

Spending better to reduce stunting in Indonesia

Findings from a public expenditure review



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Australian Government



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Contents



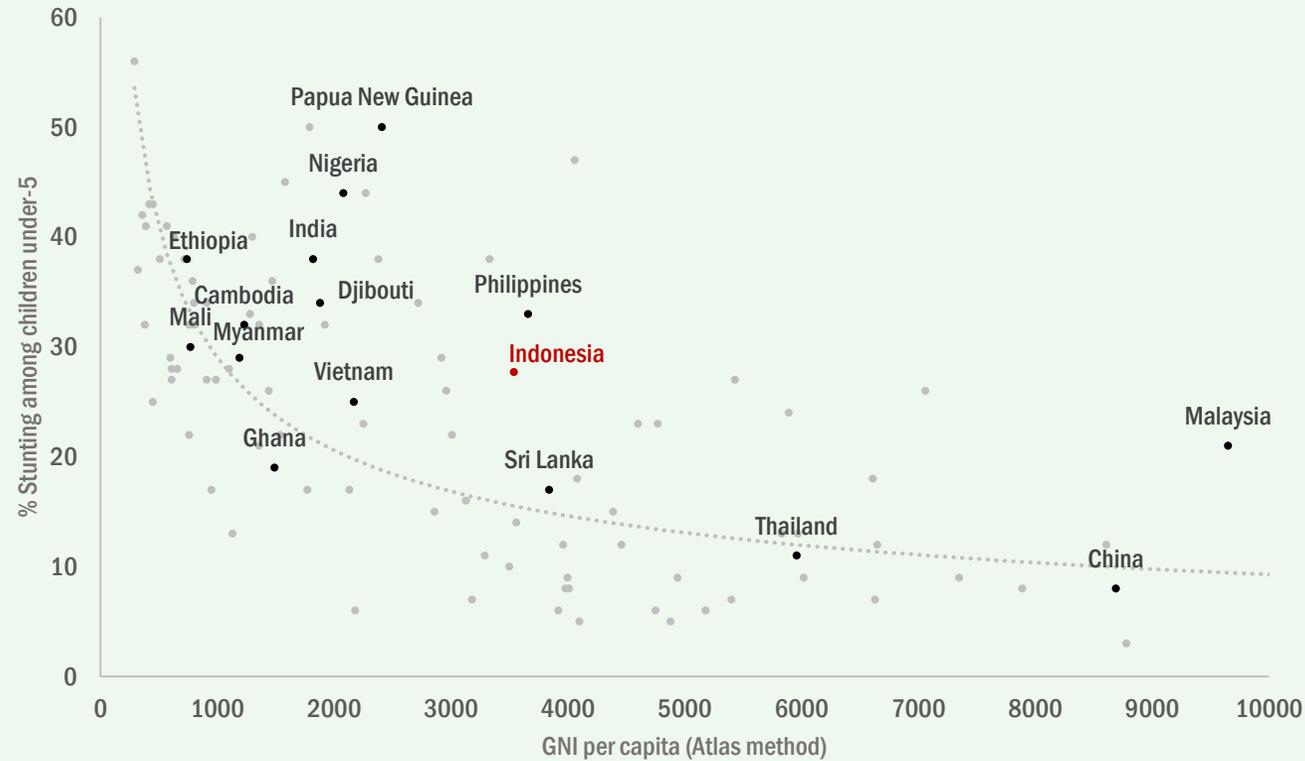
Contents

- Motivation
- Nutrition service delivery context
- Findings
- Discussion & Recommendation

*Addressing childhood
stunting is essential to
investing in human
capital*

Indonesia significantly underperforms on stunting compared to regional and income-level peers

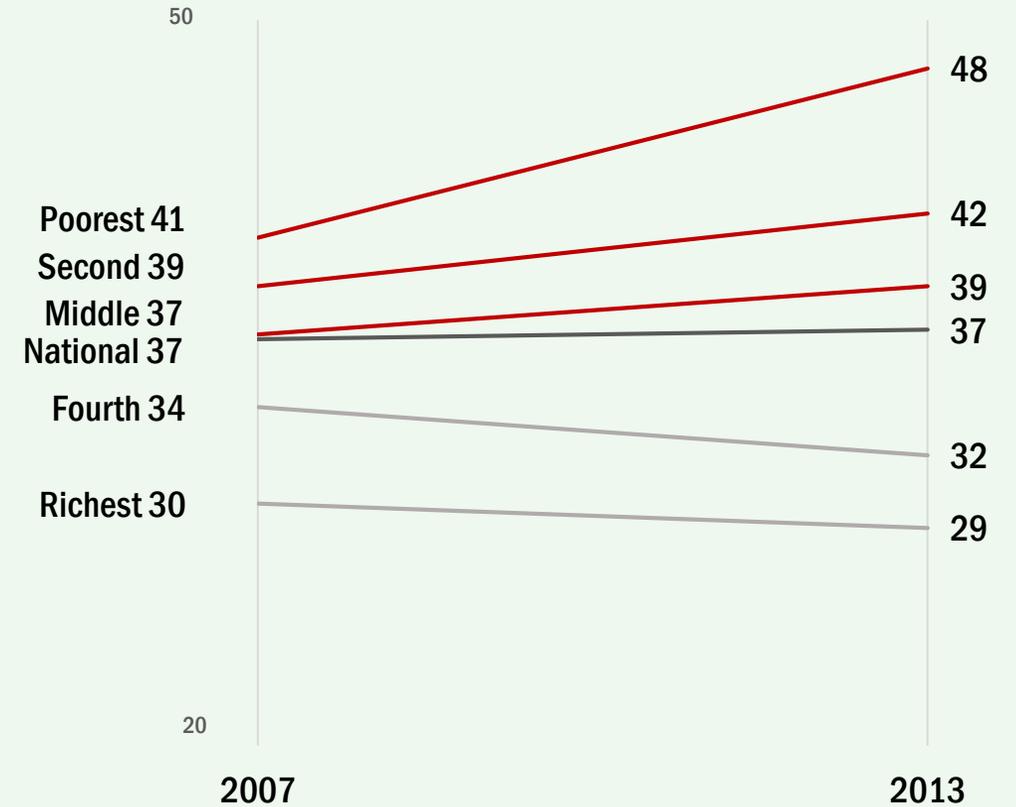
Stunting prevalence (%), latest year available vs GNI per capita (USD) 2017



