Report Number: ICRR0024700

1. Project Data

Project ID	Project Name
P168076	Realizing Education's Promise
Country	**Practice Area(Lead)**
Indonesia	Education

L/C/TF Number(s)	Closing Date (Original)	Total Project Cost (USD)
IBRD-89920	31-Dec-2024	224,619,529.46
Bank Approval Date	**Closing Date (Actual)**	
26-Jun-2019	31-Dec-2024	

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	250,000,000.00	0.00
Revised Commitment	227,500,000.00	0.00
Actual	224,737,095.10	0.00

Prepared by	Reviewed by	ICR Review Coordinator	Group
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2. Project Objectives and Components

a. Objectives

According to the Financing Agreement (FA Schedule 1, p. 5), and the Project Appraisal Document (PAD, p. vi), the Project Development Objective (PDO) was "to improve the management of primary and secondary education services under the Ministry of Religious Affairs (MoRA)".

A January 2024 restructuring resulted in the revision of some outcome targets; however, since the changes increased the project's ambition, a split rating is not warranted.

b. Were the project objectives/key associated outcome targets revised during implementation?
Yes

Did the Board approve the revised objectives/key associated outcome targets?
No

c. Will a split evaluation be undertaken?
No

d. Components
The project included three components:

Component 1: Nationwide implementation of electronic school-based performance budgeting system and grants to schools (IBRD US$125 million). Through this component, the project was to promote the nationwide rollout of an electronic school-based performance budgeting system (e-RKAM) across the MoRA primary and secondary schools receiving *Bantuan Operasional Sekolah* (BOS - School Operational Grants) funding. It was to empower schools to plan and allocate resources effectively, align with National Education Standards (NES), and strengthen oversight from district to central levels. It included four sub-components:

- **Subcomponent 1.1 – Support the measurement of the achievement of the NES for MoRA schools (IBRD US$15.6 million)** aimed to develop school quality scorecards based on NES; train around 50,000 MoRA staff and supervisors to use assessment results for planning; build evaluation capacity for around 5,500 officials; and analyze and share district-level findings.
- **Subcomponent 1.2 – Support and provide technical assistance to the districts and provinces to analyze and report data based on the e-RKAM (IBRD US$35.7 million)** aimed to train more than 150,000 MoRA school representatives and supervisors on e-RKAM; develop implementation plans; and offer ongoing support at all administrative levels.
- **Subcomponent 1.3 – School performance grant to incentivize achievement of NES based on the e-RKAM (IBRD US$8 million)** aimed to incentivize schools to meet NES goals through e-RKAM. This performance grant was to be given to the top 2,600 schools in the year following the schools' submission of complete financial planning and reporting using e-RKAM (online or offline) (PAD, p. 54).
- **Subcomponent 1.4 – Provision of grants to under-performing MoRA schools to encourage improved use of finances to achieve the NES (IBRD US$65.7 million)** aimed to provide small-scale funding to struggling MoRA schools; and support infrastructure and financial improvements to meet NES targets.

Component 2: Implementation of a national, census-based student assessment in 4th Grade (IBRD: US$31.8 million; Government: US$0.25 million). This component focused on implementing a nationwide, census-based student assessment for all 4th grade students in public and private schools. The project planned to develop, pilot, and administer a standardized AKSI (*Asesmen Kompetensi Siswa Indonesia* - Indonesia student competency assessment) competency test to approximately 580,000 students, with each class tested twice over the project period. Training was to be provided to around 50,000 MoRA staff, school

directors, and teachers to ensure effective use of the assessment results for improving learning outcomes. The project planned to introduce an Artificial Intelligence-based scoring system to efficiently process exam results, which would be returned to students and shared with teachers, parents, and school committees to identify strengths and areas needing support. The analysis was to guide teacher collaboration through peer working groups.

Component 3: Policy and continuous professional development for teachers and education personnel of MoRA schools (IBRD: US$61.4 million). This component aimed to enhance policies and expand continuous professional development (CPD) for over 150,000 teachers and education personnel in MoRA schools. It focused on two main programs: peer working groups and in-service training through Central and Regional Training Centers. It included four subcomponents:

- **Subcomponent 3.1 - Strengthening and expanding access to peer working groups for teachers and education personnel (IBRD: US$39.0 million)** aimed to strengthen peer groups by developing policies, conducting needs analyses, and distributing block grants to support targeted training.
- **Subcomponent 3.2 - Development, piloting, and rollout of face-to-face in-service training delivered by the Central and Regional Training Centers (IBRD: US$5.4 million)** planned to develop and roll out face-to-face training, with a focus on increasing women's participation in school leadership roles.
- **Subcomponent 3.3: Design and development of key in-service training courses, resources, and materials in identified areas of need (IBRD: US$4.9 million)** was to fund the design of high-quality training modules and resources for specialized roles like counselors, librarians, and lab technicians, delivered via online platforms SIMPATIKA and SIMDIKLAT.
- **Subcomponent 3.4 - Capacity strengthening of key educational personnel (IBRD: US$12.1 million)** planned to build capacity among key education personnel through training for core teachers, remote educators, inclusive education staff, and trainers, while also developing regulatory frameworks and technical guidelines for CPD implementation

Component 4: Strengthening of systems to support quality improvement (IBRD: US$31.8 million; Government: US$2.25 million). Through this component, the project planned to enhance MoRA's capacity to improve education quality through stronger data infrastructure, regulatory systems, and impact evaluations. It was also to establish a grievance redress mechanism to manage feedback from project-affected individuals. It included three subcomponents:

- **Subcomponent 4.1 – Strengthen MoRA data systems (IBRD US$7 million)** aimed to invest in servers and disaster recovery tools; develop Education Management Information System (EMIS) regulations and unified data codes; and rebuild core architecture with climate resilience features.
- **Subcomponent 4.2 – Additional systems-strengthening activities within MoRA (IBRD US$23.9 million; Government US$2.25 million)** aimed to reform private school regulations; build financial and procurement capacity within MoRA; and fund the Project Management Unit and support operational improvements.

Subcomponent 4.3 –Assessments of Impact (IBRD US$0.9 million) was to fund the evaluation of the progress on NES improvements and the analysis of outcomes of grade 4 student assessments.

e. Comments on Project Cost, Financing, Borrower Contribution, and Dates

The project was restructured twice:

1. In January 2024, the first restructuring (i) scaled up activities that were being implemented satisfactorily, and (ii) introduced new or expanded activities based on lessons learned from implementation. The restructuring led to an increase in the number of madrasahs that received training and/or grants. In addition, new activities were introduced such as (1) the training of madrasah supervisors due to the importance of their supporting roles; and (2) urgent hygienic response and learning recovery activities to respond to the COVID-19 pandemic (ICR, p. 4).
2. In December 2024, at the government's request, the second restructuring cancelled US$22.5 million that had remained undisbursed in the loan account. The savings were generated due to shifting the training from in-person to online due to the COVID-19 pandemic.

