



1. Project Data

Project ID
P164686

Program Name
Investing in Nutrition and Early Years

Country
Indonesia

Practice Area(Lead)
Health, Nutrition & Population

L/C/TF Number(s)
IBRD-88840,TF-A7565,TF-C0907

Closing Date (Original)
30-Apr-2022

Total Program Cost (USD)
422,436,578.64

Bank Approval Date
21-Jun-2018

Closing Date (Actual)
30-Dec-2023

	IBRD/IDA (USD)	Grants (USD)
Original Commitment	420,000,000.00	24,000,000.00
Revised Commitment	423,000,000.00	22,436,578.64
Actual	422,589,798.48	22,436,578.64

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2. Program Context and Development Objectives

a. Objectives

The Program's objective, as stated in the Financing Agreement (p.6) and the Program Appraisal Document (PAD, p.16), was "to increase the simultaneous utilization of nutrition interventions by 1,000-day households in priority districts." Per both the PAD (p.17) and the ICR (p.13), "simultaneous utilization" referred to the concurrent delivery of multiple nutrition-specific and nutrition-sensitive interventions to the same priority households.



The Program underwent five restructurings during implementation which affected the targets of the first and second PDO indicators. The target for the first PDO indicator (“Public commitments of Priority District leaders to accelerate stunting prevention”) was revised upwards to include more districts than originally planned, the second, (“Priority Districts implementation of locally adapted interpersonal communication (IPC) activities”), was reduced. But since both original and revised outcome targets were exceeded, a split rating would be inconsequential for deriving the overall efficacy and outcome ratings, and is therefore not applied.

b. Were the program 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

Investing in Nutrition and Early Years (INEY) was designed to support the government’s national strategy to accelerate stunting reduction. Commonly referred to as “NatStrat Stunting” or “NatStrat”, this government strategy was developed with support from the Bank and aims to i) strengthen the quality of multisectoral nutrition interventions in relevant sectors (health; water and sanitation (WASH); early childhood education; social protection; and food security) and ii) coordinate delivery of those interventions at community and household level. As such, NatStrat is predicated on a “convergence approach” which requires multiple sectors to jointly target priority geographical areas and beneficiaries, thus providing concurrent access to the full spectrum of nutrition specific and nutrition sensitive interventions required for stunting reduction.

NatStrat was initiated in 2018, and INEY was designed to support it from its outset, primarily by providing incentives for quality improvement and convergence. Four Results Areas (RAs) were designated to achieve these goals at national, district and village level, as follows:

- **RA1 - Strengthening national leadership** supported coordination, accountability and learning mechanisms at central level. Activities included i) Annual Stunting Summits to secure annual commitments by subnational leaders (district heads and mayors), ii) guidelines for and implementation of National Expenditure Tagging and Performance Reviews for improved monitoring and evaluation of national spending on nutrition interventions, and iii) introduction of an annually conducted anthropometric survey module in the National Semiannual Socioeconomic Survey.
- **RA2 - Strengthening delivery of national sector programs** supported increasing the nutrition sensitivity of key sector programs. Activities included i) reform of the national Early Childhood Education and Development (ECED) curriculum to include a nutrition module, and rollout of a professional development program in Priority Districts to improve ECED counseling services; ii) widening the scope of the national food assistance program (BPNT) to include more nutrient dense foods and increase the number of BPNT distribution kiosks in Priority Districts; iii) launch of a national Behavior Change Communication (BCC)/ Interpersonal Communication (IPC) Strategy in conjunction with capacity building initiatives at district and sub-district level to encourage the design and delivery of locally adapted BCC activities.



- **RA3 - Strengthening convergence of district activities** supported management and implementation of nutrition activities at the district level, with a focus on overcoming fragmentation and unpredictability in financing and increasing alignment of district development plans and budgets with NatStrat Stunting objectives. Activities included i) fiscal transfer reform at central level in conjunction with assistance to districts on applying for special allocation funds (DAK) to support prioritized nutrition interventions, ii) issuance of guidelines on district convergence to clarify local governments' roles, and iii) introduction of an annual performance assessment exercise to evaluate district implementation of convergence programs and to encourage evidence- and results-based budgeting.
- **RA4 - Converging village service delivery** supported concurrent delivery of nutrition-specific and nutrition-sensitive interventions to households with children under two. Activities included i) social mapping to identify eligible households, ii) deployment of Multisectoral Human Development Workers (HDWs) to support village governments in implementing and monitoring priority nutrition interventions across health, education, social protection, and WASH, and iii) introduction of Village Convergence Scorecards and child growth mats to track performance and facilitate community-based growth monitoring.

INEY consisted of a Program for Results (PforR) component linking Program funds directly to the achievement of activities, outputs, and intermediate outcomes, in line with the RAs described above, and an Investment Project Financing (IPF) component for specific expenditures designed to strengthen government capacity to monitor, coordinate and implement NatStrat Stunting.

With respect to the main PforR, periodic disbursements were triggered by achievement of the following disbursement-linked indicators (DLIs):

RA1 - Strengthening national leadership

- DLI 1: Public commitment of priority district leaders to accelerate stunting prevention
- DLI 2: Tracking and performance evaluation of national spending on priority nutrition interventions
- DLI 3: Timely publication of annual national and district stunting rates

RA2 - Strengthening delivery of national sector programs

- DLI 4: Priority districts delivery of nutrition-sensitive professional development program for ECED teachers
- DLI 5: Nutrition-sensitivity of the food assistance program
- DLI 6: Priority districts implementation of locally adapted IPC activities

RA3 - Strengthening convergence of district activities

- DLI 7: Predictability and results orientation of fiscal transfers that support convergence
- DLI 8: Performance of districts in targeting priority nutrition interventions to 1,000-day households

RA4 - Converging village service delivery

- DLI 9: Villages empowered to identify 1,000-day households and converge intervention delivery
- DLI 10: Village convergence of nutrition interventions on 1,000-day households

Per the PAD (p. 37), these DLIs were based on the goals of i) ensuring that government at all levels had the systems, data, and tools to address management challenges undermining efforts to reduce stunting, and ii) improving the delivery and convergence of priority nutrition interventions. They were designed to be interlinked and phased such that achievements in the Program's third and fourth years were dependent upon establishment of systems, processes, and procedures in the start-up phase. In terms of verification, a



detailed annual protocol was jointly endorsed by the Secretariat of the Vice President (SoVP) and the World Bank, with the BPKP serving as designated verification agent (VA).

With respect to the IPF, financing was initially decomposed into support for national leadership, and support at district level, as follows:

IPF1: Institutional Strengthening for National Leadership and Delivery (US\$16 million at Appraisal, of which US\$ 1.5 million was re-allocated to IPF2 under the second restructuring) This component consisted of three subcomponents.

