Spending Better to Reduce Stunting in Indonesia

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Addressing childhood stunting is essential to investing in human capital
**Indonesia** significantly underperforms on stunting compared to regional and income-level peers

Stunting prevalence (%), latest year available vs GNI per capita (USD) 2017

**Poorer** children are most at risk of stunting and the gap is widening

Stunting prevalence (%) by income quintile

Source: World Bank (2019) World Development Indicators; Indonesia value from Riskesdas 2018

Source: Riskesdas, 2007 and 2013
Indonesia’s next generation will only be 53% as productive as she or he could have been with full health and complete education.
Fortunately, nutrition interventions are among the most cost-effective investments for human capital.
A full package of nutrition interventions costs just US$ 7 per child per year.

Investing in nutrition has the highest economic returns among health interventions.

The GOI launched its 2018-2024 National Strategy to Accelerate Stunting Prevention (StraNas)

It committed 23 ministries and approximately IDR 51.9 trillion (USD 3.9 billion) to converge priority interventions across several sectors: health, water and sanitation, early childhood education, social protection, and food security.
To assess the success of GOI’s effort, it is essential to monitor and evaluate nutrition outcomes and expenditures

The **main objective** of the nutrition PER was to assess:
1) the **level** of current public spending on nutrition-related programs;
2) the **allocation** of spending across interventions; and
3) their overall **effectiveness**.

While the study looks at both nutrition-sensitive and nutrition-specific interventions, it **predominantly focuses on nutrition-specific interventions**.

Assessing stunting-related spending was a **difficult undertaking**:
1) related activities are scattered across several ministries and agencies.
2) at the time of the analysis, there was no dedicated marker to identify stunting-related expenditures. Therefore, it was necessary to **manually tag budget and expenditure lines** at the level of outputs.
3) expenditure data at the subnational level is difficult to collect and analyze.

Realization and budget data was collected from the MOF and MOH at the central and from 38 districts. In addition, a **deep-dive of 5 districts with focus groups and key informant interviews** allowed for a better understanding of the challenges faced from planning and budgeting, to implementation, monitoring, and evaluation.
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While access to stunting-related services is good, national averages mask wide variation by socioeconomic status.

- Received all basic vaccinations
- Delivered by skilled provider
- Received at least 4 ANC visits
- Received postnatal check within 48 hours after birth
- Access to improved sanitation
- Access to safe drinking water

Source: IDHS 2017, *) Susenas, 2017
Access to care also does not guarantee quality care....
Caders receive limited training prior to starting service, especially on counselling methods, home visits, and community-based care

Training received by Posyandu Kader (%)

- Exclusive breastfeeding: 66%
- Personal hygiene and sanitation: 52%
- Immunization training: 50%
- Analysis of growth chart: 47%
- Proper growth measurement technique: 47%
- Early initiation of breastfeeding: 47%
- Identification of malnourished children: 43%
- Family balanced diet: 42%
- Counselling method: 26%
- Home visit method: 20%
- Community-based IMCI: 6%

Training received after started working at Posyandu
- Immunization training: 51%
- Analysis of growth chart: 47%
- Proper growth measurement technique: 47%
- Early initiation of breastfeeding: 47%
- Identification of malnourished children: 43%
- Family balanced diet: 42%
- Counselling method: 26%
- Home visit method: 20%
- Community-based IMCI: 6%

Source: QSDS, 2016
Mothers and newborns do not receive all intended interventions during visits, especially among women with no education

A. Antenatal care received by pregnant mothers (%), 2017

B. Postnatal care received by newborns (%), 2017

Source: IDHS, 2017
Fragmented financing complicates a more strategic and coordinated approach to delivering stunting-related activities...
Stunting-related services at the village level are mainly financed by village funds, JKN, and in-kind MOH support.
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Despite subnational governments bearing most of the responsibility for service delivery, central government spending dominates.
• The central government spends 2.2 times more on stunting than districts – IDR 15 trillion (USD 1.1 billion) versus IDR 6.8 trillion (USD 506 million) in 2017 constant.

• Central government spending on stunting-specific interventions was USD 8.4 per capita in 2017 and stunting spending from subnational government is likely to contribute at least an additional USD 4-4.5 per capita to overall nutrition spending.
At the central level, nutrition-sensitive interventions make up the bulk of nutrition related expenditures...

- **Nutrition-sensitive interventions** accounted for **90 percent** of total nutrition expenditures, of which the largest shares went to a food assistance program, a conditional cash transfer and access to water and sanitation.

- **Nutrition-specific spending** accounted for just **10 percent** of total nutrition spending, mostly for immunization supplementary feeding programs.

