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JAKARTA

Regional Results-Based Financing Interventions Inspire National Reforms in Indonesia

Introduction

Many countries are giving more authority and control over resources to schools and their communities to improve decision making and spending, and ultimately student learning outcomes. School-based management reforms of this kind can also help make schools more accountable. In Indonesia, schools receive much of their funding in the form of grants, and they have enjoyed increased autonomy. But many schools in the Special Administrative Region of Jakarta (DKI Jakarta) do not spend the money in ways that promote better learning, such as professional development for teachers. Many schools also do not have a spending plan, as required for receiving government grants. The Jakarta government has been experimenting with different school-based management reforms, including those linking rewards to improved results, to try to get schools to use funding more effectively.

Intervention

The Results in Education for All Children (REACH) Trust Fund provided support to evaluate two school-based initiatives in Jakarta. The first involved a REACH grant that contributed to World Bank support to reform the school grant program by introducing equity- and performance-based components. The grant funded an evaluation of the performance-based element to determine if and how increases in school grants tied to student performance impacted learning at primary and junior secondary schools. Top-ranked schools during the 2014/15 school year received additional funding as a supplement to the unconditional basic grant all schools received. This additional amount was equivalent to 20 percent of the basic grant value. To try and level the playing field between high- and low-performing schools, the program ranked schools based on their overall examination score and the size of their improvement over the previous year. It grouped schools by location so they competed with other schools with students from similar socioeconomic backgrounds. The performance-based grants intervention was at a large scale, covering all primary and junior secondary schools. The evaluation found



The Results in Education for All Children (REACH) Trust Fund under the World Bank Group seeks to help countries strengthen their education services by focusing initiatives on results. The IMPACT series describes how results-based projects funded by REACH influence learning, education systems, and policy making.

examination scores increased for junior secondary students (grades 7–9) but not primary school students. Examination scores improved more for high-performing schools.

The second intervention compared the effectiveness of two school-based measures—electronic self-evaluations and electronic self-evaluations with performance contracts—piloted in a sample of 150 junior secondary schools in 2017. Schools were divided into three equal groups. In the first, school managers completed an electronic self-evaluation to identify their school’s strengths and weaknesses based on the National Education Standards, and set goals and prioritized resources based on this. The second group completed the self-evaluation and signed “soft” performance contracts, wherein school managers pledged to achieve self-defined targets based on the standards. The final group served as a control group. The findings suggested that self-evaluations can help improve school performance, especially for schools with low management capacity that might not be good at setting and meeting goals. Performance contracts appeared to help boost performance in high-capacity schools, but negatively impacted low-capacity schools, possibly because the latter chose hard-to-achieve targets.

Impact

Jakarta has traditionally served as a testing ground for the rest of the country, including for education reforms. Based on the results of Jakarta’s performance-based school grant program, the central government introduced a performance component to national grants for all 172,527 public schools serving 32.5 million students. To get additional funding, primary schools will have to improve their self-evaluation scores each year, and secondary schools will have to register an increase in students’ average national exam scores. Jakarta’s self-evaluation intervention has also had an impact at the national level, with the Ministry of Education in 2017 developing an electronic self-evaluation tool for schools. Indonesia is moving towards requiring all 260,000 public and private schools to submit school plans electronically with electronic self-evaluations, reflecting the approach tested in Jakarta.

Jakarta continues to use performance-based approaches at the school level. Since 2018, it has implemented incentive payments for teachers in all 1,952 public schools, based on their attendance and performance, as well as student and school performance. The World Bank is evaluating the impact of these performance allowances. Also, Jakarta is increasing the performance grant amount for primary schools after the REACH evaluation concluded grants to these schools were too small to have a significant effect on learning outcomes.

Local Reforms Led to National Change

SCHOOL-BASED INTERVENTIONS

Performance-based school grants

Electronic self-evaluations

Electronic self-evaluations + performance contracts

led to

NATIONAL REFORMS



Performance component in national grants



Electronic self-evaluation tool for public and private schools



Electronic school plan submission with self-evaluation (in development)

RESULTS IN EDUCATION FOR ALL CHILDREN (REACH) RESOURCES

For more information on the REACH Indonesia interventions, please refer to the RBF Education EVIDENCE notes, “Can Self-Evaluations and Soft Performance Contracts Help Schools Achieve Education Standards?” and “Can Performance-Based School Grants Improve Learning?” on the REACH web page.

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