İNDONESİA

THE EXPERİENCES OF **TNP2K** İN THE İNSTİTUTİONAL SYSTEM OF SSN/ SOCİAL ASSİSTANCE PROGRAMS: REFORMS AND CHALLENGES
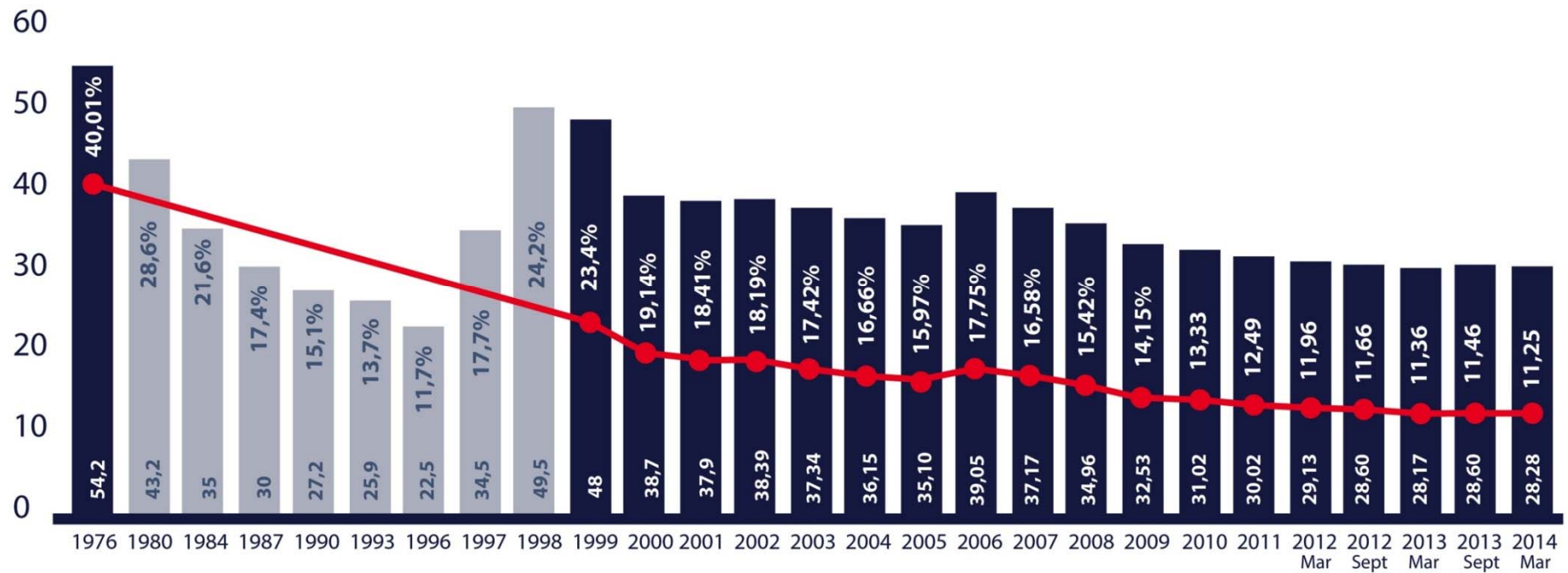
SRI KUSUMASTUTI RAHAYU
HEAD OF SOCIAL ASSISTANCE TASK FORCE TEAM
THE NATIONAL TEAM FOR THE ACCELERATION OF POVERTY REDUCTION (TNP2K)

4TH COMCEC MEETING, ANKARA, 18 SEPTEMBER 2014

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OUTLINE

- Poverty in Indonesia
- Poverty Reduction and SSN/Social Assistance Programs
- TNP2K's role
  - About TNP2K
  - What is the role of TNP2K in the SSN system?
  - What are the efforts of TNP2K towards ensuring coordination among the institutions in the SSN system?
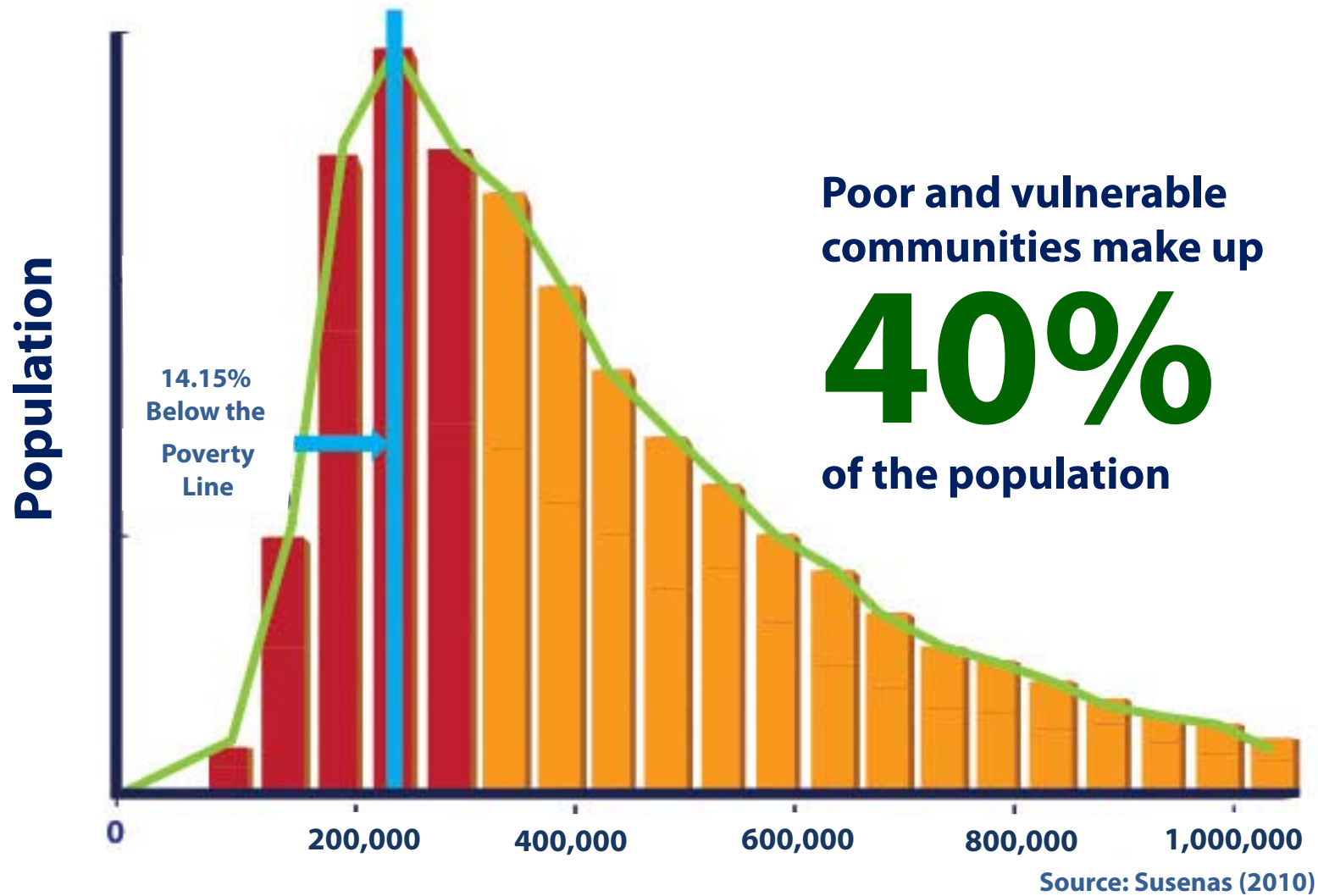 - Challenges

