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ISD-35209

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UNITED STATES INTERNATIONAL DEVELOPMENT COOPERATION AGENCY
AGENCY FOR INTERNATIONAL DEVELOPMENT
WASHINGTON, D.C. 20523

PROJECT PAPER

INDONESIA

EDUCATIONAL POLICY AND PLANNING

PROJECT NO. 497-0344

JULY 1984

USAID/INDONESIA

UNCLASSIFIED

Educational Policy & Planning
An Integrated Information Systems Approach

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AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE <input type="checkbox"/> A = Add <input type="checkbox"/> C = Change <input type="checkbox"/> D = Delete	Amendment Number _____ DOCUMENT CODE 3
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2. COUNTRY/ENTITY INDONESIA	3. PROJECT NUMBER 497-0344
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4. BUREAU/OFFICE ASIA	5. PROJECT TITLE (maximum 40 characters) Education Policy & Planning: An integrated information system
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 90	7. ESTIMATED DATE OF OBLIGATION (Under 'B.' below, enter 1, 2, 3, or 4) A. Initial FY 84 B. Quarter 3 C. Final FY 85
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 84			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	2,709	2,091	4,800	4,409	2,091	6,500
(Grant)	(0)	(0)	(0)	(1,000)	(0)	(1,000)
(Loan)	(2,709)	(2,091)	(4,800)	(3,409)	(2,091)	(5,500)
Other U.S.						
1.						
2.						
Host Country				0	3,000	3,000
Other Donor(s)						
TOTALS				4,409	5,091	9,500

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) EHR	660	670	660			1,000	5,500	1,000	5,500
(2)									
(3)									
TOTALS						1,000	5,500	1,000	5,500

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 650 710	11. SECONDARY PURPOSE CODE 681
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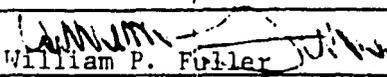
12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each) (\$000)				
A. Code	R/ED	INTR	TNG	
B. Amount	600	100	750	

13. PROJECT PURPOSE (maximum 400 characters)

The project will assist the Department of Education and Culture with the establishment of an integrated information system to strengthen its institutional capacity for policy analysis and policy formulation.

14. SCHEDULED EVALUATIONS Interim MM YY MM YY Final MM YY 11 86 05 90	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input checked="" type="checkbox"/> 941 <input checked="" type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment.)

17. APPROVED BY	Signature:  Title: Mission Director	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION: MM DD YY 07 25 84
	Date Signed MM DD YY 06 26 84	

PROJECT AUTHORIZATION

INDONESIA

EDUCATIONAL POLICY AND PLANNING:
AN INTEGRATED INFORMATION SYSTEM
PROJECT NO. 497-0344

1. Pursuant to Section 105 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Educational Policy and Planning Project for Indonesia involving planned obligations of not to exceed \$5,500,000 in loan funds and \$1,000,000 in grant funds over a 3 year period from date of authorization subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help in financing foreign exchange and local currency costs for the project. The planned life of the project is six years and three months from the date of initial obligation.
2. The project consists of assisting the government of the Republic of Indonesia to establish an integrated information system, in order to improve its institutional capacity for policy analysis and formulation. The Project will provide technical assistance, training, commodities, special studies, and funds for operating costs.
3. The Project Agreements which may be negotiated and executed by the officers to whom such authority is delegated in accordance with A.I.D. regulations and Delegations of Authority, shall be subject to the following essential terms and covenants and major conditions, together with such other terms and conditions as A.I.D. may deem appropriate.

4. a. Interest Rate and Terms of Repayment

The Cooperating Country shall repay the Loan to A.I.D. in U.S. Dollars within forty (40) years from the date of first disbursement of the Loan, including a grace period of not to exceed ten (10) years. The Cooperating Country shall pay to A.I.D. in U.S. Dollars interest from the date of first disbursement of the Loan at the rate of (a) two percent (2%) per annum during the first ten (10) years, and (b) three percent (3%) per annum thereafter, on the outstanding disbursed balance of the Loan and any due and unpaid interest accrued thereon.

- b. Source and Origin of Commodities, Nationality of Services

Commodities financed by A.I.D. under the Loan shall have their source and origin in the Cooperating Country or in countries included in A.I.D. Geographic Code 941 except as A.I.D. may otherwise agree in writing. Except for ocean shipping, suppliers of commodities or services under the Loan shall have the Cooperating Country or countries included in A.I.D. Geographic Code 941 as their place of nationality, except as A.I.D. may otherwise agree in writing.

Commodities financed by the grant shall have their source and origin in the Cooperating Country or the United States, except as A.I.D. may otherwise agree in writing. Except for ocean shipping, suppliers of commodities or services under the Grant shall have the Cooperating Country or the United States as their nationality, except as A.I.D. may otherwise agree in writing.

Ocean shipping financed by A.I.D. under the project shall, except as A.I.D. may otherwise agree in writing, be financed only on flag vessels of the United States, if grant-funded, or on flag vessels of countries in A.I.D. Geographic Code 941 and the host country if loan-funded.

c. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement, the Cooperating Country shall furnish in form and substance satisfactory to A.I.D. evidence that a Project Steering Committee and a Working Team have been established.

d. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance training, the Cooperating Country shall furnish in form and substance satisfactory to A.I.D., a training plan for that Project year (other than to identify training opportunities in the first year of the project).

e. Prior to any disbursement, or the issuance of any commitment documents under the Project Agreement to finance information systems commodities, the Cooperating Country shall furnish in form and substance satisfactory to A.I.D., a plan for the development of the information systems.

f. The Cooperating Country shall covenant to provide sufficient funds to maintain equipment furnished under the Project.

5. I hereby waive the requirement that the Cooperating Country bear the international travel costs of participants.

Signature: William P. Fuller
William P. Fuller
Director

Date : June 26, 1984

Clearances: EHR:MMorfit: [Signature]
EHR:CBonner: [Signature]
PRO:DVinakis: [Signature]
A/DD:JSperling: [Signature]

EXECUTIVE SUMMARY

Education Policy and Planning: An Integrated Information Systems Approach

Education Policy and Planning is a \$9.5 million project in cooperation with the Department of Education and Culture extending over a six year period (July, 1984 to September, 1990). Project funds consist of \$6.5 million from AID (\$5.5 million loan and \$1 million grant) and \$3 million from the Government of Indonesia.

The overall goal of the project is to improve the quality of education in Indonesia through the formulation of better policies and long-term plans based on more complete and accurate information and better analysis of that information. To achieve this, the project strategy has five main elements:

- to increase staff capacity for policy research and analysis;
- to improve the internal management of the Agency for Educational and Cultural Research and Development (Balitbang Dikbud);
- to complete studies of key policy issues;
- to assist the Center for Information Systems (Pusat Informatika) in establishing an information system relevant to policy and planning needs;
- to support experimentation with planning and information systems at the provincial level.

Technical assistance (approximately 9.5 person/years), in-country and overseas training (including support for 10 MA's, 4 PhD's and six one-year diploma courses) will be provided. In-country training will consist of short-courses, seminars and workshops. Participants will be drawn from the Pusat Informatika, Balitbang Dikbud, and other agencies at the national and provincial level concerned with collecting and using educational and cultural information.

Training and technical assistance are intended to result in increased capacity to collect, analyze and store information, and in better informed policy formulation and long-term planning. Therefore, training will stress not only data collection techniques and computer skills, but also the ways in which information can be used in planning education programs.

In addition to training and technical assistance, the project will also support the acquisition of data management equipment and in developing the technical skills, administrative procedures and information flows to help establish a functioning and integrated information system.

Project implementation is divided into two phases. Phase One will largely be a period of experimentation and exploration of different alternatives to the establishment of an information system. Although training will begin during Phase One, no acquisition of hardware is planned until after the formulation of a master plan for the establishment of the information system, and this has been reviewed and accepted by the major units of the Department. Following this, Phase Two will be a period of implementation of the agreed plan.

Overall responsibility for project management and implementation will be exercised by a Project Steering Committee established by ministerial decree and consisting of representatives of the major units within the Department. A Project Working Team will have more immediate responsibility for coordinating and managing day-to-day implementation of the project, and will also have representatives of the major units within the Department. The Working Team will establish smaller technical task forces to address specific problems as they arise. Finally, the Department will appoint a Project Manager to serve as the primary responsible officer on a daily basis and as the liaison officer with AID.

A review and evaluation of project implementation is planned toward the end of Phase One and again at the end of the project. In addition, routine reporting schedules will be established and regular workshops and meetings to discuss project implementation have been planned.

List of Indonesian Names and Terms

- Balitbang Dikbud -- (Badan Penelitian dan Pembangunan Pendidikan dan Kebudayaan) Educational and Cultural Research and Development Body, the Agency charged with policy analysis, research and development within the Department of Education and Culture.
- Bangda -- (Direktorat-Jenderal Pembangunan Daerah) Directorate-General for Regional Development, the agency responsible for local government affairs (including primary education) within the Department of Home Affairs.
- Bappeda -- (Badan Perencanaan Pembangunan Daerah) Regional Development Planning Body, part of the office of the provincial Governor responsible for planning, coordinating and overseeing the implementation of development programs. There is also a Bappeda Tingkat II (level 2) at the kabupaten which is answerable to the Bupati.
- Bappenas -- (Badan Perencanaan Pembangunan Nasional) National Development Planning Body, responsible for planning, coordinating and overseeing all national development programs. All development plans must be approved by Bappenas before they can become formal funding documents for development projects
- Biro Perencanaan -- Planning Bureau located in the office of the Secretary-General and responsible for overseeing and coordinating annual planning and budgeting for the whole Department.
- Depdikbud -- (Departemen Pendidikan dan Kebudayaan) Department of Education and Culture.
- Dinas -- Technical sectoral agency of the local government at the provincial or kabupaten level. There will be Dinas for such areas as health, fisheries, animal husbandry, livestock. For education the Dinas Pendidikan is responsible for primary education.
- DIP -- (Daftar Isian Proyek) Formal document authorizing budget expenditures against approved lines for the implementation of a development project.
- DirJen -- (Direktur-Jenderal) Senior executive within a government department who, coordinated by the SekJen (Sekretaris-Jenderal, or Secretary General), is responsible for the operation of the largest unit within the Departmental structure.
- DUP -- (Daftar Usulan Proyek) Recommended project plan, with budget line items, which is ultimately forwarded to Bappenas for final review and approval. After a DUP is written and eventually approved by Bappenas, it becomes a DIP.

- GBHN -- (Garis-Garis Besar Haluan Negara) Broad Outlines of State Policy, formulated every five years by the People's Consultative Assembly, the highest sovereign body of the Republic of Indonesia. The GBHN form the basis for the formulation of the Repelita, or Five Year Development Plan.
- IKIP -- (Institut Keguruan dan Ilmu Pendidikan) Teacher training institutes at the tertiary level.
- Inpres -- (Instruksi Presiden) Presidential Instruction program channelling money directly to local government authorities for specific kinds of projects, but outside the normal planning and budgeting procedures of sectoral departments. All Inpres programs are administered through Bangda, and Inpres Sekolah Dasar (Primary School Inpres) is the only source of funding now for the construction and equipping of new primary school buildings.
- Kabupaten -- Regency, the next lowest level of government after the provincial level. Sometimes referred to as Dati II (Daerah Tingkat II or second level region), the kabupaten's chief executive officer is the Bupati or Regent. There are 246 kabupaten in Indonesia's 27 provinces.
- KanCam -- (Kantor Kecamatan) The office of a national sectoral agency located at the kecamatan, or third highest level of local government.
- Kandep -- (Kantor Departemen) The office of a national sectoral agency located at the kabupaten, or second highest level of local government.
- Kanwil -- (Kantor Wilayah) The office of a national sectoral agency located at the province or highest level of local government.
- Kecamatan -- The third highest level of local government, lower than the kabupaten, but higher than the desa level government. The kecamatan's chief executive officer is the Camat. There are 3,349 kecamatan in Indonesia's 246 kabupaten.
- Province -- The highest level of local government, above the kabupaten but below the national level government. There are 27 provinces, whose chief executive officer is a Governor.
- Pusat Informatik -- (Center for Information Systems) Part of Balitbang Dikbud, the Pusat Informatik is responsible for collecting and analyzing data on education and culture in Indonesia.
- Repelita -- (Rencana Pembangunan Lima Tahun) National Five Year Development Plan which is the basis for all annual programming and budgeting.
- Repelita Daerah -- Regional Five Year Development Plan formulated at the kabupaten and provincial levels.

SekJen -- (Sekretaris Jendral) Senior executive within departmental structure who coordinates the activities of the major units (Directorates-General) and reports to the Minister.

SD -- (Sekolah Dasar) Primary school, catering for children 7-13 years.

SMA -- (Sekolah Menengah Atas) Senior high school, catering for children 17-19 years.

SMP -- (Sekolah Menengah Pertama) Junior high school, catering for children 14-16 years.

I. PROJECT GOAL, PURPOSE AND EXPECTED ACHIEVEMENTS

The overall goal of this project is the improved efficiency and quality of education and training in Indonesia. This is to be accomplished through better educational policies based on more complete and accurate information, resulting in better use of scarce resources. The purpose of the project is to assist the Department of Education and Culture (Depdikbud) to establish an integrated information system to strengthen its capacity for policy research and analysis which can contribute to medium and long-term planning. Improvement of the system which now exists, including analytic skills to use information, administrative procedures to collect information, and data management equipment to store and manipulate information is an essential step in strengthening the capacity for policy research and analysis. The role of the Educational and Cultural Research and Development Body (Balitbang Dikbud) is particularly important in this regard, and therefore improving the staff capacities and internal management of that agency is an important part of this project.

By the end of this project, Depdikbud will have staff trained in policy research and analysis and data collection and processing. This staff will be able to make effective use of the information provided by an improved information system. Balitbang Dikbud staff will also have completed a number of studies of key issues in education and training in Indonesia, and have provided the Minister and the Director-Generals with policy options on those issues. Of particular importance will be an assessment of the implementation of Repelita IV programs and a model for an improved information system. Depdikbud will also have experience with experimental efforts to improve planning and information systems at the provincial level.

With the staff capacities and information system developed through this project, several long-term achievements should result. First, government agencies at both the national and provincial level should have the institutional capacity and systems to obtain better information about the current state of the educational system. This will include both what has been accomplished thus far, and what problems remain.

These data are a necessary basis for any analyses providing a better understanding of the problems faced, the possible alternatives, and the related policy implications. They will also assist the Department in improving routine administration. The project, therefore, is not intended simply to produce more data, but to establish the institutional capacity for better analysis of issues to be resolved in the future.

Based upon better information and an improved capacity to interpret data and draw relevant conclusions, Balitbang Dikbud will be able better to support and coordinate experiments and new approaches to solving educational problems in Indonesia. The project will build upon the past experience of Balitbang Dikbud in educational innovation, but place such experiments in the context of broader policy issues and make them more relevant and useful to operational units of the Department.

The new Minister and new Head of Balitbang Dikbud are committed not only to strengthening the capacity of Balitbang Dikbud, but also to using that capacity effectively in policy analysis and formulation. Therefore, a fourth result of this project should result in a closer connection between policy recommendations and program implementation.

With these institutional capacities, the Department of Education and Culture can undertake more useful long-term planning and develop a strategy for the improvement of the educational system in Indonesia. This should be combined with the emergence of a different kind of planning sensitive to issues of quality, equity and efficiency, which are not well served by many conventional planning models.

The most important beneficiaries will be students enrolled in Indonesian institutions who will enjoy improvements in the quality, efficiency and relevance of their education and training. The immediate beneficiaries will be the Minister and his staff who are charged with the responsibility of planning and overseeing the activities of the Department of Education and Culture. The various Directorates-General will benefit from improved information, analysis, and policy recommendations. Provincial officials of the Department are also intended beneficiaries of the project insofar as it improves the information available to them and strengthens policy analysis sensitive to regional differences.

II. BACKGROUND AND JUSTIFICATION: EDUCATIONAL DEVELOPMENT IN INDONESIA

Present Capacities and Future Demands

The development of a national system of primary, secondary and tertiary educational and training institutions has been a major priority of the New Order Government since its inception in 1967. Considerable resources have been devoted to this end, and in the last few years the educational sector has received the largest single proportion of development funds (over 14 per cent in 1983/84) from the development budget. Between 1974 and 1980 the Government of Indonesia invested approximately \$6.5 billion in education with additional contributions of \$600 million from foreign assistance agencies. There is little indication that this priority will change in the foreseeable future.

The primary reason for this heavy emphasis on education is that the lack of skilled and technical manpower is widely recognized as a major constraint in the development of the country. The Dutch colonial government left little in the way of mature educational institutions, and the independent government inherited little capacity to produce either the quantity or quality of skilled manpower required for national development. In the present Indonesian work force, only 12 per cent have more than a primary school education; fewer than per cent have completed a four-year university education. This compares very unfavorably with Korea, where 10.4 per cent of the work force has a university degree and 60.6 per cent has a secondary school education. Similarly, of Malaysia's work force, 1.8 per cent have a university degree and 25.8 per cent a secondary school education. Among Government of Indonesia employees, only 5 per cent have as much as a full four year undergraduate degree, and only 14 per cent of state university faculty have a graduate degree.

The gap between the demand for skilled workers by private industries in the modern sector and the available supply may be even greater now than at the time of independence, and improvements may be slow in coming. For the 1980-1990 period, it is predicted that the annual deficit between demand and supply of skilled, technical-level and professional workers will climb above 380,000. The following table, compiled by the World Bank, clearly demonstrates the extent to which the national demand for trained workers far outpaces the supply produced by the higher education institutions. This is true for almost all sectors of the economy.

The shortfall in graduates in mathematics and the sciences is an especially serious problem. In 1981-82, only 8 per cent of the 30,000 university graduates concentrated in these fields. This deficiency has second-generation effects in terms of the numbers of individuals pursuing fields in the applied sciences. For example, it is estimated that there are only 35,000 engineers in the country, or 23 per 100,000 population, probably half the current ratio in India. These manpower shortages have serious consequences for the development of the private sector as well as the successful implementation of government programs.

Table 1
Annual Additional Needs for Technical/Scientific/Managerial Manpower
1980-1990, and Output, 1979

<u>Sector</u>	<u>Projected Annual Need, 1980-90</u>	<u>University Output, 1979</u>
Engineers	5,500	1,400
Scientists	1,800	500
Agriculturalists	2,000	1,300
Accountants	900	200
Economists	1,200	300

(Source: "Indonesia: Development Prospects and Policy Options," World Bank Report No. 3307-IND, (April 6, 1981), p. 46.)

Low levels of educational attainment also have a direct impact upon the social welfare of a nation, especially on infant mortality and health. A 1976 World Bank study indicated that children of mothers with no education have a 50 per cent higher probability of dying as infants than children of mothers who have six years of education. Another World Bank study in 1980 concluded that the level of education is the single most important factor in determining improvements in health status, more important than the number of doctors relative to the total population. In general, the study states, "evidence from other countries suggests a substantial causal relationship between primary education and economic development."

Another reason for the heavy emphasis on the development of the educational sector is the overwhelmingly young character of Indonesia's population. Over half the population is under 20 years of age, and demographic analysis indicates that this group will continue to grow in both absolute and percentage terms in the future. (Approximately 40 per cent of the total population is less than fifteen years old, with about 14 per cent or 20.7 million under five years of age.) Together these factors provide a powerful incentive for concentrated attention on the development of the nation's educational system.

The government has made impressive progress over the last fifteen years in improving the capacity of educational institutions to produce more and better trained graduates. In 1970, only about 68 per cent of school age children entered primary schools. Today the figure is above 90 per cent, in part due to the substantial government resources committed to primary school construction under the special Presidential Instruction program (Inpres Sekolah Dasar) which accomodated 5 million

new pupils. Similarly, in 1970 only 15 per cent of school age children entered secondary school and 2 per cent entered universities. Today those figures have increased to 28 per cent and 3.7 per cent respectively. This represents a considerable achievement when it is remembered that the absolute numbers of school age children have grown significantly during this period.

The following table gives an indication of the magnitude of the government's investment in primary education in particular, and the sheer volume of achievements thus far.

Table 2

Development of Primary Education, 1973/74-80

	<u>'73/74</u>	<u>'74/75</u>	<u>'75/76</u>	<u>'76/77</u>	<u>'77/78</u>	<u>'78/79</u>	<u>'79/80</u>	<u>'80/81</u>
1. Construction of New Primary Schools (3 classrooms per school)	6,000	6,000	10,000	10,000	15,000	15,000	10,000	14,000
2. Rehabilitation of Primary Schools		10,000	16,000	15,000	15,000	15,000	20,000	
3. Number of new teachers appointed	54,875	18,000	50,000	60,000	60,000	75,000	50,000	46,000
4. Stock of library books (thousand volumes)	6,600	6,900	7,516	8,600	7,314	8,500	12,500	14,115
5. Number of pupils (thousands)	13,314	14,280	15,550	17,265	19,075	21,166	22,487	23,862

(Sources: "Tingkat Perkembangan Kesejahteraan Rakyat, 1970-80," Biro Pusat Statistik, (1982), p. 20; and "Buku Saku Statistik Indonesia," Biro Pusat statistik, (1982), p. 63.)

These achievements, however, must be seen in the light of continuing problems and deficiencies in the educational sector. For example, compared with Malaysia, the Philippines and Thailand, Indonesia has not only the lowest GNP per capita, but also by far the lowest public expenditure per capita both for health and for education. The secondary school enrollment rate of nearly 29 per cent compares unfavorably with the average of low income countries (36

countries (41 per cent). At the tertiary level, the picture is even more disturbing, and a World Bank study concluded that in relation to Indonesia's need for skilled manpower, the capacity of the tertiary system is seriously deficient.

