AID 1025-1 (7-71) (FACE SHEET)

NONCAPITAL PROJECT PAPER (PROP)

Mr Bastick

Proj. 497 0229 OK

PD-AAD-802-B1

I. PROJECT IDENTIFICATION

1. PROJECT TITLE

**Educational Finance**

497-11-680-229

3. RECIPIENT (specify)

[x] COUNTRY Indonesia

[ ] REGIONAL [ ] INTERREGIONAL

4. LIFE OF PROJECT

BEGINS FY 1975

ENDS FY 1978

5. SUBMISSION

[x] ORIGINAL 25 Apr 1975

[ ] REV. NO. DATE

CONTR. NO.

II. FUNDING (000) AND PERSONNEL REQUIREMENTS

142p.

| A. FUNDING BY FISCAL YEAR | B. TOTAL $ | C. PERSONNEL (1) $ | C. PERSONNEL (2) MM | D. PARTICIPANTS (1) $ | D. PARTICIPANTS (2) MM | E. COMMODITIES $ | F. OTHER COSTS $ | G. PASA CONTR. (1) $ | G. PASA CONTR. (2) MM | H. LOCAL EXCHANGE CURRENCY (U.S. OWNED) (1) U.S. GRANT LOAN | (2) COOP COUNTRY (A) Trust Fund | (B) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1. PRIOR THRU ACTUAL FY | | | | | | | | | | | | |
| 2. OPRN FY 1975 | 201 | | | 15 | 15 | 30 | 46 | 110 | 30 | | 15 | 75 |
| 3. BUDGET FY 1976 | 172 | | | 30 | 30 | 10 | 52 | 80 | 24 | | 2 | 124 |
| 4. BUDGET +1 FY | | | | | | | | | | | | |
| 5. BUDGET +2 FY | | | | | | | | | | | | |
| 6. BUDGET +3 FY | | | | | | | | | | | | |
| 7. ALL SUBQ. FY | | | | | | | | | | | | |
| 8. GRAND TOTAL | 373 | | | 45 | | 40 | 98 | 190 | | | 17 | 199 |

9. OTHER DONOR CONTRIBUTIONS

| (A) NAME OF DONOR | (B) KIND OF GOODS/SERVICES | (C) AMOUNT |
|---|---|---|
| | | |

III. ORIGINATING OFFICE CLEARANCE

| | TITLE | DATE |
|---|---|---|
| 1. DRAFTER for Alexis Rieffel | Indonesia Desk Officer | 27 May 1975 |
| 2. CLEARANCE OFFICER S. J. Littlefield by R Taylor | TITLE Director, Office of East Asia Affairs | DATE 27 May 1975 |

IV. PROJECT AUTHORIZATION

1. CONDITIONS OF APPROVAL

The Mission will: (a) At conclusion of Project's first year, assess progress in terms of Implementation Schedule (Appendix 8 of PP) and make necessary Project modifications; (b) Encourage GOI to adopt policies to facilitate use of new allocation system within the life of Project.

2. CLEARANCES

| BUR OFF. | SIGNATURE | DATE | BUR OFF. | SIGNATURE | DATE |
|---|---|---|---|---|---|
| EA/TD | T. C. Clark | 5/29/75 | PPC/DPRE | A. M. HANDLEY | 5-29-75 |
| EA/TD | H. Hall | 5/28/75 | PPC/DPRE | John Shannon | 5-29-75 |
| EA/DP | W. Lefes (see memo) | 5/30/75 | TA/EHR | William R. Charleson | |
| | | | EA/TD/ID/ED | Eleanor K. Green | 5/28/75 |

| SIGNATURE | DATE | SIGNATURE | DATE |
|---|---|---|---|
| Garrett A. Zimmerly for | 6/6/75 | | |

TITLE

Assistant Administrator, Bur for East Asia

DEPARTMENT OF STATE
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

June 5, 1975

ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR,
BUREAU FOR EAST ASIA

THRU : EA/EXSEC

FROM : EA/TD, T. C. Clark, Jr.

SUBJECT: Indonesia - Educational Finance Project: $373,000
($201,000 for FY 1975; $172,000 for FY 1976)

Problem: Your signature is required for approval of this grant-funded project.

Discussion: The Government of Indonesia established general objectives for formal education in its second five-year plan. Briefly, these objectives call for a rapid expansion of education at all levels to provide substantially more access to education particulary at the primary and lower secondary schools.

Availability of funds for education has increased dramatically during the last year. The DAP carries figures which indicate the magnitude of the financial management task in education. In the 1974-75 school year the budget for education in Indonesia (in US$ equivalents) was nearly one-half billion dollars, and this outlay is expected to double by 1979.

To date, the Ministry of Education has not provided competent financial management in education. In the first place, the Ministry lacks reliable and adequate data on the number of students, teachers, schools, school buildings, etc., and has little information concerning the quality of the outputs of the system. Second, there is a shortage of trained administrators at the Central, Provincial, and District levels.

Since 1969, Indonesian leaders have become familiar with the problem of financial management in education through studies made in their country and through attendance at international conferences and seminars. They have come to realize that the GOI lacks a clear, systematic process for budget-making. Therefore, it is seeking ways to improve its decision-making process for allocating funds more equitably from the Ministry of Education to the Provinces; from the Provinces to the Districts; and from the Districts to the Schools--a precondition for extending educational services to the poor.

Such a process depends not only on trained personnel but also on a nation-wide information system which will provide the data required for making sound budgeting decisions. The Project is designed to provide both the necessary training for decision-makers and also the system for gathering and analyzing the data. Six studies will be used to gather cost data on school operations, school buildings, teacher's income, teacher education, educational administration, and the role of fees in school finance. These studies will provide the needed data base, an opportunity for modifying and testing new report and recording forms, and a training exercise for personnel from the Central Government and selected Provinces.

Prior to the PP Review meeting, participants were invited to submit issues in writing. None were received prior to the meeting or thereafter. During the hour and a half Review, questions were asked and criticisms offered. These were responded to by reference to and discussion of appropriate passages in the PP.

The Review of the PP on May 13 was generally favorable. Suggestions were made for the improvement of the PP as follows: (1) modify four blocks in the Log Frame to make them fully consistent with the narrative; (2) prepare for inclusion in the PP a statement on the Role of Women in the Project and a brief Project description; (3) clarify cost components. Concurrence on modification of the Log Frame was sought by cable from the Mission and received--see Logical Framework Matrix, end of PP. Revised funding tables are included on page 3 and page 46, the Role of Women statement is on page 37a, and the brief Project Description is on page 1.

Three conditions for AID/W approval of this Project have been agreed upon: (1) that the USAID Mission will encourage the Indonesian Government to adopt and promulgate decrees that will facilitate use of the new allocation system to be developed in this Project; (2) that within three months of the arrival of the first long-term consultant the USAID Mission will establish with the Indonesian Government substantive evaluation criteria for the Project; and (3) that the Mission appraise progress after project's first year in terms of the implementation schedule in Appendix 8 of the PP to determine if changes in circumstances warrant modifications.

In sum, the Project will play an important role in the expansion of the formal school system in Indonesia. It is timely in view of the rapid increase in funds available for education in Indonesia. It is consistent with the Indonesian Second Five-Year Plan (1974-1979), with the FY 1974 DAP for Indonesia with our Congressional Mandate to improve the lot of the poor, and with the Agency's emphasis on activities in school finance and analysis.

Recommendation: That you approve, subject to the conditions noted above, the attached PP (TAB A), and that you approve the attached cable to the Mission (TAB B).

Attachments
A - Project Paper - Education Finance
B - Proposed Cable

APPROVED: _____

DISAPPROVED: _____

DATE: _____

Clearances:
DAA/EA:GAZimmerly
PPC/DPRE:JShannon (Draft)
TA/EHR:WRCharleson (Draft)
EA/DP:WSLefes
EA/EAA:SJLittlefield (Draft)
EA/EAA/I:ARieffel (Draft)
EA/TD/ID/ED:EKGreen (Draft)
EA/TD:SCShepley (Draft)

EA/TD/ID/ED/LHOHall:alb:6/5/75

As revised 5/21/75

# A PROPOSAL

for

A PROJECT

in

EDUCATIONAL FINANCE

USAID/PRO
4/21/75

# EDUCATIONAL FINANCE

## PROJECT PAPER

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# PROJECT PAPER

Project Title: EDUCATIONAL FINANCE Project Number: 497-11-680-229

Recipient Country: Republic of Indonesia

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U.S. Funding Requirements: $373,000: grant assistance

U.S. Obligation Span : U.S. FY's 1975 and 1976

Date of Submission : April 25, 1975

- - - - - - - - - - - - - - - - - - - - - - - -

## Mission Clearance and Approval

| Drafter: | Title: | Date: |
|---|---|---|
| Ruth Daroesman | Consultant, Dept. of Economics, Australian National University Canberra | 4/24/75 |

Clearances:

| | | |
|---|---|---|
| Elmer G. Fales | Assistant Program Officer | 4/24/75 |
| Walter G. Bollinger | Program Officer | 4/24/75 |
| Kenneth M. Kauffman | Deputy Director | 4/25/75 |

Approved by:

Richard M. Cashin Date: 4/25/75
Director, USAID Indonesia

PROJECT PAPER

Title: EDUCATIONAL FINANCE Project No. 497-11-680-229

PART I. Section 1. A. A Brief Description of the Project

The Government of Indonesia has established its general objectives for formal education and has stated these in its second five-year plan.

In a very brief form, they call for more education and more access to it particularly at the lower levels of the system. The Government is now trying to develop specific programs to meet these objectives, and eventually it will try to measure its success in attaining them.

However, there are certain problems which they face in this general task. First, they do not know where they are, except in the most general terms. They have no reliable indicators of what their educational system consists or what the system is producing. They have data, but they are inaccurate in regard to the number of students, teachers, schools, buildings, etc., and they have very little accurate information regarding the quality of the output, concerning whether or not their students obtain suitable employment, or how many go on to higher education: Do the students really learn mathematics? physics? and other subjects? Is there appropriate application of knowledge to the solution of practical life problems?

The second problem is that budget resources have increased dramatically during the last year and may continue to do so in the future. Whether it does continue this rapid increase or not, the GOI is not satisfied in its process for making budgeting decisions, i.e., the allocation of its budgets to support educational objectives. Simply put, the GOI lacks a clear, systematic process for budgeting. Therefore, it is seeking ways to improve its decision-making process for allocating funds in the educational sector.

Such a process in turn is dependent upon an information system which will provide the data required to make sound budgeting decisions.

After a number of studies and conferences beginning in 1969 dealing with management and administration of finance had clearly indicated the need for an improved capability in decision-making in the area of school finance, GOI requested USAID for help in planning and funding a project focused on the problems of equitable allocation of school funds. There follows a list of the pre-project activities:

a. In 1969, the Department of Education organized a National Assessment of Education Project. One activity of the Project was a study of educational finance. Ruth Daroesman was seconded by the Australian National University (ANU) to Indonesia as a consultant for 12 months. Another activity of the Project was a study of educational finance through a sample survey of 200 schools.

b. In 1973, a World Bank Mission conducted an Education Sector Survey. The problems of educational finance were discussed and the need for further studies and projects pointed out. (No plans by the World Bank to propose specific projects.)

c. In June 1974, UNESCO/UNDP brought out a team of consultants from France to suggest areas of future project work. In Appendix 4 of their report (only in the French language) the need for an educational finance study is pointed out, but the report does not indicate any immediate activity in this field.

d. In January 1974, Dr. Manuel Zymelman visited Indonesia to discuss Educational Finance Management and Information Systems with senior officials of BPP. Dr. Zymelman advised the Indonesians to focus their efforts on the study of allocation methods rather than the broader information systems studies.

e. In August and September 1974, Dr. Zymelman again visited Indonesia to counsel with the Indonesians on studies in financial management as a follow-up of the July Seminar on Educational Finance in Cisarua, Indonesia. This followed the participation of several senior staff of the BPP at the Malta Conference, at which time considerable interest was expressed by BPP in educational finance systems.

f. In August 1974, ANU released a faculty member (Professor Ruth Daroesman) at the request of BPP for one month to draw up a draft of a new ministerial regulation on school fees.

Over a period of years (1969 to 1974), the Indonesians have had the opportunity to consult with leaders in the field of Educational Finance, to participate in studies in this field, to send participants overseas for study in educational finance administration, and to have at hand for their study a number of documents on this subject prepared by specialists in this field and addressed specifically to Indonesian problems.

The decision to focus on the search for better ways of allocating resources for education was not made hastily or capriciously but after consultation with leaders in this field and the examination of many relevant studies of these problems.

This project is designed to help MOE to move toward the establishment of such a process and such an information system in the Ministry of Education. Specifically, the purpose can be stated as follows:

> To establish the capacity in the Ministry of Education and in planning units in selected provinces to define and evaluate criteria for determining equitable allocations.

The conditions that will indicate that the purpose has been achieved, i.e., End of Project Status, are:

1. A system to establish criteria for allocation of funds budgeted for education.

2. A unit will have been established in the BPP and in selected provinces made up of a staff capable of operating these systems.

3. A set of criteria will be drawn up for use by the Ministry of Education in allocating the funds the GOI has budgeted for education for the year following the end of the Project.

THE OUTPUTS WILL BE:

1. Permanent historical data series on costs, physical quantities, and measurable qualitative components of the education system's allocation processes.

2. Personnel trained in economics of educational finance, supportive, analytical, and clerical skills.

INPUTS PLANNED ARE:

U. S. $373,000 Grant Financing.

USAID Contractors: Advisory/consultancy assistance in conducting studies, and developing system for allocation planning and analysis.

Participant training, degree and non-degree.

Commodities, calculating equipment.

GOI: $199,000 in Rupiah Equivalent.

Permanent senior staff, office space, local currency support for field studies and in-country training.

# PROJECT PAPER

Title: EDUCATIONAL FINANCE Project No. 497-11-680-229

PART I. Section 1. B. Recommendations

The Government of Indonesia now finds itself with a complex of problems: strong and continuing pressure to increase provision of schools and to make education more equally available, especially for those now excluded from the system; an urgent need to improve the quality of education provided in her schools and to make it more relevant to her economic and social requirements; a sudden access of resources which may be of long-term duration but which may also be of a more temporary 'windfall' nature; a serious shortage of planning institutions and skills to develop, coordinate, an integrated long-term plan into which annual programs can fit.

USAID/Indonesia recommends that $373,000 be made available, therefore, to set up a project on educational finance, the goal of which will be to increase equity and efficiency aspects in the development of the national education and training system by making possible improved financial decision making on the allocation of public and private resources at all levels.

Section 2. A. Project Development Team

1. Grantee: Government of Indonesia, Ministry of Education, Office for Educational Development (Badan Penelitian dan Pengembangan Pendidikan dan Kebudayaan, BP3K, formerly Badan Pengembangan Pendidikan, BPP).1/

2. Guaranty: Not applicable.

1/ Throughout this paper BPP and BP3K refer to the same organization.

3. The Grant:

a. Total Project Cost to A.I.D.

A.I.D. support for this project will amount to $373,000 broken down as follows:

| | Technicians | | Participants | | Commodities | Other Costs | Total |
|---|---|---|---|---|---|---|---|
| | $ | MM | $ | MM | $ | $ | $ |
| FY 1975 Obligations | 110 | 30 | 15 | 15 | 30 | 46 | 201 |
| FY 1975 Expenditures | 15 | 3 | 12 | 12 | -- | -- | 27 |
| FY 1976 Obligations | 80 | 24 | 30 | 30 | 10 | 52 | 172 |
| FY 1976 Expenditures | 95 | 27 | 18 | 18 | 30 | 40 | 183 |
| FY 1977 Expenditures | 71 | 18 | 9 | 9 | 10 | 45 | 135 |
| FY 1978 Expenditures | 9 | 6 | 6 | 6 | -- | 13 | 28 |
| | | | | | | | 373 |

b. Amount of A.I.D. Assistance

i. Foreign Exchange: $200,000 be obligated in FY 1975; $173,000 to be obligated in FY 1976.

ii. Local Cost Component: $100,000

iii. Proposed Terms: Not Applicable

c. Host Country Contribution: Currently estimated at $199,200 (the dollar equivalent of rupiah and in-kind assistance devoted to the project), or 35% of total project cost to A.I.D. and the GOI for U.S. FY 1975 and 1976.

d. Other Donor Input:

i. Other government departments and regional offices of education will provide assistance in provision of data, field work and analysis and will provide trainees' time, plus some working space and facilities. Probable donors: Departments of Agriculture and Religion; Lembaga Administrasi Nasional, and the Scientific and Development Centre;

ii. Public and private teacher training institutes and faculties of economics will provide assistance through self-study programs, assistance in analysis through provision of students working on analyses of data for thesis requirements; assistance in preparation of courses in financial management, economics of education, and regional training programs;

iii. Private educational foundations (Yayasan) will participate through self-study programs and through secondment of staff to assist in fieldwork and survey design and analysis and in provision of data;

iv. Other data-collecting agencies, through inclusion of financial data collection and analyses in their special or ongoing research projects (e.g., National Socio-Economic Surveys, Agro-Economic Survey, Central Bureau

of Statistics Household Expenditure Surveys, National Scientific Council (Leknas) special studies; Ford Foundation sponsored regional planning programs (Proppipda), etc.

4. Description and Justification of Project: The Indonesia Education Sector Assessment made in the January 1974 Development Assistance Program (DAP) for Indonesia remains essentially that of increasing access to educational opportunity, particularly in rural areas, for children, youth, and adults. The purpose of this project is to assist the Ministry of Education in developing criteria for the equitable allocation of rapidly increasing budgetary funds among provinces, districts, and schools. At the present time, there are no such criteria with the result that national education policies are not implemented effectively. Moreover, efforts to spread the benefits of increased educational expenditures to rural and poor areas of the country frequently become frustrated. The Office of Educational Development (BPPPK) under the Ministry of Education has accorded the highest priority among its future activities to the development of criteria for the allocation of funds so as to improve equity and efficiency in the allocation of its resources.

Central to the development of these criteria are a cluster of six studies looking at aspects of current resource allocation procedures and their implications on future operating and capital expenditure requirements. In essence the project studies will first require the analysis of existing data in ways not heretofore attempted. Concurrently school reporting forms will be revised and distributed to provide more comprehensive data. The data will then be analyzed as elements in the categories of educational costs noted below:

- -- School Operation Costs
- -- Building Needs and Costs
- -- Teachers Incomes
- -- Teacher Preparation Costs
- -- The Role of Fees in Expansion
- -- Costs of Administration and Management

Coupled with this cluster of six studies will be a special sub-study addressing the employment experience of school leavers. The data from this study may subsequently influence decision makers charged with planning

school expansion by heightening their appreciation of relationships between school studies and employment prospects. (See Appendix 5.) (For a more complete discussion of the significance of resource allocation as a focal point and common thread running through each of the above studies, please see below Part II, Section 1a, History and Development of the Proposal.)

While the assumptions held for achieving project goals, purposes, outputs, and providing inputs are outlined in the logical framework matrix (See Annex D), critical among these are that:

-- The Government promulgates a decree now in final state of GOI internal consideration which will set forth regional responsibilities in project planning and implementation.

-- Both quality and quantity of BPP financial analysis staff is increased to meet the requirements of the expanded workload called for under this project.

-- The analyses prepared under the project will be used by policy makers in formulating policies to expand educational opportunities for the poorer elements of the Indonesian population.

-- The analyses and recommendations which follow therefrom are acceptable to decision makers from a political point of view.

PART II. Section 1. Project Background

1. History and Development of the Proposal

a. Introduction -- The present project proposal is a direct outcome of the USAID-assisted Seminar on Educational Finance held by the BP3K at Cisarua in July 1974. It followed the participation of several senior staff of the BPP at the Malta Conference, and a preliminary visit by Dr. Manuel Zymelman to Jakarta in January 1974 at which time considerable interest was expressed by BPP in projects in educational finance and in information systems.

Dr. Zymelman recommended that AID not involve itself with the broader information systems project, as this would involve possible areas of conflict or duplication with UNESCO, and that AID could more profitably concentrate on the study of allocation methods, the second main area of interest. As is clarified on page 30 in this section, it now appears that the UNESCO systems analysts are not likely to come up with specific projects in the next financial year on either projects on educational finance or information systems. The BP3K was therefore keen in beginning work on the more crucial aspects of the problems of financing education as soon as possible in order to give a sufficient lead-in time to the preparation of an Education Sector Plan for the Third Five Year Plan. Hence the present proposal's emphasis on the combination of the allocational processes linked to the equally important question of development of reliable financial recording and reporting systems to underpin the study of allocations. Closely allied to this is the importance of seeing allocation priorities and procedures in terms of their final output, the graduates of the system and their absorption in productive employment. During the Consultant's preliminary discussions in August and September 1974 these concerns came through strongly and the draft proposal was written up in response to this, particularly as they concern the role of the fee system in the whole state and private school pattern.

2. Financial Aspects of Education Problems, the Need for a Project in Educational Finance:

a. Ever since Independence, there has been great concern, both in Government and among the Indonesian people, to expand educational facilities rapidly. That there has indeed been a considerable expansion in facilities in spite of the troubled times of the past three decades can be seen by the increase from less than 100,000 to over 15 million children enrolled at primary school over the period, or from the handful of graduates in 1945 to nearly 1 percent of the population enrolled in higher education today. In recent years, however, there have been indications of a number of difficulties. There are indications that enrollments, particularly in state schools and especially at primary grade 1, have been increasing

at a lower rate and in some cases actually decreasing. There are other indications that the content of education has been deteriorating partly because of shorter hours of instruction in the more crowded (especially primary) schools, partly because of the lack of textbooks and teaching equipment, partly because of the lack of high quality teacher training facilities and teacher recruitment policies, and partly also because of subject fragmentation.

b. The financing of the Indonesian education system has so far been characterized by a substantial private effort, not only in establishment and operation of private schools and universities, but also in the form of direct private contributions to the provision and maintenance of state schools. It has long been acknowledged that education (and, by inference, direct financing of state schools) is a joint responsibility of the state, the community and parents. The problem is to determine the desirable balance of financial responsibility, the channels, both direct and indirect, and the uses to which each source of funds should be put in order to ensure rapid educational development. It is here that specific principles and criteria are vague. Should every citizen or every parent contribute financially to education? To what extent should he contribute directly in fees, and to what extent indirectly in taxes? Should every school have some direct source of state/community/parental finance? Or should some proportion of total educational expenditure come from parental or community resources? Should different sources contribute to the same uses; and if so, according to what balance? Why have such great difficulties been experienced with the main channels of private direct finance to schools, and what can be done to improve or replace them?

This two-year project cannot answer all these questions, but all the work it does should be seen as steps in the direction of helping to solve these problems. The ultimate goal of this project should be to assist in setting up criteria to answer such questions as these. Towards this goal, the project will seek to improve the identification, collection, and analysis of data so that the impact the present

system of financing has on the operation, expansion and improvement of the whole system can be clearly seen and modified by the policy makers as desirable.

c. Questions of how to determine appropriate numbers of products of the system by level, by skill, by region, and how to absorb them into employment vex many other countries besides Indonesia. The efficient use of techniques -- rate-of-return, manpower planning, private and social demand approaches -- depends largely on the existence of a long-term strategy of development. We can for our purposes here safely assume a broad set of goals already made clear by policy statements or by inclusion in the National Five Year Plan (Repelita); in addition to the specific targets mentioned in para 3 below, alternative forms of educational activity are to be expanded for those who will not have the benefit of formal schooling, and advantage will be taken of new ecucational techniques (e.g. the domestic satellite program) to raise the quality and relevance of education. It is reasonable to expect that, if there were no constraints whatever, the nation would already provide these services. It is just because there are constraints that criteria for choice have to come in. Even if funds were adequate for the immediate provision of such expansion and improvement, there would continue to be constraints because the need to train a sufficient number of highly qualified teachers and to ration them among levels and types of education would immediately arise, as would questions of location, materials and quality. Where there are constraints of money, time, teachers and goods, a whole series of criteria need to be studied in order to assist policy makers in priority decisions.

We divide these criteria into three general categories: first, that in the interests of social justice, the balance between state and public financing should not exclude large and important sections

of the population from the benefits of education or that less prosperous regions have less opportunity to develop because they lack finance to provide their own educational facilities. The second criterion is that the rate at which quantity can be expanded should not have adverse effects on quality; and third, priority setting and coordination among levels must be accomplished in such a manner that primary schools are not expanded at a rate which exceeds the ability of secondary and higher level institutions to provide teacher trainers and teachers, or that university education is not expanded at a rate which absorbs so much of the available finance that primary education is limited, meeting neither criteria of social justice or adequate intake into higher levels.

3. Educational Targets and Financial Planning for Education

a. The Five Year Plan (Repelita) Targets for Expansion of Education. The general targets for expansion at all levels have been set for schools under the aegis of the Department of Education in Repelita II 1973/74 to 1978/9. From the 1973 position of 66 percent of relevant school age children enrolled in primary school (gross enrollment ratios) the target for the end of Repelita II is 90 percent; at lower secondary, enrollment ratios are to rise from 17 percent to 20 percent of the relevant age group; and at upper secondary from 7 to 9 percent. At tertiary level, an expansion over the five year period of 22 percent is targetted. The targets are expressed only in enrollment ratios and do not include either cost estimates or implementation plans. In this sense, the nation does not yet know what its educational funds are buying or are capable of buying, or where reaching targets is merely a matter of more funds or where there are other crucial restraints to expansion. Assumptions have, of course, been made and the Plan includes the numbers of teachers to be trained every year on such assumptions. No enrollment ratios are set for Department of Religion Schools and relationships between these and Department of Education schools are not dealt with in the Plan.

b. School statistics, at least for the schools under the aegis of the Department of Education, are now very much better than they have been at any time in the past. A regular and routine procedure exists whereby every school fills in and returns a reporting form once a year to BPP (with one copy held at the school, one at the district level and one at the provincial level) giving in considerable detail enrollments by grade, age and sex, and repeater rates; teachers by age, sex, qualification and years of employment and, for secondary schools, hours of work per week. These forms have been collected yearly since 1971. Data on schools, enrollments and teachers were processed by BPP in 1971 and 1972; since then, only some regions have continued to be processed at central level, while processing for the others has been done at provincial level (see Appendix 1). Data on school finance, fee levels, equipment and buildings were also requested on the form, but none of these items has ever been processed although the original questionnaires are still available in Jakarta. As the analysis below points out, even analyses of processed data do not always give a reliable picture of the real situation.

c. One of the main factors causing decentralization of processing was costs; but where costs are too high for the central government to bear, they may also be too high for many provinces and the system must be watched carefully for signs of lag or breakdown. (By November 1974, only 30 percent of the 1974 forms had been returned to Jakarta from the provinces, as compared to nearly 85 percent in November 1971, the first year; the cause of this lag has not yet been determined.) The decision to decentralize seems to have borne little relation to the need for various kinds of data for planning at central or regional levels; processing at the regional level may entail considerable time lags for the processed data to reach the centre (and possibly vice versa). Foreign aid may be an answer to some of the problems of regional costs, especially for the establishment of systems (as distinct from their maintenance) and for training of specialized staff such as statisticians and accountants or financial inspectors.

