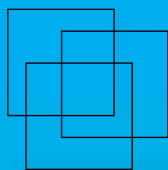


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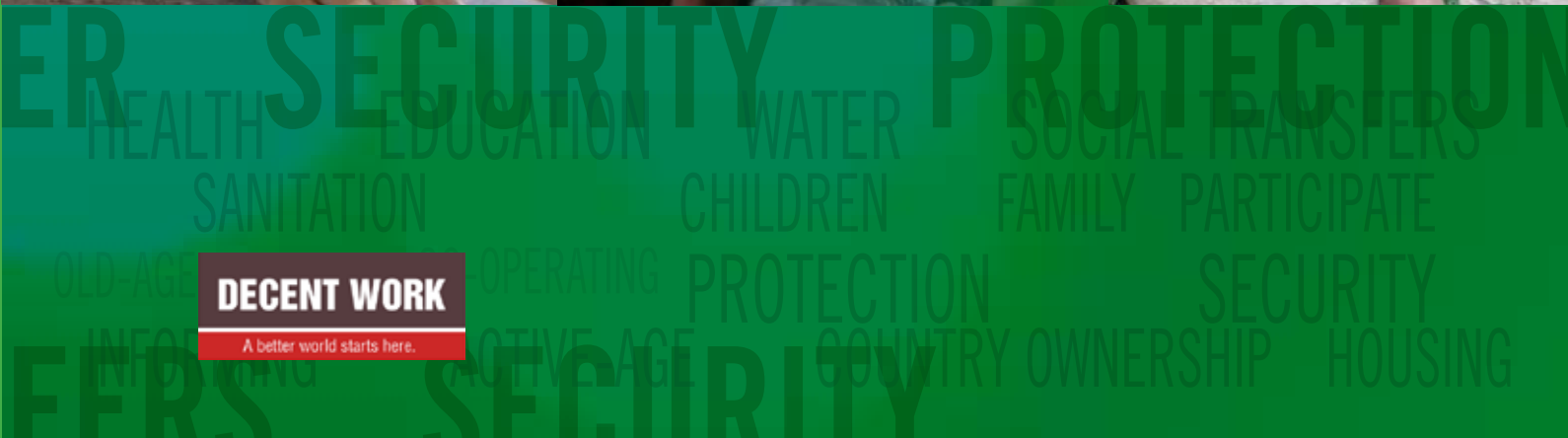


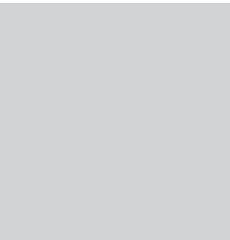
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Design study of the single referral system for the extension of social protection in Indonesia





Design study of the single referral system for the extension of social protection in Indonesia



Background and justification, design of the single referral system (SRS), and roadmap for its implementation

Main authors: **Valerie Schmitt, Ratnawati Muyanto, and Thibault van Langenhove**

Jakarta, 2014

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Foreword

Social Protection Floors (SPFs) are nationally-defined sets of basic social security guarantees that enable and empower all members of a society to access a minimum of goods and services at all times. They aim to prevent or alleviate poverty, vulnerability, and social exclusion.

The Social Protection Floors Recommendation, 2012 (No. 202), which was adopted by the International Labour Conference (ILC) at its 101st session in June 2012, states that SPFs are part of the effort to develop national social protection strategies. Such strategies should: (a) prioritize the implementation of social protection floors as a starting point for countries that do not have a minimum level of social security guarantees as a fundamental element of their national social security systems; and (b) seek to provide higher levels of protection to as many people and as rapidly as possible, reflecting economic and fiscal capacities of countries. Social security extension strategies should be consistent with, and conducive to, the implementation of the social, economic, and environmental development plans of countries.

The Government of Indonesia is progressively implementing Law No. 40/2004 on the National Social Security System, which mandates the extension of social security coverage to the whole population in the categories of health, work injury, old age, and death of the breadwinner. The Law introduces a staircase approach with non-contributory schemes for the poor, contributory schemes for the self-employed (including informal economy workers), and statutory social security schemes for formal sector workers. The Law on Social Security Providers (No. 24/2011), or Badan Penyelenggara Jaminan Sosial (BPJS), elaborating the implementation of the National Social Security System, stipulates that the universal health insurance will commence in 2014, while social security for work injury, old age, and death are anticipated to start mid-2015.

In line with Indonesia's 2012-15 Decent Work Country Programme (DWCP), and in particular to its priority on social protection, the International Labour Office (ILO) is supporting the implementation of Law No. 40/2004 on the National Social Security System. One of the main recommendations provided by the Assessment Based National Dialogue on Social Protection conducted in 2012 by the ILO in collaboration with National Development and Planning Board (BAPPENAS), other government agencies, and the United Nations (UN) country team, is the implementation of a one-stop shop at the sub-national level. This mechanism, called the single referral system (SRS), aims to improve the outreach of social protection programmes and foster linkages between social protection and employment services for a sustainable graduation out of poverty for individuals and families. Hosted in decentralized government structures, the SRS aims to locate social services close to the people, empower local communities and the sub-national administration in the delivery of social services, and increase access to information, transparency, and traceability through efficient management information systems (MIS) and appeals mechanisms.

