

# Mapping the Funding Streams for Investments in School Buildings in Indonesia

## Overview

**Country:** Indonesia

**Stakeholders:** Ministry of Education and Culture, Ministry of Finance, Ministry of Religious Affairs, World Bank, Arup

**Hazards:** Earthquakes, Tsunami, Landslides, Volcanoes, Flooding



**Summary:** Indonesia is an archipelago comprising more than 6000 inhabited islands over a large area of land and sea along the edge of the Pacific Ring of Fire. It is heavily populated and subject to frequent hazard events. With more than 300,000 schools spread over 34 provinces, it is heavily decentralized which provides a challenge to implementing a national safer schools program for both existing and new school infrastructure. As part of the World Bank technical assistance program, Arup undertook a country diagnosis and through a series of consultations and associated research, identified five key financing mechanisms. These involved different stakeholders, strengths and weaknesses and highlighted opportunities to enhance future safer school investment programs.

## CONTEXT

### Decentralised governance at scale in a multi-hazardous environment

Indonesia is an archipelago in South East Asia comprising more than 6000 inhabited islands covering 800,000 square miles of land. It is located on the edge of the Pacific Ring of Fire and has a long and tragic history of hazard events the worst of which occurred in 2004 when a 9.2 magnitude earthquake off the coast of Sumatra generated a large tsunami which killed 225,000 people.

Indonesia has the 4th largest population in the world with 252 million people, and the most populous island; Java which houses 60% of the population. With more than 300,000 schools spread over 34 provinces and more than 500 decentralised administrative districts, education is given high priority with 20% of total government spending covering schools.

The scale, and variety of contexts provide a formidable challenge for Indonesia to meet the increasing demand for school places whilst also ensuring existing school facilities provide a safe environment in the event of the extreme hazards they face.

This case study is based on a diagnosis of Indonesia undertaken by Arup on behalf of the World Bank in December 2014.

## OBJECTIVES

### Identifying funding streams to inform a safer schools investment program

Indonesia was identified by the World Bank to provide technical assistance to the Government through the Global Program for Safer Schools (GPSS) in order to develop an

## METHODOLOGY

### Triangulating information through research and consultations

The country diagnosis was carried out during an eight week study which included desk based research and a two week country visit followed by analysis and This case study focusses on the activities related to understanding the funding streams, the implementation processes, and identifying the key decision makers. A document review of previous and existing school building and rehabilitation programs in Indonesia was supplemented during the country visit by consultations with key stakeholders at both national and local level.

The consultations were perhaps the most informative element in terms of identifying and understanding the different funding streams. Five key funding streams were identified for delivering new school infrastructure and rehabilitating existing schools, the most common being through national

funding from the Ministries of Education and Culture, Religious Affairs, and Finance:

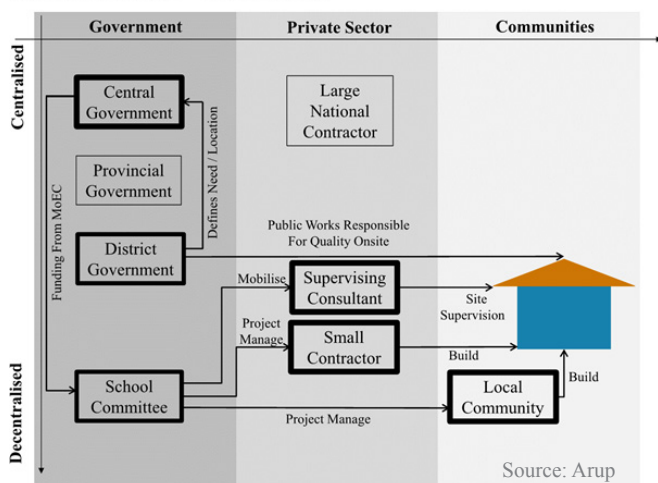
1. Ministry of Education and Culture Funds (National)
2. Special Allocation Fund (DAK) from Ministry of Finance (National)
3. Endowment Fund from Ministry of Finance (National)
4. Provincial and District Level Funds (Local)
5. Ministry of Religious Affairs Funds (National)

Initial consultations held in Jakarta with national government and nongovernment organisations, donors and academic, identified the theoretical mechanisms, processes and stakeholders involved. This information was then corroborated through local level consultations with district government, school communities and engineers and contractors in Padang and Lombok. This highlighted how the streams function in practice, for example, there was no evidence that the Endowment Fund was used at all for enhancing school infrastructure and so it should either be rejected as a potential avenue for future programs or highlighted to be used more effectively.