But costs are not the only factor in the increasing trend toward decentralization. There is also a strong emphasis in central government policy on developing more planning capacity within the regions (in all fields, not merely in education). The emphasis can be seen in such recent decisions as the delegation to the Bupati (administrative head of sub-provincial unit) rather than the Governor and the provincial representative of the Department of Education to determine the level of school fees for his district. The trend, however, is mainly limited to implementation and in some cases sub-allocation: parallel to it, there runs an equally strong tendency for the central government to take over financial responsibility. Thus, in the recent program to build 6,000 new primary schools each year, the decisions as to how many schools to build, the numbers each province was to receive, and the standard of the buildings, were set by the central government while the actual location of the schools, and responsibility for tendering, contracting and construction was left to the kabupaten.

d. Another problem in the collection and processing of statistics on educational finance and related problems is the extension of the system to schools and educational activities not now covered. There is, for example, no equivalent system of statistical data collection for schools under the aegis of the Department of Religion; the lack of such an extension inhibits overall planning as it is not possible to make any comparisons of financial need, or operating costs or balance in financial allocation between these two types of schools. Although accurate enrollment statistics are not available, estimates indicate that schools under the Department of Religion may account for more than 10 percent of total primary enrollment and perhaps over 30 percent of total secondary enrollment (most of it in religion teacher training schools). Efforts are already under way in BP3K to develop cooperative efforts with other Departments which have some role in collection and analysis of educational statistics in order to spread costs and increase effectiveness for planning purposes.

e. Educational planning, economics of education course or courses in school management (financial or otherwise) are not yet in more than embryo stage. Two IKIPs (tertiary level teacher training institutions) have or are about to have courses in educational planning, but are severly hampered by lack of adequate course material and adequate staff to teach in such courses. Some exercises in regional planning for education are being operated, the most important being the Ford Foundation-sponsored programs in West Sumatra and East Java (Appendix 2); in addition some planning exercises concerning education are included in the Program Perencanaan Regional (Regional Planning Project) at the University of Indonesia. Some possibilities which should be explored are those of preparing school management courses for pre-service teacher training; preparation of manuals in school financial management for the nearly 100,000 school principals; preparation of special upgrading courses in financial management/school finance inspection, possibly run by LAN (Lembaga Administrasi Nasional) or SDC (Scientific and Development Centre), or by the relevant body in the Ministry of Finance.

f. There has been to date no planning body in the Department of Education with overall responsibility for long-term planning of education. The Planning Unit, which operates in the Secretariat General, was formerly a part of BPP, but has as its main task annual program implementation. The BP3K itself was divided by field into sections on Information, Development, Research Coordination, Evaluation, Development Information, Foreign Assistance, Experimentation and Development Coordination. A reorganization is now complete, under which the new sections of the BP3K are (1) Educational and Cultural Research; (2) Educational and Cultural Curriculum Development and Infrastructure; (3) Data Processing, Statistics and Concepts; and (4) Innovation, Development, and Technology of Education (see Appendix 3 for the old and new organisation structure of BP3K). The reorganization of the Department of Education will also establish research and planning units in each

of its 26 provincial offices (Perwakelan); it is expected that the two projects now operated by the Ford Foundation will be incorporated into these units in the two regions concerned and that in the other regions, the units will have roughly the same functions as these two have now; details are not yet clear. The role of the National Planning Agency (BAPPENAS) in educational planning is largely that of allocating funds from the Development Budget under the broad outlines of the Five Year Plan to each of the Departments. The targets are set in conjunction with the Department of Education and the BPK plays a significant part in this process, at least in providing the benchmark data.

4. Problems of Resource Allocation, Administration and Management

The basis of allocation of funds from routine or development budgets to schools has been described formally,[1] but many questions remain as to actual practices, whether to state schools or through subsidies to private schools.

a. As with students, teachers, and buildings (see paragraph 5 below), we do not know the present stock of administrative personnel. A preliminary study indicated that administration accounts for about 17 percent of total educational expenditure in Indonesia, as compared to an Asian average of about five percent or developed country average of about two percent.[2] In the Department of Education, administrators in 1972 outnumbered teachers by two to one, but this does not include primary teachers, non-state paid teachers, or administrative staff at provincial and local levels. The great proportion of administrative personnel are those with the lowest educational and salary categories.[3] Lack of skilled administrators

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1. Boediono and Hussin, 'Alokasi Biaya Pembangunan', BPP, mimeographed.
2. R. Daroesman, Finance of Education, Bulletin of Indonesian Economic Studies, Vol. VIII, No. 3 and Vol. 14, No. 1.
3. See Statistik Pegawai Pemerintah 1973, KBN.

and a complicated administrative procedure result in decision making being concentrated among a very few top echelon staff whose efforts are thus necessarily fragmented; this in turn results in time lags and underemployment at lower levels.[1]

b. The recent decision to delegate a number of decision making functions and responsibilities to regional government officials not formerly involved in educational administration appears to make these functions incidental to their main jobs (already heavy); there appears to be no additional financial allocation for such duties and responsibilities.

c. The inspectorates should perhaps be considered a separate problem. Although they have now, reportedly, been provided with transport, it is not known whether this increased allocation has resulted in more regular and detailed inspections of schools. For some years, inspectors' visits to schools have been dependent upon payments from the schools requesting inspection and, in many cases, only those schools which paid the costs of inspection were inspected. The questions remain, too, whether school inspectors (chosen on the basis of their subject qualification) should be responsible for inspection of school finances and, if not, who should be. What would be the cost of setting up a financial inspectorate for the schools? Should private schools be required to account for their finances to government inspectors or only to their own governing bodies? If school inspectors are to be made responsible for financial inspections, they will require additional training to these skills and costs of this would need to be estimated.

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1. Cf. Pl. McCawley 'Suggestions for AID to Indonesian Universities', Bulletin of Indonesian Economic Studies, Vol. X, No. 3, November 1974; and C. Geertz 'A Report to the Ford Foundation concerning a program for the Stimulation of the Social Sciences in Indonesia', Institute for Advanced Study, Princeton, mimeo 1971; and T. M. Smith, PhD dissertation.

Little is known about the costs of administering non-state schools, but they appear to be much less than those of administering state schools.[1] A number of large private educational foundations, such as Muhammadiyah, Taman Siswa, and Catholic and Protestant schools, are already conducting self-study research under contract to BPP; it is probable that these self-studies can include some research on administartive costs of these schools.

d. Pedagogical Research and Research and Teaching. Where funds for research in education (particularly at tertiary institutions) come from and how they are allocated, in what form they are provided (contract, individual grants, faculty grants, etc.) and what proportion of total expenditure they represent are all unanswered questions. Little is known either of pedagogical research and its costs, or how it is tied in with improvements in teacher training, curriculum development, or new teaching practices.

5. <u>The Output of the System: Education and Employment</u>

a. The question of whether the Indonesian educational system is producing the numbers and kinds of citizens it wants is more than a financial question, but it has important financial aspects. The system is often criticized for its over-emphasis on formalized rote learning and on preparing for further schooling rather than for employment, that it is not producing the right numbers of productive workers with the necessary skills for them to be absorbed into employment, and that it encourages an attitude of contempt for other than white collar work. The whole question of how effectively the schools prepare their students for employment and how effectively for further education and the relation of the schools' efficiency in this respect to their sources of finance, total resources, and balances among expenditures has never been seriously explored. It is clear that graduates of lower secondary vocational schools almost always go on to the same stream at upper secondary level (and indeed are often

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1. R. Daroesman, op.cit.

limited to these schools); but we find also that the upper level vocational schools draw more of their total enrollments from the general stream them they do from their own streamlower schools.[1] Furthermore, we know that the higher in the educational ladder, the greater the rate of unemployment. But this phenomenon is a result as much of youth and inexperience as of educational level. There are strong arguments for increasing the numbers of persons getting higher levels of education, if only to bring down their scarcity value and halt some of the drive to urban areas. "A faster expansion of primary education, by removing the difference between those with and those without primary education may have the effect of reducing the incentive of primary graduates to migrate to urban areas."[2] Expanded primary education, if it can be directed toward such goals as increasing self-employment, and lead toward better farming practices can also be a major impetus to development.[3]

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1. R. Daroesman, An Analysis of the 1971 School Census Reports of Indonesia. Unpublished draft, Department of Economics, Research School of Pacific Studies, Australian National University 1974.

2. R. M. Sundrum, Education in Relation to Economic Development and Employment in the Ecafe Region; paper prepared for Ecafe Regional Conference February 1973, p. 25.

3. Cf. D. P. Chaudhurry, Education and Agricultural Productivity in India, Tata McGraw Hill (forthcoming) and U. N. Bhati, 'Economic Determinants of Income on Irrigated Paddy Farms' PhD Thesis, Australian National University, 1972

## 6. Financial Problems of School Operation[1]

### a. Problems common to all schools

i. Admissions and wastage. In 1971, every fifth place in primary 1 was taken by a repeater. Whether in terms of time or of money, the cost of producing one primary graduate under present conditions is nearly twice what it would be with perfect efficiency.[2] Dropouts (far more serious among females than among males) may also cause serious shortages in school operating funds during the year. We do not yet know what role fees (and/or all other compulsory payments by parents for children in school) play in determining admissions by type, level and status of school, or to what extent they exclude children from school, but preliminary studies indicate that they may be responsible for the exclusion of much of the lower income group in Indonesia.[3]

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1. References in the rest of this section except where otherwise noted are to mimeographed reports of school statistics from BPP and to an as yet unpublished analysis of these by R. Daroesman, July 1974 (op.cit).

2. IBRD Indonesia: Education Sector Survey Report 1974.

3. R. Daroesman, 'Finance of Education', op.cit.

ii. Short hours of instruction. Recent school statistics indicate that large numbers of children in primary schools are receiving less than the prescribed hours of instruction. We know also that a number of primary schools have less than the full number of grades but we cannot as yet identify which ones. It is also not yet clear to what extent these shortages arise from lack of new buildings and to what extent from lack of teachers.

iii. We know that there is a maldistribution of teachers, that at primary level about 15 percent of all teachers have no teaching duties and at the same time about 17 percent of all schools appear to suffer from some sort of teacher shortage. At secondary level, nearly half of the teaching force is reported as teaching less than 20 hours per week. There are also indications that there are many teachers teaching at more than one job (estimates are 1.4 jobs per teacher). But these indications are weakened by the fact that we do not know how many teachers there are (as distinct from teaching posts) nor reasons for the high numbers not teaching or teaching only short hours, nor whether the situation is more acute in state or in private schools.

iv. Specialization. Within the secular schools, specialization now takes place at grade 7. Specialized schools at grades 7-9 are to be phased out and replaced by general academic schools; for mainly financial reasons, specialized (vocational) schools have been marked by differences in curriculum rather than in facilities and operating costs so we cannot tell as yet what effect this change is likely to have on operating costs of schools.

v. Division of responsibility for education within government. Before 1973, the responsibility for education was shared among a number of

government departments and among levels of government. In 1972, a Presidential Decree returned all general education to the Department of Education (keppres 34/1972), leaving other departments with responsibility for special training of civil servants and for non-civil servants. Many vestiges of the former system remain, however, the most important undoubtedly being the religious schools operating under the auspices of the Department of Religion. These may account for up to 20 percent of total primary enrollments and perhaps as much as 30-40 percent of secondary enrollments. Another division is that between the Department of Education and the Department of Interior, the latter having financial responsibility for primary schools. The original division of responsibility was not matched by financial resources, and a number of problems have arisen in consequence. Where a local government is sensitive to demand for education but has no formal financial responsibility (many of the funds available to it specifically preclude education), support may be given in disguised form; or one or more levels or departments may respond to ad hoc appeals without either knowing the other has been appealed to. In addition, there are problems of administrative duplication of services on the one hand and, on the other, conflicts, delays, and inefficiencies where coordination is not satisfactory. Further problems may be expected to arise when the new provisions for payment of primary teachers' salaries, hitherto the responsibility of provincial governments, become the responsibility of the central government, while many other decisions with regard to primary schools are being decentralized to the sub-provincial governments, the kabupaten. Yet another division of authority is that the allocation of funds

for the routine budget are made by the Department concerned, while in allocation of funds from the Development Budget, the Planning Board (BAPPENAS) plays a more dominant role.

b. Problems of State Schools

i. Private financial support. During the 1960s, the necessity arose for parents to contribute directly to state schools; as inflation increased, these contributions increased steadily in importance until now they constitute a significant part of the incomes of state schools. A number of attempts have been made to control these fees, but actual practices varied greatly among schools and great inequalities resulted. Fee receipts, according to such studies as have been done, are almost the only source of non-salary recurrent funds for the schools, and also provide a substantial supplement to teachers' incomes. The level of fees, therefore, directly affects the quality of education. The observed decrease in enrollments, more serious in some areas than in others, may be an indication that fees in state schools are becoming higher than in private schools or in religious schools; or some schools may be reporting lower enrollments than they actually have in order to obtain necessary operating funds from non-reported but fee-paying students.

ii. Teachers' Salaries. In 1973, state-paid teachers received a 400 percent increase on their basic salaries (while other civil servants did not) and in January 1975 received a further substantial increase in basic salaries. There remains the problems of withdrawing or decreasing the additional

supplements paid out of school fees and of relating the system of rewards and responsibilities more closely to incomes. We do not know to what degree fragmentation of jobs is caused by inadequate wages and to what degree by scarce skills. Certainly income opportunity is far greater in prosperous schools and teachers are thus reluctant to be moved from urban to rural areas. It is not yet clear how the provisions of the new fee regulation will affect this, or to what degree recent efforts to eliminate 'elite' schools by limiting enrollments to residents of school districts will affect this situation. The recent salary raises are known to be causing difficulties among private schools in paying equivalent teachers' salaries.

iii. Non-salary routine expenditure. Finance of education studies so far done indicate that expenditures on non-salary routine needs are very small and that allocations made by the central government to secondary schools and universities are not made on the basis of school size or any standard criteria of need. It is not clear what criteria were originally used, but allocations are now made 'across the board' on a percentage basis, and further negotiations then establish the final sum. Funds allocated by the state are tied to specific uses and the only source of discretionary funds are fee incomes. All fee payments are still made in cash, although the use of the banking system will be tried out this year, at least for fee income.

c. Problems of Non-State Schools

i. Private schools in Indonesia grew up mainly to fill the gap in state school provision, and do not necessarily provide more exclusive or more religiously-oriented

education as they often do in other countries. All private schools begin as fully private but a procedure is set through which they may, by fulfilling certain standards, be promoted to aided or subsidized status and finally to fully state schools. Non-state secular schools are most important numerically at secondary level and in higher education but show signs of increasing at primary. Non-state pre-primary schools may play an important role in admissions policies to primary schools, both state and private. The average size of private schools almost doubled during 1964/71 while state school size was decreasing.

ii. Status. In principle the change in school status is based on quality of instruction; in practice it is more a question of availability of state funds. Schools may now reach the standard and be awarded the 'status' of subsidized school, but never in fact receive any financial subsidy. School statistics now available do not indicate the rate of such promotions in status and thus also obscure the question of relative rates of such promotions in status and of relative rates of establishment of schools by state or private funds

iii. Quality. Because non-state schools receive so little actual state financial support, they are generally not in a position to provide high quality education. There is little information on actual conditions of teaching or quality of education or the extent to which graduates of private schools are disadvantaged in seeking further education or employment though it is agreed that this may be considerable.

iv. Satellites or substitutes? Non-state schools appear to fall into two main categories. Many schools which have reached subsidized status show many financial characteristics of state schools: although they may request an increase in state aid, these schools are unlikely to want to become full state schools since they would then lose some of their freedom in resources and expenditures. (There is, however, increasing pressure on private schools to conform to state school fee levels and procedures even where this is not accompanied by any state support.) These schools probably 'compete' with state schools for well qualified students and can operate in areas where there are no state schools. Most of the aided and fully private schools, however, appear to operate only where they can employ teachers at an hourly rate and where buildings are available on loan or low rental. These schools probably operate only where there are already state schools on which they can draw for their part-time teachers, and absorb those students who have been unable to get into state schools. There will obviously be differences in the degree of financial assistance applied for and needed by these two types of schools, and policy toward these two types of schools may also be different.

7. Financial Problems of Expansion

a. Expansion with Existing Facilities. We cannot say yet how much expansion can still occur through more intensive use of existing buildings through longer hours or larger classes (or to what extent such potential use would have to be matched by increased recruitment or longer hours of work by teachers). While there are undoubtedly some schools and buildings where such

expansion could be effected, on a national scale it is not expected to account for any significant increase. An improvement in repeater rates at primary grade 1 would, however, make a significant difference. Available data do not indicate the number of classrooms requiring rehabilitation or the extent of rehabilitation required, although it may be possible to use some of these data to determine general magnitudes of need. It is possible that a significant amount of expansion could be made by adding rooms to existing buildings, particularly in rural areas.

b. Expansion through New Construction. We have very little to go on as regards capital costs of new buildings, either in money terms or in criteria for buildings. Furthermore, existing schools are seldom a good model for future schools. Costs of model schools have so far been far too expensive for replication on a nation-wide scale.

While there is very little in the way of cost estimates, there are indications that costs vary considerably according to the agency which undertakes construction, buildings of roughly the same standard being more cheaply constructed by local rather than by more distant authorities. This raises questions as to whether the agency which grants the funds should also necessarily undertake construction, and what degree of standardization in building is essential and desirable. If matching grants or outright grants to lower levels from higher levels of government are considered, regional differences in construction industry capacity and in regional government resources must also be taken into account. Possibilities of foreign aid in school construction should also be investigated.

c. Expansion and Quality. Designs for new school buildings need to take into account potential changes in teaching methods and

and educational technology. Centers requiring expensive equipment (as for example, the technical centers recently set up by the IBRD) can provide more equipment and use it more intensively than individual schools, but such concentration may also require additional facilities in the way of transport or residential accommodation and also curriculum adjustment.

Much is now being done in textbook provision under the recent IBRD credits, long the most neglected aspect of instruction. This will have to be a continuing concern and ways should be investigated of getting maximum use from books with least cost: problems of sale, lease, and free use of books need to be considered as well as replacement costs. There may be many kinds of cost-sharing possibilities. Much teaching equipment in use today is being imported, mostly through aid programs. For the future there may be a case for designing equipment suitable for Indonesian schools and curriculum and encouraging manufacture (perhaps by pioneer firms, state enterprises or joint enterprises). Some excellent work is being done in some schools in making simple teaching equipment as part of self-help programs. Possibilities of the relative financial and quality aspects of such programs might be examined to see how far they are suitable for national models.

d. Teacher Preparation

i. Stock. Estimates of future needs of teachers are difficult because we do not have an accurate idea of present stock. There appears to be a fairly high rate of multiple job teaching at secondary and university level; and at all levels there appear to be significant numbers of underemployed in terms of hours of teaching, but how far they are a result of the way the statistics have been collected and analysed is not yet known. There may also be substantial numbers of

unemployed persons with teaching qualifications or with subject qualifications who could be recruited without or with further training.

ii. Upgrading or Retraining. To determine costs of retraining it may be useful to think of unqualified and underqualified teachers in two groups: those who have educational levels equivalent to qualified teachers (e.g., SMA/SPG) but no teaching credential; and those with levels of education below the acceptable minimum (e.g., primary school teachers with only primary education). The former, who may have more intensive subject training than qualified teachers, may be given short courses or examinations to give them qualified status. The latter may be phased out if their age makes it inappropriate to retrain them, or may undergo longer and more expensive training. Not only costs of such retraining but the resultant effects on salary structures and the total salary bill would need to be studied.

At present, upgrading of teachers is not related to qualified or unqualified status, but is limited to training in the use of new textbooks and is thus limited to those schools which receive these textbooks. If retraining is to be expanded to bring up the number of qualified teachers, decisions will have to be made on how these teachers will be chosen, and on how such retraining/upgrading should be given: should teachers be released from teaching duties for a substantial period of time (and substitutes be paid), or can it be provided during school holidays over several years. Should it be a single course, provided once or in two or three separate periods, or should it be seen as an ongoing, regular part of routine costs, with all teachers continuing to receive some regular subject refresher courses throughout their professional life? What are the costs of providing such training by mobile teams as compared to costs of bringing the teachers to a training center? What effect will the numbers of retrained or upgraded teachers have on salary structures? And perhaps most important, what should be the balance of expenditures between retraining/upgrading and training of new teachers? Where can foreign aid be used most

effectively, and is there any particular advantage in foreign aid finance of teacher preparation at any particular level?

Retraining of religious teachers where they are to teach general subjects may be more time consuming and costly; almost nothing is known of the numbers to be retrained and the costs of retraining.

iii. New Training of Teachers. There is first of all the question of whether the present types of teacher training institutions will be continued; the status of the PGSLP (one year post secondary teacher training course for teachers in lower secondary schools) is still somewhat uncertain and the question of whether the IKIPs will continue to be independent institutions or will be merged with universities has regularly been debated. A plan has also been recently announced to cut down the number of state IKIPs and to concentrate their faculties.

The question of how to get good quality entrants into teacher training will be closely bound up with salary scales, but it may also be greatly affected by reinstitution of scholarships or ikatan dinas (bonding) contracts. It has been a common career pattern in the past for teachers to go through two or three levels of teacher training (SGB-SGA-IKIP, SGA-PGSLP, SPG-IKIP, etc.); this raises questions of unnecessary costs and possible dilution of quality where pedagogical training is repeated at each level to the detriment of general knowledge and specialist subject matter.

Little is yet known about the rate at which graduates of teacher training institutions actually enter the teaching profession and how their training affects their promotion and retention within the system.

Little is known about the financing of teacher training institutions. In the 1971 survey, the SPG were found to have the lowest per pupil expenditure of any secondary school and the highest incidence of part-time teachers. The output of teachers from these schools is not very closely related

to the age structure of the profession in the regions in which the schools are located. Private SPG account for an important part of total enrollments, but little is known about employment possibilities of graduates of these private schools. There appears to be a wider dispersion of religious teacher training schools in rural areas than of secular teacher training schools, but little hard data are available.

If passive learning in schools is to be overcome, the change must begin with the teacher trainers. There is no doubt that the very low per pupil allocations in teacher training schools will need to be increased, but there should also be some emphasis on developing effective teaching techniques by observation of existing schools which can be used as models for effective innovative teaching on low budgets.

B. Prior USAID Assistance in Related Areas

Mission efforts to assist the Government of Indonesia in areas related to this project have been limited to that described in Section 1 above: History and Development of the Proposal, (a) Introduction.

C. Other Donor Assistance, past present, proposed.

In 1969 the Department of Education set up a National Assessment of Education Project with the assistance of Ford Foundation funds. One activity of this project was a study of educational finance. To this study, the Department of Economics of the Australian National University contributed the services of one consultant for a period of about one year in a sample survey of some 200 schools and publication of a subsequent report (BIES). (This has since been translated and published in Indonesian also at the expense of ANU under arrangements with the Obor Foundation.) An internal paper of the project by a BPP staff member (who will be the principal BPBK staff member to be assigned to this project) was also prepared. None of the PPNP reports have yet been released for publication however. Before the PPNP, only one attempt had been made at a study of

finance of education; this was by the Regional UNESCO office in Bangkok; this attempt was abandoned in the preparatory stages because of the difficulties of making such studies based only on central government records. A World Bank Mission conducted an Education Sector Survey in 1973 in which the problems of educational finance were discussed and the need for further studies and projects pointed out. The local Bank Mission indicates that no specific projects are being proposed by the Bank on educational finance or management.

UNESCO/UNDP brought out a team of Consultants from France in mid-1974 to suggest areas of future project work. This report (Appendix 4) also pointed out the need for an educational finance study but their final report (as yet available only in French) does not indicate any immediate activity in this field. Local UNESCO officials consider it unlikely that any project on educational finance would be begun within the next financial year; any decisions to enter into actual projects after that would be affected by the scope of the present proposal from USAID. There is considerably more possibility that certain activities or necessities linked to this project may be financed by other, especially UN, programs: these may include provision of some equipment (pocket calculators, for example, to school administrative staff), or assistance with travel costs for third country training. Book production for manuals on school finance may be financed by other donors linked to, but not necessarily part of, the present proposal.

The Ford Foundation is currently operating two regional programs on educational planning at provincial level; these may be incorporated into the regional planning units which are expected to be set up in each of the 26 provinces according to present plans for departmental reorganization. Depending on the future status of these planning units after reorganization, this finance project is expected to work in closely with them and possibly

with similar provincial units elsewhere. The Ford Foundation also supports a regional planning training program which occasionally makes use of educational problems as part of its course work; this is the Program Perencanaan Nasional, (PPN), which operates in the Faculty of Economics at University of Indonesia.

