PNPM SUPPORT FACILITY (PSF) PROGRAM PROPOSAL – KIAT Guru

Program Title:	KIAT Guru
Objective:	To empower communities to make investments that contribute to improvements in the quality of primary education service delivery measured in terms of reduced levels of teacher absenteeism and improved quality of service.
Key Performance Indicators[1]	• At the national level: issued regulations for pay for performance of special allowance; policy recommendations for implementation of village law and bureaucracy reform and civil servant law in the education sector. • At district level: issued regulations to empower community participation and to hold teachers more accountable, allocation of APBD budget for KIAT Guru activities. • At sub-district level: regular meeting to coordinate plans, activities, and budgets for KIAT Guru activities. • At the village level: improved interaction between service providers and community members, improved teacher availability and quality of service, improved student attendance and learning outcomes, and allocation of village funding for KIAT Guru activities.
Executing Agency:	Recipient- and Bank-executed
Estimated Budget:	US$4,733,000
Estimated Duration:	~2 years (March 2016 – December 2017)
Geographic Coverage:	6 districts
Implementation Arrangements:	Oversight: TNP2K, Bappenas Component 1: Bursa Pengetahuan Kawasan Timur (BaKTI), MoEC Component 2: WB
PSF Secretariat Point of Contact:	Rob Wrobel, Senior Social Development Specialist (rwrobel@worldbank.org)
PSF JMC Approval Sought:	Approval from the JMC is sought to allocate US$4,733,000 in funding from the PSF Multi-Donor Trust Fund.

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[1] To be further refined in consultation with GoI Steering Committee.

Background

1. **Despite near universal primary school enrolment, Indonesia is struggling with quality and equity of education service delivery, particularly in poor rural and remote areas.** Since 1988, 99.6 percent of Indonesian children were either enrolled in or already graduated from primary schools (Suryadarma et al, 2006). However, education equity for the poor, and education access and opportunity for those living in rural and remote areas remain a challenge (SMERU, 2004; BPS, 2011; World Bank, 2013). In most recent international assessments, Indonesian student learning outcomes remain at the bottom rank of participating countries (WB, 2013; OECD 2014), with rural areas lagging significantly behind those in urban areas (ACDP, 2014; Stern & Nordstrum, 2014).

2. **To improve quality of education, Indonesia has been investing heavily in teachers, but these investments have yet to yield results.** Since 2009, the Indonesian government has capped a minimum 20% of their budget for education, 50% of which has been allocated for payment of teacher salaries and allowances (see Figure 1). Teachers' welfare has increased significantly, with those being certified receiving additional one time their base salary, and those working in special areas receiving special allowance, up to one time the base salary[2]. However, teacher performance and service delivery of recipients of these allowances do not differ and, in some cases, are worse than non-recipients. Improved teachers' welfare has not led to improved teacher performance and student learning outcomes (SMERU, 2010; OECD, 2014; WB, 2014; WB, 2015; De Ree et al, 2015).

Figure 1: Percentage of teacher salary & allowances as percentage of national education budget (2012-2015)
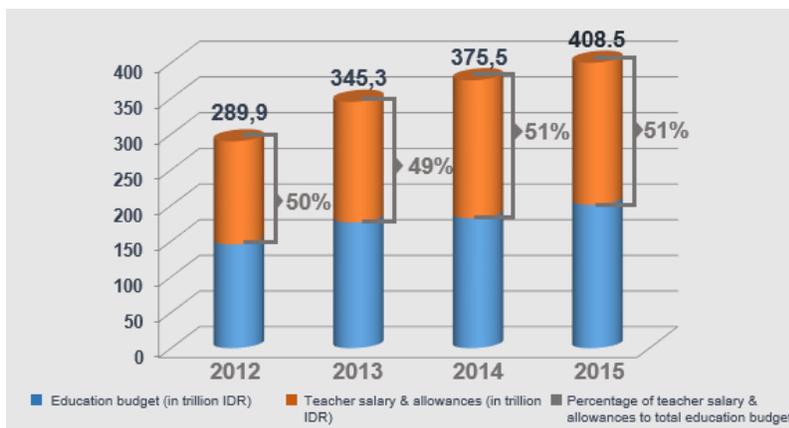
3. **The Village Law and RPJMN create new opportunities for communities to provide monitoring and feedback to improve basic service delivery, including education.** The issuance of Village Law (UU 6/ 2014) enables communities to improve service delivery by providing a substantial amount of resources to village governments annually and by delegating certain authorities to village governments. Indonesia's Medium-

