanisms, and refining targeting methods, among others. The international consultant's final report presented detailed program design options and became the basis of the *Program Keluarga Harapan* being piloted in seven provinces and 49 districts for 500,000 beneficiary households in 2007.

Overall Assessment and Rating: The TA is rated **successful**. Phase 1 was only partly successful, as outputs were not as useful to MONE as they could have been. Phase 2 was successful, with strong analytical work and capacity development activities at the district and national level (though the national workshop suffered from poor retention of attendees and its impact was limited). Phase 3 was highly successful and resulted in a CCT program design that is being pilot tested with Government's own budget and that will ultimately benefit millions of households. One of the key goals of the CCT program is to increase access of poor children to basic education.

Major Lessons: Major lessons from the poverty studies include the following: (i) the poor generally value education but regard it as too expensive; (ii) scholarships contribute to enrolment maintenance but do very little to promote expansion of enrolment, transition between school levels, or re-enrolment of dropouts; (iii) there remain formidable obstacles to the expansion of education in line with the 9 years basic education policy; (iv) the provision of remedial tuition, supplementary feeding, and greater emphasis on health and hygiene education could make a difference in learning outcomes, educational attainment, and the welfare of poor children; (v) given a perceived lack of relevance of the basic education curriculum in some areas, there is scope for greater "socialization" and explanation of education policies and more active engagement by the government in public debate of the issues; and (vi) pro-poor policies in the education sector have been introduced, but there is a need for these to be integrated into mainstream multi-sector planning. The bottom-up planning process (Musrenbang) is generally confined to infrastructure projects. There is a need for raising awareness of the importance of education services for the poor, so that education planning can become part of the Musrenbang agenda.

Recommendations and Follow-Up Actions: Many of the issues raised under TA 3957-INO are being followed up on under TA 4762-INO Pro-Poor Planning and Budgeting (approved Jan. 2006, consultants fielded Sept. 2006). With BAPPENAS as the EA, the consultants are working in 11 districts and at the national level to enhance the pro-poor planning process and improve service delivery, including education. One key activity is in-depth work on the Musrenbang process. The team is also supporting the CCT pilot test and efforts to scale up in 2007, which will ultimately contribute to the integration of poverty considerations in decentralized basic education management.