The Australian National University has made available staff time and provided travel in Indonesia on a number of occasions of one or more members of its staff (in this case the present Consultant) for cooperative work with BP3K on educational finance; the most recent of these was a period of one month following the Cisarua Seminar sponsored by AID, during which period the Consultant was requested to assist the BP3K in drawing up a draft of a new ministerial regulation on school fees. The ANU is also interested in further cooperation with BP3K in individually tailored programs (degree or non-degree status) for Indonesian research staff to work with the considerable number of Indonesia specialists there and to take course work where desirable through the Canberra College of Advanced Education in educational administration plus research supervision through the Education Research Unit of the ANU (Appendix 6).

The Ford Foundation has also provided a number of scholarships for members of BP3K and of regional education offices for a one year non-degree program at Macquarie University; this program has been operating for three year, and has assisted in training about 40 persons in varying fields of specialization.

D. Host Country Activity. In addition to the National Assessment of Education project mentioned above, and the work of one or two members of the BP3K, there have been, however, a number of activities which have been conducted on educational finance within the Research Unit of the BPP (see list of studies Appendix 7). However, there has been no other major study of Indonesian Educational Finance.

Outside of BPPK and the Planning Unit in the Secretariat General, no other major or on-going activities of the host country in this field are known to the Consultant. A list of studies done is given in Appendix. However, a substantial amount of information germane to the proposed study exists in other reports. Household expenditure studies for various areas, done through the BPS and other research organizations such as Leknas/LIPI, the Agro-Economic Survey and a number of additudinal surveys, do provide data on household expenditure on fees and other educational expenses according to household expenditure categories and regions; on parental attitudes towards education and fees, on labor force participation by educational level, on various aspects of population control and measurement (fertility, infant mortality, etc.) according to educational level.

E. Studies Done (see Appendix 7).

F. Opinion of other donors (included in discussion of "Other Donor Assistance" above).

Section 2. Project Analysis

1. Economic Impact: Economic effects on the major beneficiaries. We identify the major beneficiaries in three groups, related to three time stages. The goal of this project is the expansion of the educational system, to those children who now do not have access to schools and improvements in content and quality of education. This is obviously a fairly long-range goal and one impossible of achievement within the two years of this project. This project should, however, have a substantial impact by the end of its two year term on its direct beneficiaries: first, those who are trained to provide analytical output (economists and financial analysts); second, the policy makers who receive the output that heretofore has not been available in buttressing BPPPK budgetary recommendations; and third, the program implementors

who are responsible for this year-by-year allocation and use of funds according to policy lines already established but for which there are still major gaps in factual bases.

In more concrete terms, within the two year period, the content of this study should have provided program implementors within the Department of Education with analyses which will improve their allocation procedures: at present, for example, each year 6,000 primary schools are to be constructed and during the present Five Year Plan every secondary school building belonging to the state is to be rehabilitated. But those responsible for building them have no reliable data on cost variations by regions; no analyses of data on the number and location of existing buildings or their need for replacement/rehabilitation; no reliable check on whether the schools are being constructed or at what cost; nor what populations they are serving; and no reliable data on the extent of past, current or potential private contribution to these building plans. This study should provide, by analyses of present data, indications of location of present schools, and by new field studies establishment of criteria for measurement of need for new buildings/replacements and reasons for regional variations in cost; an analysis of past and current activity in classroom construction and a comparison of cost of construction according to the agency undertaking construction; and estimates of the degree of overcrowding in present classroom provision to assist these decision makers in their tasks.

By the end of the two year period, there should be some clear policy options and financial implications for the continuance of the present program of school buildings, and the first estimates should be ready for the alternate costs for the same buildings when constructed by other agencies, leading to better allocation decisions on the role of central government funds in school construction.

A second example of the impact this project may be expected to have is that on teachers' salaries. It has just been announced that the central government will henceforth be responsible for salaries of certain categories of teachers in state primary schools (heretofore a responsibility of the provincial governments).

At present, it is not known what the real incomes of these teachers are (i.e., how much they earn from second jobs, or to what extent they are dependent upon incomes from second or third jobs); it is not known how many hours a day they work in their main job, and therefore the amount of slack which can be taken up, or the amount of additional school hours that can be provided by more efficient use of existing staff. By the end of this project, these data should be available to policy makers.

3. Technical Capabilities. Expertise in areas of finance and economics remains one of BP3K's priority personnel needs. While foreign donors, especially UNESCO, continue to provide large infusions of expatriate consultancies, training for local staff has been subordinate to the job of formulating education sector development plans. To pick up the slack Ford Foundation, particularly, has made available a modest number of scholarships for BP3K staff, although further training will be required both off-shore and in-country to strengthen this component of BP3K's planning responsibility.

Given this picture of available human resources, it should be said in regard to this agency's capability for financial analysis that one of the major factors which favors the success of this project is that it is based on procedures already adopted to a large extent. Within BP3K, the machinery for the collection and analysis of data every year already exists. What is lacking is the clear linkage of the data so collected to the needs of policy makers and program implementors. It is here that techniques of analysis can play an important part. Mrs. Kim Daroesman, acting consultant, has been greatly encouraged by changes which do not seriously complicate existing procedures but which, by relatively small changes, can have far greater impact than they have so far had. For example, as a result of the two months put in by the consultant, a number of changes have been made in school reporting forms which will yield results much more amenable to analyses relevant to planning. The principle has been established within the BP3K that while each year certain routine data must continue to be collected, the same form can be used for central processing of data needed for planning and that this can have a different focus each year so that by the beginning of Repelita III, most major areas of educational planning may be covered. These new techniques are often relatively simple: an example -- the coordination of questions to certain coding techniques in order to yield more illumination of policy questions by cross tabulations.

It is expected that most of this data will be processed in-house at $BP^3K$. UNESCO has recently provided a WANG 2200 computer, (4th generation). Components include card sorter, tape and cassette capability and LED display and printout. Thought is being given to possible future purchase of key-punch equipment, although computer inputs directly from console to tape are perfectly acceptable albeit tied to the speed of a single operator. Five programmers have just completed training at Jakarta's Metro Data, the local distributor of the computer, and two systems analysts are now in training. There seems complete confidence that $BP^3K$ is up to the processing job, barring any slippage, when assistance from the Central Bureau of Statistics (BPS) could be requested. Their hardware includes an ICL Model 1903A with extensive peripherals.

The project as currently conceived is not targeted to produce sophisticated modelling or simulation studies. While there is some evidence that consultancy capabilities are available locally for software design of multiple-feedback-loop systems, $BP^3K$'s own expectations of the data analyses are basically digital. It perhaps should be emphasized that $BP^3K$'s first concern is that the project furnish an accurate description of how the schools are currently financed and that the reporting techniques be refined and perpetuated to assure an increasingly valid data base for any modeling which might be undertaken subsequently.

By this discussion, we do not wish to rule out the hope that the planned statistical analyses will point to recommendations of significance to policy level decision makers. The restriction in project output is simply to more tightly circumscribe what we hope to achieve thereby assuring a greater chance of success.

3. Social Impact. It is expected that the results of this project will contribute to the dimunition of existing socio-economic inequalities. It has been frequently been noted that attrition from school is clearly heaviest among low income families which cannot afford the direct and indirect costs of schooling. It is the direct costs which this project addresses: what are they, and how can revenues and allocations be optimized? The project should result in a better understanding of school fees charged parents, and an appreciation of the relationship between their imposition and questions of equity in nation-wide education. One example of social impact, and perhaps the most crucial and wide-ranging, is the attempt to link, for the first time in Indonesia, a study of the product of the schools to the cost and quality of the schools. Employment experience studies have been carried out, although not on a longitudinal basis, linking the individual school to employment. There has been a good deal of discussion in Indonesia about the preparing for employment or for further education, but there has as yet never been a study which would provide hard data on actual experience. This is perhaps the heart of the study: is the nation getting what it is paying for? The careful analyses of the experiences of some 10,000 graduates of primary, lower and upper secondary and universities over a three year period, whether in continuing education, in finding or not finding employment, the kind of employment found or the reasons it was not found or not taken, can be expected to show more clearly than has been done before, the costs of each level and specialist type of education to the nation and to the individual; the effect on subsequent income and professional/skill development, and most important, the extent to which the employment prospects of graduates are influenced by the financial situation of the schools they attended.

3.a. Indonesian Women and Education. One of the inequities which this project will help to alleviate is that of the education of women. Increasing awareness on the part of Indonesians of the importance of opening up educational opportunities is apparent at three levels:
(1) At elementary-secondary school age through efforts to provide mass community education using the formal system with targeted enrollment goals over a five-year period.
(2) The range of out-of-school programs for adult women in the provinces, e.g., family planning, nutrition, literacy, and the increasing enrollment of women students in teacher education and agriculture programs.
(3) As greater numbers of girls and women have access to educational opportunity, the knowledge and skills acquired either through regular school programs or other educational activities provide the means for improving family life, which includes both sexes, entry to the labor market, readiness for greater participation in community and/or state political decisions and policy-making. It is true that some of the effects of the project will be long range; however, the earlier the present decision-makers in the MOE increase their ability to provide greater access to educational opportunity for both sexes, the quicker the pay-off of the project potential.

3.b. Leadership Role of Women in the Project. An important aspect of this project in relation to women is that the person who did the feasibility study for the project was a woman--a foreign woman, to be sure, but one with the kind of expertise which the MOE obviously lacked. This woman involved other Indonesian women with ability to conduct research. The anticipation is that the contractor and the head of at least one of the proposed research studies will be women. Since the area of finance in LDC governments has traditionally been the domain of men, the employment of a woman or women to guide the studies and to make recommendations of criteria for allocation of funds is a big step forward for women in a Muslim country and emphasizes that qualifications rather than sex can be recognized in an LDC.

4. Educational Finance Policy Concerns. BPP is addressing four major issues in the field of education which are generally recognized as becoming acute during the next few years:

(a) Inadequacy of Financial Basis: Additional funding is clearly necessary in order to narrow the "non-schooling gap" as well as effect improvements in the quality and internal efficiency of the education system. While some optimization of current revenues is possible through more efficient administration, BPP recognizes that the Indonesia ranks near the bottom among countries in Asia in public education expenditure per capita and that a broadening of the financial basis is both desirable and feasible.

(b) Insufficiency of Teacher Salaries: BP3K is giving sympathetic consideration to recommending further salary increases for teachers. This will be combined with the creation of new full-time teaching jobs proportionate to the present extent of part-time teaching.

(c) Equality of Educational Opportunity: It is hoped that the project's studies will throw into dramatic relief the significance of fees that parents pay for the education of their children. There seems little doubt that economic factors are the main force behind the inequalities in the access to and progress through the education system. BP3K plans to use up-to-date and accurate data in arguing for the possible abolition of fees in primary education. (Note comments on Social Impact, above.)

(d) Lack of External Efficiency: Present financing arrangements do not attempt to improve the linkage between the education system and the labor market. One sub-study within the project addresses a relationship between schooling and future work in an effort to better define this linkage. Such improved definition is prerequisite

to establishing a fee/scholarship/loan system sufficiently flexible to create financial incentives and disincentives for specific categories of students as required by employment prospects.

5. Financial Analysis. As noted earlier the GOI is firmly committed to seeking ways by which the education establishment can be expanded, its quality improved, and its admissions and retentions made more equitable. Achievement of these goals in the most economical fashion, while other sectors of the society require a fair share of recently increasing revenues, will demand strong fiscal and planning skills. All indications point to the GOI's awareness of the high priority that must be attached to planning functions and their willingness to budget for sufficient staffing. BP3K, especially, has in recent months witnessed a doubling of its personnel, essentially at the professional level, and USAID/Indonesia has been given assurances that routine budget funds will be provided to assure the on-going support of the financial reporting system after the project is terminated. (See Section 3, Project Implementation, for discussion of project's budget.)

Mrs. Widodo, BP3K Staff Economist, tentatively selected as Project leader, earlier in 1975 submitted the Terms of Reference for this project through channels to BAPPENAS, the National Planning Organization, and BP3K has received assurances that their funding requests for this project will be approved by the GOI. Staff from BP3K have, accordingly, been assigned and are currently at work on the preliminary design of reporting forms and the analysis of already available data.

6. Administration. It is expected that the project outputs will result in an increased appreciation of the value of hard data in formulating rational and comprehensive resource allocation guidance. That BP3K has provided the data should enhance its standing within the fraternity of organizations responsible for providing inputs to policy making offices within the Ministry of Education and without among decision makers in BAPPENAS, the Ministry of Finance and other National level organizations.

Of note here is the prospect of continued close cooperation between BP3K and the Central Bureau of Statistics cited in the comments within this paper under Technical Concerns.

Linkages within the Ministry of Education extend downward to the training of planning officers of the Ministry of Education at the Province level (Perwakilan) and, as a result, several embryo planning offices have been established (BPMP's). (A full description of these Ford Foundation-supported regional planning offices is to be found in Appendix 2.)

## Section 3. Project Implementation

### A. Implementation Plan

1. The purpose of the project will be to develop improved financial data collection and reporting systems. Processing systems and analyses are expected to result in action steps by policy makers and program implementors within the period of the project or within a year or so of its completion, and to be of direct service in the preparation, starting about 1976, of the Third Five Year Plan.

By the end of the project, the following results should have been achieved:

-- Standardized and tested school recording system on school operating costs and resources in operation, nation-wide for all schools under the Department of Education (and, depending on the degree of cooperation, begun also in the Department of Religious Affairs for their schools).

-- Routine financial reporting systems based on standard records from schools to relevant statistical units at kabupaten, provincial and central levels.

-- Reporting and recording systems coordinated with processing procedures and analyses.

-- Identifying end-users and their specific needs for data on routine basis (periodicity, degree of breakdown or aggregation required, etc.) and major problems for future analyses.

-- Setting up of a distribution system based on needs of these end-users in operation.

-- Building in of maintenance, adaptation, evaluation and refinement procedures and processes into the entire system.

-- Identifying major areas for new or continuing activity arising out of project and negotiations begun for continuing donor activity.

2. These conditions can be verified by the content of BPP and Department routine reports (school statistics, etc.), availability of specialized data for periodic reports to supra-national bodies (UNESCO, SEAMEO, etc.); by observance of the forms in use and the analyses reaching decision makers; and by the activity of the GOI in seeking further donor assistance for new or continuing projects arising out of the work of this project, or by its activity in making provision for such studies out of its own budget. It is assumed that there will be no significant change in the identity of the end-users before the end of the period, or that their planning functions will change significantly from those projected under the currently planned reorganization; it is also assumed that a stable political and revenue position within the nation will continue or at least not deteriorate seriously and that the stated priorities in education will not change significantly.

3. More specifically, the outputs of the project are expected to be that:

a. Preliminary data on school operation costs will be available within the two year operation period of the project; within a year of the completion of the project, improved reporting forms will be yielding on a routine basis aggregate figures on school operating costs for all schools under the Department of Education; depending on the degree of cooperation with the Department of Religion, these forms may be extended to religious schools as well.

b. Activities in educational finance for the subsequent two year period leading up to the preparation of the Third Five Year Plan, beginning in late 1978, will have been identified in order to be able to arrange for mobilization and allocation of financial resources.

c. Methods of analysis will be established to identify costs of expansion, inefficiencies, burdens of parental fee payments and the role of fees in expansion and relationships between school quality and costs and school output (i.e., employment of school leavers).

d. Descriptive analyses of allocation procedures (central to regional, central to schools, regional to schools and within schools) will be prepared and be in the hands of policy makers.

e. Staff with financial planning responsibilities in BPP will be provided with improved analytical tools; procedures for distribution of analyses to policy makers will be improved.

4. The magnitude of these outputs may be expressed roughly as follows:

a. A sample of some 6,000 will be drawn from existing school forms for further processing and analysis; routine forms distributed nation-wide and already partly improved during the Consultant's November-December visit will be returned to BPP in late 1975 and can be analyzed routinely; in addition, a nation-wide sample of some 200-300 schools will be chosen for more intensive study in a field work program to determine reliability of forms, to test out draft recording and reporting forms (in turn based on the analysis of the 6,000 school sample); to study allocation processes within schools and to serve as a basis for studies of employment of school leavers, of teachers' incomes, and of school financial administration.

Based on the 1975 improved form and its analyses, on the 6,000 school sample of existing questionnaires, and on the 3300 school field study, the 1976 nation-wide forms will be able to yield reliable data on school costs and, by mid-1977, these nation-wide data will be ready for computer processing to provide aggregate data on costs of school operation.

b. The extent and magnitude of further activities for the subsequent two year period will be determined during the first two year period.

c. Staff: 3-5 persons at research staff level; 5-10 at regional offices at administrative level, will be involved in survey design and analyses; 1-3 IKIP lecturers to be involved in survey design and analysis and also in preliminary preparation for courses in school/financial management, and for provision of such training at regional levels; overseas training for 1-2 staff of BP3K at the PhD level; local training courses/workshops/seminars, etc., for approximately 500 man-days.

Means of verification of these activities will be from observation of the forms returning to BP3K from published analyses of the new forms and from published reports of the project analysis. Activity in continuation of the project can be verified by means of bilateral assistance reports, foreign assistance requests by the GOI or allocations from the Development or Routine Budgets for these purposes.

Assumptions underlying these activities will be that present plans for regional responsibilities in planning project implementation are carried through, that staffing numbers and quality of staff in BPP and other cooperating institutions are maintained or increased.

5. Inputs: Personnel

(1) USAID

| | |
|---|---|
| 1 Senior Economist-Educational Finance | 2 years |
| 1 Junior Economist-Statistician/Survey Researcher | 2 years |
| Short-term Consultants (2-3 mos.) | 6 man-months |

Training

| | |
|---|---|
| 1 Ph D | 3 years |
| 3 Short-term (non-degree) | 9 man-months |
| Local course training | 500 man-days |
| Local Consultants - 3x4 months= 12 months T.P. | 18 man-months |

(2) INDONESIAN

| | |
|---|---|
| 1 Project Leader Economist/ Educational Planning | 2 years |
| 5 Research Staff (Economists, Educational Planners, Statistics) in BPP | 10 years |
| 8 Administrative Staff, regional level | 4 years |
| 3 IKIP Lecturers | 2 years |
| Trainees | 4 years |
| Secretarial/Clerical | 10 years |
| Coders/Fieldworkers | |

## COST ELEMENTS BY MAJOR BREAKDOWNS

($000 or Rp. Equivalent)

| | USAID $000 | BPP | TOTAL |
|---|---|---|---|
| U.S. Technicians | 190 | -- | 190 |
| Salaries, Counterpart Research Staff | -- | 80 | 80 |
| Wages, Clerical Staff and Fieldworkers | -- | 50 | 50 |
| Local Travel | -- | 30 | 30 |
| Training Abroad | 45 | 10 | 55 |
| Local Training | 30 | -- | 30 |
| Commodities | 40 | 8 | 48 |
| Local Consultants | 50 | -- | 50 |
| Other Costs | 18 | 21 | 39 |
| | 373 | 199 | 572 |

## COSTS BY MAIN SUB-STUDY HEADINGS

($000 Or Rupiah Equivalent)

| | School Ops | Adm & Mgt | Bldg Costs | Teach. Incomes | Teach. Prep. | Role of Fees | Empl Exper | Not Alloc. by Study | Total. $000 |
|---|---|---|---|---|---|---|---|---|---|
| U.S. Technicians | - | - | - | - | - | - | - | 190 | 190 |
| Salaries, Counterpart Research Staff | 10 | 5 | 5 | 10 | 10 | 10 | 15 | 15 | 80 |
| Wages, Clerical Staff and Fieldworkers | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 1 | 50 |
| Local Travel | 10 | 2 | 2 | 2 | 2 | 2 | 10 | - | 30 |
| Training Abroad | - | - | - | - | - | - | - | 55 | 55 |
| Local Training | 5 | 5 | 5 | 5 | 5 | 5 | - | - | 30 |
| Commodities | - | - | - | - | - | - | - | 48 | 48 |
| Local Consultants | 5 | 5 | 5 | 5 | 5 | 5 | 10 | 10 | 50 |
| Other Costs | 5 | 2 | 4 | 7 | 5 | 5 | 9 | 2 | 39 |
| | 42 | 26 | 28 | 36 | 34 | 34 | 51 | 321 | 572 |

These inputs can be verified by observation of personnel in place and operating, by activity in sending out and receiving back improved forms, by numbers of participants attending workshops, by reports from local consultants, and by accomplishment of fieldwork program. The assumptions underlying these inputs are a continuation of government revenues and continued allocation for these purposes, continued political stability within the nation, and no deterioration in the present government attitude toward research fieldwork in rural areas; continued implementation of present plans for regional/central relationships, and a rate of inflation not markedly higher than at present.

6. Activities of the Project

The project is conceived of as consisting of two main horizontal activities: (a) the intensive analysis on a sample basis of existing data, largely statistical, which has never been processed, or where existing analyses are not sufficiently related to problems of equity and efficiency; and (b) some small field studies the purpose of which will be to emphasize allocation procedures, linkages, actual as distinct from formal practices, and problems associated with specific types, levels and financial status (public/subsidised/aided/private) of schools or levels of administration within government. These field studies will also be used to test consistency and reliability of existing data, and to improve methods of routine collection, processing and analysis.

Cutting across these horizontal activities will be a number of vertical or subject-centered activities, each of which will be studied both from existing data and in field studies. The purpose of dividing the studies into these subject-centered activities is to identify the analyses suitable to each end-user. Thus, the study on the role of fees will be intended for a different level of decision maker than the one on costs of schoolrooms; the costs of teacher preparation will reach a different decision maker (at least in the first instance) than the study of teachers'

incomes. These subject-centered activities will have no hard and fast lines between them, but will constantly draw from and feed into each other. Some of these interactions and linkages as well as the content of the main sub-studies of the project are shown below. Appendix 8 gives the time schedules for the various sub-activities of the project.

a. School Operations Costs:

(1) Analyses of Existing Data

-- Processing of data not yet processed (from 1971, 1972, 1973 and 1974 school reporting forms on finance and related items.

-- Linking these processed data where possible and relevant.

-- Identifying trends over the period in school finance, fees, administrative staff.

-- Consistency check of school year to year.

-- Internal consistency checks on financial vis-a-vis other items (expenditure in salaries equal number of teachers).

-- Preliminary investigation of validity of data on buildings equipment, teachers.

(2) Sample Survey of Schools (field study)

-- Checking reliability of financial reporting on forms as against observation/interview in schools.

-- Procedures in allocation of resources within school.

-- Procedures and costs of collecting fees income.

(4) Try-out of standard recording forms based on finding of IA and modified during field work.

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-- Procedures and costs of collecting fees income.

-- Try-out of standard recording forms based on finding of IA and modified during field work.

b. Costs of Administration and Management

(1) Analyses of Existing Data

-- Within schools from a(1) and a(2) - on administrative personnel, administrative costs and duties of school level.

-- Budget studies of kabupaten, provinces and departments.

-- Personnel records on administrators and teachers -- central and provincial levels.

-- Pay scales.

-- Formation of educational districts.

(2) Field Studies

-- Interviews with budget officials and other involved in allocation procedures, desa, kabupaten, provincial and central levels.

-- Comparison of allocations and functions actual and formal at key administrative levels (kabinwil, kabinkab, kabinprop-Perwakilan).

-- Administrative costs for private school (from private school self-study program).

c. Employment Experience of School Leavers

(1) Analysis of Existing Data

-- Census data on labour force, age, educational level, etc.

-- Susenas Labour force studies.

-- Three city unemployment survey.

-- Five province study on employment.

-- BP3K data on enrollments by type, level, and status of school according to quality indicators set up in a(1) and a(2).

(2) Field Studies

-- Interviews with final year students in selected schools (about 10,000 students); academic performance and home background, employment aspirations in first year; employment experience (efforts to find employment, measures taken frequency, etc.) - efforts to continue education (applications rejections, reasons for choice vis-a-vis employment or types of schools); where employed, occupational and industrial classifications, location of employment, selection process, salary and other perks; promotion reason rejected, in second and third years.

d. Building Needs and Costs

(1) Analyses of Existing Data

-- Revision of 1975 reporting forms to show intensity of use of schoolrooms, and where primary schools with less than 5 grades are a result of lack of classrooms.

-- Analyses of 1971-74 reporting forms on classroom space per child by level and type of school, etc. - numbers of classrooms constructed by year and by source of finance.

-- Studies of schoolroom construction standards by UNESCO institute and other relevant sources.

-- Study of 1970 census on building (Household Listing preliminary to 1971 census) from Central Statistical Bureau.

(2) Field Studies (Local Consultants)

-- Studies of costs of Inpres and non-Inpres classrooms over last year.

-- Development of criteria for assessing need for rehabilitation.

-- Incorporation of these measurements in school reporting form.

-- Investigation of possibilities for school building census (costs, agency).

4. Teachers' Incomes

(1) Analyses of Existing Data

-- Census Pegawai 1974: Statistik Pegawai Pemerintah

-- Personnel records, central and provincial levels. (Pusat, Perwakilan and Dinas.)

-- Salary scales - pre-1973, 1974 and 1975.

-- Subsidy items in budgets; teachers "diperbantukan."

-- Promotion and other responsibility allowances.

(2) Field Studies (in same schools as Study I)

-- All teachers in school field sample (see Study a(2) to be interviewed on incomes from main teaching job and other teaching and non-teaching jobs; allowances (cash) imputed value of other services or allowances).

-- Incomes from states and fee sources for state teachers; payment of state teachers in subsidised school; salaries of non-state paid teachers.

-- Salaries of religious school teachers.

-- Investigation of ways to conduct full count of teachers.

f. Teacher Preparation Costs

(1) Analyses of Existing Data

-- Intensive study of SPGs and IKIPs as part of Study a(1).

-- Analyses of costs of upgrading programs (current).

-- Costs of estimates of preparation for census count of teachers.

-- Intensive study of numbers, locations, ages, and levels of unqualified teachers (from Study 3(1).

(2) Field Studies

-- SPG and IKIPs

-- Employment of graduates of SPG/PGSLP and IKIPs (as part of Study c).