The single referral system design is in line with many of the guiding principles of Recommendation No. 202, notably efficiency of and accessibility to complaint and appeals procedures, high-quality public services, regular monitoring and periodic evaluation, representation, coherence across institutions, coherence with social, economic, and employment policies, transparent, accountable, and sound financial management and administration, social inclusion, respect for the rights and dignity of people covered by the social security guarantees, and responsiveness to the needs of the people.

The single referral system design is also in line with recent Government policies, notably Presidential Decree No. 43/2014 enacted on 17 May 2014 regarding the Government's 2015 work plan. Among the specific measures mentioned in this decree are the development of an integrated referral system that is expected to improve the delivery of social protection programmes. The decree also foresees to improve access to basic social protection for the poor and near-poor groups by the following means: strengthening the organizational capacity of the public service delivery mechanism, empowering final beneficiaries through better planning, managing, monitoring, and evaluating basic service quality, and developing coordination and synergies between programmes.

The present document describes the proposed design for the Indonesian SRS and provides useful guidance for the pilot implementation of the mechanism in the context of ongoing decentralization reforms. We believe that such approaches are increasingly relevant for other countries of the Association of Southeast Asian Nations (ASEAN) that have already embarked on the development of similar one-stop service centres. Such approaches will also be instrumental in the development of an ASEAN framework for the implementation of nationally defined social protection floors in ensuring that ASEAN integration by 2015 will be achieved with a "human face".

A handwritten signature in black ink, appearing to read 'Peter van Rooij', with a long horizontal line extending to the right.

Peter van Rooij

Director

ILO Country Office for Indonesia and Timor-Leste



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MINISTER FOR SOCIAL AFFAIRS
OF THE REPUBLIC OF INDONESIA

Acknowledgment by the Ministry of Social Affairs

Assalamu'alaikum Wr. Wb.

In the pursuit of the eradication of poverty, our efforts continue through a variety of strategies and methods to mobilize the resources of the national government, local government, and civil society such as business groups. To ensure sustainability in alleviating poverty there should be synergy between technical units at the sub-administration level, national line ministries, and other relevant parties. One important strategy in programmes designed to alleviate poverty is to ensure they complement other existing programmes, which can minimize unnecessary overlap. If synchronized efforts in poverty eradication are in place, then the effectiveness, efficiency, professionalism, and accountability can be improved, which in turn will reduce poverty rates significantly.

The poverty rate in Indonesia has fluctuated recently; between 2004 and 2011, the poverty rate decreased significantly. However, a more detailed look at each year shows less consistent evidence. In 2006 there was an increase to 39.3 million poor people compared to 35.1 million in 2005, or an increase of about 17.8 percent. From 2006 to 2011, the number of people living in poverty decreased from 39.3 to 28.6 million, or by 11.6 percent.

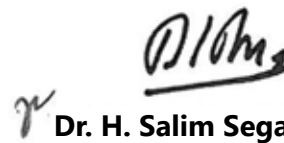
Indonesia manages a huge number of social assistance programmes ranging from scholarships to conditional cash transfers. We manage these social assistance programmes at the national as well as at the sub-national level. To optimize the performance of poverty alleviation programmes, the Government of Indonesia has enacted Presidential Instruction No. 1/1993 on Action of Preventing and Combating Corruption, which included enhanced transparency, accountability, and improved procedures in the distribution of cash transfers by introducing direct transfer method to beneficiaries. Since 2013, the Ministry of Social Affairs has developed the *G(overnment) to P(eople)* Mobile Payment System which utilizes technological advanced to reduce interaction with other parties that leave the system vulnerable to moral hazards. Through this system, government transfers will reach beneficiaries directly without any interruption, so recipients have better access to e-banking systems. We are now just about to pilot this new initiative together with BAPPENAS, TNP2K, Ministry of Finance, and the National Audit Board in close collaboration with private banks such as Bank Mandiri, Bank Rakyat Indonesia, and Bank CIMB Niaga, targeting about 2,976 families in five districts across Indonesia.

In addition, in 2013 we began a national pilot programme called *Pandu Gumpita* which encourages district governments to establish poverty alleviation units to serve people with synchronized social assistance programmes and create a registry for poor people. This facilitates improved access to social services for the poor. This study, designed by the ILO, on the single referral system is no doubt an answer to the question of how to reach beneficiaries lacking coverage, and is in line with the *Pandu Gumpita* programme. It also provides a comprehensive institutional design and mechanism which functions at all levels of government to improve the performance of the main functions in extending social protection programmes. By bringing the monitoring and evaluation mechanism closer to the people, better outreach systems can be created to cover such a large country with multidimensional challenges. We are grateful to have this design study available and we support the endeavour to implement the study.