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

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

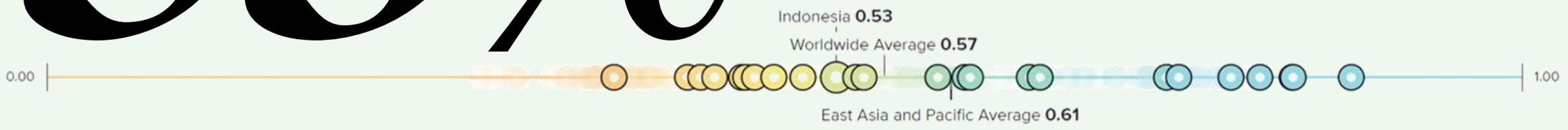
Stunting prevalence (%) by income quintile



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.

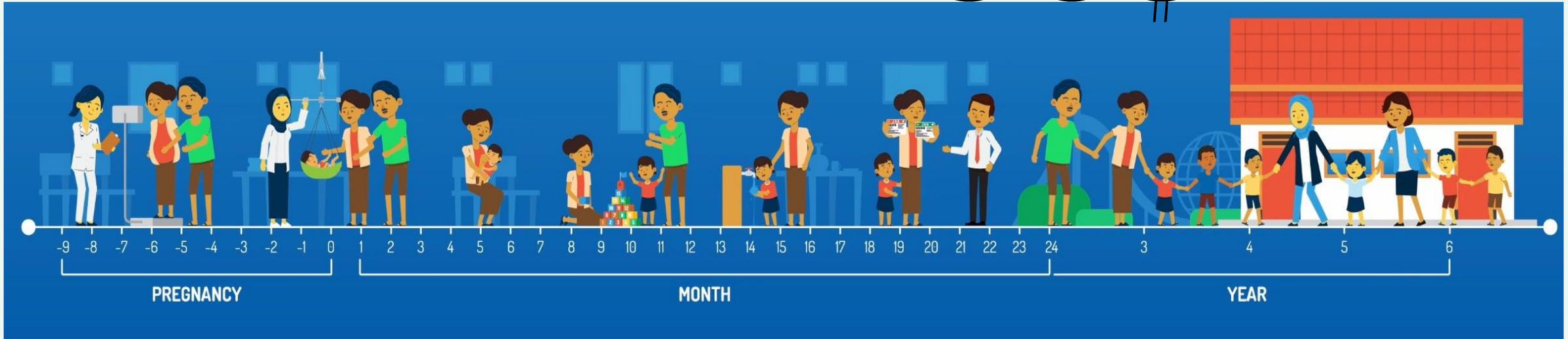
53%



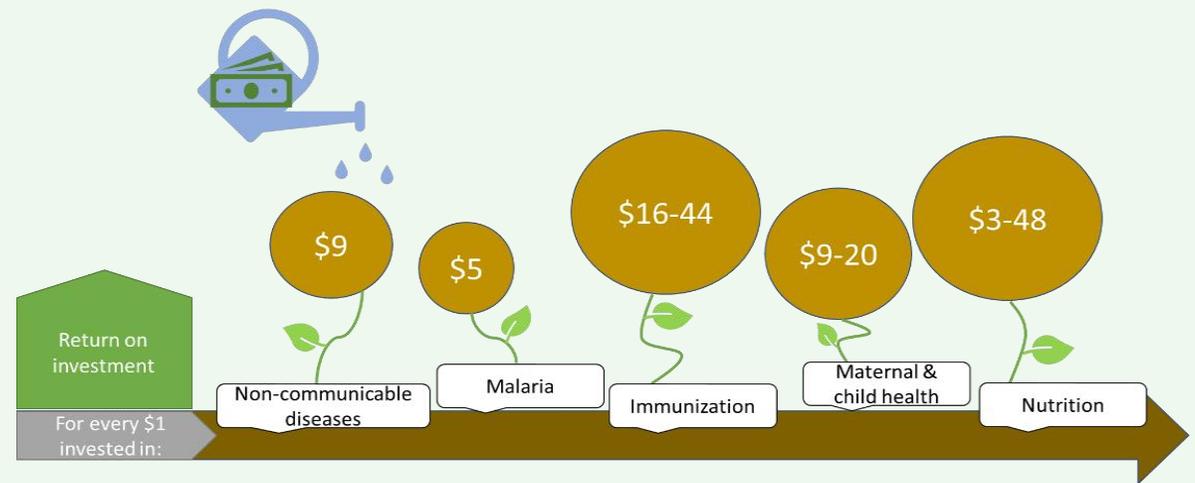
Fortunately, nutrition interventions are among the most cost-effective investments for human capital.

A full package of nutrition interventions costs just US\$ 7 per child per year.