Chart showing poverty levels in Indonesia, 1976–2014. Bars show number of poor people (millions), red line shows poverty rate (%).

Year	Poverty Rate (%)	Number (millions)
1976	40,01%	54,2
1980	28,6%	43,2
1984	21,6%	35
1987	17,4%	30
1990	15,1%	27,2
1993	13,7%	25,9
1996	11,7%	22,5
1997	17,7%	34,5
1998	24,2%	49,5
1999	23,4%	48
2000	19,14%	38,7
2001	18,41%	37,9
2002	18,19%	38,39
2003	17,42%	37,34
2004	16,66%	36,15
2005	15,97%	35,10
2006	17,75%	39,05
2007	16,58%	37,17
2008	15,42%	34,96
2009	14,15%	32,53
2010	13,33	31,02
2011	12,49	30,02
2012 Mar	11,96	29,13
2012 Sept	11,66	28,60
2013 Mar	11,36	28,17
2013 Sept	11,46	28,60
2014 Mar	11,25	28,28

Despite the long trend of declining level of poverty, this declining rate has slowed down during the recent years

There are 28.28 million people below the poverty line (March 2014)

Source: Bambang Widianto, TNP2K, 2014

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Population

14.15%
Below the
Poverty
Line

Poor and vulnerable
communities make up

40%

of the population

0   200,000   400,000   600,000   800,000   1,000,000

Source: Susenas (2010)

Monthly Consumption per Capita (IDR)

Source: Bambang Widianto, TNP2K, 2014

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EVOLUTION OF ORIENTATION ON THE POVERTY REDUCTION POLICY

- In the past, there was no or relatively few policies targeted directly for the "poor".

- The Strategy was to deliver a broad economic growth policy, combined with the development of rural infrastructures.

- While such approach had been quite successful in reducing poverty, many among the poor had been excluded from the development outcomes.

- The economic crisis showed how the lack of a social safety net and social protection left the poor exposed to economic shocks.

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EVOLUTION OF ORIENTATION ON THE POVERTY REDUCTION POLICY

- The Government's approach towards policy alleviation has shifted from general economic development policies to more targeted policies

- Democracy and openness have brought the poverty issue from a merely limited, academic discourse to a significant political issue

- More targeted programs and efforts to build social insurance have been developed after the crisis

EVOLUTION OF POVERTY AND SOCIAL PROTECTION PROGRAM

- Before the Crisis:
  - ➡ Most efforts were mainly non-targeted (general price subsidies)
  - ➡ Rural development (such as BIMAS, KUK, massive school and health facilities development), which later became region-targeted (IDT)

- During the Crisis:
  - ➡ Targeted but reactive measures under safety net umbrella (cash for work, rice for the poor, health for the poor and scholarships), all designed to secure the consumption level of the poor

THREE CLUSTERS OF POVERTY REDUCTION PROGRAMS IN INDONESIA

Cluster 1: Family-based integrated social assistance programs

Unconditional cash transfer, conditional cash transfer, rice for the poor, scholarship for poor families, helath insurance for the poor

Cluster 2: Community-based social assistance program

Program Nasional Pemberdayaan Masyarakat (PNPM Mandiri), or the national program for community self-empowerment

