

Final Draft
[15 June 2014]

**Unit Cost and Expenditure Analysis for Holistic Integrative Early Childhood
Development in Nusa Tenggara Timur**

Submitted to

UNICEF Indonesia

by

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Commissioned by UNICEF Indonesia July-Dec 2013

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Executive Summary

This research assesses the unit cost and expenditure on holistic-integrative early childhood development (HIECD). HIECD is a multi-dimensional concept comprises of health, education and child rights concepts. The National Strategy of HIECD in 2008 incorporates at least selected 7 health related variables (i.e. mortality rate of infant and children under five; Malnutrition rate and poor nutrition prevalence; Immunization coverage; Access to vitamin A (measured by percentage of children consuming Vitamin A); Exclusive breastfeeding coverage; and attendance of skilled health workers (Nakes) at child births as well as status of Bumil's malnutrition. The education variables include access to ECD services (measured by percentage of registered children in ECD services) and level of dropout rate for Grade 1 – 4 at primary school level.

Based on the findings, total expenditure of Sikka district government in 2012 and 2013 were Rp. 625 billion and Rp. 679 billion (or US\$ 62.5 m and US\$ 65 m) subsequently. While the total local government expenditure (APBD) on HIECD in the same period were Rp. 14.6 billion (in 2012) and Rp. 16.8 billion (in 2013). Therefore the proportion of the HIECD expenditure were 2.3% (2012) and 2.5% (2013).

Therefore that the average expenditure on HIECD in proportion to the total APBD over during 2012/2013 is raftly 2.3%. There is a consistent increase in health and education expenditure in Sikka over the last few years. Health expenditure has been increased 300% from US\$ 9/capita in 2003 to US\$ 27/capita in 2012. While education expenditure has also increased more than triple from US 21/capita (in 2003) to US\$ 67/capita in 2012. This has been consistent with the increase in all total expenditure which is almost triple as it increases from US\$ 69/per capita in 2003 to US\$ 198/capita in 2012. If both the health and education expenditure are combined, it is clear that the expenditure increases from US\$ 30/per capita in 2003 to US\$ 94 per capita in 2012. This is a reflection of a consistent growth of local expenditure (APBD) where it increases from about US\$ 38.4 million in 2007 to US\$ 62.5 million in 2012. However the growth in the overall expenditure has not occurred when the HIECD expenditure is examined from this research.

The findings suggest that the composite unit cost based on the total expenditure in 2012/2013 from both the local government and the local communities equals Rp. 894,678/child (US\$ 80/child). This assumes that all the expenditure is equally spent on every child which is not true. If there is no community (and non-governmental support) the unit cost will only equal Rp. 409,143/child (or US\$ 40/child). This suggests that the overall expenditure from the local committees are higher than the local government. Therefore it can be concluded that there is a big gap in the per capita expenditure (of health and education) with the real or actual expenditure on early childhood education. The gap is about US\$ 54 per child per year. Volatility in Sikka government commitments to HIECD is in fact reflected in the budget. In addition, it was found that HIECD as a concept is no longer known (if it ever known) to Sikka District officials, and its relevance is no longer considered by the local government. There is a real need to reintroduce this concept to the authorities in Sikka District in particular to those who are relevant to the HIECD's program.