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[2] Government of Indonesia (GoI) has provided additional allowances and benefits for teachers in special areas, including remote, bordering, isolated, tribal, and disaster areas. One of these is the Tunjangan Khusus (special allowance), which doubles the base salary for civil servant teachers and provides IDR 1.5 million per month for non-civil servant teachers. But there are indications that these interventions have not been effective in providing incentives for teachers to work in special areas, and that special allowances have been distributed to teachers independent of their location (SMERU, 2010).

term National Development Plan (RPJMN 2015-19) specifically mentions the need to improve access to basic services, including education, as a means to improve opportunities for the poor and vulnerable. To this end, the RPJMN includes plans to develop a community monitoring mechanism at the village and/or sub-district level on availability and quality of basic services, including feedback to service providers.[3]

4. **GoI also recently introduced a frontline approach to improving service delivery that focuses on enhancing accountabilities at the point of service (or at the frontline) through increased responsiveness of government and service providers, and inclusive participation of communities and citizens.** The strategy aims to address 3 core issues in the delivery of basic services: governance, access and quality of services, and community empowerment (see Figure 2). It specifies a sandwich of interventions at the local level, which consist of top-down activities for a responsive government to provide appropriate policies, resources, and technical support to service facilities and providers, and bottom-up activities for empowered communities to engage and take active part in planning, monitoring, and delivery of basic services.

Figure 2: GoI's Frontline Service Delivery Conceptual Framework

5. **Against this backdrop, in 2014 TNP2K[4] pioneered KIAT Guru (Kinerja dan Akuntabilitas Guru) to strengthen and accelerate education reform.** KIAT Guru was planned as a multi-year activity, to be implemented in two phases: Pre Pilot (2014-2015) and Pilot (2016-2018). The design and mechanisms of the interventions were developed in partnership with Ministry of Education and Culture (MoEC) and the district governments of Ketapang (West Kalimantan), Kaimana (West Papua), and Keerom (Papua), and in collaboration with BAPPENAS (Deputy of Human Development and Culture), Ministry of Finance (MoF), Ministry of Bureaucracy Reform and Civil Servants (KemenPANRB), Ministry of Home Affairs (MoHA),

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[3] Attachment to Presidential Decree 2/2015 on RPJMN 2015-2019, Book II, page 1-69.
[4] TNP2K (Tim Nasional Percepatan Penanggulangan Kemiskinan) is a policy think tank under Indonesia's Vice President Office.

Ministry of Village (MoV), and Financial Audit Institution (BPK). KIAT Guru Pre Pilot Phase received funding and technical inputs from DFAT, and technical consultations were also conducted with the World Bank.

Sectoral Context

6. **Improvement of frontline education service delivery in poor rural and remote areas is constrained by the following supply, demand, and accountability problems:**
    a. **Teacher absence is high.** While teacher absence rate has improved in the past decade, the rate in rural and remote areas remains high (10.2% and 19.3% respectively) compared to national rate (9.4%) (SMERU, 2004; ACDP, 2014). High teacher absenteeism partially affects student absence and drop-out rates in poor and remote areas (UNICEF, 2012; World Bank, 2013). Teacher absenteeism also affects student learning outcomes negatively (SMERU, 2004; Suryadarma et al, 2006; Suryahdi and Sambodho, 2013).
    b. **District governments are responsible for delivering education services, but lack the systems and incentives to hold teachers accountable.** Due to a mixture of management, financial, and geographical challenges, schools in rural and remote areas are monitored less often by the supervisors (*pengawas*), and experience higher teacher absence rates (UNICEF, 2012). Unfortunately, sanctioning teacher absenteeism is rare, and badly-performing teachers are often moved to remote or poor areas (Glewwe et al, 2003; Kremer et al, 2005 cited in Muralidharan & Sundararaman, 2011). The absence of sanctions for underperforming teachers creates a demotivating working environment for teachers who do perform.
    c. **Communities lack the organizational capacity, time, and resources to oversee education performance as well as mechanisms through which to submit feedback or complaints.** Organizing to oversee local education services exacts a cost in time and effort, two elements that are in short supply among the poor in rural communities. Furthermore, in the absence of information on minimum service standards, education budgets, and a willingness of teachers and principals to act on feedback from communities, such efforts would likely be wasted.

