TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SESS

TA No. and Name		**Amount Approved:** $1,000,000	
TA 3176-INO: Capacity Building for Decentralized Health Services Management		**Revised Amount:** $1,000,000	
Executing Agency	**Source of Funding**	**TA Amount Undisbursed**	**TA Amount Utilized**
BAPPENAS	Asian Currency Crisis Support Facility	$109,558.01	$890,441.99

Date			**TA Completion Date**
Approval	**Signing**	**Fielding of Consultants**	**Original:** 31 July 2001 **Actual:** 31 December 2002
25 March 1999	28 April 1999	15 January 2001	**Closing Date**
			Original: 31 July 2001 **Actual**[1]**:** -

Description

Loans 1675/1676-INO: Health and Nutrition Sector Development Program (HNSDP)[2] were designed to maintain health services and well-being of vulnerable groups in Indonesia while mitigating the impact of the 1997 financial crisis on the most vulnerable segments of the population in terms of their access to health, nutrition, and family planning services. Like the technical assistance (TA) 3175-INO: Monitoring and Evaluating the Health and Nutrition Sector Development Program, this TA was also an integral part of the HNSDP package. It was intended to support Government's efforts to decentralize management of health services delivery aiming at improved efficiency and quality. The TA was responding to the significant demands being placed on district hospitals and health centers to manage and account for financial resources in the context of increasing decentralization, wider use of integrated health planning and budgeting systems, and greater local responsibility for resource and revenue management.

Objectives and Scope

The TA aimed to develop effective financial control and reporting systems (within the Government's overall budgeting and financial structure) at the district and service provider levels to ensure internal consistency and effective control and accounting of resources. The original TA outputs were to (i) develop a simple and transparent model for consolidated budgeting and financial management of districts, district hospitals, and health centers; and (ii) prepare a training program for district officers, heads of hospitals, and health centers in budget planning and management that would be implemented through HNSDP. The original scope of the TA included (i) 18 and 72 person-months of international and domestic consulting services respectively; (ii) training workshops and seminars, including development and production of manuals and materials; (iii) surveys and evaluation studies; and (iv) provision of a limited number of computers, printers, and software supporting TA implementation.

Evaluation of Inputs

ADB had been advocating increased decentralization and delegation of responsibilities within the health system for years. Sweeping changes of the political and legal environment of the project occurred only after the implementation of HNSDP had started. These changes consisted of new laws that imposed rapid decentralization of Government services on an unprepared Government bureaucracy and included substantial changes of Government structure and financial management procedures that were not yet formulated in detail. These changes made it impossible to proceed with the TA as originally designed. It became also clear that additional resources were needed for the monitoring of health sector activities. Even though monitoring challenges were greater in the health sector than in the education sector where monitoring was supported by the World Bank, Australian Agency for International Development, and other donors, it was only ADB that supported monitoring development assistance for health projects. The need for more monitoring resources and the evolving administrative reform warranted modification of the original TA implementation arrangements and terms of reference while preserving the TA's fundamental objectives and focus. Two major changes of scope made this capacity building TA 3176 complimentary to TA 3175-INO in terms of (i) supporting the monitoring of HNSDP implementation; (ii) supporting an expanded national survey to provide information on local capacities and capabilities as measured by (a) delivery and targeting of HNSDP inputs; (b) management of HNSDP resources at the provincial, district, and village levels; (c) availability, access, use, and quality of HNSDP services; and (d) the utilization and impact of the HNSDP on community and patients; and (iii) developing an exit strategy and integrating the monitoring and evaluation methods and tools in routine operations of the Government.

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[1] The TA account will be closed pending receipt of the consultants' certificate of final payment.

[2] ADB. 1999. *Report and Recommendation of the President to the Board of Directors for Proposed Loans and Technical Assistance Grants to Indonesia for the Health and Nutrition Sector Development Program.* Manila.

The EA demonstrated full appreciation of the TA and was fully supportive and cooperative in carrying out planned TA activities. ADB supervision over TA implementation was extensive and satisfactory.

Evaluation of Outputs[3]

The consultant, British Council, satisfactorily performed its duties under the TA. The expanded national sentinel sites survey was well implemented as it proved to be valuable in highlighting local capacity concerns (including training requirements) and identifying bottlenecks and constraints of the existing management and reporting system. The survey results also provided data on actual management capacity and performance of health services and provided critical inputs for the design and implementation of training programs responding directly to these constraints.

Results of the TA related to the exit strategy substantially met expectations and requirements. They triggered the commitment and support of the Government for putting in place plans to pursue further advocacy activities and capacity building for policy makers of the Government's executive and legislative branches in various districts/cities and for developing appropriate strategies in continuing health care and nutrition services for the poor.

The basic monitoring systems and monitoring tools developed and used by the TA were transferred to the Government and were complemented by training provided for Government and NGO staff. The Government is committed to the continued use and practice of independent monitoring, as demonstrated by Loan No. 1863-INO: Decentralized Basic Education, which features independent monitoring funded by loan resources as an integral part of the project design.

Overall Assessment and Rating

The TA, which essentially became an integral part of TA 3175-INO, delivered all of the outputs envisaged by its revised design. It effectively helped to ensure that (i) HNSDP resources were utilized as intended, (ii) health services provided under HNSDP reached the target beneficiaries, and (iii) utilization of the health services/facilities by the poor increased. The Consultant was also able to engender appreciation of HNSDP implementers who initially had shown reservations regarding independent monitoring activities. The Consultant helped to create the necessary acceptance of the critical role of independent monitors in ensuring effective use of HNSDP resources and in promoting transparency and accountability, and also helped to further strengthen the independent monitoring capacities of the local consultants and NGOs that were supported by the TA. The Government's commitment to the use of independent monitoring was demonstrated in the design of DBEP, which adopted the principle of independent monitoring. The TA is, therefore, rated as successful.

Major Lessons Learned

Independent monitoring adds value but is costly. While considerable resources were required to ensure that independent monitoring was carried out comprehensively it will be necessary to continue developing the Government's own capacities for effective monitoring of future development projects.

Recommendations and Follow-Up Actions

It is recommended that in future projects, the feasibility of joint as compared to independent monitoring operations be explored and adequate attention be given to develop the Government's institutional capacities for effective monitoring of development projects.

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[3] This section should be read in conjunction with the section on "Evaluation of Outputs" in the TA completion report of TA 3175-INO.