Furthermore, demand for educational facilities is expected to increase markedly in the future with heavy pressure particularly on the secondary and tertiary system. Some enrollment figures project a four-fold increase of secondary students by 1990, which means that teachers and space will have to be provided for 15 million more students. Presently teacher training institutions are not able to meet the projected demand for new teachers. Even now, it is clear that this level of demand has had an impact on the quality of teacher training. Many teacher training programs have been shortened from three to only one year in order to meet the demand for new teachers. This could have an unfortunate impact on the quality of secondary school graduates, adding to the government's problems in further developing the educational system.

At the same time there are significant problems with the internal efficiency of the education system. There is a high drop-out rate, perhaps approaching 40 per cent for primary education and 20 per cent for secondary education. At the tertiary level the productivity of state universities although increasing, is still low with student requiring 7-8 years to complete their undergraduate degrees.

These national problems are complicated by significant regional variations within the country. In general, Java receives more educational resources per capita and has a more advanced educational system. The outer islands suffer in comparison as the following table indicates.

Table 3

Population 7-12 years who have never been to school,
according to island, 1980

Sumatra	10.9%
Java	9.3%
Kalimantan	17.3%
Sulawesi	12.4%
Nusa Tenggara	15.3%
Maluku and Irian Jaya	18.5%

(Source: "Tingkat Perkembangan Kesejahteraan Rakyat, 1970-80" Biro Pusat Statistik, (1982), p. 22.)

At the higher educational level, an analysis of the 1982-83 graduates of selected courses of study in Indonesian universities shows the imbalance in output between Javanese and other island institutions as they relate to total population of the two regions.

Table 4

Comparison of Graduates to Population in Selected Fields of Study, Java vs. Other Islands, 1982/83

	<u>Economics</u>	<u>Engineering</u>	<u>Maths and Science</u>	<u>Health and Medicine</u>	<u>Agriculture</u>
Java	1:73,000	1:45,000	1:93,000	1:132,000	1:42,000
Other	1:98,000	1:133,000	1:215,000	1:140,000	1:86,000

These imbalances are reflected in unequal budgetary allocations. In general, Javanese tertiary institutions receive more public funding per student. There are three and one-half times as many individuals with master degrees and six times as many with doctorates teaching in Javanese universities as in those on other islands.

Policy Issues for the Future

The figures cited previously suggest important policy issues which the government will need to resolve over the next few years. The primary education system has realized significant achievements. However, important problems of the quality and relevance of education remain. In addition, success at the primary level has created increased demands for secondary and higher education opportunities, and the government faces an enormous challenge in deciding how it can most effectively allocate its resources in the future.

Training sufficient teachers to an acceptable standard is one major policy issue facing the government. Central to meeting the increased demand for both primary and secondary education is having enough teachers who are capable of staffing the secondary schools. This involves not only devoting increased resources to the teacher training colleges (IKIPs), but also addressing problems of low pay and poor institutional incentives which result in multiple jobs for most teachers and poor motivation to devote more than minimum time and attention to their students. In addition, at present IKIPs tend to attract less able students with the result that the pool of candidates for teaching positions is generally weak.

A second issue is providing appropriate training for secondary school students, providing them with skills relevant to the demands of the labor market. There is already evidence to suggest that secondary school leavers experience considerable delays in finding employment. The combination of increased expectations and increased education, coupled with difficulties in finding suitable employment, could well create substantial social and political problems for the Government of Indonesia, as it has elsewhere in the developing world.

A third issue is the imbalances of the educational opportunities offered by the state system. As has been seen, there are significant imbalances between Javanese and other island institutions at the tertiary levels. Similar imbalances exist at the secondary and primary level, as they do in other areas such as the health sector. The special needs of areas such as Irian Jaya add a further complication to this problem. More resources made available within the conventional mode may not significantly help these areas. In addition to the differences between Java and other islands, there are also significant differences between rural and urban areas in general, and these are closely linked with economic status. The inability to pay fees, even when the government has attempted to keep them low, was cited as the primary reason for leaving school in almost half the cases reported in a 1978 national survey. There is, then, both the issue of meeting the educational needs of off-Java areas, and the continuing need to address what may be a growing gap between rural and urban areas.

Fourth, the government in the future will need to examine the role of the private sector in secondary and tertiary education. There are twice as many private secondary-level institutions as state ones and nine times as many private institutions as state ones at the tertiary level. The enrollment in private institutions is thought to approach nearly half the total enrollment. These institutions offer a variety of opportunities and challenges to the government, which is in a position to guide and direct their development. On the one hand, the private sector is an important resource in meeting increased demand for secondary and higher educational opportunities. The role of the private sector in meeting the needs of vocational education is particularly important and requires investigation. On the other hand, the government must be concerned with issues of quality and relevance in the private sector as it is in the state sector. Private institutions also involve politically sensitive issues of different ethnic and religious groups. Determining how to build a constructive and mutually supportive partnership between the state and the private sector will require sensitivity, foresight and careful analysis of policy options.

A fifth issue to be faced in the future is meeting the various financial implications of any plan to expand educational opportunities. One implication is that a significant shift in government funding from the primary to the secondary educational system will almost certainly be required. This will involve not only the Department of Education and Culture, but also the Department of Home Affairs which retains financial and administrative control both over the normal primary schools budgets and also over the special Presidential Instruction (Inpres) program for primary school construction. Another implication is meeting the routine and recurrent costs associated with expanded educational facilities at all levels. With the downturn of the Indonesian economy in the early 1980's and subsequent severe budgets, the government may be reaching the limit of recurrent costs which it is able to meet for the foreseeable future. Continued rapid expansion of the educational sector during the 1970's may be a phenomenon of the past, and the present situation may force difficult choices about how far, how fast and in what direction the government can afford to expand educational opportunities.

For each of these issues, there are costs and benefits associated with various policy options. A decision to support one option over others must be supported by evidence to show that this will yield cost-effective results. The problem of allocating sufficient financial resources to meet rising demand in the most efficient and effective manner will become increasingly acute. The development and the routine budget for 1983/84 saw little or no increase in nominal terms for almost any expenditures, although education continued to receive the largest single allocation of funds. In real terms this meant a decrease of approximately 15 per cent over the previous financial year, and it is highly likely that the immediate future will see similarly austere budgets. This is despite the acknowledgement that more resources are required to sustain the momentum of educational development.

Cutting across all the policy issues cited above, and critically important to the government's ability to deal successfully with them, is the administrative and planning capacity of the Department of Education and Culture. Management systems and organizational capacities will be important in determining how well the government is able to identify policy issues, to select the most appropriate option, and to implement that policy efficiently and effectively. The system of financial and personnel management and equipment procurement was originally designed for a much smaller educational system. As the educational sector has expanded, the funding of programs from multiple sources, with insufficient coordination, has resulted in imbalances and gaps, as well as fragmented management responsibilities. A second area of concern is medium and long-term planning in the education sector. The planning of educational development tends to be fragmented at the level of individual Directorates General. In addition, authorities at the provincial level, many of whom have responsibilities for populations as large as many nation-states in Europe, have relatively limited capacities for planning. Finally, the management information system is weak in the area of manpower planning. Information on present manpower shortages and projected needs is weak and undercuts efforts to plan the development of the education system so that it will produce both well-trained and needed graduates.

The Policy and Planning Process.

Effectively dealing with the issues cited above depends upon appropriate long-term planning and thoughtful policy-making, both at the central and provincial levels of government. To date, however, the Department of Education and Culture has been faced with institutional weaknesses which have inhibited better planning and policy-making. An understandable preoccupation with immediate and pressing problems of program implementation has hampered efforts to address broader issues and to develop a long term strategy for educational development.

Presently a variety of agencies are responsible for undertaking different kinds of planning within the Department of Education and Culture. The first is the Planning Bureau (Biro Perencanaan), which is under the Department's Secretary General, who reports directly to the

Minister. (See Table 5 below for diagram of the organization of the Department of Education and Culture.) This bureau coordinates annual budgeting of the various divisions of the ministry, including primary and secondary education, higher education, non-formal education and sports, and cultural affairs. Its primary responsibility is ensuring that appropriate budget documents are prepared by various offices within the department, that these conform to policy guidelines and are consistent with the national five year development plan (Repelita) and the broad outlines of state policy.

Second, each of the four Directorate General has its own planning body to supervise the budgeting process for the activities within that agency. Its functions are similar to those of the Secretary General's Biro Perencanaan and are geared to the annual preparation of budget proposals (DUPs) and approved projects (DIPs).

The present planning process is largely driven by national targets which are based on the Broad Outlines of State Policy (GBHN) and the Repelita which establish government priorities and programs for a five year period. Annual budget planning is then geared to the achievement of five year targets. In this process, there are a series of meetings between provincial offices (Kanwil) and national Directorates and Directorates-General to review target levels for each province and the resources required to achieve those targets. In turn, the Department enters into a series of meetings with the National Planning Agency (Bappenas) to review and determine allocations to the educational sector.

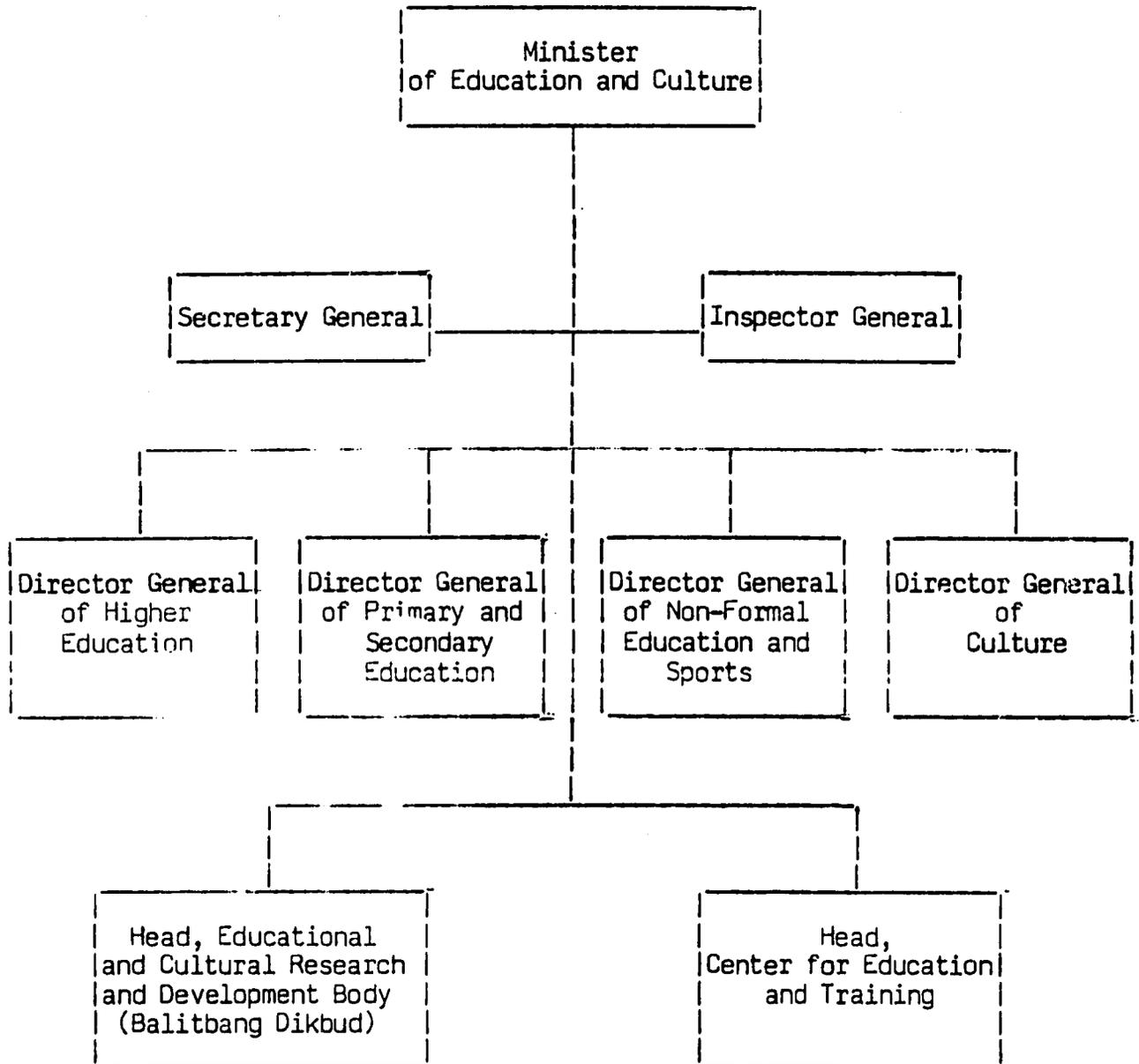
In these discussions, better information and improved analysis of that information would greatly assist in the formulation of realistic and appropriate targets and the determination of practical budget levels. It would also enable both the Department and Bappenas to project more accurately the future budgetary implications of annual targets, and therefore assist in making more informed decisions about educational programs.

At present the Pusat Informatik of Balitbang Dikbud, as well as the Directorates-General, collect a great amount of information about the present school population, teachers and schools. A significant problem, however, is that this information is not always consistent, available on a timely basis, or readily available for analysis. Its utility in the planning process, therefore, is greatly diminished. Using the information system which is already in place as a basis, significant improvements could be made which would greatly assist the Departmental planning process.

Once plans have been formulated, the Directorates-General are responsible for the implementation of the Department's activities. They have primary responsibility for the annual project planning, budgeting and funding cycle which is central to project implementation. However, they have neither the mandate nor the staff capacity to engage in policy research or analysis. This is the function of Balitbang Dikbud, which is

Table 5

Organization of the Department of
Education and Culture



a primary focus of the AID assistance proposed here. The activities of Balitbang Dikbud are not confined to any one educational area, but include the entire range of responsibilities of the whole department. In contrast to the implementing agencies of the Department, Balitbang Dikbud concentrates on research and analysis, with implementation being left to the respective Directorates-General. It is intended to assist the Minister, his staff and the various Directors-General with the formulation of broad policy guidelines, long-term plans and changes in the educational system.

In considering policy options, Balitbang Dikbud has in the past relied heavily upon its own internal research undertaken in the fields of curriculum development, testing, educational technology and educational innovations. These resources have been supplemented by research and experimentation undertaken by the state and private universities and teacher training colleges (IKIPs) which have conducted their own research and experimentation.

There are some significant constraints in the way that this policy and planning process has operated thus far. A major problem has been the weak linkage in the past between the research done and the policies chosen. While Balitbang Dikbud is the designated research and development wing of the Department of Education and Culture, research undertaken has had little apparent impact upon the policy considerations of the Directorates-General responsible for implementation of educational programs. In part this is because the research agenda of Balitbang Dikbud has not always been formulated with reference to implementing agencies. The result is that research findings have often been irrelevant to major issues faced in developing the educational system and to long-term planning. Alternatively, agencies responsible for program implementation have sometimes been reluctant to make use of Balitbang Dikbud research because they were not included in the formulation and conduct of the research project.

Another constraint concerns the kind of planning undertaken. The five-year plan constitutes the framework within which specific programs are formulated, and provides the justification for budget allocations. Because the Repelita often expresses future goals in terms of the attainment of targets, planning frequently becomes a matter of annual budgeting to meet those targets. In this process some of the complexities and subtleties of development policies can be obscured. In the educational sector, for example, constraints to efficiency are not easily expressed in terms of targets of achievement. Problems of equity and access to educational opportunity may also not be usefully expressed in terms of annual budgeting to meet targets. Thoughtful examination of alternative approaches and different strategies tend to be overlooked in the attempt to provide general budget guidelines.

The involvement of large sums of money from foreign donor agencies compounds these problems. For example, the World Bank has provided major assistance for the development of Indonesian education, but this support has not always been coordinated with other activities, priorities and long-term plans within the Department.

Both a major consequence and a significant symptom of the institutional problems cited above is the lack of adequate, accurate and relevant information. Even basic information, required both for routine administration and for long-term planning, is either not readily available or not reliable. This includes information on costs and subsidies, student enrollment and number of teaching staff and their qualifications, university admissions and dropout rates. One problem is that diverse agencies of the department often produce conflicting or internally inconsistent data about the education sector. There is as yet no single source of reliable data about various ministerial programs. A second problem is that there is no centralized system for collecting, tabulating, analyzing and storing retrievable information within the department. This means that the information which is collected is often not accessible to those who need it and frequently is used for little more than meeting routine reporting and listing requirements. A third problem is that the information now available is generally geared to the requirements of the annual budget cycle and is often of little use in the examination of policy issues or problems of long-term planning. Much of the data now collected could support planning and analysis activities. However, some of the present data is not relevant for planning and policy analysis while other data which is relevant is not presently collected at all.

This is closely linked with the lack of institutional capacity to analyze data, transforming raw statistics into useful and relevant information for the policy process. In the absence of relevant and accurate information which is readily accessible, policy-makers are forced to make do with a more limited understanding of the educational sector. Consequently there is an increased risk of less than optimal use of resources.

Overcoming these constraints is central to government efforts to formulate more efficient and effective policies for the use of public resources and for the administration of government programs. As a first step this requires applying statistical analysis and forecasting techniques to existing data presently collected by the Department. With some modification, this data could be used more effectively to support the decision-making process. It also requires an improved institutional capacity to undertake relevant and useful long-term planning and policy analysis within the Department of Education and Culture. Such a capacity must demonstrate its practical utility if the gap between educational research and analysis and the implementation of the annual department budget is to be overcome. Finally, this requires a basis of reliable information which can inform both policy makers and project implementors about the current status of Indonesian education and government projects

within that sector. The establishment of an information system, capable of producing accurate, relevant and timely information at a reasonable cost is, therefore, a fundamental element of any strategy to improve policy analysis and to enable the department to plan effectively for the future.

Present evidence indicates both that these constraints can be overcome and that Balitbang Dikbud can make the contribution to education planning and policy analysis which is envisioned in this project. The present Minister of Education and Culture has made clear his commitment to the role of Balitbang Dikbud as a primary source of policy analysis and advice, as well as his desire to see Balitbang Dikbud establish and manage a centralized information system. The new Head of Balitbang Dikbud has also demonstrated his awareness of the need to work more closely with the various Directorates-General in formulating its research agenda and policy recommendations. Within the department there is general acknowledgement that the present system of collecting and using information is inadequate and needs to be strengthened substantially. With appropriate steps to translate these commitments into a viable system of administration and procedures, and with assistance to strengthen the institutional capacities of Balitbang Dikbud and other agencies within the Department, significant improvements in policy analysis and long-term planning should be achieved. Balitbang Dikbud has already demonstrated its potential to make important contributions through its national assessment of education (1969-1972) and its subsequent work in the the 1970's and 1980's to establish a national system of achievement testing. More recently Balitbang Dikbud has been deeply involved in discussions about major revision of the state university entry system, the development of a new state secondary school curriculum and the possible merger of various types of senior high schools into comprehensive schools.

The project described in greater detail below is intended to provide support to the Government of Indonesia in overcoming these constraints and in developing the institutional capacity and information system to undertake better planning and analysis.

AID Priorities

AID has recognized the importance of educational development in Indonesia, and highlighted this as one of its four major areas of concentration over the next five to ten years. The FY 1985 CDSS ". . . identified this area as a priority because of the late development of Indonesian institutions and inadequate in-country capacity to train people for them." The development of an enhanced capacity for planning and policy formulation -- a central objective of this project identified in this document -- was cited as a key element of the Mission's strategy.

This is also supportive of AID's general interest in policy dialogue and is in conformity with educational sector policies. As noted in the AID Policy Paper on Basic Education and Technical Training (p. 2), "there is broad agreement amongst development agencies . . . that assisting countries to establish more efficient systems of education, to moderate their recurrent costs and administrative burdens, and to relate them more effectively to employment opportunities and trained manpower needs are essential components of an effective economic development strategy." Consistent with the policy articulated in that paper, this project is intended to establish a research and analysis capability leading to policies which will improve the internal efficiency of basic education systems and the external efficiency of vocational education and technical training programs. As recommended, in this project "AID assistance will be directed at major improvements in education administration and the management of resources . . ." (p. 8).

To achieve these ends, the project will address the key aspects of institutional development cited in the AID Policy Paper on Institutional Development. These include steps to improve analysis and policy environment, develop institutional learning capacities, transfer knowledge and technology, analyze and improve institutional linkages and coordination, improve management systems and provide skills and learning. (pp.2-5). "This entails building an effective information-handling system, strong analytic capacities and close linkages to client groups" (p.1), which are all major elements of this project.

The work of AID in this area will support other aspects of the Mission's activities in Indonesia. Manpower development and training, as well as institutional development, are common themes in all of the Mission's projects. To the extent that inadequate levels of skilled manpower constrain the successful implementation of diverse development activities, this project will contribute to overcoming such problems.

III. PROJECT DESCRIPTION

Project Strategy

The primary objective of this project is to assist the Department of Education and Culture with the establishment of an institutional capacity for improved policy analysis and policy formulation. Within the Department, Balitbang Dikbud is the agency which has the formal mandate for gathering data on education and culture and undertaking policy analysis, and therefore emphasis is given to its institutional development. However, the project is not limited to Balitbang Dikbud, and establishing more direct linkages between policy research and analysis, undertaken by Balitbang Dikbud, and program budgeting and implementation, performed by the Directorates-General, is a major part of the project strategy. For this reason, efforts to strengthen institutional capacities will include the Directorates-General as well as Balitbang Dikbud.

Because many of the activities planned (especially work on an improved information system) involve departures from established procedures and patterns of interaction within the Department, the project is divided into two phases. Phase One, lasting approximately eighteen to twenty-four months, is largely a period of investigation, experimentation and formulation of detailed plans. As these activities are successfully completed, Phase Two will consist of establishing and implementing the systems and procedures which have been agreed upon. The absence of a detailed blueprint at the outset is an advantage because the project will be better placed to learn from pilot activities and develop a consensus on future activities in Phase Two if it is not constrained by detailed and binding plans determined before the project begins.