8. **The Role of Fees in Expansion**

(1) **Analyses of Existing Data**

-- Processing and analyses of existing school reporting forms (as part of a(1).

-- Growth of fee structures over the years.

-- Statutes, regulations, sanctions, etc. regarding fee income in schools.

-- Reports of parliamentary debates, and other public discussions documents relating to fees.

(2) **Field Studies**

-- As part of a(2), actual (as distinct from formal) fee collection and disbursement practices in schools.

-- Comparison of fee level with enrollments in primary I and population aged 7 per kabupaten.

-- Comparison of fees with other compulsory and non-compulsory payments by parents for childrens' education.

-- Actual supervision/inspection of fee income.

-- Assessment of new SPP procedures as seen by headmaster of schools and officials of BP3K.

7. Disbursement and Procurement Procedures. Procurement and disbursement will be normal direct AID procurement and disbursement. The only exception will be for local consultant services for which disbursement will be by dollar purchase of rupiah. Funding amounts shown in the total costs and breakdown are listed in dollars, but will be transferred to rupiah for these items.

8. Monitoring and reporting arrangements. Since it is one of the aims of this project that it should begin to have an impact so far as possible within the two years of its operation, the project plans to produce quarterly reports to all cooperating agencies or end-users, indicating progress, reporting new analyses available (even if not yet in published form), tentative conclusions from analyses, and outline of following three months' activities. Thus, any cooperating agency or end-user who may be interested in any of the tables produced, questionnaires, etc., may contact the project directly. It is considered that this kind of reporting regularly, with lists of data available each quarter, will be of greater use to end-users and allow both sponsoring and other cooperating agencies to monitor progress satisfactorily. In addition, when considered necessary either sponsoring agencies, cooperating agencies or research staff may initiate ad hoc meetings to discuss common problems or specific operational problems.

B. Evaluation Plan. Evaluation (including project assessments, and audits) will be conducted under standard AID Procedures (M.O. 1025.1). In addition to a GOI/USAID Joint Annual Review and USAID Evaluation Report, evaluation and project appraisal will be undertaken as an integral part of Quarterly Contractor Report submissions.

At the conclusion of the project's first year, the Evaluation Review will assess the project for changes in circumstances, policies and priorities. As necessary, recommendations will be made toward the clarification of existing project design elements to meet any changes in conditions and setting or for implementation corrections as demonstrated by an analysis of the progress/achievement and a testing of casual linkages.

Section 4. Conditions and Covenants (NA)

Section 5. Issues (NA)

PART III. Annexes

A. Statutory Checklist (NA)

B. Project Proposal Appendices

(1) Data on Schools, Enrollments, and Teachers

(2) Discussion of Ford Foundation-sponsored Program in West Sumatera

(3) Old and New Structure of $BP^3K$ (BPP)

(4) UNESCO/UNDP Analysis of Indonesian Educational System

(5) Memo: Sub-study Employment Experience of School Leavers

(6) Letters relating to Australian National University Interest in Cooperating with $BP^3K$

(7) Project Background -- Studies Done

(8) Implementation Schedule

C. Educational Finance Project Review Paper AID/W Review Comments: STATE 058439 dated March 17, 1975

D. Logical Framework Matrix

E. USAID Director Certification (NA)

F. Draft Authorizing Document (to be provided by AID/W)

G. Environmental Impact (NA)

APPENDIX (1) - Data on Schools, Enrollments, and Teachers

DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN
BADAN PENGEMBANGAN PENDIDIKAN

LP. : 45609
54051

JALAN MENTENG RAYA 23
JAKARTA

No. : 3101/I

Lamp.: -

Hal : Pengiriman Tabulasi Akhir

Jakarta, 5 Desember 1974

Kepada

Yth. Sdr. Kepala Perwakilan
Departemen P dan K
Propinsi

Dengan hormat,

Sehubungan dengan surat kami tanggal 12 Oktober 1974 nomor 2555/I dan tanggal 25 Nopember 1974 nomor 2983/I, perlu kami ingatkan agar Saudara segera mengirimkan/melengkapi kekurangan kwesioner keadaan pada Akhir Maret 1974 dan Tabulasi Akhir 1974 demi untuk kelancaran tugas kita.
Adapun jenis Kwesioner/Tabulasi Akhir yang perlu dilengkapi adalah sbb.:

| Propinsi | Yang perlu dikirimkan/dilengkapi |
|---|---|
| Aceh, Riau, Jambi, Sumbar, Sumsel, Lampung, DKI Jaya, Yogya, Kaltim, Kalsel, Kaltong, Sulut, Sultong, Bali. | 1. Kwesioner keadaan Pada Akhir Maret 1974 (SD, SLTP, SLTA).<br>2. Tabulasi Akhir 1974 (SD, SLTP, SLTA, masing-masing 2 eksemplar). |
| Jabar, Jateng, Jatim, Sumut, Sulsel. | 1. Kwesioner Keadaan Pada Akhir Maret 1974 (SD, SLTP, SLTA).<br>2. Tabulasi Akhir 1974 (SLTP, SLTA, masing-masing 2 eks.) |
| Bengkulu, Kalbar, Sulra, Maluku, NTB, NTT, Irja. | 1. Kwesioner Keadaan Pada Akhir Maret 1974 (SD, SLTP, SLTA) |

Demikianlah kami harapkan Saudara maklum adanya.

Atas perhatian dan bantuan Saudara kami ucapkan terima kasih.

DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN
BADAN PENGEMBANGAN PENDIDIKAN
Satgas Informasi Pengembangan
K e t u a ,

Soenardi Ronowisrojo

Tembusan:

1. Sekretaris Dit. PDPLB, PMU, PMK, & PGTT
2. Team Pengolah Data setempat.

DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN
BADAN PENGEMBANGAN PENDIDIKAN

T. LP. : 45699
54051

JALAN MENTENG RAYA 23
JAKARTA

No. : 2983/I

Lamp.: 1. Daftar Penerimaan kwesioner 1974;
2. Surat No.2555/I

Hal : Kwesioner Persekolahan 1974.

Jakarta, 25 Nopember 1974

Kepada

Yth. Sdr. Kepala Perwakilan
Departemen Pendidikan & Kebudayaan
Propinsi:

Dengan hormat,

Terlampir kami kirimkan "Daftar Penerimaan Kwesioner Persekolahan 1974, tanggal 1 Oktober s/d 15 Nopember 1974" dengan beberapa catatan sbb.:

1. Secara keseluruhan jumlah kwesioner yang diterima di Jakarta sampai dengan tanggal 15 Nopember 1974 masih kurang dari 40%, suatu kemunduran bila dibandingkan dengan tahun-tahun sebelumnya.
2. Dimohon supaya para Kepala Perwakilan setempat segera melengkapi kekurangannya yang dapat dilihat dalam daftar terlampir.
   Perlu diketahui bahwa kira-kira akhir Januari 1975 kami akan menyebarkan "Kwesioner Persekolahan Keadaan Pada Akhir Bulan Maret 1975".
3. Bagi Perwakilan yang belum menerima uang untuk penyebaran dan pengiriman kembali kwesioner 1974 akan kami kirimkan melalui poswisel dalam minggu ini juga.
4. Tentang pengolahan kwesioner 1974 mohon dilihat kembali surat kami nomor 2555/I tanggal 12 Oktober 1974 yang salinannya kami lampirkan lagi.

Atas bantuan dan kerja sama yang baik kami ucapkan terima kasih.

DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN
BADAN PENGEMBANGAN PENDIDIKAN
Satgas Informasi Pengembangan
K e t u a ,

Soenardi Ronowisrojo

Tembusan:
1. Sekretaris Dit. PDPLB, PMU, PNK & PGTT
2. Team Pengolah Data setempat.

DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN
BADAN PENGEMBANGAN PENDIDIKAN

TELP. 45699
54051

JALAN MENTENG RAYA 23
JAKARTA

No. : 2555/I.
Lamp. : ---
H a l : Pengolahan Data 1974

Jakarta, 12 Oktober 1974.

K e p a d a
Yth. Sdr. Kepala Perwakilan Dep. P dan K
Propinsi

Dengan hormat,

Mengingatkan kembali surat kami tanggal 19 September 1974 No.2336/I, tugas pengolahan data dari kwesioner "Keadaan Pada Akhir Maret 1974" adalah sebagai berikut :

| Gol. | Propinsi | Tugas Pengolahan |
|---|---|---|
| I. | Bengkulu, Kalbar, Sulteng. NTB, NTT, Maluku, Irian Jaya. | Pengolahan Data masih dilakukan di Jakarta. |
| II. | Jawa Barat, Jawa Tengah, Jawa Timur, Sulawesi Selatan Sumatra Utara | SD diolah di Jakarta. SLTP dan SLTA diolah oleh Perwakilan setempat. |
| III. | Aceh, Riau, Jambi, Sumbar, Sulsel, Lampung, DKI Jakarta Yogya, Kalim, Kalsel, Kalteng, Bali, Sulut, Sulteng. | SD, SLTP dan SLTA diolah oleh Perwakilan setempat. |

Biaya pengolahan data yang akan diberikan oleh Pusat Pengolahan Data hanya bersifat subsidi, besarnya biaya yang akan diberikan bergantung pada banyak kwesioner yang diolah, untuk tiap kwesioner ditetapkan Rp. 40,-.

Subsidi Pengolahan ini akan kami kirimkan setelah kami menerima tabel akhir. Kekurangan biaya mohon diusahakan oleh Perwakilan yang bersangkutan . Bila hasil pengolahan dari Perwakilan setempat cukup baik dan cepat, kami akan menambah subsidi pengolahan data kwesioner sekolah tahun-tahun berikutnya.

Surat ini hendaknya dianggap pula sebagai jawaban atas surat-surat yang kami terima mengenai permohonan biaya pengolahan data.

Atas perhatian serta kerja sama dari Saudara kami ucapkan terima kasih.

CATATAN : Meskipun Pengolahan sudah dilakukan di Perwakilan setempat, namun satu rangkap kwesioner tiap jenis sekolah harus dikirim ke Jakarta untuk arsip pusat.

DEPARTEMEN PENDIDIKAN DAN KEBUDAYAAN
Badan Pengembangan Pendidikan
Satgas Informasi Pengembangan
K e t u a ,

Soenardi Ronowisroyo.-

Tembusan :

1. Sekr. Dit. PDPLB, PMU, PMK & PGTT.
2. Team Pengolahan Data setempat.

DAFTAR PENERIMAAN KWESIONER PERSEKOLAHAN 1974
Tgl. 1 Oktober s/d Tgl. 15 Nopember 1974.

| No. | Propinsi | Kwesioner SD/TK | | | Kwes. SMP/SMA | | | Kwes. SMEP/SMEA | | | Kwes. SKKP/SKKA | | | Kwes.ST/STM | | | Kwes. SPG/PGSLP | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Jumlah | Yg.masuk SD | % | Jumlah | Yg.masuk | % | Jumlah | Yg.masuk | % | Jumlah | Yg.masuk | % | Jumlah | Yg.masuk | % | Jumlah | Yg.masuk | % |
| 1. | DKI Jaya | 2030 | - | - | 510 | - | - | 70 | - | - | 25 | 10/6 | 64 | 65 | - | - | 30 | - | - |
| 2. | Jabar | 10710 | - | - | 850 | - | - | 135 | - | - | 55 | 29/10 | 70 | 125 | - | - | 90 | - | - |
| 3. | Jateng | 16360 | 2125 | 13 | 1000 | - | - | 350 | - | - | 100 | - | - | 310 | 194/102 | 90 | 200 | - | - |
| 4. | D.I.Yogya | 2020 | 1416 | 76 | 350 | 209/- | 60 | 80 | - | - | 30 | - | - | 80 | - | - | 100 | - | - |
| 5. | Jatim | 12370 | 6841 | 55 | 1140 | 891/- | 78 | 160 | 56/63 | 75 | 80 | 47/12 | 73 | 245 | 162/82 | 100 | 90 | - | - |
| 6. | D.I.Aceh | 990 | 774 | 76 | 170 | -/36 | 21 | 35 | -/8 | 20 | 35 | 18/4 | 60 | 20 | 5/5 | 50 | 35 | - | - |
| 7. | Sumut | 4560 | 3995 | 88 | 670 | 486/106 | 88 | 90 | 41/30 | 80 | 55 | 29/15 | 80 | 100 | 47/46 | 93 | 55 | - | - |
| 8. | Sumbar | 2270 | 1991 | 88 | 190 | 101/40 | 74 | 40 | 17/10 | 67 | 30 | 13/5 | 60 | 55 | 34/17 | 93 | 45 | - | - |
| 9. | Riau | 1160 | - | - | 90 | - | - | 40 | 15/10 | 60 | 25 | 13/3 | 64 | 20 | - | - | 30 | - | - |
| 10. | Jambi | 660 | - | - | 65 | 35/- | 54 | 25 | 8/8 | 64 | 10 | 3/2 | 50 | 15 | 5/2 | 46 | 35 | - | - |
| 11. | Sumsel | 2120 | 1875 | 88 | 230 | - | - | 45 | 19/17 | 85 | 20 | - | - | 45 | 17/21 | 85 | 40 | - | - |
| 26. | Bengkulu | 390 | 345 | 88 | 55 | 30/8 | 69 | 20 | 8/- | 40 | 10 | 3/1 | 40 | 10 | 3/2 | - | 15 | - | - |
| 12. | Lampung | 1330 | - | - | 140 | 107/16 | 88 | 45 | - | - | 15 | 8/1 | 60 | 30 | -/8 | 30 | 40 | - | - |
| 13. | Kalbar | 1410 | - | - | 145 | -/18 | 12 | 20 | 7/7 | 70 | 15 | 7/3 | 66 | 15 | 5/3 | 53 | 45 | - | - |
| 14. | Kalteng | 1000 | - | - | 110 | 76/- | 69 | 30 | - | - | 10 | 3/2 | 50 | 10 | - | - | 30 | - | - |
| 15. | Kalsel | 1350 | 457 | 33 | 90 | 55/13 | 76 | 30 | 13/10 | 80 | 15 | 5/3 | 50 | 20 | 7/4 | 55 | 40 | - | - |
| 16. | Kaltim | 640 | - | - | 75 | 31/6 | 49 | 20 | - | - | 10 | - | - | 20 | 9/4 | 65 | 20 | - | - |
| 17. | Sulut | 1750 | - | - | 275 | -/32 | 12 | 85 | 28/- | 32 | 30 | 14/6 | 66 | 25 | - | - | 40 | - | - |
| 18. | Sulteng | 1170 | 353 | 30 | 155 | -/17 | 11 | 55 | 20/20 | 73 | 15 | 3/1 | 20 | 10 | 3/1 | 40 | 35 | - | - |
| 19. | Sulsel | 4600 | - | - | 270 | 158/- | 59 | 75 | 40/17 | 77 | 35 | 16/7 | 66 | 75 | - | - | 55 | - | - |
| 20. | Sulsera | 730 | - | - | 85 | 43/6 | 58 | 55 | 15/- | 30 | 20 | 6/1 | 35 | 10 | 6/3 | 90 | 30 | - | - |
| 21. | Maluku | 1360 | 1105 | 81 | 185 | 90/6 | 2 | 70 | - | - | 25 | 7/1 | 32 | 20 | - | - | 50 | - | - |
| 22. | Bali | 1350 | 1223 | 90 | 175 | 142/20 | 93 | 55 | 19/22 | 73 | 15 | - | - | 20 | 8/7 | 75 | 40 | - | - |
| 23. | N.T.B. | 1100 | 914 | 83 | 110 | 1/4 | 5 | 30 | 8/9 | 56 | 15 | 4/1 | 33 | 15 | 4/2 | 40 | 40 | - | - |
| 24. | N.T.T. | 2370 | 679 | 29 | 265 | 136/- | 51 | 90 | 53/17 | 77 | 25 | 14/3 | 68 | 25 | 15/5 | 80 | 40 | - | - |
| 25. | Irja | 1230 | - | - | 70 | -/9 | 13 | 25 | 10/4 | 56 | 20 | - | - | 25 | - | - | 40 | - | - |
| | INDONESIA | 77030 | 24093 | 31 | 7470 | 2928 | 39 | 1775 | 639 | 36 | 740 | 339 | 46 | 1410 | 838 | 59 | 1310 | - | - |

**Catatan:**

Jumlah kwesioner adalah yang dikirim dari Pusat.

BADAN PENGEMBANGAN PENDIDIKAN,
Satgas Informasi Pengembangan

**Appendix (2) - Discussion of Ford Foundation-sponsored Program in West Sumatera**

April 19, 197[illegible]

## EDUCATIONAL PLANNING AND MANAGEMENT AT THE PROVINCIAL LEVEL - FORD FOUNDATION INTEREST

There have been a series of discussions over the past few months with the senior staff of BPP and with the Governor and educational leaders in West Sumatra (used as a "case study" of the current situation with educational planning and management at the provincial level) on the next phase of Foundation support to educational development in Indonesia. The following notes are a brief summary of the conclusions of these discussions.

It has been proposed that the new Foundation grant in education should contain two major ingredients:

a). continuation of support to BPP in the field of foreign training to the doctoral level for both BPP staff members and for selected candidates from other institutions in Indonesia on BPP's recommendation; together with continued support in other areas (continuation of long-term consultant in educational research, provision of short-term consultants, funds for foreign study tours and for housing supplements);

b). support for two "pilot projects" in educational planning and management at the provincial level.

This summary deals exclusively with the latter.

The basic question throughout these discussions has been: what further assistance by the Foundation in the field of education would be the most effective contribution in the current and anticipated development situation in Indonesia over the next two or three years?

In seeking answers to this question, we have taken account not only of previous Foundation experience with support to educational development in Indonesia but also of the large-scale technical assistance to BPP now taking shape under the UNESCO/UNDP contract, and the prospects of very substantial capital assistance in education by IBRD and UNICEF.

We have concluded that the most useful complementary contribution by the Foundation would be in supporting the development of an effective educational planning and management capacity at the provincial level.

It has been agreed that this conclusion is fully consistent with the likely emphases on regional development - and on development management and implementation - as one of the main themes of Repelita II. Whatever the special problems of other sectors this emphasis is particularly important in education where progress depends essentially on the efficient local organization and management of "the delivery system", within the agreed confines of national education policy formulated by BPP for the Ministry.

Both Dr. Santoso and Dr. Setyadi have said that they agreed fully with this conclusion, and had no doubt of the urgent importance of strengthening planning and implementation capacity at the provincial level. BPP was already giving substantial attention to this problem in its domestic training and upgrading programs. But the institutional capacity for planning and management in education was either non-existent or very weak in all provinces. Foundation assistance, subject to the Minister's approval, in this field would be very welcome.

Since Foundation funds could not be available for all 26 Provinces, the questions that arose were: which Province or Provinces to select for a "pilot project" approach? What would be the program objectives? To whom in the Province would the proposed assistance be provided? What would the proposed assistance amount to? What would be the wider implications of such a program? How would it relate to BPP?

Foundation Grant Objectives

On the assumption that Foundation funds would be available to support the development of educational planning and management units in two selected provinces, the grant objectives would be three-fold:

a). to support the development of the planning and management system in Indonesia. That is, a clear and effective relationship between BPP and the two proposed provincial projects, as parts of an orderly hierarchy of planning and management functions, is the key to the success of this whole endeavour. We do not have in mind "independent" support to two Provinces, and certainly not to two IKIPs;

b). to demonstrate how an educational planning and management capacity might be most effectively organized, staffed, and "operational" as a permanent addition to the governmental structure at the provincial level;

c). to provide the basis in actual field experience for subsequent training programs in provincial education planning and management for the staffs required in this field in other provinces.

Proposed Organization of a Provincial Educational Planning and Management Unit.

One of the purposes of the program would be to explore in detail the most practical organization at the provincial level of these new educational planning and management units (under the constraints of minimum funding and minimum staffing commensurate with effective performance: these constraints are essential if the organization of these units is to be seen as a "model" capable of realistic replication in other provinces).

On the basis of preliminary discussions in West Sumatra and on the advice of BPP, the following "working conclusions" have been reached:

a). Location in government. The best location for the proposed educational planning unit would be as a permanent addition to the structure of the Perwakilan P dan K. and directly responsible to the Kepala.

b). Functions. The basis functions of the unit would be to provide systematic professional advice to the Kepala (and via him, at the provincial level, to the Governor and the Provincial Development Board) on the translation of national educational policy into provincial education plans and programs - and on the coordination of educational development in the province with development programming and implementation in other sectors. In more specific terms, the possible tasks of such a unit would be as follows:

1. to undertake and maintain an "educational inventory" kecamatan by kecamatan and to record this inventory on large-scale kecamatan maps;

2. to organize a continuous provincial education data system, short-range demographic projections, and a supporting educational research program;

3. to develop in detail (in coordination with both BPP and the Provincial Development Board) a five-year provincial education plan within the context of national education policy and targets;

4. to translate such a plan into specific phased programs, with detailed cost estimates;

5. to make recommendations for improvements in the provincial administration of education, and in the management of educational development programs; financing and

6. to design training and upgrading programs for provincial educational staffs in the field of educational planning and management;

7. to prepare, under the instruction of BPP, detailed programs for the most effective utilization within the province of foreign aid in education;

8. to prepare periodic evaluation reports on implementation progress in educational development for the Governor and for BPP.

It is not suggested that all these tasks be undertaken from the outset, or should have equal priority. It is merely a provisional list, seeking to define in broad terms the functions of the proposed new educational planning and management unit within the Perwakilan P dan K.

c). Staffing. It has been agreed that such an educational planning and management unit would require a multi-disciplinary staff of five or six full-time professionals covering the following skills.

- educational planning/systems analysis (team leader)
- economics of education
- educational management
- statistics/demography: educational research
- mapping and the local geography of education
- project appraisal and evaluation

These skills currently do not exist in the Perwakilan P dan K. Hence, in West Sumatra for example, this new full-time staff would need to be ( and could be) recruited from IKIP Padang and Andalas University.

Proposed Foundation Support

On the basis of these discussions in West Sumatra, it has been suggested that the following Foundation support would be required over a two year period:

| | |
|---|---|
| 1. Salary supplements for the professional staff | $12,000 |
| 2. Operational funds (surveys, mapping, special studies etc.) | 15,000 |
| 3. Equipment and supplies | 10,000 |
| 4. Working library on planning and management | 2,000 |
| 5. Staff training programs | 6,000 |
| Total | $45,000 |

On the approval of the Minister, this support would be provided directly to the Kepala Perwakilan P dan K to support the organization within the Perwakilan of the proposed new educational planning unit.

The Foundation would in addition provide to each of the two proposed projects an experienced consultant in educational planning and management. The consultant would have two main contributions to make: a) to advise and assist the staff of the educational planning unit on its agreed planning, research and implementation functions; and b) to help design and organize the subsequent training programs for the provincial government staff, and for the senior staffs from other provinces.

Selection of Provinces for the Proposed Two Projects

It has been suggested in the discussions that it would be desirable to choose two contrasting provincial development situations for this exploration of the best way of organizing, staffing and undertaking educational planning at the provincial level. In principle, it is proposed to select one province in Java and one province in the Outer Islands.

Since this is fundamentally a "demonstration" program, it has been agreed that, in the selection of the actual provinces, three basic criteria should be applied:

a). the Governor concerned should want the project, appreciate both its provincial and wider implications (particularly the key relationship with BPP), and be willing to give it his full support;

b). the Province should have the leadership and staff strength in "education"(and the ancillary skills that would be required) to make the investment of additional Foundation support effective in achieving the basic objectives of the project; i.e. the "demonstration" criterion;

c). the Province should be capable of developing the capacity (and be a suitable location) for subsequent training programs in educational planning and management, based directly on the experience gained, for the senior staffs of other provinces; i.e. the "training and dissemination criterion".

Subject to the Minister's approval, it is thought that the two best choices, on the basis of these criteria, would be East Java and West Sumatra.

