



Study on Governance Challenges for Education in Fragile Situations

Aceh, Indonesia
Country Report



Foreword and Acknowledgements

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It is hoped that this analysis will be a useful contribution to the development of education in Aceh in the coming years. It is also hoped that the analysis accurately reflects the views and analysis of those consulted and relevant documentation. The lead author of this report is Mr. Michael A. Ratcliffe, study team leader and designated consultant for the Aceh case study. The Study and consultancy team has been managed by Euro-Trends.

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Map of Aceh Province, Indonesia



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Glossary of Terms and Acronyms

Acronym	Bahasa Indonesia	English
AIBEP	Program Pendidikan Dasar Australia- Indonesia	Australia/Indonesia Basic Education Programme
AusAID	Badan Pengembangan Internasional Australia	Australian Agency for International Development
BAN-SM	Badan Akreditasi Nasional – Sekolah dan Madrasah	Board of Accreditation for Schools and Madrasah
BEP	Program Pendidikan Dasar	Basic Education Program
BOS	Bantuan Operasional Sekolah	School Operation Fund
BRR	Badan Rehabilitasi dan Rekonstruksi	Board of Reconstruction and Rehabilitation for Aceh
BSNP	Badan Standar Nasional Pendidikan	National Education Standards Board (MONE)
Bupati	Bupati	Head of District Government
CCT	Persyaratan transfer cash (World Bank)	Conditional Cash Transfers (World Bank)
DBE 1, 2, 3	Desentralisasi Pendidikan Dasar , Komponen 1, 2 dan 2 (didanai USAID)	Decentralised Basic Education, Components 1, 2 and 3 (USAID)
Dinas	Dinas	District Education Office
DPR	Dewan Perwakilan Rakyat	Legislative Assembly
EC	Komisi Eropa	European Commission
ECCD	Pengembangan Anak Usia Dini dan pemeriharaan dini	Early Care and Childhood Development
ERA	Rehabilitasi Pendidikan di Aceh (AusAID)	Education Rehabilitation in Aceh (AusAID)
ESWG	Sektor Kelompok Kerja Pendidikan	Education Sector Working Group
GER	Angka Partisipasi Kasar	Gross Enrolment Rate
IRp	Rupiah	Indonesian Rupiah
JSS	SLTP - Sekolah Lanjutan Tingkat Pertama	Junior secondary school
Kabupaten	Kabupaten	District
Kota	Kota	Autonomous city
MONE/DEPDIKNAS	Departemen Pendidikan Nasional	Ministry of National Education
MORA/DEPAG	Departemen Agama	Ministry of Religious Affairs
NER	Angka Partisipasi Kasar	Net Enrolment Rate
PFM	Pengelolaan Keuangan Publik	Public Financial Management
Renstra	Rencana Strategis	Strategic Plan (MONE)
S1	Strata 1	Bachelor Degree
SME	Business skala kecil dan menengah	Small and Medium-sized Enterprise
STR	Rasio Guru Murid	Student Teacher Ratio
UNICEF	Badan PBB untuk bantuan bagi anak-anak	United Nations International Children's Fund
USAID	Badan Pengembangan Internasional Amerika	United States Agency for International Development
WB	Bank Dunia	World Bank



1. Historical Perspectives: Sector Performance and Resilience

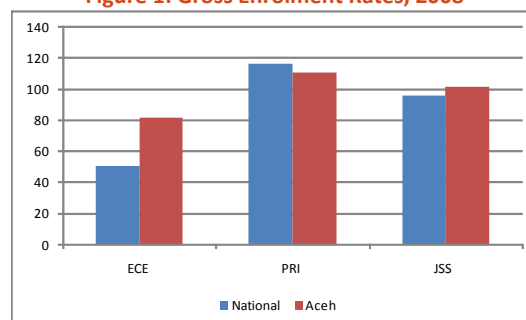
1.1 Analysis of Long-Term Sector Performance and Resilience

The province of Aceh is located on the northern tip of Sumatra, with the Indian Ocean in the west, covering an area of over 57,000 km² with a population of around 4 million people. The island of Sumatra, especially Aceh, is exceptionally earthquake-prone. The province has been granted various degrees of autonomy by central Government since 1949. A key event potentially affecting education sector performance have been the long running separatist movement, known as the Free Aceh Movement (GAM) over the period 1976/2005, due to claims over the provinces' natural resources and persistent poverty. The hostilities reached their height in 1989/91 and 2001/2003. The other key event was the Tsunami in December 2004, which took 170,000 lives and displaced 500,000 people from their homes, with physical damage and loss estimated at around US\$ 4.9 billion.¹

The organisation of education in Aceh is consistent with the national Indonesian education system. The organisation consists of early childhood, primary, junior secondary and senior secondary schools, universities and a parallel non-formal education provision. Education is planned and managed through the Ministry of National Education (MONE) and Ministry of Religious Affairs (MORA). In the case of Aceh, the private sector in education is comparatively small. The scale and reach of the system demands a comprehensive legislative and regulatory framework, especially in the context of significant decentralisation. Syariah law is the basis for Aceh's administration system. At present, Aceh consists of 18 municipalities (*kabupatens*) and 4 cities (*kotas*), with Banda Aceh as the capital of the province.

Despite these sources of potential fragility, Aceh education sector performance has been resilient. Currently, most key education access indicators are close to, or above the national average (*see figure 1*). Examination performance is also close to the national average. There has been a consistent improvement in these indicators in the past few years. Over 2001/2005, early childhood GER rose from 7% to 15%, rising to 82% by 2008. Primary education GER has remained constant at between 111%-115%, with junior secondary GER rising from 75% to 91% over 2001/2005, reaching 95% by 2008. Senior secondary GER rose from 45% to 68% over 2001/2005, reaching 72% by 2008.

Figure 1: Gross Enrolment Rates, 2008



Source: MONE Education Database, 2008

¹ Bureau for Reconstruction of Aceh, 2005. The Recovery Effort and Way Forward.

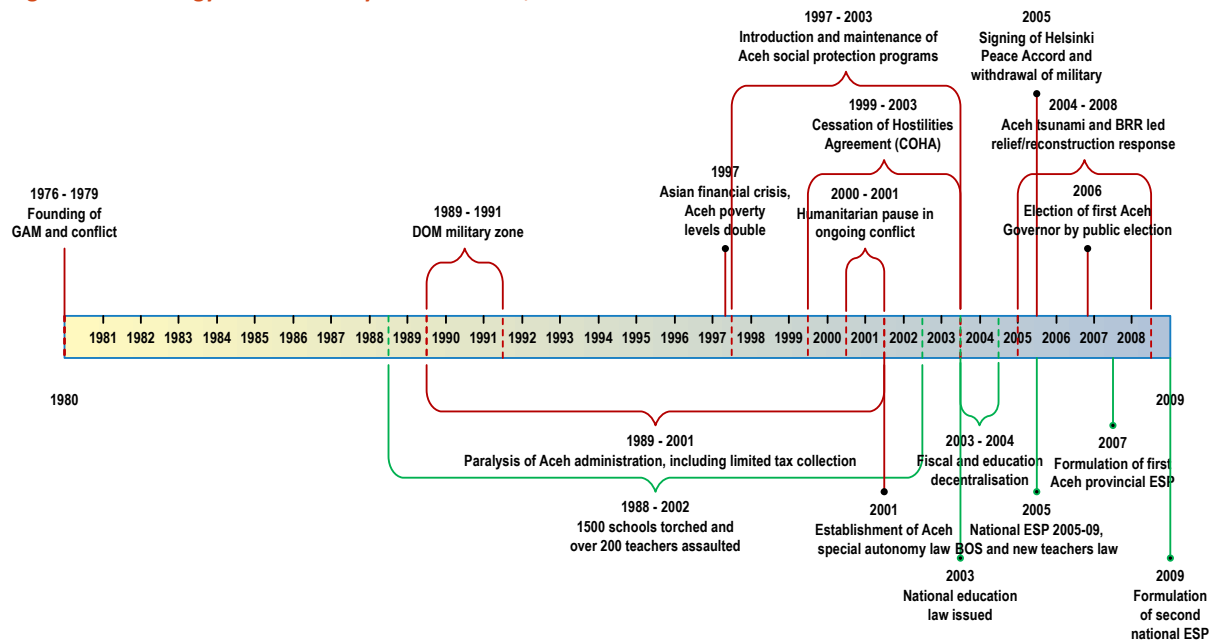
This growth in service provision took place despite the reintroduction of martial law in 2003, with an estimated 510 schools torched and around 900 schools having to temporarily close their doors. It is reported that schools reopened quickly due to national/provincial and community efforts, with few pupils and teachers moving elsewhere, apart from university staff and students. The tsunami also had only temporary impact on education services, despite the loss of tens of thousands of students and an estimated 2500 teachers. Within 12 months, 95% of primary and junior secondary students were back in school and teacher casualties had been replaced.²

