Global Vaccine Action Plan

Secretariat Annual Report 2016

Priority Country report on progress towards

GVAP-RVAP goals

INDONESIA

A. Progress towards achievement of GVAP goals

1. Summary

This summary table describes the current situation in Indonesia regarding achieving the GVAP goals. Data used to assess progress towards achievement of GVAP goals can be found in the annex.

Area	Indicator	Indonesia
10. Government expenditure on routine immunization per live birth (USD)	**Baseline 2010-2011 and average for 2013-2015 (% change)**	**13.2 to 10.7 (-19%)**

2.1 Government financing of immunization

The Government of Indonesia covers the vast majority of expenditures for the immunization program, including the cost of all traditional vaccines, co-financing for new vaccines, all cold chain and logistics costs, and most EPI personnel costs. In 2014, central government expenditures accounted for 90.6% of total estimated expenditures for the program ($140 million out of $154.7 million).[1] Most of the remaining 9% was financed by GAVI ($14.3 million), mainly to cover 50% of the cost of pentavalent vaccine, 16% of the cost of AD syringes, and activities implemented through the HSS grant.[2] As the country is graduating from GAVI support in December 2016, it will pick up 100% of the costs of pentavalent vaccine and injection supplies starting in 2017 and the HSS grant will end. However, GAVI will provide "exceptional catalytic support" to the country for the introduction of new vaccines by co-financing the vaccine costs for the targeted JE campaigns and the measles-rubella SIAs in 2017, as well as a two-year demonstration of HPV vaccination planned for 2017 and 2018. GAVI will also continue to co-finance the recently-introduced IPV vaccine up to 2018.

[1] GAVI Annual Progress Report 2014
[2] Joint Appraisal Report 2015

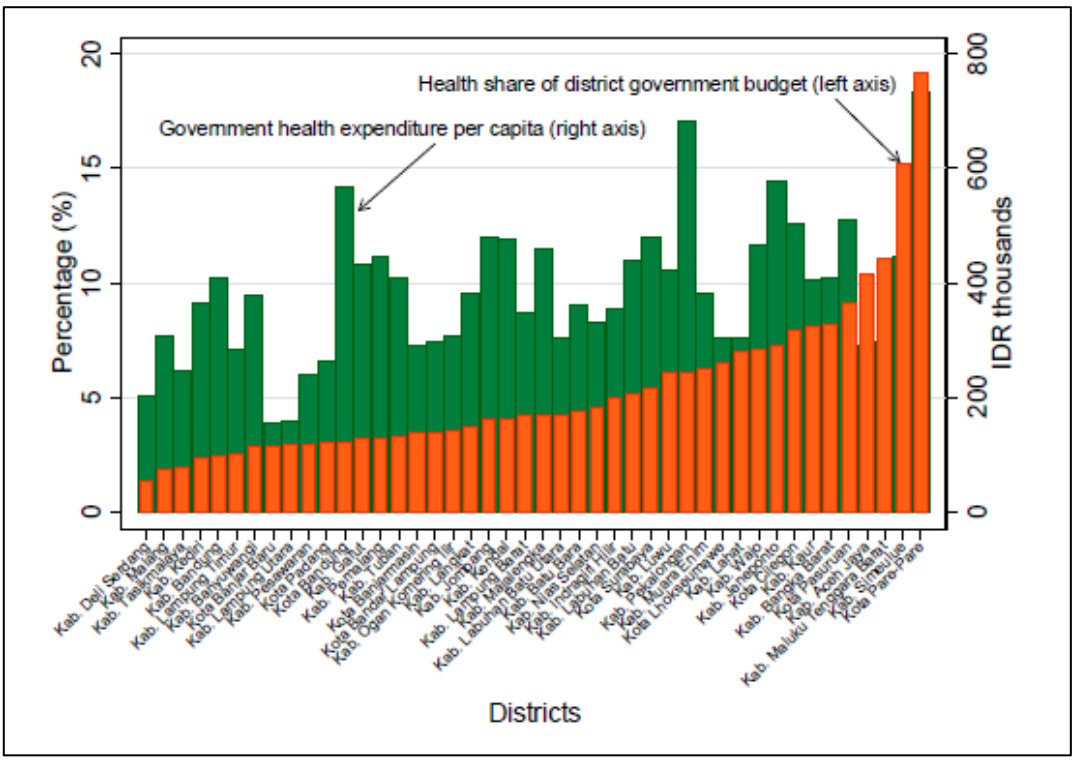
The Government has a history of making its co-financing payments in full and on time and for fully paying for traditional vaccines and other essential supplies and equipment for the immunization program.

The main issues regarding immunization financing in Indonesia are insufficient government funding for health, the great variation in health spending at the local level since the government was decentralized, and the lack of guaranteed funding at the local level for the delivery of immunization services. Although the central government is required by law to allocate at least 5% of its budget to health, health expenditures each year make up only around 2% of total government spending.[3] In addition, since decentralization in 2001, half of national government expenditures on health occur at the district level, using block grants that districts receive from the central government to pay for health and other public services. The district governments are responsible for managing and covering the costs of health services in their area, including the costs of operating health centers and village health posts, and all the operational costs associated with service delivery, including transportation, cold chain maintenance, and so forth. It is up to the district government officials to decide how to allocate the block grant funds and, while they are mandated to spend at least 10% on health (excluding salaries), there is no means of enforcing or monitoring this rule. In fact, less than half (48%) of districts included in a World Bank health financing assessment spent 10% or more of their funds on health in 2013, and it ranged from 3% to over 18% (see orange bars in Figure 1).[4] There is also no guaranteed amount or earmarking of funds for immunization services. The consequence of these factors – insufficient government health spending and a lack of guaranteed funding for health or immunization at the local level – is that available funding for many key immunization activities, such as default tracking, supervision, VPD surveillance, monitoring and evaluation, and transport is inadequate in many districts.[5]

The Government is in the process of expanding its national health insurance program (JKN) in the aim of providing universal health coverage to all of its citizens (with premiums for the poor and non-poor heavily subsidized) under a single payer insurance scheme. The Government contracts with both public and private health facilities to provide health services, including routine immunization, to beneficiaries and pays the facilities on a capitation basis (i.e., per beneficiary). This should increase not only the Government's overall health spending, but also the funds that health facilities have to deliver preventive health services, such as immunization. However, the JKN benefits package is not at present clearly defined, causing confusion among health providers about whether preventive health services are covered. This has reportedly led to some public sector health facilities to no longer offer immunization services or to charge a user fee for vaccinations.[6] The World Bank is working with the JKN to improve the design of the program and to ensure the inclusion of immunization and other preventive health services by developing a well-defined benefits package and exploring performance-based payments to providers (e.g., based on immunization coverage results).

[3] World Bank Group. Issues affecting sustainability of the immunization program in Indonesia. Presentation February 18, 2016.
[4] World Bank. Health Financing System Assessment: Indonesia, 2016.
[5] World Health Organization. Joint national and international EPI and VPD surveillance review, Indonesia, 2014.
[6] World Bank Group. Issues affecting sustainability of the immunization program in Indonesia. Presentation February 18, 2016.

Figure 1: Share of government budget for health and per capita spending across 44 districts, 2013



ANNEXES

- % of total expenditures on vaccines financed by government funds: 78