7. **International experience suggests that incentivizing teachers, whether through social rewards and sanctions, and/or financial rewards and sanctions is likely to improve education quality.** Reviews of interventions to improve education and learning in developing countries reveal that changes in incentives and pedagogy are more effective than providing access to education, improving educational inputs (e.g. textbooks, libraries, and grants), and implementing school-based management (Banerjee & Duflo, 2011; Kremer, et. al., 2013). In rural and remote areas of Indonesia, it is important to urgently address the rampant problem of absenteeism first, before changes in pedagogy could be attempted. A meta-analysis of 64 studies found financial incentives to be more effective in comparison with non-financial rewards, but another meta-analysis of 72 empirical studies showed that financial incentives, when combined with forms of non-financial rewards, resulted in better improvements in comparison with financial incentives alone (Hasnain, et al, 2012).

8. **However, improving education quality in poor rural and remote areas is a complex endeavor influenced by myriad factors. As such, experimentation, adaptation, and learning are essential to developing and scaling up appropriate solutions.** To this end, KIAT Guru utilizes the frontline approach through two mechanisms: (a) Empowering communities to hold teachers accountable for their availability and quality of

service (hereafter, Community Empowerment), which is a bottom-up intervention; and (b) Tying payment of teacher allowances based on performance (hereafter, Pay for Performance), which is a top-down intervention. The rationales for why these two mechanisms may be effective and an overview of the pathways to achieve the goal are described in the Annex. The following section also presents findings and lessons learned from KIAT Guru Pre Pilot Phase, which has been implemented in 31 rural and remote primary schools in the districts of Ketapang (West Kalimantan), Keerom (Papua), and Kaimana (West Papua) since mid-2014 until end of December 2015.

Box 1: Initial Results from the Pre-pilot Phase

1. **During the KIAT Guru Pre Pilot, the districts of Ketapang, Keerom, and Kaimana allocated IDR 1.84 billion (±USD 135,000) of APBD-allocated teacher allowances for which payment mechanisms are currently being tested using KIAT Guru Pay for Performance Mechanism.** While the Pre Pilot is operating at a relatively a small scale, the results could potentially affect the policy for/ management of IDR 19 billion (±USD 1.4 million) of teacher allowances in these 3 districts.

2. **The KIAT Guru Pre Pilot Phase served as a "proof of concept" for the proposed interventions.** Between March and October 2015, teacher presence in classroom and student learning outcomes in 31 participating schools have improved. Surveys conducted by PSKK-UGM (Pusat Studi Kebijakan dan Kependudukan – Universitas Gadjah Mada) indicated that teacher presence in classrooms have increased from 48.5% to 60.1% in Keerom and Ketapang[1]. In 31 participating schools, learning outcomes in basic literacy indicated that more students achieved grade level competencies, with an increase from 16.9% to 35.3%. Student illiteracy had decreased from 27.9% to 12.7%. In basic numeracy, more students achieved grade level competencies, with an increase from 6.2% to 22.2%. Student innumeracy had decreased from 5.7% to 1%. After several months of implementation in Ketapang, 7 of 10 villages have committed village funding to sustain User Committee activities in 2016. The district government of Ketapang has included KIAT Guru in RPJPD (Rencana Pembangunan Jangka Panjang Daerah) 2005-2025, to provide regulatory and financial support for the establishment of User Committee in villages and to pay teacher allowances based on performance.

9. **Based on KIAT Guru Pre Pilot, and as part of the Civil Servant Law implementation, the Ministry of Education and Culture (MoEC) is currently developing teacher management and teacher pay reforms.** While MoEC spends about USD 5.5 billion on professional allowance alone in 2015, the doubling of teacher salaries has not led to better student learning outcomes (WB, 2014; De Ree et al, 2015). The Civil Servant Law (UU 5/ 2014) provides the regulatory umbrella to reform the management, performance criteria, and payment of civil servants and other service providers, including teachers. As a consequence, the Directorate General of Teachers and Education Personnel (DGTEP) in MoEC is planning to revise the teacher performance evaluation system and introduce pay for performance in the way teachers' allowances are paid beginning in 2016. This plan provides strong top-down support from MoEC for the implementation of KIAT Guru Pay for Performance mechanism.

10. **MoEC has requested KIAT Guru to be scaled up to provide evidence-based policy recommendations for the most effective reform options to improve basic education service delivery in rural and remote areas.**

Scaling up the teacher performance evaluation and pay for performance of teacher allowances nationally will be a risky and a politically unpopular decision for MoEC, as it will impact the performance evaluation and take-home pay of 3 million teachers. The DGTEP is currently developing the formula for teacher performance evaluation and for teacher performance pay. To this end, MoEC has requested technical assistance and the implementation of a few policy models that will be evaluated for its efficiency in improving teacher performance and student learning outcomes. During this process, KIAT Guru will coordinate with and seek inputs from relevant education programs funded by DFAT and the World Bank, in order to further clarify the links between the improving teacher qualities with learning outcomes. It should be noted that the precise nature of the interventions will be tailored and finalized based on guidance from a TNP2K-led steering committee to ensure alignment with recent policy changes policy changes and reform priorities. As a result the final design will vary from the pre-pilot phase design.