Wassalamu'alaikum Wr. Wb.

Jakarta, October 2014

Minister of Social Affairs
of the Republic of Indonesia



Dr. H. Salim Segaf Al-Jufri



MINISTRY OF MANPOWER
REPUBLIC OF INDONESIA

Acknowledgement by the Ministry of Manpower

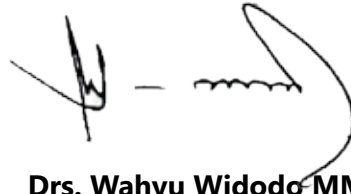
The social protection floor in Indonesia has become the Government of Indonesia's strategic development plan to improve the basic living standard of Indonesian people. Commitment to increase living standards for both wage and non-wage workers has materialized in the form of several Ministry of Manpower and Transmigration policies. By mid-2015, all Indonesian workers will be covered by worker social security in the category of employment injury (*Jaminan Kecelakaan Kerja*) and death benefits (*Jaminan Kematian*). Formal workers will not only enjoy employment benefits such as old-age pension (*Jaminan Pensiun*), but also lump-sum old-age benefits (*Jaminan Hari Tua*). Those four types of social security programs which will come into effect next year work together to provide effective benefits to improve the social conditions for recipients, and will serve to protect them from falling into the severe poverty trap.

The agriculture sector continues to absorb the most significant portion of the labour market; 36.1 per cent of the total labor force in the last five years has been in the agriculture sector (RPJMN 2 period in 2009-2013), and labour productivity trends show an increase in per worker income from Rp 6.7 million in RPJMN 1 period (2005-2008) to Rp 7.9 million in the current version. In 2013, the number of workers in the agriculture sector was about 40 million which is a slight increase from 38.9 million in 2012. These figures reflect a high number of workers in the informal economy in recent years; agriculture workers often do not have formal working contracts, do not participate in any social security scheme, and are vulnerable to fall into poverty. To address these issues, we have designed and implemented several policies to transform informal work to decent work by establishing an employment service center in the sub-national administration. This center is the only of its kind and is located in East Java Province, where it serves to link worker certification and vocational training. The yellow card for job seekers has until now been the main personal identifier in our management information system that provides labour market information and job matching. These existing innovations require further improvement in implementation because the decentralized system has put sub-national governments in a more direct position to execute public service delivery.

The design study of the single referral system for the extension of social protection in Indonesia is offering a new and innovative approach to fill the implementation gap that we are currently facing, with particular focus on improving the function of labour inspection and expanding social security coverage to non-wage workers especially through the empowerment of sub-national administration. Through this referral system, the national line ministries will have a direct monitoring and evaluation role over

the beneficiaries of social security schemes for workers. We wish to express our appreciation to the ILO for its support to our mandate of implementing the national social security system (SJSN) in the years ahead.

Jakarta, 25 November 2014

A handwritten signature in black ink, consisting of a stylized 'W' followed by a horizontal line and a large, sweeping curve that ends in a small hook.

Drs. Wahyu Widodo MM.

Director of Wages and Labour Social Security



Acknowledgement by the authors

The authors gratefully acknowledge support received from government agencies, ministries, and social partners who are committed to the extension of social protection and the establishment of social protection floors in Indonesia: the National Development and Planning Board, the Ministry of Manpower and Transmigration (MoMT), the Ministry of Social Affairs (MoSA), the Health Social Security Provider (BPJS Kesehatan), the Workers' Social Security Provider (BPJS Ketenagakerjaan), workers' and employers' representatives, the provincial governments of East Java, Maluku, and Nusa Tenggara Timur, the district governments of Ambon, Malang, and Timor Tengah Selatan, and colleagues from the ILO Country Office Jakarta.

The authors also value the support of the ILO/Japan Fund for Building Social Safety Nets in Asia and the Pacific, which supported the SRS design and pilot-testing in 2013 and 2014.

More specifically, the authors would like to thank a number of policy-makers and staff of development partners for their technical insights, commitment to developing, implementing, and pushing the SRS concept forward, and feedback:

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- Bapak Ilham Tauda, Head of Economic Unit, Local Development Planning Board, Maluku Province; and
- Bapak Adjie, Head of Unit, Bureau of International Cooperation, East Java Province.

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The authors, however, are solely responsible for the content of and especially for any opinions expressed in this design study.

Jakarta, September 2014



Executive summary

The single referral system is a one-stop shop hosted in decentralized government structures that aims to locate social services and transfers close to the people, empower local communities and the sub-national administration (SNA) in the delivery of social services and transfers, and increase access to information, transparency, and traceability through efficient management information systems and appeals mechanisms. Through the provision of combined benefit packages, the SRS carries the potential to maximize the impact of these interventions on poverty reduction. The SRS will also contribute to the coordinated implementation of the two new social security providers—BPJS Kesehatan and BPJS Ketenagakerjaan—and social assistance programmes in Indonesia.