As a result of these restructurings, the Project Development Indicators (PDI) were refined. Indicator 2 was revised to focus on making student learning outcome data in three subjects available to teachers within the same academic year, removing the specific mention of Grade 4, to align MoRA with the Ministry of Education and Culture (MoEC), thus ensuring consistency across both education systems (project team, email 6 August 2025). Targets for Indicators 1 and 3 were increased. Target 1 was revised upward from 40 percent to 62 percent of schools using e-RKAM for at least two years should show improved NES achievement. Target 3 increased the number of peer working groups receiving grants and using enhanced training materials from 12,000 to 13,784 (ICR, p. 3).

The government was originally supposed to contribute US$ 5 million; however, this contribution was not formalized as part of the Financing Agreement (ICR, p. 22). According to the project team, the Government of Indonesia (GoI) does not publish earmarked Borrower financing for specific project purposes. However, MoRA spent a much larger amount of resources than what was initially committed for the madrasah education system. Between 2019-2024, MoRA allocated on average US$ 3.6 billion for madrasah education per year, so the total within the project period was roughly US$ 8 billion (email 6 August 2025).

Finally, the project closing date of 31 December 2024 remained unchanged, and the project closed as was originally scheduled (ICR, p. ii).

3. Relevance of Objectives

Rationale

The project was highly relevant, as it addressed key development challenges faced by the education sector in Indonesia, namely: (1) low learning outcomes of private MoRA students compared to students enrolled in public schools; (2) poor quality of MoRA teachers reflected by low levels of knowledge, skills, and educational attainment and high levels of absenteeism, contributing to students' poor learning outcomes; (3) insufficient capacity to use fiscal transfers effectively to improve learning outcomes; and (4) weak quality assurance, monitoring, and management systems (ICR, p. 2).

The project was aligned with the government's strategies and sectoral policies. At appraisal, the project was in line with Indonesia's educational goals, including those of the MoRA, and aligned with broader national development plans. The project also reflected the objectives outlined in the draft National Medium-Term Development Plan (RPJMN 2020–2024), which aimed to enhance school accreditation using NES standards; boost student enrollment and learning outcomes in line with Sustainable Development Goal 4 (Quality Education); and increase teacher certification. MoRA's five-year plans also emphasized stronger education data systems, better training for educators and school leaders, thorough primary-level student assessments, improved school-level financial reporting, and budget alignment with NES benchmarks (PAD, 9). The project also contributed to the implementation of the National Education Strategy 2020-2024 (ICR, p. 5). Finally, restructuring the project responded to government priorities and to financing of the Madrasah Digital Learning (MDL) pilot e-RKAM (ICR, p. 5).

The project was also fully aligned with the World Bank's strategies throughout the project's lifetime. Specifically, the project supported the World Bank's Country Partnership Framework (CPF, 2016–2029) for Indonesia, which prioritized equal opportunity, strategic reforms, effective public administration, and stronger local government accountability to improve services. Education was a key focus, echoed in the 2018 Performance and Learning Review, which underscored growing demand for human capital development. Under the CPF's Engagement Area 4, Pillar 2 supported initiatives to provide all citizens with access to quality education (PAD, p. 9). At closing, the project's objectives remained fully aligned with the CPF for Indonesia for FY21-FY25 (Report No. 157221-ID). The PDOs directly addressed CPF's Engagement Area 3, Nurture Human Capital, Objective 3.1, which highlights issues like low teacher quality and weak education system management leading to poor student performance and high learning inequality (ICR, p. 5). Finally, the project's focus on universal quality service delivery was closely linked to the priorities of the World Bank's 2018 World Development Report (WDR) on Education, and the East Asia and Pacific 2018 Education Regional Flagship "Growing Smarter," as well as the Human Capital Project, which was launched in 2018 in Indonesia (PAD, 9).

In addition to being fully aligned with national and Bank strategies, the project maintained its relevance through its adaptability to respond to a changing context. For example, to address the COVID-19 pandemic, the project upgraded water, sanitation, and hygiene (WASH) facilities, boosted digital access, and offered vital resources to teachers, students, and families. These included mental health services, home teaching guidance for parents, remote teaching materials for educators, and assessments to identify students needing extra help (ICR, p. 4). Similarly, the project responded to the M5.6 earthquake on November 21, 2022, in Cianjur District, West Java, by providing support to 64 affected madrasahs. Special assistance was guided by technical guidelines highlighting disaster preparedness and workplace safety (ICR, p. 5).

Rating
High

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Improve the management of primary and secondary education services under MoRA

Rationale

The project's Theory of Change (TOC) was that by providing funding through Performance Grants (PG) and Affirmative Grants (AG) to madrasahs, along with training on performance-based budgeting, madrasahs would meet higher NES. Complementary interventions, including the development and use of student assessment tools, provision of timely information on their results and scores, and the creation and delivery of tailored training materials for teachers and staff would, over the medium term, result in the improved management of primary and secondary education services under MoRA.

In order to assess the achievement of this single objective, this section is divided into four sub-sections corresponding to the four outcomes stated in PAD and the ICR, namely: (1) Increased achievement of school-based NES; (2) Availability of data on Grade 4 student learning outcomes in three subjects available to teachers in the same school year that the task is given; (3) Increased access to improved in-service training for primary and secondary teachers and education personnel; and (4) Improved availability and quality of system-wide education data for decision-making.

Outcome 1: Increase in achievement of school-based NES. At appraisal, around 15 percent (approximately 8 million) of Indonesia's primary and secondary students attended schools overseen by MoRA, the vast majority of which - 92 percent - were private institutions. These private schools served 12.6 percent of the country's pre-tertiary student population (PAD, p. 2). However, students in 12th grade at private MoRA schools scored ten points lower on national examinations than those at public MoRA schools. Strengthening the performance of private MoRA schools was vital to advancing Indonesia's human capital objectives. Although quality assurance measures such as the NES and accreditation were in place, more than half of MoRA schools failed to meet the minimum NES criteria (ICR, p. 2).

Outputs and Intermediate Results

The project achieved the following outputs and reached the Interim Results target it had established under this Outcome, mainly:

Development of instruments:

- The EDM *(Evaluasi Diri Madrasah,* Madrasah Self-Evaluation) instrument was revised.
- The e-RKAM application was upgraded.
- A PG/AG dashboard was developed to track the progress of PG/AG implementation.

Provision of training/technical assistance:

- Training videos for the Learning Management System (LMS) were edited.
- 56,398 madrasahs were trained using a combination of online and face-to-face methods on EDM and e-RKAM applications.
- Technical assistance and supervision were provided to all madrasahs by 1,119 trained Provincial and District Facilitators.