11. **Based on KIAT Guru Pre-Pilot Phase findings, MoEC will start paying the special allowance based on performance measures nation-wide, with a total annual budget of IDR 1.7 trillion (USD 121 million).** MoEC has requested technical assistance to develop technical guidelines for implementation, and that the monitoring and evaluation of the implementation of this nation-wide policy be sampled as part of KIAT Guru Pilot Phase. In addition, MoEC will support implementation of several other models for Pay for Performance mechanisms in up to 200 pilot schools, to be implemented between 2016 and 2017. For the calendar year of 2016, MoEC has allocated a budget of IDR 11.8 billion (USD 820,000), of which IDR 4.6 billion (USD 332,000) will pay for implementation of some KIAT Guru activities, and the rest will be utilized for planning, coordinating, monitoring and evaluation of the activities by staffs of MoEC and other ministries. It is anticipated that lessons learned from this pilot will be used to inform policies for teacher management and disbursement of teacher special allowance in 288 districts starting in 2017, and affect the national policy for/ disbursement of teacher professional allowances, which in 2016 will amount to ±IDR 80 trillion (±USD 5.95 billion). During the Pilot Phase, every dollar spent on project implementation will be matched by 1.25 dollars of MoEC investment[5].

Project Development Objectives

The Project Development Objective is *to empower communities to make investments that contribute to improvements in the quality of primary education service delivery measured in terms of reduced levels of teacher absenteeism and improved quality of service.*

12. **KIAT Guru will achieve its PDO through:**
    a. **Community Empowerment:** Providing community members with an explicit role to monitor and evaluate teacher service performance, and to ensure teacher accountability.
    b. **Improvement of education service delivery, defined as**:
        i. **Availability of service**, or teachers' presence in school and in classroom as scheduled; and
        ii. **Quality of service**, or broader indicators of service performance (including teacher presence) as agreed between teachers and communities.

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[5] The calculation is based on allocation for teacher special allowance (3 teachers/ school in 200 schools) and IDR 11.8 billion budget that has been allocated by MoEC for KIAT Guru activities.

    iii. **Improvement of student attendance and learning outcomes**, defined as basic literacy and numeracy skills needed for students to gain more advanced knowledge, to develop more advanced skills, and to be functional members of society.

13. **A secondary objective is to influence policies related to**:

    a. **Operational mechanisms to implement the Village Law at the village, district, and national levels** to: (i) Empower communities to monitor and provide inputs into evaluation of teacher service performance; (ii) Strengthen linkages and oversight of primary schools by village governments and community members; and (iii) Tap into village fund to improve education service delivery where appropriate.

    b. **Adaptations of Civil Servant Law for the education sector** to tie teacher allowance payment with concrete performance measures, including availability and quality of service.

14. **To achieve these development objectives, the project proposes to test the most effective pathways for Community Empowerment and Pay for Performance mechanisms in improving frontline education service delivery in rural and remote areas.** As previously elaborated in the Design Rationale Section, it is currently unknown whether or not a Community Empowerment mechanism (as a form of social reward and sanction mechanism and accountability from teachers to community) is more effective in comparison to Pay for Performance mechanism (as a form of financial reward and sanction and accountability from teachers to *Dinas Pendidikan*). This question is pertinent for understanding the effectiveness of different frontline approach models, particularly in understanding the effectiveness of top-down versus bottom-up activities specified in BAPPENAS' frontline strategy.

Project Components and Implementation Arrangements

15. **This project has two components: (a) Community Empowerment, Facilitation Support, and Technical assistance, which will be executed by an implementing partner; and (b) Knowledge, Learning and Evaluation, which will be World Bank-executed.** The World Bank will provide technical assistance for overseeing the design, implementation, and analytics of both components.

Component One. Community Empowerment, Facilitation Support, and Technical Assistance to National, District, and Village Governments

16. **This component includes technical assistance, activities, and procurement of goods and services.** Technical and community development specialists will be hired at the national, district, and sub-district levels to work with the governments, service providers, parents, community members, and broader education stakeholders. Activities at the national level include workshops to engage cross-sectoral ministries in policy discussions and recommendations, trainings for community facilitators and village cadres, and coordination meetings with the district, sub-district, and village governments. Procurements include tools and equipment for community facilitation processes and field operations, and training and documentation services.

