



<b>1. Project Data:</b>		<b>Date Posted :</b> 09/20/2004	
<b>PROJ ID:</b> P042540		<b>Appraisal</b>	<b>Actual</b>
<b>Project Name:</b> Id-iodine Def. Control	<b>Project Costs (US\$M)</b>	45.3	28.6
<b>Country:</b> Indonesia	<b>Loan/Credit (US\$M)</b>	28.5	18.8
<b>Sector(s):</b> Board: HE - Health (67%), Central government administration (18%), Other industry (15%)	<b>Cofinancing (US\$M)</b>		
<b>L/C Number:</b> L4125			
	<b>Board Approval (FY)</b>		97
<b>Partners involved :</b>	<b>Closing Date</b>	06/30/2002	12/30/2003
<b>Prepared by :</b>	<b>Reviewed by :</b>	<b>Group Manager :</b>	<b>Group:</b>
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<b>2. Project Objectives and Components</b>			
<b>a. Objectives</b>			
The project objective (as described in the Memorandum of the President to the Board and the Loan Agreement ) was to lower the prevalence of iodine deficiency in Indonesia through :			
(1) monitoring the extent of iodine deficiency in the community;			
(2) increasing the supply and the quality of iodized salt;			
(3) increasing the consumption of iodized salt;			
(4) targeting the distribution of iodized oil capsules; and			
(5) improving the coordination of activities among the ministries and agencies of the Borrower and the private sector related to iodine deficiency .			
<b>b. Components</b>			
The components which corresponded closely with the subobjectives of the project were :			
i) Monitoring of the iodine status of the community;			
ii) Increase in the demand for iodized salt;			
iii) Increase in the supply of iodized salt;			
iv) Targeted distribution of iodized capsules;			
v) Inter-ministerial policy and program coordination for the control of iodine deficiency diseases (IDD).			
<b>c. Comments on Project Cost, Financing and Dates</b>			
Estimated project costs at appraisal were \$ 45.3m of which \$28.6m would be from IBRD. However the 1997 Financial Crisis, consequent devaluation (80%) of the Indonesian rupiah and political upheaval led to three amendments of the loan with cancellations of \$2.5m, \$6.5m and \$0.7m in 1998, 1999 and 2001 respectively. There was no change in project objectives nor components but in the last loan amendment, part of the budget was reallocated to " district block grants" in response to Indonesia's new decentralization program . Actual project costs were \$28.6m with full disbursement of the \$ 18.8m loan. The project was extended by 18 months and closed on 12/30/2003.			
<b>3. Achievement of Relevant Objectives:</b>			
The project was able to achieve its overall objective despite having to reduce its scale and scope of activities due to the financial crisis and subsequent political unrest . Only thirty-five percent reduction in total goitre rate (TGR) in highly endemic provinces was achieved (against 50% planned) but some provinces exceeded this target (52-57% reduction). (Problems with the comparability of the sample population groups are discussed below .) Nonetheless considerable progress was made on four subobjectives : systematic monitoring (surveys and mapping) of iodine status by all provinces and interministerial coordination and collaboration for IDD were fully met, while the consumption and supply of iodized salt fell slightly below what was planned . Targeted distribution of iodine capsules, however, reached only 33% of the intended 60% of high risk women and children .			
<b>4. Significant Outcomes/Impacts:</b>			
<ul style="list-style-type: none"> <li>Project successfully adjusted to operating within a decentralized mode of government with the establishment of an IDD district block grant system enabling district level government to plan, implement and monitor IDD activities. Districts under this system outperformed others in terms of community iodine status and the</li> </ul>			

knowledge, attitude and practice of their salt farmers /producers /communities with respect to IDD . Effectiveness of the block grant in capacity building of local government was substantial, and some districts and provinces have pursued legal reform to outlaw production and sale of non -iodized salt.

- Project emphasized the importance of M&E, with explicit targets and performance benchmarks adopted at appraisal, facilitating program management by both central /local government and stakeholders . Local level monitoring and evidence-based social enforcement of the retail sale of iodized salt elevated community awareness and commitment to IDD control . In particular, 50% of the districts under the block grant system, have increased local budgets for IDD control after the project closed .
- Borrower comments commend the positive innovations achieved by the project with respect to the use of M&E in the design of effective health policy, increased local government commitment to sustaining the IDD control program, and best practices in program management that have been adopted by local government .
- The benefit/cost ratio of the project is 30:1, higher than that estimated by the SAR.

**5. Significant Shortcomings (including non-compliance with safeguard policies):**

- While the overall M&E system was well designed, measurement of IDD prevalence indicators were not done on the same sample population group which limits/complicates their comparability . At project start, TGR was estimated from both school children and pregnant women, while at project end, only school children were measured. Likewise, IDD prevalence estimated from urinary iodine excretion (UIE) in 1996 was carried out on pregnant women while in 2003 UIE was carried out from school children .
- At project start there was lack of programmatic focus resulting in diffused coverage and complex project management (Borrower comments pg.20) which were ultimately resolved after the project scope was reduced in 2000 and selected districts were prioritized . Some high priority districts/provinces in the more remote eastern part of Indonesia (NTT and Maluku) may have been "disadvantaged" as a result.
- Given the importance of the salt iodization process to project objectives, project design should have paid greater attention to ensuring that the key chemical, potassium iodate, was widely available and of the right packaging size, to salt manufacturers throughout Indonesia, and particularly in the highly endemic IDD areas . Good supervision however led to rectification of the situation .

6. Ratings :	ICR	OED Review	Reason for Disagreement /Comments
<b>Outcome :</b>	Satisfactory	Satisfactory	
<b>Institutional Dev .:</b>	Substantial	Substantial	
<b>Sustainability :</b>	Likely	Likely	
<b>Bank Performance :</b>	Satisfactory	Satisfactory	
<b>Borrower Perf .:</b>	Satisfactory	Satisfactory	
<b>Quality of ICR :</b>		Satisfactory	

NOTE: ICR rating values flagged with '\*' don't comply with OP/BP 13.55, but are listed for completeness.

**7. Lessons of Broad Applicability:**

- The project design (M&E system) which provided for good data collection, analysis and use, enhanced project management and effective health policy making .
- Central block grants to local (district level) proposals against set criteria, proved to be a very successful decentralization mechanism, building both institutional capacity in local government and their commitment to sustaining project initiated activities after project completion .
- Social enforcement activities involving women's groups and NGOs are good options in the absence of an effective legal environment. This is particularly true if their activities and findings are disseminated through advocacy workshops with government officials and parliamentarians .

**8. Assessment Recommended?**  Yes  No

**9. Comments on Quality of ICR:**

The ICR was comprehensive and of good quality overall . Borrower comments were very helpful . Given the close collaboration with UNICEF (which sits on the Coordinating Committee) and the project's own expansion of select IDD activities initiated by UNICEF, it would have been beneficial to solicit their comments as well .