US\$ 7 per child per year

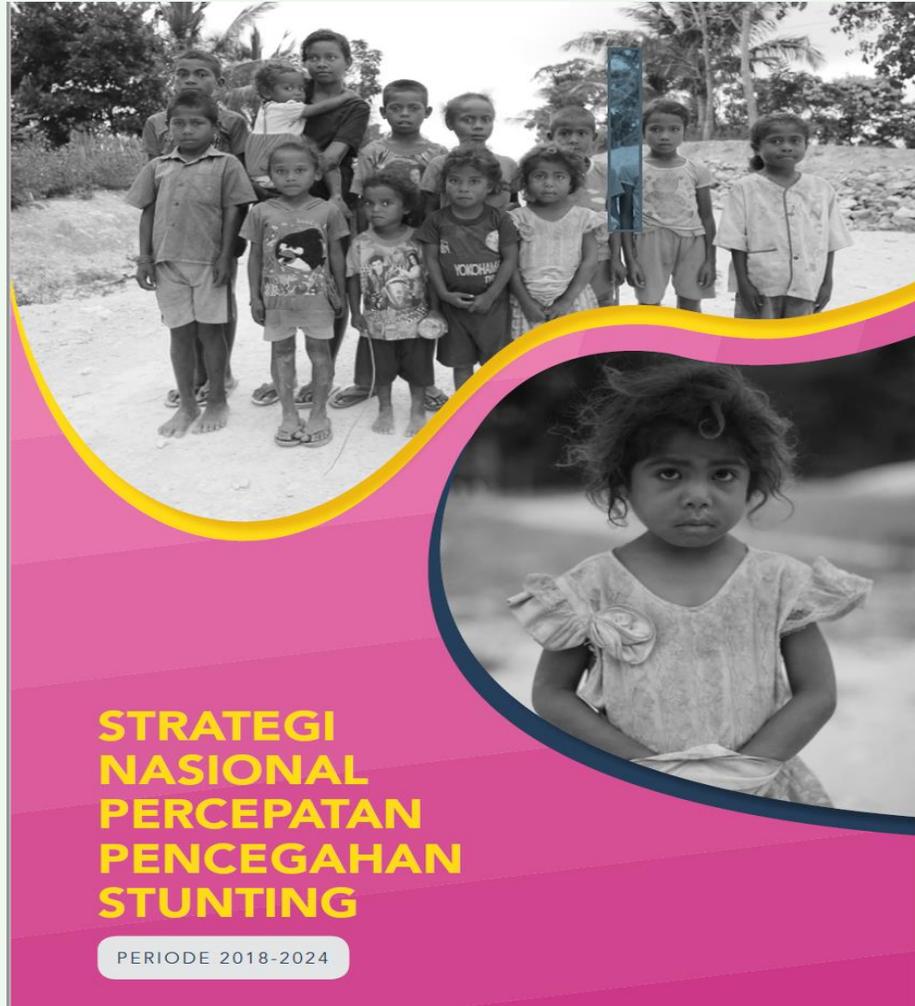


Investing in nutrition has the highest economic returns among health interventions



Source: Authors' rendering of Yamey G, Beyeler N, Wadge H, Jamison D. Investing in Health: The Economic Case. Doha, Qatar: World Innovation Summit for Health, 2016.

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



It committed 23 ministries and approximately **IDR 51.9** trillion (USD3.9 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

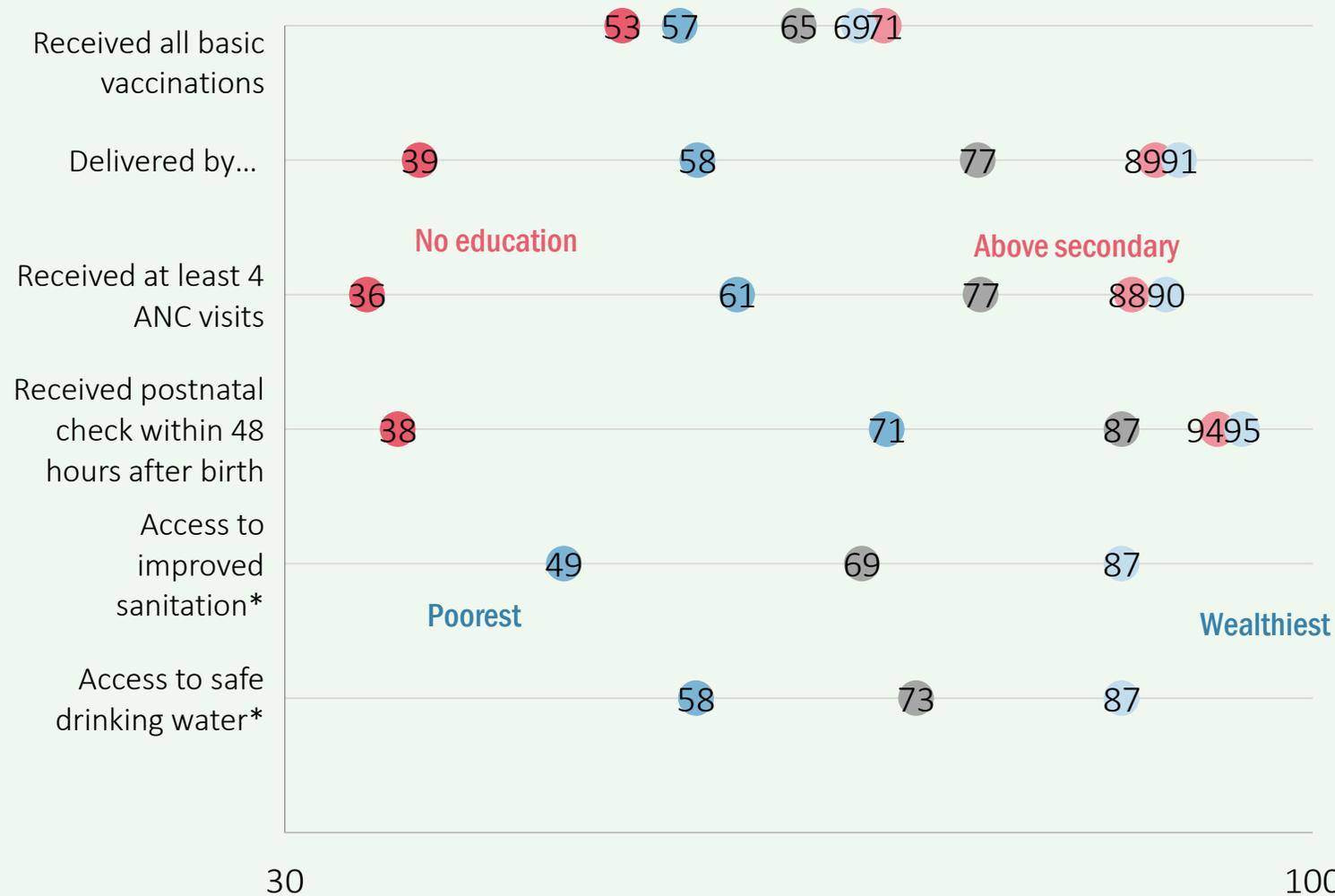
Realization and budget data was collected from the MOF and MOH at the central and from 38 districts. In addition, a **deep-dive of 5 districts with focus groups and key informant interviews** allowed for a better understanding of the challenges faced from planning and budgeting, to implementation, monitoring, and evaluation.