Within each Phase, there are five elements of the project strategy. The first is increasing the capacity of Department staff to undertake policy research, analysis and long term planning. This requires the identification of the kinds of skills which are useful and needed within the broad rubric of "policy research and planning." A capacity to build models and make projections, as well as assess the possible consequences of future policy options, is one part of policy research and analysis. Equally important, however, is a capacity to monitor and evaluate on-going programs of Repelita IV and to determine the impact and effectiveness of present Departmental policies. Both require attention if the final outcome of the training program is to result in an improved institutional capacity to serve the needs and concerns of the Minister and the Directorates-General in considering policy options and implementing programs.

The second element of the project strategy is strengthening the internal management and organization of Balitbang Dikbud, effectively linking its proposed three main components of educational research, policy analysis and information system. Plans for reorganizing the structure of Balitbang Dikbud offer an opportunity to establish a more effective pattern of internal management, but also present inevitable challenges to established organizational procedures. The project strategy calls for support to Balitbang Dikbud in dealing with these challenges.

Third, for the long-run development of the educational system in Indonesia, the utility of upgrading staff capacities and internal management systems at Balitbang Dikbud lies in the extent to which that capacity is applied to important policy issues. Therefore, the project will support research and analysis of key issues affecting the development of the educational system. These issues must be ones which are seen by the relevant implementing agencies within the Department as directly related to their on-going programming, budgeting and implementation activities. For this reason, discussions about the special studies to be undertaken will focus on the needs and concerns of the various Directorates-General. The final determination of the studies must be a process in which they play an active role, with Balitbang Dikbud serving as the instrument to translate policy concerns into research issues and to carry out that research. An assessment of the implementation of programs under Repelita IV is expected to be an important concern of all units within the Department, and special studies supported by this project should help address that concern.

The fourth element of the project strategy is upgrading the capacity of the Pusat Informatik within Balitbang Dikbud to serve the policy research, analysis and planning needs of Balitbang Dikbud itself. Improved staff capacities and the identification of key policy issues cannot achieve the project purpose if they are not supported by timely, accurate and relevant information which is the basis for any research, analysis and planning. During the project design phase, work has already been done to identify the kind of information required by Balitbang Dikbud to fulfill its mandate, and how an information system can be developed to meet those needs. This will be elaborated during Phase One and training of staff, development of new procedures and acquisition of some data management equipment will be supported by the project.

Finally, the fifth element of the project strategy calls for experimentation with planning and information systems at the provincial level during Phase One. Regional offices (Kanwil) of the Department have the responsibility for formulating provincial strategies, programs and budgets, as well as managing the implementation of annual projects. In addition, the information which is available at the national level originates within the provinces. Weaknesses at the provincial level -- either in planning or in collecting information -- will diminish the effectiveness of national efforts if they are not addressed. During Phase One experimental efforts will be started in selected provinces to strengthen provincial planning and information systems, with the objective of developing a feasible strategy for increasing provincial capacities.

The following table (Table 16) presents the main elements of the project strategy, what activities or project inputs are required, and the assumptions underlying this approach. These five elements -- strengthening staff capacities for policy analysis, improving the internal management and organization of Balitbang Dikbud, carrying out special studies of key policy issues, improving the information system for Balitbang Dikbud and experimentation with planning and information

systems at the provincial level -- will not have the desired impact if the project activities do not support closer linkages between the analysis of Balitbang Dikbud and the budgeting and implementation of activities by the Directorates-General and the office of the Secretary General. It is acknowledged within the Department that in the past the research and analysis of Balitbang Dikbud has often not been relevant to the immediate concerns of the operational agencies of the Department. Throughout project implementation strategy, therefore, there must be the common objective of narrowing the gap between policy analysis on the one hand, and annual budgeting and project implementation on the other.

One way in which this will be narrowed is through the establishment of a Project Steering Committee and Working Team with representatives from all the major units within the Department. Both of these groups will be established through a Ministerial Decision (Surat Keputusan Menteri), which will specify their membership, responsibilities and authorities.

Chaired by the Head of Balitbang Dikbud, the Project Steering Committee will be responsible for establishing overall policies for the project and for coordinating activities amongst the different agencies concerned. It will have the responsibility for policy decisions affecting the implementation of the project itself as well as the planning and administrative context within which the project operates. Amongst other things, the Steering Committee will be responsible for reviewing and approving plans for major project activities. These will include annual training plans, with specific attention to the extent to which training meets clearly identified needs for improved policy analysis and a better information system. The Steering Committee will also review and approve the topics to be investigated through special studies supported by the project. Finally, the Committee will be responsible for reviewing and approving plans for the development of the information system for policy research and analysis. This will include both the technical aspects of the plan and the related administrative implications which will affect reporting procedures, access to data and the dissemination of information by the Pusat Informatik.

Table 6
Summary of Project Strategy

<u>Overall project objective</u>	<u>Activity/Inputs</u>	<u>Assumptions</u>	<u>Efforts to fulfill assumptions during Project</u>
Formulation of better educational and cultural policies and plans based on better analysis and information.	Entire project.	Minister, DG's and other senior staff want better analysis and will use it.	Ministerial support for project.
<u>Specific project objectives</u>			
1. Increased staff capacity for policy analysis and planning, especially within Balitbang Dikbud.	Training. Technical assistance.	Relationship between Balitbang Dikbud and DG's is clarified so that better policy analysis will have impact on annual budgeting.	Ministerial support on a continuing basis; training for both Balitbang Dikbud and DG staff; establishment of Project Steering Committee and Working Team with representatives of all major agencies within Depdikbud.
2. Improved internal management of Balitbang Dikbud.	Technical assistance.	Balitbang Dikbud leadership and staff prepared to accept management and administration review, and accept changes.	Agreement by Head of Balitbang to the review and scope of work of technical assistance.
3. Special studies of selected key issues.	Technical assistance. Funding for research.	DG's can identify significant issues and will use results of studies, Balitbang Dikbud can produce good studies.	Formulation of research agenda by Steering Committee; provision of technical assistance to help ensure quality and utility.
4. Increased capacity of Pusat Informatik to serve policy analysis and long-term planning needs of Balitbang Dikbud.	Training. Technical assistance. Commodities purchases (hardware, software)	Technically feasible to define a limited information system to serve policy and planning needs.	Technical assistance; training.
5. Experimentation with improved planning and information systems at provincial level.	Training. Technical assistance. Commodities purchases (hardware, software)	Present planning and information systems will tolerate some flexibility and experimentation; support from Departmental leadership for greater opportunities to undertake policy analysis and planning at provincial level.	Agreement from Minister and Steering Committee that such experimentation should be undertaken.

The membership proposed for the Steering Committee is as follows:

Head, Balitbang Dikbud (Chairman)
 Secretary-General (Vice Chairman)
 Secretary, Balitbang Dikbud (Secretary)
 Director-General of Higher Education
 Director-General of Primary and Secondary Education
 Director-General of Non-formal Education, Youth and Sports
 Director-General of Culture
 Inspector-General
 Head, Pusat Informatik, Balitbang Dikbud

The Steering Committee will be supported by a Working Team, which includes managerial-level representatives of the major implementation and planning units of the Ministry. The Working Team will have responsibility for ensuring that the Steering Committee is presented with realistic proposals, substantiated by a thorough examination of options and issues. The proposed membership of the Working Team is as follows:

Head, Balitbang Dikbud (Chairman)
 Secretary, Balitbang Dikbud (Vice Chairman)
 Head, Pusat Informatik, Balitbang Dikbud
 Head, Planning Bureau, Office of Secretary-General
 Head, Personnel Bureau, Office of Secretary-General
 Director of Academic Affairs, Directorate-General of Higher Education
 Secretary, Directorate-General of Primary and Secondary Education
 Secretary, Inspectorate-General
 Director of History and Traditional Culture, Directorate-General of Culture
 (Representative of AID will assist the Working Team and attend meetings at the invitation of the Team)

Because of the complexity of several of the areas which will require decisions by the Steering Committee, it is expected that the Working Team will establish ad hoc technical task force groups to provide the basic information and analysis which will be required for the Team to prepare reports and recommendations to the Steering Committee. These technical groups will work on a daily basis with the technical assistance team.

The GOI will appoint a Project Manager who will be responsible for the day-to-day management of the Project and for overseeing and coordinating the work of the technical assistance team. It is expected that the Head of the Pusat Informatika will be appointed to this position.

Project Activities

The following sections describe in greater detail how specific project components will implement the strategy discussed here, and how they can be understood within the context of the strategy.

A. Start-up Phase. Recognizing the time required to meet AID contracting procedures and secure the required technical assistance, as well as to identify candidates and institutions for training, approximately six months is planned for start-up activities. During this time it is expected that all administrative procedures will be completed and that project implementation will be able to commence in earnest.

B. Phase One of Project Implementation (January, 1985 - December, 1986). To a considerable extent, Phase One of project implementation will consist of various experimental and exploratory efforts designed to generate both experience with and understanding of key organizational, management and institutional issues. The need for careful planning, based on pilot efforts, cannot be over emphasized. There is ample evidence, both in Indonesia and elsewhere, that without this the risk is high that investments in training and equipment will not yield the expected results. Therefore, the project design calls for an initial period of study activities, rather than the articulation of a blueprint to be implemented rigidly over the life of the project. These experiments and studies are expected to result in specific policy recommendations and a plan for an improved and expanded information system for policy analysis. This phase is expected to last between eighteen and twenty-four months, depending on the specific activities concerned. As planning requirements are met and sufficient experience has been gained in the various elements of the project strategy, the project will move forward to Phase Two.

1. Increased Capacity for Policy Analysis. Training staff of Balitbang Dikbud to undertake policy analysis will be a major activity under this project. This will be accomplished through a combination of short-term study tours, in-country training courses, M.A. and Ph.D. training overseas, on-the-job training during the course of undertaking specific policy studies, and in-country executive seminars. As an initial step, the project will identify a small number of senior management personnel to receive a short-course orientation to policy analysis and policy formulation in the context of planning and managing education sector programs. This training will serve to highlight the potential advantages of policy analysis, the techniques involved in such analysis, and how it can be used in the planning process. This will be supplemented by an on-going series of seminars for senior Departmental policy-makers and managers. These seminars will be designed to develop their capacity to bring analytic skills to bear on specific management problems and decisions. The project will also support short study-tours by senior staff to attend courses in the U.S. or the region as requirements are identified.

Because of the steps which must be completed before candidates can begin their graduate programs, it is expected that the first long-term participants will not start their studies before September, 1985. In-country training in statistical analysis, forecasting, research methodologies, and policy analysis will be

provided. Short-term training, with particular emphasis on budget analysis and planning, will be provided to staff members from the Secretary General's office. In addition staff from the Directorate-General of Primary and Secondary Education will also receive short-term training in quantitative analysis and information management. The technical adviser will work closely with counterparts to provide direct training, as well as to identify and help arrange in-country training where needed.

The identification of qualified candidates to be trained may be a constraint in implementing this program. Because the increased emphasis on policy analysis may well require a different kind of staff within Balitbang Dikbud, consideration will be given to ways in which new staff can be recruited into the agency on a full-time basis.

During the initial six months of the project, it is expected that the Project Officer will join with the Project Working Team in a series of discussions both within Balitbang Dikbud and amongst other agencies in the Department to elaborate and refine this plan. The Conditions Precedent require the Steering Committee to approve a training plan annually, so modifications based on experience will be built-in as a routine part of project management.

2. Institutional Organization and Management of Balitbang Dikbud. A second step in this phase of the project is a review of the internal management and organization of Balitbang Dikbud itself. As is elaborated in the Institutional Analysis (Annex F.1), Balitbang Dikbud has been given a mandate with increased emphasis on policy analysis. This entails a new internal structure and new relationships with other agencies within the Department.

Technical assistance will be provided during the initial six to nine months of the project to assist the Head of Balitbang Dikbud review the organization and structure of the agency. Issues to be addressed during this period include the relationship of the educational research centers of Balitbang Dikbud (now in existence) with the newly expanded functions of the Information Center and the proposed policy research and development groups. The respective functions and responsibilities of these units will be examined, and recommendations made on ways in which the transition to a new organizational structure can best be achieved.

The consultant carrying out this task will also organize a series of internal staff seminars at Balitbang Dikbud to present the management plan approved by the Head of Balitbang Dikbud, and to help develop new skills and procedures which may be required.

3. Special Studies. The Project Steering Committee, assisted by the Working Team and the long-term technical assistance team, will identify special study topics which will receive project support during Phase One and Two. These will be reviewed by AID to determine that they are consistent with the project purposes and can be carried out in conformity with AID regulations and procedures. It is expected that not more than two special studies will be completed before the end of Phase One of the project, and the Working Group will assist the Steering Committee in identifying subsequent studies before the start of Phase Two.

It is anticipated that the first study to be undertaken will focus on developing an approach for monitoring and evaluating programs undertaken during Repelita IV. This will determine the information needed to assess implementation of the Repelita, with special attention to the long-term policy implications of the progress achieved. A preliminary model to analyze progress will be developed and it is expected that this will help Balitbang Dikbud respond to the need to have an assessment of Repelita IV implementation by December, 1985. This will also orient the design of the information system so that it can better support the analysis and forecasting needs of the Department.

A second key study, related to the first, is planning a centralized departmental information system serving the needs of the operational agencies of the Department. Because of the number of agencies involved, the amount of data required and on-going systems of information collection, substantial investigation, consultation and experimentation will be required before a practical and politically acceptable system can be planned. Some funds earmarked for special studies are expected to be used to define further information needs, reporting requirements, administrative arrangements and hardware necessary. This study would be used in planning activities supported by the World Bank to improve the management and administration of the Department, including the information system.

4. Increased Capacity of the Pusat Informatik. Considerable attention will be given to improving the capacity of the Pusat Informatik to serve the policy analysis needs of Balitbang Dikbud. This will include an information needs assessment for policy analysis and planning within the Department. Identification of key decision-points within the present planning system, and the information needed at those points, will be a critical first step. In addition, there will be further investigation of the nature of the information generated at the kabupaten and provincial level and ways to improve its relevance and accuracy.

Training will include staff from Balitbang Dikbud, the other Directorates-General, and Kanwil offices. Basic skills required include computer programming, information and library sciences, and computer operation and maintenance, and it is expected that at an early stage staff will be placed in training in these critical areas. The Project Working Team will identify appropriate candidates for training. As with training for policy analysis, this may require a search for new staff.

5. Experimentation at the Provincial Level. The project will assist in a review of the role of provincial offices (Kanwil) in the present planning process to determine what kinds of decisions are or can be made at that level. Based on that analysis the project will identify information needs for policy and planning purposes at both the provincial and national level. The objective of these pilot efforts is to see how provincial planning capacities can be strengthened and how the present highly centralized planning process can give greater scope to provincial initiatives without sacrificing quality or the cohesion of a national system.

Jawa Barat, Sulawesi Selatan and NTB were selected as pilot province on the basis of a number of different criteria, including the size of population, capacity of Kanwil and Kandep staff, nature of problems faced in educational development, and potential linkages with other AID projects concerned with policy analysis, planning and information systems. (An elaboration of these criteria and analysis of the three provinces concerned are given in the Institutional Analysis, Annex F.1.) Pilot efforts at the provincial level will involve training and experimentation with different methods of data collection and processing, simplification of information flows, and greater scope for provincial innovations in planning and programming. Pilot efforts will begin initially in only one province, with work in the two remaining pilot provinces starting approximately six months later.

6. Monitoring and evaluation. Throughout Phase One monitoring reports will be prepared by the Working Team and approved by the Steering Committee every six months. These will not only concentrate on tracking project in puts but will also form the basis for continual assessment of project achievements and the need for any mid-course corrections. Annual reports will also be used by the Working Team and Steering Committee for determining what changes, if any, are required in project implementation.

These reports will be one important source of information for the mid-term review of the project which is planned to take place at the close of Phase One. This will be the occasion for the Steering Committee and Working Team to examine the results of the project, in terms of training, special studies, pilot efforts and the draft master plan for the information system.

In addition to formal reports, the project funds will support a series of seminars, involving staff from both national and provincial agencies. These seminars will be used to assess progress made in project implementation, articulate lessons learned from experimental efforts, identify constraints and develop a workplan for the next stage of activities. These are the "executive seminars" and "administrator's seminars" discussed in greater detail in the training section of the Project Implementation Plan.

Further details of the monitoring and evaluation activities which are planned are contained in the separate section on Monitoring and Evaluation.

Table 7

Summary Schedule of Project Activities
July, 1984 - July, 1990 (PACD)

	July 1984	Jan. 1985	July 1985	Jan. 1986	July 1986	Jan. 1987	July 1987	Jan. 1988	July 1988	Jan. 1989	July 1989	Jan. 1990	July 1990
I. <u>Increased capacity for policy analysis</u>													
A. Training													
1. Identification of Needs	-----												
2. Executive Study Tours		---	---	---	---								
3. MA level training in policy analysis			-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
4. Executive seminar				-	-	-	-						
B. Technical Assistance			-----	-----	-----	-----							
II. <u>Institutional Organization and Management of Balitbang Dikbud</u>		-----	-----										
A. Technical Assistance		-----											
B. Training													
III. <u>Special Studies</u>													
1. Identification of topics	-----	-----											
2. Research			-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
3. Presentation of findings					---	---	---	---	---				
IV. <u>Increased capacity of Information Center</u>													
A. Training													
1. Identification of needs	-----												
2. Training		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
B. Technical Assistance			-----	-----	-----	-----	-----	-----					
V. <u>Experimentation at prov. level</u>													
1. Pilot efforts in 1 province			-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2. Pilot effort in 2 add'l prov.			-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
VII. <u>Monitoring and Evaluation</u>													
A. Six-monthly reports		.	.	.	.	.	.	.	.	.	.	.	.
B. Annual Reports													
C. Mid-term Review						---							
D. Final Evaluation													-----
	STARTUP		PHASE ONE				PHASE TWO						

Phase Two

Progression to Phase Two of the project will depend on the lessons learned from the experiments undertaken in Phase One, and the development of more specific plans based on those insights. As specific results are achieved, some elements of the project strategy may be able to move forward into Phase Two more quickly than others. The transition to Phase Two is unlikely, therefore, to occur at one point in time. It is important, therefore, to be clear from the beginning what kinds of results are expected from Phase One for each element of the project strategy, even if it is not possible to determine in advance what the details of those results. The following considerations will be necessary elements in planning the transition to Phase Two:

1. The Project Steering Committee will review and clarify the relationship between Balitbang Dikbud and the Directorates-General, indicating at what point and in what way policy analysis should be brought to bear on long-term planning and the annual cycle of preparing DUPs and guidelines for program implementation;
2. An annual training plan will be developed and approved by the Steering Committee, specifying training objectives and their relationship with the project purpose, kind of training to be offered and anticipated schedule, numbers of expected participants and their agency, and estimated budget;
3. A plan specifying how the different sections of Balitbang Dikbud relate to one another and how their activities will be coordinated in order to fulfill the mandate of Balitbang Dikbud for policy analysis, will be completed and implemented during the latter part of Phase One;
4. The Steering Committee will have specified the special studies which remain to be completed during Phase Two, based upon the needs and concerns of the Minister, Secretary-General and the various Directorates-General;
5. The Project Steering Committee and AID will approve a comprehensive information system plan and strategy to be undertaken during Phase Two, including details on system architecture, and required capabilities, a time-phased plan for developing and implementing the information system, a recommended system configuration (including recommended equipment for province-level offices of the Ministry), and an estimated budget for implementing the system; the plan should address and provide recommendations for such issues as (a) the role of the Kanwil in planning, determining targets and monitoring progress, (b) the relative merits and tradeoffs involved in centralized versus decentralized planning, (c) whether the information system should be the sole source of data on programs for the Directorates-General, (d) roles and responsibilities in the information system, (e) policies and procedures that might require modification, (f) changes in data required to support planning and analysis, and (g) the interrelationship of the Ministries of Finance, Education and Home Affairs and the Bappenas in determining and setting educational policy;

6. Specific hardware selection and the precise nature of continued support to the Information Center will be approved by the Steering Committee and AID.

7. The Steering Committee and AID will assess the experimental efforts undertaken at the provincial level, determine which approaches are most likely to yield continuing success during Phase Two and will formulate a strategy to be implemented during the remaining life of the project.

AID will actively participate with the Department in discussions on the assessment of the results of Phase One and the formulation of plans for Phase Two.

Phase Two Project Implementation (approximately January, 1987 - July, 1990)

Phase One of the project is experimental and will provide the basis for the development of detailed plans for Phase Two. For this reason, this Project Paper is able only to indicate the kinds of activities which are presently anticipated. The monitoring and evaluation plan is intended to ensure that there are sufficient opportunities for re-examination of the project strategy and rethinking anticipated activities.

1. Expanded Capacity for Policy analysis. By the beginning of Phase Two of the project, the Department should have candidates placed in long-term training in policy research and analysis. It is expected that these candidates will begin to return to the Department during the period after July, 1987, and will form a core group of skilled analysts within Balitbang Dikbud. Training will continue throughout this period until the final PACD in July, 1990.

2. Improved Internal Management of Balitbang Dikbud. The management study to assist the internal administration and organization of Balitbang Dikbud will have been completed during the early part of Phase One. Recommendations from that study will have been reviewed by the leadership of Balitbang Dikbud and a plan of action implemented. By the end of Phase One, therefore, most activities in this part of the project should have been completed, with the possible exception of on-going training in management and administration which may be required for Balitbang Dikbud staff. It is not anticipated that this will be a major element of Phase Two.

3. Special Studies. These studies will be determined by the Steering Committee by the end of Phase One and will not only provide the Department with analyses and recommendations, but will also give Balitbang Dikbud staff practical opportunities to utilize their skills. In addition, they will create a demand for information for policy analysis purposes, and will provide an institutional incentive for the development of the information system.