Provision of PGs and AGs:

- Based on improved information, 1,205 madrasahs received PGs.
- A sub-window of the PG focused on digital learning, which was piloted in ten madrasahs.
- Based on technical guidelines and EDM indicators, 6,942 under-performing madrasahs received AGs for light rehabilitation of classrooms and WASH facilities as top priorities (99.1 percent and 91.3 percent, respectively), followed by digitalization (98.6 percent), learning equipment (94.5 percent), and teacher training (96.6 percent).
- 64 madrasahs damaged by a M5.6 earthquake in November 2022, were supported for financing civil works and other activities. 881 madrasahs received additional funding to cover major rehabilitation of the most damaged classrooms, as the original AG amount was insufficient to improve conditions in the most vulnerable madrasahs.

As a result, the Interim Results Indicator (IRI 1) - Increased use of e-RKAM -- was achieved. By project closing, 56,398 out of 56,418 madrasahs (99.96 percent) had implemented e-RKAM for planning and budgeting (ICR, p. 6)

Achievement of Outcome 1: The project achieved the following:

- **Increased NES achievement:** The project exceeded expectations for PDI 1, increasing NES achievement to 64.9 percent in schools using e-RKAM for at least two years, surpassing the original target of 40 percent and the revised target of 62 percent (ICR, p. 6).

- **Improved NES scores**: NES scores among PG/AG-recipient madrasahs improved from 71.8 in 2021 to 78.2 in 2023, with similar trends across primary (MI), secondary (MT), and senior secondary (MA) levels (ICR, p. 6).
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Outcome 2: **Availability of Grade 4 student learning outcomes data in three subjects for teachers within the same school year**

Prior to the project, a few high-performing schools carried out their own learning assessments. Many principals and teachers at the school level lacked the necessary data to enhance management and instructional practices, particularly in the absence of a curriculum-aligned national exam during the primary education cycle. Introducing performance data from the 4th Grade exam was meant to close this information gap and was expected to drive targeted improvements in both school management and classroom instruction (PAD, p. 55).

Outputs and Interim Results

The project achieved the following outputs and reached the Interim Results target it had established under this Outcome, mainly:

- Four technical guidance (BIMTEK *Bimbingan Teknis* [Technical Assistant]) training modules were developed.
- 3,798 teachers were trained on the utilization of (Asesmen Kompetensi Madrasah Indonesia - Indonesia Madrasah Competency Assessment, or AKMI) results to improve classroom activities (no

target provided in the ICR/Results Framework). However, the PAD mentions that training would be provided at the national, provincial, and district levels to approximately 50,000 MoRA province and district coordinators, school directors, and teachers to provide information about the assessment (PAD, p. 12).

- 11,607,880 students benefited from direct interventions to enhance learning (100 percent of target achieved), of whom 5,646,392 were female (99 percent of target achieved) (ICR, p. 22).

The three IRIs associated with this outcome were reached.

- IRI 2: 4th Grade assessment instruments were developed and validated. 6,500 questions were across various modules (literacy, numeracy, science, plus socio-cultural).
- IRI 3: Teachers were informed of student test questions and scores in the same academic year test is given (Target 85 percent; Achieved 98 percent of participating madrasahs downloaded the results within the same academic year).
- IRI 4: Large-scale primary/secondary learning assessments completed. Four rounds of AKMI were completed. The first three (2021, 2022, and 2023) were conducted on a census basis, and 2024 was completed on a sample basis per the original design (ICR, p. 7). The fourth one, in 2024, was restructured to include secondary and upper secondary levels and was designed as a sample-based assessment to ensure sustainability beyond the project closing and to expand the scope of learning assessment monitoring to secondary level of education (ICR, p. 8). The results were made available on the AKMI webpage.

- IRI 5: 100 percent of targeted students benefitted from direct interventions to enhance learning.

Achievement of Outcome 2: The project achieved the stated outcome, namely "Make data on student learning outcomes in three subjects available to teachers in the same school year that the task is given," with data being available in 98 percent of schools (against a target of 95 percent)" (ICR, p. 21).

However, the indicator itself is not an outcome indicator and would have been better as an Interim Results Indicator. "Improved management" would have been optimally achieved by not just improved access to learning outcomes data, but also by making sure that teachers knew what to do with those learning outcomes data.

The mode of delivery - online or offline - had little impact on effectiveness, though online implementation required careful attention to ICT readiness. Overall, impact evaluation findings emphasized that combining AKMI with structured follow-up training through BIMTEK is essential for maximizing impact (ICR, p. 8). However, the ICR does not provide information regarding the number of schools/teachers that received BIMTEK training, which would have allowed to better assess the outcome. Furthermore, given the importance of access to the internet, the ICR does not discuss the impact on the quality of training delivered to school staff, in particular, when it was delivered online due to the COVID-19 pandemic. It hints that there were challenges faced, in particular in rural areas, due to poor and/or lack of internet connectivity, without providing the percentage of schools in rural areas (ICR, p. 8).

Interestingly, the project went beyond assessing the achievement at the outcome level (improved management) to assessing the project's impact (learning outcomes). An impact evaluation demonstrated that AKMI alone does not lead to improved student learning outcomes. In contrast, *Bimbingan Teknis* (BIMTEK - Technical Assistant) significantly boosts student achievement in a short time frame by positively influencing

teaching practices. As noted in the Borrower's ICR, a more in-depth analysis is needed to determine the impact of external shocks (COVID-19 and earthquake) on learning outcomes (ICR, p. 35).

Outcome 3: Increased access to improved in-service training for teachers and education personnel

Prior to the project, MoRA offered limited continuous professional development (CPD) for teachers, principals, and supervisors, with no current mechanisms to assess its impact on school or student performance. To address these challenges, investment in CPD or in-service training was essential, not only for teachers, but also for school principals. Furthermore, strong school leadership was considered to be vital, particularly in the context of decentralized education management.

In addition, although women represented 52 percent of teachers in MoRA schools, they held only 22 percent of school director positions. The project aimed to boost the number of qualified female candidates applying for director roles by supporting those who meet the necessary administrative criteria (PAD, p. 13).

Achievement of Outputs and Interim Results: The project achieved the following outputs and reached the Interim Results target it had established under this Outcome.

Development of policies:

- Policies and regulations on in-service training were developed, particularly for the operation of teachers' Peer Working Groups (PWGs), along with technical guidelines for block grants. Technical guidelines on the appointment and training of educational staff became effective through Director General's Decrees.

Training:

- 7,001 facilitators were trained to implement the PWG training program (219 national training instructors, 1,284 provincial facilitators, and 5,488 district facilitators). Of the total facilitators, 54 percent were female.
- 190 laboratory assistants, 320 librarians, 902 teachers in remote areas, and 80 teachers specializing in inclusive education were trained.
- 564,065 staff participated in the first online-based competency assessment for madrasah teachers, principals, and supervisors. These assessments were coordinated with student assessments, and workshops were conducted to integrate AKMI findings into existing PWG modules.
- Pre-service training was conducted for 778 principal candidates (325 female) and 1,099 supervisor candidates (517 female).
- In-service training was conducted for 3,174 madrasah principals (1,345 female) and 2,036 supervisors (878 female).
- The project also supported education and training by the MoRA National Training Center (Pusdiklat) and Regional Training Center (BDK). Between 2020 and 2024, 463 Pusdiklat trainers and staff were trained.