Education performance in the more conflict-affected districts (e.g. Aceh Besar, Pidie, Bireuen, East Aceh) has also proved resilient. In these four districts, primary GER ranges between 117%-131% in 2008, compared to a provincial average of 111%. For junior secondary GER, the range is 93% - 116% compared to a provincial average of 111%. Apart from East Aceh, the other three more conflict-affected districts also perform above the provincial average in primary and junior secondary examinations.³

1.2 Analysis of Factors Affecting Sector Resilience and Fragility

A chronology of key events related to security, political and economic/administrative governance are summarised in *figure 2* below. These governance features can be characterised as three main phases: i) a conflict period over 1979/2001, which was extreme over 1998-2001; ii) a still conflict-affected reconstruction period over 2001/2004; and iii) a post-conflict and post-tsunami reconstruction and recovery phase over 2005/2009. In broad terms, sector development and governance correlated with broader security governance, administrative/economic governance and political governance features over these periods.⁴

Figure 2: Chronology of Selected Key Events in Aceh, Indonesia 1980 - 2009



² World Bank, 2006. Aceh Public Expenditure Assessment

³ EC Study Analysis, 2009, based on information from the MONE national education database.

⁴ 2008. Conflict Research Unit. Governance Components in Peace Agreements

Key Governance Features: Conflict Period 1979/2001. The key security governance features over this period were i) the founding of GAM and ensuing conflict in 1976/79; ii) setting up the DOM military zone over 1989/91; and iii) humanitarian pause over 2000/1. Key administrative/economic features included i) GAM strategy to disable local government and fulfilling government functions (e.g. tax collection); ii) paralysis of government in an estimated third of the country; and iii) extreme under disbursement of Aceh's budget, with an estimated one-sixth spent in 2001.⁵ The situation was exacerbated by the 1997 financial crisis, with poverty levels in Aceh doubling from 15% to 30%.

The sources of fragility included i) disruption of schooling due to the torching of schools and assault of teachers by GAM combatants and schools being used as military camps; ii) difficulties for village leaders in mobilising community support when faced with GAM/military conflicts of interest; and iii) inability of parents to pay school and university fees, especially for post-basic education provision. The reported sources of resilience included i) robust leadership by school principals and committees to keep schools open; ii) willingness of parents, students and teachers to attend school under adverse circumstances (e.g. tents); and iii) community and donor mobilisation of funds to restore school infrastructure (e.g. UNICEF/NGO support).

Key Governance Features: Still Conflict-Affected Reconstruction Period, 2001/2004. Key features that potentially made the education system fragile included i) the breakdown of the Cessation of Hostilities Agreement (COHA) in 2003 and the introduction of martial law, with an estimated 500 schools torched and around 900 schools temporarily closing; and ii) continued prevalence of high levels of poverty, due in part, to disruption of key aspects of the economy (e.g. closure of plantations, migration of business owners, disruption to oil and gas operations).

Key resilience features included i) the cessation of hostilities over 1999/2003 enabled system recovery and administrative/economic governance improved with the sustained central government spending on education; ii) significant additional resources for education when the Aceh special autonomy law was introduced in 2001; iii) central Government maintaining social protection programmes over this period, in response to 1997 financial crisis; and iv) introduction of a series of decentralisation legislation/regulations, as part of strengthening the powers of local government at provincial and district levels and maintaining fiscal balance between central and local governments. These measures began to provide a framework for medium-term development planning, further enabled by the new education law in 2003, which set out functional obligations between centre, provinces and districts. It is estimated that Aceh's fiscal resources increased from US\$ 0.6 billion to US\$ 1.2 billion over 1999/2006 (excluding post tsunami reconstruction budget in 2006).

Key Governance Features: Post-Conflict and Post-Tsunami Reconstruction and Recovery Phase, 2005-2009. Key factors to potentially make education provision more fragile included i) loss of tens of thousands of people and students and an estimated 2500 teachers; ii) destruction of family housing and displacement of an estimated 500,000 people; iii) loss of livelihoods for tens of thousands of households, with many more families pushed into poverty; iv) destruction of over 2500 schools and thousands of teachers displaced from their place of work; and v) difficulties in assimilating ex-combatants back into the work force and community, post-2005 Helsinki Peace

⁵ 2006, World Bank, Aceh. Public Expenditure Review

Accord. Another potential fragility factor included creation of parallel education and management systems due to the pressure of delivering emergency relief, thereby undermining provincial and district system capacities.

Key governance features that enabled education system resilience included i) the cessation of hostilities and signing of the Helsinki Peace Accord in 2005 and withdrawal of central government military forces; ii) continued growth in central and provincial revenues, including 30% for education; iii) implementation of decentralisation policies, including a strong mandate for district level local governments against assured financing formulae; iv) continued implementation of the special autonomy law, allowing significant retention of revenues; v) introduction of new pro-poor education policies and financing, especially a movement to free basic education by provision of school operating budgets; and vi) additional national policy measures to provide teacher incentives for professional upgrading and deployment to remote schools.

Other factors that assisted system resilience included i) significant increases in centrally provided resources for education (e.g. 20% target of public expenditure); ii) a massive post-tsunami international donor response estimated at around US\$ 1.6 billion, including for reconstruction, cash for work and other social/economic amelioration; iii) agreement on the new Aceh special autonomy fund in 2006, guaranteeing an additional US\$ 0.5 billion per annum from central Government sources; and iv) setting up of a government-led Reconstruction and Rehabilitation Agency (BRR), with direct Presidential authority, based in Aceh, to coordinate the reconstruction and development effort. A key feature of sector governance was the formulation of the first Aceh Education Strategic Plan (NADESP) in 2007, as a post-conflict and post-tsunami planning response, led by the Office of the Governor.

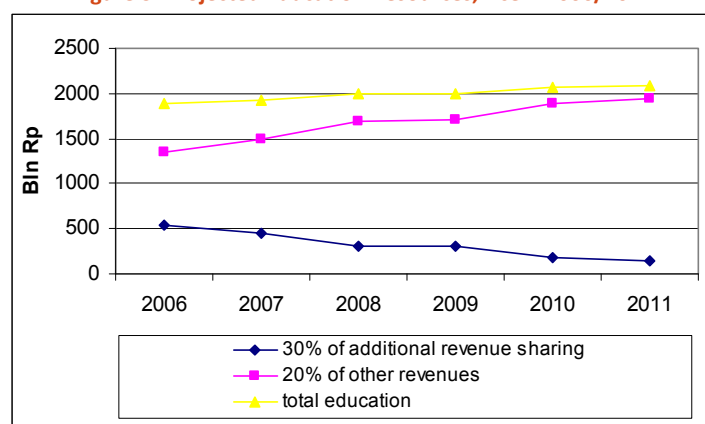


2. Education Sector Fragility Assessment: Status and Outlook

2.1 Key Features of Sector Resilience and Fragility

A number of features suggest a high degree of sector resilience. Despite the potentially negative impacts of the conflict and the tsunami, demand for primary and secondary education has continued to grow, due in part, to the high value accorded to education in Aceh. This is reinforced by the extensive harmonisation of MONE and MORA schooling provision within a strong Islamic values context set out in local legislation and the Aceh education strategic plan.⁶ The strong sense of volunteerism within the Islamic education culture has also ensured teacher attendance in difficult circumstances. The extensive central and provincial/district Government expenditure since 2005 on teacher upgrading, teacher incentives and school operational budgets means that the prospects for

Figure 3: Projected Education Resources, Aceh: 2006/2011



Source: World Bank 2007, Aceh Public Expenditure Analysis.