Prior to the initiation of Phase Two of the project, consideration will also be given to the possibility of providing some funding for selected studies at the provincial Kanwil level. It is expected that a total of five major policy issues will have been examined and research findings presented to the Department by the end of the project. These will involve the support of one member of the Technical Assistance Team, as indicated in the project Implementation Plan (see below.)

4. Improved Capacity of Pusat Informatika

a. Training. Training will also continue throughout Phase Two for staff from the Pusat Informatika and other agencies. Training is expected to emphasize data collection and analysis techniques, as well as information management and systems development. The growing institutional capacity of the Pusat Informatik will support and complement the increasing demand for more reliable and up-to-date information which is generated through better policy analysis.

b. Planning, Design and Development. Technical assistance will be provided to assist Balitbang Dikbud design and develop an information system that is capable of supporting the policy and planning needs of the Ministry. This will include assistance in system design, data base design and administration, hardware and software selection, application program development and data center operations.

c. Commodities. Equipment to support the activities of the Ministry will be selected in Phase One and installed during Phase Two. This will probably consist of a relatively large, upgradable mini computer at the Balitbang Dikbud, and appropriately-sized mini or micro computers for selected provinces. This will be in accordance with the approved information system development plan resulting from Phase One.

Additional hardware in the form of a mini-computer and peripherals will be acquired, installed and made operational during this period. This will be in accordance with the approved development plan for the information system.

5. Experimentation at the Provincial Level. By the end of Phase One, the project will have supported experimentation with planning and information systems at the provincial level. The review of the project scheduled to take place at the end of approximately two years will clarify the lessons learned from this process and suggest fruitful courses of action for the future. The Project Steering Committee will determine a workplan to be pursued in the three pilot provinces. Based on reviews of this work, consideration will be given to expanding this effort to new areas (up to three additional provinces) on a phased basis.

6. Monitoring and evaluation. Periodic reporting on project implementation and achievements will continue throughout Phase Two of the project. There will be a shift from the emphasis on learning from experiments and pilot efforts in Phase One, to tracking the implementation of the master plan for the information system and assessing the impact of the special policy studies during Phase Two of the project. Further details are contained in the Monitoring and Evaluation section of this Project Paper.

IV. PROJECT INPUTS AND IMPLEMENTATION

Technical Assistance

One of the goals of this project is to develop the capability of Ministry of Education and Culture staff to manage information systems and perform policy analyses. Accordingly, the role of any technical advisor assigned to the project is not to do the work, but to help guide it. The project, therefore, requires a collaborative style among the advisory staff, host government staff, and local firms.

The role of host government staff in the project is important. The Steering Committee will provide top-level guidance and direction to the project, and will approve recommendations on both design and implementation in accordance with GOI policies. The Working Team will provide managerial level guidance to the project and assure that the analysis, recommendations and designs meet the operational needs and requirements of the various organizations concerned with the project. Technical support groups, concentrating on specific design and development issues, will actually perform the analysis, design and planning for the systems, supported by the advisors.

Indonesian participation in the project will probably occur in other ways as well. A local software development firm may be contracted to provide assistance in actually programming the information system. The University of Indonesia Computer Center could provide assistance in installing and initially operating the hardware systems in a "facilities management" arrangement. Training for programmers and systems analysts can be provided by post-secondary educational and technical institutes.

Up to 6.5 person/years of primary long-term technical assistance will be provided to assist with the design and configuration of the information system, to select and install computer hardware, and to train both data providers and information users. In addition, up to three years of long-term technical assistance will be utilized to assist with policy studies to be undertaken by the project. Long-term technical assistance is expected to be provided through direct Personal Services contracts, following competitive procurement and review of candidates by a technical review-committee. Short-term technical assistance will be provided by I.Q.C., purchase order or other similar mode.

1. Improved Management and Policy Analysis

Technical assistance in this area will support the first three elements of the project strategy and will consist of one long-term advisor for a period of three years, beginning in April 1985. This advisor should be a specialist in educational policy analysis and program administration, from the standpoint of state or national education planning. The advisor needs to have skills in budgeting, performance monitoring, policy analysis and planning. In addition, he needs to have strong methodological and quantitative data analysis skills. Because he will play a major role in in-country training it is important that the advisor speaks Bahasa Indonesia or receives intensive training so that he can perform at a S-2+ or S-3 FSI skill level early in the project. Where required, funds for in-country training (up to two months) in Bahasa Indonesia will be provided by the project

The advisor will work closely with the information system advisors in assuring that the information system responds to real needs for policy analysis and planning within the Ministry. He will be responsible for developing and helping to implement a training plan to assure the availability of qualified policy analysts within various units of the Department (including the provinces). He will also be responsible for helping to identify major research topics that need to be addressed by the Department, guiding the work for completing at least two major research activities and developing routine educational reports and analyses utilizing the data base maintained by the information center.

This advisor will be a technical resource for the Steering Committee and the Working Group, and will help coordinate the work of the technical task force teams investigating specific research areas.

The activities which will require technical assistance to work with counterparts in implementing this aspect of the project can be summarized as follows:

Summary of Major Activities

<u>Phase One</u>	<u>Timing</u>
1. Review major policy and planning issues concerning the Education sector in general, and the Ministry of Education in particular.	April to December 1985
2. Develop a training plan, identify and schedule long- and short-term training activities.	April to July 1985
3. Develop a proposed research and reporting plan, help identify specific research topics, regular and periodic reporting needs and other analyses. Plan should include data requirements, analysis techniques and an implementation schedule.	July to August 1985
4. Coordinating the work of two study teams, one dealing with the requirements for monitoring and analyzing progress under Repelita IV, and the other dealing with information system design issues.	August, 1985 to April, 1986
5. Assist with design of the information system architecture and data base to support the research and reporting plan.	October 1984 to December 1985
6. Develop, in coordination with the information system staff, regular analysis and report programs to meet regular and periodic reporting and analysis requirements.	April to December 1986

<u>Phase One</u>	<u>Timing</u>
7. Training Balitbang and SekGen staff in research and analysis techniques related to performing the activities involved in the research plan and in meeting the decision-making needs of the Minister and his staff.	January 1986 to April 1988
8. Assist in the development of analysis and reporting activities at the provincial levels.	consistent with development and installation of computer equipment software at the province level
9. Train province-level staff in the use and applications of analysis and planning techniques related to the specific functions of provincial level organization.	consistent with installation of equipment and programs at the province level
10. Guide the research and analysis of two major projects identified in the project research plan.	January 1986 to April 1988

2. Information System Component

One long-term resident advisor serving as team leader will be supported by one medium-term specialist in information systems planning, internal systems design and analysis, and one short-term specialist in hardware systems and data center operations. The team leader will be responsible for overall team performance and will be expected to be conversant in all aspects of the project. He will assume an active role in both training and systems design and development and will coordinate software development, data base structures, programming, and documentation. He will also serve as a technical advisor to the Working Group and to the Steering Committee.

The information systems planning specialist will coordinate the identification of system requirements architecture and the development of a plan for the information system, and preparation of functional (or logical) specifications for the request for proposal for bids for hardware acquisitions. He will also coordinate the work of local systems analysts in designing data base structures, input and output programs, interfaces among package programs, and custom software - the detailed internal design that will enable the information system architecture to work effectively and efficiently on the particular hardware and operating system selected through the bidding process.

The hardware specialist will be responsible for managing the development of the hardware plan, requests for bids, evaluation of bids received, and assistance in site preparation and computer installation. He will also be instrumental in planning and developing operations center procedures, standards and documentation.

The team leader's assignment will last 4 years, from April 1985 to March 1989. The information system planning specialist will be in-country from April 1985, to October 1986 (18 months). It will be necessary to employ a data center operations/hardware specialist at three stages. The first will be for one month for the preparation of technical specifications for the request for proposals, and conducting a prequalification survey of potential vendors. The second stage will be the evaluation of technical proposals for hardware acquisition and will require one month. The third stage will require approximately four months to assist with the installation of the major systems when they arrive in country. (A detailed draft workplan is presented in Annex G.)

3. Provincial Level Experimentation

During Phase Two the project is expected to provide a limited number of mini or micro computers in several of the provinces and training local staff to use them properly. Applications for the minis and micros will be developed at the national level, so that local staff will be engaged in work that is consistent with the overall information systems plan of the Ministry. It is important that the basic applications be centrally planned and coordinated, even though the analysis and decision-making is decentralized. Beyond that, the installation of a minimum amount of hardware and training in analysis and micros may permit some provinces to expand and develop additional applications to serve local needs.

Technical assistance will be made available to assist provincial offices in developing the skills required to use the micro or mini computers provided. Members of the team will assist Kanwils in using the data provided by the information system. Work in the pilot provinces will be a part of their responsibility. The project budget includes funds for frequent consultations, seminars and meetings between the technical assistance team, provincial officials and officials from Balitbang Dikbud and other national level agencies.

The advisors working with the computerized information systems must be familiar with Indonesian culture and customs as well as technically proficient in their field. They should have established experience in planning and implementing information systems for government agencies in developing countries, preferably Indonesia. The team leader must have a professional command of Bahasa Indonesia. He should be a research analyst with experience in designing and using computer systems to support research and policy analysis. He should not be programmer but should have experience designing and programming integrated systems. The information system planning specialist should have some knowledge of Indonesian, although he will be working at a level in the Ministry where most persons have at least a basic knowledge of English. The hardware specialist should have at least some knowledge of Indonesian to work with system operators, but this is largely a field where English is the accepted technical language.

Table 8

Summary of Schedule for Technical Assistance
(Total of 9.5 person-years*)

	Jan. 1985	July 1985	Jan. 1986	July 1986	Jan. 1987	July 1987	Jan. 1988	July 1988	Jan. 1989	July 1989
1) Team Leader	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
2) Policy Analyst	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
3) Information System Planning Specialist	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
4) Computer Specialist	-	-	-----	-----	-----	-----	-----	-----	-----	-----
	P H A S E O N E				P H A S E T W O					

* Included in this figure but not shown on the chart is .5 person-years of short-term consultancy services on a contingent basis.

Table 9

Summary of Activities for Information System Development

Project Year	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Calendar Year	1984	1985	1986	1987	1988	1989
Indonesian FY	FY 84/85	FY 85/86	FY 86/87	FY 87/88	FY 88/89	FY 89/90
Contract tech. assist						
Solicit hardware bids		informal	formal			
Analyze data requirements						
Data base design						
Formulate procedures						
Design forms & reports						
Develop software						
Evaluate hardware/software						
Assess site preparation						
Assist installation						
Training Overseas						
Executive seminars						
Administrator's seminars						
Develop & translate manuals						
Technical Assistance Sched.						
Team Leader						
Policy Analyst						
Information System/Plan- ning Specialist						
Hardware Specialist						

* Indonesian fiscal years run from April 1 through March 31

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Training

A. Summary

Adequate levels of appropriate training are essential to any project which attempts to modify the management of an organization's information resources. Because of the magnitude of this project and the technological leaps proposed, the training component is even more critical.

Training in this project has three purposes: to develop an awareness and understanding of the importance of policy analysis in establishing and meeting long range goals; to improve and expand analysis, managerial and operational skills, particularly the use of information in decision making; and finally to develop internal human resource capabilities. Because the government is at a competitive disadvantage in recruiting qualified technical personnel in the labor market, it is necessary to train people internally to fill necessary positions in this field.

Six major categories of training are envisioned, corresponding to the level of involvement of ministry staff in the project. Some but not all training will require English language competence, and where necessary this will be supported by the project. The types of training are:

1. Formal university training in US
2. Technical training
3. Study tours or short courses abroad
4. Executive seminars
5. Administrator's seminars
6. Management workshops

1. Formal University Training

The project will place 14 people in formal master's level programs in computer science, library science, information systems, policy research and analysis, and education administration. It is expected that from these candidates, four will be selected to complete Ph.Ds, one in information sciences and the others in policy analysis. Six people will participate in one-year certificate programs of policy studies in the U.S. USAID will pay all international travel and training costs out of loan funds, except for continuing salary payments to participants which will be an on-going GOP obligation.

Two of the long term M.A. trainees are expected to become the data base manager and data center manager for the Balitbang Dikbud. The data base manager will receive an intensive training course in data base design and management, data base management systems, and information systems theory, as well as an overview of program applications that relate to policy analysis and planning. The data center manager will receive training in managing a data center, operating systems, hardware systems, capacity planning and performance monitoring, and system programming. This generalized long-term training will be supplemented by hardware specific training provided by the vendor once the hardware selection is made.

Staff trained in policy studies will be given advanced training in research methodology, statistics and forecasting techniques, with emphasis on the use of computer packages to support research activities.

This training will provide the technical foundation for management of the computer operations, the implementation of policy studies in Balitbang Dikbud, effective dissemination of research findings, and strengthened capacity for program planning and evaluation.

2. Technical Training

Up to 20 persons will receive one to three months training either in the U.S. or the Southeast Asia region. This will include short courses on management information systems, computer science, management science and policy analysis.

In addition, thirty six people in computer programming and operations positions at the national and provincial level will be trained in Indonesia for approximately thirty weeks in computer systems, programming, and systems analysis. It is expected that the sophistication and complexity of the mini computers will require this level of training, while less complex micro computers at smaller installations will not require formal programming, operator and system analysis training. This training will be supplemented by manufacturer's training in the use of the specific equipment acquired under the project.

Finally, staff at the working level of planning sections will need to be familiar with the operation and application of micro computers. Workshops for these participants will incorporate classroom and hands-on training in the data base management system, spread sheet applications and special report generation programs developed for the project. These are expected to last for approximately 2 weeks and will be directed toward potential users of the computers at both the center and the provinces.

3. Study Tours

Twenty short study tours, averaging one month each will be offered to selected participants who might not otherwise receive crucial training. These tours will be targeted toward staff who are unable to be absent from their duties for extended training and staff who have specialized training requirements that cannot be met through local training.

4. Executive Seminars

It is essential that policy-makers are fully aware of the purposes of the project and the potential uses to which the strengthened capacity can be put. To this end, the project will incorporate a series of executive seminars for the Directors-General, Secretary-General and selected first echelon managers from Bappenas and other Ministries.

One example of this type is the Executive Overview Seminar conducted by IBM in Hong Kong, Manila or Singapore. There is generally no registration fee for this 3 to 5 day seminar, which provides an overview of information systems, the importance of information management for decision-making and the current technology of information systems. Other key topic seminars would be conducted by the technical assistance team. They will have two main purposes: to serve as a feedback mechanism for the project participants and to highlight ways of employing the new capabilities in policy analysis and planning.

5. Administrator's Seminars

Administrators, including the Secretaries and Heads of planning units in the Directorates General, planning staff of the Secretary General, researchers at Balitbang Dikbud, and managers of planning sections at the Kanwil level will receive training to allow them to take advantage of improved information gathering and analysis capabilities. A series of administrator's seminars will be developed and conducted by the technical assistance team to assure that all relevant aspects of the project, its implementation, and its outcomes are understood by these administrators. In addition, these seminars will also provide training in quantitative methods, program evaluation, research design, and model-building. These will be of two-week duration, with three seminars in the entire series.

6. Management Workshops

One of the early in-country training efforts will focus on the staff of Balitbang Dikbud. Following a general management and administration review of the internal organization of Balitbang Dikbud, the Head will establish a plan for the internal reorganization of Balitbang Dikbud. Based on this plan, a series of small seminars will be held to acquaint Balitbang Dikbud staff with the plan and to help develop new techniques and procedures which will be required to implement the plan. Approximately 75 persons will be involved in this training effort.

Table 10

Summary of Training Program
According to Types of Training

	<u>Participants</u>
Training abroad	
MA computer sciences/information systems (2 years)	2
MA library sciences (2 years)	1
MA management sciences and policy analysis (2 years)	<u>7</u>
Total Master's level	10
Ph.D in information systems	1
Ph.D in management science and policy analysis	<u>3</u>
Total Ph.D.	4
Certificates in policy studies (1 yr)	6
Study tours (1 month)	20
Short-term technical training (1-3 months)	<u>20</u>
Total participants in training abroad	60
Training in Indonesia	
Data processing (30 weeks)	36
Micro computer training	150
Manufacturer's training	16
Executive seminars	20
Administrators seminars	60
Management seminars	<u>75</u>
Total participants	357

Table 11

Summary of Training Program
According to Departmental Units

1. Pusat Informatik, Balitbang Dikbud
 - 1 Ph.D in information systems
 - 1 Master in computer science
 - 1 Master in information systems
 - 12 30-week certificates in data processing
2. Policy Analysis Section, Balitbang Dikbud
 - 1 librarian MLS
 - 7 policy analysts MPA - quantitative & information management concentration
 - 3 Ph.D in policy research and analysis
3. Planning Bureau, Secretary-General's Office

short-term training concentrating on budget finance
4. Directorate-General for Primary and Secondary Education, Planning Staff

short-term training concentrating on quantitative analysis techniques and information management
5. Provincial Kanwil
 - 6 provincial planning staff - 30 week course concentrating on policy studies
 - 24 provincial staff - 30-week certificates in data processing and micro computer applications

Table 12
Estimated Training Budget (\$000)

	Units	LOP #	Unit Cost		LOP Cost		YEAR 1			YEAR 2			YEAR 3			YEAR 4			YEAR 5			YEAR 5		
			FX	L/C	FX	LC	#	FX	LC	#	FX	LC	#	FX	LC	#	FX	LC	#	FX	LC	#	FX	LC
			Cost		Cost		Cost		Cost		Cost		Cost		Cost		Cost		Cost					
Long Term Training																								
Ph.D (5 years)	P/Y	20	24		480				4	96		4	96		4	96		4	96		4	96		
MA (2 years)	P/Y	20	24		480				4	96		8	192		6	144		2	48		4	96		
Certificate (1 year)	P/Y	6	24		144				3	72		3	72											
Short Term																								
Technical Training	P/C	20	10		200	2	20	4	40		4	40		4	40		4	40		2	20			
30-week Certificate in Data Processing	P/C	36	10					12	120		12	120		12	120									
Manufacturers Training	P/M	24	4		96						8	32		10	40		6	24						
Study Tours	P/M	20	4		80	4	16	4	16		6	24		2	8		2	8		2	8			
Seminars, workshops	Seminar	20	10		200	2	20	4	40		6	60		4	40		2	20		2	20			
English Language	P/M	100	.75		75			35	26.25		55	41.25		10	7.5									
TOTAL					1384 731		36 20		320 186.25		44 353.25		288 207.5		192 44		124 20							

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Commodities

Projecting computer system requirements and budgets five years ahead is a difficult proposition. The pace of development of computer technology in the last five years has been astounding. Computer capabilities have expanded enormously and prices have fallen substantially as computer applications have proliferated and economies of scale have been realized. Similar advances will be achieved in the coming five years, with promising developments in the areas of bubble memory, very large scale integration (VLSI), voice recognition techniques, and integrated software systems. It would be foolish to limit a project such as this to the technological opportunities of the present when future developments may well prove more appropriate and cost-effective. However, the basic design for the information system must be achieved in the early phases of the project. To a degree, this design will be limited to technology which is current at that time, and the entire project will depend on both hardware and software compatibility in the final stages of the system expansion.

The commodities described below reflect several priorities which have been determined for this project. The most significant of these is the project's scope. Since the information system envisioned in this project is expected to serve planning and policy analysis activities, it will require the capacity to store and access relevant planning data and to manipulate that data in a variety of ways.

The hardware and software needs for a planning and analysis system differ from those of an operationally oriented system because the nature and uses of the supporting data are different. Where an operational personnel system, for example, attempts to assure that data reflect the current staffing status, a planning system attempts to collect longitudinal data on staffing levels skill levels, etc. Operational data is said to be dynamic, while planning data is of a more static nature. In addition, the data required for planning and policy analysis must be derived from a consistent set of measurements which are compatible over time.

Data used for planning and policy analysis differ in a second respect from data for day-to-day operations. Maintaining operational data files requires a considerable volume of very detailed information. For example, a personnel file will probably contain information ranging from the number of employees dependents to the accrued annual leave available. Data used in planning and policy analysis normally are more summarized, dealing with aggregations of items rather than each individual item. However, to obtain this summarized data means that relatively detailed data on individual schools and classes must be maintained.

These characteristics have two implications for the design of the computing system which supports this project. First, due to the nature of the data used in the planning system, the volume of data maintained will be smaller than that which would be required for an operational system. Second, because the data will be used in many different ways, the system must be designed with flexibility in mind.

To achieve the flexibility demanded by this system both in ordering the logical relationships of existing data and in supporting changes to data structures, a flexible data base management system (DBMS) to control data storage and retrieval will be essential. The fact that the hardware design will combine a mixture of micro and mini computers means that the DBMS must be one that can format data to be used in either environment.

Minimum data required for the system should probably include: (a) a school/class inventory showing name, location, number of rooms, number of classes held, type of school and grades included; (b) a teacher skills inventory showing name, grade, salary level, skills, current teaching position; (c) a geography data set to support analysis by province, district, subdistrict and even village; (d) a population data set preferably at the kecamatan level, containing an age and sex profile for several census years; (e) school/class/pupil data set which contains an annual inventory of students, drop-outs, number completing final grades, by school and class. Additional data required for the system will be identified during Phase One of the project, and many data elements will not be part of a regular information system, but rather developed and used during specific research studies.

Although the potential volume of data processed in this system is large, the project can be adequately supported by a combination of mini and micro-computers. All but a few provinces can be supported by the use of properly configured micro-computers, while the Pusat Informatik and the provinces of Java will require mini computer systems.

Finally, the hardware design must incorporate a mechanism for rapid entry of large numbers of records over a very brief period. The system must ultimately permit the entry of survey data from 130,000 (1981-82 data) schools within a one to two-week period. Keyboard entry of this data is impractical because it is both too slow and too error-prone. One way to overcome this problem is to use optical character readers (OCR) with the mini computers. Since one such OCR device is currently available at the University of Indonesia, it will be possible to test this approach to data collection in advance of purchasing any OCR hardware.