The SRS officers offer assistance to potential beneficiaries in accessing social protection and employment services. They assess the vulnerabilities and skills of potential beneficiaries, channel information concerning existing social services, support registration processes, facilitate access to benefits in cash or kind, facilitate access to services (health care, employment, training, and so on), and collect contributions, if any. SRS officers also represent the interests of the final beneficiaries through a complaints and appeals mechanism, as well as by advocating for increased availability and quality of social services.

It is expected that the SRS will contribute to overcoming the challenges faced by social protection and employment programmes in Indonesia in terms of limited outreach of existing programmes, lack of coordination between institutions that leads to duplication of services and inefficiencies, lack of empowerment of sub-national institutions, and insufficient data management, monitoring, and evaluation. The SRS is also a useful tool for the practical implementation of the guiding principles of the International Labour Organization's Social Protection Floors Recommendation, 2012 (No. 202), which was adopted by the International Labour Conference in June 2012. This is also in line with the Master Plan for the Acceleration and Expansion of Poverty Reduction (*Masterplan Percepatan dan Perluasan Pengurangan Kemiskinan di Indonesia* (MP3KI)) and the draft Medium Term Development Strategy, (*Rencana Pembangunan Jangka Menengah* (RPJM)).

The SRS not only facilitates access to existing social protection and employment programmes, but also channels tailor-made combined packages which best match the needs and constraints of the beneficiaries. Combined packages may include conditions such as compulsory registration for social health insurance for all workers involved in the community empowerment programme (*Program Nasional Pemberdayaan Masyarakat Mandiri* (PNPM)), compulsory business development plan and job matching services prior to any registration in technical vocational education and training programmes (TVET), and compulsory school enrolment and health check-ups for families with children benefiting from the conditional cash transfer programme (*Program Keluarga Harapan* (PKH)). In the long term the SRS could provide case management for families (personalized plan or contract), develop coherent approaches to social protection and employment for specific target groups to increase their employability, facilitate

productive investments, provide minimum income security (cash transfers), and facilitate access to jobs and markets (broker function). The SRS will therefore not only contribute to the well-being of individuals but also to economic growth with equity.

In line with the decentralization reform initiated in 2001, each level of the sub-national administration has a role to play in the SRS operations, including at the village, sub-district, district/municipal, and provincial levels. The national level will play a planning, monitoring, and advisory function and provide guidance to the sub-nationals layers.

The SRS will cover six functions: (i) disseminate information on existing programmes, including the recently launched BPJS Kesehatan; (ii) develop and maintain an integrated database on beneficiaries and programmes together with a transparent management information system that will enable the monitoring of achievements, planning for the future, and evaluating social policies; (iii) match beneficiaries with programmes and facilitate registration; (iv) install and operate a call centre to support local teams in the provision of information to the beneficiaries; (v) facilitate claims and payment of contributions; and (vi) collect feedback and grievances from beneficiaries and try to find solutions.



Abbreviations

ABND	Assessment Based National Dialogue
APBD	Anggaran Pendapatan dan Belanja Daerah (Sub-National Government Budget)
APBN	Anggaran Pendapatan dan Belanja Negara (National Government Budget)
ASEAN	Association of Southeast Asian Nations
ASKESOS	Program Asuransi Kesejahteraan Sosial (Social Welfare Insurance Programme)
ATM	Automated Teller Machine
BAPPEDA	Badan Perencanaan dan Pembangunan Daerah (Local Development Planning Board)
BAPPENAS	Badan Perencanaan dan Pembangunan Nasional (National Development and Planning Board)
BIN	Badan Intelijen Negara (Indonesian State Intelligence Agency)
BLK	Balai Latihan Kerja (Vocational Training Centre)
BLSM	Bantuan Langsung Sementara Masyarakat (Temporary Unconditional Cash Transfer)
BLT	Bantuan Langsung Tunai (Unconditional Cash Transfer)
BOS	Bantuan Operasional Sekolah (School Operational Assistance)
BPJS	Badan Penyelenggara Jaminan Sosial (Law on Social Security Providers)
BPJS Kesehatan	Badan Penyelenggara Jaminan Sosial Kesehatan (Health Social Security Provider)
BPJS Ketenagakerjaan	Badan Penyelenggara Jaminan Sosial Ketenagakerjaan (Workers' Social Security Provider)
BPS	Badan Pusat Statistik (Central Bureau of Statistics)
BRI	Bank Rakyat Indonesia (People's Bank of Indonesia)
BSM	Bantuan Siswa Miskin (scholarship for poor students)
CBS	Central Bureau of Statistics
CCT	Conditional Cash Transfer
CSO	Civil Society Organization
CSR	Corporate Social Responsibility
DWCP	Decent Work Country Programme
e-KTP	Kartu Tanda Penduduk Elektronik (Electronic Identity Card)
e-ID	Electronic Identification Card Number
GDP	Gross Domestic Product