Another important feature contributing to likely sector resilience is the sustained political commitment to education.⁸ It is reported that virtually all district parliaments allocate more than the statutory 20% of public expenditure for education. A related resilience feature is the massive actual and projected growth of education expenditure over 2005/2011, with a regulated 30% of oil and gas revenues devoted to the sector. It is anticipated that Aceh resources for education will be around IRp. 2 trillion (US\$ 0.2 billion) per annum up until 2011, giving Aceh province the second highest per capita expenditure (an estimated US\$ 45 per capita, compared to a national average of US\$ 20). See *figure 3*.

sector resilience are promising. The extensive post-tsunami Government and donor support for restoration and expansion of early childhood, primary and secondary school infrastructure ('building back better') is another contributor to sector resilience.⁷

Another important feature contributing to likely sector resilience is the sustained political commitment to education.⁸ It is reported that virtually all district parliaments

⁶ NADESP 2007, which sets out specific Islamic values in education targets, to be monitored by local governments and parliaments

⁷ It is reported that over 3000 schools have been rebuilt or newly constructed since 2005

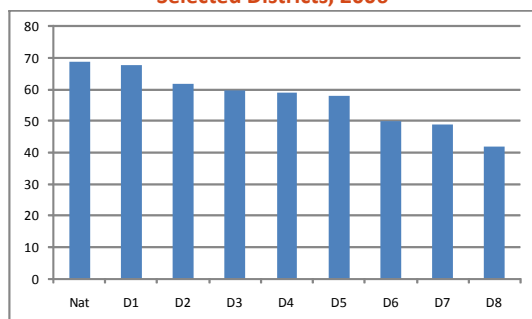
⁸ NADESP 2007. The preparation of the Aceh education strategic plan in 2007 was led from the Office of the Provincial Governor, with extensive involvement of all key stakeholders, including provincial/district education officials, universities and donors

Nevertheless, there are a number of potential sources of fragility. There are significant variations in poverty headcount ratios between districts, even in the oil rich districts (e.g. North Aceh), which has a poverty ratio of around 30% (twice the national average). This could create serious disparities in access to senior secondary and higher education that are fee-paying. There are also significant district variations in junior secondary schools examination performance, ranging from an average of 7.9 out of 10 to 5.2 out of 10, which could create significant disparities in access to admission rates to senior secondary and higher education where the economic rates of return are higher. A positive legacy of the tsunami reconstruction has been employment for ex-combatants, women and young school leavers. This could quickly turn into a source of fragility unless appropriate skills training provision related to job creation and income generation is addressed.

2.2 Overall Education Fragility Status Assessment

The overall assessment is that the current security and political environment are conducive to more predictable education reform planning. Similarly, the comparatively stable and predictable economic and fiscal environment is also helping promote longer-term education sector reform. As a result, the education system in Aceh can be best characterised as being in the late stages of transition from reconstruction to more sustainable sector development. Equitable access to early childhood education, primary/junior secondary education ('basic education') is largely assured, alongside expansion of senior secondary and higher education. Accelerating further transition will require addressing the significant district inequities in access to post-basic education and skills training opportunities.

Figure 4: Gross Enrolment Rates: Senior Secondary, Selected Districts, 2006



Source: Aceh Provincial Education Statistics Database, 2008

Note: All these districts are in the lowest poverty quintile, Only two were significantly conflict affected

At this stage, significant levels of poverty probably constitute a greater potential source of fragility than security or political governance issues (see figure 4). Agriculture and fisheries remain at the heart of the economy and generating a workforce capable of optimising use of these resources, through formal schooling and skill training is critical. Though education access improvements are promising, strengthening the quality of education is an immediate challenge, especially in the poorer, more rural and remote districts.⁹ Although the Aceh

provincial education plan constitutes a useful start, a source of fragility is the uneven technical and administrative capacity within the 22 districts, to formulate operational plans and financing strategies aligned with the agreed provincial education priorities and strategies.¹⁰

⁹ For example, 11 of the 22 districts in Aceh have junior secondary exam score averages of less than the Aceh average of 6.77

¹⁰ For example, a public financial management (PFM) survey in 9 districts in 2006, suggests that the capacity of local governments to undertake new financial planning and management roles (e.g. in planning and budgeting, external audit), especially in the light of massive growth in local government expenditure, is very limited.

2.3 Sectoral Fragility and Resilience Outlook, Opportunities and Risks

Previous opportunities to set sector development on a resilient path were undermined by security and governance concerns. For example, the overall climate is more conducive than the period 1998/2001, when emergency responses were prevalent due to the 1997 financial crisis. An earlier attempt to formulate and implement an Aceh medium term education sector strategy in 2001/2002 in response to recognition of the need to allocate special autonomy funds foundered in the face of restoration of hostilities. Similarly, over the period 2003/2004, despite the issue of the new national education law, the absence of a national set of education sector priorities, strategies and targets, made it problematic to formulate an Aceh provincial education strategic plan.

The overall environment in 2009 is much more conducive for education system resilience and sustainability. The security governance environment has stabilised and recent national parliamentary and presidential elections in 2009 provide for continuity of national and Aceh provincial political governance. The next phase of national education policy and strategy formulation for the period 2010/2014 is now underway, providing the prospect for policy continuity and consolidation of the previous education strategy (Renstra 2005/2009). This provides an opportunity to update the Aceh provincial education strategic plan of 2007, which was fully aligned with national education priorities. Updating the Aceh education strategic plan would also provide an opportunity to build on the extensive stakeholder ownership of the current plan and also ensure synergy with revised national level education priorities and financing (e.g. increases in school operational grants, acceleration of teacher upgrading and incentives programme).

The comparatively predictable planning and fiscal environment over the next five years also provides an opportunity to help secure a more policy and results oriented education financing policy, using the significant provincial resources for education. Particular opportunities are the introduction of equalisation and performance based financing mechanisms, as part of efforts to achieve greater district equity in education resourcing and performance. These mechanisms are part of the current Aceh education strategy, endorsed by provincial parliament in 2007/2008, but have yet to be fully implemented. A more district performance disaggregated results framework would also provide an opportunity to more strongly engage with local oversight and watchdog bodies (e.g. district parliaments, district audit authorities).

Nevertheless, significant potential risks can be identified. Firstly, unless expansion of post-basic education and skills training opportunities help alleviate poverty (e.g. through job creation), public and political support for education reform may diminish. A second potential risk is that provincial education resources may continue to give priority to routine expenditures (e.g. teacher incentives, contract teachers) rather than focusing on sector development.¹¹ This risk may be further exacerbated by the growing cost of the teacher upgrading/incentives programme.¹² A third risk is uneven provincial and district level strategic/financial planning and budget implementation and

¹¹ For example, routine education expenditures for education have increased from IRp. 400 billion to IRp. 1500 billion over the period 2002/2006 with 93% being devoted to teacher salaries.