Contents

- Motivation
- Nutrition service delivery context
- Findings
- Discussion & Recommendation

While access to stunting-related services is good, national averages mask wide variation by socioeconomic status.

Access to services (%) by **mother's education** and **income (top and bottom quintiles)**

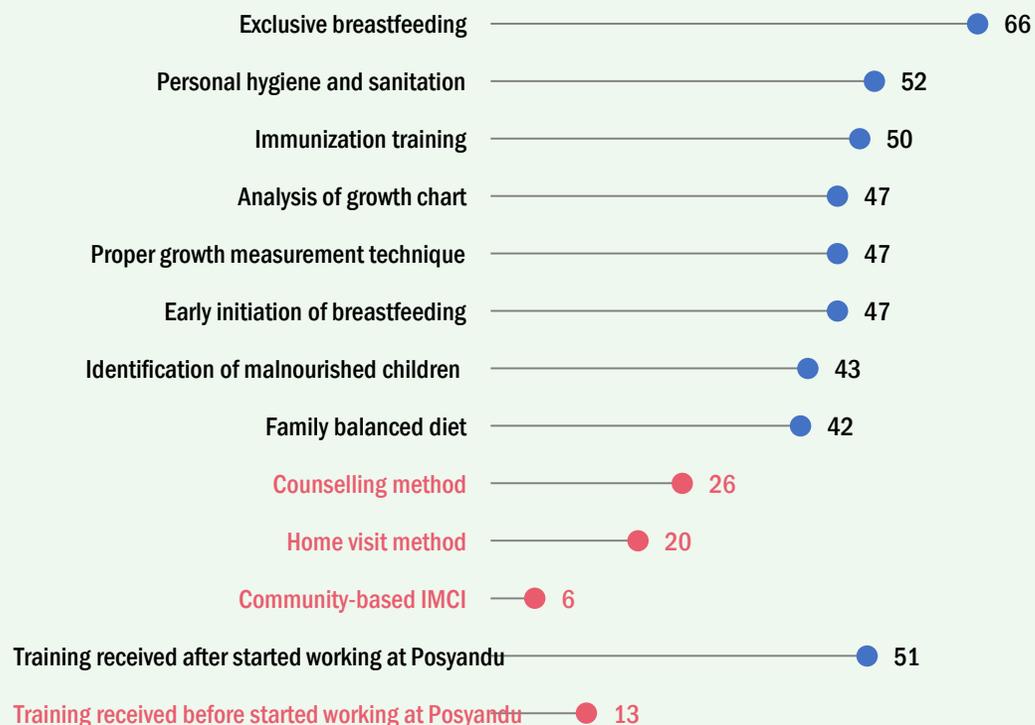


Source: IDHS 2017, *Susenas, 2017.

*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**

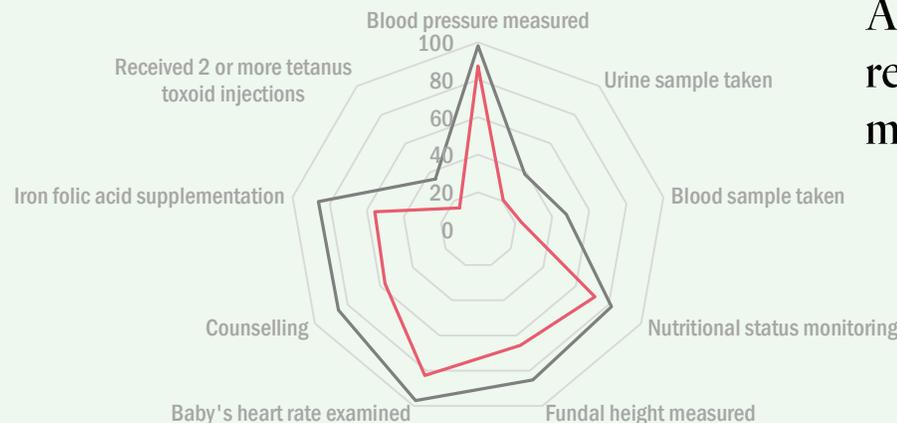
Training received by Posyandu Kader (%)