Conclusion

On the basis of these conclusions (and those from other discussions on support to BPP) the proposed new Foundation grant in education would be as follows (over a two-year period):

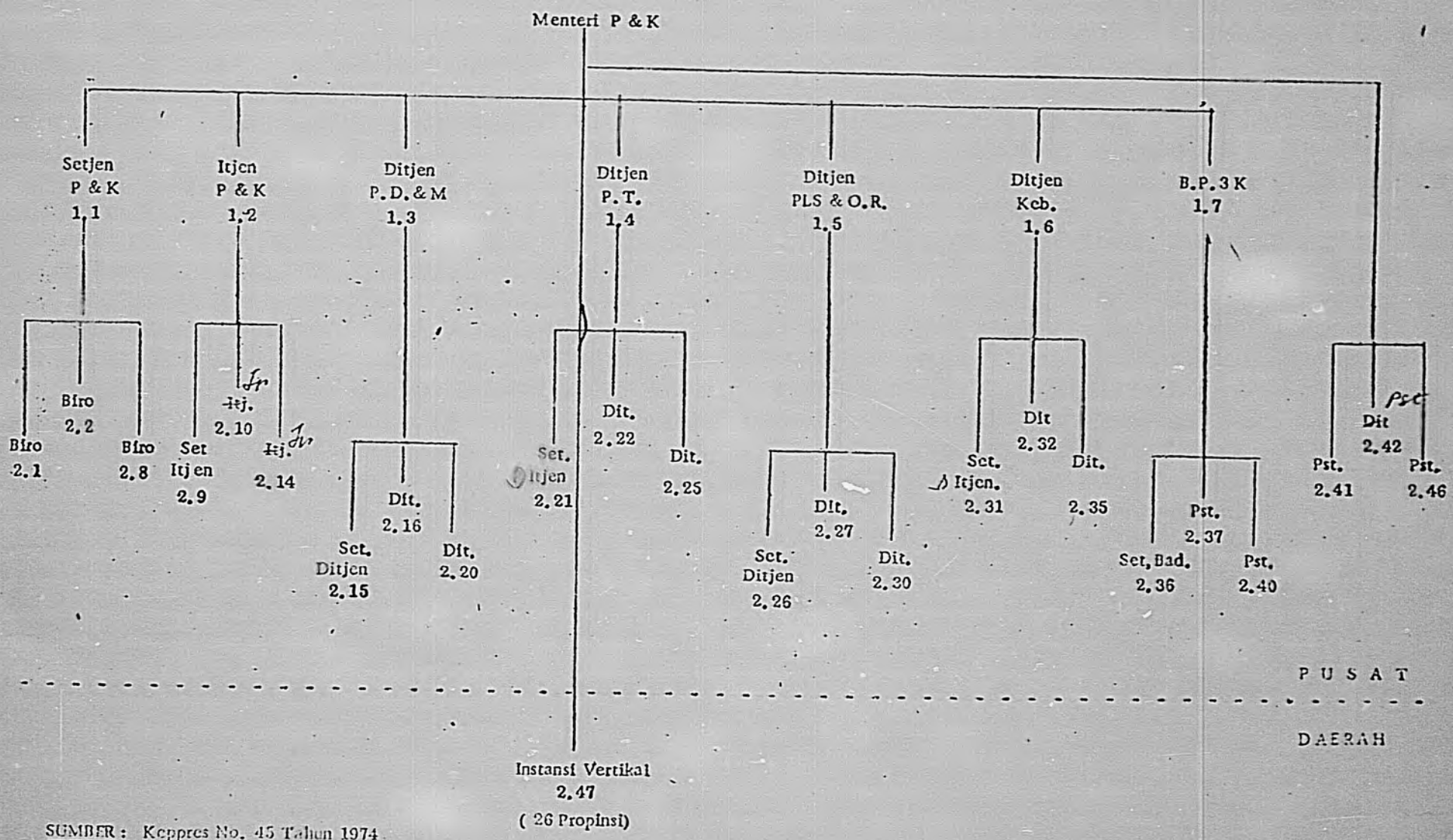
| | |
|---|---|
| 1. Foreign doctoral training for BPP staff, and for those recommended by BPP | $ 100,000 |
| 2. Housing supplements for BPP @ $6000 a year | 12,000 |
| 3. Short-term consultants for BPP | 20,000 |
| 4. Long-term consultant for BPP in educational research (one-man year) | 30,000 |
| 5. Two pilot projects in provincial educational planning and management (East Java $60,000 and West Sumatra $45,000) | 105,000 |
| 6. Two project specialists in provincial educational planning (three man-years) | 90,000 |
| 7. Foreign travel for study tours | 10,000 |
| Total | $ 372,000 |

Note: Only three man-years of project specialists are provided for the two proposed projects because it is expected that the present consultant in educational research (Dr. Hal Carpenter, whose extension for one year is provided for in the above budget) would be able to give a part of his time during this first year to assisting with the establishment of the first provincial educational planning project - particularly in the organization of the provincial data system in education.

Appendix (3) - Old and New Structure of BPK (PP)

SUSUNAN ORGANISASI DEPARTEMEN P dan K
YANG BARU

Untuk keperluan
Intern




SUMBER : Keppres No. 45 Tahun 1974
Lampiran 12
Tanggal 26 Agustus 1974

Satgas INFORMASI
1 - 9 - 1974.

NAMA-NAMA UNIT ESELON 1 DAN 2

1.1. Sekretariat Jendral P & K :
- 2.1. Biro Perencanaan;
- 2.2. Biro Kepegawaian;
- 2.3. Biro Keuangan;
- 2.4. Biro Perlengkapan;
- 2.5. Biro Organisasi;
- 2.6. Biro Hukum dan Hubungan Masyarakat;
- 2.7. Biro Kerja-sama Luar Negeri;
- 2.8. Biro Tata Usaha.

1.2. Inspektorat Jendral P & K :
- 2.9. Sekretariat Inspektorat Jendral;
- 2.10. Inspektur Kepegawaian;
- 2.11. Inspektur Keuangan;
- 2.12. Inspektur Perlengkapan;
- 2.13. Inspektur Tugas Umum;
- 2.14. Inspektur Proyek Pembangunan.

1.3. Direktorat Jendral Pendidikan Dasar dan Menengah:
- 2.15. Sekretariat Direktorat Jendral;
- 2.16. Direktorat Pendidikan Dasar;
- 2.17. Direktorat Pendidikan Menengah Umum;
- 2.18. Direktorat Pendidikan Menengah Kejuruan;
- 2.19. Direktorat Pendidikan Guru dan Tenaga Teknis;
- 2.20. Direktorat Sarana Pendidikan.

1.4. Direktorat Jendral Pendidikan Tinggi:
- 2.21. Sekretariat Direktorat Jendral;
- 2.22. Direktorat Pembinaan Sarana Akademis;
- 2.23. Direktorat Pembinaan, Penelitian dan Pengabdian Masyarakat;
- 2.24. Direktorat Perguruan Tinggi Swasta;
- 2.25. Direktorat Kemahasiswaan.

1.5. Direktorat Jendral Pendidikan Luar Sekolah dan Olah Raga :
- 2.26. Sekretariat Direktorat Jendral;
- 2.27. Direktorat Pendidikan Masyarakat;
- 2.28. Direktorat Keolahragaan;
- 2.29. Direktorat Pembinaan Generasi Muda;
- 2.30. Direktorat Pendidikan Tenaga Teknis.

1.6. Direktorat Jendral Kebudayaan :
- 2.31. Sekretariat Direktorat Jendral;
- 2.32. Direktorat Pembinaan Kesenian;
- 2.33. Direktorat Pengembangan Kesenian;
- 2.34. Direktorat Museum;
- 2.35. Direktorat Sejarah dan Purbakala.

1.7. Badan Penelitian dan Pengembangan Pendidikan dan Kebudayaan: (BP>4)
- 2.36. Sekretariat Badan;
- 2.37. Pusat Penelitian Pendidikan dan Kebudayaan; -
- 2.38. Pusat Pengembangan Kurikulum dan Sarana Pendidikan dan Kebudayaan;
- 2.39. Pusat Pengolahan-Data, Statistik, dan Konsepsi;
- 2.40. Pusat Pengembangan Inovasi dan Teknologi Pendidikan.

---

Pusat terdiri dari :
- 2.41. Pusat Pendidikan dan Latihan Pegawai;
- 2.42. Pusat Pembinaan Perpustakaan;
- 2.43. Pusat Kesegaran Jasmani dan Rekreasi;
- 2.44. Pusat Pembinaan dan Pengembangan Bahasa;
- 2.45. Pusat Penelitian Purbakala dan Peninggalan Nasional;
- 2.46. Pusat Penelitian Sejarah dan Budaya.

---

Instansi Vertikal terdiri dari :
- 2.47. Kantor Wilayah Departemen Pendidikan dan Kebudayaan di wilayah (26 propinsi).

SUSUNAN ORGANISASI DEP. P dan K
YANG LAMA

Untuk keperluan
Intern.

MENTERI P dan K

- Setjen P & K 1.1
  - Biro 2.2
  - Biro 2.4
  - Biro 2.6
  - Biro 2.1
  - Biro 2.3
  - Biro 2.5
  - Biro 2.7
- BPP 1.2
  - Deput 2.9
  - Deput 2.11
  - Satgas 2.13
  - Satgas 2.15
  - Satgas 2.17
  - Set. BPP 2.8
  - Deput 2.10
  - Satgas 2.12
  - Satgas 2.14
  - Satgas 2.16
- Itjen 1.3
  - It. 2.19
  - It. 2.21
  - It. 2.18
  - It. 2.20
  - T.U 2.22
- Ditjen Pend. 1.4
  - Dit. 2.24
  - Dit 2.26
  - Dit. 2.23
  - Set Ditjen 2.23
  - Dit. 2.25
  - Dit. 2.27
  - Dit. 2.29
- Ditjen Keb. 1.5
  - Dit. 2.31
  - Dit. 2.33
  - Lemb. 2.35
  - Lemb. 2.37
  - Set. Ditjen 2.30
  - Dit 2.32
  - Lemb. 2.34
  - Lemb. 2.36
- Ditjen O.R. & P 1.6
  - Dit. 2.39
  - Dit 2.41
  - Dit 2.43
  - Lemb. 2.45
  - Set. Ditjen 2.38
  - Dit. 2.40
  - Dit. 2.42
  - Dit. 2.44
  - Lemb. 2.46

P U S A T

D A E R A H

Perwakilan P & K
2.47
( 26 Propinsi)

Sumber:

1. SKM No. 141/1969 dan No. 142/1969
2. Laporan Kegiatan BPP 1973 - 1974

Satgas INFORMASI
14 - 9 - 1974

NAMA-NAMA UNIT ESELON 1 DAN 2

1.1. Sekretariat Jendral P & K :
- 2.1. Biro Organisasi dan Operasi;
- 2.2. Biro Menteri;
- 2.3. Biro Personalia;
- 2.4. Biro Keuangan;
- 2.5. Biro Materiil;
- 2.6. Biro Tata Usaha;
- 2.7. Biro Hubungan Luar Negeri;
- 2.8.

1.2. Badan Pengembangan Pendidikan :
- 2.8. Sekretaris/Wakil Ketua BPP;
- 2.9. Deputy Bidang Penilaian;
- 2.10. Deputy Bidang Informasi;
- 2.11. Deputy Bidang Pengembangan;
- 2.12. Satgas Koordinasi Penelitian;
- 2.13. Satgas Evaluasi;
- 2.14. Satgas Informasi Pengembangan;
- 2.15. Satgas Pembinaan Bantuan Luar Negeri;
- 2.16. Satgas Eksperimen;
- 2.17. Satgas Koordinasi Pengembangan.

1.3. Inspektorat Jendral P & K :
- 2.18. Inspektorat-Inspektorat bidang Proyek-Proyek;
- 2.19. Inspektorat Bidang Personalia;
- 2.20. Inspektorat Bidang Materiil dan Keuangan;
- 2.21. Inspektorat Bidang Organisasi Metoda;
- 2.22. Bagian Tata Usaha Inspektorat Jendral;

1.4. Direktorat Jendral Pendidikan :
- 2.23. Sekretariat Direktorat Jendral;
- 2.24. Direktorat Pendidikan Dasar, Prasekolah dan Pendidikan Luar Biasa;
- 2.25. Direktorat Pendidikan Menengah Umum;
- 2.26. Direktorat Pendidikan Menengah Kejuruan;
- 2.27. Direktorat Pendidikan Guru dan Tenaga Teknis;
- 2.28. Direktorat Pendidikan Tinggi;
- 2.29. Direktorat Khusus.

1.5. Direktorat Jendral Kebudayaan :
- 2.30. Sekretariat Direktorat Jendral;
- 2.31. Direktorat Kesenian;
- 2.32. Direktorat Pendidikan Kesenian;
- 2.33. Direktorat Museum;
- 2.34. Lembaga Bahasa Nasional;
- 2.35. Lembaga Sejarah dan Antropologi;
- 2.36. Lembaga Purbakala dan Peninggalan Nasional;
- 2.37. Lembaga Musikologi dan Koreografi.

1.6. Direktorat Jendral Olahraga dan Pemuda :
- 2.38. Sekretariat Direktorat Jendral;
- 2.39. Direktorat Olah Raga Pendidikan;
- 2.40. Direktorat Keolah Ragaan;
- 2.41. Direktorat Kepemudaan;
- 2.42. Direktorat Pendidikan Masyarakat;
- 2.43. Direktorat Pendidikan dan Penataran;
- 2.44. Direktorat Khusus;
- 2.45. Lembaga Penelitian Kesegaran Jasmani;
- 2.46. Lembaga Penelitian dan Pengembangan Sarana;

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2.47. Perwakilan Departemen P dan K (26 propinsi).

Appendix (4) - UNESCO/UNDP Analysis of Indonesian Educational System

# ANALYSIS OF THE INDONESIAN EDUCATIONAL SYSTEM

## PREPARATIONS OF TERMS OF REFERENCE FOR CONTRACTS

Ph. Duchene, G. Massiah

(summary and translation unofficial)

The terms of reference were for M Duchene and M. Massiah to prepare terms of reference for two sub-contracts (i.e. VI and VII of project INS/536). These sub-projects are concerned with the collection, processing, distribution of information on the educational system at central and regional level.

Part I of the paper is a diagnosis of the structure, methods, actual planning techniques, development, management, acquisition and processing of educational data. This section is entirely descriptive.

Part II is an analysis of priorities concerning responsibilities for planning and development of educational system, defining by function(1) tasks of an urgent nature; (2) tasks necessary to prepare a more coherent system; and (3) tasks to ensure and complete coherence. Individual tasks are then regrouped into programs of work, each program composed of several steps and sub-programs. These are recapitulated in a table showing magnitudes of time and areas where consultant or other special services may be required, and the foreign exchange component of these contracts. These are presented in both tabular and narrative form. The nine main areas identified are: administration, curriculum, school year, functional budgets, school statistics, educational statistics, preparation of the development budget, educational planning and R&D studies.

A brief summary of the programs is given below in the following order: number of project, name of project, duration in months, necessary preliminary action, contractor, foreign exchange component of contract, and observations.

A: Construction of a Coherent Information Base

A1. Establishment of a 'school file'; 6 months; nil; Statistical unit of BPP; $60,000; does not include 'ordinateur' costs.

A2. Collection of complementary information; 6 months; A1; Statistical Unit of BPP or expert; $25,000; does not include costs of questionnaires

A3. Use of the first information base for planning studies; 6 months; A1 & A2; BPP or expert; $60,000; nil

A4. Preparation of a general census of educational ; 6 months; nil; expert at BPP or BPS; no estimate of funds; nil.

B1. B. Organisation of Statistical Units and Regional Planning

B1. Studies and Decisions on generalisations about the BPPD; 2months; none; BPP or experts; $12,000; decision from Ministry P&K;

B2. Standardisation of school reports; 4 months; nil; BPP; $50,000; in collaboration with SekJen, Irjen

B3. Establishment of a program of work for the BPPD; 4 months; B1, B2; BPP; $20,000; nil.

B4. Complementary training of regional personnel; 12 months together with B5 and B6; B1; BPP in collaboration with contractor and expert; $60,000; if defined ~~fxxx~~ by contractor, programs and manuals for training.

B5. Organisation of collection of external documents by the BPPD; other details same as for B4;

B6. Regional Planning and Programming: other details same as for B4.

C: System of Financing Education

C1: Research on better understanding of school expenditures and budgets; 6 months; A1; BPP or expert; $36,000; excluding cost of questionnairnes

C2: Establishment of a permanent system of collection of financial statistics; 6 months; A1; BPP and SekGen or expert; $185,000; in cooperation with the Ministry of Finance

C3: Study and evaluation of general policies on education; 6 months; C1, C2; BPP and Min. Edn, or expert; if contractor, $4000.

C4: Annual budget system (recurrent expenditures); 12 months; C2, D3; local contractor; $200,000 (together with C5; nil.

C5: Preparation system for development budgets; 12months; B6 and C2; local contractor, BPP, SekGen, DirJen; $200,000 together with C4. none.

D: General Study on Procedures and Information Flows on Management

D1; System of collection of management information; 3 months; nil; SekGen; $40,000 same contractor for all of program D; these studies are interesting only if there is if their implmentation is foreseen.

D2: Analysis of the personnel management system; 3 months; D1; SekGen; $100,000 together with D4 and D5; as above

D3: Analysis of the actual system of financial management; 3 months; D1,C2; as above

D4: Analysis of the actual system of management of school material and equipment; 3 months; D1; as above

D5: Analysis of the actual management system: 3 months; D1; as above

D6: Conclusions on analyses of management systems; 3 months D1 to D5; SekGen, DirJen, BPP; $40,000; as above

E: Implementation of Management Files and Procedures

E1: Definition of procedures and new flows; 3 months; D6; SekGen, DirJen and BPP in common; $500,000; as for D.

E2: Implementation of regional files and corresponding procedures; 12months; E1; as above;

E3: Implementation of national files and corresponding procedures; 6 months; E2; as above.

F: Implementation of a System for the Construction of New Schools

F1: Evaluation of aprogram of construction: 6 months; A3; BPP or expert; $36,000; Decision by Ministry prepared by BPP, SekGen and Dirjen.

F2: Creation of a 'School Construction Service'; 12months; F1 and D5; contractor and unit of BPP) $30,000; as above

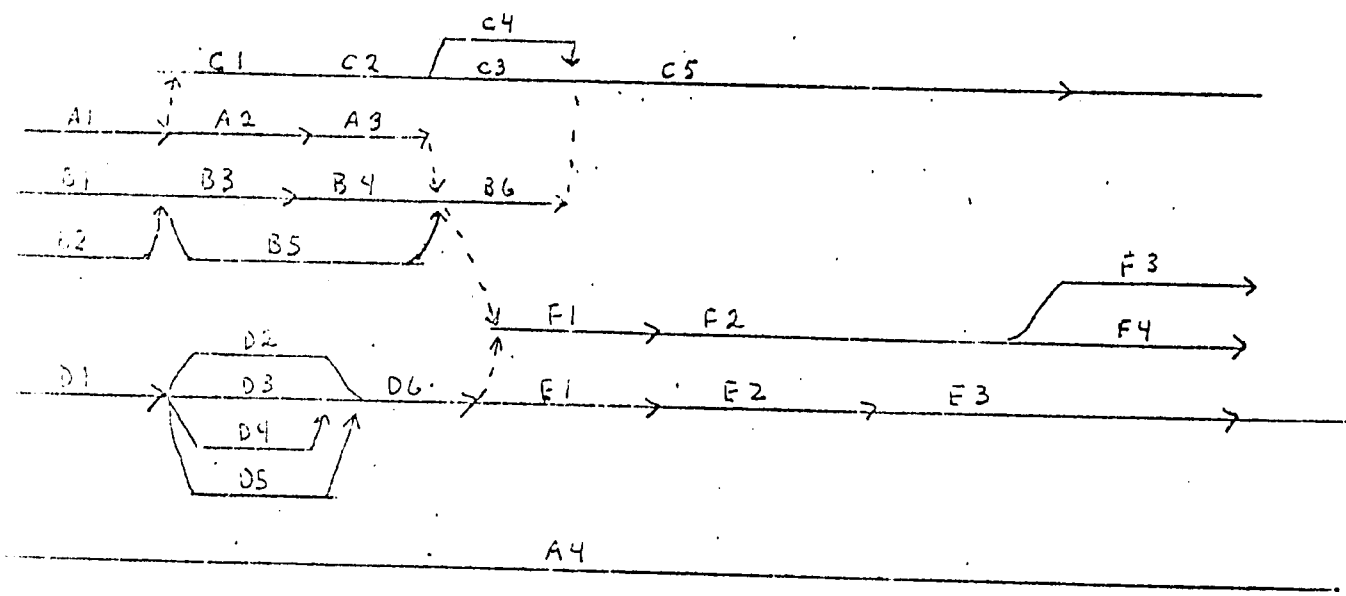
F3: Definition of group of norms for school construction; 12 months; F2; contractor and unit of BPP; $100,000; as above

F4: Control procedures for school construction; 4 months; F2; contractor with BPP unit; $20,000; as above

G: Defining a Complete Education System

(No activities listed).

GRAPH OF INTERACTIONS OF PROGRAMS A to F



Appendix (5) - Memo: Sub-study Employment Experience of School Leavers

THE AUSTRALIAN NATIONAL UNIVERSITY

MEMORANDUM

FROM Ruth Daroesman
Dept of Economics, RSPS

REFERENCE

TO Mr Walter Bollinger
AID, Jakarta

DATE 25 February, 1975

Educational Finance Project
Sub-Study on Employment Experience of School Leavers; Response to Comments

I. There are a number of points about the inclusion of the Employment Experience Sub-study in the Educational Finance Project which should perhaps be spelt out in more detail than has been done in the draft of the Project Paper:

1. Unemployment, especially of the educated, is one of the most crucial issues facing Indonesia and most other developing countries today.

2. There is a widespread feeling that the high rates of unemployment, especially among those with secondary and higher education, are partly attributable to the rapid expansion of the educational system and that they differ according to the level and types of schooling, so that some writers have advocated a slowing down of educational expansion while others recommend considerable changes in the pattern of such expansion.

3. On the other hand, Indonesia is endeavouring to extend its educational system under its Second Five Year Plan to many more of its school aged population than it now serves, and that it is reasonable to expect that this concern on the part of the government, and demand on the part of the people, will continue and probably increase during the Third Five Year Plan period.

4. In the absence of more information about the employment prospects of graduates from various types of schools, decisions on school expansion taking account of such employment prospects will be based on untested general impressions and that these may have serious long-term consequences which may be difficult to reverse.

5. Any such decisions will have a great influence on the pattern of educational finance so that any new arrangements for educational finance must take account of this relationship; hence it will be useful to include a study providing some preliminary information about the employment experiences of students according to the type of schools they attended in the Educational Finance Project.

.../2

II. Some of the advantages of including the employment experience sub-study into the research activities to be undertaken in this and the next year may also be spelt out:

1. The employment implications of various types of schools will be available to policy makers at the same time that the first rounds of aggregate data on costs of establishment and operation of these schools become available.

2. The lead-in time to provide data necessary for better financial decisions for the Third Five Year Plan is already short - an immediate beginning should be made if these data are to be available then.

3. That the BPP, the regional Proppida and cooperating IKIP and other University Faculties and Yayasan will be so involved in the proposed study and improve their own research capability for policy oriented research in this field will be so improved that they will then be able to continue the more intensive studies that will be necessary in the future.

III. The questions which have been asked about the project have been largely concerned with its feasibility in terms of size and cost, in tracing such a large sample of respondents in a longitudinal study, and whether the sub study can be managed within the personnel resources likely to be available in the proposed project.

1. The size of the sample.

(a) The study is concerned with school leavers at three levels (or four if IKIP are included) and <u>not</u> for primary graduates only (as mentioned on page 4 of the PRP).

(b) Taking into account the number of variables to be covered, there would need to be about 150 schools included. A very preliminary statement on the numbers and types and categories of schools is given below; this is merely indicative of the type and quality of the schools that have to be chosen and not a final decision on numbers, places or criteria, which could only be made after intensive discussion and consultation with central and regional educational officials in Indonesia. At least two and possibly three categories for each type and level of school would be chosen, on a judgement sample, to represent high and average (and possibly low) quality. Quality categories will be chosen on some scale of conventional quality indicators (per pupil expenditure, high ratios of qualified trachers, good physical facilities and equipment, low pupil teacher ratios, high exam pass

.../3

rates, for example) and also on some other quality indicators, such as degree of community participation, employer contact, intensity of use of equipment by students, practical experience of teachers, etc.). Some provision will also be made for non-school indicators affecting employment (ethnic, social and economic status, etc.).

| Region | SD | (Madr?) | SLP | | | (Sec. Relig?) | SLA | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | SMP | ST | SMEP | | SMA | STM | SMEA | SPG | IKIP |
| Java | | | | | | | | | | | |
| Large city 1 | P p | (Mm) | Gg | Tt | Cc | (Rg) | Gg | Tt | Cc | Nn | Ii |
| 2 | P p | (Mm) | Gg | Tt | Cc | (Rg) | Gg | Tt | Cc | Nn | Ii |
| Medium town 1 | P p | | Gg | Tt | Cc | | Gg | Tt | Cc | Nn | |
| 2 | P p | (Mm) | Gg | Tt | Cc | | Gg | Tt | Cc | Nn | |
| 3 | P p | | Gg | Tt | Cc | | Gg | Tt | Cc | Nn | |
| Rural area | P p | (Mm) | - | - | - | (Rg) | - | - | - | - | |
| Sumatra | | | | | | | | | | | |
| City | P p | | Gg | Tt | Cc | | Gg | Tt | Cc | Nn | Ii |
| Rural area | P p | (Mm) | - | - | - | | - | - | - | - | |
| Sulawesi | | | | | | | | | | | |
| City | P p | | Gg | Tt | Cc | (Rg) | Gg | Tt | Cc | Nn | Ii |
| Rural area | P p | (Mm) | - | - | - | | - | - | - | - | |
| Total | 32 | (12) | 42 | | | (8) | 64 | | | | |

(G,T,C,N, p = high quality schools; g,t,c,n,p = average schools)

(c) If we assume that the average size of grade 6 in primary schools is 20, and that average size of the final grade of secondary schools is 35, and that there are on average two classes in the final grade of an average secondary school, we arrive at a sample size of 9,500 students. This estimate may possibly be excessive, since schools in outer islands tend to be smaller than those in Java, and schools in smaller towns smaller than those in large cities. However, it is easier to take a sub-sample at a later point, should it prove desirable and where it would not affect the representativeness of the sample, than it would be to try to increase the sample at a later point. I therefore feel that it is better to maintain the larger estimate at the start. It should be remembered, however, that the number of schools is the crucial point and the number of respondents simply reflects our best ideas of the numbers of students to be found in the final year, according to the 1971 BPP data.

(d) In the first year, the interviews are to be conducted in the school and may even be self-administered, except

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for a sub-sample for which home interviews will be conducted. The cost in terms of interviewers in the first year will therefore not be excessive.

(e) In the second and third years, the sample size will decrease automatically, since this sub-study is interested primarily in those who are economically active. Those becoming economically inactive (girls marrying and starting families, those continuing school and those inactive for other reasons) will require only minimal checking and need not be intensively interviewed; in many cases this minimal information could come from the respondent's family.

