

Social Protection Programme (SPP)

Expansion of Innovative approaches to elevate the economic livelihoods

Project name	Social Protection Programme (SPP)
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Indonesia
Lead executing agency	Ministry of National Development Planning (BAPPENAS)
Duration	01.01.2019 - 31.12.2023



The challenge

Since 1999, the poverty level in Indonesia has halved, reaching 10.7% or 27.76 million individuals in 2016. The World Bank estimates that an additional 24% of the population are at risk of poverty. Although the position indicates it being above the poverty line, the population only possesses a maximum of 1.5 times the threshold value. Besides, the inequality level has rapidly grown in the last ten years due to geography and social concentration.

In Indonesia, there is a high risk of poverty due to extreme weather events and natural disasters and the accompanying damage to assets and loss of income. The 2017 World Risk Report shows that Indonesia ranks 33 of 171 high-risk countries. Poor households are often unable to take preventive measures and thus face existential threats. To date, social protection does not cover these risks. Expanding social protection to these risks contributes to stabilising households, so they do not fall into poverty in such situations.

Social protection coverage for the population and the economic options to escape poverty is inadequate.

The risks, in particular – of falling poor or surviving in poverty due to extreme weather events or natural disasters, which are on the rise due to climate change – are substantial and have not been covered. Providing access to productive employment remains a daunting challenge, especially for persons with disabilities. The social protection system does not sufficiently protect citizens from existential risks and cannot effectively promote (self-employed) economic livelihoods for the poor and near-poor.

Objectives

The Project aims to offer support to the Government of Indonesia as innovative approaches complement the existing social protection system for the poor and vulnerable.

Our approach

German continuous support for reforming the Indonesian social-protection system was initiated in 2011.



L. to R.:
Social worker
Capacities;
Digital Giro
Pos for
Financial
Inclusion



L. to R.:
Strengthening
National Child
Protection
System;
Inclusion for
Persons with
Disabilities

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Aligned with the Indonesian Government's National Medium-Term Development Plan 2015 – 2019, Project continues to provide technical expertise, capacity development, process facilitation and opportunities within the following areas of intervention: (a) Adaptive Social Protection; (b) Financial Inclusion of poor and vulnerable; (c) Employment promotion for persons with disabilities, and (4) Actuarial technical reform for redesigning the social protection programme benefits and coverages.

Within the framework of the new cooperation, the Project's intervention amplify several approaches to improve risk coverage and promotes independent livelihoods for the poor and vulnerable, specifically to: (a) policy advice on adaptive social protection at the national level, (b) organisational development for key stakeholders, such as PT Pos Indonesia, (c) inclusive design of employment promotion instruments and reform plans for the vocational education and training sector, and (d) key issues paper on ensuring the financial sustainability of social security in a post-COVID scenario.

The Social Security Carrier (BPJS) and PT Pos play major roles in implementing the Social Protection Programmes; a few new organisations have joined the journey. Supported by the team of United Nations Environment, Humanity and Security (UNU-EHS), Munich Climate Insurance Initiative (MCII) and MADIBA consulting, the Project facilitated the multistakeholder partnership collaboration to develop the comprehensive policy design on ASP so-called the Roadmap. The National Disaster Management Authority (BNPB), Directorate for Natural Resources and Regional Cooperation in BAPPENAS and, the Ministry of Finance sub-department, the National Fiscal Policy Agency (BKF) are among the member of The National Coordination Forum of ASP.

The vast collaboration with the Ministry of National Development Planning and the state postal (PT Pos Indonesia) underpin the efforts to improve access to basic financial services for poor and vulnerable households. This approach ultimately benefits their participation in social protection systems, reduces transaction costs and promotes graduation from social assistance programmes.

Further, from the 1st of January 2022, SPP enters a new approach by introducing actuarial science technical support to redesign and rearrange the social security benefits for the Indonesian population and improve the programme's effectiveness and efficiency management under the leadership of Bappenas. This approach is aligned with President Joko Widodo's social protection reform agenda as endorsed on the 5th of January 2021.

Results achieved so far

Over the past 10 years, the Indonesian Government has made significant progress in developing its social protection system with the support of the German Government through the Social Protection Programme. The most important milestones in this process are as follows:

- Indonesia's health insurance has established itself as the largest contribution-based health insurance in the world, with a current membership of around 242 million (equal to 88% of the population).
- Indonesia Adaptive Social Protection Roadmap 2022 – 2026 is adopted into the President Regulation draft.
- 1 Million Digital Giro Pos accounts have been registered by December 2021.
- Piloting the Inclusive Job Centre (IJC) model and reasonable accommodation assessment in 8 (eight) BPJamsostek branches nationwide.

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