¹² The 2005 teachers law provides for discreet professional and remote area incentives, which could amount to a trebling of teachers' current salaries

execution capabilities.¹³ A broader risk is that unless ex-combatants are well assimilated into local communities, there is the prospect of the recently improving school/community governance environment being undermined.¹⁴

In summary, the overall environment is conducive for consolidation and implementation of the key elements of an education sector resilience strategy focusing on i) strengthening on education administration, planning and management capacity, including building on better centre/province/district relations; ii) using more results oriented sector planning and monitoring and information sharing, as a basis for improving client, government, parliamentary, mutual accountabilities; and iii) using the significant education resources to achieve some 'quick wins', especially universal access to free senior secondary education and employment related skills training.

¹³ Acknowledged by key informants from the provincial education advisory board during the field mission and highlighted in a number of donor assessments (e.g. AusAID Support for Education Development in Aceh 2008)

¹⁴ Acknowledged in a number of donor assisted support programmes (e.g. EC/IOM support for Aceh Reintegration Agency), AusAID support for Community and Education Programme in Aceh (CEPA)

3. Education Sector Governance Assessment: Status and Outlook

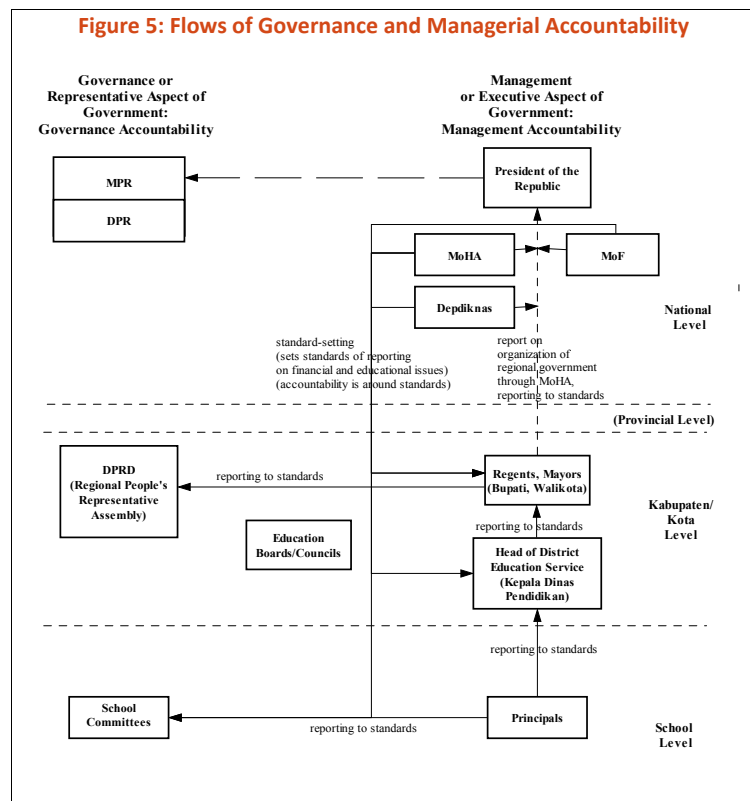
3.1 Summary of Overall Macro and Sectoral Governance Environment

Broad Political Economy and Decentralisation Features. The overall security and political governance environment has begun to stabilise. The post-tsunami relief and reconstruction efforts are nearing a close, with the winding up of the Rehabilitation and Reconstruction Agency (BRR) in mid-2009. The overall governance and managerial accountability arrangements for implementing Government policy are highly decentralised, with extensive functional obligations for education, especially primary and secondary education, fully devolved to district authorities. These accountability arrangements are summarised in *figure 5*.

For education, policy formulation and monitoring are the responsibility of central MONE and MORA, as set out in the education law 2003. Specific education sector development policies, strategies and targets are set out in the education Renstra 2005/2009, which is currently being updated. There is an extensive legislative and regulation related to setting of school, student, teacher and infrastructure standards through

the Board of National Education Standards (BNSP). These standards are monitored through autonomous boards of school and higher education institution accreditation.

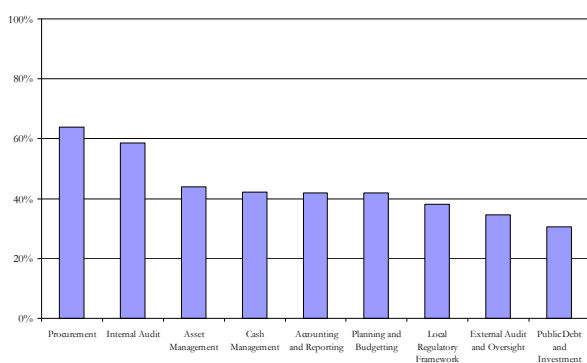
There is also an extensive legislative and regulatory framework related to fiscal decentralisation, with unconditional block grants to district authorities for public service provision, including for primary/ secondary education. In addition, central MONE and MORA agencies are assigned significant expenditures related to implementing key education policies and strategies. Provincial and district raised revenues can also be allocated for education services, as approved by provincial



and district parliaments. Central and district audit authorities are required to conduct annual audits on specific programmes, including for education.

The role of the provincial authorities in most provinces is increasingly limited, apart from an ill-defined technical support and monitoring role. In the case of Aceh, as a special autonomy region, the provincial authorities, including for education, play a much more significant strategic planning, financing and monitoring function due to the agreement that Aceh can retain a high proportion of provincially raised revenues. For example, it is estimated that retained revenues will increase from around IRp. 3 trillion (US\$ 0.3 billion) in 2000 to IRp. 10 trillion (US\$ 1 billion) in 2007, to an indicative IRp. 17 trillion (US\$ 1.7 billion) in 2011. National and provincial legislation accords 30% of these revenues to education and accordingly, education sector development is accorded high political importance and wait by provincial and district parliaments. As a result, in Aceh, the provincial/district education advisory councils that report and advise parliaments directly are of more significance than in other provinces.

Figure 6. Public Financial Management Survey, Aceh 2006



80–100% Very good; 60–79% Good; 40–59% Medium; 20–39% Weak; 0–19%

Public financial management systems are complex and it is recognised that generally capacity is under-developed (*see figure 6*). A key issue is improving both budget planning and financial reporting. The situation is made even more complex by the increased frequency of using block grants to a range of beneficiaries (e.g. school construction committees, teacher cluster groups, early childhood consortia, private sector training agencies). The legal status of many of these entities is ill-defined and as a result, ensuring accountability is frequently problematic.¹⁵

National and district audit arrangements are also complex and underdeveloped. The inspectorate generals, MONE/MORA are responsible for auditing any centrally assigned education expenditure, even if channelled down to school levels (e.g. school operational budgets). District audit authorities are responsible for any district assigned education expenditure. Several challenges are recognised. Firstly, it is difficult for central audit agencies to undertake reliable sample audits over a wide range of schools in over 500 districts (covering 300,000 schools). Secondly, central audit agencies are only gradually building up capacity to undertake performance audits. Similar challenges are evident at district levels where audit agencies frequently lack the sectoral technical expertise and tend to focus mainly on financial accounting/control.¹⁶

National/Provincial Education Governance Context. At both national and provincial levels, there is strong political will for education reform, evidenced by the significant increases in public resources for education approved by national and local parliaments. For example, over 2004/2009, the share

¹⁵ AusAID 2007, Non Formal Education Financing Strategy Study

¹⁶ EC 2009, Public Financial Management Assessment for Education Sector Support Programme (unpublished).

of public expenditure for education has risen from 11.4 % to around 19.5 %. However, the fragmentation of sources of education financing from central, provincial and district revenues means that strong alignment between sector priorities and finance/budget allocations is inevitably challenging. The limited organisational capacity within provincial and district planning and budgeting authorities, including for education, further undermines effective results/resource alignment.¹⁷ This is a particular issue in Aceh, where provincial sources of revenue for education are very significant.