Three of the four IRIs were achieved:

- IRI 6: New in-service training materials for peer learning groups were developed and made accessible (Baseline: not available; Original Target: made accessible to 12,000 PWGs; Achieved: 27 modules

can be accessed online by the working group of teachers and education staff who will use the modules in the training).

- IRI 7: Increased access of females to School Director Candidate training (Baseline 0; Original Target 350; Revised Target 1,465; Achieved: 325). The target was upward adjusted during the first restructuring, but the budget was not allocated, so achievement of this target remained slightly short of the original target of 350. Furthermore, while the project provided training for school principal candidates, appointment decisions were beyond its scope.
- IRI 8: Teachers and education personnel trained across 34 provinces benefitted from improved training materials (Baseline 0; Original Target 150,000; Revised Target 200,000; Achieved 253,550).
- IRI 9: Teachers recruited or trained (Corporate Results Indicator; Original Target 200,000; Achieved 260,650, of whom female, 154,450).

Achievement of Outcome 3: The project achieved the outcome associated with this objective, namely "Increased access to improved in-service training for primary and secondary teachers and education personnel." The original target was 12,000 PWGs; the revised target 13,784 PWGs; and achieved 13,831 PWGs.

Outcome 4: Improved availability and quality of system-wide education data

Prior to the project, the EMIS operating under MoRA reflected strong commitment from school-level users and data operators, which was demonstrated by entering, sharing, requesting, and updating data across multiple platforms. Despite this dedication, the overall system architecture remained fragmented. Key areas for improvement included: (i) better integration across systems; (ii) enhanced accuracy and consistency of data inputs; (iii) a more supportive operational environment for data entry personnel; and (iv) strengthened data governance and quality assurance mechanisms (PAD, p. 8).

Outputs and Interim Results

The ICR provides partial information regarding the outputs/interim results related to this outcome.

The project achieved the following outputs under this Outcome.

- An EMIS was developed and implemented, with data fully integrated with MoEC's *Dapodik* system.
- Virtual technical training on EMIS was conducted for provincial, district, and madrasah operator teams. However, the number of persons trained is not mentioned in the ICR.
- 78 MoRA officials were trained in financial management, procurement, and budget planning.
- 1,100 officials were trained on education management and sustainability

However, under Component 4 of the project, additional activities were envisaged, such as: (i) Invest in servers and disaster recovery tools, (ii) Rebuild core architecture with climate resilience features; and (iii) Reform private school regulations (PAD, p. 14). These activities were not discussed in the ICR.

The project achieved all the IRIs associated with this Outcome, namely:

IRI 10: MoRA policy on EMIS developed, approved, and implemented. Three policy documents were issued: an IT Master plan regulation, an IT governance regulation, and a MoRA decree on EMIS management that defines the EMIS data structure and management levels from national to educational units.

IRI 11: Unique identifiers for key data entities defined and applied across key systems. **Structural reforms to unique identifiers were defined and implemented in both EMIS and SIMPATIKA,** enabling integration of data across multiple MoRA systems. The integration with the MoEC covers key datasets such as school and student ID numbers, national assessment participants, higher education entrance exams, and madrasah accreditation. While the systems are now integrated, MoRA continues to operate both platforms to maintain full functionality.

IRI 12: Resolution of complaints related to project activities is established and updated, and key information is placed on the project website. However, no information is provided on number of complaints received and percentage resolved.

Achievement of Outcome: The Outcome indicator was "improved availability and quality of system-wide education data for decision-making," demonstrated through an improved score on accuracy audit from Year 3. Data accuracy audits showed significant improvement in the quality of EMIS records over time. After its initial rollout in 2020 and 2021, accuracy rose from 54 percent to 65 percent within one year. A third audit in 2022 indicated further progress, with accuracy reaching 72 percent, and by 2024, the rate had increased to 78 percent (ICR, p 10). However, challenges such as missing student civil data and synchronization issues with MoEC's Dapodik database continued to affect data reliability. Notwithstanding this improved accuracy of available data, there is no information as to the extent to which the increased availability of better data quality led to improved decision-making.

Rating
High

OVERALL EFFICACY
Rationale
The project's overall efficacy is rated **High** based on the achievement of the PDO and the aggregated achievements of its outcomes, as discussed above. It attained all of its stated outcomes and IRIs with one exception (IRI 7: Increased access of females to School Director Candidate training). In addition, the project also achieved the output-level targets.

Improvements at the outcome level—increased achievement of school-based NES (Outcome 1); making available student learning outcomes data to school teachers within the same school year (Outcome 2); increased access to improved in-service training for teachers and education personnel (Outcome 3); and improved availability and quality of system-wide education data (Outcome 4)—resulted in improved management of primary and secondary education services under MoRA.

Furthermore, improvements in management contributed to better learning outcomes, as evidenced in the 2022 OECD PISA results and in a World Bank study on post-COVID-19 learning losses. The PISA data revealed a narrowing performance gap between the two systems from 2015 to 2022—Math scores improved from a 19.1-point gap to 9.4, Reading from 9.7 to 8.0, and Science from 17.0 to 13.1. Similarly, the Learning Loss study found that MoRA schools experienced milder declines in language and math achievement. While these gains cannot be solely credited to the project, its targeted support to MoRA—through workshops and policy notes—likely played a role (ICR, p. 10).

Overall Efficacy Rating

High

5. Efficiency

The economic analysis in the PAD emphasized the long-term benefits of improving system efficiency and student learning outcomes. It highlighted that optimizing budgeting through the e-RKAM system could reduce financial leakages, while investments in teacher training and formative assessments—particularly under Component 2—could yield learning gains between 0.12 and 0.33 standard deviations. Even modest improvements in grade attainment (as little as 0.05 years) were shown to generate substantial economic returns due to the large number of beneficiaries and the high value of each additional year of education in Indonesia's labor market. The analysis concluded that the project, despite representing less than two percent of MoRA's education budget, would significantly enhance the efficiency and impact of broader government spending (ICR, p. 30).

The ex-post cost-benefit analysis (CBA) confirmed these projections by quantifying the economic returns from improved learning outcomes. It linked educational gains to increased future earnings and compared these benefits against project costs using a CBA framework that calculated both the Internal Rate of Return (IRR) and Net Present Value (NPV). Component 2 alone achieved a 17.8 percent IRR and a US$314 million NPV, while the full project yielded a 19.1 percent IRR through a Discounted Distribution analysis. These figures, based on data through 2023, likely underestimate total impact by excluding 2024 activities such as madrasah grants, AKMI expansion, and teacher training. The strong NPV reflects the expectation of sustained long-term benefits through enhanced educational quality and labor market productivity (ICR, p. 11).