Preliminary Hardware Configuration Estimates: The following hardware configurations are preliminary estimates based on consultant review of current capacity and estimated future needs. They were developed for the purpose of providing a budget estimates. The central configurations, within budget limits, will be determined during Phase One of the project. This equipment represents an entry-level system which would provide an initial information system capacity for the Department. This entry-level system will greatly improve the capability of Balitbang Dikbud and the selected provinces to provide useful information for planning and policy analysis. Expansion of the system is not planned as a USAID activity, although the Government of Indonesia may decide to do so in the future.

Site Preparation: The location for each of the three mini computers will have to be renovated to provide a suitable physical environment for the equipment. As a minimum, the computer will need to be located in a separate room which has adequate electrical wiring, air conditioning, a halon fire extinguisher system, and a tightly sealed door. It would be desirable, but not essential to have a raised floor under which the computer wiring would be placed, and a large window area for security of the system. It is expected that the cost of site preparation, approximately \$15,000 per site, would be included in the host country counterpart contribution to project costs.

Hardware Maintenance: It is standard practice with an installation of this type to purchase a maintenance contract for routine maintenance service and for repairs should problems occur with the hardware. Normally such a contract costs from 10-15% (annually) of the purchase cost of the hardware. This protection is strongly recommended for the installation envisioned with this project, since it is unlikely that the Department will be able to develop in-house maintenance and repair capabilities, or that it would have budgeted sufficient reserves for major repairs should they be necessary. Maintenance contracts, therefore, are expected to be included in the host country counterpart contribution to project costs.

Table 13

Hardware Configuration Estimates

(Note: this is an estimate for illustrative and budget purposes only. The actual configuration will be determined during Phase One.)

Micro Computer Configuration - 8 units

256-K RAM
 Dual 320-K disk drive
 10-40 Meg hard disk with tape streamer backup
 132 or 200 + column dot matrix printer, bi-directional with graphics capability
 Automatic battery back-up power supply and power filter

Micro Computer Software

MSDOS/UNIX operating system
 Text Editor/Word Processor
 Basic, Pascal Compilers
 Data Base Management System (Compatible with Mini DBMS)
 Data Dictionary
 3rd Generation Spread Sheet Program
 Other Utility Programs
 Custom Developed Reporting Software
 Custom Developed Projection/Modelling Programs

Mini Computer Configuration* - 1 unit for Pusat Informatik

2 Meg Memory - expandable to 4 MEG
 400 MEG Removable Disk Storage - expandable to 800 MEG
 1 tape drive
 1 letter quality printer
 1 line printer
 1 tape streamer cartridge device
 20 work stations
 Uninterruptable power supply and power filter
 1 optical character reading device

Mini Computer Configuration* - 2 units for Provincial Centers

512K Memory - expandable to 2 MEG
 200 MEG Removable Disk Storage
 1 letter quality printer
 1 line printer
 1 tape streamer cartridge device
 5 work stations - expandable to 20
 Uninterruptable power supply and power filter

Mini Computer Software

Text Editor/Word Processor
 Fortran, Pascal, APL or other suitable high-level languages
 Data Base Management System
 SPSS or SAS Statistical Packages
 Custom Developed Reporting Software
 Custom Developed Projection/Modelling Programs

* Installation of this equipment would require renovation of a computer room to house the computer and peripherals would include wiring, air conditioning, power supply and security.

Distribution of Hardware According to Departments

(Note: This distribution pattern is for illustrative and budgetary purposes only. The actual pattern will be determined during Phase One.)

1. Pusat Informatik, Balitbang Dikbud
 - 1 mini computer, with 12 workstations
 - 2 micro computers
2. Planning Bureau, Secretary-General's Office
 - 2 micro computers
 - 6 workstations
3. Secretary's Office, Directorate-General of Primary
 - 1 micro computer
 - 2 workstations
4. Provincial Kanwil
 - 2 mini computers, with 10 workstations
 - 4 micro computers

Table 15

Estimated Budget for Hardware Acquisition
According to Type and Year*

	<u>Project Funds</u>						<u>Combine:</u>
	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	
Mini computer			600,000	120,000	120,000		840,000
Mini software			75,000	75,000	75,000		225,000
Micro computers		75,000		45,000			120,000
Micro software		15,000		9,000			24,000
Total		90,000	675,000	249,000	195,000		1,209,000

* This budget does not include custom-developed software to be written by local programmers under the direction of the project team. It is estimated that this software will cost US\$125,000. Neither do these estimates include the costs of renovation of computer room space.

Implementation Plan

The following implementation plan presents the major activities which will take place during the first two years of the project. Executive seminars, meetings of the Working Team and Steering Committee, and annual reviews of progress made in implementation will provide opportunities to review, revise and update this plan as seems appropriate. In-country short-term training will be carried out on an on-going basis shortly after the technical assistance team is in place. Such training, as well as short study tours have not been specifically cited in this implementation plan.

Implementation Plan (years 1-2)

<u>Month</u>	<u>Activity</u>	<u>Responsible Agent</u>
0	Loan agreement signed	Depdikbud, AID
1	PIL No.1 issued Draft scope of work for technical assistance prepared	AID Working Team, AID
2	Condition precedent met Scopes of work for technical assistance approved. Search for technical assistance team initiated	Depdikbud Steering Committee AID
3	Training plan for yr 1 drafted Short-term technical assistance for internal management contracted	Working Team AID
4.	Short-term technical assistance for internal management of Balitbang Dikbud begins	Balitbang Dikbud, AID
5	Training plan for yr 1 approved; PIL issued Technical assistance team identified	Steering Committee, AID Depdikbud, AID
6	Internal management seminars at Balitbang Technical assistance team contracted	Balitbang Dikbud AID
7	Candidates for training identified, tested, and placed in English language training Six monthly report on implementation Technical Assistance team arrives	Working Team Working Team AID
8	Analysis of data base requirements	Pusat Informatika

<u>Month</u>	<u>Activity</u>	<u>Responsible Agent</u>
9	Initiated draft of special study topics In-country training begins Immediate steps to improve data collection identified Work in 2 pilot provinces begins	Working Team Balitbang Dikbud Pusat Informatika Pusat Informatika
10	Special study topics approved Data base design begins	Steering Committee, AID Pusat Informatika
11	Candidates for overseas training prepare for departure Work begins on special study topics	AID Balitbang Dikbud
12	Draft training plan for yr 2 prepared Informal hardware search begins First executive and administrative seminars begin	Working Team Pusat Informatika Balitbang Dikbud
13	Training plan for yr 2 approved, PIL issued Report on yr 1 implementation Initial search for candidates for second round of overseas training	Steering Committee AID Steering Committee Working Team
14	Review of initial efforts for improved data collection Draft proposals for new data collection procedures	Working Team Pusat Informatika
15	Initial draft of plan for information system prepared, including draft RFTP for hardware	Pusat Informatika
16	Draft information system plan reviewed	Working Team
17	Revision of information system plan	Pusat Informatika
18	Presentation and approval of information system plan PIL issued Six-monthly report on implementation	Working Team, Steering Committee AID Working Team
19	Formal RFTP issued Candidates for second round of overseas training selected, placed in English language training	Working Team Working Team

<u>Month</u>	<u>Activity</u>	<u>Responsible Agent</u>
20	Preparation of instructions to implementation of information system plan	Working Team
21	Review of RFTP and selection of hardware PIL issued Final scope of work for mid-term evaluation approved and PIL issued Instructions for implementation of information system plan approved Work begins in third pilot province	Working Team, AID AID Steering Committee, AID Steering Committee Working Team
22	Mid-term evaluation begins Initial report on special study topics	Working Team, AID Working Team
23	Mid-term evaluation report completed	Working Team
24	Review of evaluation report, progress in implementation of information system, and special study topics	Steering Committee
25	Report on yr 2 implementation	Steering Committee, Working Team

Cost Estimate and Financial Plan

AID grant funds amounting to \$1,000,000 will be used to support technical assistance. AID loan funds amounting to \$5,500,000 will be used for technical assistance, commodities and other costs such as project evaluation, special studies, and contingency. The GOI will fund operating and support costs in the amount of \$3,000,000, which represents 31% of total project costs. The GOI portion essentially represents the only elements of recurring cost and it is not expected that this will present future budgeting problems.

Long-term technical assistance will be provided through Personal Services Contracts, primarily to overcome GOI concerns about the high cost of institutional overhead. Short-term technical assistance is expected to be procured through IQC's or purchase orders. The method of financing technical assistance will be through direct AID contracts.

Long-term training will be funded by PIO/Ps. Funds for short-term training will be committed annually through PILs with AID reimbursing the GOI. English language training in Indonesia is expected to be funded through host country contracts with local institutions, and AID will provide direct payment or reimbursement.

Project vehicles will be procured by AID with direct payment to the supplier. Other commodities, particularly computer equipment and related services, are expected to be procured locally by the GOI through competitive bidding. The use of local sources is anticipated because of on-going warranty and maintenance needs. AID will make direct payment to the suppliers for these commodities.

Funds for special studies will be committed through a series of PILs. Evaluations are expected to be funded through an IQC or direct personal services contract.

For details of the project budget, refer to Tables 16 and 17. Table 18 presents anticipated expenditures for each year of the project.

Table 16

Summary Project Budget: AIDTechnical Assistance

1.	3 person/years for Policy Analysis @ \$125,000 per year	375,000
2.	5.5 person/years for Informations System @ \$125,000 per year	687,500
3.	.5 person/years computer specialist @ \$20,000/month	120,000
4.	.5 person/years of short-term consultancy @ \$20,000/month	<u>120,000</u>
	Total Technical Assistance	\$1,302,500

Training

1.	Long-term training	
a.	4 PhDs @ \$24,000/year for 5 years	480,000
b.	10 MA-level training @ \$24,000/year for 2 years	480,000
c.	6 certificate training @ \$24,000/year for 1 year	<u>144,000</u>
	Sub-Total	\$1,104,000
2.	Short-term training	
a.	20 short-term technical training @ \$10,000	200,000
b.	36 certificate courses (30 weeks) @ \$12,000	360,000
c.	24 person/months manufacturers training @ \$4,000/month	96,000
d.	20 person/months study tours @ \$4,000/month	80,000
e.	Workshops, seminars	<u>200,000</u>
	Sub-Total	\$936,000
3.	English language training in-country 100 person/months @ \$750/month	75,000
	Total Training	<u>\$2,115,000</u>

Commodities

1.	Computer hardware	1,209,000
2.	Software, books, ancilliary equipment	150,000
3.	Project vehicles (3)	<u>33,000</u>
	Total Commodities	\$1,392,000

Other Costs

1.	Special Studies	500,000
2.	Evaluation	100,000
3.	Contingency	490,500
4.	Inflation	<u>600,000</u>
	Total Other Costs	\$1,690,500
	Total Projected Cost	\$6,500,000

Table 17

Summary Project Budget: AID and GOI

	A I D		<u>GOI</u>
	<u>Grant</u>	<u>Loan</u>	
Technical Assistance	1,000,000	302,500	383,700
Training			
Long-term		1,104,000	
Short-term		936,000	495,420
English language		75,000	
Commodities			
Hardware		1,209,000	
Software, books, equipment		150,000	410,000
Project vehicles		33,000	90,000
Operating Costs			
Computer maintenance			360,000
Vehicle maintenance and operating costs			40,000
Incidental office costs			41,486
Project Support Costs			
Buildings, renovations			248,926
Project monitoring			226,050
Other Costs			
Special studies		500,000	448,500
Evaluation, review workshops, assessment seminars		100,000	255,918
Contingency		490,500	
Inflation		600,000	
Total	1,000,000	5,500,000	3,000,000

Table 18

Projected Annual Disbursements: AID and GOI (\$000)

	YEAR 1					YEAR 2					YEAR 3				
	AID Grant		AID Loan		GOI	AID Grant		AID Loan		GOI	AID Grant		AID Loan		GOI
	FX	LC	FX	LC		FX	LC	FX	LC		FX	LC	FX	LC	
Technical Assistance	100		20		63.950	350		125		63.950	200		80		63.950
Long-Term								264					360		
Short-Term			36	20	82.570			56	160	82.570			64	212	82.570
English language									26.25					41.25	
Commodities															
Hardware								75					600		
Software								15		50			50		90.0
Project vehicles			33		45.0					45.0					
Operating Costs															
Computer maintenance															
Vehicles maintenance					2.0					4.					8.
Incidental office costs					6.9					6.906					6.920
Project Support Costs															
Buildings, renovations					213.426					7.1					7.1
Project monitoring					37.675					37.675					37.675
Other Costs															
Special studies				25	74.750				100	74.750				150	74.750
Evaluation, seminars					42.653			25	15	42.653					42/653
Contingency			20.5	20				25	25				40	25	
Inflation								25	25				40	40	
Total	100		109.5	65	568.924	350		610	351.25	414.604	200		1234	478.25	413.61

YEAR 4					YEAR 5					YEAR 6				
AID Grant		AID Loan		GOI	AID Grant		AID Loan		GOI	AID Grant		AID Loan		GOI
FX	LC	FX	LC		FX	LC	FX	LC		FX	LC	FX	LC	
125		50		63.950	125		15		63,950	100		12.5		63.950
		240					144					96		
		48	200	82,570			48	44	82.570			28	20	82.570
			7.5											
		414					120							
		60		90			25		90.0					90.0
				120.0					120.0					120.0
				8.0					8.0					8.0
				6.920					6.920					6.920
				7.1					7.1					7.1
				37.675					37.675					37.675
			125	74.750					74.750					74.750
		50	50	42.653			50	50	42.653			35	25	42.653
		60	60				75	75				75	50	
												100	100	
125		922	442.5	553,618	125		477	244	534,618	100		346.5	220	534.618

V. CONDITIONS AND COVENANTS

A. Project Steering Committee and Working Team

For the Government of Indonesia, overall responsibility for the management and administration of the project will be vested in a Project Steering Committee. This Committee will be established by a decree from the Minister of Education and Culture (Surat Keputusan Menteri) which will establish its membership, responsibilities and authority.

The Steering Committee will be responsible for determining policies governing the use of the project funds, ensuring that all project activities are consistent with the purpose of the project as stated in the Project Paper and Grant and Loan Agreements. In addition, the Committee will be responsible for monitoring the implementation of project activities, determining the extent to which they are being carried out in a satisfactory manner consistent with project purposes, and entering into discussions with AID where changes or revisions in policies are considered to be necessary.

To carry out these duties, the Ministerial Decree shall establish a Project Working Team to assist the Steering Committee. The Decree will establish the membership of this Team and will specify their responsibility to assist the Steering Committee by preparing necessary documents, reports, policy options and recommendations as may be required and directed by the Steering Committee. In turn, the Ministerial Decree will establish the authority of the Working Team to establish Technical Support Groups to undertake specific technical tasks relating to the implementation of the project. These Groups may either be established through formal decrees of the Chairman of the Working Team or on an ad hoc basis, as seems appropriate to the Working Team, with the approval of the Steering Committee.

The issuance of a Ministerial Decree to this effect, satisfactory to AID, is a condition precedent for the disbursement of any funds under this Project.

B. Approval of annual project training plan

Prior to the disbursement of any project funds for training activities the Project Steering Committee must review and approve an annual training plan. These training plans must be satisfactory to AID and include training for all project components. They should identify training objectives and their relationship with the project purpose; kind of training to be offered and anticipated schedule, numbers of expected participants and their agency, and estimated budget.

C. Approval of plans for the development of policy information system

Prior to the approval by AID for the use of project funds for the further development during Phase Two of the project of the Department information system for policy research and analysis purposes, the Steering Committee must formulate and approve a plan for the development of that system. These plans must be satisfactory to AID and will constitute Departmental policy for the establishment of such an information system. AID must be satisfied that these plans are technically feasible, consistent with project purposes, and compatible with other Departmental activities to increase data management, manipulation and analysis programs and activities taking place within the Department. This includes other efforts financed with the assistance of foreign donor agencies or entirely with Government of Indonesia funds.

D. Commitment of maintenance funds for computer equipment

The Government of Indonesia will covent to provide sufficient funds for the maintenance of computer equipment purchased under this project. This includes not only funds for maintenance during the life of this project, but also funds for maintenance of equipment during the time that the equipment is expected to be functional and useable, based on the manufacturers' estimation of normal life expectancy of the computer equipment in question.

E. Continued involvement of trainees in project implementation

The Government of Indonesia will covent to ensure that those trained under this project will continue to be actively involved in project implementation and to work toward the achievement of project objectives once their training is completed. It is particularly important that those trained in data management and computer skills return to assist project implementation. This is both an area of relative weakness within the Department and also an area where there is a high demand from the private sector for such skills.

VI. PROJECT MONITORING AND EVALUATION

Evaluation

Two full-scale evaluations will be carried out during the life of the project. The first is planned at the end of Phase One and will be in the nature of a re-appraisal of the project. The second major evaluation will be the end of project evaluation and will assess progress achieved during the life of the project toward the attainment of its specific goals. Process evaluations of various project components will be conducted as appropriate at different stages during the life of the project, as mutually agreed between the Project Steering Committee and AID.

Phase One Evaluation

The mid-term project review scheduled for the end of year two, will serve as a review of the project strategy and the assumptions on which it is based. This first full scale evaluation will also assess the effectiveness of the project management system, in particular the Project Steering Committee, in administering project activities. The evaluation will be expected to recommend revisions in the project strategy and its management system as appropriate.

The major indicators of the effectiveness of the project management system include:

1. Clarification of the relationship between Balitbang Dikbud and the Directorates General as well as the Secretary General, and the relationship between policy research and analysis, long-term planning and the annual budgeting cycle;
2. Completion of training plans for both the policy analysis and the information management component; and
3. Evidence that the relationships of the different sections of Balitbang Dikbud are more clearly defined and their activities coordinated to fulfill Balitbang Dikbud's mandate.

Indicators of the effectiveness and practicability of the project strategy and the major assumptions on which it is based are not easily identified. A major problem of the policy and planning process is the linkage between the research done and the policies chosen has been very weak, at least in part due to the lack of involvement of the Directorates-General in the formulation and conduct of Balitbang Dikbud's research agenda. An important assumption of the project is that by involving the Directorates-General in the formulation and conduct of special studies, research findings will be more relevant to central problems facing the implementation agencies and thus more likely to be integrated into their program development activities. Implementation of the special studies, the involvement of the Directorates-General in the identification and design of the research, and early indications of the effects of the findings on programs, provide an opportunity to examine more carefully this assumption and assess the strategy for addressing the problem.

A second major assumption of the project is that a data base can be established within the Balitbang Dikbud's Information Center that will provide a basis for long-term planning and policy analysis. The cost of such a system and the practicality of installing it will be examined in the mid-term review.

A final major assumption underpinning Phase One activities is that national offices will be supportive of experiments with and innovations in the information system and planning process at the provincial level. Initial activities focusing on the provinces should provide a general indication of the degree of commitment of national agencies for this activity.

Final Evaluation

The main purpose of the final evaluation will be to examine the extent to which the project has achieved its goal of promoting the formulation of better policies and long-term plans based on more complete and accurate information. Progress to the achievement of this goal will be tracked throughout the life of the project and the final evaluation will primarily be of a summative nature.

The key focus of the project, and therefore a central concern in the final evaluation, is the increased institutional capacity within Balitbang for policy analysis. A primary indication of the achievement of this objective will be the completion of studies of specified problems of Indonesian educational development and the use of these studies in the formulation of GOI policies.

A second major indication of substantial progress toward the overall objective will be the increased capacity of to provide for the policy analysis and long-term planning needs of Balitbang Dikbud. To a great extent, achievements in this area will involve the establishment of an information system including the procedures for specifying information acquisition and flows.

A final major indication of goal attainment will be the institutional capacity to use the information system in policy analysis and long-term planning. The completion of policy research and analysis of an improved standard, using the products of the information system is an essential step to be examined in relationship to this issue.

Process Evaluations

Process evaluation, focusing on specific aspects of project implementation dynamics, will be conducted as appropriate during the life of the project. The purpose of these evaluations will be to concentrate attention on specific problem areas and to propose resolutions to the issues. The specific focus at the evaluation will be determine as the program proceeds.

Monitoring

A monitoring system will be established as an integral component of the project for the purpose of:

1. determining whether the planned levels of inputs for all project components are being provided on a timely basis and whether the outputs are being obtained;
2. facilitating communication between various levels of project management to ensure that implementation issues are addressed;
3. revising project activities to reflect lessons learned from on-going experience.

Monitoring responsibility will be held jointly by the Project Steering Committee and USAID. Monitoring information will be provided to these parties as follows:

VII. ANNEXES

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UNCLASSIFIED

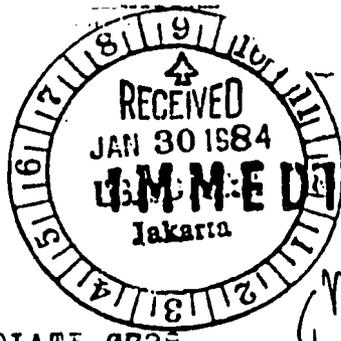
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ANNEX A

ON AID 4 CERON 5

ACTION COPY

1CZCJAO500
DE RUEHC #6671/01 0280609
ZNR UUUUU ZZZ
O 220521Z JAN 84
FM SECSTATE WASHDC
TO AMEMBASSY JAKARTA IMMEDIATE 0728
BT
UNCLAS



*Mozy
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LOC: DISK 185 203
28 JAN 84 0633
CN: 04367
CHRG: AID
DST: AIDS

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PIL*

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OFFICIAL FILE

UNCLAS HOUSING		
To	Act	Info
DIR		✓
ASST DIR		✓
ADM/SEC		
ADM/INT		
ADM		
EDD	✓	
EXT		
CI		
FIN		✓
FIN/E		
FIN/PA		
RD		
COE/IA		
EHR		✓
DIR/T		
YIP		
EMERGEN		
ACR		
INFO C		
ESD		
PER		
CSO		
DMC		
CSR		

F.O. 12356: N/A
TAGS: ABLD
SUBJECT: CT: EDUCATION POLICY AND PLANNING (497-0344)
APAC PID REVIEW

1. SUMMARY: APAC MET ON 1/12/84 TO REVIEW THE SUBJECT PID. MEETING WAS CHAIRED BY A/AA/ASIA, E. STAPLES. AS THIS PID WAS REVIEWED IN ACCORDANCE WITH THE GUIDELINES FOR THE ASIA BUREAU "EXPERIMENT", THIS REPORTING CABLE WILL DISTINGUISH BETWEEN (A) ISSUES DECIDED BY THE APAC; (B) ISSUES ON WHICH THE BUREAU WISHES TO HAVE A DIALOGUE WITH THE MISSION; AND (C) ISSUES LEFT TO THE MISSION TO RESOLVE DURING PROJECT DESIGN.