Over the period 1999/2005, mechanisms for ensuring education sector performance accountability and transparency were limited. Since 2005, significant progress has been made through clear national standards setting and standards monitoring through national accreditation boards and national school/university examinations, with increased transparency in the public dissemination of comparative national, provincial and district performance results.¹⁸ Nevertheless, it is recognised that the capacity of local oversight bodies (e.g. parliaments) to use these results as part of accountability arrangements with education authorities and schools remain underdeveloped.^{19, 20}

3.2 Analysis of Stakeholder Participation and Interests

Government is the dominant provider of education services in Aceh, although private Islamic schools, under the auspices of MORA, constitute around 15% - 20% of enrolment. In addition, other Islamic schools that do not follow the national curriculum (*dayahs*) constitute around 3% of provision, alongside a few private primary and secondary schools in better-off urban areas. The use of syariah law in Aceh means that MORA is comparatively a more influential force in education than in other provinces and the consolidation of MONE/MORA as a single administration has been mooted.

The international community was temporarily an influential interest group during the post-tsunami reconstruction period, helping to meet immediate relief/reconstruction needs (e.g. rebuilding schools). However, in the context of Aceh, donors/NGOs did exercise only limited influence, given that even at the height of the reconstruction effort, donor support constituted only 15% - 20% of discretionary spending.²¹ Nevertheless, it has been acknowledged that the education donor group worked constructively with the BRR in the reconstruction effort and strongly promoted the transition from sector reconstruction to development.²²

¹⁷ EC/AusAID 2009, Education Sector Assessment highlights the importance of strengthening organizational capacity for education financial planning and budgeting.

¹⁸ For example, the results of school accreditation processes are available on national websites and comparative school/students examination results are disseminated to all provincial/district parliaments and education authorities.

¹⁹ EC/AusAID 2009, Education Sector Assessment and World Bank 2005, Education Sector Review

²⁰ This was confirmed by key informants from the Aceh Provincial Education Advisory Council during the study field mission.

²¹ It was estimated during the Aceh ESP design process that donor financing amounted to US\$ 30 - 40 million per annum of an overall Aceh education budget of around US\$ 200 million per annum

²² For example, the Aceh education sector working group was an active partner in the Aceh ESP process and provided significant technical advisory services for its preparation through AusAID, UNICEF, USAID and GTZ

Despite the dominance of Government, sector planning processes have shown a number of positive governance features, including i) consultation with a wide range of stakeholders; ii) promotion of inclusive education, especially for early childhood and senior secondary; and iii) growing demand for information by stakeholders, including exam results and school budget financing formulae (see Box 1). The nationwide implementation of school operational budgets is also generating more bottom-up accountability mechanisms between districts, school principals and parents' committees.

Box 1: Aceh Education Strategic Plan Process, 2007

Recognising the need to accelerate transition from post-tsunami reconstruction, the provincial Governor instituted a task force, managed by Provincial Education Council. Ten task forces were established with formal mandates from the Governor to formulate new Aceh education sector priorities. These groups were broadly based, including representatives from Governor's Office, Finance and Planning Departments, MONE and MORA technical staff, university rectors and professors, school principals and private sector.

The draft sector plan, finalised in early 2007, was reviewed by district Bupatis, district education authorities and community focus groups, including village leaders and school committees. The final sector plan, including specific targets and financing to move towards inclusive early childhood, basic education and senior secondary education, was formally approved by provincial parliaments and underpinned by new education regulations over 2007/2008. This was followed by formal socialisation of the plan at district level forums, through district education advisory councils.

Governance arrangements for sector resource planning are uneven, characterised by i) increasingly significant parental voice in the use of school operational budgets, less so for overall district/school expenditure decisions; ii) increased attention to budget allocations for previously excluded groups (e.g. senior secondary scholarships for the poor, block grants to non-formal education providers); iii) increased availability of information on school operating budget financing formula, less so for overall provincial/district budget transfers; and iv) limited external monitoring of Aceh education budgets by community groups and independent watchdog agencies. Notwithstanding, the overall availability of education results information is on an upward trend in Aceh and nationwide, stimulated by the introduction of mandatory school accreditation from 2009 and increased dissemination of budget information and student examination results in the public domain and media.

3.3 Education Sector Governance Outlook, Opportunities and Risks

The scheduled monitoring of the implementation of the Aceh education strategic plan and targets provides a potential vehicle for systematic governance development. Potential opportunities include i) involvement of a wide range of district and community stakeholders in the monitoring process; ii) systematic monitoring of whether previously excluded groups (e.g. the poor, dayahs) are increasingly beneficiaries; iii) strengthening provincial and district results information systems, as part of greater transparency in sector performance trends; iv) publication of financial and performance audit reports, as a means of building up district level audit and watchdog capacity; and v) holding parliamentary and public debates on sector performance and financial performance trends, as part of mutual accountability with local education authorities.

If these opportunities are to be optimised, a precondition is the formulation of disaggregated district education operational strategies and targets. There is a potential risk, reportedly happening, that district education authorities are unwilling or have limited technical capacity to formulate these district education plans and targets. Without such a framework, it becomes problematic to

implement the proposed, more results oriented, equalisation and performance grants set out in the Aceh ESP. Equally, without a clear results framework and performance monitoring framework, it will be problematic to institute the kinds of governance developments set out above.

Box 2: Aceh ESP Results Framework, 2005/2011

Access. The proposed expansion targets are shown in the table below.

NET ENROLMENT RATES: BASELINE AND TARGETS FOR SELECTED SUB-SECTORS		
Level	2005 (Baseline)	2011 (Target)
Early Childhood	15%	85%
Primary	95%	100%
Junior Secondary	72%	100%
Senior Secondary	49%	100%

Enrolment in higher education is projected to increase from around 60,000 to over 110,000, including teachers S1/D4 upgrading programs.

Quality/Efficiency. A key quality and efficiency policy target is to ensure all schools and education institutions achieve Gol minimum service standards by 2011, with NAD being in the top 3 of provincial performance rankings for secondary education examinations. A related target is full implementation of Islamic values based education regulations and standards. A key target is upgrading of over 50% of under qualified school teachers and rapid expansion of accredited staff development programs for school principals/vice-principals, planners, managers and administrators. This will require a shift towards more district based and distance learning approaches and accreditation and quality control mechanisms.

Governance. A critical governance policy target is to fully implement national and NAD education legislation and regulations, including establishment of an Aceh board of accreditation for higher education. System wide implementation of strict public accounting at all levels is proposed. Governance and quality assurance policy targets include: i) expanded mechanisms for school and student performance monitoring, drawing on BNSP guidelines, ii) gradual introduction of staff performance appraisal, iii) ensuring all school/community governing bodies are fully operational and iv) ensuring all provincial and district programs are audited annually with increased audit coverage for schools.



4. Main Findings: Scope and Diversity of Local and Donor Supported Initiatives

4.1 Summary of Findings: Local Initiatives

Over the period 2001/2004, special autonomy funds financed a provincial education trust fund amounting to around IRp. 700 billion (US\$ 70 million) per annum. Funds were distributed to i) district education authorities (around 37%); ii) provincial education authorities (around 40%); and iii) other ministries/special projects (around 23%). For the district run programmes, the main finding is that the vast proportion of the funding was devoted to subsidising routine operational expenditures (e.g. school maintenance, teacher incentives, new physical infrastructure). Limited attention was paid to strengthening system capacities, addressing service inequities or even restoring schools torched in 2001/2002 during hostilities. The benefits and value for money from education funds allocated to other ministries (e.g. food crops, health, fisheries) is unclear.²³

Box 3: Implementing Community-Based Construction

An estimated 800 schools were torched in ten conflict-affected districts in Aceh over 2001/2003. In order to minimise a perception by GAM combatants of Government support for restoration of infrastructure, funds were channelled through the private sector (e.g. in one case, the electricity utility) and community groups. This mechanism proved helpful in building up community cohesion and community governance of education infrastructure development.