Cluster 3: Development of micro and small enterprises

People's credit

KEY HOUSEHOLD/FAMILY/INDIVIDUAL-BASED SOCIAL ASSISTANCE AND HEALTH INSURANCE

Programs	BLSM UCT (Fuel Subsidy Reduction)	Raskin Rice for the Poor	BSM Education	PKH CCT	Jamkesmas/ PBI-BPJS Health Insurance
Type of Assistance	Cash transfer (2013)	Rice subsidy	Cash transfer	Cash transfer	Health services and free premium
Beneficiaries	Bottom 25%	Bottom 25%	Bottom 25%	The Poorest (Bottom 7%)	Bottom 36%
Number of Beneficiaries	15.5 million households	15.5 million households (2013, 2014)	16.6 million students(2013) & 13 million students	3.2 million HHs/families (up to 2014)	86.4 million people
Benefit Amount	Rp150,000 per month for 4 months (2013)	15 kg per month	Rp450,000 (SD/MI) Rp750,000 (SMP/MTs) Rp1,000,000 (SMA/SMK/MA) per year	Between Rp800,000 - Rp2,800,000 per year	Unlimited
PIC	Ministry of Social Affairs	Raskin Coordinating Team	Min. of Education &Culture, Min. of Religious Affairs	Ministry of Social Affairs and other minisitries	Ministry of Health/ BPJS

MINOR HOUSEHOLDS/FAMILIES/INDIVIDUAL BASED-SOCIAL ASSISTANCE AND HEALTH INSURANCE

Programs	Cash Transfer for the Elderly (ASLUT 2012)	Transfer for People with Disability (ASPACA 2012)	Disadvantaged/ Neglected Children (PKSA)	Child Labor (PPA-PKH)
Type of Assistance	Cash Transfer	Cash Transfer	Cash Transfer and Shelter	Cash Transfer and Shelter
Beneficiaries	Poor (Bed-ridden)	Poor	Poor	Poor
Number of Beneficiaries	26,500 people	22,000 people	138,000 kids	11,000 kids
Benefit Amount	Rp300,000 per month	Rp300,000 per month	Rp1.5 million per year	Rp1.5 million per year
PIC	Ministry of Social Affairs	Ministry of Social Affairs	Ministry of Social Affairs	Ministry of Manpower and Transmigration
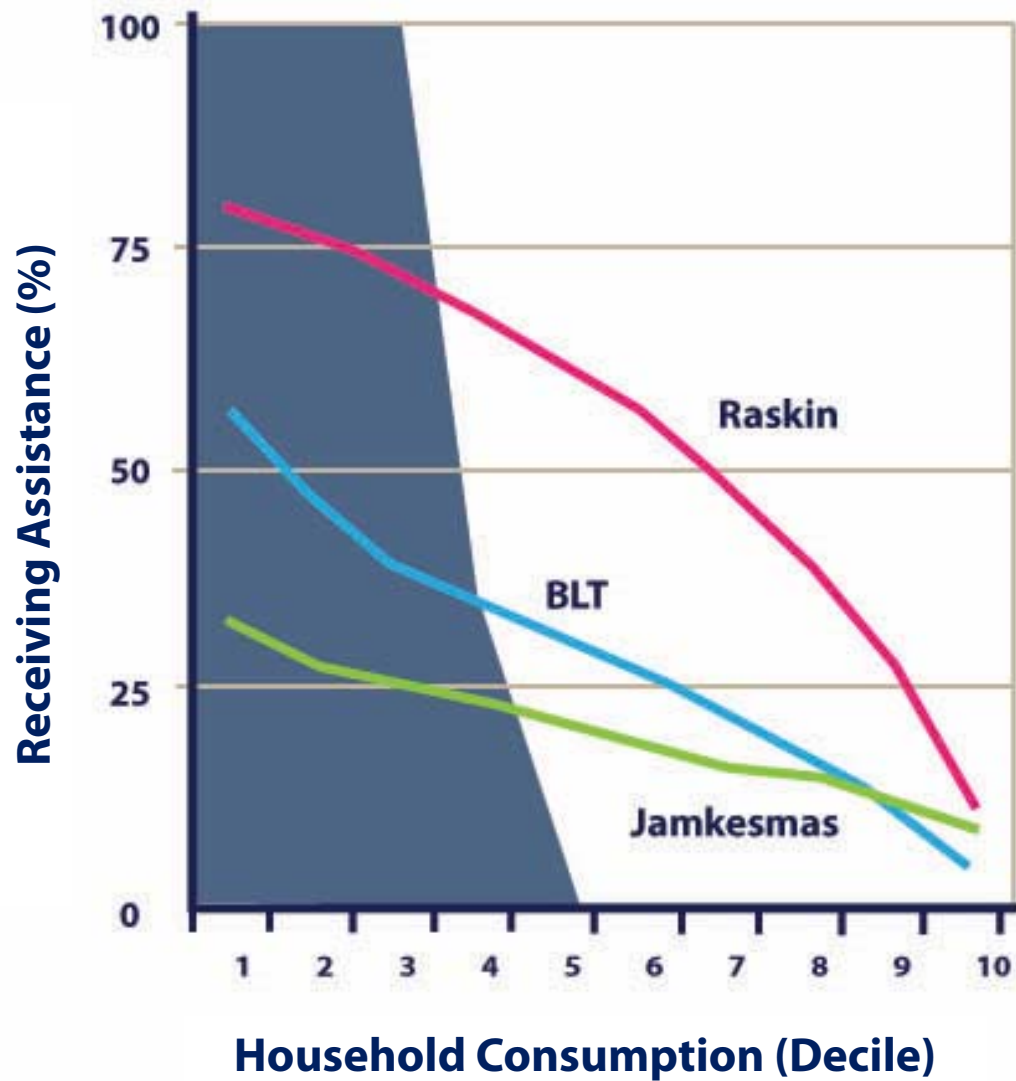
Only **30%** of the poor people received

Raskin   BLT   Jamkesmas

Source: Bambang Widianto, TNP2K, 2014

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NATIONAL TEAM **FOR THE ACCELERATION OF POVERTY REDUCTION**

- Presidential Regulation No. 15/2010 on the Acceleration of Poverty Reduction.