IN THE COURSE OF THE REVIEW, THE APAC APPROVED THE SUBJECT PID (AN "A" ISSUE). APAC ALSO RECOGNIZED-(I) THE POSSIBLE NEED FOR ADDITIONAL 105 ACCOUNT FUNDING AND (II) THE ROLE THE PRIVATE SECTOR COULD PLAY (BOTH AS IT RELATES TO NON-DISADVANTAGED BUSINESSES AS WELL AS E(A) AND OTHER SOCIALLY-DISADVANTAGED ORGANIZATIONS) DURING PROJECT DESIGN AND IMPLEMENTATION AS "P" ISSUES REQUIRING FURTHER DIALOGUE WITH THE MISSION. ALL OTHER SALIENT ISSUES WERE DESIGNATED AS "C" ISSUES. END SUMMARY.

2. IN CONVENING THE APAC REVIEW, THE DAA/ASIA INDICATED SOME CONCERN REGARDING THE EFFECTIVENESS OF ASSISTANCE TO BALITBANG DIKBUD (BD). THE PID MAKES A CONVINCING CASE THAT THE PROJECT WILL FURTHER OVERALL AID POLICY THRUSTS IN INSTITUTIONAL DEVELOPMENT AND POLICY FORMULATION. HOWEVER, GIVEN THE LACK OF SUCCESS OF OTHER DONORS TO AFFECT POLICY REFORM WITHIN THE MINISTRY OF EDUCATION (MOE), THE DAA/ASIA WAS SKEPTICAL ABOUT THE LIKELY SUCCESS OF THE PROJECT. THE APAC NOTED THAT BD HAS A LIMITED PERMANENT STAFF, REDUCED FUNCTIONS AND NO BUDGETARY AUTHORITY. IN DESIGNING THE PROJECT, THE MISSION SHOULD CONSIDER THE FOLLOWING: WILL THE BD HAVE AUTHORITY AND A SUFFICIENTLY POWERFUL ROLE TO PERFORM FUNCTIONS ESSENTIAL FOR AN EFFECTIVE POLICY AND PLANNING ROLE? FOR EXAMPLE, THE APAC QUESTIONED WHETHER THE BD WILL BE ABLE TO INFLUENCE THE BUDGETARY PROCESS WHICH DETERMINES THE DIRECTION AND PRIORITIES FOR EDUCATION INVESTMENTS. IS THERE HIGH PROBABILITY THAT ADEQUATE

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STAFF, IN TERMS OF QUALITY AND QUANTITY, AND BUDGET WILL BE PROVIDED? WHAT ASSURANCE DO WE HAVE THAT BP WILL COOPERATE? PERHAPS PROJECT SHOULD INVOLVE INSTITUTIONS OUTSIDE THE MOE (EG. BAPPENAS) TO AFFECT POLICY REFORM. CONSENSUS OF THE MEETING WAS THAT GIVEN THE MANDATE OF PALITFANG DIKEUD (BD), THE PERSONAL INTEREST OF THE MINISTER AND THE RECOGNIZED ROLE OF ED AS THE RESPONSIBLE MOE ENTITY FOR DONOR COORDINATION THERE IS A CASE TO BE STATED FOR UTILIZING ED AT THIS TIME. IN ANY CASE, APAC RECOGNIZED THAT ISSUE OF IMPLEMENTING AGENCY IS, UNDER THE "EXPERIMENT", AN ISSUE FOR MISSION TO DECIDE.

3. "A" ISSUES:

THE SUBJECT PID WAS APPROVED BY THE APAC.

4. "B" ISSUES:

A. FUNDING: THE APAC FELT THAT THE TECHNICAL ASSISTANCE PROPOSED UNDER THE PROJECT MAY BE UNDERSTATED IF FULL "INSTITUTIONALIZATION" IS TO TAKE PLACE IN ED. OF PARTICULAR CONCERN IS WHETHER TECHNICAL ASSISTANCE IS PHASED SO THAT SUFFICIENT OVERLAP IS PROVIDED FOR COUNTERPART TRAINING OF KFY PEOPLE. PURSUING THIS LINE OF REASONING, ADDITIONAL 105 ACCOUNT FUNDING MAY BE REQUIRED IF TECHNICAL ASSISTANCE WERE TO BE FINANCED. GIVEN THE MISSION'S ONGOING MORTGAGE TO EDUCATION AND TRAINING, FUNDING FROM THE 105 ACCOUNT PRESENTS A PROBLEM. THE APAC ACKNOWLEDGES THIS AND RECOMMENDS THAT THE MISSION INITIATE A DIALOGUE WITH AID/W DURING THE PP

DESIGN SO THAT REQUIRED FUNDING, IF GREATER THAN INDICATED IN THE PID, MAY BE IDENTIFIED EARLY AND SUFFICIENT LEVELS EARMARKED, IF POSSIBLE, FROM THE APPROPRIATE 105 ACCOUNT.

B. DISADVANTAGED AND PRIVATE SECTOR PARTICIPATION: THE APAC RECOGNIZED THE PROPOSED PROJECT AS ONE WHICH MAY LEND ITSELF TO THE PARTICIPATION OF MINORITY FIRMS, OR OTHER SOCIALLY DISADVANTAGED FIRMS/INSTITUTIONS DURING PROJECT DESIGN AND IMPLEMENTATION. THE APAC IS ALSO SENSITIVE TO THE AGENCY'S REINFORCED EFFORTS TO EXPLORE WAYS OF ENCOURAGING US PRIVATE BUSINESSES WHICH DO NOT NORMALLY PROVIDE TECHNICAL ASSISTANCE UNDER AID PROJECTS TO ASSIST IN THE DESIGN AND IMPLEMENTATION OF PROJECTS.

IT WAS POINTED OUT DURING THE REVIEW THAT THREE OF FOUR EDUCATION SECTOR IQC FIRMS ARE E(A) ORGANIZATIONS HAVING EXPERIENCE IN THE ESTABLISHMENT OF MANAGEMENT INFORMATION SYSTEMS, THE DESIGN OF NATIONAL TRAINING PROGRAMS AND THE DEVELOPMENT OF NEEDS ASSESSMENT

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STUDIES. GIVEN THE AGENCY'S CONCERN TO MAKE AVAILABLE GREATER OPPORTUNITIES FOR MINORITY PARTICIPATION IN OUR ASSISTANCE PROGRAM, NOW REFLECTED IN THE GRAY AMENDMENT (REQUIRING THAT 10% OF TOTAL AGENCY DEVELOPMENT ASSISTANCE BE MADE AVAILABLE FOR ACTIVITIES OF SOCIALLY AND ECONOMICALLY DISADVANTAGED ENTERPRISES), THE MISSION IS REQUESTED TO EXPLORE THE POSSIBILITIES WHICH MAY EXIST FOR SUCH FIRMS/ORGANIZATIONS WITHIN THE PROJECT. PRE/OER WILL PROVIDE AID/W WITH A LIST OF E(A) AND OTHER DISADVANTAGED FIRMS AND INSTITUTIONS WHICH MAY HAVE THE NECESSARY CAPABILITY/EXPERIENCE TO ASSIST IN PROJECT DESIGN AND IMPLEMENTATION OF THE SUBJECT PROJECT. WE WILL REVIEW THE CAPABILITIES OF THESE FIRMS AND ADVISE THE MISSION ACCORDINGLY.

APAC NOTED AS WELL THAT THERE ARE LARGE INFORMATION PROCESSING FIRMS, (IE. NON-DISADVANTAGED ORGANIZATIONS) WHICH MAY BE SOURCES OF DESIGN ASSISTANCE AS FAR AS THE MANAGEMENT INFORMATION SYSTEM AND TECHNICAL TRAINING COMPONENTS ARE CONCERNED.

THE APAC RECOMMENDS, THEREFORE, THAT UPON OUR REVIEW OF THE CAPABILITIES AND EXPERTISE OF THOSE E(A) FIRMS IDENTIFIED BY PRE/OER, THE MISSION ENTER INTO A DIALOGUE WITH AID/W CONCERNING THE APPROPRIATENESS AND USE OF BOTH MINORITY ORGANIZATIONS AND US CORPORATIONS IN THE DESIGN/IMPLEMENTATION OF THE SUBJECT PROJECT. THE USE

OF EITHER DISADVANTAGED FIRMS OR PRIVATE BUSINESSES GENERALLY SHOULD ALSO BE CONSIDERED IN TERMS OF POSSIBLE JOINT VENTURES OR SUBCONTRACTS.

5. "C" ISSUES

A. FEMALE EDUCATION: THE PID DOES NOT SPECIFICALLY ADDRESS THE ISSUE OF EDUCATIONAL EFFICIENCY AS IT RELATES TO WOMEN. THE APAC WISHES TO DRAW PARTICULAR ATTENTION TO THE NEED TO ADDRESS WOMEN IN DEVELOPMENT (WID) CONCERNS IN INDONESIAN EDUCATION. THERE IS A GENERAL EXPECTATION WITHIN AID THAT WID CONCERNS WILL BE INTEGRATED SUBSTANTIVELY INTO PROJECTS DEALING WITH EDUCATION ESPECIALLY. THERE ARE NO REFERENCES IN THE PID, HOWEVER, AS TO THE DIRECT ROLE WOMEN MAY PLAY IN THE PROJECT, EG., IN THE TRAINING ELEMENT, AND THERE IS LITTLE, IF ANY, INDICATION THAT FEMALE EDUCATION ISSUES WOULD BE THE SUBJECT OF SPECIAL STUDIES OR TECHNICAL ASSISTANCE. THE MISSION SHOULD HIGHLIGHT WOMEN-RELATED ISSUES DURING PROJECT DESIGN SO THAT SYSTEM EFFICIENCY AND EQUITABLE ACCESS TO THE SYSTEM ARE ADDRESSED FULLY. AT LEAST, MISSION SHOULD ENSURE INFORMATION SYSTEM DESIGNED TO INDICATE GENDER DIFFERENCES IN THE EDUCATION SYSTEM AS A BASIS FOR THE PLANNING EFFORT.

B. EXPERIENCE AND LESSONS LEARNED: MOST OF THE AVAILABLE AID EXPERIENCE AND LESSONS LEARNED CONCERN THE ESTABLISHMENT OF MANAGEMENT INFORMATION SYSTEMS PREPARATORY TO POLICY FORMULATION IN VARIOUS LDC

ORGANIZATIONS, MOSTLY IN THE AGRICULTURE AND HEALTH FIELDS. GENERALLY, THE VARIOUS EVALUATIONS IDENTIFY A NEED FOR GREATER ATTENTION TO NEEDS ASSESSMENT, ANALYSIS AND DATA COLLECTION TECHNIQUES. SINCE THE PID INDICATES THAT THERE IS A LACK OF AN ADEQUATE, ACCURATE AND RELEVANT DATA BASE, IT WOULD APPEAR NECESSARY THAT THE POLICY DESIGN INCLUDE, AND THE GOI BE COMMITTED TO, THE GATHERING OF BASE (PRIMARY) INDONESIAN EDUCATIONAL DATA WHICH WILL BE BENEFICIAL AND RELEVANT FOR POLICY ANALYSIS AND DECISION-MAKING. FURTHER, THE PP SHOULD ENSURE THAT THE DATA BASE USED FOR NATIONAL EDUCATION ANALYSIS AND PLANNING INCLUDE PRIVATELY SPONSORED AS WELL AS GOVERNMENT SCHOOLS. IN ADDITION, IT IS DESIRABLE THAT COMPARATIVE STUDIES OF ALTERNATIVE ARRANGEMENTS FOR SCHOOL FINANCING AND SPONSORSHIP BE INCLUDED IN THE SPECIAL STUDIES COMPONENT OF THE PROJECT.

C. TECHNOLOGY TRANSFER: THE PID LIMITS DISCUSSION ON TECHNOLOGY TRANSFER TO THE INTRODUCTION OF A MANAGEMENT INFORMATION SYSTEM. APAC BELIEVED THAT THE PROPOSED-

PROJECT UNDERSTATED THE INHERENT LIKELIHOOD OF IMPROVEMENTS IN EDUCATIONAL TECHNOLOGY, SUCH AS THE CREATIVE USE OF MEDIA, ADVANCES IN TEACHER TRAINING TECHNIQUES, ETC.. IT WAS THE UNDERSTANDING OF THE APAC THAT RESEARCH ON THE POSSIBILITIES OF SUCH TECHNOLOGIES IS WITHIN THE MANDATE OF BD. THE APAC ENCOURAGES THE MISSION TO AT LEAST ILLUSTRATE IN THE PROJECT PAPER THE OPPORTUNITIES FOR EDUCATIONAL TECHNOLOGY TRANSFER.

D. DONOR ACTIVITIES: THE APAC WAS AWARE OF THE OPPORTUNITIES THE PROPOSED PROJECT PRESENTS IN PROVIDING AID A MECHANISM, IN THIS CASE BD AS THE GOI ENTITY RESPONSIBLE FOR DONOR COORDINATION WITHIN THE MOE, TO RELATE OBJECTIVES AND RESOURCES OF OTHER DONOR AGENCIES IN THE EDUCATIONAL SECTOR WITH OUR OWN. THE APAC URGES THE MISSION TO INCLUDE IN THE PP DEVELOPMENT A SECTION ON THESE OPPORTUNITIES.

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E. ESTIMATED BUDGET: THERE WAS NO LINE ITEM INCLUDED IN THE ESTIMATED BUDGET FOR EVALUATION UNDER THE PROPOSED PROJECT. FURTHER, THERE WAS NO IDENTIFICATION OF SPECIFIC SUPPORT FROM THE GOI BESIDES THE TOTAL AMOUNT OF \$2.0 MILLION REFLECTED IN THE PID FACESHEET. FINALLY, THE ESTIMATED BUDGET DID NOT REFLECT A BREAKDOWN OF THE GRANT/LOAN SPLIT. IT WOULD HAVE PROVEN BENEFICIAL FOR THE PROJECT COMMITTEE AND APAC TO HAVE HAD THIS INFORMATION INCLUDED IN THE PID SO THAT DISCUSSIONS RELATED TO THE NEED FOR ADDITIONAL FUNDING AND HOW IT IMPACTS ON THE AMOUNT OF TECHNICAL ASSISTANCE TO BE LOAN FINANCED COULD HAVE BEEN DISCUSSED MORE FULLY

6. MISSION IS AUTHORIZED TO PROCEED WITH PROJECT PAPER DEVELOPMENT FOR THE SUBJECT PROJECT GIVEN THE REQUIREMENTS OF A CONTINUING DIALOGUE AS EXPRESSED UNDER PARA 4 ("B" ISSUES) ABOVE. SEULTZ

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Logical Framework

<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<u>Goal:</u> To improve the quality of education in Indonesia.	Improved internal efficiency of education, more relevant curricula, resources.	Routine government monitoring and evaluation information supplemented greater equity, better use of	Continued high priority given to educational development in Indonesia. by periodic special studies.
<u>Purpose:</u> A. To formulate better policies and long-term plans based on more complete and accurate information and better analysis.	A. Plans and policies are more carefully documented and argued.	GOI policy documents. ^ GOI routine reports. GOI evaluation. AID ex post evaluation and joint project reviews.	A. Commitment of Minister and senior staff to improved quality of planning and better use of resources.
B. To increase staff capacity for policy research and analysis.	B. Successful completion of in-country and overseas training programs.		B. Appropriate candidates can be identified for training and will continue to work for Depdikbud after completion of training.
C. To improve internal management Balitbang Dikbud.	C. Management review completed and new organizational structure implemented.		C. Leadership of Balitbang Dikbud open to management review and able to implement changes.
D. To complete studies of key policy issues.	D. Completion of studies of specified problems of Indonesian educational development. Use of these studies in formulation of GOI policies.		D. Issues are relevant to concerns of DG's and are of a good standard.
E. To assist the Pusat Informatika in establishing information system relevant to policy and planning needs.	E. Establishment of administrative procedures specifying information acquirments and flows. Procedures on followed in fact. Products of information system are used.		E. Cooperation of DG's and provincial offices.
F. To support experimentation with planning and information systems at the provincial level.	F. Provincial plans are more carefully documented and argued, and province-specific programs are developed.		F. National agencies will be supportive of provincial experimentation innovations in planning as well as and program formulation.

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<u>Narrative Summary</u>	<u>Objectively Verifiable Indicators</u>	<u>Means of Verification</u>	<u>Important Assumptions</u>
<p>Outputs: A. 4 PhD's, 10 MA's, 6 one-year certificates and up to 400 participants in short-term training in information sciences, data management and policy analysis.</p> <p>B. Balitbang Dikbud structure established and management seminars completed.</p> <p>C. Approximately 5 completed studies of specific issues of educational development in Indonesia.</p> <p>D. Basic hardware, software and institutional capacities to operate and maintain information system are in place and functioning.</p> <p>E. Improved institutional capacity at provincial level for analysis of policy and programs.</p>	<p>A. Trainees successfully complete training, return to Depdikbud and are able to use new skills.</p> <p>B. New organizational structure is established and functioning.</p> <p>C. Special studies are completed.</p> <p>D. Hardware and software systems in place, can be operated, and accurate comprehensive information system.</p> <p>E. Analysis is done at provincial level and is closely linked with planning of budget expenditures</p>	<p>GOI policy documents. GOI routine reports. GOI evaluation. AID ex post evaluation and joint project reviews.</p>	<p>A. Sufficient trained staff are available on a continuing and full-time basis.</p> <p>B. Organizational changes are possible and accepted by Balitbang Dikbud staff.</p> <p>C. Identification of key issues by those who will use studies in policy formulation.</p> <p>D. Sufficient trained staff are available on a continuing and full-time basis.</p> <p>E. National planning system with offer enough scope and incentive for provincial efforts.</p>
<p>Inputs: A. Technical Assistance. B. AID funding. C. GOI funding.</p>	<p>A. As per budget. B. As per budget. C. As per budget.</p>	<p>A. Grant Agreement. B. Loan Agreement. C. GOI Minister's decree.</p>	<p>A. Grant and loan funds available. B. Loan funds available. C. GOI counterpart funds available.</p>

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ANNEX CStatutory Checklist

Listed below are statutory criteria applicable generally to projects under the FAA and project criteria applicable to individual funding sources: Development Assistance (with a subcategory for criteria applicable only to loans); and Economic Support Funds.

A. GENERAL CRITERIA FOR PROJECT

1. FY 1982 Appropriation Act; Sec. 523; FAA Sec. 634A; Sec. 653 (b).

(a) Describe how authorizing and appropriations Committees of Senate and House have been or will be notified concerning the project;
 (b) is assistance within (Operational Year Budget) country or international organization allocation reported to Congress (or not more than \$1 million over that amount)?

(a) FY 85 Congressional Presentation Asia Program P 78 and through a Congressional Notification.

(b) Yes.

2. FAA Sec. 611(a)(1). Prior to obligation in excess of \$100,000, will there be (a) engineering, financial other plans necessary to carry out the assistance and (b) a reasonably firm estimate of the cost to the U.S. of the assistance?

Yes.

3. FAA Sec. 611(a)(2). If further legislative action is required within recipient country, what is basis for reasonable expectation that such action will be completed in time to permit orderly accomplishment of purpose of the assistance?

Not required.

4. FAA Sec. 611(b); FY 1982 Continuing Resolution Sec. 501. If for water or water-related land resource construction, has project met the standards and criteria as set forth in the Principles and Standards for Planning Water and Related Land Resources, dated October 25, 1973? N.A.
5. FAA Sec. 611(e). If project is capital assistance (e.g., construction), and all U.S. assistance for it will exceed \$1 million, has Mission Director certified and Regional Assistant Administrator taken into consideration the country's capability effectively to maintain and utilize the project? N.A.
6. FAA Sec. 209. Is project susceptible of execution as part of regional or multilateral project? If so why is project not so executed? Information and conclusion whether assistance will encourage regional development programs. No.
7. FAA Sec. 601(a). Information and conclusions whether project will encourage efforts of the country to: (a) increase the flow of international trade; (b) foster private initiative and competition; and (c) encourage development and use of cooperatives, and credit unions, and savings and loan associations; (d) discourage monopolistic practices; (e) improve technical efficiency of industry, agriculture and commerce; and (f) strengthen free labor unions. Project assist institution building within Ministry of Education to promote better policy and planning -- these concerns re not applicable to the project

8. FAA Sec. 601(b). Information and conclusions on how project will encourage U.S. private trade and investment abroad and encourage private U.S. participation in foreign assistance programs (including use of private trade channels and the services of U.S. private enterprise.) Project assists institution building within Ministry of Education to promote better policy and planning -- these concerns are not applicable to the project
9. FAA Sec. 612(b), 636(n); FY 1982 Appropriation Act Sec 507. Describe steps taken to assure that, to the maximum extent possible, the country is contributing local currencies to meet the cost of contractual and other services, and foreign currencies owned by the U.S. are utilized in lieu of dollars. Normal project disbursement procedures insure this.
10. FAA Sec. 612(d). Does the U.S. own excess foreign currency of the country and, if so, what arrangements have been made for its release? No foreign currencies (i.e. rupiah) are in excess
11. FAA Sec. 601(e). Will the project utilize competitive selection procedures for the awarding of contracts, except where applicable procurement rules allow otherwise? Yes.
12. FY 1982 Appropriation Act Sec 521. If assistance is for the production of any commodity for export, is the commodity likely to be in surplus on world markets at the time the resulting productive capacity becomes operative, and is such assistance likely to cause substantial injury to U.S. producers of the same, similar or competing commodity? N.A.

