



KEMENTERIAN SOSIAL
REPUBLIK INDONESIA

PROGRAM KELUARGA HARAPAN

(Indonesian Conditional Cash Transfers)

Bridging Children to Access Health and Education

*Presented to International Labor
Organization (ILO) Conference*

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PROGRAM KELUARGA HARAPAN (PKH)

(Conditional Cash Transfer)

- ✓ PKH is a social security program that provides conditional cash transfer to selected very poor households (RTSM). In return they have to meet specific conditions and improve the quality of human capital in education and health.
- ✓ Beneficiaries are those having: pregnant and lactating mothers, children under five years old, children enrolled in primary and secondary schools, or children between 15-18 year of age who have not completed primary schools.

Conditions to be met by beneficiaries:

- Pregnant mothers and toddlers should visit the community health centres (Posyandu/Puskesmas) to have their pregnancy and health examined.
- Children of PKH beneficiaries should be enrolled in schools and must attend at least 85% of school days per month.

Cash Scenario

Payment Scenario	Payment amount for RTSM per year (RP)
Fixed Payment	200.000
Payment for RTSM with:	
a. Pregnant/lactating mothers and/or children under 6 years	800.000
b. Children attending primary schools (SD/MI)	400.000
c. Children attending secondary schools (SMP/MTs)	800.000
Minimum payment for each RTSM	600.000
Maximum payment for each RTSM	2.200.000

Note:

- *Maximum payment for each RTSM is Rp. 2,200,00, with 3 children.*
- *Health related cash transfer is eligible for RTSM with children under 6 years and/or pregnant/lactating mothers.*
- *Amount of payment are not based on the number of children .*

STAKEHOLDERS INVOLVED

Role of Line Ministries

PKH Beneficiaries
(Demand Side)