Subsequently over 2005/2009, in line with national education infrastructure programme guidelines, this kind of model has been fully adopted by provincial and district education authorities. Block grants are channelled directly to community groups who managed the technical construction and financial reporting. During the post-tsunami reconstruction, when communities were stretched with more pressing survival concerns, a mixed model of traditional contractor procurement and community-based approaches were adopted.

In contrast, education funds managed by the provincial education authorities were found to be better targeted in terms of system needs and governance development, covering i) torched schools reconstruction and infrastructure (23%) (*see box 3*); ii) promoting inclusive quality education (35%); iii) promoting quality oriented and well governed model schools (12%); and iv) a range of measures related to strengthening quality assurance and performance monitoring systems (30%).²⁴

Over 2005/2009, local/national initiatives have focused on three main areas, including i) supporting the restoration of schooling post-tsunami; ii) implementing the main strategies and targets of the Aceh ESP,

including equalisation and performance oriented measures; and iii) implementing key national programmes, especially the school operational budgets and the teacher upgrading programmes. The main finding of the post-tsunami restoration programme is that it helped complement the

²³ 2003, B. Nazamuddin. Aceh Regional Public Expenditure Review

²⁴ Based on aggregate expenditure figures for 2002/2003.

significant donor effort in education and facilitated the transition to sector reconstruction/development. A key finding of the programmes designed to promote greater district level performance orientation, delegated to district authorities, is that there is a tendency to use such funds for supplementing routine expenditures, rather than development.

A key finding of the nationwide school operational budgets programme (*the BOS*) introduced in 2005 is that it builds on and extends a social safety net programme for poorer students to attend school, which was necessary post the 1997 financial crisis in Aceh. Subsequently, as part of pro-poor access policy, this programme was transformed in 2005, with funds channelled directly to schools rather than as a conditional cash transfer payments to households. Key findings of this programme are i) it is successful in making parents accountable for school attendance; ii) it helps stimulate stronger school/parent accountability for use of funds; iii) it promotes transparency in school funding formulae; and iv) it provides an incentive for school/district enrolment information flows.

Box 4: Assuring Mutual Accountability for School Attendance during Fragile Situations

In 1997, following the Asia financial crisis, a large number of Indonesian families, including in Aceh, fell into higher levels of poverty. At that time, school fee paying was traditional and there were fears of extensive school dropout by poorer families. In order to mitigate this risk, GOI with support from international donors, instituted a school attendance conditional cash transfer system where parents could receive funds through the local post office. The system helped generate a strong sense of mutual accountability between Government and parents, to ensure school attendance for poorer families, as part of equitable access policy.

In 2005, when reduced fuel subsidies carried a similar risk for poor families, the transfer system was transformed into a per capita based block grant, sent in this case, to schools not individual families. The governance opportunities have included i) transparency in the funding formula (IRp. 240,000 p.a. for primary; IRp. 325,000 p.a. for JSS); ii) recent new powers and responsibilities for school managers and school committees in use and accounting for these funds (e.g. under law 9/2009); and iii) providing impetus for the training of school principals and committees in results-based school budget planning and implementation.

4.2 Summary of Findings: Donor Supported Initiatives

Over the period 2000/2004, when security and political governance concerns were significant, donor supported initiatives mainly focused on limited humanitarian relief (e.g. for torched schools). Over the period 2005/2009, donor supported initiatives can be best characterised in two main areas : i) short-term emergency relief, especially restoration of damaged school building and emergency shelters for displaced families and students; and ii) provincial sub-programmes of donor-supported multi-province programmes, mainly covering school development planning²⁵ and technical vocational education.²⁶

A key finding is that the Aceh government insistence on using the BRR as the main agency for screening and facilitating post-tsunami relief/reconstruction programmes, helped avoid the risk of bypassing Aceh government systems, while still allowing comparatively speedy relief operations. A second finding is that the donors adopted a credible strategy of combining reconstruction efforts, with a focus on medium term system capacity development support and promoting Aceh government leadership of a medium-term credible education strategy.

²⁵ For example, AusAID and USAID supported programmes in a number of provinces and districts, including Aceh.

²⁶ For example, extensive GTZ support for both secondary level TVET and Science/Mathematics education.

Box 5: Ensuring Local Governance of the Post-Tsunami Reconstruction Effort

The national and Aceh government set up a reconstruction and rehabilitation agency (BRR), with minister level leadership and located in Banda Aceh. Key findings of recent evaluations highlight the following : i) the use of a BRR one-stop shop for project approval over a short time frame provided an incentive for donors/NGOs to use government systems rather than parallel ones; ii) the multi donor trust fund (MDTF) provided an effective mechanism for integrating donor support into the BRR led process; and iii) the prompt action to formulate an Aceh ESP, involving participation of BRR staff helped facilitate the transition from education emergency relief/rehabilitation/construction into more sustainable sector development.

Another key finding of the post-reconstruction effort is an appropriate focus on selective strategic monitoring and school development planning capacity building, through i) support for provincial and district education strategic and budget planning processes (e.g. by AusAID); ii) selective support for conflict resolution in targeted districts, through community-led school infrastructure development and other support (e.g. by EC, IOM and AusAID); and iii) extensive support for district/school management and supervisory system development, as part of implementing the BOS and related governance structures.



5. Main Findings: Lessons Learned and Good Practice

5.1 Analysis of Local Initiative Good Practice: Lessons Learned

Accelerating Access to Early Childhood Education. In the past decade, especially in the last three years, Aceh has given priority to increased access to early childhood education (ECE) for 4-6 year olds. Participation rates have risen from around 7% in 2000/2001 to a reported 82% in 2008/2009. 20 of the 22 districts in Aceh have participation rates above the current national target of GER 60%. The strategy, mainly financed through provincial and district revenues, has included new kindergarten construction, additional ECE facilities in primary schools and community-based playgroups.

The key lessons learned and success conditions are i) availability of well communicated and coherent national ECE policies, strategies and targets set out in Renstra 2005/2009; ii) a well-defined provincial ECE strategy and targets (above national ones), set out and communicated through the Aceh ESP 2007; iii) through the special autonomy funding, availability of additional resources over and above national funding to accelerate the programme coverage; and iv) growing demand from families, especially mothers, to provide ECE/day care facilities, which allow them to continue to participate in the work force, as a continuation from post-tsunami reconstruction employment opportunities. In part, the growth in participation rates is due to a temporary decrease in ECE age population, with many infants lost in the tsunami. The challenge will be to maintain or increase these participation rates as the ECE age population begins to rise again.

Positive, but Uneven Progress Towards High Quality EFA. In the past decade, a joint national/provincial partnership has accelerated primary and junior secondary participation rates, with primary and secondary GERs reaching 111% in both cases. Nevertheless, respective net enrolment rates (NER) are 90% in both cases, with very significant district inequities. The GER/NER gap is primarily due to a combination of very significant under-age enrolment (at 6 years, rather than the stipulated 7 years).