Source: MOF, 2018; MOH, 2018
Similarly, districts mimics central government expenditure with stunting-sensitive interventions accounting for the bulk of spending.

In 2017, stunting-sensitive interventions accounted for 84 percent of total stunting expenditures. On average, spending on clean water, early childhood education and development, and family planning made up the bulk of stunting-sensitive interventions.
As well as village, where most stunting-related village spending is on activities in the housing, water and sanitation, health and education sectors

Village government expenditure (%), 2019

- Environment: 0.02
- Community Empowerment: 0.07
- Community Institutional Development: 0.81
- Education: 3.05
- Health: 3.29
- Housing, Clean Water & Sanitation: 4.29

Source: Siskeudes Dataseta, June 2020. Sample: 30,448 villages, 208 districts

The new village FMIS indicates that villages spent approximately 11.5 percent of their budget or on average Rp. 204.9 million (USD14,640) per village on stunting-related activities in 2019
Low absorptive capacity for stunting-specific interventions suggest a disconnect between planning, budgeting, and capacity to deliver services

<table>
<thead>
<tr>
<th>Intervention</th>
<th>Budget Execution Rate (2015-2017)</th>
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<tbody>
<tr>
<td>HIV for pregnant mother</td>
<td>94%</td>
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<tr>
<td>Immunization</td>
<td>94%</td>
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<tr>
<td>Malaria prevention</td>
<td>87%</td>
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<tr>
<td>Deworming</td>
<td>83%</td>
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<td>Calcium and Iodium Supplementation feeding (PMTI)</td>
<td>82%</td>
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<tr>
<td>Promotion of exclusive breastfeeding</td>
<td>80%</td>
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<tr>
<td>Integrated management of childhood diseases</td>
<td>80%</td>
</tr>
<tr>
<td>Diarrhea treatment</td>
<td>79%</td>
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<tr>
<td>Growth monitoring</td>
<td>78%</td>
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<tr>
<td>Iron Folic Acid</td>
<td>77%</td>
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<tr>
<td>Vitamin A</td>
<td>77%</td>
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<tr>
<td>Supplementary Iron for young child</td>
<td>74%</td>
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<tr>
<td>Infant Feeding</td>
<td>73%</td>
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</tbody>
</table>

Source: MOF, 2015-2017

- At central, the actual spending was lower than planned for stunting-specific interventions by an average of 22% points highlighting weaknesses in the budgeting process.

- In the six deep-dive districts the 3-year average budget execution rate was 81%.
Most of the issues explaining lower than expected district realization lie upstream at the planning stage of the budgeting process...
The main reason was the disconnect between planning and budgeting targets at the central level with the capacity to implement interventions at the district level, especially human resources.

In particular:
• Unpredictable funding
• Lack of reliable data
• Local governments have to follow different procedures based on source of funding and type of expenditure
• Shortage and high turnover of trained personnel in planning and budgeting

There are also challenges during the implementation and monitoring and evaluation:
• Delays in receiving funds
• Lack of government coordination
• Personnel shortages mean that socialization and outreach of key interventions at the community level was limited
Importantly, stunting spending does **not seem to correlate** with district achievement on key health indicators.

A. Complete immunization (%), 2017

B. Births attended (%), 2017

C. Household access to safe water (%), 2017

D. Stunting prevalence (%), 2017
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Tackling stunting in Indonesia may be less about spending more on stunting, and more about efficiency in the allocation and use of resources

Overall government spending on nutrition is more than adequate to cover a full package of nutrition interventions.

Central government spent USD 8.4 per capita in 2017 and was expected to increase to USD 12.3 per capita in 2018.

Adding subnational, Indonesia’s spending is adequate to cover a full package costed at USD 7 per child per year.

Weaknesses in the planning and budgeting process lead to low absorption of funds and mismatches between resources and capacity to deliver services.

In particular, there is no correlation between the level of spending on stunting interventions and achievement.
Systemic challenges hinder improvements in the quality of spending – directly impacting stunting outcomes

- Lack of reliable data
- Fragmentation in financing
- Lack of clarity on the roles and responsibilities in funding and delivering services between levels of government
Most of the recommendations are cross-cutting issues that would have a much broader impact on the quality of public spending overall.

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<tr>
<td></td>
<td>Standardize health information and accounting systems</td>
<td>Invest in integrated information systems</td>
<td>Incentivize better reporting and accountability processes, including performance-based measures.</td>
<td>Harmonize budget timelines and procedures between central and local governments.</td>
<td>Provide clearer guidance on how central, district, and village governments should share financial and service delivery arrangements.</td>
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Terima Kasih

For an in-depth analysis of stunting spending in Indonesia, download the “Spending Better to Reduce Stunting in Indonesia” report at https://bit.ly/WBPERstunting