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

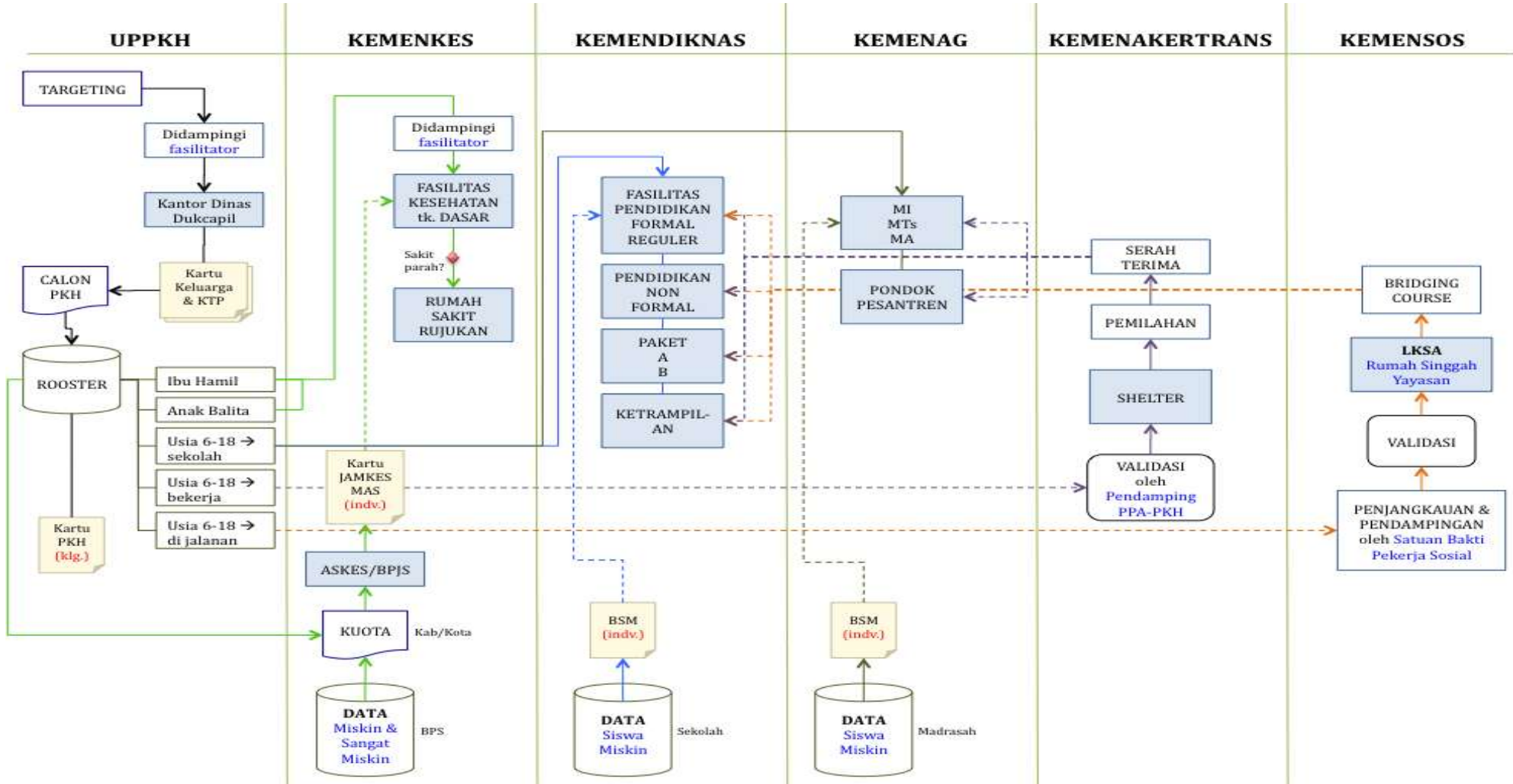
Ministry of Social Affairs

Targeting, validation, payment,
data verification, facilitation,
compliance monitoring, penalties

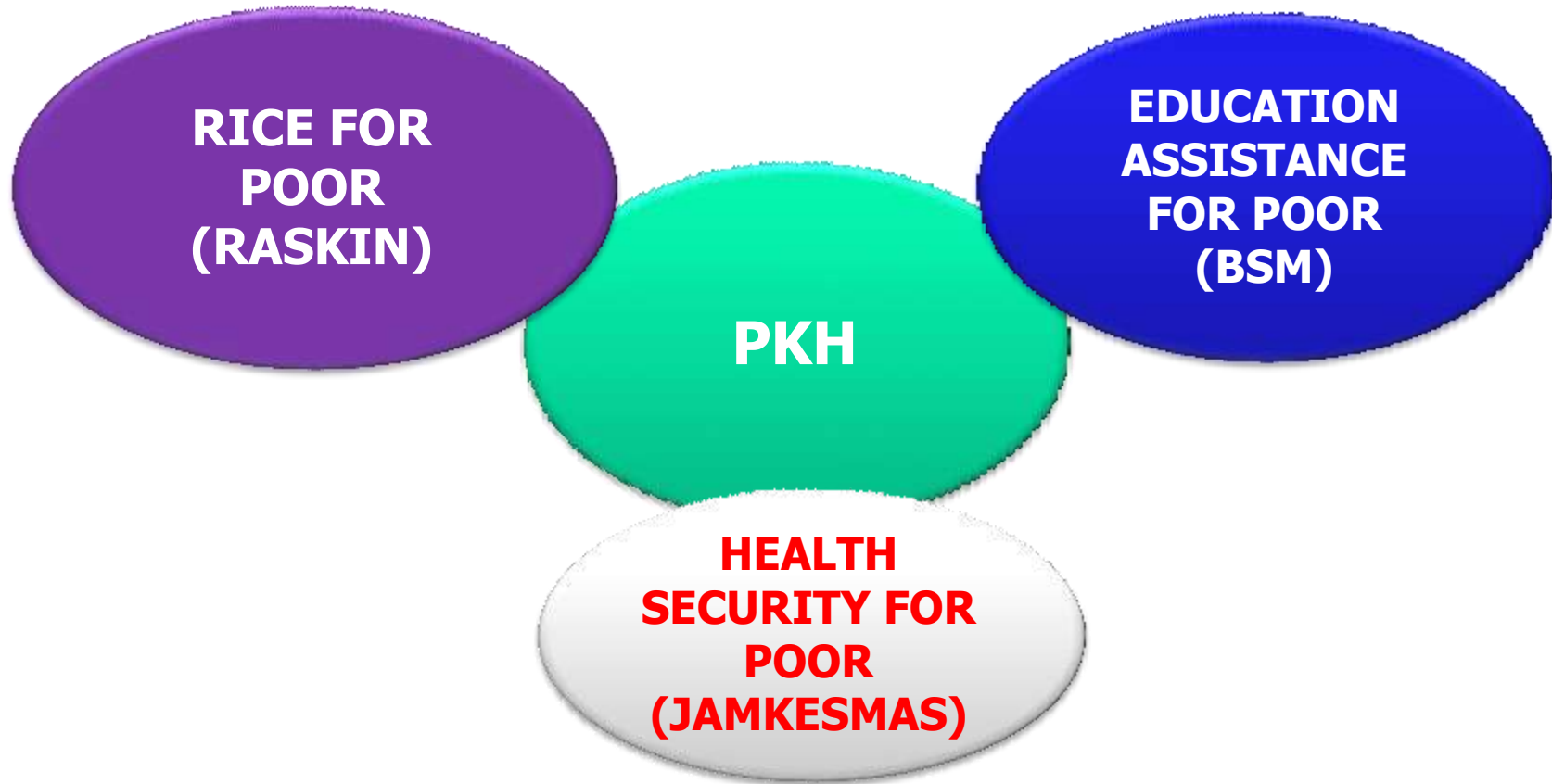
Ministry of Health
Ministry of Education
Ministry of Religion Affairs
Ministry of Manpower & Transmigration
Local Government