GIS	Geographic Information System
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
IBSF	Integrative Business Service Facility
IDR	Indonesia Rupiah
ILC	International Labour Conference
ILO	International Labour Organization
IT	Information and Technology
Jamkesmas	Jaminan Kesehatan Masyarakat (Health Insurance for the Poor Financed by the National Government)
Jamkesda	Jaminan Kesehatan Daerah (Additional or Supplementary Health Insurance for the Poor Financed by the Local Government)
Jampersal	Program Jaminan Persalian (Universal Delivery Care)
JSLU	Jaminan Sosial Lanjut Usia (Cash Transfer for Vulnerable Elderly)
JSPACA	Jaminan Sosial Penyandang Cacat (Cash Transfer for People with Severe Disability)
KPK	Komisi Pemberantasan Korupsi (Commission for Corruption Eradication)
KUBE	Kelompok Usaha Bersama (Social Assistance for Joint-Micro Business Development)
LPA	Lembaga Pelaksana Askesos (Implementing Agency of Askesos)
MIS	Management Information System
MoHA	Ministry of Home Affairs
MoMT	Ministry of Manpower and Transmigration
MoSA	Ministry of Social Affairs
MoU	Memorandum of Understanding
MP3KI	Masterplan Percepatan dan Perluasan Pengurangan Kemiskinan di Indonesia (Master Plan for the Acceleration and Expansion of Poverty Reduction)
NGO	Non-Governmental Organization
NIK	Nomor Induk Kependudukan (Unique Identification Number)
NTT	Nusa Tenggara Timur (East Nusa Tenggara)
PATEN	Pelayanan Administrasi Terpadu Kecamatan (Integrated Public Service Delivery)
PDE	Pengelolaan Data Elektronik (Bureau of Electronic Data Management)
PKH	Program Keluarga Harapan (Conditional Cash Transfer)
PMT-AS	Program Makanan Tambahan bagi Anak Sekolah (Supplemental Food for School Children Program)
PMT-KEK	Pemberian Makanan Tambahan Pemulihan Ibu Hamil Kekurangan Energy Kronis (Nutrition Supplements for Pregnant Women Who Suffer From a Lack of Protein)
PNPM	Program Nasional Pemberdayaan Masyarakat (Community Empowerment Programme)
PPID	Pejabat Pengelola Informasi dan Dokumentasi (Information And Documentation Officer)

PPLS	Pendataan Program Perlindungan Sosial (Data Collection for Social Protection Programmes)
PT	Perseroan Terbatas (Limited Liability Company)
Posyandu	Pos Pelayanan Terpadu (Community Health Service)
Puskedes	Pusat Kesehatan Desa (Village Health Post)
Puskesmas	Pusat Kesehatan Masyarakat (Community Health Centre)
Pustu	Puskesmas Pembantu (Village Health Facility)
Raskin	Beras untuk Orang Miskin (Rice for the Poor)
RPJM	Rencana Pembangunan Jangka Menengah (Medium Term Development Strategy)
RPJP	Rencana Pembangunan Jangka Panjang (National Long Term Development Strategy)
RT	Rukun Tetangga (Neighbourhood Service)
RW	Rukun Warga (Community Service)
SILADES	Sistem Informasi Layanan Administrasi Desa (Management Information System in Malang District)
SIMPEL	Sistem Informasi Penyelesaian Laporan (Information System for Handling Complaints)
SJSN	Sistem Jaminan Sosial Nasional (National Social Security System Law)
SKPD	Satuan Kerja Perangkat Daerah (Technical Unit)
SMD	Survei Mawas Diri (Introspective Survey)
SMS	Short Message Service
SNA	Sub-National Administration
SPF	Social Protection Floor
SRS	Single Referral System
SWS	Single Window Service
TKPKD	Tim Koordinasi Penanggulangan Kemiskinan Daerah (Local Coordination Team for Poverty Alleviation)
TKSK	Tenaga Kesejahteraan Sosial Kecamatan (Social Worker at Sub-District Office)
TNP2K	Tim Nasional Percepatan Penanggulangan Kemiskinan National (National Team for the Acceleration of Poverty Alleviation)
TVET	Technical Vocational Education and Training Programmes
UKP-PPP	Unit Kerja Presiden Bidang Pengawasan dan Pengendalian Pembangunan (Special Unit for the Supervision and Control of Development)
UN	United Nations
UNDESA	United Nations Department of Economic and Social Affairs
UPT	Unit Pelayanan Teknis (Technical Functional Unit)
UPTPK	Unit Pelayanan Terpadu Penanggulangan Kemiskinan (Technical Unit for Poverty Alleviation)
US\$	United States Dollar



Introduction

Indonesia strives to extend social protection coverage to the entire population. Since its amendment in 2002, the Indonesian Constitution recognizes the right to social security for all and the responsibility of the State in the development of social security. Though the existing social protection schemes tend to be fragmented and scattered, progress is taking place towards a more comprehensive provision of social protection coverage.