The key lessons learned and success conditions are i) a well-defined and financed national EFA strategy, with national resources provided to reduce cost barriers (e.g. the BOS), supplemented by additional Aceh autonomy fund resources; ii) national EFA strategy being further legitimised through the provincial parliamentary endorsement of a provincial EFA strategy and resource allocations; and iii) use of post-tsunami reconstruction funds to ensure extensive coverage of school infrastructure, 'building back better' than pre-tsunami. Nevertheless, if the GER/NER gap is to be reduced, a key measure would be Aceh provincial regulation and compliance measures for only 7 year-olds entering primary school. The timing is opportune, given increasingly universal access in Aceh to ECE. A

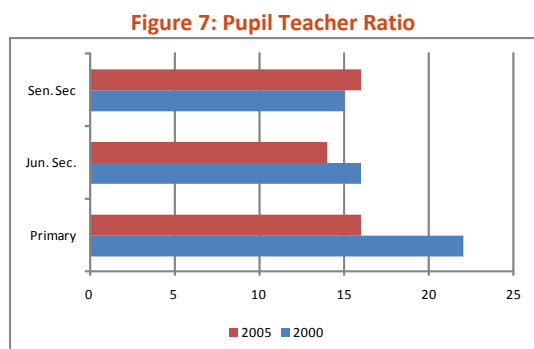
related measure is to increasingly focus on better regulation of BOS guidelines in order to devote a greater share of resources to quality improvement (18 of the 22 districts are below the proposed national JSS exams score target of 7.25).

Positive, but Universal Senior Secondary Even Progress Towards Education Provision. In the past decade, senior secondary education participation rates have almost doubled from around GER 40% in 2000 to the current estimated GER 72% in 2008. Nevertheless, the Aceh ESP target is 100% NER by 2011, which will be a considerable challenge. The overall strategy has been provision of additional school infrastructure and scholarships for poorer students in under-served areas. The balance between general and vocational senior secondary education is as yet unresolved.

The key lessons learned and success conditions are i) current technical and financing strategies are likely to be insufficient to meet targets, unless additional demand-side issues are addressed (e.g. promoting the value of senior secondary attendance, against perceived opportunity costs for subsistence farmers; ii) current infrastructure strategies, mainly building new SSS schools in remote areas may be insufficient (e.g. greater consideration of consolidated primary, JSS and SSS schools); and iii) the short-term opportunities for 16-18 year olds being able to get unskilled employment during post-tsunami construction is constituting a longer-term demand constraint. Further policy and strategic analysis is needed, including examination of a balance between general/vocational provision and short-term skills training for youth and ex-combatants.

Teacher Management Strategies are a Mixed Success. During the conflict period 2001/2005, a significant amount of Aceh provincial autonomy funds were used to create new schools, provide

teacher incentives and recruit a large number of contract teachers. This coincided with a disruption to higher education provision, meaning that a large number of less qualified teachers were employed. This has left a number of less positive legacies, including a prevalence of small schools (e.g. average primary size 150 pupils; JSS size 280 pupils) and around 70% of the teaching force does not have a first degree.



In this context, Aceh province is now required to implement a new teachers' law from 2005. Key regulations include i) each teacher must acquire a first degree or equivalent; ii) national resources being allocated to share the costs of teacher qualifications upgrading; and iii) additional professional and remote area incentives being provided, each equivalent to an additional base salary. Provincial autonomy funds are being allocated to support the costs for teachers of this upgrading programme, sharing around 50% of overall upgrading costs.

Key lessons learned are i) short-term measures to recruit and retain additional teachers can leave negative legacies, both in terms of upgrading costs and increased routine salaries; ii) the high degree of autonomy of sector financing in Aceh does provide an opportunity to deal with these 'one-off' upgrading costs; iii) in the long-term, expanding higher education provision, especially related to a supply of graduate level teachers is a priority; and iv) urgent measures to increase school size (e.g.

through consolidated primary/secondary schools) and rigorous regulation of student/teacher ratios (e.g. one teacher per 25 students) is critical if the long-term teacher salaries bill is to be sustainable.

Results Oriented and Decentralised Education Service Management is a Major Challenge. Overall, the decentralisation of education service management to local district governments over the past ten years has been a significant success. The primary success conditions have been the growing legitimacy of democratically elected national and local parliaments and a clear legislative, regulatory and fiscal framework. However, the alignment between national education policies and strategies and targets, with district education plans has been uneven, alongside very significant variations in district education performance.

In the case of Aceh, its autonomy, access to special autonomy funds and the legitimacy of the discreet Aceh ESP (the first one in Indonesia) provides a potential opportunity to put in place a provincial/district strategic partnership in implementing national Renstra policies and targets and reduce district inequities in service provision and quality. The expansion of more performance oriented district education block grants from special autonomy funds was seen as a key strategy, although it has been reported as at best embryonic in its implementation. Key lessons learned and success conditions include i) local governments, jealous of their autonomy, tend to be resistant to results conditionalities for provincial block grants; ii) effective implementation of any performance oriented block grants requires robust education target setting, planning and PFM systems, which are currently not in place; and iii) having effective district and provincial results monitoring systems is another precondition and its status is uneven.

Government Leadership of the Post-Tsunami Reconstruction is an Example of Good Practice. The BRR was set up in 2005 to coordinate the post-tsunami relief effort. Over the period 2005/2009, BRR implemented around 12,500 projects, including 5000 funded by the Government and 7500 funded by donors/NGOs over a 4-5 year period. The estimated post-tsunami reconstruction budget amounted to around US\$ 5 billion through 700 donor agencies and NGOs, including a significant proportion for education reconstruction. The BRR arrangement was designed to avoid bypassing and undermining Government planning and implementation systems and ensure a speedy transition from rehabilitation to sustainable sector development. Overall, Government and donors have viewed the BRR arrangement to have been a significant success.²⁷

Key lessons learned include i) appointment of a Minister-level BRR head, with a clearly legislated mandate, ensured government leadership and ownership of the post-tsunami reconstruction process; ii) locating the BRR in Aceh helped demonstrate the high level government accountability for the reconstruction effort; iii) the focus on BRR maintaining a "coordination attitude" not a control function helped maintain donor/NGO partnership; iv) the fast track approval process helped maintain donor/NGO commitment to using government systems, with amended procurement arrangements; and v) the integration of tsunami education aid into the Aceh ESP was uneven, especially for school rehabilitation and construction, where government systems are well established and were under-utilised by donors.

²⁷ UNORC 2009. The Tsunami Legacy : Analysis of the Role of BRR

5.2 Analysis of Donor Supported Initiative Good Practice: Lessons Learned

Overview. Any analysis of donor supported initiatives in Aceh need to be viewed in context. Over the period 2000/2005, donor support to education in Aceh was minimal, focusing primarily on occasional humanitarian relief. Historically, most donor assistance has tended to focus on anywhere between 20 and 150 districts (i.e. 5% - 30% coverage), with no nationwide initiatives. Due to security and political governance concerns, Aceh tended to be excluded from these targeted programmes. Even at the height of post-tsunami reconstruction, donor assistance for education constituted only one-fifth of overall education resources for Aceh. Non-tsunami education support over 2005/2009 (mainly selected district capacity development and school-based management development) is estimated no more than US\$ 5-7 million per annum, or 2% - 3% of overall education resources.

Overall, the donor community has adopted a credible and effective strategy, both during and after, post-conflict and post-tsunami situations, focusing on i) supporting Aceh provincial leadership and security, governance and economic stabilisation and development; ii) specifically supporting provincial leadership of post-fragility sector development reforms; and iii) supporting aspects of provincial/district/school development planning and management development. Nevertheless, support for more results oriented planning, resource management and monitoring, which is a key aspect of post-fragility development transition has been limited.

Harmonised Support for Post-Fragility Macro Economic and Governance Development. One example of good practice was the multi-donor support for the Aceh Public Expenditure Assessment (APEA),²⁸ which enabled extensive policy dialogue with the Aceh provincial government (including the newly elected Governor in 2006), covering i) medium-term public expenditure analysis and projections and guidance on development priorities; ii) detailed analysis of public financial management capacities (e.g. the district PFM survey in 2006); and iii) specific sectoral and related financial analysis and development priorities, which helped underpin the Aceh ESP process. A key feature of the APEA process was the strong engagement with the provincial Governor's Office, the BRR and donors of the Aceh multi-donor trust fund.