- Service providers of health facilities, education, *shelter*, verification of compliance

STAKEHOLDERS AND COORDINATION



PROGRAM COMPLEMENTARITY



ACHIEVEMENT

DATA & TARGET 2007-2011

	2007	2008	2009	2010	2011
Allocation number of RTSM (thousand)	500	642	720	816	1.116
Budget allocation (Rp billion)	800	1.000	1.100	1.300	1.600
Provinces	7	13	13	20	25
Districts/Cities	48	70	70	88	119
Subdistricts	337	637	781	946	1.151
Village/Kelurahan	4.311	7.654	9.068	11.080	13.641

In 2012 PKH will cover 33 provinces and become national program

Indicator

	2007	2008	2009	2010
Total expenditure (Nominal, IDR billion)	605	946	1,068	1,123
Percentage from MOSA's total expenditure (%)	21.9	29.5	32.8	30.1
Percentage from total national expenditure for social assistance (%)	4.3	2.9	3.9	4.3
Percentage from national budget (%)	0.1	0.1	0.2	0.3
Beneficiaries/households) (thousands)	387	405	675	810
Average of cash per beneficiaries (IDR million)	1.28	1.99	1.36	1.15
Unit cost (Total expenditure/number of recipients, IDR million)	1.56	2.33	1.58	1.39
Admin cost per beneficiaries (Non-benefits/number of recipients, IDR million)	274	338	220	237
Admin overhead ratio (Non-benefits/total expenditure, %)	18	15	14	17