- **Subcomponent 1A: Strengthen Coordination, Nutrition Program Delivery Monitoring and Debottlenecking Capacity of the Secretariat of the Vice President (SoVP)/ National Team for Accelerating Poverty Reduction.** This IPF subcomponent aimed to support the leadership capacity of SoVP, which served as the national-level lead agency for INEY, hosting the PIU and annual Stunting Summits. Activities included i) establishment of a communication and advocacy team to support a national awareness campaign and subnational advocacy, ii) strengthening government performance monitoring and verification systems, including via establishment of a results monitoring team, a centralized monitoring dashboard, and introduction of regular performance reviews, (iii) establishment of an evaluation and innovation team to conduct implementation research to facilitate course correction and evaluation studies to evaluate impact and effectiveness; and (iv) conducting pilots and testing innovations on new interventions, including the strengthening of integrated data systems and the enhancement of public-private partnership in nutrition service delivery.
- **Subcomponent 1B: Strengthen Capacity of Implementation Agencies.** This IPF subcomponent aimed to strengthen the capacity of line ministries implementing the Program – Ministry of Health (MoH), Ministry of Education (MoEC), Ministry of Social Affairs (MoSA), Ministry of Villages, Disadvantaged Areas and Transmigration (MoV) and Ministry of Finance (MoF)—as well as other line ministries implementing NatStrat Stunting. Activities included support to (i) MoH on improving the quality of cascade training and incorporating the use of an ICT-based platform for the BCC/IPC Strategy (ii) MoSA in improving the nutrition-sensitivity of the BNPT by improving the mix of foods offered, targeting methods, and monitoring systems; (iii) MoEC to improve the quality of training and nutrition content for ECED frontline services; (iv) MoV to support HDWs and to facilitate Village Allocation Fund (*Dana Desa*) spending on ECED training; and (v) overall implementation support for NatStrat program delivery as identified and agreed by the Program Steering Committee
- **Subcomponent 1C: Strengthen Results-based Synchronized Planning, Budgeting and Technical Convening.** This IPF subcomponent aimed to support the National Development Planning Agency (Bappenas) and MoF to implement synchronized planning and budgeting. Activities included (i) improving the quality of the DAK reporting systems by standardizing categories of activities and strengthening the Collaborative Planning and Budget Performance Information system; (ii) building capacity to conduct performance expenditure reviews; (iii) strengthening district performance assessment systems in collaboration with the Ministry of Home Affairs (MoHA); (iv) strengthening the Scaling Up Nutrition Secretariat's technical convening role in collaboration with SoVP; (v) ratifying the BCC/IPC Strategy in collaboration with the Ministry of Health and other relevant implementing agencies; (vi) commissioning technical reviews of programs and policies related to NatStrat and maternal and child health more broadly, in collaboration with SoVP; and (vii) supporting learning and knowledge sharing as the integrated programs are being scaled up.

IPF2: Strengthen Capacity for District Convergence (US\$4 million allocated at Appraisal; US\$5.5 Actual. This component, to be delivered by MoHA via a provincial level Technical Assistance Pool, aimed to



(i) strengthen the capacity of provincial and district governments to diagnose local drivers of stunting, develop local solutions, and converge priority nutrition intervention delivery at district level; (ii) providing technical assistance to subdistrict and village levels in utilizing *Dana Desa* funds for stunting reduction; (iii) strengthen the capacity of MoHA to develop performance benchmarking for convergence programs across districts; and (iv) facilitate peer-to-peer learning and sharing of best practices across districts.

As above, INAY was restructured five times during implementation, with most revisions attributable to financial and operational hurdles created by COVID-19 and modifications to NatStrat itself (see “Dates”, below). Although none of the restructurings resulted in changes to the PDO or Theory of Change, two alternations were made to PDO-level indicators, as above, and DLIs for intermediate outcomes were adjusted (see “Dates”, below). With respect to any actual changes to Components, an IPF sub-component on “Strengthening Capacity for Village Convergence” was added during the second restructuring. This revision reallocated funding for direct dispersal by the MoV, who was added as an Implementing Agent to the Grant Agreement. The rationale was to increase frontline support to villages via introduction of “e-HDW”, a digital application designed to assist HDWs in data collection and analysis. During the fourth restructuring, the National Population and Family Planning Board (BKKBN) was added as an additional IPF implementing agency to provide further support to village convergence.

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

Program Cost, Financing and Borrower Contribution

At appraisal, INAY was expected to be financed by an IBRD loan of US\$400 million through the PforR instrument and US\$20 million through the IPF instrument, financed by the Global Financing Facility (GFF) multidonor trust fund. At closing, the amount disbursed through the PforR was US\$400 million and the amount through the IPF was US\$22.47 million (see details under restructurings, in Dates section, below).

Borrower contribution was estimated at appraisal at US\$6.19 billion, with actual contribution at closing being US\$32.67 billion. The ICR notes that the “substantial difference between estimate and actual of borrower financing is primarily due to the expansion of the government strategy [NatStrat Stunting]” (ICR, p.61).

Dates

INAY was approved on June 21, 2018, and was declared effective on September 27, 2018. A Mid-Term Review (MTR) was held on April 12, 2021, and the Program closed on 30 December 2023, eight months after the original closing date. As above, the Program was restructured five times, with most revisions attributable to financial and operational hurdles created by COVID-19 and modifications to NatStrat itself. Dates and details on each restructuring are as follows:

- The first restructuring, approved May 2020, added an Advance Disbursement option to mitigate the operational and fiscal impacts of COVID-19 on Program implementation. These impacts included restrictions on face-to-face data collection which led to delays in field verification of 2019 DLIs, and compromised government capacity to finance NatStrat due to pandemic-related budget cuts. As the latter also posed a risk to future spending, INEY’s Macroeconomic Risk Rating was increased from low to moderate. A minor change to DLI 3 on annual publication of national and district stunting rates was also made, namely delaying publication from September to December to adjust the implementation timeframe to COVID-19 and assure adequate sample size and data quality.



- As above, the second restructuring, approved February 2021, reallocated IPF funds – without changing the total amount of grant funding - to permit creation of a new sub-component focused on increasing support to HDWs at village level. The MoV was added as an implementing agency and Section 2.01 of the Grant Agreement (GA) was amended.
- The MTR in April, 2021 identified a need for Program extension and a third restructuring, approved in September 2021, based on the following factors: (i) extension of NatStrat to 2024, including deceleration of the rollout of priority districts, requiring re-alignment of INEY’s timeline (as the Program served as a support system for NatStrat and as such needed to move at equal pace), (ii) impact of COVID-19 related slowdowns in implementation, service delivery interruptions, and restricted travel; and (iii) anticipation of the need to adjust INEY’s design with emerging implementation experience. As a result, multiple adjustments to the DLI target matrix were made, including minor changes to DLRs and introduction of partial achievement levels for DLIs 3,4,6 and 9 (see “Relevance of DLIs”). Additionally, US\$2 million was reallocated from IPF1 to IPF2 to maximize support at district and village level; and the loan and grant closing dates were extended to December 30, 2023.
- The fourth restructuring, in March - April 2023, was accompanied by an AF for US\$6 million from the GFF to the IPF. This restructuring further revised the results framework to accommodate the extended closing dates and course corrections initiated under the third restructuring, added the National Population and Family Planning Board (BKKBN) as an implementing agency for the Program’s IPF component, addressed a financing gap in the PIU related to pandemic-related setbacks and modifications in NatStrat implementation, and provided grant financing to support investments aligned with the Program’s original scope, along with continued technical assistance, capacity building, and monitoring support.
- The fifth restructuring, in October 2023, adjusted DLR targets and allocations for 2022, in line with the extended closing date, and added new DLRs to utilize the remaining Program balance and achieve the PDO. It also cancelled US\$1 million of the US\$4 million AF financing from GFF, and the outstanding US\$2 million, for which the Grant Agreement had not yet been signed.

3. Relevance

a. Relevance of Objectives

Rationale

Relevance to country context and government strategy

Despite recent growth and sustained investments in health and education, Indonesia’s stunting prevalence has remained stubbornly high since 2007, with dire implications for child development and human capital formation. The persistence of the challenge is partially attributable to nationwide gaps in the provision of basic nutrition and early learning services. Although these resources exist, access to certain key interventions remains low, including basic immunizations, iron supplementation, and deworming. Additionally, although participation in community growth promotion activities is high in the first six months (77 percent); exclusive breastfeeding remains low (60 percent), and only 33 percent of children aged 6-24 months are fed



a minimum acceptable diet. Access to ECED services is also low, at around 8 and 46 percent for children aged 0-2- and 3-6-years, respectively (PAD, pp.11-16).