Implementation efficiency:

The project's coverage scope was extensive. It reached a large number of schools, school representatives, and students; however, without a clear target versus reached numbers, it is difficult to assess the extent to which the project achieved what it had planned to achieve. For example, the project planned to "cover 100 percent of MoRA schools" and to "provide training for about 150,000 school and district representatives" (PAD, p. 53). The PAD also stated that specific investments were proposed for all roughly 50,000 primary and secondary formal education institutions nationwide under MoRA through different components (PAD, p. 52). The ICR does not provide any information regarding the number of schools reached. One indicator mentions that 6,942 madrasahs used the e-RKAM system for planning and budgeting, which constitutes 99 percent achievement. According to the ICR, 260,650 teachers and education personnel received training in subject-related matters, which constitutes 174 percent of the target stated in the PAD. This means

that several persons participated in different training courses; however, it is not possible to know the percentage of the 150,000 representatives identified during appraisal who were reached. Similarly, the ICR states that in four years of implementation, 1.5 million students participated in AKMI, without providing the targeted number (ICR, p. 8).

The project became effective in five months (ICR, p. ii) and was implemented as scheduled, with an expanded scope and within the original implementation period, despite some delays (ICR, p. 14)**.** Two factors slowed down the project. The first, during the initial two and a half years of project implementation, nationwide social restrictions due to COVID-19 limited in-person meetings and led to delays across key components (Component 1: School budgeting; Component 3: Teacher professional development; and Component 4: Systems-related work). The second factor was limited implementation capacity, particularly in resolving budget-related issues. Annual budget approvals were often delayed or processed at reduced amounts, slowing the progress of affected activities and requiring intervention from the PMU to manage funding gaps. In addition, reaching consensus on the restructuring design also proved time-consuming, with prolonged negotiations among key stakeholders delaying final agreement (ICR, p. 14 and p. 35).

The achievement of all original and revised PDO Indicator targets led the Borrower to request the cancellation of US$22.5 remaining undisbursed in the loan account, which constituted 9 percent of the total loan (ICR, p. 5). The final cancellation of loan funds was due to the government's debt management policy.

The project was deemed efficient, achieving significant budget savings of US$ 44.1 million through the shift to online training. Due to restrictions imposed during the COVID-19 pandemic, a shift from face-to-face to online training resulted in cost savings of about US$44 million, including a substantive cost reduction of subcomponent 1.1 NES training. These savings allowed the project to scale up successful activities (ICR, p. 5).

The project management expenses were at 6.5 percent of project costs, which was reasonable given the dispersed nature of activities across numerous districts and provinces (ICR, p. 11). The PAD did not provide the expected management cost, so it is not possible to assess whether the actual management costs were below or above the expected ones.

MoRA's structure facilitated implementation and coordination. While MoRA is not considered decentralized because local MoRA offices report directly to the central MoRA, it maintains a strong field presence through offices in each province and district. In contrast, the Ministry of Education and Culture's local offices report to district and provincial governments. This centralized structure facilitated coordination and minimized friction. Furthermore, the reliance on MoRA staff to provide technical support contributed to the project's efficiency. For example, EMIS staff provided technical support for developing several applications, including AKMI applications, a second version of e-RKAM with improved BOS data synchronization, and a Learning Management System (LMS) for e-RKAM technical training/assistance. They also developed an e-office application and a Chatbot for complaint handling (ICR, p. 10).

Efficiency Rating

Substantial

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 ☐ Not Applicable
ICR Estimate	✓	19.10	100.00 ☐ Not Applicable

* Refers to percent of total project cost for which ERR/FRR was calculated.

6. Outcome

The project's overall rating is **Highly Satisfactory**. The project was highly relevant and aligned to both the government's as well as partners'—including the World Bank's— priorities. The project achieved all its outcomes and several outputs related to improving quality of teaching and learning. Finally, the project was efficient, achieving its expanded and new targets within the project's original time frame and with fewer resources than originally envisaged.

a. Outcome Rating

Highly Satisfactory

7. Risk to Development Outcome

The risk to development outcome is analyzed across the following dimensions: policy, financial, organizational, and technical capacity regarding strengthening of MoRA's education system.

At the policy level, the project has supported the update of the madrasah policy and the development of an EMIS policy. As part of Component 4, the project helped draft a new madrasah policy. MoRA's existing regulation (PMA No. 90/2013, updated by PMA 66/2016) covers how madrasahs are set up and managed. A revised version has been completed and submitted for approval. It emphasizes improving madrasah quality, promoting inclusive and student-friendly environments, integrating environmental education and religious moderation, strengthening management, and clearly distinguishing madrasahs from non-religious schools. MoRA is now working on technical guidelines to put the regulation into practice, especially for opening, changing, merging, or closing madrasahs (ICR, p. 12). Furthermore, a MoRA policy on EMIS was developed, approved and implemented (ICR, p. 23).

Financial sustainability is only partially assured, which puts at risk the sustainability of outcomes achieved. While the e-RKAM application has been integrated with the Ministry of Finance's budget preparation, enhancing usability (ICR, p. 6), digital systems require ongoing support for maintenance and system updates (ICR, p. 35). In addition, greater financial investment is needed for digital learning infrastructure to address the digital access gaps that exist in rural areas (ICR, p. 35). Ongoing funding is essential to support activities like Professional Groups (PGs), Academic Groups (AGs), peer working groups, and strengthening of MoRA's overall capacity. Finally, MoRA plans to continue the project, but there is no guarantee of budget allocation from the government (ICR, p. 35).

At the organizational level, several improvements were introduced that should contribute to the sustainability of outcomes. These include: (1) **Rehabilitation of infrastructure**. Several madrasahs were able to rehabilitate classrooms and WASH facilities, introduce digitalization, and purchase learning equipment (ICR, p. 6). (2) **Development of dashboards**. A PG/AG dashboard was developed to track the progress of PG/AG implementation and is used by madrasahs and the project team. The data are synched with EMIS and EDM systems (ICR, p. 6). (3) **Strengthening of Learning Management System (LMS)**. MoRA is finalizing the integration of e-learning modules for teacher and staff professional development into its LMS. This platform lets teachers learn on their own and connect with facilitators and peers in virtual classrooms. The LMS is designed to provide sustainable support for peer working group activities, and MoRA plans to regularly update the modules and offer refresher training for facilitators (ICR, p. 9). (4) **Data management**. Data and applications for EMIS, EDM, e-RKAM, AKMI, AKG, and KKG are being partially migrated from a paid cloud service to the MoRA Data Center (ICR, p. 10). (5) **Technical guidelines**. Regulations and technical guidelines for EMIS, EDM, e-RKAM, AKMI, and AKG have been developed. However, while the technical guidelines for PG/AG grant selection and implementation have been updated, the PMU still needs to provide maintenance guidelines for renovated school facilities to ensure sustainability (ICR, p. 6). (6) **Sustainability plan**. MoRA has developed a sustainability plan to continue key reforms and maintain IT systems. The institutional changes introduced through the project are now embedded in MoRA's operations, strengthening the ministry's ability to monitor progress and deliver results (ICR, p. 18). More broadly, the Ministry of Education, Culture, Research, and Technology was split in October of 2024 into three different ministries: the Ministry of Primary and Secondary Education; the Ministry of Higher Education, Science, and Technology; and the Ministry of Cultural Affairs. The ICR does not comment on whether or how this change might affect sustainability of this project's outcomes.