- The presidential regulation is to support SBY-Boediono's Vision-Mission on reducing the poverty level to 10-11% by the end of 2014.

TASKS OF THE NATIONAL TEAM

Together with the implementing agencies:

a. Design, plan and do budgeting for poverty reduction policies and programs;

b. Synergize, synchronize, harmonize, and integrate poverty reduction policies and programs;

c. Supervise and control the implementation of poverty reduction programs and activities.

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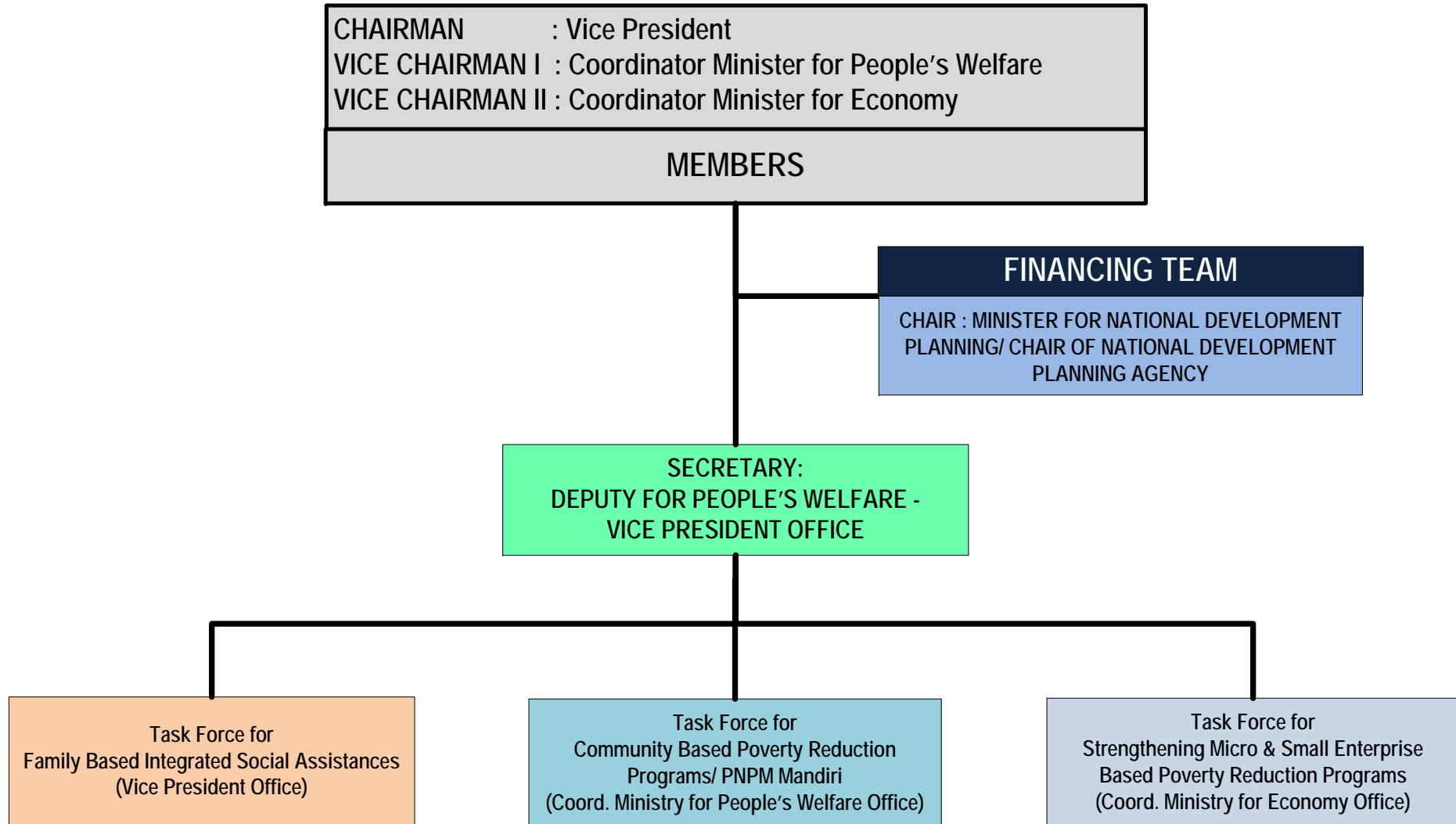TIM NASIONAL PERCEPATAN
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MEMBERS OF THE NATIONAL TEAM

- Chairman : Vice President

- Vice Chairman I : Coordinating Minister for the People's Welfare

- Vice Chairman II : Coordinating Minister for Economy

- Executive Secretary : Deputy for Social Welfare and Poverty Alleviation, Office of the Vice President

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MEMBERS OF THE NATIONAL TEAM

1. Minister of Home Affairs
2. Minister of Finance
3. Minister of Social Affairs
4. Minister of Health
5. Minister of Education and Culture
6. Minister of Public Works
7. Minister of Small and Medium Enterprises
8. Minister of Disadvantaged Areas Development
9. Minister of National Development Planning
10. Head of the Presidential Working Unit for Development Supervision and Control
11. Cabinet Secretary
12. Head of the Central Statistics Bureau
13. Communities, enterprises, and stakeholders as determined by the Chairman