2. Tracing a Longitudinal Sample. For studying the employment experience of graduates and especially the relationship with the type of school they attended, longitudinal studies have an enormous advantage over cross-sectional studies. Longitudinal studies are, of course, much more difficult than cross-sectional studies, but the resources available in BPP and other educational agencies are, in my judgement, particularly favourable for the setting up and carrying through of a longitudinal study. As mentioned in my original Draft paper, a small survey to test the possibility of tracing students was carried out in 1973 in Java. Primary and secondary schools gave addresses from their school records for students who had graduated the previous year (i.e. 12 months previous to the pilot study). Nearly 80 per cent of students from secondary schools were traced and basic data (whether at school, employed, where resident if not with family) was obtained from the student or from his family. Most of the school records dated from admission (and were thus four years old at the time of the pilot survey). At primary level, only about 65 per cent of urban students were traceable because most schools only had addresses from grade 1 registration, and records were thus 7 years old when the pilot survey was conducted. In the few schools which had addresses taken at the beginning of grade 6, nearly 85 per cent were traced - only one call was made in each case and no further attempt was made to trace the student. In rural areas, there was no difficulty of tracing families of primary 6 students (over 95 per cent) one year after graduation, although about 12 per cent of the students were attending school in neighbouring towns. These results would seem to indicate that, if addresses were taken toward the end of the final year of each cycle, there would be a high chance of tracing students one year later. Some difficulty and additional cost in interviewing could occur where there was high dispersal of students to many different towns or cities; but this was not found to be the case in the pilot survey. Since our interest is basically whether the student goes on to the next cycle, becomes otherwise economically inactive, or goes to work or looks for work unsuccessfully, the family is likely to be able to give at least this basic information for a high proportion of those who have left the original place of residence.

.../5

3. It has also been questioned whether the sub-study can be carried out within the proposed budget limitations.

   (a) All the schools included in this sub-study will already be included in, and intensively studied as a part of the sub-studies on school operations, on admissions, on allocations, and on teachers. Thus the costs attributable to the employment experience sub-study will be minimal. The full sample of schools will also provide a valuable background and context for this sub-study; this contextual framework would be missing if this sub-study were to be conducted separately, outside the framework of the educational finance study.

   (b) The costs of interviews in the first year will be largely the cost of preparing, distributing, collecting and processing the questionnaires; only a sub-sample will have additional home interviews.

   (c) Most of the costs of interviewers and coders and local travel are costs undertaken by BPP as part of their counterpart funds. Mrs Widodo at BPP has prepared a budget covering interviewers and coders and questionnaires and local travel. The AID funds are only supplementary to these, and to cover costs of processing, computer time, and some travel by the consultant staff.

   (d) During my work with the Singapore National Household Survey in 1966, we developed a number of innovations which resulted in significant savings in coding and card punching. For example, a questionnaire which in conventional design would require 210 columns or 3 cards, was redesigned to fit on a single card without any loss of data, and other innovations were developed to link household to individual information and vice versa (these could be used to link individual to school data and vice versa). See R. Daroesman, Report No. 2, Administrative Report, Singapore Sample Household Survey 1966, Economic Research Centre, University of Singapore, 1967, pp. 25-27.

4. Including the Employment Experience sub-study in the Educational Finance Project will naturally extend the already wide scope of the Educational Finance Project. I believe that this is in fact one of the strengths of the Project: it will provide data and analysis on the many aspects of education that have to be taken into account in improving financial arrangements and policies. Furthermore, this sub-study will provide a base for more intensive research which can be carried out by Indonesian institutions even after this project has terminated. The point at issue

here seems to be whether this sub-study can be managed by those in charge of the project. Based on my discussions with the official agencies, the IKIP, the Yayasan and university faculties, I personally feel assured that it can be done. The interest indicated by a number of educational foundations and agencies indicate that some of them will be willing to undertake some parts of this sub-study on their own account, or that they will contribute toward the management, as well as the expense, of such a program. These include provincial agencies, private educational foundations and institutions of higher education.

Appendix (6) - Letters relating to Australian National University Interest in Cooperating with BP3K

THE AUSTRALIAN NATIONAL UNIVERSITY

Education Research Unit

THE RESEARCH SCHOOL OF SOCIAL SCIENCES

BOX 4 P.O. CANBERRA A.C.T. 2600 TEL. 49-5111

Telegrams: "Natuniv" Canberra

IN REPLY PLEASE QUOTE:

REF. No.

26 November 1974

Mrs R. Daroesman,
C/o Australian Embassy,
JAKARTA INDONESIA

Dear Ruth,

We had a meeting with Phillip Hughes, Head of Teacher Education at Canberra College of Advanced Education last Thursday and he confirmed his considerable interest in participating in a scheme for the training of Indonesian eductionists in Australia. It looks as if there could be a joint ANU/CCAE scheme. The CCAE has a fairly wide range of specifically educational offerings to complement our strength in social science. I thought it would be useful if I outlined to you the rough shape of a plan now in case you wish to obtain reactions to it before returning to Australia next month.

Phillip agreed with our own preference for a major emphasis on non-degree studies and also our own expectation that the duration of this might be nearer twelve months than three. Furthermore, it does appear that the CCAE degree, Master of Education (Administration), might be appropriate for those students wishing a degree programme. The degree comprises a first year in which four units are taken and one of these units may be a project; this is followed by a mini thesis in the 2nd year, generally written while the student is working part or full time. There appears to be a great deal of flexibility in the degree structure and it seemed possible that, for example, a student who worked on a problem with us could use a report on that for one of his first-year units. I think it might be possible for a student who embarked on non-degree studies to convert to the Masters Degree with credit for work already done.

There will also be a Masters Degree available in the Institute soon and it may be possible to use this.

We both felt that a programme should be supported by a management committee with representatives of the principal participants and perhaps with a well-known figure (persona grata) with the Governments as chairman. It also seemed desirable that there should be a staff member who could devote a substantial amount of his time to organising the students' courses and taking some pastoral responsibility.

We are aware that if anything is to come of this a good deal of entrepreneurial work may be required, not only in planning the courses but in making sure that there is adequate finance. How do you envisage the thing getting started? Will the first formal step be a letter from the Ministry to ANU?

Looking forward to talking with you next month,

Yours sincerely,

D. S. Anderson

per Din Shaw.

Education Research Unit
THE RESEARCH SCHOOL OF SOCIAL SCIENCES

REPLY PLEASE QUOTE:
REF No.

14 November 1974

Mrs R. Daroesman,
C/o Australian Embassy,
JAKARTA INDONESIA

Dear Ruth,

I have reported to my senior colleagues in the Unit the outcome of the two days I spent in Jakarta.

We are hopeful that a scheme might be developed whereby we can contribute to the training needs of education planners in Indonesia. However, we realise that there is a lot of water to flow under the bridge as yet. What we would like is to have a session with you as soon as convenient after your return. By then you will be able to fill in a lot more detail about the particular needs, comment further on whether the strategy which emphasises non-degree courses is likely to be acceptable, and hopefully on financing arrangements. By then I will have talked with Phillip Hughes and should be able to relate the resources available from ANU and CCAE to any further report you have on training needs.

It will also be important to have some idea of timing. Moegiardo mentioned March next year I think. This is quite unrealistic from our point of view and I should think theirs. Perhaps the middle of 1975 would be possible, providing the necessary people will be available in Canberra at that time. One problem is that Chris Selby Smith will be going on sabbatical for a year from the end of 1975 and I suspect he may be a key figure in the operation.

We had some discussion about the duration of the training period and whether a non-degree course would be acceptable. Most of us feel that three months would be too short a period, except in the event of a student who had a precisely defined problem and all the prerequsite skills. We also wondered whether there will be pressure from students, if not from other departments, for a formal qualification. If this is the case we may be able to negotiate with CCAE to recognise project work done at ANU as part of the requirements for its Masters degree in Education Administration. Alternatively, we could see if the ANU M.A. could be used but this last suggestion would require a good deal of committee work in the University in order to get the proposal approved.

If the scheme is to work effectively careful attention will have to be paid to coordination of the students' training experiences and possibly also to their pastoral needs. Ideally, therefore, there should be a part-time or even full-time person appointed to look after this. Where funds

for this would come from I have no idea at present. It would also be desirable for some of the major participants from our end to become familiar with the situation in Indonesia and it would therefore be desirable for someone like Chris to make a visit. Again we will have to find a source of funding for this.

In the long run, experience in helping train Indonesians would probably lead us to undertake some research in Indonesia and there is quite a good deal of enthusiasm for this, although for the next year or so we are pretty heavily committed for work in Australia.

Thanks again for your help while I was in Jakarta. I have paid $64 in to your CTB account and will let you have the details when you return.

With best regards,

Yours sincerely,

Don

D. S. Anderson

## LABOUR FORCE AND EMPLOYMENT


Kertas Kerja Workshop Tenaga Kerja, Tjiloto, Dec 1971, BPP pp 123.

Kesesuaian Antara Sistem Pendidikan Indonesia Dengan Sektor2 Tenaga Kerja, Suatu Usul oPenelitian di Delapan Propinsi. BPP Jan 1973, pp. 24

The Fi Between the Indonesian Education System and the Manpower Sectors, a Proposal for an Eight Province Study. BPP Jan 1973.

Memo on Manpower Projections and Pessimism Regarding Employment Opportunities for Graduates of Secondary and Higher Education Memorandum Aug 1972, pp. 9

Beberapa Kesimpulan Sementara Tentang Pendidikan Untuk Pembinaan Tenaga Kerja. McVoy and Setiyadi. Proceedings ITB, 1971, pp 7.

Educated Youth in West Sumatra, a Case Study. H. Carpenter. Proppipda, Padang, no date (1974) pp. 30.

Employment by Major Sector of Economic Activity, B. Pangerapan Jakarta Feb. 1970, pp. 5.

Some Facts on Recent Developments in the Field of Education and Manpower, 1967. Unesco Regional Office for Education, Bangkok, Jan. 1968.

Vocational Guidance and Assistance in Obtaining Employment. B. Pangerapan, draft of Ecafe paper, Jakarta June 1973.

Memo on Comments on Preliminary Planning Results in the Education Sector. Feb. 6, 1973, pp 13.

Memo on the Implications of the Census Results for Educational Planning, Aug. 14, 1972, pp. 5

Laporan Hasil Penelitian Tentang Pengangguran diKalangan Tenaga Muda Terdidik di Jakarta, 1972. Nov. 1972, Task Force on under Kombang Harahap. pp. 70

Penilaian Persediaan dan Permintaan Tenaga Kerja Dalam Hubungan Dengan Pendidikan dan Latihan, Laporan Tingkat Dua, PPNP, March 1972 pp. 215.

Aspek2 Kebutuhan dan Persediaan Tenaga Kerja Suatu Dasar Pemikiran Untuk Pendidikan, PPNP June 1970, pp 45.


(The above refer only to studies done in or for the Department of Education; in addition, there are relevant statistical studies in the Susenas Surveys, the 1971 Census, the Unemployment Study in Major Cities of Java, and numerous analyses of links between education and employment in ILO, Ecafe, and other international journals, and in BIES and Ekonomi dan Keuangan Indonesia and in Prisma, as well as a number of minor and major theses in Indonesian and western universities.)

# APPENDIX

## STUDIES DONE

The attached list is confined to studies done by and for the Department of Education; it does not include numerous studies on the same topics done by foreign research students, or by Indonesian scholars in IKIP and universities, or articles published in economics or education journals, Indonesian or western.

## TEACHERS

Guru Dalam Administrasi Sekolah Pembangunan. Ametembun, Bandung, 1973, pp. 192.

The Quantity and Quality of Teachers in Indonesia: An Assessment, 1966-71. Winarno Surachmad and Murray Thomas, BPP 1972, pp 57.

Quantitative Factors Affecting the Supply of Qualified Teachers: W. Toisuta ;(PhD thesis, Macquarie University, 1973.

Notes on Pre Investment Study of Integrated Seacher Training Waskito, BPP Dec 1974, pp. 4.

Profesionalisasi PGRI, Risalah & Keputusan Kongres PGRI keXII, Nov 1973, Jakarta, 1974, pp. 224.

## SCHOOL FINANCIAL OPERATION
## (SPP, BP3 etc.)


Keputusan Menteri P&K 0192 1971 Tentang Tata Tjara Pemungutan Penggunaan dan Pengawasan Dalam engelolaa Sumbangan Pembinaan Pendidikan. Pamphlet ;pp. 33.

Peraturan Tentang Panitia Pembantu Pemilihara Sekolah. 6 Dec. 1954, pp. 20

Partisipasi Masyarakat Dalam Membiayai Lembaga Pendidikan. Hafid, Universitas Hasanuddin, Dec. 1971, pp. 15

Rancangan Peraturan Sumbangan Pembinaan Pendidikan, Oct. 1974, pp. 33

Studi Khusus Pelaksanaan Sumbangan Pembinaan Pendidikan, BPP Oct. ; 1972, pp. 41

Suatu Gagasan Peninjauan SPP. R. Daroesman, BPP August 1974. pp 23.

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Sistem Pelaporan di Perguruan Tinggi. 10 Nov 1973-10 Jan 1974, BPP 1974 (Terbatas). Soenardi. pp. 23

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Analisa Statistik dan Kwantifikasi Dalam Perencanaan Pendidikan. Hussin, 1972, pp. 25.

## STATISTICS

SCHOOL STATISTICS (1971, 1972, and 1973, by province)

Model Kwantitatip Sistem Pendidikan di Indonesia, Beberapa Perhitungan Untuk Tahun 1974-1979; BPP, Oct. 1972, pp. 80

- do- Jawa Timur, BPP, Jan 1974, pp. 41.
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Explorasi Tentang Kemungkinan Pelaksanaan Kewajiban Belajar Tingkat SD awal Pelita IV Tahun 1984, Suatu Analisa Statistik. Hussin, BPP, 1973, pp. 70

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Jumlah Penduduk Kelompok Umur Sekolah per Propinsi dan Jumlah Murid SD, SLTP dan SLTA Menurut Kelompok Umur Seluruh Indonesia, 1971. BPP Feb. 1974, pp. 6.

Estimate Arus Murid 1970/1, SD-SLTA. BPP Feb. 1973, pp. 20

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Appendix 8

## Project Implementation Schedule

The activities of the project group themselves under nine different headings, each having its own time frame.

### I. Project Initiation and Layout

While virtually all of the activities noted below will be completed by December 1975, it is expected that several of them will have to be addressed intermittently thereafter probably through 1976 to assure their complete execution:

1. Planning and coordination of all studies.
2. Collection of relevant publications, reports, forms, budgets, etc., from cooperating bodies.
3. Setting up criteria for drawing sample of schools for field survey.
4. Drawing sample of schools for schools operations study.
5. Further analysis of 1972, 1973, and 1974 school data along lines of RD analysis.
6. Cooperation with other Satgas and Direktorat[2] P&K on draft of school record forms.
7. Enquiry on details of allocation processes on relevant points.
8. Budget study of provincial and kabupaten budgets available in Jakarta.
9. Setting criteria and drawing sample of school reporting forms for computer tabulation.
10. Setting up dummy tables for analysis of existing forms.
11. Estimates of costs for computer processing for cross tabs of existing forms and new forms.
12. Estimates of space.
13. Enquiries on methods of employing and training field staff.
14. Making preliminary contact with Kabinkab and Binwil and cooperating institutions.
15. Identification in detail of end-users of data and more detailed description of their needs.
16. Drafting questionnaires, preparing dummy tables.

## II. Recruitment and Training of Field Staff and Coders

Activities in this category have started and are expected to continue on through the last half of 1975.

1. Preparation of instructions for field staff and coders books.
2. Recruitment/interviewing of candidates for fieldwork/coding.
3. Training sessions.

## III. Field Work

It is the intention to have project management begin accumulating data from the field concurrently with the development of adequate competence among the field staff in June 1975. Surveys would be undertaken then among schools, school leavers, household where required, employers, and among provincial and central government officials responsible for educational affairs. These surveys will be mounted intermittently through December, 1976.

## IV. Questionnaire Development

Questionnaires to record data about schools, teachers, students, employers, and officials are now undergoing preliminary blocking out. This initial design should be complete June, 1975, with tryout at experimental sites completed shortly thereafter. Upon the revision of this first draft in August, 1975, testing of the forms within the studies set forth in this project should be finished by June, 1976. A further revision is then planned for completion by December, 1976. Nation-wide distribution of the revised form should be well underway by June, 1977.

## V. Coding

Coding of new data will be intermittent and begin in June, 1976 and be completed by December, 1976.

## VI. Computer Processing

Software development and data processing will begin July, 1975 and continue on an ad hoc basis throughout the life of the project.

## VII. Analysis of Computer Output

The processing of already available data and the subsequent tabulation of data from the fieldwork will require that this activity be addressed throughout the life of the project.

## VIII. Distribution (sub-study results to end-users)

It is the intention to provide quarterly reports beginning December, 1975 on the status of the project's studies so as to refine as early as possible the dimensions of the audience and the quality of data required by this audience charged with educational planning responsibilities.

## IX. Project Report

A final report on the project will be delivered within 120 days after its completion.

Department of State

# TELEGRAM

229.

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USAID ROUTING

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TAGS:
SUBJECT: EDUCATIONAL FINANCE PROJECT

REF: (A) STATE 038379 (B) AIDTO A-651

1. AID/W APPRECIATIVE OF MISSION EFFORTS IN DEVZLOPING PROJECT REVIEW PAPER (PRP) IN ABSENCE OF BARTON AND DAROESMAN.

2. AS NOTIFIED BY REF (A), PRP WAS APPROVED IN RECENT AGENCY REVIEW FOR PURPOSES OF FY 1976 CP. IF MISSION PREFERS, SUBMISSION OF REVISED PRP MAY BE USEFUL. IF MISSION FEELS GUIDANCE THIS CABLE SUFFICIENT TO COMPLETE PROJECT PAPER (PP), THEN AID/W CONCURS GIVEN TIME CONSTRAINTS. FOLLOWING RECOMMENDATIONS ARE PROVIDED TO ASSIST MISSION IN DEVELOPING PP AND ARE BASED ON RECENT PRP REVIEW AND ON GENERALHAGENCY GUIDANCE TRANSMITTED IN REF (B).

3. PP OUTLINE HAS BEEN USED IN PRESENTING RECOMMENDATIONS AND SUGGESTIONS IN FOLLOWING PARAGRAPHS:

4. PART I, SECTION 4. DESCRIPTION AND IDENTIFICATION OF PROJECT. ISSUE: THERE NEEDS TO BE COMMON THREAD LINKING STUDIES PROPOSED. RECOMMENDATION: WE BELIEVE CAREFUL REVIEW OF PURPOSE OF RESOURCE ALLOCATION STUDY WILL DEMONSTRATE THAT IT IS MOST INCLUSIVZ OF ALL THOSE PROPOSED AND SHOULD BE FOCAL POINT TO WHICH OTHER PROPOSED STUDIES ARE LINKED. FOR EXAMPLE, RESOURCE ALLOCATION STUDY WILLO INVOLVE OPERATING AND CAPITAL EXPENDITURE DATA INVESTIGATION AND ANALYSIS. THESE DATA WILL ALSO BE ANALYZED IN SCHOOL OPERATION COSTS AND SCHOOL BUILDING COSTS STUDIES.
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WE RECOGNIZE THAT SOME OF THE STUDIES WILL RELY ON EXISTING DATA WHILE OTHERS WILL RELYHON NEW SAMPLE SURVEY EFFORTS. NONETHELESS, RELATIONSHIPS OF ONE STUDY TO NEXT OUGHT TO BE DESCRIBED AS CONCISELY AS POSSIBLE.

B. PART II. ECONOMIC SECTION. ISSUE: NEED TO DEFINE INTENDED BENEFITS FOR CLASSES OF BENEFICIARIES. RECOMMENDATION: REVISED PROJECT PURPOSE (SEE LOGFRAME BEING POUCHED) POINTS TO DEVELOPING PROFESSIONAL AND ORGANIZATIONAL CAPACITY TO PRODUCE ANALYSES USEFUL TO BPP IN ITS MANY FUNCTIONS AND PARTICULARLY FUNCTION OF ADVISING DECISION-MAKERS ON POLICY FORMULATION AND ALTERNATIVES FOR IMPLEMENTATION OF POLICY. THERE ARE THEN THREE CLASSES OF DIRECT BENEFICIARIES: THOSE WHO ARE TRAINED TOHPROVIDE ANALYTICAL OUTPUT (ECONOMISTS AND FINANCIAL ANALYSTS), THOSE WHO RECEIVZ OUTPUT THAT HERETOFORE HAS NOT BEEN AVAILABLE IN BUTTRESSING BPP BUDGETARY RECOMMENDATIONS (EDUCATIONAL PLANNERS), AND THOSE AT NATIONAL AND PROVINCIAL LEVELS WHO RECEIVZ THESE ANALYTICALLY BASED POLICY POSITIONS AND THEN MUST DETERMINE COURSE OF ACTION IN OFFICIAL ALLOCATION OF PUBLIC REVENUES. BENEFITS FOR FIRST GROUP ARE TRAINING; FOR SECOND AND THIRD GROUPS, MORE COMPREHENSIVE BASE OF ANALYSIS TO ESTABLISH CREDIBILITY OF EDUCATIONAL FINANCIAL PLANNING AND IMPLEMENTATION PROCESSES. INDIRECT BENEFITS FLOW TO POOR MAJORITY AS RESULT OF HAVING ALLOCATED EDUCATION FUNDS MORE EQUITABLY.

C. PART II, SECTION 1. PROJECT BACKGROUND. ISSUE: NONE. RECOMMENDATION: REFERENCE TO FOLLOWING MAY BE HELPFUL IN DEVELOPING ONE OR TWO-PAGE STATEMENT FOR EACH SUB-HEADING IN THIS SECTION.

(1) "A DRAFT PROPOSAL FOR A PROJECT IN EDUCATIONALO FINANCE", R. DAROESMAN, OCTOBER 6, 1974, TRANSMITTED TO R. BARTON OCTOBER 15, 1974.

(2) "REPORT FOR MEETING DECEMBER 3, 1974, ON REVISIONS AND ADDITIONS TO THE ABOVE DRAFT", R. DAROESMAN.

(3) MEMORANDUM, ZYMELMAN/FREEMAN, FEBRUARY 5, 1974, WORKPLAN FOR SEMINAR AGREED UPON BY BPP (COPY TO R. BARTON).

(4) "AN ANLAYSIS OF THE 1971 SCHOOL CENSUS REPORTS OF INDONESIA", DRAFT FOR DISCUSSION PAPER BY R. BAROESMAN, JUNE 1974. THIS PAPER DISCUSSES INDONESIAN EFFORTS TO PROVIDE, FOR FIRST TIME, DATA ON EDUCATIONAL FINANCE.

(5) FORD ASSESSMENT DOCUMENTS - SUMMARY REPORTS FOR PREVIOUS WORK ON PART OF INDONESIANS IN SCHOOL FINANCE ANALYSIS.

(6) IBRD EDUCATION SECTOR SURVEY, APRIL 1974.

(7) EDUCATION SECTOR ASSESSMENT, FY 1975 DAP.

D. PART II, SECTION 2. PROJECT ANALYSIS. ISSUE: NONE. RECOMMENDATION: YOU MAY WISH TO USE CONTENT IN FIRST DOCUMENT LISTED IN PARAGRAPH C ABOVE.

(1) COST-BENEFIT ANALYSIS IS NOT NECESSARY FOR THIS TYPE OF ASSISTANCE TO A PLANNING AGENCY.

(2) TECHNICAL - HERE DISCUSSION MIGHT FOCUS ON HUMAN AND FINANCIAL ANALYSIS CAPABILITIES CURRENTLY AVAILABLE IN BPP AND WHY ASSISTANCE IS NEEDED TO IMPROVE AND INCREASE STAFF EXPERTISE IN AREA OF FINANCE AND ECONOMICS. REFERENCE TO EXISTING UTILIZATION OR LACK THEREOF OF COMPUTER TECHNOLOGY, MODELING, AND OTHER MORE SOPHISTICATED ANALYTICAL TOOLS WOULD BE HELPFUL.

(3) SOCIAL - MUCH OF THIS DISCUSSION IS FOUND IN FIRST 14 PAGES OF FIRST DOCUMENT LISTED IN PARAGRAPH C ABOVE AND IN FORD ASSESSMENT WORK DONE BY HAL CARPENTER.

(4) POLICY - INPUT FROM BPP ON CURRENT AND PLANNED POLICY PREFERENCES WOULD BE MOST USEFUL. FOR BACKGROUND, IBRD MATERIAL IS ADEQUATE.

(5) FINANCIAL - THIS DISCUSSION SHOULD INCLUDE INFORMATION ON BPP CAPACITY TO BUDGET FOR STAFF AND NEW ACTIVITIES THAT WILL REQUIRE BUDGETARY SUPPORT IN FUTURE YEARS AFTER A.I.D. ASSISTANCE TERMINATES.

(6) ADMINISTRATION - BRIEF MENTION OF FINANCE CAPABILITY AT NATIONAL LEVEL AND IN TWO PILOT PROVINCES AND LINKAGES WITH OTHER MINISTRIES, AGENCIES, ORGANIZATIONS, I.E., CENTRAL BUREAU OF STATISTICS, MEDICAL CONSORTIUM, ECONOMICS FACULTIES, BAPPENAS, ETC.

E. PART II, SECTION 3. PROJECT IMPLEMENTATION. SECOND DOCUMENT IN PARAGRAPH C ABOVE MAY HAVE BEEN REVISED SINCE DECEMBER 8 BY BPP AND COULD BE BEST STARTING POINT IN DEVELOPING COMPREHENSIVE IMPLEMENTATION PLAN EXHIBITING ITEMS REFERRED TO IN REF (B).