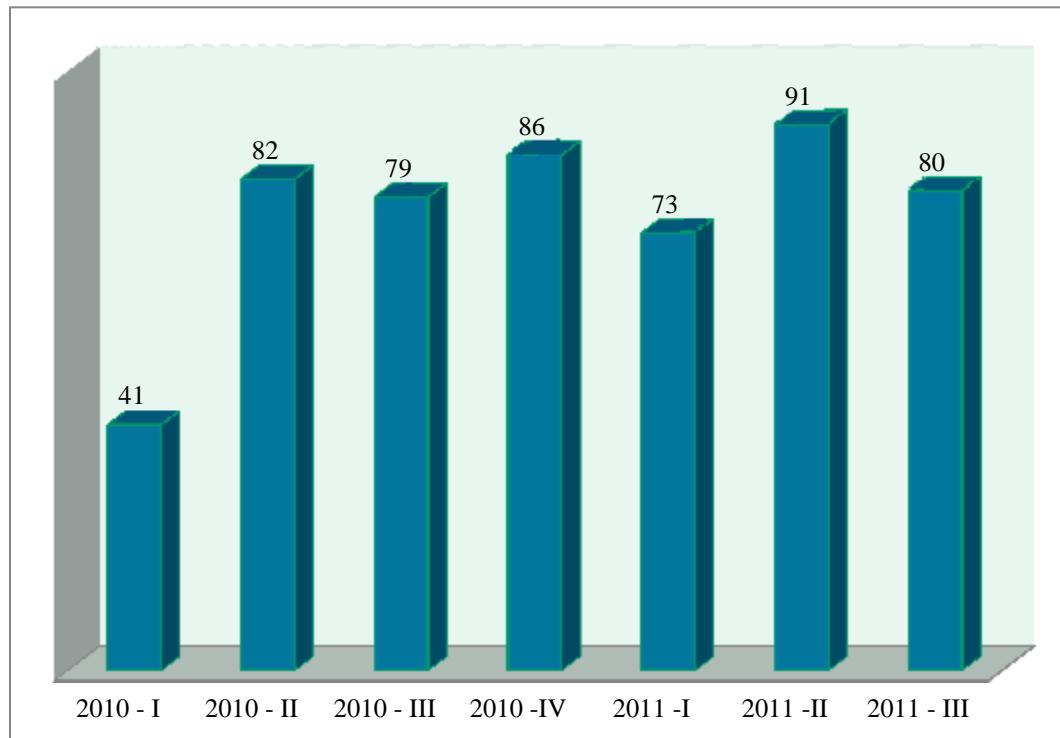
...admin cost ratio decreases gradually.

Admin cost ratio PKH is reasonable as a pilot program. In some literatures admin cost is about 6-12%