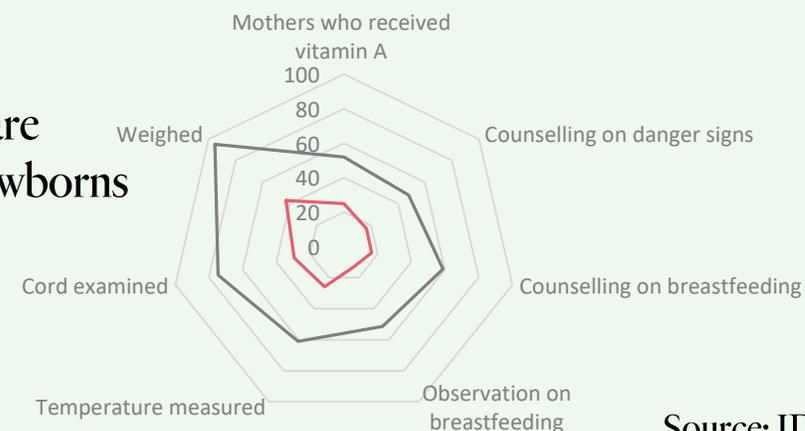
Source: QSDS, 2016

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



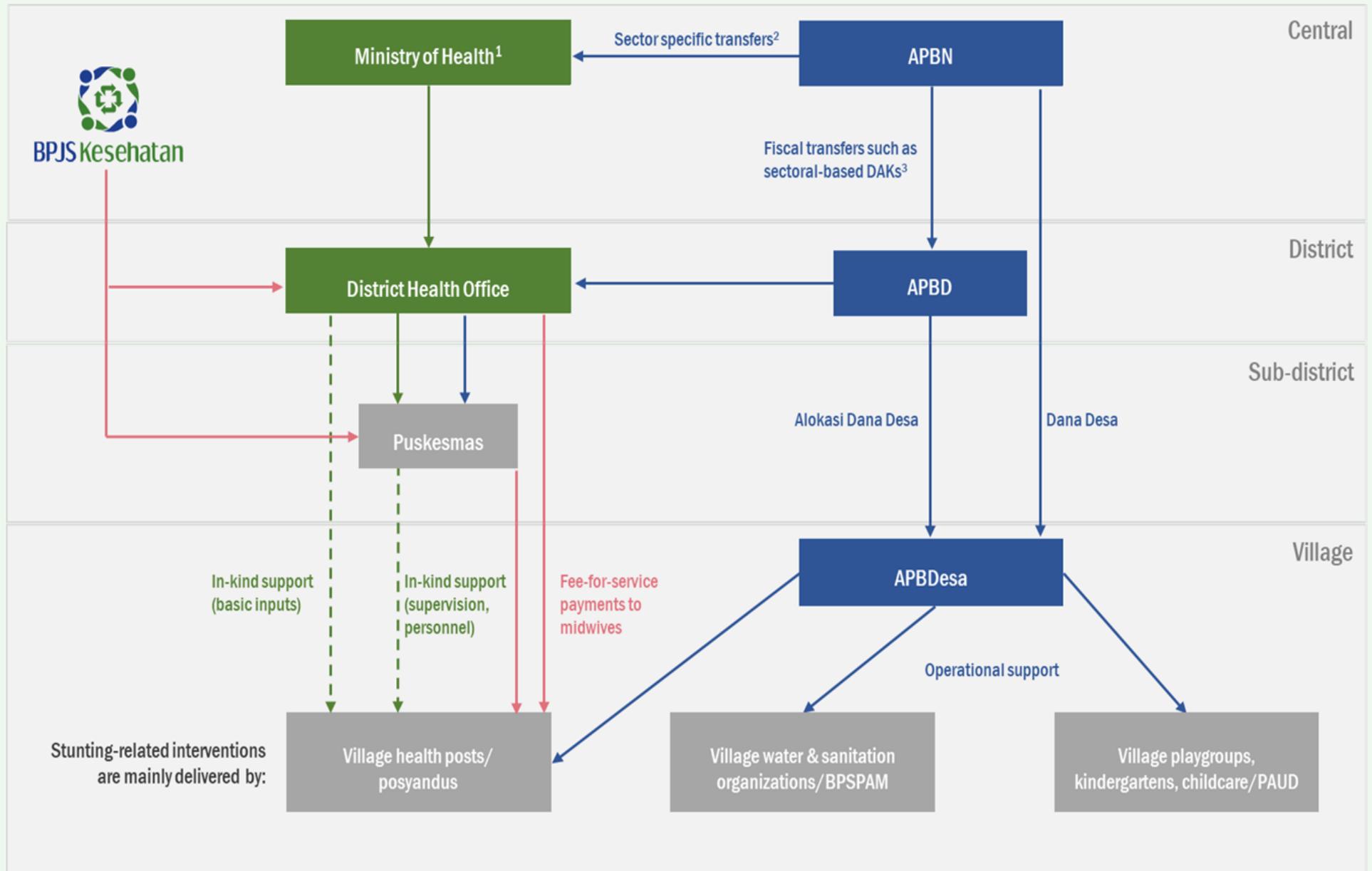
B. Postnatal care received by newborns (%), 2017



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



Contents

- Motivation
- Nutrition service delivery context
- Findings
- Discussion & Recommendation

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.