Exacerbating these fundamental access problems is the fact that convergence of priority nutrition-specific and nutrition-sensitive interventions in households with pregnant mothers and children under two is extremely weak. This means that even though there are eligible households receiving some essential nutrition services, there are very few with concurrent access to the full gamut of nutrition specific and nutrition sensitive interventions required for stunting reduction. Per the PAD, less than 0.1 percent of 1,000-day households in Indonesia have access to the complete spectrum of multisectoral interventions which have been repeatedly demonstrated as critical to stunting reduction (PAD, p.17).

The primary responsibility for the delivery of most nutrition interventions lies with Indonesia's mayors and its 514 districts. The central Government retains an important role, however, with respect to provision of vaccines and other inputs as well as in terms of capacity development and oversight. Indonesia's 75,000 villages also play an important role in frontline service delivery. As such, convergence in Indonesia requires coordinated actions at central, district, and village levels, each of which have been plagued by management and accountability challenges since decentralization (PAD, p.18)

As above, NatStrat was designed to accelerate Indonesia's stunting reduction by addressing precisely these management and accountability challenges, first by strengthening the execution and quality of programs across health; WASH; early childhood education; social protection; and food security, and second by improving convergence of these sectoral interventions in national, regional, and community programs. INEY was designed to support these goals from NatStrat's outset by providing incentives for quality improvement and more efficient and coordinated service delivery.

Alignment with World Bank Strategy

INEY's PDO was well aligned with the objectives of the 2021-2025 Country Partnership Framework (CPF) for Indonesia (Report No. 157221-ID). First and foremost, it contributed directly to CPF Engagement Area III on Nurturing Human Capital, most explicitly via Objective 3.2 to strengthen quality and equity in nutrition and health. Additionally, it contributed to several of the CPF's cross-cutting areas, namely improved gender parity (intermediate outcome indicators on narrowing gender gaps and outcome indicators on reducing adolescent pregnancy and improving maternal health), digitalization (rollout of e-HDW), and climate change (multiple interventions reduced the vulnerability of targeted households to climate sensitive diseases such as malaria and diarrhea).

With respect to historical experience, the Program built on previous Bank support to the Government of Indonesia's (Gol) health and nutrition agendas, and indeed was tightly aligned with the 2016-2020 CPF at appraisal, which included objectives to improve local service delivery (Engagement Area 4, Objective 7 of CPF 2016-2020), improve access to quality education and health-related services (Engagement Area 4, Objective 9), and to implement a National Stunting Reduction Coordination mechanism and annual anthropometric survey (Engagement Area 4, Objective 9). The Program also built on previous Bank support to the Gol's decentralization agenda, including ASA and lending to streamline fiscal transfers from central to district level, improve DAK reporting and verification mechanisms, strengthen the focus on recurrent health transfers, and improve budget practices (CPF 2016-2020, p. 81).

Appropriateness of the PforR instrument

INEY was entirely predicated on supporting NatStrat by strengthening existing government systems to converge delivery of nutrition interventions at local level. As such, the Program's use of DLIs was designed to



incentivize the Government to continue to improve coordination across sectors and levels of government by taking a programmatic approach to fiscal transfers, thus overcoming persistent fragmentation of district financing for nutrition interventions. This strategy was in line with the Program's Technical Assessment, which concluded that although the basic institutional and implementation arrangements for multisectoral and multilevel programming were in place, "system adjustments, capacity improvements, and stronger incentives are required to ensure that Gol achieves the stated objectives of NatStrat Stunting" (PAD, p.62).

The ICR described the choice of instrument as "apt, given that the majority of the World Bank's portfolio in Indonesia at the time [of appraisal] consisted of PforRs, making it a suitable choice for INEY to ensure alignment with broader strategic priorities and operational frameworks" (ICR, p.10). This statement is corroborated in the CPF, which includes multiple references to PforR operations across sectors as well as a statement highlighting PforRs as a principal aspect of the Bank's approach in Indonesia (CPF 2021-2025, p.73). However, there are also statements to the contrary in the ICR, which twice refers to the PforR as a "novel instrument for the country" or similar (ICR, pp. 28 and 30). Additionally, the ICR notes that implementation arrangements for NatStrat were not finalized at appraisal, leading to risks regarding institutional roles, implementation arrangements, and adequacy of monitoring systems, especially with respect to ensuring accountability of key implementers at district level and below (see "Quality-at-Entry" and "M&E Design").

Appropriateness of the IPF. The IPF component was highly relevant for financing technical assistance and capacity building activities that were complementary to the PforR. Namely, targeted "bespoke" support to the key Gol counterparts involved in convergent stunting reduction efforts at national, district and local levels. These activities appear to have been critical to Program effectiveness at all tiers of the implementation chain.

Rating

High

b. Relevance of DLIs

DLI 1

DLI

DLI Public commitment of priority district leaders to accelerate stunting prevention

Rationale

This DLI contributed to strengthening national leadership (RA1) by incentivizing central government to secure the commitment of local government to explicit targets and action during high level Stunting Summits. Stipulated under NatStrat's Pillar 1, these Summits were intended to build top-to-bottom leadership by holding ministers, governors, district heads, and mayors to account for meeting service delivery and stunting reduction goals. As such, this DLI supported a fundamental link of the results chain: building dedication to improved convergence at all levels of government. Achievement was based on the required number of district-level government leaders signing compacts at the annual Summits. These compacts comprised commitments by districts to implement pro-convergence actions, including holding a district stunting summit of departmental heads, facilitating village participation in stunting response, and increasing the collection and



use of data on stunting prevalence and intervention delivery. The verification protocol for this DLI was simple and technically sound, consisting of submission of a report by SoVP on the annual Stunting Summits detailing the number and profiles of districts signing Compacts, and subsequent spot-checking by the Independent Verification Agency (IVA). Annual targets for this DLI specified the minimum number of districts required to sign compacts and the allocation was non-scalable.

Rating
High

DLI 2
DLI

Tracking and performance evaluation of national spending on priority nutrition interventions

Rationale

The purpose of this DLI was to incentivize both preparation of annual NatStrat performance and expenditure review reports, and use of those reports to inform budget allocations for the following year (RA1). As such, it was directly relevant to INEY's goals of improving intervention performance and holding implementing agencies accountable using results-based programming. Achievement was phased, with initial disbursements requiring development of a budgetary tagging and tracking system and issuance of biannual performance reports. Disbursements thereafter required issuance of biannual performance reports as well as a statement on how the MoF had used the previous year's report to inform resource allocation for priority nutrition interventions in the next FY's budget. The verification protocol was straightforward, appearing to consist primarily of confirmation that the respective reports and budget verifications had been released in full and on time.

Rating
High

DLI 3
DLI

Timely publication of annual national and district stunting rates

Rationale

Prior to INEY, stunting surveys were carried out only every 5 years. Requiring annual publication of stunting rates, timed to occur prior to finalization of central and district government budgets, was intended to i) address this issue of data paucity and ii) assist the central government in holding district leaders to account regarding their commitments to stunting reduction (DLI 1). It was also expected to accelerate the cycle of learning and underpin the findings of performance reports (DLIs 2 and 8). Achievement was initially predicated on the National Statistics Agency (BPS) issuing guidelines for inclusion of an anthropometric module in the March 2019 National Socioeconomic Survey (SUSENAS). Achievement thereafter was based on annual publication of district stunting rates by September of the survey year. The verification protocol was simple and technically sound, consisting first of provision by BPS to the World Bank of the 2019 SUSENAS implementation and analysis guidelines, and thereafter by provision of a list of district stunting rates and



evidence that both national and district rates were published by September on a publicly accessible website. A partial achievement level was introduced for this DLI under the third restructuring, and the publication date for the first survey results was extended from September to December 2019 due to COVID-19.