Component Two. Monitoring, Learning and Evaluation

17. **MoEC has requested that the monitoring, learning, and evaluation of the models could provide policy inputs more frequently, while collecting data on longer term impact.** As mentioned on paragraph 11, MoEC has requested the nation-wide policy implementation of payment of special allowances based on performance to be sampled as part of the project's monitoring and evaluation activities. The design options for Pay for Performance mechanism are currently being discussed between TNP2K and MoEC, to be followed up with a discussion on design options for Community Engagement mechanism with MoEC, MoV, MoHA and BAPPENAS. As a result, government needs information on performance of the various interventions on a near real-time basis, and cannot wait for the results of a randomized control trial impact evaluation that would be available only after a period of two to three-years. Instead, the design of the interventions and their evaluations will provide policy recommendations every six months, while collecting data on the relative effectiveness of the Community Empowerment mechanism and the Pay for Performance mechanism. Ideally it will also be possible to evaluate rigorously the longer term impacts of the interventions on teacher behavior, community participation, and student learning outcomes. The options will be presented for approval to the Steering Committee to ensure the monitoring, learning, and evaluation design reflect priority policy questions of the government. The proposed budget for Component Two covers evaluation activities in 200 villages, which would include a mix of process monitoring and quantitative surveys (Pritchett et al, 2013; Shah et al, 2015; Asis & Woolcock, 2015). DFAT will directly support one technical expert through Australia's Education Partnership. Additional funding would need to be sought for endline surveys.
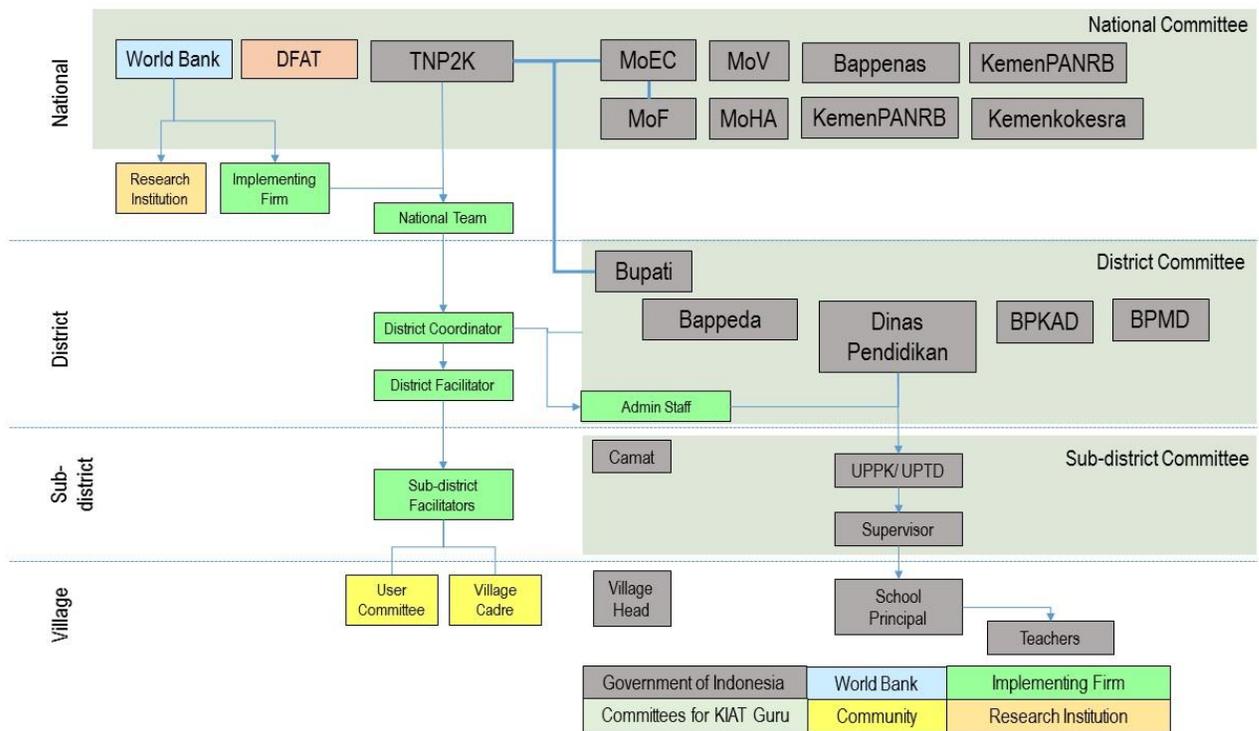
Institutional Arrangements