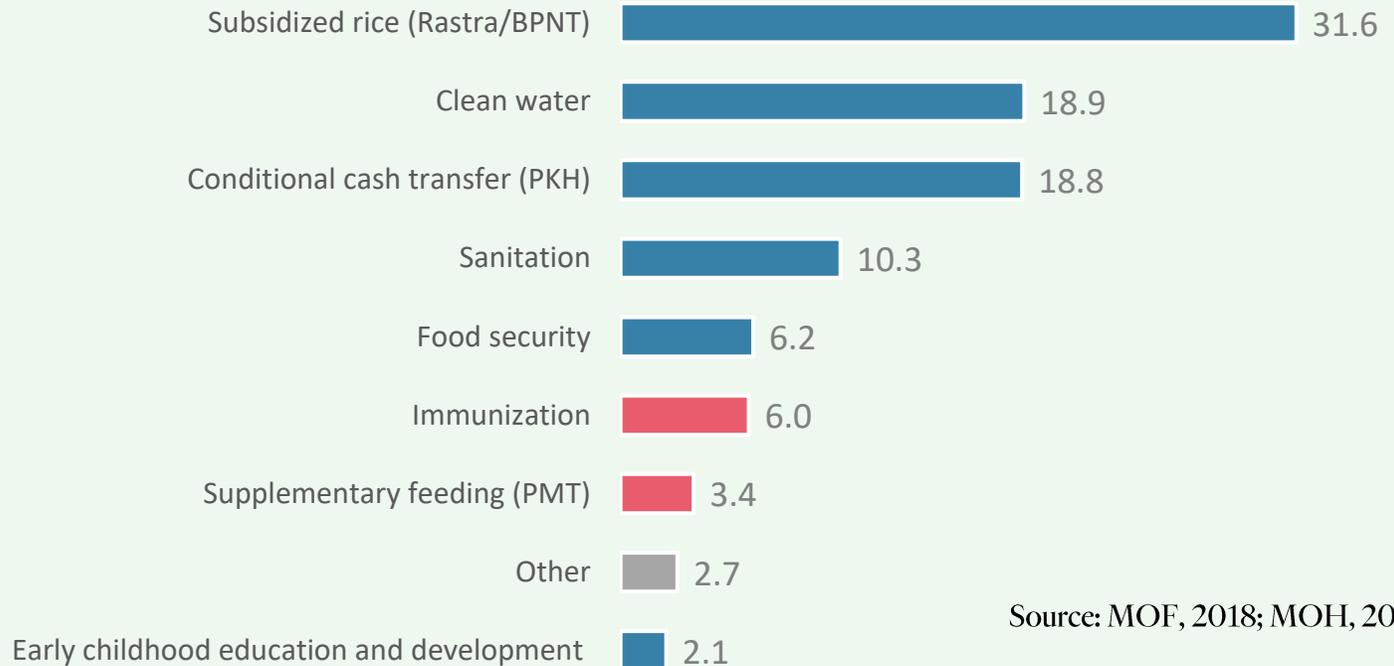
Total stunting expenditure in 38 districts, in constant per capita IDR (2017)



Source: MOF, 2018.

At the **central level**, nutrition-sensitive interventions make up the bulk of nutrition related expenditures...

Share of stunting spending by intervention (%), 2017

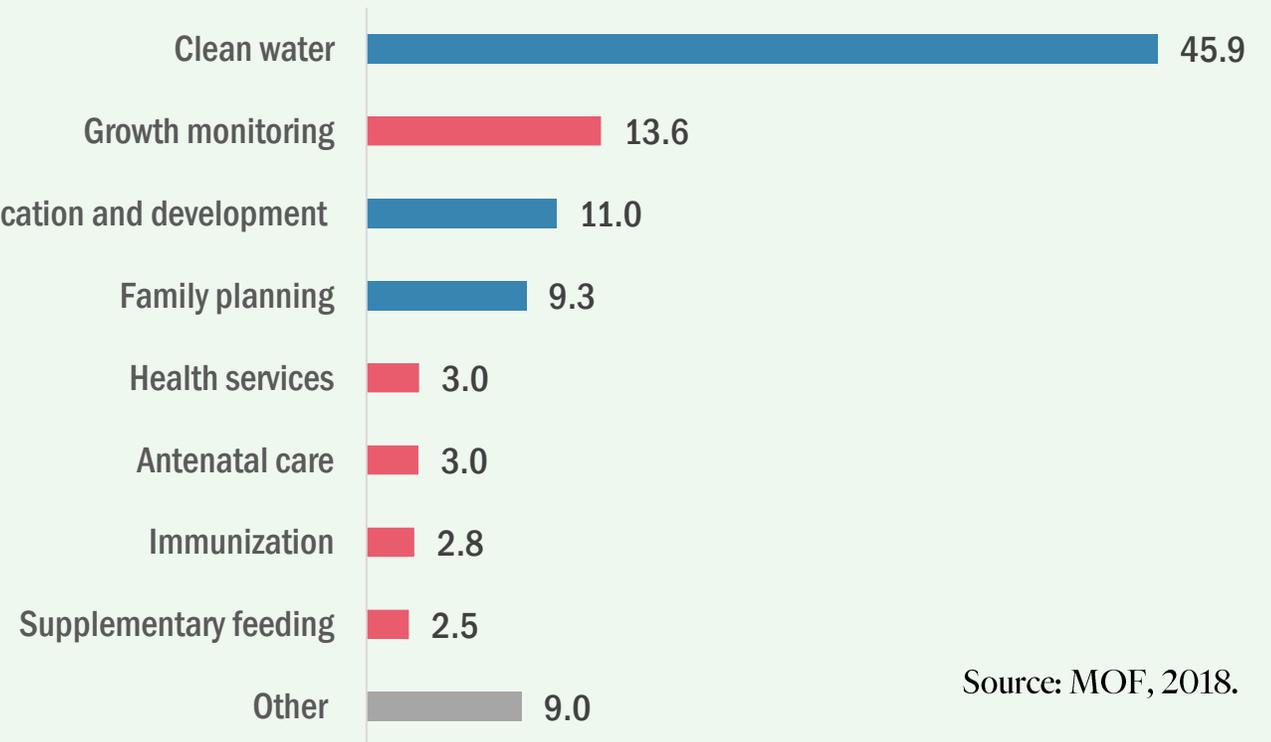


Source: MOF, 2018; MOH, 2018.