An important milestone is the progressive implementation of the National Social Security Law (Law No. 40/2004 regarding the National Social Security System). The law mandates the extension of social security coverage to the whole population in the categories of health, work injury, old age, and death of the breadwinner. The Law applies non-contributory schemes for the poor, contributory schemes for the self-employed, and statutory social security schemes for formal sector workers. The Law on Social Security Providers (No. 24/2011), which provides guidance on the implementation of the National Social Security System, stipulates that universal health insurance is to commence in 2014, while work injury, old age, and death insurance are anticipated to start in 2015.

Another important milestone is the 2010-2014 Medium Term Development Plan—a part of Presidential regulation No. 5/2010—which sharpened policy focus on poverty alleviation. Presidential Regulation No. 15/2010 moved the coordinating authority for the management and operation of national poverty alleviation to the Vice President's Office in order to create multi-sector synergies and to synchronize poverty alleviation paradigms and agendas under the different ministries. Through its National Team for Accelerating Poverty Reduction (*Tim Nasional Percepatan Penanggulangan Kemiskinan Nasional* (TNP2K)), the Government of Indonesia has recently established a unified database of potential beneficiaries containing information on the population residing in the four bottom deciles of the income distribution. It is designed to provide the necessary information to enable targeting of different social assistance programmes. A National Master Plan for the Acceleration and Expansion of Poverty Reduction (MP3KI) was launched in 2013 under the coordination of the Ministry of Planning and Development (BAPPENAS) with the objective of reducing poverty from 11.37 per cent in 2013 to between 3 and 4 per cent by 2025. To achieve this objective, the involvement of sub-district administration offices (*Kecamatan*) and village administration offices (*Kelurahan*) in the design and implementation of social assistance and social protection programmes will be of critical importance.

The social protection floor concept was articulated in the ILO's Social Protection Floors Recommendation, 2012 (No. 202), which was adopted by an overwhelming majority of government, employer, and worker delegates of the ILO's 185 Member States at the International Labour Conference in June 2012. Reaffirming that social security is a human right and a social and economic necessity, the Recommendation sets out that countries should establish and maintain national social protection floors. The Recommendation provides guidance to countries in establishing and maintaining national social protection floors as a fundamental element of comprehensive social security systems. In addition, the Recommendation offers directions in developing extension strategies that progressively ensure higher levels of social security to

as many people as possible and as soon as possible, reflecting national objectives, economic and fiscal capacities, and guided by other ILO social security standards.

From April 2011 to November 2012, the ILO, in close collaboration with relevant line ministries and the UN sub-working group on the social protection floor in Indonesia, engaged line ministries, UN agencies, social partners, civil society organizations, academia, and other relevant stakeholders to assess the social protection situation, identify policy gaps and implementation issues, and draw appropriate policy recommendations for the achievement of a comprehensive social protection floor in Indonesia. This policy dialogue—called the assessment based national dialogue (ABND) exercise—resulted in a number of policy recommendations for social protection provisions with a goal of developing a comprehensive and inclusive national social protection floor in the country and preliminary indications of the affordability of the proposed social protection provisions.

The ABND exercise in Indonesia found some common gaps and issues across social protection programmes: limited coverage, limited access to social services particularly in the eastern parts of Indonesia, limited linkages between social protection programmes and employment services, almost no social security for workers in the informal sector, high social security evasion in the formal sector, data limitations and targeting issues, as well as issues of coordination and overlaps among programmes. To address these challenges the ABND report recommends the design and pilot-testing of a Single Window Service (SWS), also known as a single referral system (SRS). The main objective of the SRS implementation is to ensure better coordination among all social protection stakeholders at both operational and policy levels, and thus to improve efficiency in delivering social protection benefits and employment services. This one-stop shop for social protection programmes and employment services would provide information to potential beneficiaries on guarantees and services, facilitate registration processes, update beneficiary databases, facilitate the appeals mechanisms, and improve coordination among programmes.

The idea of better coordination of the delivery of social protection and employment policies and programmes has gained interest among national and provincial policy makers. Since March 2013, East Java and Maluku Provinces (mainly Ambon municipality and Malang district) have hosted an ILO pilot project establishing the SRS. The Ministry of Social Affairs has piloted a single window service approach since 2010 in Sragen district and Central Java Province, and is expanding the experiment to other provinces. BAPPENAS is now conducting a review of existing efforts to better coordinate the implementation of social services and social protection programmes in ten districts across Indonesia. This study will provide some additional ideas and guidance for the design of one or more SRS models that can be adapted and implemented in all parts of Indonesia.