18. **The lead government institution for policy advocacy and engagement with line ministries will be TNP2K, which will partner with MoEC, MoV, BAPPENAS, MoHA, DFAT, the World Bank, and the participating pilot district governments**. MoEC and district governments are directly accountable for and in charge of improving service delivery and service performance of teachers, and will take the lead in the policy and implementation of Pay for Performance mechanism. MoEC will issue a dispensation letter to MoF to provide exceptions so payment of teacher special allowances in pilot districts can be made based on performance. MoV will advise on the design and implementation arrangements for the Community Engagement mechanism, particularly as these relate to Village Law implementation. Endorsements from MoF, KemenPANRB, MoHA, and National Personnel Agency (BKN) will be key in ensuring support for pilot implementation and policy recommendations for scale-up. TNP2K and BAPPENAS will take the lead in coordinating these government stakeholders. A Steering Committee and a Technical Committee will be established at the national level. The Steering Committee will be co-led by Executive Secretary of TNP2K and Director General of Teachers and Education Personnel at MoEC (see Figure 3), and consist of echelons 1 from all the relevant ministries and agencies – including MoV Director General for Community Empowerment and Development (PPMD) and Director General for Village Government Empowerment – as well as DFAT and the World Bank. The Technical Committee will consist of echelons 2 and 3 from all the relevant ministries and agencies, and representatives from DFAT and the World Bank. MoEC and TNP2K have developed a schedule of activities, including technical meetings for planning, coordinating, monitoring and evaluation with other ministries, DFAT, and the World Bank. The first technical meeting is scheduled to happen in mid-February, when the schedule will be coordinated with the stakeholders.

19. **A coordination team will be set up in each participating district led by the Bupati, and with members from Dinas Pendidikan, BAPPEDA (District Development Planning Agency), BPKAD (District Budget and Asset Management Agency), and BPMD (Community Empowerment Agency). The institutional arrangement is designed to closely align with implementation of Village Law.** The Bupati and Head of Dinas Pendidikan of

pilot districts will issue regulations and decrees to set up the necessary institutional, managerial, and financial mechanisms at each district. Payment mechanisms and instruments of teacher allowances will be developed based on existing public financial management systems, to be operated by district government staff. In each district, the implementing partner will hire a District Coordinator, District Facilitators, and Administrative Officer to provide technical assistance to the district government.

20. **In each village, a User Committee will be elected by community members, and made legitimate by a Village decree.** During the Pilot Phase, the operational costs for the User Committee will be paid for by the project. However, should the government scale this intervention up, it is possible to use the village fund for this purpose as shown through the pre-pilot phase. A Village Cadre will be selected to facilitate monthly community meeting, supported by the project's Sub-district Facilitator. During scale-up by government, the role of the Village Cadre can later be included in the job description of the village facilitator for implementation of Village Law. Reports will be sent on a monthly basis from the villages to the sub-district and district levels, using existing education management or government mechanisms.

Figure 3: Institutional and implementation arrangements at the national and district levels.

21. **An implementing institution will provide management, operational, and fiduciary oversights for technical assistance and implementation at the national, district, and village levels.** The implementing institution will procure and manage technical assistance for all activities, including workshops with stakeholders, capacity development trainings, monitoring and evaluation activities, and production and distribution of communication materials. The implementing partner will be a national NGO with a strong track record in implementation of large-scale activities, including procurements and managements of human resources, field activities, services, and assets.

Proposed Budget

Category	2016		2017		SUBTOTAL (in USD)
	Jan-Jun	Jul-Dec	Jan-Jun	Jul-Dec	
Component One					
Personnel	100,000	584,000	520,000	462,000	1,666,000
Activities	173,000	299,000	218,000	307,000	997,000
Operational	12,000	67,000	67,000	67,000	213,000
Procurement	101,000	0	0	0	101,000
Services	165,000	164,000	172,000	145,000	646,000
Subtotal	**551,000**	**1,114,000**	**977,000**	**981,000**	**3,623,000**
Component Two					
Personnel	91,000	135,000	142,000	136,000	504,000
Services	606,000	0	0	0	606,000
Subtotal	**697,000**	**135,000**	**142,000**	**136,000**	**1,110,000**
TOTAL	**1,248,000**	**1,249,000**	**1,119,000**	**1,117,000**	**4,733,000**