Rating
High

DLI 4
DLI

Priority districts delivery of nutrition-sensitive professional development program for ECED teachers

Rationale

This DLI aimed to increase the nutrition sensitivity of the Gol's national ECED program, and to improve its delivery at district level (RA2). As such it was consistent with the PDO's focus on increasing access to a wider spectrum of nutrition-oriented interventions for 1,000-day households. Achievement in the first year required incorporation of stunting and early stimulation curricula (consistent with NatStrat) into the Professional Development Program for ECED Teachers, including publication of a Supplementary Handbook with information on men's roles. Achievement thereafter was based on rollout of the program in priority districts and subsequent implementation at village level using cascade training. The verification protocol for "Step 1" was straightforward, consisting of corroboration by the IVA that the required information had been incorporated into official ECED program modules, that the Handbook included exercises on the role of men in child stimulation, and that meaningful consultations had been held with relevant agencies. For "Step 2", the verification protocol was predicated entirely on the number of Priority Districts with trainers that had successfully completed the revised Professional Development Program, and the number of Priority Districts delivering the program to ECED teachers in a minimum number of villages (with "minimum number" increasing according to year of implementation). There appears to have been insufficient attention paid to incentivizing improved coordination between local offices despite the fact that poor horizontal and vertical integration posed known challenges to ECED, as well as insufficient attention to ensure provision of effective training. Per the ICR "continued coordination issues between local offices posed challenges in providing ECED teacher training [including] challenges in the financing of PAUD teacher training at the village level" (ICR, p.67). The ICR also notes that the complex achievement formula for this DLI required revision through implementation (ICR, p. 67). A partial achievement level was introduced under the third restructuring.

Rating
Modest

DLI 5
DLI

Nutrition-sensitivity of the food assistance program (BPNT)

Rationale



This DLI aimed to increase the nutrition sensitivity of the Gol's national food assistance program, and to improve its delivery at district level (RA2). As such, like DLI4, it was consistent with the PDO's focus on increasing access to a wider spectrum of nutrition-oriented interventions for 1,000-day households. Achievement in the first two years of the Program was based on the percentage of households in priority districts receiving BPNT benefits; in the last two years, achievement was based on the percentage of BPNT kiosks in priority districts that had all eligible, high-nutrient food items available. The verification protocol for this DLI was technically sound and included scalable DLRs designed to promote i) a critical shift from the national in-kind rice distribution program (Rastra) to BPNT and ii) reliable access to all eligible food items covered by BPNT at village level. Additional, non-scalable DLRs rewarded i) addition of a complementary food item for children under two to the list of eligible foods (verified by the IVA in year 2 of the Program), and ii) introduction of a protein or fortified food (verified year 3).

Rating
High

DLI 6

DLI

Priority districts' implementation of locally adapted IPC activities

Rationale

As with DLIs 4 and 5, this DLI focused on strengthening the design and implementation of a key nutrition-sensitive intervention area (RA2). In this case, the purpose was to i) incentivize development of a national BCC strategy that included a strong focus on IPC and ii) support districts in adapting and implementing local IPC activities, primarily via strengthening the supervision capacity of District Health and sub-district health center staff. Achievement in the first year was based on verification of the number of priority districts issuing community health regulations that included a local BCC strategy and related IPC activities. Thereafter, verification was based on the number of priority districts with IPC activities implemented in at least 70% of villages. All allocations were scalable and there was no limited number for Priority Districts. As with DLI4, the ICR notes that there were again coordination issues between local level offices that were not addressed in the design of this DLI. It also notes that the complex achievement formula required revision during implementation (ICR, p. 67). A partial achievement level was introduced under the third restructuring.

Rating
Substantial

DLI 7

DLI

Predictability and results orientation of fiscal transfers that support convergence

Rationale

This DLI was explicitly tied to the results chain output "timely announcement of indicative allocations, financing gaps filled, and low volatility", as it provided an incentive for fiscal transfer reform at central level in conjunction with assistance to districts on applying for special allocation funds (DAK) to support nutrition



(RA3). As such, it supported DLIs 4,5 and 6 as well as 8, 9 and 10. Achievement requirements were phased and consisted of i) the release of NatStrat convergence guidelines specifying the role of district-level governments in implementing convergence actions, ii) a Presidential Decree on guidelines for the use of existing DAK to support multi-sectoral nutrition interventions and district convergence actions, (iii) guidelines for districts applying for new DAK to support NatStrat Stunting, and (iv) implementation of an annual index-based performance assessment of Priority Districts (IKPS) designed to furnish evidence on the link between increasing DAK nutrition allocations and progress on convergence. Although the scope of this DLI was appropriate and most of the achievement requirements were technically sound, the ICR noted that “the design of the district performance index was not thorough, leading to shortcomings in monitoring” (ICR, p.27). The ICR goes on to state that the index relied too much on “an academic approach using survey data for programmatic purposes”, and that questions regarding its validity persisted across the Program’s duration.” That said, given that the IKPS was only one aspect of this multifactorial DLI, relevance is rated substantial given overall performance.

Rating

Substantial

DLI 8

DLI

Performance of districts in targeting priority nutrition interventions to 1,000-day households

Rationale

This DLI incentivized achievement of the Program’s objective at district level (RA3) and is appropriately listed as an Outcome in the results chain, predicated on multiple prior achievements including results under DLI 7 as well as under DLIs from RAs 1 and 2. The primary results indicator for this DLI was a weighted index - the “nutrition service targeting index” - of the percentage change in the number of 1,000 day households receiving one or more of the five packages of priority nutrition interventions that districts are responsible for delivering under NatStrat. Delivery of each of the five service packages was measured using the National Semiannual Socioeconomic Survey. Although the theoretical underpinnings of this indicator were sound, its technical relevance was compromised due to its design at appraisal, which relied on administrative survey data (ICR, p.68). This shortfall was addressed during implementation, there was only limited improvement which led to low disbursement (ICR, p.68)

Rating

Modest

DLI 9

DLI

DLI Villages empowered to identify 1,000-day households and converge intervention delivery

Rationale



The purpose of this DLI was to support RA4 on converging village service delivery, specifically by increasing the capacity of villages to target households, map needs, and monitor convergence. As such, achievements in the first year were contingent on policy and system reforms accomplished via other DLIs, as well as publication of General Guidelines on HDWs and Village Convergence Scorecards. An additional preliminary DLR under this DLI was revision by the MoF of Fiscal Transfer Reporting to require villages in Priority Districts to submit summary beneficiary, convergence scorecard and stunting expenditure data as part of their year-end *Dana Desa* realization and use reports. Achievements thereafter built on these initial requirements (the *Dana Desa* revisions were not made a disbursement requirement until 2021) and required a high level of coordination between multiple line ministries and district governments to ensure villages received the support they needed to identify 1,000-day households, map their priority stunting needs and systematically report data on village convergence. The ICR notes that the initial definition of this DLI did not foresee “certain coordination and implementation challenges” at the district and community levels where lack of alignment between different services “resulted in notable difficulties” (ICR, p. 11). These difficulties presumably refer, again, to feasibility issues, attributable to challenges of vertical and horizontal coordination between and within government agencies and resulted in the addition of a level on partial achievement being added under the third restructuring.