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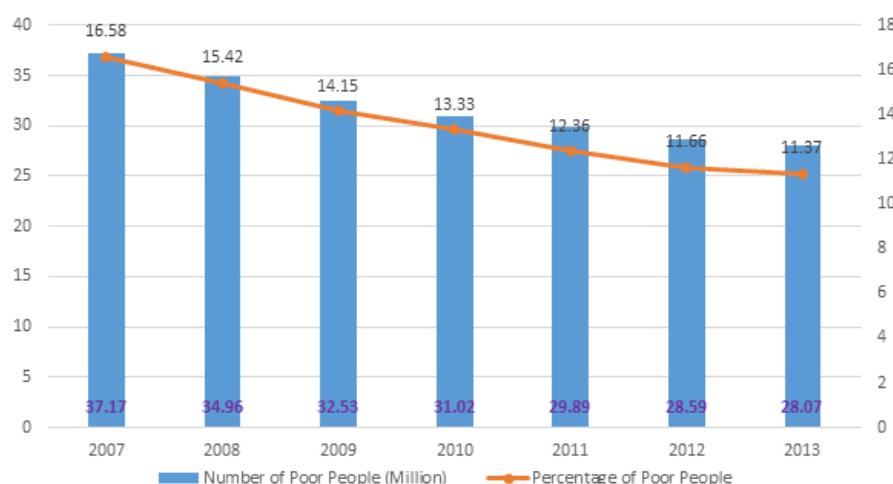
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Background and justification

1.1. A conducive macroeconomic framework

The Indonesian economy continues to grow and is one of the few economies in the world that has managed to maintain growth against the backdrop of global economic uncertainty. Despite a recent slowdown in real gross domestic product (GDP) growth, the Indonesian economy has over the past 10 years recorded annual GDP growth of 5.6 per cent on average and growth continues to trend upwards (UNDESA, 2014). GDP growth was at 6.5 per cent in 2011, 6.2 in 2012, and 5.6 in 2013 (World Bank, 2013). These growth records have translated into sustainable poverty reduction. The poverty rate (ratio of the number of poor people to the total population) has decreased from 16.58 per cent in 2007 to 11.37 per cent in 2013, yet inequality and vulnerable employment remain major concerns. In both 2011 and 2012 the Gini index was estimated to be 0.41, up from 0.35 in 2008.¹ Vulnerable employment—including own-account workers, casual workers, and unpaid family workers—are far less likely than wage and salaried workers to benefit from labour market regulations and social protection systems in Indonesia. In 2012 it is estimated that 60 to 63 per cent of all those employed could be considered “vulnerable workers”. Additionally, about 65 million Indonesian people still earn less than US\$ 1.25 per day (World Bank, 2014).

Figure 1. Poverty profile of Indonesia

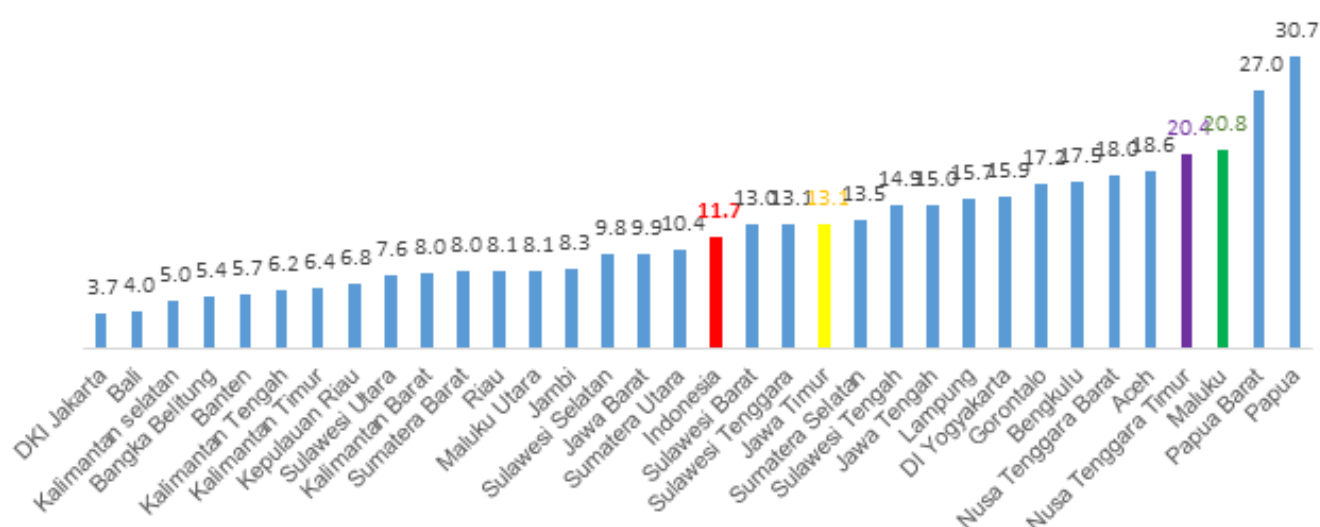


Source: Authors' tabulations based on BPS data (2013).

¹ Gini Index is the measure of income distribution calculated based on income classes. The Gini index lies between null (zero), expresses 'perfect equality' and one (1), which expresses 'perfect inequality'.