STRUCTURE OF THE NATIONAL TEAM FOR THE ACCELERATION OF POVERTY REDUCTION

CHAIRMAN : Vice President
VICE CHAIRMAN I : Coordinator Minister for People's Welfare
VICE CHAIRMAN II : Coordinator Minister for Economy

MEMBERS

FINANCING TEAM

CHAIR : MINISTER FOR NATIONAL DEVELOPMENT PLANNING/ CHAIR OF NATIONAL DEVELOPMENT PLANNING AGENCY

SECRETARY:
DEPUTY FOR PEOPLE'S WELFARE - VICE PRESIDENT OFFICE

Task Force for
Family Based Integrated Social Assistances
(Vice President Office)

Task Force for
Community Based Poverty Reduction Programs/ PNPM Mandiri
(Coord. Ministry for People's Welfare Office)

Task Force for
Strengthening Micro & Small Enterprise Based Poverty Reduction Programs
(Coord. Ministry for Economy Office)

TNP2K SHORT-MEDIUM TERMS PRIORITIES:

1. Creating a National Targeting System/Unified Database for Social Protection Programs

2. Improving the implementation of Health Social Assistance for Poor Families (*Jamkesmas*)

3. Improving the implementation and expansion of the coverage of *Program Keluarga Harapan* (CCT)

4. Integrating other Community Empowerment Programs into PNPM

5. Developing Roadmap for the Financial Inclusion System for Accelerating Development and Poverty Reduction

TNP2K ROLES IN SSN/SOCIAL ASSISTANCE PROGRAMS: SOME EXAMPLES

PROGRAM KELUARGA HARAPAN - PKH
A Conditional Cash Transfer Program

PKH is a social protection program that provides cash transfers to the Poorest Families that meet the program conditions
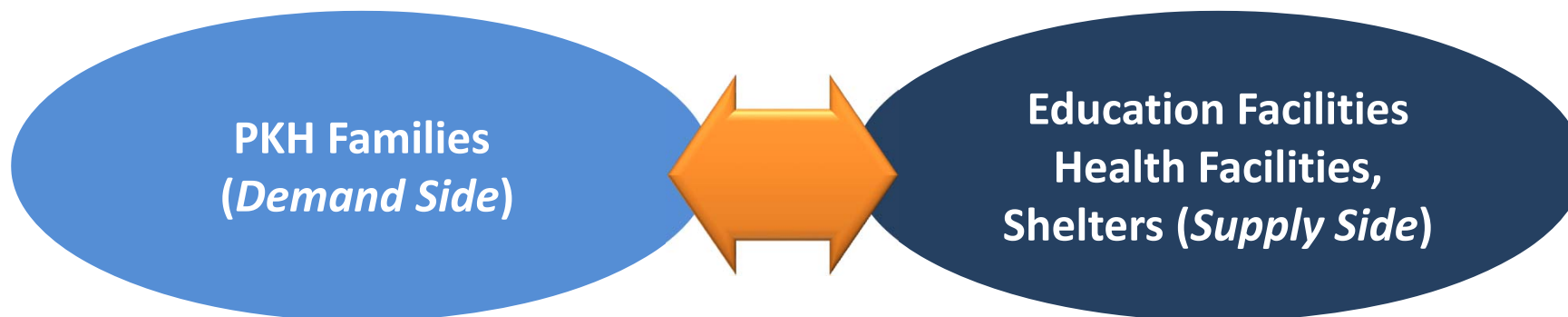
Conditions:
- Pregnant mothers receiving pre-natal check-ups, newborns and toddlers receiving post-natal care and health check-ups.
- Children (6-18 years old) enrolled at primary and/or junior secondary schools with a minimum attendance of 85% of school days.

No requirement/condition on how beneficiaries should spend the cash transfer received.

CENTRAL-LEVEL INSTITUTIONAL STRUCTURE OF PKH

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Technical Support

Service Support

Implementation Unit of PKH

Data Supply
BPS & TNP2K

Identity Card
Ministry of Internal Affairs

Socialization
Related
Ministries/Agencies

Budget
Ministry of Finance

Health
Ministry of Health

Education
Min. of Educ and Culture
Min of Religious Affairs

Shelter for child workers
Ministry of Manpower

Shelter for Street Children
Ministry of Social Affairs

PKH AS A NATIONAL PROGRAM

PKH Families
(*Demand Side*)

**Education Facilities
Health Facilities,
Shelters (*Supply Side*)**

Ministry of Social Affairs

- Ensures the willingness of families to participate in the Program
- Provides Facilitation, Compliance Monitoring and Payment

Ministry of Internal Affairs

- Facilitates the issuance of Identity Card
- Ensures local government's commitment to implement PKH

Ministry of Education and Culture, Ministry of Religious Affairs, Ministry of Health

- Provide Health and Education Services
- Record attendance in education/health facilities for compliance verification → additional tasks for staff of health/education facilities

Ministry of Manpower and Transmigration

- Provides shelter services for street children and child workers

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ROLES OF MINISTRIES AND AGENCIES IN TECHNICAL SUPPORT AT NATIONAL LEVEL

EXAMPLE: PKH

Ministry of National Development Planning/Bappenas

- Provides budget allocation
- Monitors and evaluates PKH performance and other related social protection (include SSN/Social Assistance programs)

Ministry of Finance

Facilitates the allocation and timely disbursement of funds

Secretariat of TNP2K

- Provides data of potential PKH beneficiaries
- Improves coordination between PKH/Min. of Social Affairs and other related ministries
- Ensures implementation of policy on complementary programs
- Ensures implementation of expansion of the coverage
- Ensures implementation of the exit strategy and PKH Recertification
- Improves program implementation
- Ensures monitoring and evaluation:
  - Analysis of MIS; PKH Endline

TNP2K POLICY FOR PKH

- Use of the Unified Database for PKH Beneficiaries
- Expansion of the Coverage
- Complementary Programs: PKH-BSM-Raskin-BPJS
- Exit Strategy and Recertification
- Family Development Session
- Monitoring and Evaluation:
  - Analysis of MIS; PKH Endline
- Evidence-based Policy:
  - Pilot activities: improving health and nutrition, using branchless banking.
  - Studies: graduation studies.