At the human resources level, the project strengthened MoRA's capacities in several ways. Technical assistance and supervision were provided to all madrasahs by 1,119 trained Provincial and District Facilitators, 23 percent of whom are female (ICR, p. 6). Training videos were edited and prepared for the Learning Management System (ICR, p. 6). In addition, 34 MoRA provincial officials and 14 representatives from the PMU and Directorate General of Islamic Education took part in an international capacity-building program. They gained insights into best practices from the Australian education system, covering areas such as school planning, budgeting, teacher development, accreditation, curriculum design, assessment frameworks, and inclusive education (ICR, p. 12). These capacity strengthening activities have allowed the handing over of PMU-managed activities (e.g., EMIS, AKMI, peer working groups, and PGs and AGs) to MoRA staff, ensuring their sustainability (ICR, p. 18).

Overall, the project's sustainability is evidenced by (1) the drafting of new policies, (2) organizational strengthening, and (3) development of MoRA staff capacities. However, the biggest risk is securing enough budget to sustain and grow these investments, especially as the Government of Indonesia plans budget cuts in FY2025. The ICR notes unmet needs in learning outcomes, infrastructure, teaching practices, and management in the madrasah system, all of which require substantial funding (ICR, p. 18). MoRA is interested in continuing the project, but any next phase depends on approval from the Ministry of National Development Planning (Bappenas) and the World Bank (ICR, p. 18), and a proposed Bank-financed project with MoRA to strengthen its higher education system was dropped in 2023.

8. Assessment of Bank Performance

a. Quality-at-Entry

The project's design relied on analytical assessments, was flexible, and addressed government priorities.

The project's design incorporated lessons from multiple sources and built on lessons from global knowledge and ongoing projects from other donors (PAD, pp. 14-15). Building on the Bank's prior support for education reform in Indonesia, several analyses informed the project's design, including "Who Learns What in Basic Education: Evidence from Indonesia" (2018), "Efficient Deployment of Teachers: A Policy Note" (2018), and "Learning for All: Towards Quality Education for Enhanced Productivity and Economic Growth in Indonesia" (2018) (ICR, p. 13).The project also incorporated implementation lessons from Technical Assistance (TA) and projects funded by Australia, New Zealand, and the Asian Development Bank (ICR, p. 13).

The project directly responded to government priorities. The project addressed key priorities of both Bappenas and MoRA, including improving school accreditation, boosting student enrollment, strengthening teacher certification, upgrading the education data system, expanding high-quality training for educators and school leaders, assessing student learning in primary schools, improving school-level financial reporting, and aligning budgets with national education standards (ICR, p. 13). This ensured government ownership and the project's relevance.

The project's design was both flexible and implementation-ready. The project's wide-ranging goal of enhancing education service management—monitored via the National Education Standards (NES)—enabled a high degree of flexibility. By covering diverse dimensions, the NES allowed school grants to be applied to various priority needs without requiring major restructuring. For example, the project was able to address efficiently several emerging priorities, such as the COVID-19 pandemic and earthquake response (ICR, p. 13). In addition, the project was declared effective and was ready for implementation upon approval (ICR, p. 1). Given that MoRA was a new partner with little experience with Bank-funded projects, the design foresaw the piloting of activities which allowed for identification of a number of operational issues and details that were addressed before scaling up (ICR, p. 19).

The project's implementation arrangements relied on the use of existing MoRA staff. The project was designed within the government's fiduciary systems and relied on existing MoRA staff capacities. Collaboration with the Ministry of Education and Culture on performance-based budgeting (e-RKAS) informed the e-RKAM component.

The project's overall risk was rated Moderate, although all risks (political, sectoral, institutional, and fiduciary) were rated Substantial (PAD, pp. 26-28). Appropriate mitigating factors were identified, making the risks reasonable (ICR, p. 14).

Quality-at-Entry Rating

Highly Satisfactory

b. Quality of supervision

Project monitoring and reporting were timely and thorough, with conservative ratings due to the implementing agency's lack of prior experience working with the World Bank.

The Bank team was able to address and correct some operational challenges. For example, the initial delays in receiving PWGs were addressed by engaging directly with the Ministry of Finance (MoF) in the preparation and scheduling of fund disbursement plans. Involving MoF officials in project discussions was key to ensuring timely budget releases, allowing PWGs to plan effectively (ICR, 19). The Bank team was also able to adapt the project to external shocks though timely implementation support. COVID-19 affected implementation support missions and halting of field visits by the Bank team which resumed only in early 2022 (ICR, p. 15). Weak capacities at the decentralized level led to implementation challenges and required strong technical and TA support to support the introduction of new initiatives (ICR, p. 18). There were delays in the restructuring process, which began in May 2022 and concluded only in January 2024, though this delay did not affect the project's achievements since the restructuring mainly broadened the project scope within the framework of the NES (ICR, p. 18). Project monitoring and reporting were timely and thorough, with conservative risk ratings due to the implementing agency's lack of prior experience working with the World Bank.

Overall, as a result of the quality of supervision, the Bank team succeeded in gaining MoRA's trust and in holding regular and candid discussions regarding project implementation (ICR p. 19). It also allowed the achievement of all PDIs within the timeframe originally envisaged.

Quality of Supervision Rating
Highly Satisfactory

Overall Bank Performance Rating
Highly Satisfactory

9. M&E Design, Implementation, & Utilization

a. M&E Design
The project's RF was succinct and realistic (ICR, p. 17), **and the M&E design was strengthened by the inclusion of sex-disaggregated indicators in a comprehensive way in the RF**. The following indicators were sex-disaggregated: (i) number of female students benefiting from direct interventions to enhance learning; (ii) number of females accessing school director candidate training; and (iii) number of teachers recruited or trained.

Nonetheless, the M&E design had some minor shortcomings, including: (1) Lack of baseline information. For example, the Increase in achievement of school-based NES lacked baseline information and measured only percentage increase without providing the absolute number (ICR, p. 21). (2) **Lack of some key output indicators**, such as the number of schools receiving PGs/AGs (target number vs achieved), which would have allowed to better follow the logic and scale of the intervention. (3) **Weak indicators**. For example, to assess the Grievance Redress Mechanism, the indicator selected was "Resolution of complaints related to project activities is established, updated, and key information is placed on the project website (Yes/No)" (ICR, p. 24). A better indicator would have been number and percentage

of grievances received/addressed. Similarly, the target for PDO 4 "Improved score on accuracy audit from Year 3" was not optimal. It would have been better to establish a percentage accuracy to be reached.

b. M&E Implementation

The project's M&E implementation benefitted from adequate resources at different levels, including a dedicated M&E specialist within the PMU (ICR, p. 21). Provincial and District Coordination Units oversaw and tracked project activities in beneficiary madrasahs, submitting monitoring data to the PMU in line with the Project Operations Manual (POM). An M&E Officer within the PMU compiled regular progress reports, detailing progress toward RF targets, for semi-annual implementation support missions and Project Steering Committee meetings.