Rating

Substantial

DLI 10

DLI

DLI Village convergence of nutrition interventions on 1,000-day households

Rationale

This DLI, furthest to the right in the Program results chain, lagged all other DLIs, with achievement based on whether there was an actual improvement in the convergence of priority nutrition interventions on 1,000 day households, as recorded by Village Convergence Scorecards. The verification protocol for this final DLI was objectively sound, consisting of IVA corroboration of data provided by the MoF and SoVP on the number of Priority Districts where 80% of villages increased intervention convergence by 20% from baseline (defined as the year the district was included in NatStrat), based on results of the Village Scorecards.

Rating

Substantial

OVERALL RELEVANCE RATING

Rationale

The PDO was strongly relevant to the country context and Bank strategy, and the Program’s design emerged logically from previous Bank experience in nutrition, aiming to address both known management challenges (e.g. financial fragmentation, resource misallocation and lack of a performance orientation) and identified



gaps in key sector programs (i.e. lack of ECED services for 1,000-day households, low nutrition benefits of the main national food assistance program, and limited scale and intensity of BCC programs).

Overall, the DLIs were well articulated and clearly under government's influence, each had a clear definition and protocol to evaluate achievement. They were also appropriately phased, aiming first to create an enabling environment by improving policies and procedures to address the management challenges cited above, and second to support outcomes via improved concurrent delivery of nutrition-sensitive and nutrition-specific interventions.

The DLI matrix maintained its relevance throughout implementation. The restructurings adjusted timeframes and targets to accommodate implementation delays caused by COVID-19 and the rollout of NatStrat, but did not alter the goal of achieving the three RAs or the Program's PDO. Additionally, the multiple moderate design shortcomings for some of the district and village level disbursement requirements were addressed during implementation. Overall, the DLIs provided strong incentives to achieve the PDO via institutional reform and improved outcomes.

In sum, there were no shortcomings in the relevance of the PDO and moderate shortcomings in the relevance of the DLIs, indicative of a substantial rating for overall relevance.

Rating
Substantial

4. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Increase the simultaneous utilization of nutrition interventions by 1,000-day households in priority districts.

Rationale

The Theory of Change envisaged that leadership strengthening and reform of sectoral policies at central level, combined with support to management and implementation of nutrition activities at district and village level, would lead to improved village capacity for concurrent delivery of nutrition-specific and nutrition-sensitive interventions to 1,000-day households. As such, the Program's results chain focused explicitly on three tiers of activity: Incentives and support to convergence at national level, incentives and support to convergence at district level, and incentives and support to convergence at village level, as follows:

Incentives and support to convergence at national level

Inputs under this activity tier consisted of support to the leadership capacity of SoVP, including introduction of budget tagging and performance reviews, and reforms to the national sectoral strategies for ECED, food assistance and BCC. Outputs consisted of Annual Stunting Summits to secure regular commitments by subnational leaders, publication of quarterly and semester NatStrat performance reports to hold the SoVP to



account, and publication of national and district stunting data. With respect to outcomes, achievements towards the objective were as follows:

Intermediate Outcomes

- The ICR reported that the target for tracking and evaluation of national spending on priority nutrition interventions – defined as: “performance report issued and budget reviewed” - was met (ICR, p.17). Although there are no details regarding the number or type of reports in the text or results framework, details on several “budget marking” reports are provided in the October 2023 Restructuring Report (RES47813). In line with this documentation, the ICR did state that this activity “received additional funding through reallocation to continue annual budget tagging and annual and semester expenditures and performance reviews” (ICR, p.17), implying that reporting was proceeding as defined under the associated DLI. The results framework shows that the publication date for “Actual Achieved at Completion” was December 22, 2023, relative to the original target of April 30, 2022. This delay was presumably attributable to COVID-19, which as above created significant implementation delays during the first two years of the Program.
- The ICR stated that “publication of annual national and district stunting rates initially suffered from data issues linked to equipment, data quality, and COVID-19 restrictions, [however] these challenges were eventually addressed” and by December 2022 [the revised target date], both national and district stunting rates had been released” (ICR, p.17). Although no details are provided regarding progress towards publication of similar survey results for 2023, the Task Team confirmed that 2023 survey results are available, and 2024 data collection is underway.
- The final intermediate outcome achievement for national level progress was the successful addition of women’s empowerment to NatStrat’s list of priority nutrition-sensitive interventions. (Note that because gender parity is cross-cutting and thus difficult to address via sector-specific reforms, it was appropriate to assess it separately from the sector specific reforms to improve nutrition sensitivity. These were preliminary requirements under DLIs 4, 5 and 6 and not evaluated by intermediate outcome indicators.)

PDO-level Outcome

- Five hundred and fourteen Priority Districts made “public commitments to accelerate stunting prevention”, achieving the target which was also set at 514. As above, this outcome supported a fundamental link of the results chain: building dedication to improved convergence at all levels of government.

Incentives and support to convergence at district level

Inputs under this activity tier consisted of fiscal transfer reform at central level to reduce fragmentation of financing downstream, as well as establishment of Provincial Technical Assistance Pools whose function was to assist district governments across the array of convergence-promoting activities. Outputs consisted of delivery of the technical assistance, utilization of the rehabilitated fiscal transfer mechanisms to increase use of DAK for district level nutrition budgeting, and rollout of the improved ECDE, food assistance, and BCC strategies. With respect to outcomes, achievements towards the objective were as follows:

Intermediate Outcomes



- The operation met the target for improved predictability and results-orientation of fiscal transfers aimed at supporting convergence, including establishment of a consolidated program and financing guidelines stipulating annual performance assessments and publication of the associated performance report. These achievements constituted a notable improvement to the pre-PforR situation, which had been characterized by fragmented district guidelines and financing, as well as a lack of performance orientation.
- Forty-one Priority Districts succeeded in delivering the nutrition-sensitive professional development program for ECED teachers. Although this number was an improvement over baseline (0 districts), it fell far short of the target of 300. The ICR attributes the shortfall to limited horizontal and vertical coordination between stakeholders, low institutional capacity of the implementing local agencies, and delayed release of funds (ICR, p. 20). It also notes that the Mid Term Review identified these challenges and attempted to address them via stepped up technical assistance and adjustment of the achievement formula (see DLI 4, above).
- The number of BPNT food assistance kiosks disbursing all eligible food items reached 99.95 by closing, exceeding the target of 80 (baseline 0). The subtext of this outcome is important, as it indicated a fundamental shift from the national in-kind rice distribution program to a far more flexible option that improved 1,000-day households' access to a variety of nutrient dense foods (DLI 5).

PDO-level Outcomes

- The number of Priority Districts implementing locally adapted IPC activities reached 390 by closing, exceeding both the original target of 380 and the revised target of 130 districts. The ICR noted that despite substantial activity on the part of the MoH to support the issuance and implementation of local BCC regulations with IPC activities down to the village level, the original targets for this result indicator were seen as too ambitious at first, resulting in the decrease. However, by the end of the Program, both adjusted target and original target were surpassed with most of the progress achieved in the final year of implementation. Although the ICR did not speculate on this acceleration, progress was likely facilitated by relaxed restrictions on social distancing as well as improved implementation arrangements following finalization of NatStrat.
- The performance of districts targeting priority nutrition interventions to 1,000-day households was assessed via weighted index of the percentage change in the number of 1,000-day households receiving one or more of the five packages of priority nutrition interventions that districts are responsible for delivering under NatStrat (see DLI8). At closing, this number was 72.4 percent, relative to the target of 77 percent, and indicative of a substantial increase from the baseline of 55 percent.