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13. FAA 118(c) and (d). Does the project take into account the impact on the environment and natural resources? If the project or program will significantly affect the global commons or the U.S. environment, has an environmental impact statement been prepared? If the project or program will significantly affect the environment of a foreign country, has an environmental assessment been prepared? Does the project or program take into consideration the problem of the destruction of tropical forests?
- The project will not impact the environment and natural resources
14. FAA 121(d). If a Sahel project, has a determination been made that the host government has an adequate system for accounting for and controlling receipt and expenditure of project funds (dollars or local currency generated therefrom)?
- N.A.

B. FUNDING CRITERIA FOR PROJECT

1. Development Assistance
Project Criteria

- a. FAA Sec. 102(b), 111, 113, 281 (a). Extent to which activity will (a) effectively involve the poor in development, by extending access to economy at local level, increasing labor-intensive production and the use of appropriate technology, spreading investment out from cities to small towns and rural areas, and insuring wide participation of the poor in the benefits of development on a sustained basis, using the appropriate U.S. institutions; (b) help develop cooperatives, especially by technical assistance, to assist rural and urban poor to help themselves toward better life, and otherwise encourage democratic private and local governmental institutions; (c) support the self-help efforts of developing countries; (d) promote the participation of women in the national economies of developing countries and the improvement of women's status; and (e) utilize and encourage regional cooperation by developing countries?

(c) and (d). The project will assist the ongoing efforts of the GOI to plan more effectively their educational system. The development of a more equitable, effective educational program will open up opportunities for training of women on an equal footing with men.

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- b. FAA Sec. 103, 103A, 104, 105, 106. Does the project fit the criteria for the type of funds (functional account) being used? Yes.
- c. FAA Sec. 107. Is emphasis on use of appropriate technology (relatively smaller, cost-saving, labor-using technologies that are generally most appropriate for the small farms, small businesses, and small incomes of the poor)? N.A.
- d. FAA Sec. 110(a). Will the recipient country provide at least 25% of the costs of the program, project, or activity with respect to which the assistance is to be furnished (or is the latter cost-sharing requirement being waived for a "relatively least developed" country)? Yes.
- e. FAA Sec. 110(b). Will grant capital assistance be disbursed for project over more than 3 years? If so, has justification satisfactory to Congress been made, and efforts for other financing, or is the recipient country "relatively least developed"? No grant capital assistance will be provided.

f. FAA Sec. 122(b). Does the activity give reasonable promise of contributing to the development of economic resources, or to the increase of productive capacities and self-sustaining economic growth?

Yes.

g. FAA Sec. 281 (b). Describe extent to which program recognizes the particular needs, desires, and capacities of the people of the country; utilizes the country's intellectual resources to encourage institutional development; and supports civil education and training in skills required for effective participation in governmental processes essential to self-government.

The purpose of the project is to strengthen the institutional capacity of the Department of Education and Culture to undertake policy analysis and formulation on its own. A portion of the project is directed towards decentralized planning which will better reflect the desires of the people.

. Development Assistance Project Criteria (Loans Only)

a. FAA Sec. 122(b). Information and capacity of the country to repay the loan, at a reasonable rate of interest.

The GOI is able to repay the loan.

b. FAA Sec. 620(d). If assistance is for any productive enterprise which will compete with U.S. enterprises, is there an agreement by the recipient country to prevent export to the U.S. of more than 20% of the enterprise's annual production during the life of the loan?

N.A.

- c. ISDCA of 1981, Sec. 724(c) and (d). If for Nicaragua, does the loan agreement require that the funds be used to the maximum extent possible for the private sector? Does the project provide for monitoring under FAA Sec. 624(g)? N.A.

. Project Criteria Solely for Economic Support Fund

- a. FAA Sec. 531(a). Will this assistance promote economic or political stability? To the extent possible, does it reflect the policy directions of FAA Section 102? N.A.

- b. FAA Sec. 531(c). Will assistance under this chapter be used for military, or paramilitary activities?

- c. FAA Sec. 534. Will ESF funds be used to finance the construction of the operation or maintenance of, or the supplying of fuel for a nuclear facility? If so, has the President certified that such use of funds is indispensable to nonproliferation objectives?

- d. FAA Sec. 609. If commodities are to be granted so that sale proceeds will accrue to the recipient country, have Special Account (counterpart) arrangements been made?

e. FAA Sec. 133.

Notwithstanding any other provision of this joint resolution, none of the funds appropriated under section 101(b) of this joint resolution may be available for any country during any 3-month period beginning on or after October 1, 1982, immediately following the certification of the President to the Congress that such country is not taking adequate steps to cooperate with the United States to prevent narcotic drugs and other controlled substances (as listed in the schedules in Section 202 of the Comprehensive Drug Abuse and Prevention Control Act of 1971 (21 U.S.C. 812)) which are produced, processed, or transported in such country from entering the United States unlawfully."

Annex E. iInstitutional Analysis1. Balitbang Dikbud and Its Role

The Educational and Cultural Research and Development Body was established during the early years of the New Order Government. According to a 1980 Ministerial decree the functions of Balitbang Dikbud include:

- 1) the preparation of Departmental policies and formulation of technical policies for research and development in education and culture;
- 2) the execution of research and development activities in connection with the formulation of policy; and
- 3) the coordination and guidance of educational and cultural research, the development of curriculum and educational facilities, the establishment of an information system, development of educational and cultural innovations, and research and development of testing systems.

In January, 1983, Balitbang Dikbud was also given formal responsibility for the coordination of foreign donor assistance to the Department. This is understood to extend only to the identification of potential areas for cooperation and possible donor agencies, with the development of projects being left to the various Directorates-General concerned. Nevertheless, it offers the opportunity to plan the use of foreign assistance funds in coordination with a long-term strategy for educational development in Indonesia.

Following the re-election of the President in April, 1983, and the appointment of a new Cabinet, the new Minister of Education and Culture indicated that he sought a slightly different role for Balitbang Dikbud. He appointed a new head of the organization, and since then there have been discussions within the ministry leading to agreement that the role of Balitbang Dikbud as a 'think-tank' for the minister and as a source of policy analysis should be strengthened. Balitbang Dikbud will now devote more of its resources to assisting the Minister in identifying and examining major policy issues, and in contributing to the development of medium- and long-term plans. As a first step in the process, Balitbang Dikbud has sought to establish closer linkages with the various Directorate-Generals. An example of this approach has been the important role of Balitbang Dikbud in developing new policies for university admissions, an issue which involves several Directorates-General.

At present it is expected that Balitbang Dikbud will continue to be involved in research, but it will increasingly serve as a coordinator and commissioner of research rather than attempting to conduct research activities with its own staff. This means a wider variety of institutions will be involved in the investigation of basic issues of education, and they can be expected to stimulate the development of new approaches and perspectives. At the same time, as a research coordinator Balitbang Dikbud will take a greater interest in assisting the Directorates-General in identifying issues which require research, and helping those who conduct research to translate their findings into useful and implementable recommendations which are relevant to the concerns of the Directorates-General.

One consequence of this increased emphasis on the policy role of Balitbang Dikbud, and the expected assignment of more research functions to academic institutions, is that the present organizational structure and staff patterns of Balitbang Dikbud will undergo considerable change during the life of the project. (Table 5 presents the present structure of Balitbang Dikbud). Discussions on the formal modification of the administrative structure are still underway within the Government of Indonesia. However, the envisioned structure, outlined in Table 6, makes clear that policy analysis will be a more central preoccupation of Balitbang Dikbud in the future.

This proposed reorganization of Balitbang Dikbud will present a series of new management challenges, both to Balitbang Dikbud itself and to the Department of Education and Culture as a whole. Although it is expected that Balitbang Dikbud will commission and coordinate applied educational research, it must be acknowledged that there are few institutions with the capacity to assume this increased role immediately. The general weaknesses of the higher education system impinge upon the ability of these institutions to take a more active part in applied educational research which will be useful to Balitbang Dikbud and decision-makers within the Department. Furthermore, there will be a period of transition during which the educational research centers of the present structure of Balitbang Dikbud adjust to their new role. New relationships will have to be worked out, linking the research activities of Balitbang Dikbud with the policy analysis activities.

In addition, the role of the Information Center (Pusat Informatika) will be significantly strengthened. Although the formal mandate now exists for the Information Center to serve as the agency responsible for establishing and maintaining a departmental system of information, serving the needs not only of Balitbang Dikbud but also of the other Directorate-General, to date this mandate has not been fulfilled. It will be necessary to examine the relationship of the Information Center both to the policy analysis and research wings of Balitbang Dikbud and to the implementation agencies of the department as a whole.

The changes in the role of Balitbang Dikbud, and the consequent changes in its structure, internal and external relationships, will be given careful consideration in Phase One of project implementation. The implementation plan of the project proposes an initial period of review of the organization and management of Balitbang Dikbud, to be undertaken in conjunction with technical assistance provided by the project. (See Project Description for details.)

Apart from these issues of organization and management, there are other constraints within Balitbang Dikbud which need to be addressed if it is to fulfill the role outlined for it. Levels of staff training within Balitbang Dikbud remain inadequate, and the capacity of the institution to undertake substantive policy analysis is limited. Of the approximately 200 professional and senior administrative staff currently assigned to Balitbang Dikbud on a full-time or part-time basis, only 42 have any kind of postgraduate training. More than half of these do not work with Balitbang Dikbud on a full-time basis, and are present only two or three days each week. In addition, the trained staff which now exists has skills and experience in areas of educational research rather than policy analysis. The Information Center, which will remain an integral part of Balitbang Dikbud activities in the future, for example, has one PhD and only 6 MAs. Almost no staff of the Information Center have specialized training in information management, data analysis or computer sciences.

The training programs proposed under the project is a partial solution to this problem. In addition, the present leadership of Balitbang Dikbud has recognized that the problems of relying on part-time staff, who divide their attention between several jobs, must be resolved. Where possible, senior staff within Balitbang Dikbud are being appointed from amongst those whose sole job is working at that agency. New staff which is recruited will be expected to serve on a full-time basis. Training opportunities provided under this project will be linked to a commitment to return to Balitbang Dikbud and other agencies within the Department, and to work on a full time basis for the achievement of the project objectives.

Secondly, the existing facilities are less than required by Balitbang Dikbud. In particular, the data management capacity is very limited. While Balitbang Dikbud (in common with other agencies in Indonesia) has accumulated a substantial amount of data over the past several years, it presently has extremely limited facilities to retrieve and analyze that data to produce the kind of analysis required by those making decisions about the long-term development of the educational system. The computer facilities now available consist only of a small computer acquired in 1974. This is inadequate to the role of Balitbang Dikbud in gathering, storing, analyzing and using information for policy purposes.

As is discussed in greater details in the Project Description, these constraints will be addressed through the provision of training, technical assistance and the data processing equipment and software.

2. Planning Bureau

While Balitbang Dikbud has responsibility for policy analysis and contributing to the formulation of long-term plans, more immediate planning and budgeting concerns are the overall responsibility for the Planning Bureau within the office of the Secretary-General. It is the Planning Bureau which coordinates the annual budget submissions (DUPs) from each Directorate-General and then oversees the preparation of the Department's presentation of its budget to the national planning agency (Bappenas). Once budget allocations have been determined by Bappenas, it is again the role of the Planning Bureau to coordinate and oversee the allocations within the Department and the adjustment of project plans to accord with actual budget allocations.

These functions and responsibilities have been determined by a Presidential Decree issued in 1973. This decree established standard administrative structures for all government departments and determined the various roles and responsibilities for each agency within a department. However, while establishing the basic administrative framework, the decree is necessarily rather general. Exactly how the policy analysis function of Balitbang Dikbud is to relate to the more immediate budget and programming functions of the Planning Bureau is not specified in the decree. There is scope within the framework established by the President for different kinds of working relationships. In some departments, the office of the Secretary General is strong relative to the Directorates-General, and the role of the Planning Bureau in coordinating planning and budgeting is prominent. In other departments, the Directorates-General are more powerful relative to the office of the Secretary-General, and the role of the Planning Bureau is corresponding small.

For the Department of Education and Culture, it appears that some Directorates-General (Higher Education, for example) have been relative more independent than others. The challenge which the project faces is not one of changing the formal mandate of the Planning Bureau, but instead it is one of assisting the Department as a whole in reviewing and thinking about the kind of policy analysis which should be done, and the most productive relationship between the Planning Bureau, Balitbang Dikbud and the Directorates-General in to make the best use of that analysis in the formulation of plans.

At present the Planning Bureau has a total staff of 112 persons. Few of these, however, are senior. Only 18 can be classified as mid-level or senior administrators. Educational qualifications are also limited within the Bureau. Only the Head of the Bureau has a PhD and there are only-staff with other postgraduate qualifications. The limited staff capacities of the Bureau are severely taxed by the sheer amount of data which is received on a routine basis. There is little opportunity to analyze data which comes into the Bureau, and one objective of project activities is to increase staff capacity (through the training program) at the same time that the information system is improved and made less cumbersome (though technical assistance and some commodity purchases).

3. Pilot Provinces

In addition to work at the national level, the project will support experimental work in the provinces of Jawa Barat, Sulawesi Selatan, and NTB. These provinces were selected on the basis of criteria outlined below. A total of five provinces were visited by joint Department of Education and Culture - AID teams. During those visits, the team members had an opportunity to meet with a variety of Kanwil staff, including heads of planning sections and data administrations sections. Planning and information systems were reviewed and the teams had an opportunity to gain an appreciation of formulating long-term programs and annual plans, as well as monitoring the implementation of projects by Kanwil offices.

The general criteria for selecting provinces, developed jointly by Balitbang Dikbud and AID, include the following:

1. Size. Provinces should be selected representing different sizes of total provincial population, number of primary and secondary school students, and number of schools and teachers.

2. Java v. outer islands. Java, with the bulk of Indonesia's population, should be a part of the initial experimental efforts to establish improved information systems at the provincial level. This should be balanced against the need for representation of outer island provinces.

3. Distances. During the initial phase of the project, it will be necessary to have frequent contact and dialogue between Balitbang, other pusat agency staff and consultants with the provincial Kanwil. To the extent possible, the selection of provinces should ensure that this contact can be maintained easily and at minimum expense.

4. Local capacity. The selection of provinces should consider the capacity of the Kanwil and Kandang staff. The pilot effort will require above-average staff skills and institutional capacities. Relatively weak professional staff or limited manpower will unnecessarily hamper pilot efforts at establishing an improved information system.

5. Local political support. Being selected as a pilot province will entail some costs. It will require increased work and the initiation of new procedures which must run parallel to the established flow of information. (The project should not stop or reduce the flow of present information until it is certain that it has in place a workable alternative system.) For this reason, the local political support for the pilot effort within the Kanwil and the local government apparatus (e.g., Bappeda, Governor's office) is important.

6. Linkages with other AID projects. AID is supporting a number of different projects which are concerned with improved information systems, better long-term planning and policy analysis. Not all of these projects are directly related to the planned Depdikbud project. However, some projects offer the opportunity to complement and support the efforts of

this planned project. For example, the Provincial Development Project (PDP) is both the largest project in AID's portfolio and is also specifically concerned with provincial and kabupaten development planning capacities. AID support for Depdikbud should be coordinated with that project where possible.

Table 19 presents basic educational statistics on the three pilot provinces where experimental work with the information and planning system will take place during Phase One of the project. This gives an indication of the sheer volume of information which provincial Kanwil offices must deal with, and the figures for all of Indonesia show the magnitude of information which the whole Department must collect, analyze and store.

At the provincial level there are two offices which have responsibility for education and cultural programs. The Kanwil is the provincial office of the national Department and has responsibility for planning, budgeting and implementing programs which are funded by national government funds. Because these constitute the vast majority of funds for education and cultural activities, the Kanwil is the most important agency at the provincial level. (The one exception to this is higher education. Tertiary institutions deal directly with the Directorate-General of Higher Education in Jakarta and do not come under the supervision or responsibility of the Kanwil.)

The Dinas Pendidikan (Education Dinas) is an office of the local government. It has responsibility for planning, budgeting and implementing programs funded by provincial revenue. In addition, the Dinas Pendidikan has some responsibilities for primary education, which is formally the joint responsibility of the Department of Education and Culture and the Department of Home Affairs. In primary education, however, the Dinas is only responsible for buildings (all funds for school construction are made available through the Inpres Sekolah Dasar or Primary School Presidential Instruction program which is channeled through the Department of Home Affairs), equipment and teachers. All matters relating to curriculum, testing, teacher training, qualifications and promotions, and education development strategies remain the responsibility of the Kanwil. In this sense, the Kanwil is said to exercise "technical" authority over primary education. The result is that in practice the Dinas are largely an administrative office, supervising routine expenditures for primary education, while major policy and planning responsibilities rest with the Kanwil.

The relationship between the Kanwil, as the representative of the national sectoral Department, and the Dinas, as the representative of the local government, is not always clear. According to the Basic Law 5 (1974) on local government, the Kanwil is supposed to be under the overall coordinating authority of the provincial Governor, who serves as the head of the local government. In practice, however, the fact that more than 95% of the funds for education and culture programs are national revenues which are made available through and controlled by the national Department, the Kanwil is more responsive to priorities, targets, instructions and policies which have been determined in Jakarta.

The provincial planning board (Bappeda) is the office of the local government with formal authority to oversee, coordinate and supervise all development expenditures in the province. All annual budget submission (DUPs) must be reviewed and approved by the Bappeda before they are submitted to the Department in Jakarta. However, here again the fact that national funds are allocated to sectoral departments in Jakarta and sectoral targets are determined at the national level, means that in practice that Bappeda has little opportunity to take initiatives, embark on new approaches, or make significant changes in nationally determined programs and targets. The Kanwil remains as the single most important agency at the provincial level for planning, budgeting and implementing educational and cultural programs.

Within the Kanwil there are several sections (bagian) which are responsible for different educational programs. With the exception of higher education, these divisions correspond to the various Directorates at the national level. In addition, the Planning Division (Bagian Perencanaan) has responsibility for overall coordination of the planning activities of the Kanwil.

The Bagian Perencanaan itself is further divided into three sections: Data Collection and Analysis; Planning and Program Formulation, and Planning and Program Monitoring and Evaluation. Together these three sections have the primary responsibility for collecting educational and cultural information, analyzing it, and using that analysis in discussions with the national Department in the determination of provincial targets and budgets. These are important functions which can have a significant impact on the nature of the government's education development programs and the quality of the education system.

At the kabupaten level there are also offices of the national Department (Kandep) and of the local government (Dinas). The relationship between the Kandep and the Dinas at the Kabupaten level reflects the relationship between the two agencies at the provincial level. In practice, the Kandep exercises greater authority over the use of government funds and is the primary actor in planning, budgeting and implementation. At the kabupaten level, however, the number of staff is smaller and their training generally less. The planning section is often quite weak, with many provinces having planning sections established only on paper and no actual staff to fill the positions which have been created. This means that at present the provincial Kanwil is the agency which is most likely to be able to respond to and use the skills and equipment which the project will provide.

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Table 19
Educational Statistics on Pilot Provinces

Provinces	Total Population	Primary Schools			Junior High Schools			Senior High School			State Tertiary Institutions	
		Schools	Teachers	Pupils	Schools	Teachers	Pupils	Schools	Teachers	Pupils	No.	Students
Jawa Barat	27,453,525	17,499	102,097	4,422,515	1,068	25,018	486,962	415	10,648	162,603	4	27,955
Sul. Selatan	4,516,544	5,068	30,027	1,085,694	437	8,054	174,806	156	3,314	64,787	2	12,308
N.T.B.	2,724,664	2,075	12,839	440,266	150	2,944	54,572	55	1,323	20,810	1	1,318
Indonesia Total	147,490,298	110,050	713,222	23,862,488	11,640	270,844	3,736,020	3,378	82,135	1,286,464	7	195,994

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Annex E. ii
Technical Analysis

The project as designed is technically feasible to implement. The use of computers, both micro and mini, has increased substantially in Indonesia during the past few years. Most major vendors (IBM, Data General, Digital Equipment, Radio Shack, Commodore, Cromemco, and many others) are represented by full time staffs in Jakarta, and many have service centers in other provincial capitals. The project has no requirements for specialized or unusual hardware or communications. The optical character readers planned for data collection are already being used by the University of Indonesia to process more than 500,000 entrance examinations every year, so this technology is understood and proven. File sizes and capacities required by the system are within the range of hardware budgeted for the project.

The project plans to use standard software -- data base management, spread sheet, statistical packages, graphics packages and text processing -- which are available through and supported by local vendors. Custom programming will be limited to interfacing standard software and developing user-friendly interfaces to the data and programs.

Annex E. iiiEconomic Analysis

The essential economic rationale for the Education Policy and Planning Project has already been laid out throughout the project paper. In brief, better education in terms of quantity, type, and quality is vital to longer-term Indonesia development prospects ^{1/}. The Government of Indonesia recognizes this, has expressed its commitment through impressive development budget allocations, and has already made considerable progress in enrollment levels. The importance, magnitude, and complexity of the policy and planning tasks in the years ahead and the huge amounts of resources that are potentially affected for the better by the improved performance of these tasks, suggest that the proposed project is unquestionably economically justified in an a priori sense. This section will amplify some of the above points and illustrate the enormous potential of better policy and planning within the education sector.