The funding streams were illustrated using responsibility diagram templates which highlight the key stakeholders, relationships and differences between the streams.

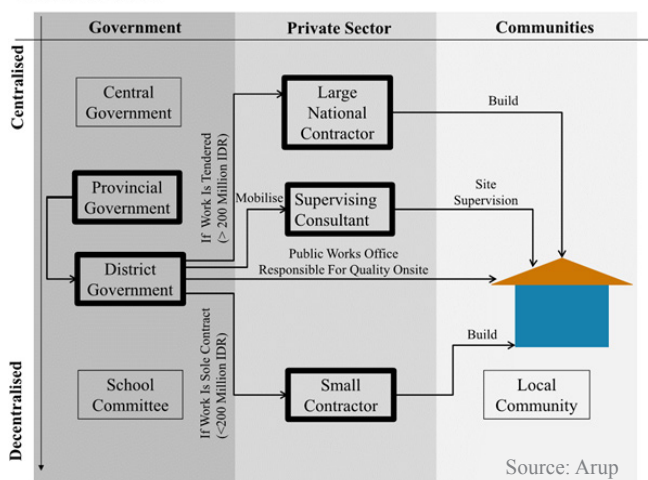
This was a useful communication tool to map the key interactions between government, private sector and communities, against the level of centralised and decentralised activities.

#### 1. MoEC FUND – Central Funds



Central government funding stream – roles and responsibilities for planning, design and construction of school infrastructure

#### 4. Local Funds



Local government funding stream – roles and responsibilities for planning, design and construction of school infrastructure

The consultations were undertaken with patience and respect, with all important information corroborated by triangulating responses across a variety of questions, multiple consultations, and supplementary research. This enhanced the confidence in building a holistic picture of how the processes are intended to function, and how they actually function in practice.

#### CHALLENGES & OPPORTUNITIES

##### Undertaking a rapid diagnosis of a large school portfolio

In undertaking the country diagnosis there were a number of challenges to be overcome to build confidence in our findings and assumptions. With approximately 300,000 schools in 500 districts covering a variety of different contexts and building typologies, the rapid diagnosis was not able to include a statistically representative sample of school communities in the limited time available. Arup and the World Bank identified 21 schools within two districts through existing contacts and relationships developed through the Pilot Project. A selection of different school types, structural typologies, and scales were visited to understand how the funding streams affected their construction, operation and maintenance.

Another key challenge related to carrying out the consultations was the use of a translator. This required third party interpretation of questions and in turn the answers which were received. It was important to have absolute clarity in our communication using simple clear language, and repeat questions and answers in different ways to triangulate the responses to corroborate understanding.

## OUTCOMES

### Informing a national program for safer schools

Identifying the funding streams and implementation processes, roles and responsibilities, and strengths and weaknesses has informed the development of a safer schools investment program at national scale. Specific recommendations for activities within the program were made related to gaps and opportunities identified during this process. It was recommended to develop a quality assurance methodology to clarify the role and responsibilities of multiple stakeholders in a decentralised implementation process and to introduce checklists and audit trails. In order to promote a consistent application of the MoEC model school designs, it was recommended that local by-laws be introduced to enshrine context specific minimum requirements in the regulatory process. Additionally it was recommended to introduce safe school construction practices into the existing DAK funding stream by defining minimum requirements for repair and retrofitting works.

The diagnosis of the financial environment was undertaken in coordination with steps one and two in the roadmap. This provides a holistic understanding of school infrastructure risk and opportunities for institutional strengthening to enhance investment in safer school buildings in Indonesia.

### Learning

- Triangulating input information through consultations and research is a useful way to corroborate information and build confidence in the resulting analysis, particularly when working through translators
- Using clear diagrams to identify funding mechanisms and implementation processes is a powerful medium to communicate understanding back to key stakeholders.
- Linking the steps and activities of the roadmap in the diagnosis phase can help complete a holistic understanding of the strengths and weaknesses of alternative processes and key stakeholders.

### Find out more

**Read:** Making school safer from natural disasters Guide - Indonesia, 2014, [www.goo.gl/4v3paA](http://www.goo.gl/4v3paA)

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