MoEC Contribution					
MoEC Contribution					
Activities	150,000	113,000			263,000
Services	66,000	3,000			69,000
Coordination w/ ministries & monitoring to field	193,185	293,185			486,370
Subtotal	**409,185**	**409,185**	**TBD**	**TBD**	**818,370**

Annex 1: Detailed Project Design Description

The Community Empowerment and Pay for Performance Mechanisms below were developed based on lessons learned from the implementation of KIAT Guru Pre-Pilot Phase. There are different ways of combining the mechanisms, with possibilities to dissect some of processes for different context. To ensure that the implementation and evaluation will optimally build on previous and on-going DFAT programs, in the early stage of the Pilot Phase, technical consultations and workshops will be conducted with various stakeholders, including relevant ministries and other programs. Lessons learned and policy recommendations during implementation and at the end of the program will be conducted every six months.

Mechanism One: Community Empowerment

22. **International evidence, as well as evidence from Indonesia shows that that making teachers accountable to their community as opposed to solely being accountable upwards to higher levels of the education system is effective in improving education service delivery.** The state of education in poor and remote areas indicates that ongoing reform efforts may be insufficient, or worse, ineffective. The 2004 World Development Report: Making Services Work for Poor People identified two routes to improve accountability of service delivery: the long route through citizen electing, influencing, demanding and pressuring policy makers, and the short route through communities directly influencing, demanding, and pressuring service providers (World Bank, 2004). In Indonesia, learning outcomes improved when village governments played a greater role in basic education, which in turn motivated teachers to treat the local community as a client (Pradhan et al, 2012).

23. **The Ministry of Education and Culture (MoEC) has made several attempts to include community participation in management and delivery of education services. These efforts have not resulted in positive outcomes due to capacity constraints.** In 2002, MoEC issued a decree stating that every school must form a School Committee (MoEC Decree 44/ U/ 2002). In addition the decree stipulates community participation in school based management. However, many School Committees in under-resourced areas are often appointed by the principal, do not have an adequate number of community representatives, and do not have linkages to the village council. The Village Law provides an opportunity for villages to assert stronger demands to improve basic education service delivery. However, village governments and community members need tools and support to do so.

24. **Communities also lack the means to hold teachers accountable, to voice their concerns, or to sanction poorly performing teachers.** Several elements are required to involve communities in improving accountability of service providers: having a standard to which the service providers will be accounted for; improving communities' access to information, including their basic rights to services; giving community the path or the media to influence and voice concerns to service providers; and providing routes to sanction poorly performing service providers (Joshi, 2010; Ringold et al, 2012). Brinkerhoff and Wetterberg (2012) provide a useful pathway which includes standard-setting, results-based management, performance-based payment, and increased information flows and transparency.

25. **KIAT Guru's Community Empowerment Mechanism, which is a bottom-up intervention, addresses capacity constraints and strengthens incentives both for schools to service villages and for villages to**

contribute to improvements in education service delivery. The mechanisms through which this would occur include:

a. **Assisting communities to establish education User Committees based on district and village regulations to enable community inputs to improve education service delivery.** A study on School Committees in Indonesia suggested that election of members and linkage to the village council are instrumental to having a functioning School Committee (Pradhan, et al, 2011). The User Committee is based on this finding and the School Committee criteria[6]. During KIAT Guru Pre Pilot Phase, the User Committee is supported by a Village Head Decree and acknowledged in a Bupati Decree, which provides the legitimacy for the User Committee to hold school providers directly accountable to them.

b. **Facilitating meetings to develop service agreements and community score cards.** KIAT Guru facilitates a locally-developed service agreement between teachers and community members, and assigns communities with the role to monitor and evaluate the implementation by teachers using a community score card (adapted from Bjorkman & Svensson, 2009a & 2009b). The community score card includes teacher presence and quality of service indicators.

c. **Providing communities with tools and mechanisms to monitor and evaluate teacher presence and quality of service.** During KIAT Guru Pre Pilot Phase, teacher attendance is monitored on a daily basis using KIAT Kamera, a tampered-proof Android-based camera application (adapted from Duflo & Hanna, 2005). At the end of each month, the User Committee fills out a verification form that cross checks the results from KIAT Kamera against teacher presence form[7]. For quality of service indicators, the User Committee is informed with a few means to monitor teacher service performance: by interviewing students, by conducting direct observations, or by checking on written documents.