TNP2K POLICY FOR RICE FOR THE POOR (RASKIN)

- Use of the Unified Database for Raskin Beneficiaries
- Updating of Raskin Beneficiaries through the Community Meeting and Electronic Application System
- Complementary Programs: Raskin-BSM-BPJS
- Piloting of Policy Initiatives: Cards, alternative rice distribution
- Issuance and Use of the Social Protection Card to Access Raskin
- Grievance/Complaint Handling System
- MIS Development
- Monitoring and Evaluation:
  - Susenas, web-based instrument

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Started 2013

25% of households with the lowest socio-economic status or **15.5 million** poor and near-poor households.

For accessing:
BLSM, BSM, Raskin and the JKN card

TNP2K POLICY FOR THE CASH TRANSFER FOR STUDENTS FROM POOR HOUSEHOLDS (BSM)

- Household-based Targeting (previously: school-based targeting)
- Use of the Unified Database for BSM Beneficiaries
- Complementary Programs: BSM-PKH-RASKIN
- Use of the Social Protection Card to Access BSM
- Grievance/Complaint Handling System
- MIS Development
- Monitoring and Evaluation:
  - Susenas, study, web-based instrument

NATIONAL TARGETING SYSTEMS
USING THE UNIFIED DATABASE

Eligibility criteria for social assistance program

Set by each program. For example, for PKH, the criteria were set by the Minister of Social Affairs: extremely poor households with elementary school-aged children or pregnant mothers.
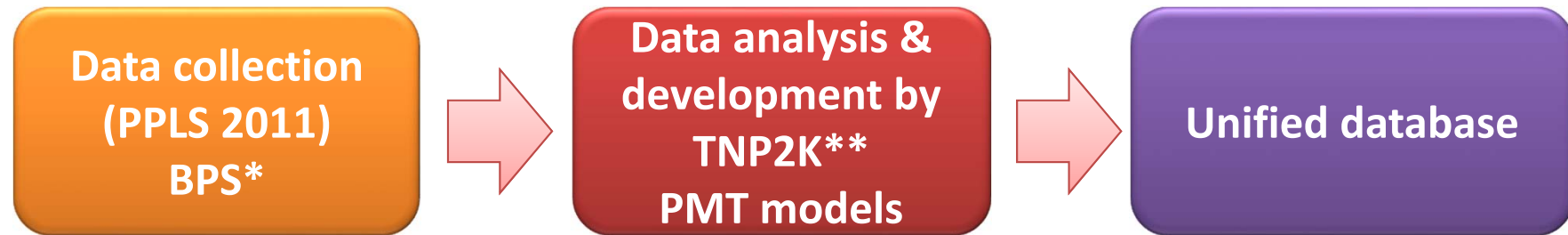
Unified Database for social assistance

Data by name and address. Contains information on the bottom 40% of the population.

Beneficiary list for social assistance programs

Names and addresses of eligible beneficiaries for social assistance programs.

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PROCESS OF DEVELOPİNG THE UNİFİED DATABASE

| Data collection (PPLS 2011) BPS* | → | Data analysis & development by TNP2K** PMT models | → | Unified database |

Improvements to the Methodology:

- More households surveyed (43% vs. 29% in 2008)
- Use of census data as a starting point
- Community involvement
- More variables collected for better poverty prediction
- Improvements to Proxy Mean Testing (PMT) methods
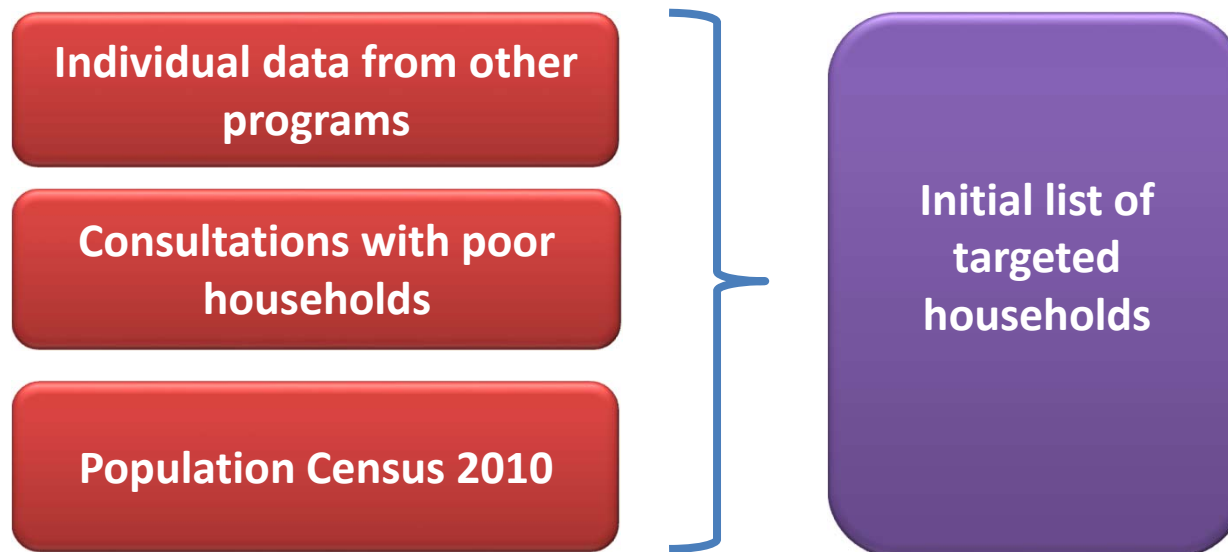
Note: * BPS: National Statistics Office
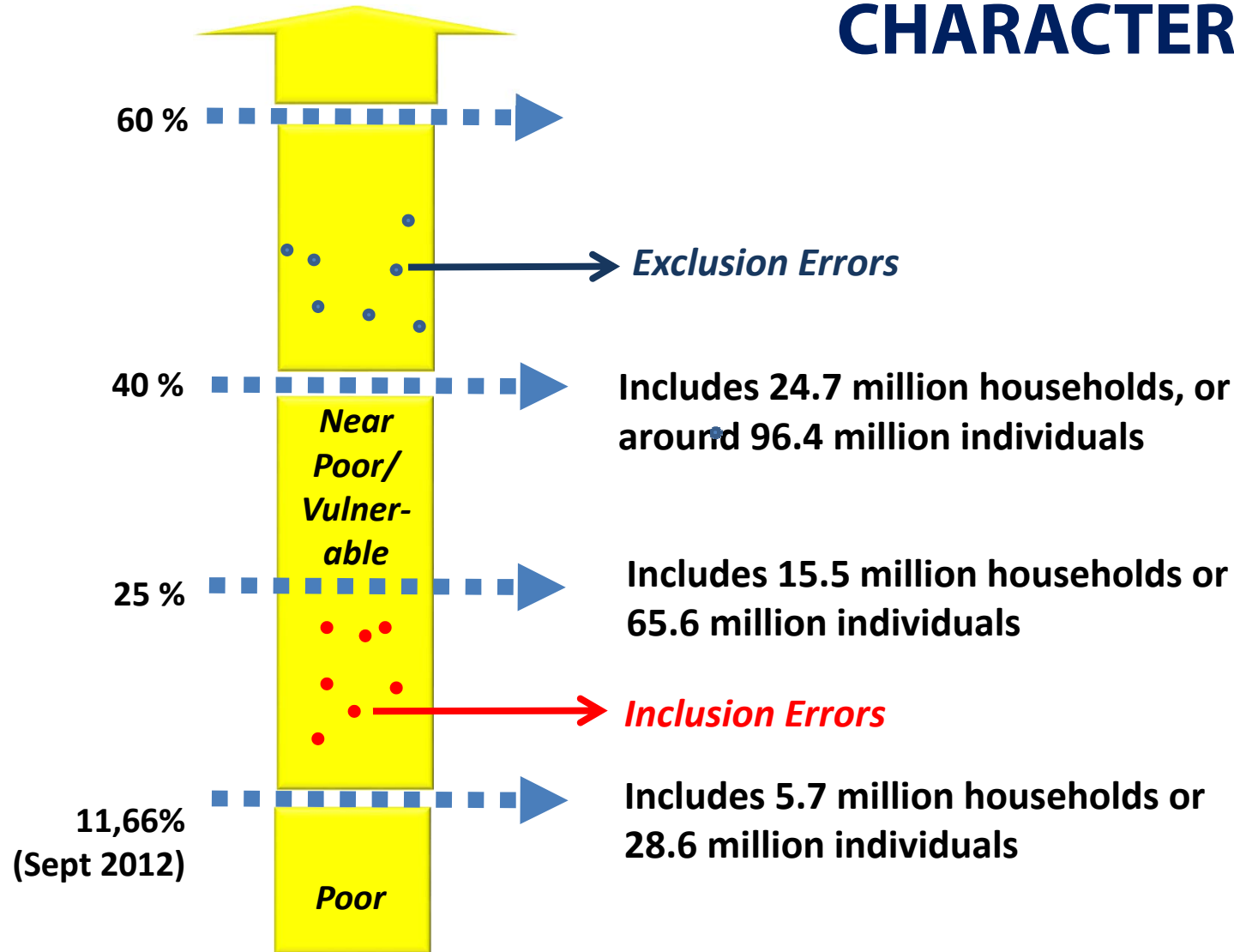   ** TNP2K: National Team for the Acceleration of Poverty Reduction

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REVISED DATA COLLECTION METHODOLOGY

Goal: To reduce inclusion and exclusion errors

	Poor	Not Poor
Beneficiaries	☑	✗ *Inclusion Error*
Non-Beneficiaries	✗ *Exclusion Error*	☑

Construction of Initial Lists of Targeted Households

Individual data from other programs

Consultations with poor households

Population Census 2010

Initial list of targeted households

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PERCENTAGES OF THE POPULATION WITH SIMILAR SOCIO-ECONOMIC CHARACTERISTICS

60 %

Exclusion Errors

40 %

Near Poor/ Vulner-able

Includes 24.7 million households, or around 96.4 million individuals

25 %

Includes 15.5 million households or 65.6 million individuals

Inclusion Errors

11,66% (Sept 2012)

Includes 5.7 million households or 28.6 million individuals

Poor

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BETWEEN THESE HOUSEHOLDS, WHICH SHOULD RECEIVE SOCIAL ASSISTANCE?

At first glance, this household would be the beneficiary, BUT …

… due to the number of household members, the number of dependents and the wife's employment status, the household on the right is the proper beneficiary of social assistance.

MANAGING THE UNIFIED DATABASE

TASKS OF TNP2K TARGETING UNIT :

❶ Program Services (Operation)

- Ensures that programs use the Unified Database.
- Provides technical support to the programs.