The World Bank, 2011

Compliance Verification Results

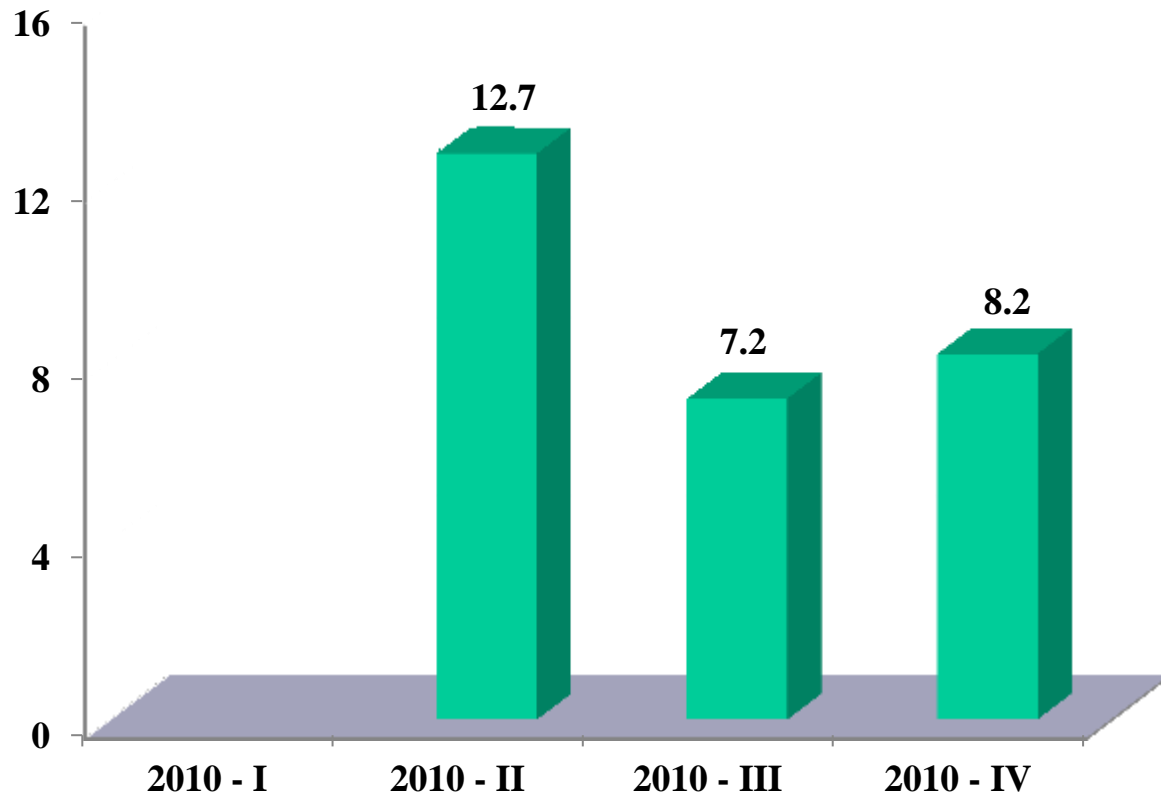
% of verified PKH beneficiaries



Result of spot check showed that majority of PKH beneficiaries know about the conditions to be fulfilled

Penalties to beneficiaries not fulfilled the conditions

% of Beneficiaries that have been given penalties



Penalties applied: deduction of payment

There are no penalties at first installment. Verification is conducted after the payment of 1st installment

Several impact evaluations

- Final evaluation report on Social Security Programm : Program Keluarga Harapan 2009 (BAPPENAS)
- PKH final report on Spot Check PKH 200(Ministry of Social Affairs, PKH)
- PKH Spot Check 2010 (Research Centre of Health, Universitas Indonesia)
- PKH Final Impact Evaluation Report of Indonesia's Household Conditional Cash Transfer Program (World Bank 2010)
- PKH Operational Assessment reports (Ayala 2010, Tarcisio 2010)
- ADB Pro-Poor Planning and Budgeting Project Working Paper 5 – Two case studies on implementing Indonesian CCT program (BAPPENAS)
- Qualitative Impact Study for PNPM Generasi and PKH on the Provision and the Utilization of Maternal and Child Health Services and Basic Education Services in the Provinces of West Java and East Nusa Tenggara (SMERU 2011)
- PKH PER Report Draft (World Bank 2011)
- Report on PKH Spot Check in 7 Districts 2011(TNP2K)