- 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

Similarly, **districts** mimics central government expenditure with stunting-sensitive interventions accounting for the bulk of spending

Average share of stunting spending by intervention in 38 districts (%), 2017

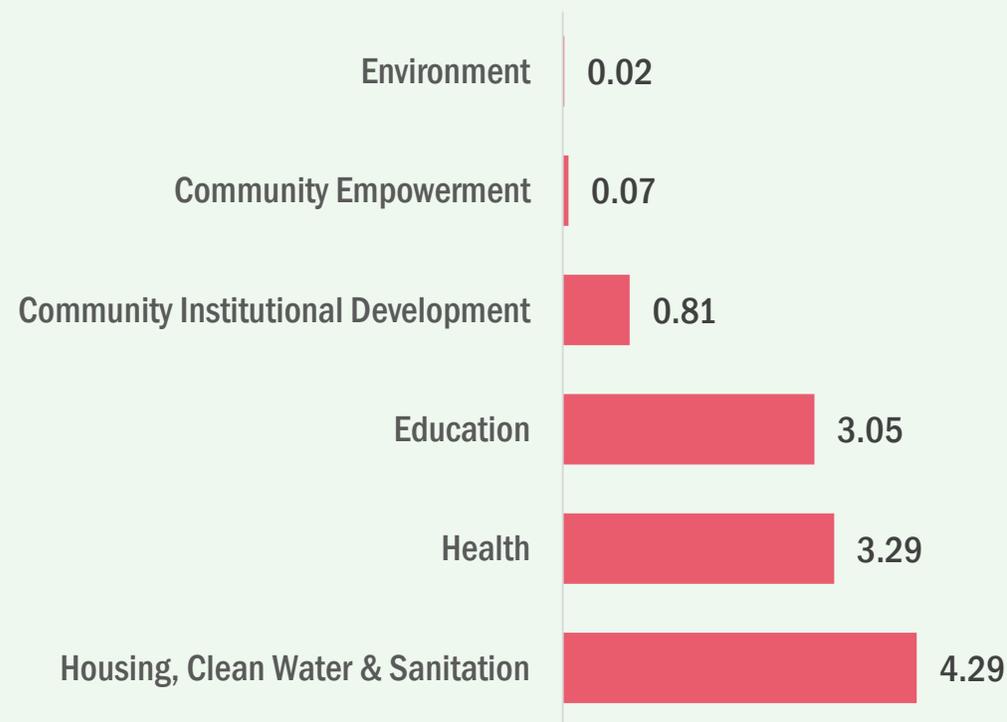


Source: MOF, 2018.

In 2017, stunting-sensitive interventions accounted for **84** percent of total stunting expenditures. On average, spending on clean water, early childhood education 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

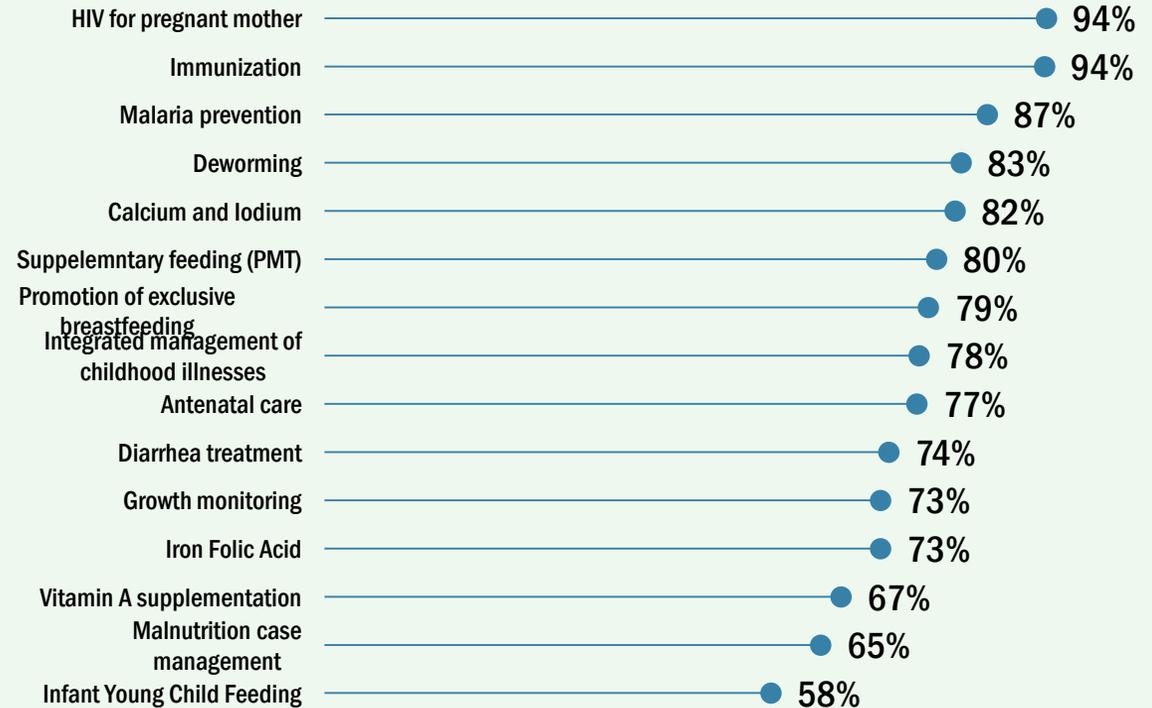


Source: *Siskeudes Dataseta*, June 2020. Sample: 30,448 villages, 208 districts.