The project utilized several tools to implement M&E. These included: (1) Impact Evaluation (AKMI – Student Assessment); (2) Process Evaluation (BKBA – Performance and Affirmative Grant); (3) Policy and Implementation Evaluation (Teacher Training – 2024); and (4) Accuracy audit of the education database, cross-checking system data in a sample of schools (ICR, p. 15). However, and as noted in the Borrower's ICR, MoRA could have involved third parties to monitor the project's impact and ensure greater objectivity (ICR, p. 35).

Several indicators were modified or eliminated during project implementation. At the PDO level, during the first restructuring, the following changes were made to the PDO indicators: (i) PDO Indicator 2 was updated to focus on making student learning outcome data in three subjects available to teachers within the same school year, removing the specific reference to Grade 4; and (ii) targets for PDO Indicators 1 and 3 were increased to 62 percent of schools using e-RKAM for at least two years showing improved NES achievement, and 13,784 peer working groups receiving grants and utilizing enhanced training materials, respectively (ICR, p. 3). At the activity/output level, Table 1 provides a summary of the changes introduced (ICR, p. 4).

Table 1. Changes in output-level targets

Sub-component	Activity/unit	Original Target	Revised Target	Comment
1.2	EDM and e-RKAM training (madrasahs)	50,000	53,000	Increased number of madrasahs
1.2	Madrasah supervisor training (supervisors)	-	3,589	Included due to importance of their supporting roles to madrasahs
1.3	Performance Grant (madrasahs)	1,200	1,262	Additional beneficiaries of existing schemes only
1.4	Affirmative Grant (madrasahs)	6,650	7,545	Additional beneficiaries of existing schemes only
3.1	Assistance to the PWGs (PWGs)	12,000	13,000	
3.2	Training of new school directors (candidates)	730	2,930	

c. M&E Utilization

To a large extent, M&E data and reports were used effectively to inform project implementation and management decisions. M&E data informed project restructuring. Based on lessons learned, the project increased AG funding, which allowed the implementation of larger rehabilitation works (ICR, p. 21). M&E data and analysis also guided the PMU to better focus activities where they were most needed. For example, assessments found that there was a difference between principals and core teachers in urban and rural madrasahs, with the former having a better understanding of EDM, RKAM, and e-RKAM. As a result, targeted support was provided for rural areas (ICR, p. 21).

M&E Quality Rating

Substantial

10. Other Issues

a. Safeguards

The project's overall safeguards rating was Moderate at appraisal and at closing was recorded as Satisfactory in the Operations Portal.

During appraisal, the project was found to pose minimal environmental and social risks, with no complex or unusual issues anticipated. Neither the PAD nor the ICR provided an environmental assessment category. The ICR did not mention whether any safeguard policy was triggered. Social risks were considered moderate and manageable.

The Environmental and Social Review Summary (ESRS) identified six relevant Environmental and Social Standards (ESS), including ESS1, Assessment and Management of Environmental and Social Risks and Impacts; ESS2, Labor and Working Conditions; ESS3, Resource Efficiency and Pollution Prevention and Management; ESS10, Stakeholder Engagement and Information Disclosure; ESS4, Community Health and Safety; and ESS7, Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**.** Key actions included:

- ESS1: Development of a basic Environmental Code of Practice (ECOP) to guide contractors on noise, dust, waste management, and worker safety. Guidelines for handling e-waste and a training program were incorporated into the Project Operations Manual (POM).
- ESS2: Labor Management Procedures were created to address potential workforce-related concerns.
- ESS3: ECOP also covered minor construction impacts, disposal of unused equipment, and encouraged sustainable procurement.

The project prepared and disclosed all the necessary Environmental and Social (E&S) Safeguards frameworks and plans. The following documents were prepared: (i) Labor Management Procedures, (ii) Social Assessment, (iii) Stakeholder Engagement Plan (SEP), (iii) Environmental and Social Commitment Plan (ESCP) and Environmental and Social Review Summary ESRS, both disclosed on May 28, 2019 (ICR, p. 16).

During implementation, the PMU adhered to the ESCP. Minor adjustments to Components 1.3, 1.4, and 2 during restructuring did not introduce any new risks beyond those already managed under the ECOP. Key updates included the following: (i) incorporating revised elements into the Technical, Environmental, and Social Guidelines; (ii) updating the SEP; (iii) submitting E&S progress reports every six months; (iv) continuing training programs on E&S practices; (v) installing grievance boxes at madrasahs to support stakeholder feedback; (vi) implementing e-waste management measures as per ECOP; and (vii) publishing an E&S Guidebook for broader stakeholder understanding and compliance (ICR, p. 16).

A Grievance Redress Mechanism (GRM) was implemented at both national and local levels, utilizing direct channels such as the PMU, MoRA services, and madrasah leadership, as well as indirect channels including email, WhatsApp, and social media. Complaint boxes were also placed at each madrasah. By December 2024, the GRM had received 678 complaints, primarily concerning noise, dust, construction materials, waste management, and risks to children. All complaints were addressed and resolved within 14 days (ICR, p. 16).

b. Fiduciary Compliance

In terms of financial management (FM), the project followed national systems for budgeting, internal controls, accounting, reporting, fund flow, and auditing, and was rated Moderately Satisfactory at closing. However, the PMU lacked the capacity to address budget issues effectively, leading to delayed or blocked DIPA (*Daftar Isian Pelaksanaan Anggaran* - Annual Budget) allocations and disrupted implementation. The 2024 DIPA was approved at approximately US$6 million below the Annual Work Plan, resulting in several activity cancellations. While financial audits were generally clean, the FY2021 audit identified weaknesses in payment verification, leading to some ineligible expenditures. The PMU committed to improving its payment procedures and reviewing payments to service providers. By the end of 2024, the ineligible amounts were returned to the state account. A mid-2023 FM review also discovered overpayments made to two consultants, prompting a request for a thorough review and reimbursement of excess amounts. The audits for FY2022 and FY2023 returned unqualified opinions (ICR, p. 17).