Incentives and support to convergence at village level

This activity tier leveraged all the policy and system reforms accomplished at central and district level. It also included village-specific inputs consisting of the publication of General Guidelines on HDWs and use of Village Convergence Scorecards, and revisions by the MoF to *Dan Desa* reporting and use requirements designed to increase the use of village funds for stunting prevention, reward convergence and strengthen performance orientation. Outputs included deployment of HDWs to support village mapping exercises and to coordinate and monitor intervention delivery and nutrition outcomes, as well as technical assistance to local governments on the use of scorecards for utilizing *Dana Desa* funds for stunting reduction. With respect to outcomes, achievements towards the objective were as follows:

Intermediate Outcomes



- One hundred and eighty-five villages were empowered to identify 1,000-day households and converge intervention delivery, short of the 308-village target but still indicative of progress (baseline was 0). The ICR cites COVID-19 related challenges as well as issues related to convergence scorecard data quality and HDW capacity as limiting factors, and also notes that although the DLI associated with this outcome was revised to include partial achievement, the end target was not modified accordingly. With respect to the latter, the Report rightly states “It’s essential to recognize that even partial achievement in such complex contexts is noteworthy and indicative of progress, particularly as this indicator was further along in the results chain, which can present additional challenges in achieving full outcomes” (ICR, p.22).
- Forty-two percent of Priority Districts reported men’s participation in village nutrition counselling, slightly exceeding the target of 40 percent and indicating a two-fold increase from baseline (20 percent).
- Ninety-five percent of Priority Districts reported beneficiaries receiving BNPT assistance, exceeding the target of 90 percent and indicating an impressive increase from baseline (0 percent).

PDO-level Outcomes

- The percentage of Priority Districts reporting convergence of nutrition interventions for 1,000-day households was 56.67% at closing, exceeding the target of 45% and indicating marked progress from baseline (5 percent).
- Approximately forty-four percent of women in Priority Districts were reported to be consuming prenatal IFA supplements at closing, short of the target of 60 percent but indicative of substantial progress from baseline (5 percent). The ICR proposes several explanations for the shortfall, including the fact that the target may have been too high (the Report cites similar results indicators with lower targets in the Indonesia CPF and a Development Policy Loan), and pandemic related disruptions to both BCC counseling services and the supplement supply chain (see “Unintended impacts”). It also rightly distinguishes between consumption of IFA and receipt of IFA tablets, noting that the former frequently requires BCC to foster compliance, which is a long-term venture. The Report posits that, as the operation’s BCC/IPC activities saw most progress towards the end of the Program, it may be that the full impact on IFA consumption was not captured by closing (ICR, p.22).

Rating
Substantial

OVERALL EFFICACY

Rationale

At national level, the operation met or exceeded all outcome indicator targets, strengthening national leadership and the enabling environment for nutrition action, and catalyzing needed reforms in results-based planning and budgeting, as well as in national sectoral strategies to improve nutrition sensitivity and to make



women's empowerment an explicit focus in NatStrat. Given the changes in these specific outcomes, each of which was flagged by objectives, the case for plausible causality is quite strong.

At district level, targets were met or exceeded for fiscal transfer reform, implementation of locally adapted IPC activities, and presence of BPNT food assistance kiosks, and were almost met for performance of districts targeting priority nutrition interventions to 1,000-day households. In addition to this achievement data, the ICR provides supplementary data pointing towards progress in district level convergence between 2019 and 2023, further strengthening the case for attribution. The only notable shortfall at this activity level was for ECDE, which as above faced challenges with respect to limited horizontal and vertical coordination between stakeholders, low institutional capacity of the implementing local agencies, and delayed release of funds. One question which goes unanswered by the ICR is why these challenges, which were acknowledged in the PAD as fundamental, and which appear to have been somewhat successfully addressed by the operation's work on BCC and food assistance, were so difficult to manage in ECED (See "M&E Design".)

At village level, although the actual percentage of women consuming IFA supplements was lower than the target, this indicator may be misleading with respect to the operation's actual impact. As above, the shortfalls in meeting the IFA target may also be attributable to an overly high target, masking actual impact. Additionally, as a proxy indicator for delivery of nutrition specific interventions, i.e. the end of INEY's results chain, consumption of IFA may have been too narrow, first because it is inadequate to capture the full spectrum of nutrition specific interventions (which include pre and post-natal care and growth monitoring) and second because improved consumption of IFA tablets requires improved beneficiary compliance, an accomplishment which is particularly difficult to assess. Although the ICR does not provide any information on why IFA consumption was chosen as a key "endline" outcome indicator, the Bank team clarified that the decision may have been due the fact that, at appraisal, the GoI was not collecting data on growth monitoring promotion, which would have been an appropriate alternative indicator.

The operation fell short on meeting the target for identification of 1,000-day households. However, it is important to note that while this outcome indicator was revised for partial achievement during the third restructuring, the results framework does not adequately reflect achievements calibrated to this more sensitive measure. When these caveats are weighed against the fact that targets were met or exceeded for the very critical outcome on convergence of interventions at household level, improved delivery of gender aware BCC counseling and access to nutrition sensitive food assistance, the case for positive impact at village level is strong.

With respect to plausible attribution, although the GoI, UNICEF, and WFP were also providing critical support to NatStrat across the period in question, the degree of support provided by INEY to results-based planning and budgeting for convergence at decentralized levels was unparalleled. Given that the operation combined this support with very specific reforms to food assistance, BCC programming and ECED counseling, it is reasonable to attribute observed outcomes in large part to the PforR's investments.

In terms of improving institutional capacity, INEY improved integration of nutrition and early childhood development priorities in district and sub-district development plans via support to supportive legal and regulatory frameworks. The Program also strengthened the capacity of government institutions and other stakeholders to deliver effective nutrition and early childhood development services, through training and the establishment of data collection and analysis tools and reporting systems to track progress and identify areas for improvement.



Given the strengthened capacities and positive outcomes achieved under the Program, weighed against the mixed results on some outcome indicators as well as underlying issues regarding overly ambitious achievement formulas and the definition of several outcome indicators, overall efficacy is rated Substantial.

Rating
Substantial

5. Outcome

The PDO was relevant to country context and Bank strategy at appraisal, throughout implementation, and at Program closing, adhering to government strategy and finalization of NatStrat. As above, the project's design emerged logically from previous Bank experience in nutrition, aiming to address both known management challenges and identified gaps in key sector programs.

The DLIs were well articulated, appropriately phased, and under government's influence, each had a clear definition and protocol to evaluate achievement. Restructurings adjusted timeframes and targets to accommodate implementation delays and to address moderate design shortcomings for some of the district and village level disbursement requirements. Overall, the DLIs provided strong incentives to achieve the PDO via institutional reform and improved outcomes.

With respect to efficacy, all national level outcome targets were reached, indicating improvements in national leadership capacity, results-based planning and budgeting, and nutrition sensitive sectoral strategies. At district level, targets were met or exceeded for fiscal transfer reform, implementation of locally adapted IPC activities, and presence of nutrition sensitive food assistance kiosks, and were almost met for performance of districts targeting priority nutrition interventions to 1,000-day households. As above, the only notable shortfall at this activity level was for ECED, which remained stymied by limited horizontal and vertical coordination between stakeholders, low institutional capacity and delayed release of funds. At village level, targets were met or exceeded for convergence of interventions at household level, improved delivery of gender aware BCC counseling and access to nutrition sensitive food assistance, and fell short for IFA supplementation during pregnancy and identification of 1,000-day households.

With Substantial relevance and Substantial Efficacy based on Substantial achievement of the Program's single objective, overall Outcome is rated Satisfactory.