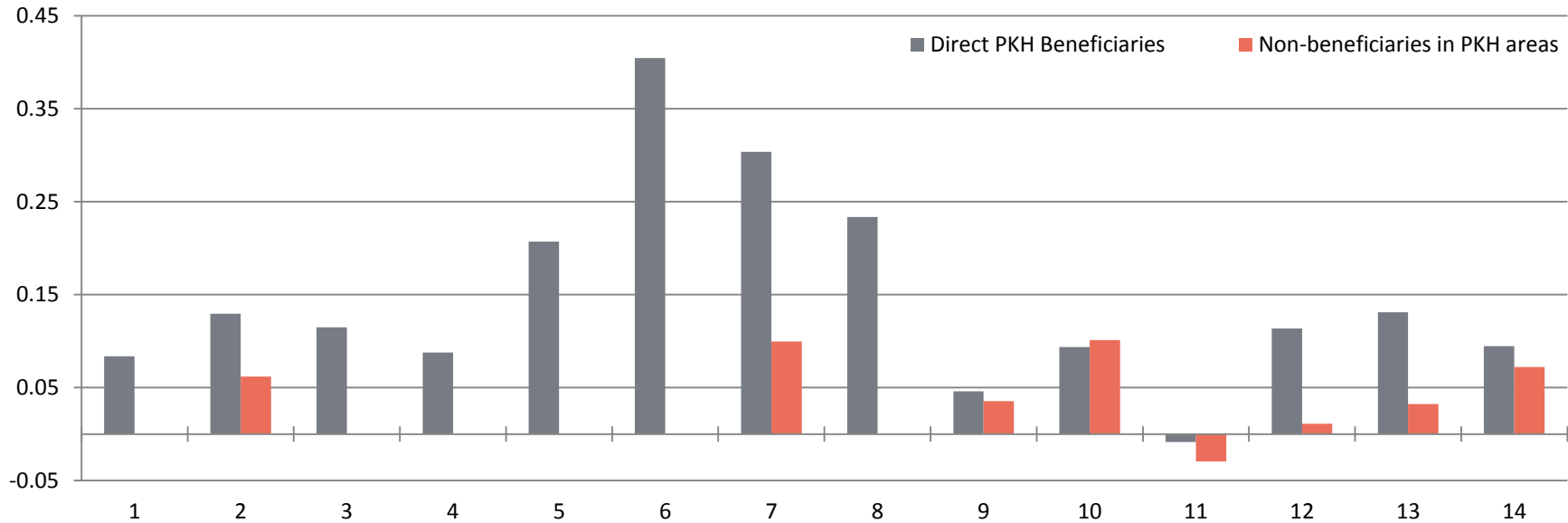
Collected by TNP2K, 2011

Impact on Health

- Number of visit of pregnant/lactating mothers to the health facilities have increased 7-9 percentage points
- Number of babies/toddlers weighed have increased about 15-22 percentage points
- Delivery/labor process assisted by professional health staff increased 6 percentage of points;
- Delivery/labor process at healt facilities increased 5 percentage poitns,;
- Impact of PKH are more convincing in areas with better health facilities:
- There is significant spillover effect of PKH on the utilization of health facilities at non PKH Sub Districts
- Impact in urban area are better than in rural area
- Long-term impact on health is not yet known. It can be seen after 1-3 years of program implementation

Collected by TNP2K, 2011

PKH Health Impacts (% of baseline value)