In terms of procurement performance, the project exhibited several weaknesses and was rated Moderately Satisfactory at closing. Procurement followed World Bank Guidelines, the Procurement Plan, and the Project Operations Manual (POM), covering non-consulting and consulting services, goods, works, and specialized expertise. The Project Procurement Strategy for Development, along with the initial 18-month plan, was finalized at the time of project approval. Nonetheless, a post-procurement review conducted in mid-2023 revealed several concerns. These included conflicts of interest, the hiring of unqualified consultants, and poor contract administration, including unauthorized changes to Terms of Reference and remuneration payments made without World Bank approval. Additional issues stemmed from madrasahs' limited understanding of procurement guidelines, weak planning, and inadequate contract management. One case was mishandled and breached ESS2 on labor standards, but was later resolved by formally hiring workers who had previously worked pro bono. The review also found missing documentation in STEP, such as contract signing dates, completion records, and evaluation details (ICR, p. 17).

c. Unintended impacts (Positive or Negative)

The ICR did not identify any unintended impacts.

d. Other

Though the project was not gender-focused, per se, the PAD recommended that the project be gender tagged (PAD, p. 10), since it sought to expand the opportunity for female teachers to be promoted to school directors, a level at which they were underrepresented. The targeted expansion of opportunity was explicitly tracked in the results framework. Nevertheless, this target was not reached, since access of females to school director candidate training was 325 achieved vs. 1,465 targeted (22 percent achieved) (ICR, p. 23). Nonetheless, the percent of female school directors increased from 22 percent at appraisal to 29 percent upon completion (ICR, p. 12).

Furthermore, and in order to improve conditions for contracting women, the project also supported the drafting of the Regulation about Prevention and Treatment of Sexual Violence in the Education Unit of the MoRA, which was legalized as a Ministerial Decree (PMA 72/2022) (ICR, p. 12)

Finally, among students, girls represented 48.6 percent of beneficiaries, slightly lower than the target of 49 percent (ICR, p. 22). The project did not foresee any activities to address the following gender issues: (1) **Gender discrepancies regarding learning outcomes.** In the Indonesian education system, girls consistently outperform boys in terms of both persistence and achievement, as per PISA 2015 (PAD, p. 10). (2) **Male dropout rates.** The high dropout rates at the secondary level are also cause for concern, particularly among boys (PAD, footnote 12, p. 3). (3) **Low number of female school directors.** While the project sought to address the under-representation of women school directors by providing training opportunities, no advocacy efforts were made to increase the actual number of female school directors.

11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Highly Satisfactory	Highly Satisfactory	
Bank Performance	Highly Satisfactory	Highly Satisfactory	
Quality of M&E	High	Substantial	Minor shortcomings in the results framework.
Quality of ICR	---	Substantial	

12. Lessons

This Review confirms the series of lessons and recommendations emerging from the project's experience (ICR, pp. 18-19), summarizing the most relevant lessons below:

Projects operating in decentralized and geographically varied settings need robust technical and advisory support to introduce new initiatives effectively. Field visits showed that local peer working groups often struggled with proposal and grant processes due to limited facilitator availability. Since many teachers were new to the training modules, their input was crucial for improving them. These updated modules were shared online for easier access. Overall, the experience underscores the importance of preparing strong support systems early on, particularly given the varying capacity across provinces and districts.

Flexible design can enable tailored support for various schools and groups and allow quick adaptation to unexpected challenges—such as the COVID-19 pandemic and the 2022 earthquake—while still advancing toward development objectives. By defining the PDO broadly and aligning financing with the National Education Standards (NES), the project could respond without compromising accountability. Grants under Component 1 helped schools meet NES targets, and the flexible framework allowed for swift funding of WASH improvements and madrasah reconstruction, minimizing disruption and preserving learning outcomes. However, balance between allowing flexibility and ensuring measurability is needed when formulating a broad PDO.

Launching new programs through inexperienced agencies benefits from a "start small, build trust" strategy. The AG program began modestly with 30 madrasahs, serving as a pilot to identify challenges and refine its design. This cautious rollout eased concerns from MoF and Bappenas and paved the way for a successful scale-up to 2,000 madrasahs the following year. Careful monitoring boosted the PMU's capacity, while strong engagement from teachers, local governments, communities, and parents built essential trust, which was key to delivering impactful results.

Investing in religious education systems can significantly enhance learning outcomes for disadvantaged students. This approach offers valuable insights for countries operating both religious and non-religious education tracks. Students in religious schools often have distinct needs and characteristics; for example, in Indonesia, many are from underserved communities, and a higher proportion are female. Providing targeted support to these institutions can promote equitable access to quality education by tailoring resources and interventions to meet the specific needs of their student populations.

Engaging MoF officials is essential to guarantee timely grant disbursement for ensuring effective planning and use of funds. PG/AG and PWG grants were designed to be available at the start of each fiscal year to support training activities. However, in the initial phase, PWGs often received funds late, hindering their ability to plan or implement activities. To address this, the Bank team proactively involved the MoF early in the preparation and scheduling of fund release. Engaging MoF officials in project discussions proved critical in securing timely budget allocations and enabling PWGs to plan effectively.

Finally, an important lesson, captured in the main text of the ICR but not in its Lessons section, is that AKMI (*Asesmen Kompetensi Madrasah Indonesia* - Indonesia Madrasah Competency Assessment) alone does not improve teacher performance or student learning outcomes. For maximum impact, combining AKMI with BIMTEK *(Bimbingan Teknis* - Technical Assistant) is necessary to improve student achievement and enhance teaching practices (ICR, p. 8).

13. Assessment Recommended?

No

14. Comments on Quality of ICR

The ICR had some positive features, including a reconstructed Theory of Change. The PAD did not include a ToC, but the ICR presented one that included inputs, outputs and outcomes, but not pathways linking them (ICR, Annex 7, p. 38). The reconstructed ToC—which was based on the project's Results Framework—could have been strengthened with the inclusion of the key assumptions underlying it (e.g., existence of sufficient capacities at the decentralized level, access to remote locations, internet connectivity).

The ICR was concisely written and made good use of available data from the impact evaluation to demonstrate results. For example, the ICR used the results of the Impact Evaluation (AKMI – Student Assessment) and the Process Evaluation (BKBA – Performance and Affirmative Grant) to validate the effectiveness of the AKMI/BIMTEK support and verify the process followed for the PG/AG distribution. In addition, it relied on the PISA survey for both baseline and endline comparisons.

The ICR lacked some essential information such as: (1) The relevance section did not address sufficiently how the project was aligned with the government's priorities at appraisal, mentioning only the National Education Strategy 2020-2024 (ICR, p. 5). (2) Greater clarity on the number of schools, teachers, and students targeted and reached would have enabled better understanding of the project's coverage. (3) The ICR stated that appropriate mitigating factors were put in place to address identified risks, but it did not provide any information regarding what mitigation activities were implemented (ICR, p. 14).

The ICR was insufficiently critical of the M&E Design and Results Framework which had several shortcomings, including a lack of a ToC, a PDO that was too broad, and weaknesses in indicators as discussed in the M&E Design section. Furthermore, the ICR deviated from ICR guidelines by using outcome indicators provided in the Results Framework to define the project's objectives, instead of using the PDO as stated in the Financing Agreement/PAD.

The Lessons Learned section provided hints regarding several challenges that may have impacted the project's effectiveness (e.g., access to the internet and delays in disbursement of grants) that were not raised in the Efficacy/Efficiency sections.

Based on the above, the ICR's quality is rated as Substantial, but marginally so.

a. Quality of ICR Rating
Substantial