Outcome Rating
Satisfactory

6. Risk to Development Outcome

By 2023, the GoI had demonstrated very strong institutional commitment to convergence, including system-wide reforms designed to increase and regularize subnational budget allocations for nutrition sensitive programming, and deployment of performance monitoring and assessment tools holding all tiers of



government to account. Although the ICR rates risk to development outcome as “low” based on these commitments and the fact that Phase 2 of INEY is now underway, it also notes that “it is important to recognize that while the government’s commitment is a favorable factor, risks to development outcomes can arise from various sources, including changes in political will, economic fluctuations, and implementation challenges” (ICR, p.31). While all of these are indeed viable risks, perhaps the most immediate (and controllable) is the challenge of implementation, which as above, remains substantial with respect to connecting the links between sectors as well as within individual intervention areas. Efforts are underway to address precisely these issues under INEY2 (see “M&E Utilization”, below).

While mentioned only fleetingly in the ICR, an additional and major risk is climate change, which directly threatens food security and human health via multiple pathways. Given its topography, Indonesia is extremely vulnerable to climate change and as such is highly susceptible to experiencing a reversal in progress on nutrition, given current climate scenarios.

7. Assessment of Bank Performance

a. Quality-at-Entry

INEY’s strategic approach was strong, building on previous Bank support to the Gol’s health and nutrition agendas, as well as the international evidence base for convergence as key to reducing stunting. The Program Assessment involved extensive policy and technical engagement with central government, including 82 consultations with implementing agencies (PAD, p. 67), and deliberations with district, sub-district and village government, civil society organizations, development partners, and the private sector (PAD, p. 68).

Although the basic institutional and implementation arrangements for convergence were in place at appraisal, the Program aimed to address multiple ingrained deterrents to its achievement, including fragmented financing arrangements, weak diagnostic and planning capacities, low accountability regarding performance, and a lack of multisectoral coordination mechanisms. As such, the choice of PforR as investment instrument was – in principle - appropriate, as the operation was meant to improve outcomes of existing activities by introducing incentives for more effective, efficient, and coordinated service delivery.

However, as above, two readiness issues complicate assessment of the choice to use PforR. First, because NatStrat was not fully finalized at appraisal, there was uncertainty regarding implementation arrangements for the government strategy, and hence for INEY. Per the ICR, “the fact that NatStrat was not fully finalized at the time of preparation meant that the Program was being designed based on a moving target (ICR, p. 27). Second, it is unclear whether, at appraisal, there was sufficient evidence of district and local governments’ capacity to implement the required interventions, given the aforementioned lack of subnational coordination mechanisms, weak performance orientation and fragmentation in financial arrangements. Although INEY aimed to address all three of these challenges, when they are considered en masse and in conjunction with the complexity of Indonesia’s decentralized context, questions arise regarding the level of ambition at subnational level.

Both institutional and implementation arrangements were detailed in the PAD, with activities disaggregated by level and type of ministry. Overall, the Program consisted of the Program Executing



Agency (the SoVP), two enabling agencies (Bappenas and the MoF), six implementing agencies (MoH, MoEC, MoSA, MoV, MoHA, and BPS) and district and village governments (PAD, p. 58).

The overall risk rating was high, in line with precisely the institutional capacity challenges cited above, as well as the complex design of the Program itself and related fiduciary risks. With respect to institutional capacity, the PAD noted the SoVP, the BPKP (the IVA), and the IAs had minimal to zero experience implementing a PforR, and also pointed out that capacity for management of multisectoral programs was constrained and would require significant support (PAD, p. 71). The proposed mitigating measures consisted of providing PforR training to central government staff during Program preparation and the first stage of implementation, technical capacity building for the BPKP for Year 2 and thereafter (to facilitate verification of subnational achievements), and TA at national and sub-national levels via the IPF Components (PAD, p.71). With respect to mitigating risks posed by the complex Program design, the PAD was somewhat vague, citing capacity building provided by the IPF components to the Steering Committee at central level and the MoHA at subnational level, and stating that “the Program will build and institutionalize mechanisms to create national and subnational commitment to tackle stunting”. (PAD, p. 71) With respect to fiduciary risk, the PAD proposed assignment of additional dedicated staff at SoVP, adoption of a Program Operations Manual including clear protocols for how to carry out fiduciary functions, and technical assistance to strengthen SoVP fiduciary capacity “particularly in monitoring and reporting procurement and financial performance of the overall Program, and Program audit arrangements” (PAD, p. 71).

These measures appear to have proved sufficient except with respect to adequate support for horizontal and vertical coordination at subnational levels, given low institutional capacity. Although a less ambitious approach to this fundamental implementation challenge might have improved results, the shortcomings were considered to be relatively minor, and overall preparation and Quality-at-Entry for this extensive and complex Program were satisfactory.

Quality-at-Entry Rating Satisfactory

b. Quality of supervision

The fact that INAY was restructured five times during implementation is indicative of the Bank Team’s resolve to keep the Program aligned with its goals, despite hurdles posed by the pandemic and modifications to NatStrat. With respect to fiduciary aspects, the ICR reports that supervision was “stringent” (ICR, p.30) ensuring adherence to policies and in line with the substantial mitigating measures cited above (see also “Fiduciary Compliance”, below). Supervisory inputs and processes appear to have been strong, including remote monitoring and virtual meetings during COVID-19, a Mid Term Review in 2021 which was instrumental in making needed revisions to the Results framework (see Third Restructuring, under “Dates”), and a high level of TA provided throughout the Program cycle, bolstered by complementary analytical and advisory services funded through Bank-executed Trust Funds (ICR, p.31). Ten Implementation Status Reports were released over the course of the operation, described as “informative and offering clarity on the Program’s progress, challenges encountered, and the specific impacts of the pandemic” (ICR, p.30). With respect to transition arrangements, Phase 2 of INEY was



approved in June 2023, and is expected to provide continued support to the goals promoted under Phase 1, in line with the now finalized NatStrat “whole of government” approach to stunting reduction.

Quality of Supervision Rating

Highly Satisfactory

Overall Bank Performance Rating

Satisfactory

8. M&E Design, Implementation, & Utilization

a. M&E Design

INEY’s theory of change was straightforward and provided a logical underpinning for the results framework. Intermediate results indicators were adequate to capture the contribution of the Program’s activities and outputs, and although the outcome indicator on IFA consumption may have been too narrow to serve as an adequate proxy for the full spectrum of nutrition-specific interventions supported by the Program, all other PDO-level indicators were topically appropriate.

Although many DLIs were appropriately phased, clearly defined and well-aligned with outcomes, there were several (4 and 6 on delivery of nutrition sensitive ECED and IPC services, as well as 9 on village level convergence) that perhaps could have been more effective at incentivizing coordination at sub-national level. That these issues persisted despite impressive efforts on the part of the Program to facilitate convergence testifies to the challenges of multisectoral coordination on the frontlines. The ICR noted that the Program underestimated this aspect of the results chain, stating that the M&E framework “did not foresee certain coordination and implementation challenges [at district and community levels] during preparation” (ICR, p. 28). It also cited related technical weaknesses in the design of certain subnational disbursement requirements- namely complicated achievement formulas for the District Performance Index (DLI7) and the Nutrition Service Targeting Index (DLI8), as well as overly ambitious requirements for Village Scorecards (DLIs 9 and 10).

With respect to monitoring arrangements and protocol, the operation was predicated wholly on NatStrat which was itself reliant on existing data collection, budget monitoring, and planning systems. Per the PAD, data for national level indicators in the results framework were expected to be drawn from a combination of BPS surveys; Program implementation records and extant budget monitoring systems; district level indicators would draw on SUSENAS survey data, Program implementation records, and DAK reports, and village level indicators would draw on extant sector-specific data collection systems and Village Convergence Scorecards. The PAD also noted that NatStrat included a description of M&E arrangements, a detailed results framework, and an implementation plan, and stated that a comprehensive M&E Manual was underway (PAD, p.58).