1. Pre-natal visits

2. Pre-natal visits ≥ 4

3. Delivery at facility

4. Post-natal visits

5. Post-natal visits ≥ 2

6. Weighings ≥ 1 (1-3 yrs)

7. Weighings ≥ 1 (0-5 yrs)

8. Public health facility outpatient visits

9. Public health facility outpatient visits (all HH members)

10. Private health facility outpatient visits (all HH members)

11. Weight

12. Diarrhea

13. Treated Diarrhea.

14. Fever

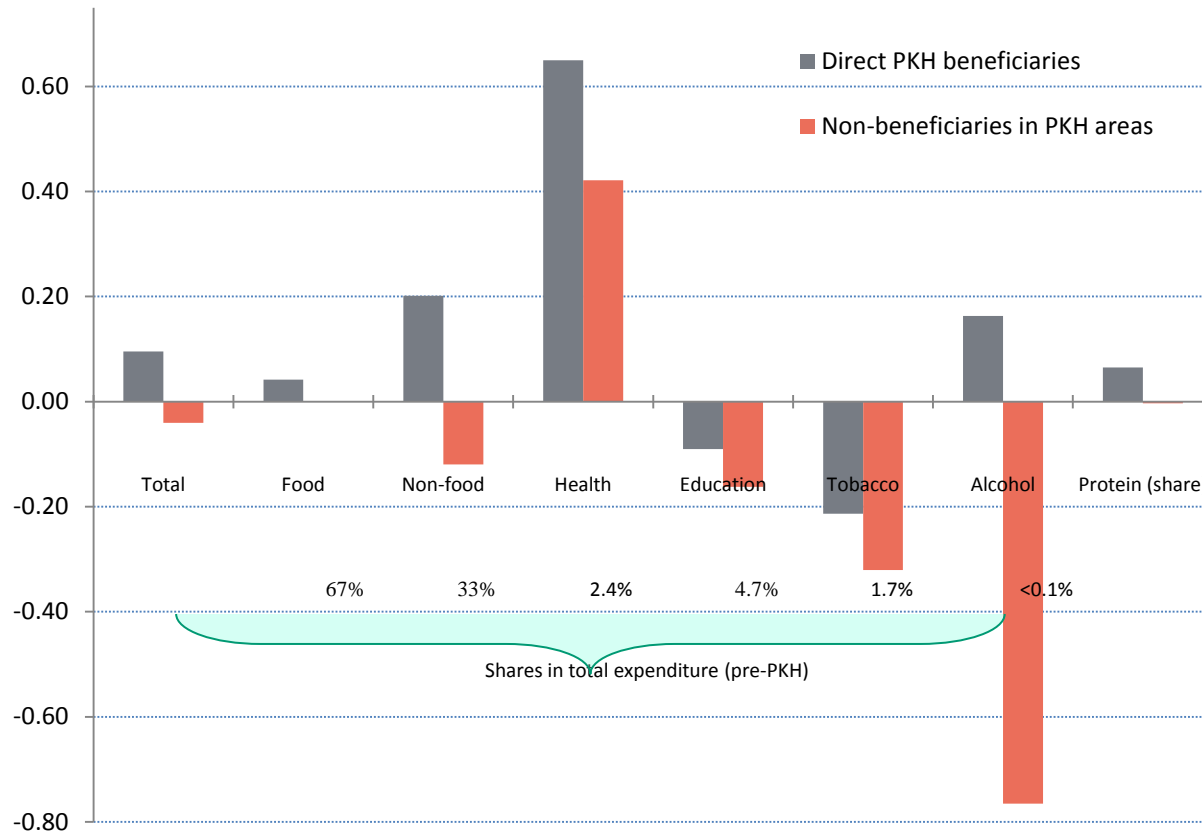
Program and Public Expenditure Review The World Bank , 2011

	Baseline share of Total Expenditure	PKH Beneficiary	Spillover
		Share after PKH impacts added	
Food expenditure	0.65	0.62	0.68
Non-food	0.35	0.38	0.32
Education	0.05	0.04	0.04
Health expenditure	0.02	0.04	0.03

Beneficiaries increase their health expenditure for 2% (2 percentage points) , but those eligible non beneficiaries living in non PKH areas do not.

The World Bank, 2011

PKH expenditure Impacts (% of baseline value)