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

Budget execution rates at central government by intervention (%), 3-year average (2015-2017)



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 :

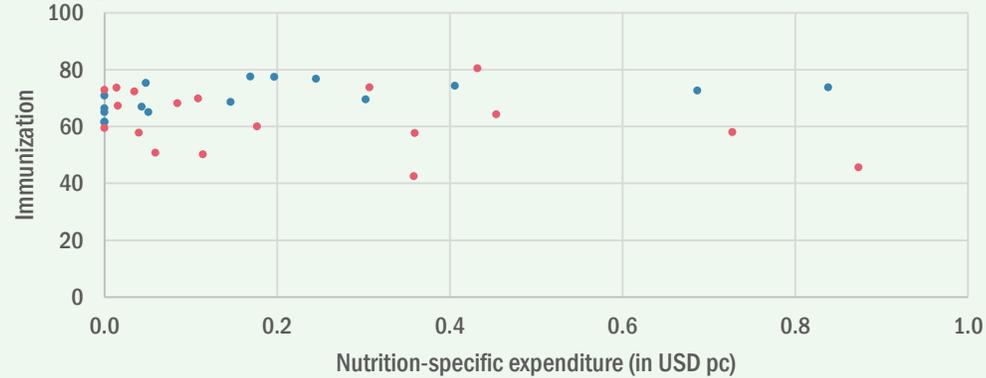
- Unpredictable funding
- Lack of reliable data
- Local governments have to follow different procedures based on source of funding and type of expenditure
- Shortage and high turnover of trained personnel in planning and budgeting

There are also challenges during the implementation and monitoring and evaluation:

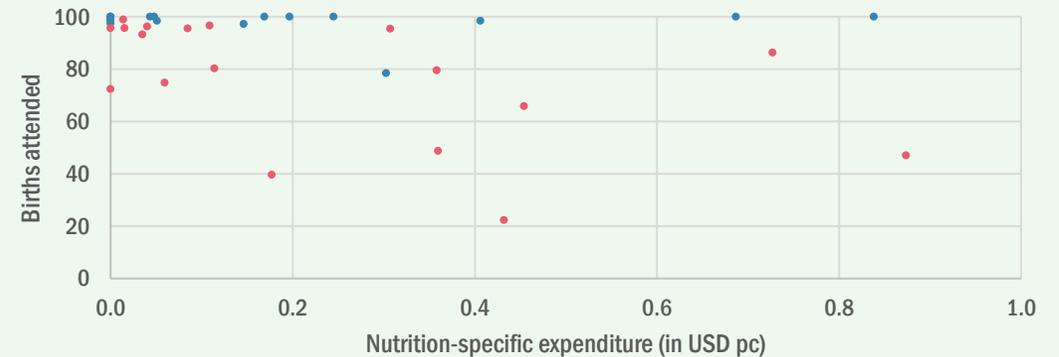
- Delays in receiving funds
- Lack of government coordination
- Personnel shortages mean that socialization and outreach of key interventions at the community level was limited

Importantly, stunting spending does **not seem to correlate** with district achievement on key health indicators

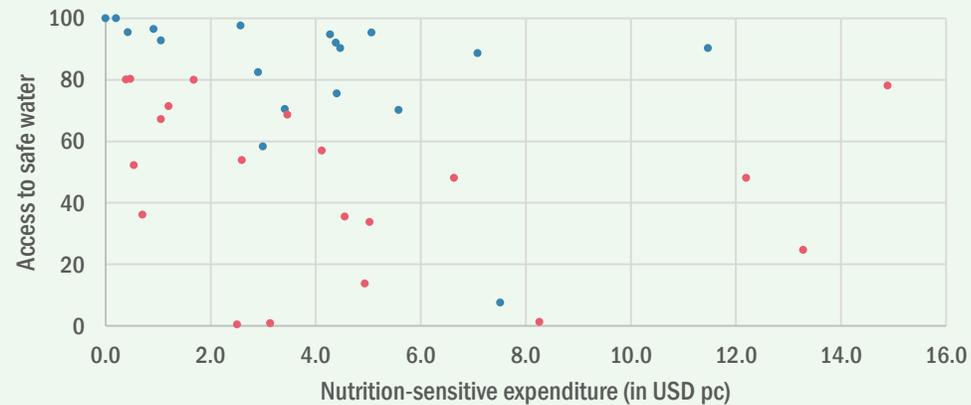
A. Complete immunization (%), 2017



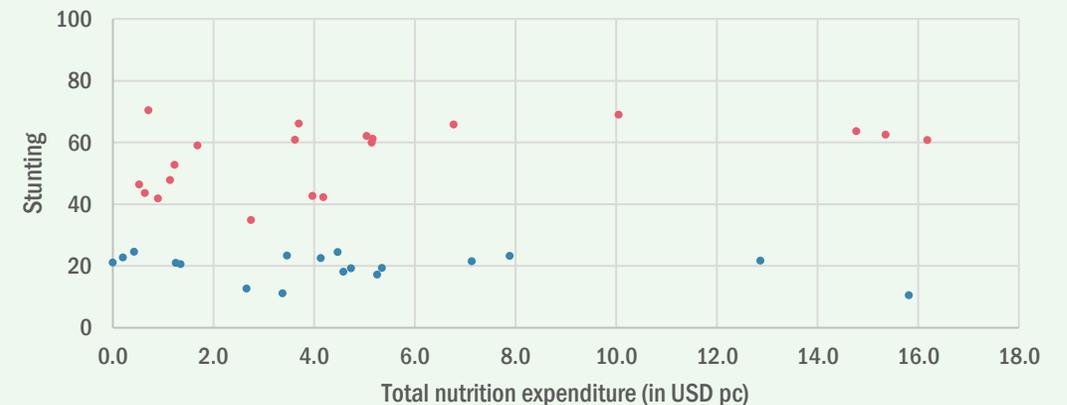
B. Births attended (%), 2017



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



D. Stunting prevalence (%), 2017



Contents

- Motivation
- Nutrition service delivery context
- Findings
- Discussion & Recommendation

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.**

1

Standardize health information and accounting systems

2

Invest in integrated information systems

3

Incentivize better reporting and accountability processes, including performance-based measures.

4

Harmonize budget timelines and procedures between central and local governments.

5

Provide clearer guidance on how central, district, and village governments should share financial and service delivery arrangements

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/WBStuntingPER>