d. **Informing communities with results of student learning outcomes to increase their demands on better education service delivery.** During KIAT Guru Pre Pilot Phase, diagnostic and evaluation tools[8] were developed to identify where students are along a learning continuum of basic literacy and numeracy skills based on the national curriculum (KTSP 2006). The findings from 31 participating schools were disheartening, as participating students are significantly behind the national curriculum. The findings were disseminated at the village, district, and national levels to advocate for the urgent attention needed to improve education services in rural and remote areas.

e. **Putting in place institutional arrangements to bring community inputs to village, sub-district, and district governance.** During KIAT Guru Pre-Pilot Phase, the results of the community score card have

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[6] The User Committee is set up based on existing committees in the village (e.g. School Committee, ex-TPMD Committee), although reelection will be necessary to meet the User Committee criteria of: a minimum of 9 elected community members representing a gender-balanced composition, 1/3 parents, 1/3 of minority group representatives, and 1/3 community and religious leaders to provide linkage to the village council.

[7] During its initial implementation, the operational of KIAT Kamera has to be tested to ensure the application and its use by teachers can be reviewed by User Committee. The teacher presence form is filled out manually to encounter possible malfunctioning of KIAT Kamera.

[8] KIAT Guru student learning assessments were developed with references to ASER (2014), UWEZO (2012), EGRA (Gove & Wetterberg, 2011) & EGMA (Reubens & Crouch, 2009; Platas et al, 2014).

been reported to village, sub-district, and district governments on a monthly basis in Ketapang[9]. Meetings on a monthly basis are conducted at the sub-district and district levels to evaluate progress. The meetings involved User Committee and school representatives.

Mechanism Two: Pay for Performance

26. **KIAT Guru's Pay for Performance Mechanism, which is a top-down intervention, is a form of financial reward and sanction and is implemented in conjunction with the Community Empowerment Mechanism, which is a form of non-financial reward and sanction.** The Pay for Performance Mechanism include:

    a. **Payment of teacher allowances based on proof of physical presence (as proven by KIAT Kamera).** This intervention is adapted from an experiment in India which ties teacher presence to payment of their salary (Duflo & Hanna, 2005). During KIAT Guru Pre Pilot Phase, payment of teacher allowances is based on KIAT Kamera. Initially, it was found that the absence of teachers are often excused by the principals[10]. To encounter this challenge, the maximum amount of excused absences per month needs to be established by the *Dinas Pendidikan*.

    b. **Payment of teacher allowances based on quality of service as scored by the User Committee.** In this mechanism, the community score card is further tied to the payment of teacher allowances. Teachers who are scored 7 by the User Committee will receive 70% of their allowances; those who score 8.5 will receive 85% of their allowances, etc.

    c. **Alternative education solutions to improve teacher availability and quality of services.** The project expects that either the non-financial and financial incentives will improve education service delivery. However, there is still a chance that these interventions will not improve teacher availability or quality of service. During the KIAT Guru Pre Pilot Phase, Bupati regulations were issued to enable the use of undisbursed funds (caused by teacher allowances not being paid in full) to provide incentives for teachers who perform or to make available other alternative education services in schools with underperforming teachers. The User Committee and teachers meet in an assessment meeting at the end of each semester to review the service agreement and community score card. The User Committee will determine how the undisbursed fund will be allocated.

    d. **Regulations at the national and district levels to enable Pay for Performance Mechanism and transparent payment of teacher allowances.** During the KIAT Guru Pre Pilot Phase, TNP2K signed Memoranda of Understanding (MoU) with Bupati of the Ketapang, Keerom, and Kaimana districts. Each Bupati issued a regulation that provided exceptions so that the payment of APBD-allocated teacher allowances in the 31 participating schools can be based on either teacher presence (as

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[9] In Keerom and Kaimana, a combination of the lack of institutional setup (e.g. no Dinas Pendidikan representatives at the sub-district level) and geographical challenges (e.g. no/ unstable telecommunication signal) prevent regular monthly reporting to be sent and analysed in time for the writing of this proposal.

[10] TNP2K with PSKK conducted a Teacher Absence Survey using unannounced visits in April 2015. According to this data, about 30 percent of teachers were absent from the schools in Kaimana. However, according to the teacher presence form, absence was almost inexistent. It was found that teachers were generously excused by principals in terms of sick leaves, school closures, and various official meetings at the district capital. In Ketapang, it was found that a teacher was excused for up to 14 days in a month when this mechanism was initially started.

proven by KIAT Kamera) or teacher quality of service (as scored by User Committee). The allowance payments are also made transparent by providing teachers with a slip that accounts for the gross and net total of the amount received.

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