❷ Research

- Ensures the validity of various studies to improve targeting.
- Monitors & evaluates the use of the Unified Database.
- Conducts PMT modeling and analysis of cost-effectiveness for future data collection (presumably next in 2014).

❸ Information System

- Performs IT-based management
- Provides information extracted from the Unified Database through IT, media.

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BDT is part of Indonesia's Open Goverment

BDT

http://bdt.tnp2k.go.id

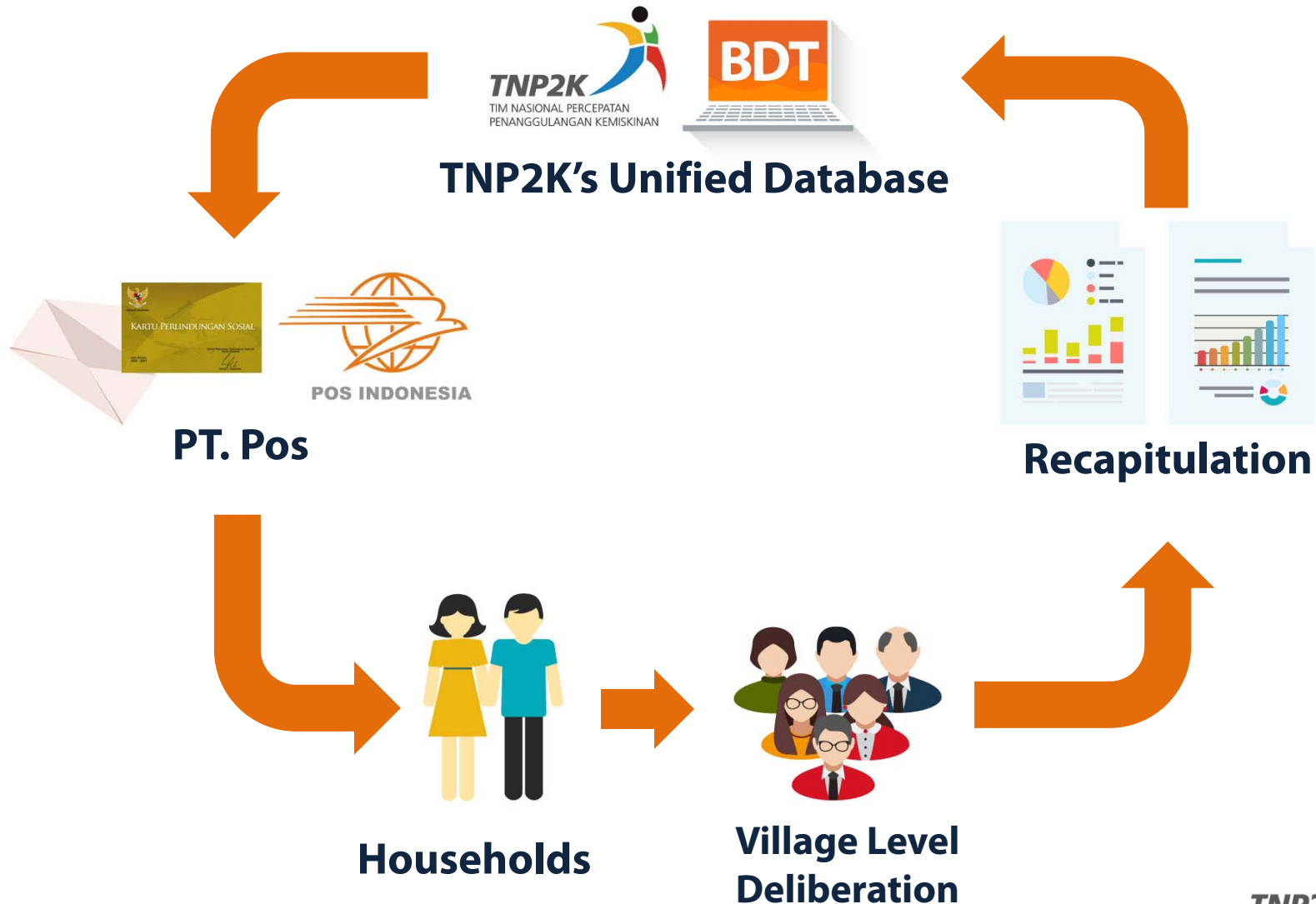List of Names and Addresses

General Public

Ministries or Agencies

Provinces

Districts/ Cities

Source: Bambang Widianto, TNP2K, 2014

Data Updating by Combining
Top-Down and Bottom-Up Approaches

TNP2K's Unified Database

PT. Pos

Recapitulation

Households

**Village Level
Deliberation**

FACTORS CONCERNING EFFECTIVE POLICY REFORMS

- Champions in the Bureaucracy

- Effective high authority

- Availability of resources

- Pool of talents of professionals

ENSURING COORDINATIION AMONG INSTITUTIONS IN SSN SYSTEM

- Policies involve institutions in its implementation
- Champions in the institutions
- Common issues: i.e. complementary programs, Social Protection Card
- Forums: coordination meetings, workshops, FGDs
- Join activities: field monitoring, guidelines developments
- Collaborating resources: finance, human resources
- Evaluations on program performance

CHALLENGES

- Sectors' egocentrism
- Heavy agenda for each program
- Internal ministry coordination problems
- Data illiteracy
- Lack of understanding on the importance of evidence-based policies
- Lack of resources: limited professionals, high turnovers, finances
- More efforts to improve local government's roles and commitment to implement national programs

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THANK YOU

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