F. PART II, SECTION 4. CONDITIONS AND COVENANTS: AS REQUIRED BY USAID.

G. PART II, SECTION 5. ISSUES: AS REQUIRED BY USAID.

H. PART III. ANNEXES: AS REQUIRED BY USAID.

I. LOGICAL FRAMEWORK: REVISED LOGFRAME BEING POUCHED TO BOLLINGER.

J. THERE IS CONCERN HERE THAT LARGE SAMPLE OF SCHOOLS (280) AND INDIVIDUALS (10,000) WILL REQUIRE STAFF AND TIME BEYOND THOSE INDICATED IN PRP. PP SHOULD EXPLAIN HOW PROPOSED SAMPLING WILL BE ACCOMPLISHED. ALTERNATIVELY NUMBERS IN SAMPLE SURVEY COULD BE REDUCED. INGERSOLL

PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

5/21/75

Project Title: EDUCATIONAL FINANCE  Project Number: 497-11-680-229

| NARRATIVE SUMMARY | OBJECTIVELY VERIFIABLE INDICATORS | MEANS OF VERIFICATION | IMPORTANT ASSUMPTIONS |
|---|---|---|---|
| Program or Sector Goal: The broader objective to which this project contributes:<br><br>Increased access to educational opportunity, particularly in rural areas, for children, youth, and adults. | Measures of Goal Achievement:<br><br>Increased numbers of rural children, youth, and adults involved in educational activities. | Review of and evaluation of National and Provincial operational year Budgets and Expenditure accounts. Review of enrollment statistics. | Assumptions in achieving goal targets:<br>1. Increases in the MOE budget will continue.<br>2. National and Provincial equity and efficiency objectives are compatible.<br>3. The new system will be made operational as soon as possible. |
| Project Purpose:<br>To establish in BPP and in planning units in selected provinces a capability to define and evaluate criteria for determining an equitable allocation of GOI funds budgeted for education. | Conditions that will indicate purpose has been achieved: End of project status:<br>1. A system to establish criteria for allocation of funds budgeted for education. (This system is made up of several subsystems which are listed on pages 41 and 42 of the PP.)<br>2. A unit made up of a staff capable of operating these systems will have been established in the BPP and in selected provinces.<br>3. A set of criteria will have been drawn up for use by the Ministry of Education in allocating educational budgeted funds for the year following the end of the Project. | Review and evaluation of BPP operating budgets, expenditure accounts, and organizational staffing structure. Similar review and evaluation for Provincial and Local Governments. | Assumptions for achieving purpose:<br>Recurrent and operational budgets will increase to support new staff and analytical efforts at both the National and local levels.<br>Personnel are identified at both the national and local levels to participate in the project and continue in a formalized role after the project assistance of the USAID terminates. |
| Outputs:<br>1. Permanent historical data series on costs, physical quantities, and measurable qualitative components of the education systems allocation process.<br>2. Personnel trained in economics of education finance, and supportive analytical and clerical skills. | Magnitude of Outputs:<br>1. Seven major sample survey designs formalized and used (as listed in Section 3, Part A,6, of the PP).<br>2. Thirty trained Indonesians. | Evaluation of the project implementation plan submitted by the USAID/GOI on an annual basis, or as required. | Assumptions for achieving outputs:<br>1. Increased demand for more rationale and comprehensive resource allocation guidance from policy level decision makers continues.<br>2. Cooperation of the Bureau of Statistics continues. Inter-Agency and multi-univer. relationships develop to provide additional planning and guidance to BPP.<br>3. Personnel identified for training are assigned to the project on a work study basis whether training is degree or non-degree. |
| Inputs:<br>USAID Contractors: Advisory/consultancy assistance in conducting studies, developing system for allocation, planning, and analysis.<br>Participant training, degree and non-degree.<br>Commodities, calculating equipment.<br>GOI permanent senior staff, office space, local currency support for field studies and in-country training. | Implementation Target (Type and Quantity)<br>U.S. $373,000 Grant Financing:<br>2 full-time contractors, economists<br>4 short-term consultants<br>100 man months of off-shore training.<br>GOI $199,200 equivalent Rupiah contribution for:<br>1 project leader counterpart<br>1 economist "<br>1 statistician "<br>Varied numbers of consultants<br>1,000 man months of in-country trng. | USAID/GOI approved Project Agreement, PIO/s, PAR's will provide means of verification of delivery of inputs. | Assumptions for providing inputs:<br>Central, Provincial, and local agencies of MOE obtain approved budgetary levels for initial and succeeding years during project implementation. |

# APPENDIX

## STUDIES DONE

The attached list is confined to studies done by and for the Department of Education; it does not include numerous studies on the same topics done by foreign research students, or by Indonesian scholars in IKIP and universities, or articles published in economics or education journals, Indonesian or western.

## TEACHERS

Guru Dalam Administrasi Sekolah Pembangunan. Ametembun, Bandung, 1973, pp. 192.

The Quantity and Quality of Teachers in Indonesia: An Assessment, 1966-71. Winarno Surachmad and Murray Thomas, BPP 1972, pp 57.

Quantitative Factors Affecting the Supply of Qualified Teachers: W. Toisuta (PhD thesis, Macquarie University, 1973.

Notes on Pre Investment Study of Integrated Teacher Training Waskito, BPP Dec 1974, pp. 4.

Profesionalisasi PGRI, Risalah & Keputusan Kongres PGRI keXII, Nov 1973, Jakarta, 1974, pp. 224.

## LABOUR FORCE AND EMPLOYMENT

Kortes Kerja Workshop Tenage Kerja, Tjilcto, Dec 1971, PPP pp 123.

Keseusien Antere Sistem Pendidikan Indonesie Dengan Sektor2 Tenage Kerja, Suatu Usul oPenelitien di Delepen Propinsi. BPP Jen 1973, pp. 24

The Fi Between the Indonesien Education System and the Manpower Sectors, a Proposal for an Eight Province Study. BPP Jan 1973.

Memo on Manpower Projections and Pessimism Regarding Employment Opportunities for Graduates of Secondary and Higher Education Memorandum Aug 1972, pp. 9

Seberepe Kesimpulen Sementere Tentang Pendidikan Untuk Pembinaan Tenage Kerja. McVoy and Setiyedi. Proceedings ITB, 1971, pp 7.

Educated Youth in West Sumatra, a Case Study. H. Carpenter. Proppipds, Padang, no date (1974) pp. 30.

Employment by Major Sector of Economic Activity, B. Pangerapen Jakarte Feb. 1970, pp. 5.

Some Facts on Recent Developments in the Field of Education and Manpower, 1967. Unesco R gional Office for Education, Bangkok, Jan. 1968.

Vocational Guidance and Assistance in Obtaining Employment. B. Pangerapen, draft of Ecafe paper, Jakarta June 1973.

Memo on Comments on Preliminary Planning Results in the Education Sector. Feb. 6, 1973, pp 13.

Memo on the Impli ations of the Census Results for Educational Planning, Aug. 14, 1972, pp. 5

Laporan Hasil Penelitian Tentang Pengangguran diKalangan Tenage Muda Terdidik di Jakarta, 1972. Nov. 1972, Task Force on under Kombang Harahap. pp. 70

Penilaian Persediaan dan Permintaan Tenage Kerja Dalam Hubungan Dengan Pendidikan dan Latihan, Laporan Tingkat Dua, PPNP, March 1972 pp. 215.

Aspek2 Kebutuhan dan Persediaan Tenage Kerja Suatu Dasar Pemikiran Untuk Pendidikan, PPNP June 1970, pp 45.

(The above refer only to studies done in or for the Department of Education; in addition, there are relevant statistical studies in the Susenas Surveys, the 1971 Census, the Unemployment Study in Major Cities of Java, and numerous analyses of links between education and employment in ILO, Ecafe, and other international journals, and in BIES and Ekonomi dan Keuangan Indonesia and in Prisma, as well as a number of minor and major theses in Indonesian and western universities.)

## ADMINISTRATION AND MANAGEMENT

The Administration and Management of Education in Indonesia, PPNP, preliminary translation. pp. 88

Struktur Organisasi dan Hubungan Kerja Segenap Aparatur Dept. P&K, 1973, (Keputusan Menteri P&K 141/1969 and 142/1969).

BPP dan Kegiatan Kegiatannja,. BPP June 1972, pp. 15

Konsep Keputusan Menteri P&K 1974 Tentang Kedudukan, Tugas Pokok, Fungsi, Susunan Organisasi Tugas dan Wewenang dan Tata Cara Kerja BPP. pp. 23.

Kedudukan Tugas, Pokok Fungsi PP dan Pengembangan Pendidikan dan Kebudayaan. undated pp 392-416.

Laporan Survey Administrasi Pendidikan Tingkat Propinsi (Kepala Kabin, Dinas P&K dan Perwakilan P&K). BPP, June 1972, pp. 263.

Laporan Survey Administrasi Pendidikan Tingkat Pusat Bagian Keuangan (Instrumen AD 71-03). June 1972, pp. 46

Laporan Survey Administrasi Pendidikan, Deskripsi Data Bidang Keuangan, Sample Kepala dan Guru SLTP dan SLTA D erah Ibukota dan non-Ibukota Propinsi. PPNP no date pp 83.

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(SPP, BPS etc.)

Keputusan Menteri P&K 0192 1971 Tenteng Tata Tjara Pemungutan Penggunaan dan Pengawasan Dalam engeloles Sumbangan Pembinaan Pendidikan. Pamphlet pp. 33.

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External Assistance in the Field of Education 1967-71 (lists only) BPP no date, pp. 40.

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UNDP Project of the Government of Indonesia, Development of the National Education Program, June 1974, pp. 60

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Perkembangan Sekolah Dasar Tahun 1970 dan 1971. Bank Data, BPP, 1973, pp. 3.

Perkembangan Sekolah Dasar 1971 dan 1972, Soenardi, typescript pp 6

Perkembangan Sekolah Dasar 1970 s/d 1973. Soenardi typescript pp 8.

Sistem Pelaporan di Perguruan Tinggi. 10 Nov 1973-10 Jan 1974, BPP 1974 (Terbatas). Soenardi. pp. 23

Sistem Informasi Pendidikan. Hussin, Bank Data. Jan 1974, pp. 36

Analisa Statistik dan Kwantifikasi Dalam Perencanaan Pendidikan. Hussin, 1972, pp. 25.

## STATISTICS

SCHOOL STATISTICS (1971, 1972, and 1973, by province)

Model Kwantitatip Sistem Pendidikan di Indonesia, Beberapa Perhitungan Untuk Tahun 1974-1979; BPP, Oct. 1972, pp. 80

- do- Jawa Timur, BPP, Jan 1974, pp. 41.
- do- Sumatera Barat
- do- Sulawesi Selatan

Eksplorasi Tentang Kemungkinan Pelaksanaan Kewajiban Belajar Tingkat SD awal Pelita IV Tahun 1984, Suatu Analisa Statistik. Husain, BPP, 1973, pp. 70

Beberapa Perhitungan Pendahuluan Untuk Pengembangan Pendidikan di Indonesia Sampai Tahun 2000. Husain, Soenardi, Slors, BPP, Oct. 1971.

Jumlah Penduduk Kelompok Umur Sekolah per Propinsi dan Jumlah Murid SD, SLTP dan SLTA Menurut Kelompok Umur Seluruh Indonesia, 1971. BPP Feb. 1974, pp. 6.

Estimate Arus Murid 1970/1, SD-SLTA. BPP Feb. 1973, pp. 20

Proyeksi Penduduk Indonesia 1971-1981, BPP, Nov. 1973, pp. 19.

Appendix 8

Project Implementation Schedule

The activities of the project group themselves under nine different headings, each having its own time frame.

I. Project Initiation and Layout

While virtually all of the activities noted below will be completed by December 1975, it is expected that several of them will have to be addressed intermittently thereafter probably through 1976 to assure their complete execution:

1. Planning and coordination of all studies.
2. Collection of relevant publications, reports, forms, budgets, etc., from cooperating bodies.
3. Setting up criteria for drawing sample of schools for field survey.
4. Drawing sample of schools for schools operations study.
5. Further analysis of 1972, 1973, and 1974 school data along lines of RD analysis.
6. Cooperation with other Satgas and Direktorat[2] P&K on draft of school record forms.
7. Enquiry on details of allocation processes on relevant points.
8. Budget study of provincial and kabupaten budgets available in Jakarta.
9. Setting criteria and drawing sample of school reporting forms for computer tabulation.
10. Setting up dummy tables for analysis of existing forms.
11. Estimates of costs for computer processing for cross tabs of existing forms and new forms.
12. Estimates of space.
13. Enquiries on methods of employing and training field staff.
14. Making preliminary contact with Kabinkab and Binwil and cooperating institutions.
15. Identification in detail of end-users of data and more detailed description of their needs.
16. Drafting questionnaires, preparing dummy tables.

## II. Recruitment and Training of Field Staff and Coders

Activities in this category have started and are expected to continue on through the last half of 1975.

1. Preparation of instructions for field staff and coders books.
2. Recruitment/interviewing of candidates for fieldwork/coding.
3. Training sessions.

## III. Field Work

It is the intention to have project management begin accumulating data from the field concurrently with the development of adequate competence among the field staff in June 1975. Surveys would be undertaken then among schools, school leavers, household where required, employers, and among provincial and central government officials responsible for educational affairs. These surveys will be mounted intermittently through December, 1976.

## IV. Questionnaire Development

Questionnaires to record data about schools, teachers, students, employers, and officials are now undergoing preliminary blocking out. This initial design should be complete June, 1975, with tryout at experimental sites completed shortly thereafter. Upon the revision of this first draft in August, 1975, testing of the forms within the studies set forth in this project should be finished by June, 1976. A further revision is then planned for completion by December, 1976. Nation-wide distribution of the revised form should be well underway by June, 1977.

## V. Coding

Coding of new data will be intermittent and begin in June, 1976 and be completed by December, 1976.

## VI. Computer Processing

Software development and data processing will begin July, 1975 and continue on an ad hoc basis throughout the life of the project.

## VII. Analysis of Computer Output

The processing of already available data and the subsequent tabulation of data from the fieldwork will require that this activity be addressed throughout the life of the project.

## VIII. Distribution (sub-study results to end-users)

It is the intention to provide quarterly reports beginning December, 1975 on the status of the project's studies so as to refine as early as possible the dimensions of the audience and the quality of data required by this audience charged with educational planning responsibilities.

## IX. Project Report

A final report on the project will be delivered within 120 days after its completion.

Department of State

# TELEGRAM

239.

ACTION AID- UNCLASSIFIED CN 3386
Classification

INFO CHRON
AID A/DCM DCM
POL ED ECON

17 MAR 75/1240

R 150754Z MAR 75
FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA 7228-7229
BT
UNCLAS STATE 058339

AIDAC

CHRON COPY

E.O. 11652: N/A
TAGS:
SUBJECT: EDUCATIONAL FINANCE PROJECT

REF: (A) STATE 058379 (B) AIDTO A-651

USAID ROUTING

| TO | | |
|---|---|---|
| DIR | | |
| D/D | | |
| C/A | | |
| C4/EXO | | |
| DA/LD | | |
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| | | |
| CAN | | |

1. AID/W APPRECIATIVE OF MISSION EFFORTS IN DEVELOPING PROJECT REVIEW PAPER (PRP) IN ABSENCE OF BARTON AND BARDESMAN.

2. AS NOTIFIED BY REF (A), PRP WAS APPROVED IN RECENT AGENCY REVIEW FOR PURPOSES OF FY 1976 CP. IF MISSION PREFERS, SUBMISSION OF REVISED PRP MAY BE USEFUL. IF MISSION FEELS GUIDANCE THIS CABLE SUFFICIENT TO COMPLETE PROJECT PAPER (PP), THEN AID/W CONCURS GIVEN TIME CONSTRAINTS. FOLLOWING RECOMMENDATIONS ARE PROVIDED TO ASSIST MISSION IN DEVELOPING PP AND ARE BASED ON RECENT PRP REVIEW AND ON GENERAL AGENCY GUIDANCE TRANSMITTED IN REF (B).

3. PP OUTLINE HAS BEEN USED IN PRESENTING RECOMMENDATIONS AND SUGGESTIONS IN FOLLOWING PARAGRAPHS:

A. PART I, SECTION 4. DESCRIPTION AND IDENTIFICATION OF PROJECT. ISSUE: THERE NEEDS TO BE COMMON THREAD LINKING STUDIES PROPOSED. RECOMMENDATION: WE BELIEVE CAREFUL REVIEW OF PURPOSE OF RESOURCE ALLOCATION STUDY WILL DEMONSTRATE THAT IT IS MOST INCLUSIVE OF ALL THOSE PROPOSED AND SHOULD BE FOCAL POINT TO WHICH OTHER PROPOSED STUDIES ARE LINKED. FOR EXAMPLE, RESOURCE ALLOCATION STUDY WILL INVOLVE OPERATING AND CAPITAL EXPENDITURE DATA INVESTIGATION AND ANALYSIS. THESE DATA WILL ALSO BE ANALYZED IN SCHOOL OPERATION COSTS AND SCHOOL BUILDING COSTS STUDIES.

UNCLASSIFIED
Classification

WE RECOGNIZE THAT SOME OF THE STUDIES WILL RELY ON EXISTING DATA WHILE OTHERS WILL RELYHON NEW SAMPLE SURVEY EFFORTS. NONETHELESS, RELATIONSHIPS OF ONE STUDY TO NEXT OUGHT TO BE DESCRIBED AS CONCISELY AS POSSIBLE.

B. PART II. ECONOMIC SECTION. ISSUE: NEED TO DEFINE INTENDED BENEFITS FOR CLASSES OF BENEFICIARIES. RECOMMENDATION: REVISED PROJECT PURPOSE (SEE LOGFRAME BEING POUCHED) POINTS TO DEVELOPING PROFESSIONAL AND ORGANIZATIONAL CAPACITY TO PRODUCE ANALYSES USEFUL TO BPP IN ITS MANY FUNCTIONS AND PARTICULARLY FUNCTION OF ADVISING DECISION-MAKERS ON POLICY FORMULATION AND ALTERNATIVES FOR IMPLEMENTATION OF POLICY. THERE ARE THEN THREE CLASSES OF DIRECT BENEFICIARIES: THOSE WHO ARE TRAINED TONPROVIDE ANALYTICAL OUTPUT (ECONOMISTS AND FINANCIAL ANALYSTS), THOSE WHO RECEIVE OUTPUT THAT HERETOFORE HAS NOT BEEN AVAILABLE IN BUTTRESSING BPP BUDGETARY RECOMMENDATIONS (EDUCATIONAL PLANNERS), AND THOSE AT NATIONAL AND PROVINCIAL LEVELS WHO RECEIVE THESE ANALYTICALLY BASED POLICY POSITIONS AND THEN MUST DETERMINE COURSE OF ACTION IN OFFICIAL ALLOCATION OF PUBLIC REVENUES. BENEFITS FOR FIRST GROUP ARE TRAINING; FOR SECOND AND THIRD GROUPS, MORE COMPREHENSIVE BASE OF ANALYSIS TO ESTABLISH CREDIBILITY OF EDUCATIONAL FINANCIAL PLANNING AND IMPLEMENTATION PROCESSES. INDIRECT BENEFITS FLOW TO POOR MAJORITY AS RESULT OF HAVING ALLOCATED EDUCATION FUNDS MORE EQUITABLY.

C. PART II, SECTION I. PROJECT BACKGROUND. ISSUE: NONE. RECOMMENDATION: REFERENCE TO FOLLOWING MAY BE HELPFUL IN DEVELOPING ONE OR TWO-PAGE STATEMENT FOR EACH SUB-HEADING IN THIS SECTION.

(1) "A DRAFT PROPOSAL FOR A PROJECT IN EDUCATIONAL O FINANCE", R. DAROESMAN, OCTOBER 6, 1974, TRANSMITTED TO R. BARTON OCTOBER 15, 1974.

(2) "REPORT FOR MEETING DECEMBER 3, 1974, ON REVISIONS AND ADDITIONS TO THE ABOVE DRAFT", R. DAROESMAN.

(3) MEMORANDUM, ZYMELMAN/FREEMAN, FEBRUARY 5, 1974, WORKPLAN FOR SEMINAR AGREED UPON BY BPP (COPY TO R. BARTON).

(4) "AN ANLAYSIS OF THE 1971 SCHOOL CENSUS REPORTS OF INDONESIA", DRAFT FOR DISCUSSION PAPER BY R. BAROESMAN, JUNE 1974. THIS PAPER DISCUSSES INDONESIAN EFFORTS TO PROVIDE, FOR FIRST TIME, DATA ON EDUCATIONAL FINANCE.

(5) FORD ASSESSMENT DOCUMENTS - SUMMARY REPORTS FOR PREVIOUS WORK ON PART OF INDONESIANS IN SCHOOL FINANCE ANALYSIS.

(6) IBRD EDUCATION SECTOR SURVEY, APRIL 1974.

(7) EDUCATION SECTOR ASSESSMENT, FY 1975 DAP.

D. PART II, SECTION 2. PROJECT ANALYSIS. ISSUE: NONE. RECOMMENDATION: YOU MAY WISH TO USE CONTENT IN FIRST DOCUMENT LISTED IN PARAGRAPH C ABOVE.

(1) COST-BENEFIT ANALYSIS IS NOT NECESSARY FOR THIS TYPE OF ASSISTANCE TO A PLANNING AGENCY.

(2) TECHNICAL - HERE DISCUSSION MIGHT FOCUS ON HUMAN AND FINANCIAL ANALYSIS CAPABILITIES CURRENTLY AVAILABLE IN BPP AND WHY ASSISTANCE IS NEEDED TO IMPROVE AND INCREASE STAFF EXPERTISE IN AREA OF FINANCE AND ECONOMICS. REFERENCE TO EXISTING UTILIZATION OR LACK THEREOF OF COMPUTER TECHNOLOGY, MODELING, AND OTHER MORE SOPHISTICATED ANALYTICAL TOOLS WOULD BE HELPFUL.

(3) SOCIAL - MUCH OF THIS DISCUSSION IS FOUND IN FIRST 14 PAGES OF FIRST DOCUMENT LISTED IN PARAGRAPH C ABOVE AND IN FORD ASSESSMENT WORK DONE BY HAL CARPENTER.

(4) POLICY - INPUT FROM BPP ON CURRENT AND PLANNED POLICY PREFERENCES WOULD BE MOST USEFUL. FOR BACKGROUND, IBRD MATERIAL IS ADEQUATE.

(5) FINANCIAL - THIS DISCUSSION SHOULD INCLUDE INFORMATION ON BPP CAPACITY TO BUDGET FOR STAFF AND NEW ACTIVITIES THAT WILL REQUIRE BUDGETARY SUPPORT IN FUTURE YEARS AFTER A.I.D. ASSISTANCE TERMINATES.

(6) ADMINISTRATION - BRIEF MENTION OF FINANCE CAPABILITY AT NATIONAL LEVEL AND IN TWO PILOT PROVINCES AND LINKAGES WITH OTHER MINISTRIES, AGENCIES, ORGANIZATIONS, I.E., CENTRAL BUREAU OF STATISTICS, MEDICAL CONSORTIUM, ECONOMICS FACULTIES, BAPPENAS, ETC.

E. PART II, SECTION 3. PROJECT IMPLEMENTATION. SECOND DOCUMENT IN PARAGRAPH C ABOVE MAY HAVE BEEN REVISED SINCE DECEMBER 8 BY BPP AND COULD BE BEST STARTING POINT IN DEVELOPING COMPREHENSIVE IMPLEMENTATION PLAN EXHIBITING ITEMS REFERRED TO IN REF (B).

F. PART II, SECTION 4. CONDITIONS AND COVENANTS: AS REQUIRED BY USAID.

G. PART II, SECTION 5. ISSUES: AS REQUIRED BY USAID.

H. PART III. ANNEXES: AS REQUIRED BY USAID.

I. LOGICAL FRAMEWORK: REVISED LOGFRAME BEING POUCHED TO BOLLINGER.

J. THERE IS CONCERN HERE THAT LARGE SAMPLE OF SCHOOLS (200) AND INDIVIDUALS (10,000) WILL REQUIRE STAFF AND TIME BEYOND THOSE INDICATED IN PRP. PP SHOULD EXPLAIN HOW PROPOSED SAMPLING WILL BE ACCOMPLISHED. ALTERNATIVELY NUMBERS IN SAMPLE SURVEY COULD BE REDUCED. INGERSOLL

THE AUSTRALIAN NATIONAL UNIVERSITY

IN REPLY PLEASE QUOTE:

THE RESEARCH SCHOOL OF PACIFIC STUDIES

BOX 4, P.O., CANBERRA, A.C.T. 2600 TEL 49-5111
Telegrams: "Natuniv" Canberra

Department of Economics

6 October, 1974

Mr Ron Barton,
USAID,
American Embassy
JAKARTA

Mr Robert Bostick,
Rm 53/2 NS,
ASIA/TEC/SPPS,
Agency for International Development,
WASHINGTON D.C.

Dear Bob and Ron,

Here at last is my draft of a project proposal. I am also sending several copies to Setiyadi. I'm sorry that it is so long in coming (and so long in length!) than I had hoped when I returned, but it had to be fitted in with my ordinary work here.

As you will see, it is at this point very much more concerned with establishing the case for need of the project, and in setting the scope of the project than it is with the specifics which I know you need: the funds, personnel and hardware components. But it is exactly this which I think needs discussion in Jakarta in November: is this what BPP wants to see done? Is it what AID is willing to fund? Once we have settled this, the identification of staff, materials, travel, space, training and other components can be worked out, I think, without great difficulty.

You asked me to consider and to try to identify some personnel who could or should be drawn into the work of the project. Let this for the moment be just among us, as I have not yet been so specific with Dr Setiyadi or Dr Santoso, nor asked directly for the services of any of these people. I gathered from Setiyadi that Yuyun would probably be asked to be the Indonesian head of project and that it is quite possible that Zainul Santi Arbi may also be asked to participate. Yuyun is, of course, one of Manny's students and is due to return around the first of the year; Santi Arbi has just returned from Australia. As I mentioned in my letter to Bob of Sept. 3, I think now it will not be wise to put too heavy insistence on full time participation of BPP staff members; the same ends can, I think, be gained with less stress by simply waiting till people are temporarily free then asking for their participation and then simply keeping them very busy - which we should have no difficulty in doing. My assessment of the manner in which tasks are allocated in BPP is that they are given to anyone not involved at that moment and that most of the Satgas simply wait until they are given a task.

I would imagine that the Research Satgas would be expected to participate most closely in the project. There seems to be a particular lack of direction here, but a number of promising people, among them Martini Widodo. The project will certainly need the cooperation of Soenardi in Statistics; as I told Bob, I am quite confident of good relations there now. But there

is a bit of politicking going on in the section he works in and for this purpose it will be important not to leave out Hussin, although I think Soenardi is much the more competent. Moegiadi's cooperation, both as Deputy and as head of the Evaluation Satgas can certainly be relied upon; he is efficient, although harried and distracted by a multiplicity of duties. Boediono approached me to indicate his interest in working on the project; a very promising young man and one I would be anxious to draw in.