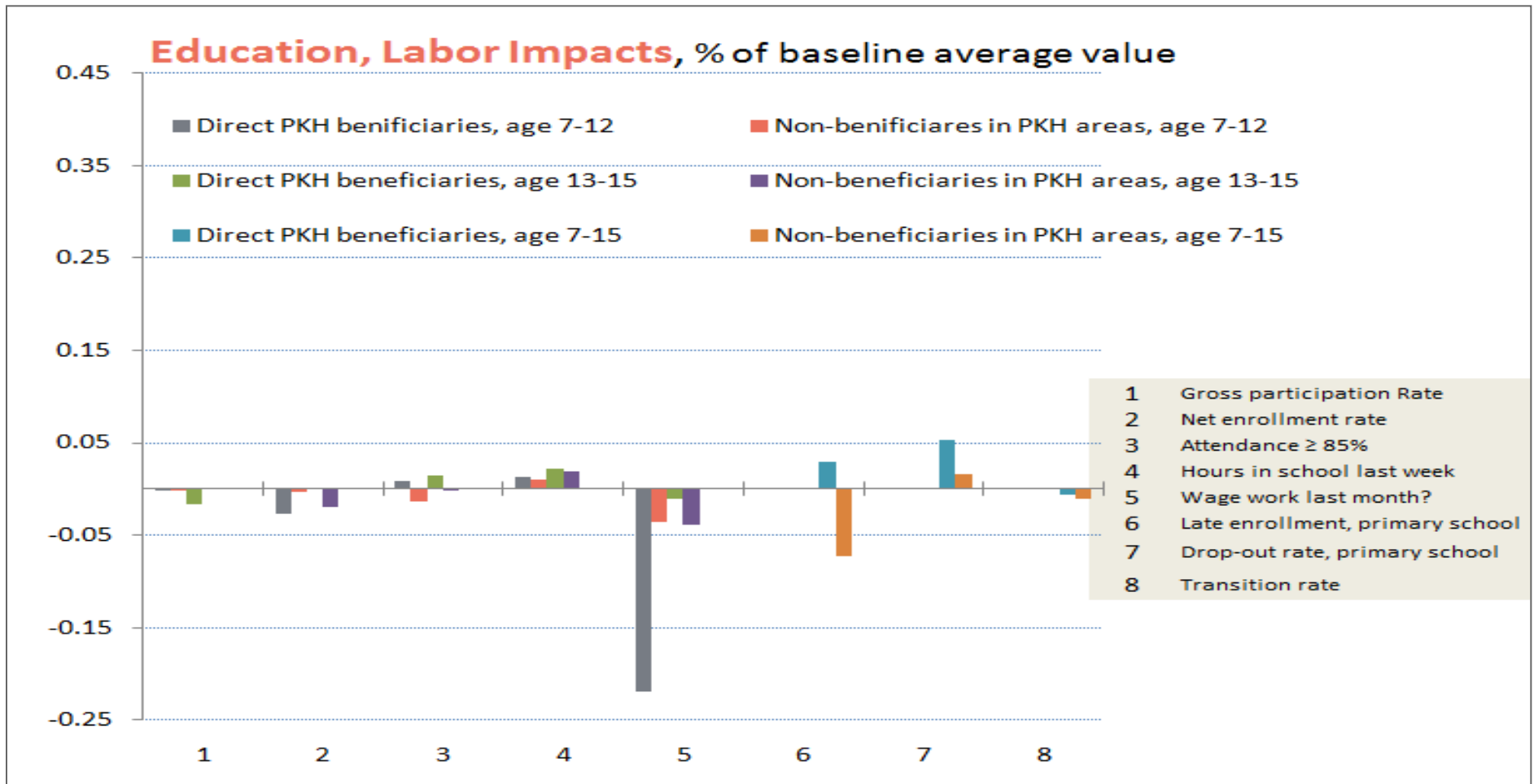
- *Total expenditure of beneficiaries' households increase 10% compared to previous expenditures*
- *Health expenditure even increase to 65%.*
- *Household expenditure for high protein foods increase to 7%.*

The World Bank, 2011

Impact of PKH on Education

- Increase children aged between 6-15 to attend the schools
- There is no visible increase of enrollment at primary or secondary schools level, due to:
 - Participation at primary schools have been high
 - Schedule of payments are less suitable with the schedule of enrollment (April-May);
 - Amount of payment are not enough for enrollment
- There is no significant spillover effect of PKH on the reduction of child labor
- Encourage the local government to map the child labor, street children and children with special needs and to provide the suitable education facilities.

No Positive impact on Education



The World Bank, 2011

Other Achievements

- PKH supports advocacy for the poor: ID cards, birth certificates
- PKH insist local governments to allocate budgets for social development
- PKH has successfully been integrated into other programs (convergences)

International Supports

- GIZ provides midterm technical assistances
- Unicef pilots stanting elimination
- The World Bank executes researches and raises ideas for mobile payments

THE WAY FORWARD

Expansion Plan*)

	2011	2012		2013	2014
Beneficiaries	1.116.000	1.516.000	1.750.000	2.400.000	3.000.000
Provinces	25	33	33	33	33
Districts	118	166	218	350	430
Sub Districts	1.151	1.151	1.909	2.667	3.342
Villages	13.641		21.471	29.301	37.131
Budget (Trillion)	1.6	1.88	2.1	3.2	4.2

**) Roadmap PKH: Toward 3 mio beneficiaries by 2014*

CHALLENGES

- Strengthening the Institutions and Human Resources Development
- Strengthening the coordination between national and regional level
- Expansion to all districts in 2014, supply sides availability
- Appropriate Exit Strategy and Convergence

Thank you
Terima Kasih

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