CASE STUDY: PNPM GENERASI

Measuring the effects of conditionality in community block grants

Thinking about measurement and outcomes

This case study is based on: "Should Aid Reward Performance? Evidence from a Field Experiment on Health and Education in Indonesia" by Benjamin Olken, Junko Onishi and Susan Wong.

J-PAL thanks the authors for allowing us to use their paper.

KEY VOCABULARY

Counterfactual: what would have happened to the participants in an intervention had they not received the intervention. The counterfactual cannot be observed from the treatment group; can only be inferred from the comparison group.

Hypothesis: a proposed explanation of and for the effects of a given intervention. Hypotheses are intended to be made *ex ante* or prior to the implementation of the intervention.

Impact: the true impact of the intervention is the difference in outcomes between the treatment group and its counterfactual. This is estimated by measuring the difference in outcomes between treatment and comparison groups.

Indicators: metrics used to quantify and measure specific short-term and long-term effects of a program

Logical Framework: a management tool used to facilitate the design, execution, and evaluation of an intervention. It involves identifying strategic elements (inputs, outputs, outcomes, and impact) and their causal relationships, indicators, and the assumptions and risks that may influence success or failure.

Theory of Change: describes a strategy or blueprint for achieving a given long-term goal. It identifies the preconditions, pathways, and interventions necessary for an initiative's success.

INTRODUCTION

Facing poor infrastructure and systemic inefficiencies, many developing countries struggle to improve the utilization of social services by their citizens. Following the success of Conditional Cash Transfer (CCT) programs such as Mexico's PROGRESA (now called Oportunidades)—which delivered cash payments to poor families conditional on schooling and regular healthcare visits—many countries have implemented CCT programs in the hopes of both increasing family income and stimulating demand for maternal and child health services and education. However, interventions that focus on increasing demand for social services may be inappropriate in some developing countries where adequate health and education services are not in place for beneficiaries to use. In such environments, programs that directly address both the supply- and demand-side constraints may be more appropriate.

BACKGROUND

While Indonesia has achieved remarkable progress in key human development indicators, infant mortality, child malnutrition, maternal mortality, and educational learning quality have remained problematic challenges. For example, a 2007 World Bank survey indicated that only 69 percent of childbirths were delivered by a trained midwife, 68 percent of children had been immunized, and 17.3 percent of children were malnourished. Furthermore, rural and remote areas suffer from lower health and education outcomes, revealing large geographical disparities within the country.

In order to tackle these challenges, in 2007 the Government of Indonesia launched a conditional cash transfer (CCT) program, which offers families cash grants conditional on attendance at school or preventive health visits. Through this program, the GoI aims to improve maternal child health (MCH) and education by encouraging use of and demand for such services.

To tackle the supply side of this issue, that is the provision of these health and education services, the GoI launched an incentivized community block grant program, PNPM Generasi (the National Community Empowerment Program – Healthy and Smart Generation). This program, which can be used to fund programs or activities aimed at improving child health and education in rural villages, piggybacked on the Kecamatan Development Program (KDP)/PNPM, a community-driven development program that was already in place in Indonesia since 1998. The focus of PNPM Generasi on supporting health and education made it different from PNPM Mandiri.

THE INTERVENTION

Generasi provides community block grants that can be used for any activities aimed at improving maternal and child health and education in the village. In the first year of the program, the block grants average US$8,500 per village.

As part of the program, facilitators and service delivery workers work with villagers to conduct a social mapping and participatory planning exercise to decide how best to use the block grant funds to reach 12 targeted health and education indicators, listed below.

PERFORMANCE INDICATORS[1]

Generasi targets 12 indicators as key markers of progress towards long-term improvements in health and education:

HEALTH	EDUCATION
1. Prenatal care visits	1. Primary school enrollment
2. Distributing iron tablets to pregnant women	2. Primary school attendance
3. Childbirths with trained midwives	3. Middle school enrollment
4. Postnatal care visits	4. Middle school attendance
5. Immunization	
6. Consistent infant weight gain	
7. Monthly weight checks	
8. Distributing vitamin A pills to children	

To encourage communities to focus on the most effective policies, the Generasi program includes an incentive component in the form of an explicit performance bonus. That is, the amount of the village's block grant for the following year will vary and depend partly on the village's performance on the 12 targeted indicators.

To monitor achievement of the health indicators, facilitators collect data from health providers and community health workers, while school enrollment and attendance data are obtained from the official school register.

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[1] In 2014, the indicators were revised to place a larger emphasis on health and nutrition

EVALUATION DESIGN

Your evaluation team has been entrusted with the responsibility to estimate the impact of quotas for women in the village councils. Your evaluation should address all dimensions in which quotas for women are changing local communities in India. What could these dimensions be? What data will you collect? What instruments will you use?

As a first step you want to understand all you can about the quota policy. What needs did it address? What are the pros and cons of the policy? What can we learn from it?

Discussion Topic 1
Needs

1. What kind of communities does this program target?

2. What are the challenges faced by these communities?

3. What differences might we see in urban villages, or villages with better health and education indicators?

Discussion Topic 2
Program Theory

1. What are the main characteristics of the Generasi program?

2. How might the Generasi program encourage the village to improve the health and education indicators of its community? How might the incentive component improve the community's health and education?

3. What are the potential challenges? Why and how might the program fail?

Discussion Topic 3
Outcomes and Indicators

1. What are the possible positive, negative and null effects of the intervention on health and education outcomes?

2. List the indicators you would use to measure these outcomes. Think about shorter- and longer-term indicators and those other than the 12 health and education indicators.

Discussion Topic 4
Defining the Hypothesis

1. What might be some examples of key hypotheses you would test? Pick one.

2. Which indicators would you use to test your primary hypothesis?

Discussion Topic 5
Formalizing the Theory of Change

1. What are the steps or conditions that link the Generasi program to the expected final outcomes?

2. What indicators should you measure at each of these steps?

Discussion Topic 6
Designing an Evaluation

1. What methodology would you employ to evaluate this program? (More than one method may be possible; however, discuss just one method.)

2. In your evaluation, what represents the counterfactual?

3. What are the limitations of this method? What are the advantages?