Regarding verification of DLIs, as above, a detailed annual protocol was jointly endorsed by SoVP and the World Bank, with the BPKP serving as designated verification agent. Although there is no rationale provided in the PAD or ICR regarding this choice, the Bank team clarified that BPKP is an independent institution which i) stands completely separate from line ministries, ii) serves as de facto internal auditor for



the entire Gol, iii) has district level presence throughout Indonesia, and iv) is the verification agent for the entire PforR portfolio. No other VA option held this comparative advantage.

b. M&E Implementation

Although COVID-19 delayed initial data collection and monitoring efforts, implementation of the M&E framework accelerated as the pandemic receded. Routine monitoring proceeded as designed, annual reporting followed the DLI and results framework matrices, and BPKP performed smoothly as verification agent. With respect to correcting weaknesses in M&E design, each of the Program's five restructurings resulted in multiple methodological and target-oriented recalibrations to DLIs and DLRs, including as above the introduction of partial achievement levels for several DLIs, the upwards revision of the PDO indicator target on public commitments of Priority District leaders to accelerate stunting prevention, the downward revision of the PDO indicator target on Priority Districts' implementation of locally adapted IPC (an adjustment which proved unnecessary given that the original target was eventually surpassed), and the revamping of the IKPS to improve data quality and expand its coverage of stunting determinants. The Program's introduction of e-HDW is also of note, as this innovation facilitated community-based data collection and analysis.

With respect to the district and community-level coordination challenges cited by the ICR (see M&E Design), details provided to IEG by the Bank team helped clarify. These included the observation that ECED teachers at village level felt hamstrung due to a lack of designated funding for nutrition sensitive curriculum, the fact that there were not enough qualified trainers at subnational level to complete the ToT cascade, and the fact that districts' human and financial resources were often insufficient to support the labor-intensive, multi-phase requirements of the IPC approach. The Bank team also clarified that subnational shortfalls were frequently associated with a lack of support from central government, both with respect to convergence and in term of sector-specific support. This finding implies the Program likely fell short on strengthening implementation pathways between central and district level, and district to village level.

c. M&E Utilization

Utilization was constrained during the first years of the Program due to COVID-19, which slowed implementation and reduced data availability. Post-pandemic, M&E data and analysis were used continuously to inform and adjust the Program at multiple levels of government. Examples include the addition of the IPF sub-component to support HDWs, as well as the afore-mentioned introduction of partial achievement levels and other DLI recalibrations. With respect to utilization by stakeholders, SoVP, MOF, and Bappenas convened regular progress review meetings with participating sectors and government representatives; data were also used by individual line ministries and by district and village governments to track inputs, outputs, expenditures, and outcomes.

Regarding the degree to which M&E data informed subsequent interventions, INEY 2 was approved in June 2023 and builds on lessons learned by its predecessor, including addressing weak links in the implementation pathways cited above. For example, fostering a dual focus on district and village convergence actions *in conjunction* with improved quality of sector-specific services.



M&E Quality Rating

Substantial

9. Other Issues

a. Safeguards

An Environmental and Social Systems Assessment was conducted for the Program during its preparation phase. The assessment assigned a moderate risk rating for environmental impacts, related to pharmaceutical waste disposal, and proposed measures to strengthen management accordingly. The ICR reported regular monitoring of environmental and social were implemented throughout the Program. The Program was expected to contribute positively to equity and as such received a low-risk rating for social impact. Grievance mechanisms were put in place and although some issues regarding consolidating grievance records and assessing effectiveness occurred during implementation, no major issues were reported.

b. Fiduciary Compliance

Per the ICR, the fiduciary systems assessment initially rated overall risk as High due to the Program’s complex design, which was expected to pose challenges to the SoVP’s ability to effectively monitor and report on budget preparation, procurement, and execution. To mitigate these risks, as above, an additional dedicated staff person was assigned to the SoVP’s PIU, a Program Operations Manual with clear procedures and defined roles and responsibilities was prepared, and technical assistance to strengthen SoVP’s fiduciary capacity was provided. These measures demonstrated effectiveness as audit reports were received by the Bank on time with clean opinions; the overall fiduciary risk rating was reduced to substantial prior to the Mid Term Review.

c. Unintended impacts (Positive or Negative)

None reported.

d. Other

10. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Satisfactory	Satisfactory	



Bank Performance	Satisfactory	Satisfactory
Quality of M&E	Substantial	Substantial
Quality of ICR	---	Substantial

11. Lessons

The ICR (pp. 31-33) offered multiple lessons and recommendations, including the following lessons re-stated by IEG Review:

Convincing central government to commit to convergence is imperative. The Bank leveraged its global knowledge of nutrition best practices in conjunction with its experience of Indonesia’s governance structures to support a high-level coalition that was effective in fostering political will and driving reforms. The cultivation of high-level engagement also served to legitimize the Program, ensuring that the results framework and PDO were fully aligned with national priorities, and creating an enabling environment for change at all levels.

When underpinned by strong analytical work, consecutive and informed changes to an operation’s indicators are an effective way of ensuring relevance. Over the course of the Program, multiple opportunities for improvement were identified, prompting discussions and negotiations with stakeholders and consequent restructurings. This process of successive revision underscores the balance that a PforR’s M&E framework must strike: On one hand, targets and definitions cannot be adjusted to the point that the original development objective is compromised; on the other, flexibility is critical to course correction, given inevitable changes in government programs, implementation challenges, and unforeseen events.

An IPF can provide indispensable value-added to a PforR. The comprehensive technical assistance provided via IPF1 and 2 proved pivotal to facilitating implementation; bolstering the capacity of PIUs for planning and budgeting and building ownership for the convergence mechanisms that extended beyond the scope of INEY.

Successful convergence can be facilitated by simultaneous deployment of a coordinated suite of policy instruments at different levels of government. INEY provides an excellent case study of how a complex mix of policy innovations and instruments, including (but not limited to) a high-level coordinating platform, fiscal transfer and budget reforms, new mechanisms for performance monitoring and assessment, and deployment of community level “convergence facilitators” (i.e. HDWs) can move the needle in delivering interventions and reducing stunting. While the latter is not reported on in this ICRR due to its (appropriate) exclusion from the results chain, it is very much worth noting that between 2018 and 2023, stunting prevalence in Indonesia fell from 30.8 to 21.5 percent, nearly double the average annual rate from 2007. While degree of attribution is impossible given that several factors external to INEY almost surely contributed to this progress, at the very least, it is inarguable that the Program elevated the discussion around stunting, mobilized political commitment and improved implementation with its innovative approach.



12. Assessment Recommended?

No

13. Comments on Quality of ICR

The ICR's narrative generally supported the overall ICR ratings. It followed the guidelines, was internally consistent for the most part, candid, and provided a clear and detailed accounting of DLI revisions at each restructuring. It was also strongly evidence-based, drawing data not only from the Program's formal results framework but also from other sources of outcome data.

That said, there were a few moderate shortcomings. First and foremost, there was a lack of information on certain critical aspects of implementation, combined with a tendency to repeat vague assertions. This posed a problem throughout the validation as it was challenging in several sections to unpack findings regarding key challenges to Program performance. The most serious omission was with respect to the nature of ECED and IPC coordination challenges at subnational level; these issues were repeatedly cited in the ICR, but never explained. Additionally, the choice of BPKP – a government entity - as verification agent, while well-explained by the Bank team, was not addressed in the ICR. Finally, based on data provided in a communication from the region dated November 17, 2024, there were inaccuracies in actual DLI-specific disbursement amounts reported in the ICR (pp.41-50).

a. Quality of ICR Rating

Substantial