You will see that I mention very briefly that some sub-projects may be sub-contracted out to Indonesian institutions. My idea is this: there is a great deal of work to do in a short time and my own time, as I told Ron, may be limited to 15-18 months over the next two years (though I could certainly use most of the intervening time in writing up and planning here). If I am to be involved in the project, I see my own role in two aspects: first, I would like to undertake directly the design, the fieldwork and the analysis of the school study, the teachers' salaries study and the admission study and the employment experience study. My strategy for these would be to collect a small team, say 6-10 persons, each of whom will specialise in one of the sub-projects. We would visit the regions under study at the same time (not necessarily the same schools on the same days), meet regularly during field work to ensure coordination and maximum use of background data. I would want to be coordinator of this team and be directly involved with the field work for each sub-project in it. The reports for each sub-project would then be written up jointly by myself with the Indonesian members or, where the Indonesian team members are competent and confident, I could confine myself to editing. The team members need not necessarily all be from BPP: in fact, I think a strong case could be made for bringing in either some regional education officers and/or IKIP or Economics Faculties staff into these research activities.

Second, for the projects which are to be sub-contracted out, I would want to be involved in the design of the sub-project, the sampling, training of fieldworkers, and in drawing up the framework for analysis - the supervisory role to be tight or loose depending on demonstrated skill of the subcontractor. The sub-contracts most likely to be contracted out are the teacher preparation study (a likely candidate for this might be Satya Wacana IKIP under Dr Willi Toisuta, a recent PhD from Macquarie University who has just completed a study of teacher requirements to 1980 for his thesis); the administration study (a likely candidate to head this up might be Drs Mien Warnaen, formerly Kepala Perwakilan of the Education Department in West Java, recently returned from a management program in the US and currently rather underemployed in the Dept.); the school building study may also be contracted out in parts, perhaps to ITB: I understand that there was also someone in BPP, whose name I think is Nurkander, who has done a London PhD on school buildings.

The actual time table for my visits, for field work and deadlines for sub-project reports will have to be worked out during the November visit to Jakarta along with the detailed project statements for each of the sub-projects included.

One thing not spelled out in the list of sub-projects is the identification of persons who might be sent abroad for training during the first phase who could be available for the planning work of the second phase. My preliminary ideas on this - and I have not given it much thought yet - are that someone should be starting to think about preparation of an upgrading course in school finance for headmasters, and for a wider-ranging, more theoretical (but based on Indonesian data and situations) course in school or educational finance which could be offered in SPGs? IKIPs? Faculties of Economics? What is AID feeling on preparation and provision of a course for regional educational officers eventually to be responsible for inspection of school finances? Preparation for these courses probably ought to be begun fairly early on.

The lead-in time for obtaining experts to produce specialised reports during the second phase also needs more attention. If they can be identified early on, they can be provided with questions and data well before they arrive, so that maximum use is made of their visits.

Two more points need emphasis: I hope that short trips to neighbouring countries can be made by some of those involved in the projects. For example, someone working on primary school building finance might benefit by a brief study of systems and costs in, say, the Philippines and Malaysia, and fit in a visit to the Sri Lanka centre on school building research. These short study tours are not meant to replace the longer term training of a kind that can be provided by Charlie Benson's UC courses, but to supplement them at perhaps one level down; such tours might be particularly suitable for any regional officers involved in the project.

The second point is the library, which I mentioned only briefly, but which I think, will be vital to better planning. How does AID feel about assisting here? I realise that it can be only partially tied in with the finance project, but initiative now may help in getting eventual assistance from other quarters for further maintenance and expansion.

Since it will be an advantage to have as wide discussion and criticism of this draft as possible, I am sending a number of copies to BPP for distribution: to Manny, with one to forward to Yuyun, to Selma and to Charlie Benson, in hopes of suggestion from them. I will ask in all cases that comments be sent to me in care of Ron in Jakarta, so that they will be available when we meet there in November - Insha Allah!

Yours sincerely,

Ruth

Ruth Daroesman

Ed Finance

REPORT FOR MEETING, DEC. 3, 1974

ON REVISIONS AND ADDITIONS TO THE

DRAFT OF A PROPOSAL FOR A PROJECT IN

EDUCATIONAL FINANCE

I. REPORT OF MEETINGS WITH INSTITUTIONS WITH WHICH COOPERATION IS BEING SOUGHT

II. RESPONSE TO DRAFT PROPOSAL FROM AID

III REVISIONS AND ADDITIONS TO DRAFT PROPOSAL OF 6 OCTOBER 1974

APPENDIX A: REVISIONS IN TEXT (INCOMPLETE)

B: SCHOOL SAMPLE (PRELIMINARY)

C: MANPOWER BUDGET (PRELIMINARY)

D: TIMETABLE (PRELIMINARY)

E: MATERIALS AND MAJOR COST BREAKDOWNS (NOT YET PREPARED)

I. REPORTS OF MEETINGS. Between 6 and 28 November, visits have been made to relevant officials in the Department of Agriculture, Department of Religious Affairs, PGRI, Muhammadiyah, Ford Foundation, GKI, MAWI, and copies of the Draft Proposal have been sent to all relevant offices within the Dept P&K asking for appointments; also to Bappenas. Further visits will be made in the next fortnight to Bappenas, BPS, and probably to the Propippda office in Surabaya; talks have been held also with Dr. Carpenter from Propippda Sumbar and Dr Willi Toisuta of IKIP Satya Wacana, and a number of consultants from Unesco/IBRD. Other IKIPs will also be approached, and P&K Directorates.

A written reply will be sought from all persons/offices visited before the final draft is prepared to check whether there are (a) any important omissions (b) any areas of disagreement and (c) their willingness to cooperate in the project either in providing data or in seconding staff for periods of time to work in survey design, fieldwork or analysis.

So far, there has been considerable expression of interest from all those contacted, with at least one organisation volunteering secondment of staff; there has been no substantive comment on the scope or method of the project except from members of BPP or their consultants.

II. RESPONSE FROM AID. AID is stricly limited by Congress to short-term projects which should have immediate impact, measurable within the grant period, and be directed towards improving equity or the access of the rural poor to education.

AID Washington is now undergoing an reorganisation in which the work on Indonesia and on education have been moved to different offices, and the persons up to now involved on the project are being moved elsewhere. Also, Mr. Barton, who was handling the project in Jakarta has been sent home ill and it is not yet known when he will return. Meanwhile Mr. Bollinger is handling this project.

The Draft Proposal was discussed at an AID meeting in Washington in mid-November, at which time it was decided that AID was primarily interested in sub-projects 5 and 7; ther appeared to be amisunderstanding and AID appeared tothink other donors were already actively engaged in projects on educational finance. The meeting also suggested that the re ports of Dr. Zymelman and of Dr. Benson had identified the major areas to be followed as being interviews with officials at central and regional level reg rding current allocation practices and thon a comparison lf these with stated or implied national goals and the development of better criteria for allocation tested out by simulation s tudies and try outs in West Sumatra and East Java.

The BPP was then faced with two choices: to accept the AID suggestion and try to find other donors for the other sub-projects; or to try to adjust the present project to fit better with AID priorities, but to hold out for the basic emphasis on improvement of the reporting system and the inclusion of sources as well as allocations and to use the school as the main unit of investigation. It was decidéd to take the latter course and further discussions with AID Jakarta have clarified other points so that now there appaears to be a fairly good chance that AID may continue to fund the studies outlined in the Draft Proposal, revised so that they are more sharply directed towards the immediate output and in some cases more narrowly limited to finance aspects.

The proposal is thus being recast, and papers prepared to show that the present approach is more likely to produce the desired results than the approach outlined in the AID cable; and that it is possible to accomplish the studies within the time and budget frameworks already mentioned (i;e. around $373,000 from AID, and around $175,000 from BPP in local funds).

III. REVISIONS TO DRAFT PROPOSAL

A. Revisions in text: The Introduction and section on Financial Aspects of Education (pages 1-15) will remain substantially as they are, with some editorial changes to make points more relegant to new emphases. A new section will follow on expected outputs year by year in terms of measurable improvements, and how these may be expected to increase access of the poor to educational facilities, and to improve financial decision making.

B. Sample of Schools. Schools are expected to be chosen on the basis of a judgment sample representing a range of resources and a range of financial procedures; these schools will serve as a basis for (1) the study of school operation costs (i.e. degree of dependency on fees); (2) school financial administration; (3) teachers income studies; (4) students in the final year of these schools will form the sample for the employment experience study; and (5) these schools will be used as a try-out for the draft of a school finance/budgeting form (Buku Induk). For the purposes of (4) above, some quality considerations will also be taken into account. No attempt will be made to blow up income or expenditure data from these schools to estimate aggregates; the emphais will be on observing the range and intensity of problems, mechanisms, and degrees of dependence.

| Areas | Primary Schools (SD & Madrasah) | Secondary Schools (SLP & SLA) | Teacher Training | Higher Edn |
|---|---|---|---|---|
| Java | | | | |
| DKI Jakarta | 6+ | 16 | 6 | 3 |
| City 1 | 6+ | 16 | 6 | 2 |
| Town 1 | 6 | 16 | 4 | 1 |
| 2 | 6 | 16 | 4 | ? |
| 3 | 6 | 16 | 4 | |
| 1 | 6 | 16 | 3 | |
| 2 | 6 | 16 | 3 | |
| 3 | 6 | 5 | | |
| 4 | 6 | 5 | | |
| | 45-50 | 90-100 | 30 | ? |
| Outside Java | | | | |
| Town 1 | 6 | 10 | 2 | 1 |
| 2 | 6 | 8 | 2 | 1 |
| 3 | 6 | 8 | 2 | 1 |
| 4 | 6 | 6 | 2 | ? |
| Rural 1 | 6 | 2 | 2 | |
| 2 | 6 | ? | ? | |
| 3 | 6 | | | |
| 4 | 6 | | | |
| | 45-50 | 30-40 | 8-12 | ? |

(Numbers do not add, as they are meant to be approximations only)

C. Manpower Budget (preliminary; to be revised as necessary)

| | MAN-MONTHS |
|---|---|
| (1) Examination, selection, processing and analysis of items not yet processed from existing school reporting forms, for eventual computer tabulation: | |
| (a) Sample: SD approx. 2000 (possibly over 3-4 years)* | |
| SL " 4000 " " " " | |
| SPG/IKIP 500 " " " " | |
| Total 6500 questionnaires | |
| (* i.e. 1971-1974) | |
| (b) initial selection of questionnaires; 5 people for two weeks | 5 C |
| (c) coding @ 20 mins per questionnaires= 400 mandays; training of coders | 15 C |
| (d) analysis; 3 research staff x 4 weeks | 2 R |
| (2) Fieldwork questionnaires | |
| School operating costs: | |
| (i) preliminary tabulations of field work @ 1 hour per questionnaire x 300 questionnaires = 300 hours | 2 R |
| (ii) analysis of field work questionnaires: 3-4 research staff for 3-4 months | 9-12 R |
| (iii) field work and travel time; 250-300 schools in 13 areas. 7 schools per week per fieldworker, say roughly | 12 R |
| (iv) clerical assistance in regions | 3 C |
| Teachers Incomes | |
| (i) assuming average of 6 teachers per SD x 75 SD = 450 quest.; assuming 30 teachers per SL x175 schools = 5,250 questionnaires, or total of about 6000 questionnaires. | |
| (ii) coding and preliminary tabulation @ ½ hour per questionnaire = 3000 hours | 20 C |
| (iii) analysis of tabulations: 3 research staff 2 mos. | 6 R |
| Building Costs | |
| (i) existing data under (1) above | |
| (ii) field work 2 research staff 1 month each | 2 R |
| (iii) analysis and reporting | 1 R |
| Costs of Teacher Preparation | |
| (i) data for all 500 SPG and 50 IKIPs done as part of (1) above for existing data | |
| (ii) design of study, and superivision of self-study programs in SPGs and IKIPs, and writing up | 9 R |

(5) Allocation procedures and administrative costs. MAN MONTHS

(i) costs of administrative staff in schools under (1) above.
(ii) field work under (1) and (2) above
(iii) interviews with selected key officials at central, regional and provincial levels, and analysis 2 R

(6) Parent contributions/fees as Limitation to Expansion

(i) most datafrom (1) above, from BPS, Planning Unit and also from (7) below.
(ii) analysis 4 R

(7) Employment Experiance of School Leavers.

(i) school background from (1) above
(ii) Assuming 20 students in grade 6 at primary x 75 SD = 1500 questionnaires; assuming 50 students in grade 3 of SL = 8750 questionnaires; + ? final year students in PT = 10,250+ qestionnaires, say 12,000.
(iii) assuming 13 separate areas (see school sample) at least, and 3 questionnaires per day per interviewer
(a) Year I 133 C
(b) Year II, assuming 15% loss, but increased employer and tracing time 120 C
(c) Year III (as for (b) above). 120 C
(iv) processing/coding @ ½hour per questionnaire = 6000 hrs
(a) Year I 70 C
(b) Year II 70 C
(c) Year III 70 C
(v) analysis of computer tables over 3 year period, plus writing up conclusions (assumes some imput from PhD or MA students as part of degree work). 12-15 R

TOTAL MANPOWER BUDGET:

Research Staff (R) ± 65 man-months
Clerical/coding (C) ± 700 man-months

TOTAL MANPOWER RESOURCES: BPP research staff: 3x 24 = 120 Man-months
AID " " 2x 24 =
Contract (Indonesian) 6-12? man-months

Note: The remainder of time of permanent research staff will be taken up with planning, supervision, distribution plans, etc. not included above.

TIME TABLE (FIRST DRAFT)

Activity

I.
1. Planning and coordination of all studies
2. Collection of relevant publications, reports, forms, budgets, etc from cooperating bodies
3. Setting up criteria for drawing sample of schools for field survey
4. Drawing sample of schools for schools operations study
5. Further analysis of 1972, 1973 and 1974 school data along lines of RD analysis
6. Cooperation with other Satgas and Direktorat2 P&K on draft of school record forms
7. Enquiry on details of allocation processes on relevant points
8. Budget study of provincial and kabupaten budgets available in Jakarta
9. Setting criteria and drawing sample of school reporting forms for computer tabulation
10. Setting up dummy tables for analysis of existing forms
11. Estimates of costs for computer processing for cross tabs of existing forms and new forms
12. Estimatesof space
13. Enquiries on methods of employing and training field staff
14. Making preliminary contact with Kabinkab and Binwil and cooperating institutions
15. Identification in detail of end-users of data and more detailed description of their needs
16. Drafting questionnaires, preparing dummy tables

II. Recruitment and Training of Field Staff and Coders
1. Preparation of instructions for field staff and coders books
2. Recruitment/interviewing of candidates for fieldwork/coding
3. Training sessions

III. Fieldwork
1. School Operations Costs Study
2. students/households (for employment study)
3. Employers " " "
4. Binkab/Binwil
5. Provincial/central officials

IV. Questionnaire design (school, teachers, students, employers, officials) and
1. drafting and instructions,
2. testing
3. printing
4. distribution

V. Coding

VI. Computer

VII. Analysis of Computer Output

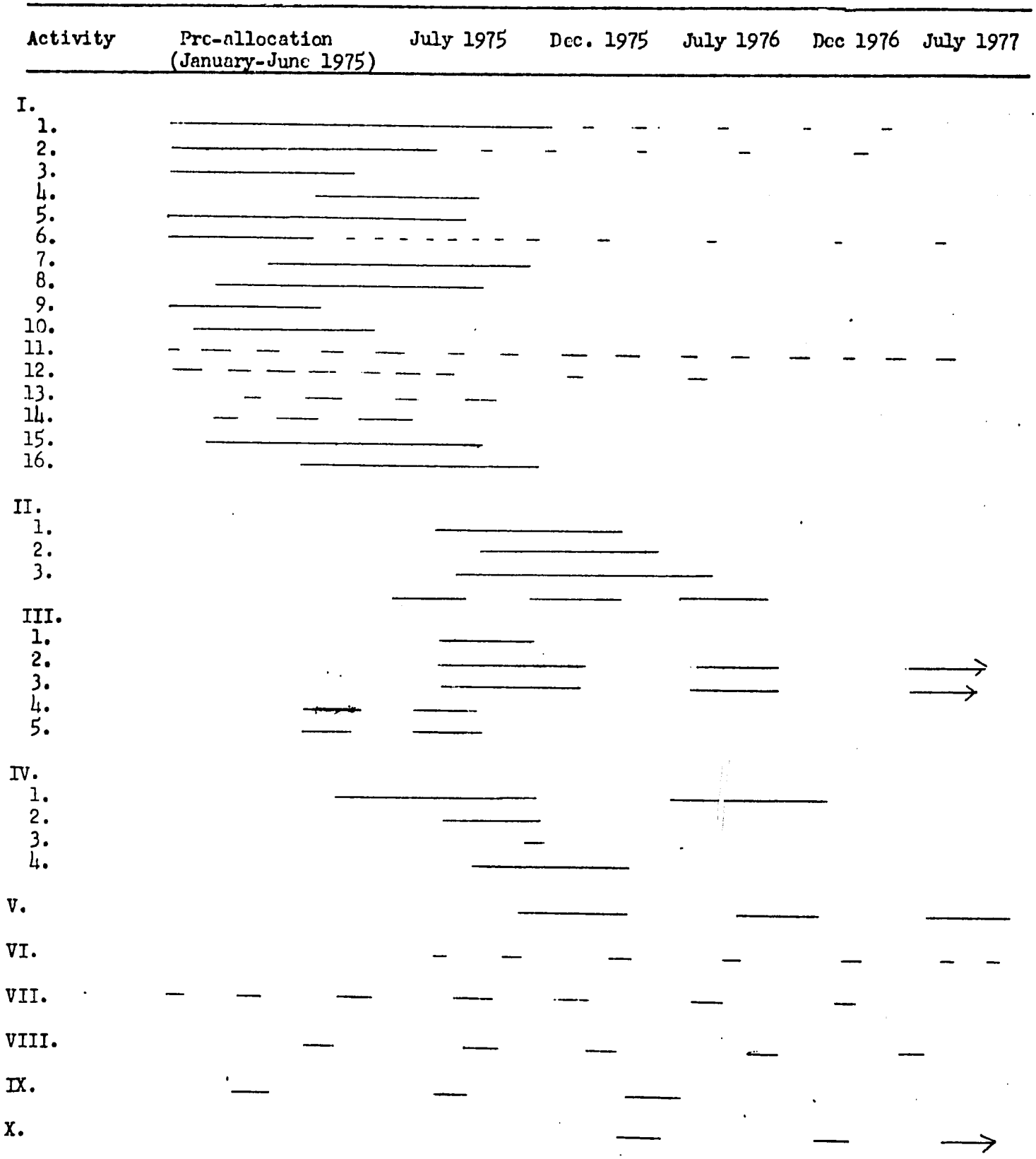
VIII. Distribution Plan (to end-users)

IX. Revision of School record forms (Buku Induk

X. Writing Up

(TO BE REVISED)

----- = intermittent activity
— = intensive activity



May 15, 1975 SJL

Shepley's paper for mtg tomorrow on Ed Fin. I think most of these are valid comments on the PP but can be answered, but not in writing by tomorrow. Ron

INDONESIA

Education Finance Project

Discussion and Recommendations

Discussion

The Project Paper for the proposed project identified above has been carefully examined. While the project appears to have been developed in close coordination with the Government of Indonesia and seems to be focused on a critical development need, the Project Paper as written is inadequate. The following deficiencies in the PP have been noted:

1. Inconsistency of Project Purpose: The narrative sections of the Project Paper state a more limited project purpose (i.e., "develop resource allocation criteria") than the broader purpose presented in the attached LOGFRAME. This inconsistency should be reconciled.

2. Insufficient Analysis of Project Relationship to Host Country Development Problems: The project paper as written provides insufficient analysis of host country development problems in the education sector and little rationale for selection of this project over other possible alternatives to addressing these problems. Additional narrative is required to establish the linkage between the proposed project and host country development problems identified in the DAP.

3. Inadequate Evaluation Criteria and Benchmarks: The objectively verifiable indicators to be used as the basis for evaluation are so general that systematic evaluation of this project would not be possible. What is needed to correct this deficiency is a complete recasting of the indicators in more quantifiable language to show beginning and end of project status indicators.

4. No Implementation Plan: The section titled Implementation Plan on Page 41 is misleading. Instead of describing the manner in which the project will be implemented, this section only lists anticipated end of project results. A complete implementation plan using either a PERT or Critical Path model should be prepared to serve as an implementation guidelines.

5. No Mention of the Role of Women: Since this project will use both women and men as human resources for development, the women's role should be explained to indicate compliance with the Percy Amendment.

5/15/75 Ron: I'll try and get it done today. Meanwhile, I'm tomorrow morning meeting. Schwab time — 2:30. Shepley

## Recommendations

Because the project is scheduled for funding from FY 1975 appropriations, it is recommended that it be approved conditionally to allow obligations prior to the June 30 deadline. Final approval should be withheld pending re-writing of the Project Paper to correct the deficiencies noted above.

It is proposed that representatives from EA/TD and EA/PIT be given the task of recasting the document and that the deadline for completion be set at July 30, 1975.

5/2C

# A SUMMARY OF THE EDUCATIONAL FINANCE PROJECT PAPER

## A Brief Description of the Project

The Government of Indonesia has established its general objectives for formal education and has stated these in its second five-year plan.

In a very brief form, they call for more education and more access to it particularly at the lower levels of the system. The Government is now trying to develop specific programs to meet these objectives, and eventually it will try to measure its success in attaining them.

However, there are certain problems which they face in this general task. First, they do not know where they are, except in the most general terms. They have no reliable indicators of what their educational system consists or what the system is producing. They have data, but they are inaccurate in regard to the number of students, teachers, schools, buildings, etc., and they have very little accurate information regarding the quality of the output, concerning whether or not their students obtain suitable employment, or how many go on to higher education: Do the students really learn mathematics? physics? and other subjects? Is there appropriate application of knowledge to the solution of practical life problems?

The second problem is that budget resources have increased dramatically during the last year and may continue to do so in the future. Whether it does continue this rapid increase or not, the GOI is not satisfied in its process for making budgeting decisions, i.e., the allocation of its budgets to support educational objectives. Simply put, the GOI lacks a clear, systematic process for budgeting. Therefore, it is seeking ways to improve its decision-making process for allocating funds in the educational sector.

Such a process in turn is dependent upon an information system which will provide the data required to make sound budgeting decisions.

After a number of studies and conferences beginning in 1969 dealing with management and administration of finance had clearly indicated the need for an improved capability in decision-making in the area of school finance, GOI requested USAID for help in planning and funding a project focused on the problems of equitable allocation of school funds. There follows a list of the pre-project activities:

a. In 1969, the Department of Education organized a National Assessment of Education Project. One activity of the Project was a study of educational finance. Ruth Daroesman was seconded by the Australian National University (ANU) to Indonesia as a consultant for 12 months. Another activity of the Project was a study of educational finance through a sample survey of 200 schools.

b. In 1973, a World Bank Mission conducted an Education Sector Survey. The problems of educational finance were discussed and the need for further studies and projects pointed out. (No plans by the World Bank to propose specific projects.)

c. In June 1974, UNESCO/UNDP brought out a team of consultants from France to suggest areas of future project work. In Appendix 4 of their report (only in the French language) the need for an educational finance study is pointed out, but the report does not indicate any immediate activity in this field.

d. In January 1974, Dr. Manuel Zymelman visited Indonesia to discuss Educational Finance Management and Information Systems with senior officials of BPP. Dr. Zymelman advised the Indonesians to focus their efforts on the study of allocation methods rather than the broader information systems studies.

e. In August and September 1974, Dr. Zymelman again visited Indonesia to counsel with the Indonesians on studies in financial management as a follow-up of the July Seminar on Educational Finance in Cisarua, Indonesia. This followed the participation of several senior staff of the BPP at the Malta Conference, at which time considerable interest was expressed by BPP in educational finance systems.

f. In August 1974, ANU released a faculty member (Professor Ruth Daoresman) at the request of BPP for one month to draw up a draft of a new ministerial regulation on school fees.

Over a period of years (1969 to 1974), the Indonesians have had the opportunity to consult with leaders in the field of Educational Finance, to participate in studies in this field, to send participants overseas for study in educational finance administration, and to have at hand for their study a number of documents on this subject prepared by specialists in this field and addressed specifically to Indonesian problems.

The decision to focus on the search for better ways of allocating resource for education was not made hastily or capriciously but after consultation with leaders in this field and the examination of many relevant studies of these problems.

This project is designed to help MOE to move toward the establishment of such a process and such an information system in the Ministry of Education. Specifically, the purpose can be stated as follows:

> To establish the capacity in the Ministry of Education and in planning units in selected provinces to define and evaluate criteria for determining equitable allocations.

The conditions that will indicate that the purpose has been achieved, i.e., End of Project Status, are:

1. A system to establish criteria for allocation of funds budgeted for education.

2. A unit will have been established in the BPP and in selected provinces made up of a staff capable of operating these systems.

3. A set of criteria will be drawn up for use by the Ministry of Education in allocating the funds the GOI has budgeted for education for the year following the end of the Project.

THE OUTPUTS WILL BE:

1. Permanent historical data series on costs, physical quantities, and measurable qualitative components of the education system's allocation processes.

2. Personnel trained in economics of educational finance, supportive analytical, and clerical skills.

INPUTS PLANNED ARE:

U. S. $373,000 Grant Financing.

USAID Contractors: Advisory/consultancy assistance in conducting studies, and developing system for allocation planning and analysis.

Participant training, degree and non-degree.

Commodities, calculating equipment.

GOI: $199,200 in Rupiah Equivalent.

Permanent senior staff, office space, local currency support for field studies and in-country training.

EA/TD/ID/ED, Hal O. Hall
5/20/75