A second example of more macro security/political/economic governance support to enable transition into more sustainable governance development has been the comprehensive EC support, covering i) support for the peace process, conflict-affected communities, ex-combatant reintegration and organisation of local elections; ii) continued support for local governance and administration reform; and iii) post-tsunami economic development, especially agriculture, fisheries and high level human resources. A key feature of the EC support has been not only alignment with Aceh provincial development plans, but extensive harmonisation/delegated authority to other agencies (e.g. World Bank, GTZ, IOM, UNDP, European universities).²⁹

²⁸ APEA was led by the World Bank and financed from the multi-donor Decentralization Support Facility and Singapore Trust Fund

²⁹ European Union in Aceh, 2009. Indicates that overall EC assistance to Aceh has been around Euros 301 million, covering humanitarian aid (Euros 60 million); rehabilitation and reconstruction (Euros 211 million); and support for peace process (Euros 30 million).

Harmonised Donor Support for Aceh ESP. Key features of good practice include i) strong legitimacy for the process through engagement between the Aceh education sector working group (ESWG), the Aceh education advisory council and the Aceh provincial parliament; ii) highly inclusive and participatory processes, including major stakeholders; iii) harmonised technical advisory support under Acehnese leadership from AusAID, UNICEF, USAID and GTZ; iv) a strongly mandated process from the Governor's Office, including a clear timetable for presentation to parliament; and v) extensive follow-up, especially enactment of local legislation and regulations to provide legitimacy for Aceh ESP framework. Building on this experience, it is noteworthy that the Indonesia donor ESWG has established a similar process in 2007/2009, for education strategic planning and harmonised donor support in the only other special autonomy region of Papua.

Sustained Support for District/School Capacity Development.³⁰ Key features of good practice include i) donors supporting capacity assessment and pilot programmes, both during and after the post-tsunami reconstruction phase; ii) using the Aceh ESP process and framework to ensure alignment with future planned support; and iii) setting up Government-led planning groups to ensure continuity and transition of programming (e.g. ERA located in MORA education department). However, a number of challenges remain, especially ensuring that any future support is fully aligned with a comprehensive provincial/district organisational development plan (especially for education PFM functions) and that any support strategy is technically and financially sustainable post-support.

Another potentially fertile example of good practice is the current EC/AusAID education sector support programme, which could provide a window of opportunity to enable more results oriented sector planning and monitoring. Anticipated key features include i) a results framework based on district disaggregated performance indicators; ii) nationwide district/school capacity development support delivered at the district level; and iii) support for analytical/capacity development work. Aceh and possibly Papua, could be used as focal points for monitoring progress and success.

³⁰ Main examples include the AusAID supported Education Rehabilitation in Aceh (ERA), USAID supported Decentralised Basic Education and AusAID supported Support for Education Development in Aceh (SEDIA)



6. Country Report: Summary of Conclusions and Recommendations

6.1 Conclusions and Key Issues

A key conclusion is that the education system in Aceh has proved resilient throughout conflict and tsunami-affected periods. A key factor has been maintaining the legitimacy and authority of central, provincial and district governments, enabled by sustained education financing from all three sources, the introduction of special autonomy status and funding in 2001 and subsequent political and fiscal decentralisation. This has maintained a sense of social compact between politicians, service providers, community groups and parents.

Another conclusion is that Aceh education is on an upward path to achieving universal primary and secondary education. A key factor has been the formulation of the Aceh education strategic plan and targets, fully aligned with national Renstra 2005/2009 and anticipated Renstra 2009/2014 and the authority and legitimacy accorded to these strategies by national and provincial parliaments. However, the extent to which this legitimacy exists within district/local parliaments and governments is less certain.

A further conclusion is that the extensive and primarily poverty related district education performance variations continues to be a source of fragility and potential political risk. A key factor in these district variations is unevenness in resources devoted to education, uneven district capacity in formulating appropriate strategies in different district contexts and lack of clear incentives for under performing districts to close the 'performance gap'.

A related conclusion is that vocational education and skills training strategies and provision are under developed. This constitutes a potential political and social risk, especially for youth and ex-combatants, as the short-term employment opportunities of post-tsunami reconstruction diminish. Education reform alone cannot address this issue and dialogue between education policy makers, small/medium enterprise planners and potential private investors is critical.

A further conclusion is that comparative results information systems at provincial and district levels are under developed and even available information (e.g. exam results, schools accredited, teachers upgraded) is insufficiently disseminated to political stakeholders and households. This constitutes a missed opportunity in building up local parliamentary and civil society capacity to engage in sector dialogue and strengthen accountabilities between education providers and clients.

Another conclusion is that the Aceh education system does not appear to be offering comparative value for money, taking account of comparative education indicators and spending by other

provinces. The pressure to maintain and expand the teaching service during the conflict period has left a potential legacy of an inefficiently used teaching service, potentially unsustainable teacher salaries bill and overall a potentially non-sustainable cost base.

One other conclusion is that the BRR arrangement for the management of post-tsunami reconstruction may constitute a model of good practice. Similarly, the process and outcome from the Aceh ESP process may constitute another example of good practice of post-conflict/emergency transitional sector planning. A key success factor in both cases was the legitimacy and authority of the leadership of the processes, through the Office of the Governor and parliament accountable, district education advisory council.

A final conclusion is that Aceh province (or Papua) does not appear to be a candidate for EFA FTI support in fragile situations. In Aceh and Papua, there would appear to be sufficient resources to accelerate achievement of EFA and universal senior secondary education. Nevertheless, Aceh and Papua could be possible candidates for forms of EFA FTI technical advisory support, especially in the areas of performance oriented block grants and strategic/financial planning and monitoring.

6.2 Key Recommendations: Improved Education Programme Planning / Design

Specific recommendations to the provincial Aceh education authorities would be:

- i)** To conduct a mid-term progress review of the Aceh 2007 education strategic plan and targets, focusing on a) the extent to which targets have been made and the need for strategy review; b) measures to address disparities in district sector performance; c) measures to improve student examination performance at all levels and secure full coverage school accreditation; and d) the need for additional strategies to expand formal and non-formal skills training opportunities for youth and ex-combatants.
- ii)** As part of this review, to examine the long-term financing strategy and its sustainability, especially related to a) the overall unit cost base for different levels of education; b) measures to improve teacher utilisation and contain growth in the teacher salaries bill, based on current teachers' law regulations/incentives; and c) design measures to better implement district level equalisation and performance block grants from provincial sources.
- iii)** To undertake a comprehensive provincial and district education organisation capacity assessment and formulate forward action plan, especially for a) upgrading strategic/ financial planning and results oriented monitoring systems; and b) upgrading school management, school supervision and school governance capabilities.
- iv)** To prepare comparative district results information tables for key indicators in the Aceh ESP and disseminate this information throughout the province, especially targeting provincial and local parliaments, district education authorities and civil society groups, possibly through a sequence of education policy forums hosted by local parliamentary education select committees/Bupatis.

6.3 Key Recommendations: Enabling Aid Effectiveness and Sector Governance

Specific recommendations to the international education donor community in Indonesia/Aceh would be:

- i)** To consider providing harmonised technical assistance, through the Indonesia ESWG, to support the proposed Aceh ESP performance review and promote a joint national MONE/MORA, provincial/district education authority and donor consultative process on the findings of such a review.
- ii)** To provide specific technical assistance from one or a number of donors, to help implement recommendations 6.2 (ii), 6.2 (iii) and 6.2 (iv), specified above. This support could be harmonised with ongoing EC/AusAID ESSP advisory support, which focuses on similar areas. The findings of the proposed Aceh ESP review could form the basis for follow-up harmonised support.
- iii)** To consider including Aceh and possibly Papua as candidates for specialised EFA FTI support and incorporate these two provinces into EFA FTI fragility/resilience monitoring and knowledge management systems, recognising that the existence of special autonomy regions (which exist in many countries) bring a unique perspective to EFA implementation.

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