Human resource development, and particularly education, is vital to longer-term economic development prospects. Skilled and technical manpower do not presently match up with Indonesia's present capital and natural resource base and will increasingly become the constraining factor to rapid economic transformation and growth in Indonesia. Despite truly commendable progress in increasing enrollment levels since 1970, the present work force of Indonesia is still relatively "undereducated", (e.g. only 12% of the work force has a primary education or higher, less than one percent has a university degree, less than 5% of government employees have 4 year university degrees, and less than 8% of recent university graduates have concentrated in math or science).

The task ahead is huge. Over 50% of the population (presently 160 million) is under 20 years of age and the proportion will increase in the future. Forty percent of the population is under 15 years of age, 14% is less than 5 years old. Despite significant progress since 1970, primary enrollment levels are still less than 90%, secondary enrollment levels are 28%, and university enrollment is 3.7%. Demand for secondary educational facilities has been estimated to increase 4-fold by 1990 by some observers, an increase of 15 million students; and the GOI has promised a primary education for all. Beyond the question of facilities and teachers are perhaps the even more important policy questions relating to the quality and the relevance of Indonesian education.

The Government of Indonesia appears to recognize the strategic importance of the human resource factor and has demonstrated a substantial and growing commitment to education over the years in terms

^{1/} The validity of this promise is supported by argumentation presented in the project paper and Indonesia: Financial Resources and Human Development in the Eighties. IBRD Report No. 3795-IND.

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of its development budget. Budgetary allocations have increased from Rp. 51 billion and 5.3% of the development budget in 1974/75 to Rp. 1502 billion and 14.4% of the development budget in 1984/85. Despite relatively high inflation over this period, substantial real growth occurred in the Indonesian budget, indicating a high marginal preference for educational investment. In addition, the above development budget expenditures do not include all expenditures on education, e.g., normal operating and maintenance costs of the educational system are included in the GOI routine budget. It is clear from this discussion that the Ministry of Education and Culture is taking on ever increasing responsibilities, including the management of huge and growing resources. The Ministry was responsible for managing an investment of Rp. 763 billion (8.3% of development budget) during Repelita II, Rp. 3701 billion during Repelita III (10.8% of development budget), and will manage a planned Rp. 11,539 billion in Repelita IV (14.7% of development budget). Table 18 provides further detail.

The relatively straight forward economic rationale for the project should be apparent. The Ministry of Education and Culture manages huge amounts of resources. To the extent the Ministry manages these resources more efficiently as a direct result of this project (and that is the specific project intent), the project pays for itself. Given the nature of the project there is no particularly convincing way of estimating potential efficiency savings. Nevertheless, because the education budget is so big (\$1.5 billion equivalent in 1984/85 and over \$11 billion equivalent during Repelita IV) it would only take an almost immeasurable efficiency increase in percentage terms to recover project costs on a discounted cash-flow basis. Some feeling for the magnitudes involved can be obtained by looking at an extremely conservative hypothetical example.

If we assume the \$6.5 million AID contribution to the project constitutes the total incremental cost and is disbursed over a six year period, a one percent savings in the estimated education budget of the seventh year alone would yield better than a 45 per cent rate of return on a discounted cash flow basis ^{2/}. To the extent that cost savings would occur prior to the seventh year, extend to more than one year, or efficiency improvement was greater than one percent, the rate of return would be correspondingly higher.

Indeed, the potential cost savings are grossly underestimated by the above assumptions. Even if only a one-time increase in efficiency occurred it could be expected to be carried forward year after year (unless the improvement was unique to only one year). Further, it is more likely that the project will begin to impact much earlier than the seventh year. Finally, because it is an institutional process that is

^{2/} The GOI education budget seven years hence is assumed to be \$2.5 billion compared to the \$2.3 billion Repelita IV yearly average at today's exchange rates. However, an estimate for the last (fifth) year of Repelita IV is likely to be even higher than the \$2.5 billion estimate.

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being invested in, rather than a one time event, it is more likely that a series of improvements will occur over time and that the effect will be cumulative. It is absolutely clear the project can withstand heroic sensitivity testing if we project a more reasonable life for project benefits/cost savings, e.g. 25-30 years.

In sum, if the project delivers even a small fraction of its potential it will pay for itself many times over.

Table 20

Education's Share of Development Budget
(Rp. Billion)

	<u>Total Development Budget Expenditures</u>	<u>Education Sector Expenditures</u>	<u>Education Sector as % of Development. Budget</u>
FY 75	966.4	51	5.3%
FY 76	1,425.2	114	8.0%
FY 77	2,043.5	136	6.7%
FY 78	2,157.6	211	9.8%
FY 79	2,556.6	251	9.8%
FY 80	4,014.2	362	9.0%
FY 81	5,916.1	575	9.7%
FY 82	6,940.0	726	10.5%
FY 83	7,359.6	703	9.6%
FY 84	9,899.2	1,335	13.5%
FY 85	10,459	1,502	14.4%
<hr/>			
Repelita II	17,870.1	763	8.3%
Repelita III	34,129.1	3,701	10.8%
Repelita IV	78,609.5	11,539.5	14.7%

Source: IBRD Report No. 5066-IND, April, 1984

Annex E.iv.Social Soundness Analysis1. Beneficiaries

The immediate beneficiaries of this project will be the Minister of Education and Culture, his technicians and staff who are charged with overseeing the training, planning and policy analysis activities of the project. The various Directorate Generals will benefit from improved information systems, analysis and policy recommendations which provide rationality and specificity to program and project planning and implementation. Officials in selected provinces will also benefit as it improves the information available to them and strengthens policy analysis sensitive to regional differences. Indirectly, a large portion of the population will gain from an improved educational planning system which allocates resources more effectively and assists in improving the quality, efficiency and relevance of education and training for Indonesian teachers and students.

2. Social Impact

Educational Policy and Planning is an institution-building effort and therefore its social impact is indirect. However, the leverage exerted by improved planning capabilities on the allocation of resources for educational development is potentially powerful and can affect the majority of Indonesians. Between 1974 and 1980 the Government of Indonesia invested approximately \$6.5 billion in education. In 1983/84, the education sector received over 14% of the total GOI development budget -- the largest single proportion of development funds. The education sector received an additional contribution of \$600 million from foreign donor agencies.

A major assumption of this project is that better policy analysis will have a positive impact on annual budgeting. How this project will affect Indonesians socially depends on the two key variables in planning; the nature of information applied and the analytical skills with which it is applied.

At the national level, the project supports increased institutional capacity for policy analysis and planning within Balitbang Dikbud as well as between Balitbang Dikbud and the DG's. This should lead to (1) improved internal management of Balitbang Dikbud, as well as (2) the formulation of better policies and plans based on better analysis and information. The second objective - if met - could provide innovations for increasing the social impact of Department of Education and Culture programs. As described earlier, Balitbang Dikbud will be able to support and coordinate experiments and new approaches to solving educational problems in Indonesia in a better way. Many of these problems are

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concerned with the social issues of quality, equity and efficiency, which this project will incorporate in its training of planners. While this does not guarantee more socially appropriate policies, the priority which the Ministry has given to Balitbang Dikbud's development is strong evidence that appropriate social impact will play a growing role in the policy making process. This is supported by a growing appreciation of the relationship between the acceptability to beneficiaries of government programs and the success of the programs themselves.

At the provincial levels, the project promotes the participation of provincial educational officers in the planning process. While one purpose is to introduce them to the use of information in the form of formal data, another is to encourage the application of their own "local knowledge" to efforts to meet national targets. Work with provincial education offices opens doors for greater sensitivity to local social needs and conditions and, ultimately, for more appropriate social impact of national development efforts.

The analytic skill to apply information in planning is a second determinant of the social impact of what is planned. The Education Policy and Planning Project will train education officers in information systems as well as education and social policy planning. These trainees will return to the Ministry to play a large role in policy and routine planning exercises during the project. A greater appreciation of the social impact of what is planned will result.

3. Social Feasibility

The social feasibility of the Education Policy & Planning project greatly depends on the relationships between Balitbang Dikbud, direct beneficiaries, the staff of various offices in the Department of Education and Culture and other government entities.

The Department, as described earlier, has committed itself to supporting Balitbang Dikbud's planning and policy mandate. The expenditure of funds for the project is the latest manifestation of this. However, emphasizing Balitbang Dikbud's key role in policy analysis may create tensions within the bureaucracy. To the extent that this is perceived as infringing on the realms of the Directorate Generals the process may encounter resistance. The potential for this may be decreased by the inclusion of the Directorates-General in the Steering Committee and their involvement in selecting special studies.

Increased provincial input into the planning process differs from a tradition of top-down decision-making. There are both political and cultural reasons for the traditional approach and the Educational Planning and Policy Project must operate within the parameters which exist. It is significant, however, that a new approach has emerged over the past decade beginning with the establishment of Bappedas in the 1970s. All of the offices of the Dikbud involved in the Educational Planning and Policy Project, but particularly are willing to explore new ways to improve interactive communication. In this regard, the project's aim to increase provincial input within the existing system of planning and budget authorities is reassuring.

The project is socially feasible although the risk of encountering some opposition is real. Commitment to the approach from the top, particularly the Minister and the Secretary General at the national level has established a promising context for the project. Phase One will encourage this attitude by drawing on the skills and responding to the interests of the Directorates. Ideas for Special Studies will be actively solicited from them and decided through the Steering Committee.

Annex E. vEnvironmental Analysis:

No Initial Environmental Examination, Environmental Assessment, or Environmental Impact Assessment is required since the proposed project fulfills each of the three criteria for a Categorical Exemption to Section 216 analyses. (Cf 22 CFR Part 216 Environmental Procedures, 216.2(c)(1) Categorical Exclusions.) The project, however, will be followed by established Mission monitoring procedures. If any environmental issues are identified, the Mission Environmental Officer will be contacted and the procedures set forth in 216.3 will be applied.

Annex FDraft Workplan for Technical Assistance Team for
Information System Development

Step I - External Design. Step I will focus on defining the specific information needs of the system and developing from that an information system plan and strategy for presentation to the Steering Committee. This step involves seven separate activities roughly paralleling the approach to "business system planning" utilized by IBM for conducting a preliminary information system review of an organization:

- a. Identify basic decisions and activities required in planning and administering an effective educational program. This includes a review of specific requirements for each of the offices (including different Ministries and Provinces) that are involved in establishing and administering the national education program.
- b. Identify problems in making decisions that stem from a lack of adequate information support, and develop specific recommendations for steps to resolve those problems.
- c. Identify major data classes required to support decision making and policy analysis. These data classes form the basis of future data file structures.
- d. Identify the major information system architecture that is to be developed during the implementation phase of the project. This includes a description of the major subsystems that need to be developed, the relationships among subsystems, and any specific data handling requirements that may be needed. It also specifies the priority of various components of the system so that development can occur in an orderly, sequential fashion.
- e. Identify the sources and uses of all data classes and generate preliminary estimates of volumes and capacity requirements.
- f. Draft an "Information System Plan and Strategy" for review and approval of the Steering Committee. This would establish an action plan for implementing an information system for the education sector.
- g. Develop external system specifications and functional requirements for use in developing a formal request for proposal for hardware and software bids.

The end of this step is a key decision point. The "Information System Strategy" will contain a number of specific recommendation for developing an Information System. Some of these are likely to be controversial, or require

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major commitments in the part of the Government of Indonesia. Continuing the project to the next phase will depend upon approval of the recommendations by the Steering Committee and USAID and a decision by both sides to continue. The information system plan must address such issues as the roles of various agencies and levels in the information system process; centralization versus decentralization of the main data base; the priority of various elements of the information system (including a recommendation of which subsystems should be developed first) organizational changes required to manage the system; recommended staffing patterns; and time-phased implementation plan for developing the system.

Technical assistance for this phase would include the activities of the team leader, supported full-time by an information system planning specialist. The work includes actual analysis and design by the technical advisors but, more important, the training and guidance for a technical support team of local Balitbang staff. Ideally the technical support teams should consist of eight to ten persons from the Balitbang, working closely with the technical advisors. Most of the data collection and analysis will be done by the Balitbang staff. The technical advisors will coordinate the work and provide training and guidance to develop necessary analysis and planning skills within the Balitbang staff.

This step is critical to the eventual success of the project, as success in this stage will result in a realistic architecture for the information system, a national strategy for achieving that system, and a broad understanding within the Ministry of the role and importance of information to the success of future education efforts. It is estimated that this step will take eight months.

Step II - System Selection. Upon approval by the Steering Committee of the information system strategy, the next step is to further refine the request for proposal, develop technical specifications for the hardware and software, establish criteria for evaluating and selecting hardware and software, and publish a formal request for proposals, perhaps to a pre-selected short-list of qualified vendors. This is followed by reviewing and evaluating proposals, qualifying a vendor and negotiating a contract. Technical Assistance during this step requires the involvement of a hardware/software specialist for approximately three months in addition to the work of the team leader.

It is important that the evaluation team establish a clear set of guidelines for evaluating proposals. These will include the responsiveness of the vendors to the functional and technical specifications of the request for proposal. They should also include provisions for delivery time, local support, maintenance and service support, educational support, the compatibility of the system with other Ministry systems, the ability of the system to expand to meet changing needs, the availability of software packages, reputation of the vendor and the project, evaluation of comparable installations in Indonesia, and others.

Step III - Internal System Design. While this can begin with Step II, once Steering Committee approval of the plan has been obtained, vendor support after Step II is desirable, and many of the specific design decisions must be related to the specific hardware selected.

The activities in Step III are designed to produce a thorough description of the data files, programs, analytical requirements and other internal specifics of the system to a level where they can serve as a guide to actually programming and developing the data base:

- a. Design the data base, including specific file structures, data element dictionaries, access methods, security and protection features.
- b. Design specific analysis, reporting, summarization and other requirements.
- c. Design data collection forms and entry processes.
- d. Design screen formats to guide users through key entry and access processes.
- e. Design basic report formats, including detailed layouts.

Technical assistance for this step consists of the full time involvement of the team leader and information system design specialist, working with the Pusat Informatika technical support team. The team leader and system design specialist will work as advisors to the technical support team, who will be learning the process and skills of internal system design during this step, which can be expected to take eight months.

Step IV - Hardware Installation. Step IV consists of installing hardware and operating system software, primarily for the large minicomputer installation in Balitbang Dikbud, but also for the three smaller provincial minicomputers and, to a lesser extent, the individual microcomputers used at various locations in the system. As such, it is an activity that will take place at different points in time. Hardware installation, especially of the larger systems, will be scheduled to take place sequentially.

Activities during this step include actual installations, systems checks to assure that hardware and software work properly, on-site training of operation center staff in the operations and maintenance of the system, and the development of procedures, standards and documentation for the data centers.

The data center operations/hardware specialist will be the primary technical resource during this step. He will serve as project manager for the physical installation of each minicomputer. The hardware specialist will coordinate on-site training of operations center staff which will be provided by the hardware vendor, and will arrange additional training as necessary. In addition, he will direct the establishment of data center procedures, standards and documentation.

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Since this is a step that will be repeated three times, the role of the hardware specialist will change during the three installations. Initially he will act as project manager for the installation. By the third installation, however, he should be acting more as an advisor, with the operations manager assuming the major role of project manager for the installation. This step will last 20 months.

Step V - Application Development. As a direct continuation of Step III, this step comprises the actual custom development of the information system. Activities to be completed during this step include:

- a. Establish the actual data base to be used in Balitbang.
- b. Develop and test entry programs, data update programs, and routine reporting programs.
- c. Develop validity and reliability testing programs.
- d. Develop interfaces to statistical programming packages.
- e. Develop basic standard analysis programs and a user-friendly interface to analysis routine.
- f. Develop procedures and documentation.
- g. Develop user protocols and security.
- h. Train users in the proper use of the system.

The team leader and information system specialist will advise this process, serving first as project manager, later as advisors to the information systems managers and data base administrator. Actual programming will like be performed by a contract software firm or by programmers trained internally by the project. This step will take approximately two years.

It is important that the evaluation team establish a clearest set of guidelines for evaluating proposals. These will include the responsiveness of the vendors to the functional and technical specifications of the request for proposal. They should also include provisions for delivery time, local support, maintenance and service support, educational support, the compatibility of the system with other Ministry systems, the ability of the system to expand to meet changing needs, the availability of software packages, reputation of the vendor and the project, evaluation of comparable installations in Indonesia, and others.

Annex GForeign Donor Assistance for Education

General assistance for education. In addition to AID, a number of foreign donor agencies have provided assistance for the development of Indonesia's education system. A recent survey conducted by AID/Indonesia found that in the education sector per se there are currently fifty active projects whose initial funding was a total of nearly \$370 million. The two largest donor agencies are the World Bank and the Asian Development Bank. Since 1977, for example, the World Bank has provided nearly \$383 million for educational development. However, these funds have been targeted for specific types of programs, such as technical education or teacher training, rather than improving the capacity of the government to manage the education system overall or to plan for its future development. In addition, the sheer size of major World Bank projects in specific areas makes it difficult to concentrate time, energy and resources on the complexity of the policy process and development of an information system outlined here. However, the World Bank recognizes the importance of a capacity for policy analysis and has welcomed AID's initiative in this regard.

With this level of foreign assistance, accompanied by substantially larger commitments from the Government of Indonesia, the need for good long-term planning and policy analysis becomes even more acute. Without such an institutional capacity to do analysis and planning, the government runs a considerable risk of an inefficient use of resources, both domestic and foreign. Therefore, the potential benefits of a rather small investment on the part of AID in developing such a capacity appears to be large. AID's long experience in educational development, increased interest in policy dialogue and the capacity of Mission staff indicate that we are relatively well-placed to support the effort outlined here.

At present, the Government of Indonesia is involved in discussions with the World Bank about assistance of approximately \$9 million to the Department of Education and Culture aimed at improving the Department's management and administrative capacities. The primary emphasis of this project is on institutional development through staff training and a substantial program of overseas training is being proposed. This is clearly relevant to the project proposed in this paper, and AID staff have been reviewing plans for both projects with officials from the Department of Education and Culture and the World Bank. These discussions have shown that the two projects are complementary and mutually supportive.

The proposed World Bank project will probably begin with a management review of the structure, role and responsibilities of the different major units of the Department. This is seen as a first step in the effort to assist with the improvement of the management and information system. This study, a draft scope of work for which has already been developed, will also complement one of the early tasks of this project, that of assessing information needs for policy and planning purposes.

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Assistance for Balitbang Dikbud. Support specifically for Balitbang Dikbud has come in the past from the Ford Foundation and UNESCO. Ford Foundation grants supported a series of consultants concerned with two problems. First, there was an effort to develop educational research and planning capacities at the provincial level. Pilot work was undertaken in West Sumatra and East Java, and this has led to the establishment of planning offices in almost all of the provincial offices of the Department of Education and Culture. These offices were supported with a training program in educational planning. Second, the Ford Foundation supported consultants to work at the national level within Balitbang Dikbud to assist staff there in undertaking specific studies. The curriculum development and testing centers received particular attention, and it is felt that this resulted in the production of some useful and interesting studies. This was complemented by fellowship support for Balitbang Dikbud staff to be trained abroad. However, many of the staff trained have returned to work at Balitbang Dikbud only on a part-time basis, and their skills are generally in the area of educational research rather than policy analysis.

UNESCO is the other agency which has provided support for Balitbang Dikbud over a number of years. This program is still underway, and any future AID assistance will be designed to complement and support this program. UNESCO support previously provided a number of consultants to work directly with Balitbang Dikbud staff on a long-term basis. More recently, major emphasis has been given to the provision of fellowships for staff upgrading. Modest amounts of money have been provided for the acquisition of some small capacity data processing equipment. Most of this support has been designed to assist areas such as curriculum development, testing and educational innovations. These are activities which will become less central to Balitbang Dikbud as research functions are increasingly transferred to universities and IKIPs, and policy analysis receives a major emphasis.

memorandum

DATE: 20 June 1984

REPLY TO
ATTN OF: Michael Morfitt, EBR

SUBJECT: International Travel Costs of Participants under
Education Policy and Planning Project (497-0344)

TO: William P. Fuller, Director

THRU : Cameron Bonner, EBR

Problem

A waiver is required to authorize AID funding of international travel costs for participants under the loan for the Education Policy and Planning Project.

Background

The above mentioned project contains loan funds in the amount of approximately \$1.1 million for long-term training overseas (20 participants, anticipated), with additional loan funds of approximately \$200,000 for short-term training in the region and study tours (approximately 30 participants). Training programs will emphasize policy analysis, project planning and evaluation techniques, data analysis, information systems and data base management, and computer science skills.

The Government of Indonesia counterpart funds amount to \$3 million, or approximately 31% of the total project cost of \$9.5 million. With our encouragement, the GOI has decided to use their counterpart funds to support recurrent costs associated with the project. This includes items such as maintenance of data management equipment, buildings, running costs, staff salaries and honoraria. We have encouraged this because in our view it is important that on-going GOI support be built into project activities from the start so that the information, policy analysis and planning systems can be established and sustained with GOI funds beyond the life of the project.

Justification

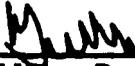
A consequence of devoting GOI counterpart funds to recurrent costs associated with the project is that funds are not available to meet non-recurrent costs, such as international travel of training participants.

AID Handbook 10, Chapter 15, requires that the host country pay the cost of international travel. The Mission Director has the authority to waive this requirement. Failure to fund these costs would hinder progress toward achieving the project's objectives.

Recommendation

That you waive the requirement that the host country bear the costs of international travel for participants under this loan agreement by signing the authorization.

APPROVED: _____


William P. Fuller
Director

DISAPPROVED: _____

William P. Fuller
Director

DATE: _____

22/6/84