These national trends also hide regional disparities. For example, the eastern provinces of Indonesia record some of the highest poverty rates in the country despite often having high economic growth (figure 2). The provinces of Papua Barat, Maluku, and East Java recorded high GDP growth rates in 2012 at 15.8, 7.8, and 7.3 per cent, respectively, but their poverty rates remain higher than the national average. Recent quantitative empirical work shows that well-functioning local coordination teams for poverty alleviation, called *Tim Koordinasi Penanggulangan Kemiskinan Daerah* (TKPKD), have led to reductions in poverty rates and higher economic growth in some regions (Sumarto, Vothknecht, and Wijaya, 2013).

Figure 2. Percentage of poor people to total population by province, 2012



Source: Authors' tabulations based on BPS data (2013).

1.2 A national priority to extend social protection

Since its amendment in 2002, the Indonesian Constitution recognizes the right to social security for all residents and the responsibility of the State in the development of social security policy.

Law No. 40/2004 on the National Social Security System mandates the extension of social security coverage to the whole population in the categories of health, work injury, old age, and death of the breadwinner. The Law introduces a staircase approach with non-contributory schemes for the poor, contributory schemes for the self-employed (including informal economy workers), and statutory social security schemes for formal sector workers. The Law on Social Security Providers (No. 24/2011), or BPJS Law, elaborates on the implementation of the National Social Security System, stipulating that the universal health insurance programme is to commence in 2014, while work injury, old age, and death social security are anticipated to start in mid-2015.

Alongside the development of the National Social Security System, progress is also taking place on the social assistance front with improved coverage among the poorest and most vulnerable. Since 2011, the Government of Indonesia, through the National Team for Accelerating Poverty Reduction (*Tim Nasional Percepatan Penanggulangan Kemiskinan Nasional* (TNP2K)), has developed an integrated database of beneficiaries (named the poor household database) based on a survey called the Data Collection for Social Protection Programmes (*Pendataan Program Perlindungan Sosial* (PPLS)). This database covers people in the bottom 40 per cent of the income distribution in Indonesia and aims to improve the efficiency of the anti-poverty programmes' targeting mechanisms.

1.3 A complex and scattered social protection landscape

The social protection assessment based national dialogue exercise conducted by the ILO in 2011-12 provides a relatively comprehensive overview of existing schemes and programmes.² Until the national social security system mandated by Law No. 40/2004 is fully operational, the social protection system principally comprises of statutory social security schemes for formal workers and a tax-financed social assistance system (public welfare) as part of a broader set of anti-poverty programmes and government subsidies. Various national and local-level social protection programmes for different target groups exist in the country. These programmes tend to be fragmented under different ministries and at different levels of government, thus calling for improved coordination.

Social health protection

With the enactment of the National Social Security System Law in 2004 and the Law on Social Security Providers in 2011, the Government made a commitment to achieve universal health insurance coverage. Based on this law, the previous health insurance provider, Perseroan Terbatas (PT) Askes, was transformed into the new social health insurance provider, BPJS Kesehatan. BPJS Kesehatan will gradually provide health insurance to the whole population. BPJS Kesehatan officially commenced operations on 1 January 2014 and is expected to reach universal coverage by 2019. The universal health insurance will consist of contributory and non-contributory schemes. Civil servants and formal sector employers, previously covered under PT Askes and PT Jamsostek, respectively, will continue to pay contributions for their membership in the new health insurance system. The poor and near-poor, previously covered by Jaminan Kesehatan Masyarakat (Jamkesmas), health insurance for the poor financed by the national Government, and Jaminan Kesehatan Daerah (Jamkesda), supplementary health insurance for the poor financed by local governments, will remain as non-contributing members. Non-poor informal sector workers, who were previously not covered by social health insurance, can register for the programme and pay contributions between 25,500 Indonesian rupiahs (IDR) (US\$ 2) and IDR 59,500 (US\$ 5) per month. Formal sector workers who were previously not registered by their employers in the Jamsostek programme (due to evasion, only around 25 per cent of formal sector workers were members of the Jamsostek programme) are also expected to register in the programme. At the start of its operations, BPJS Kesehatan will be responsible for all existing members from previous social health insurance schemes, which amounts to around half of Indonesia's total population.

Other social security benefits

Other social security benefits (old-age pensions, survivors' benefits, and employment injury benefits) are primarily managed by three state-owned limited liability companies, or *Perseroan Terbatas* (PT). PT Jamsostek is the social insurance fund for private sector employees; PT Taspen manages the civil servants' old-age benefits; and PT Asabri manages old-age benefits for the armed forces and the police. In the current system, the bulk of informal sector workers are left with almost no social protection. Some small-scale pilot programmes providing social protection for informal sector workers exist, including the Jamsostek pilot programme for informal sector workers and the Social Welfare Insurance Programme, *Program Asuransi Kesejahteraan Sosial* (ASKESOS). These programmes provide social security and income replacement benefits to small groups of informal sector workers. The Law on Social Security Providers (No. 24/2011), or the BPJS Law, stipulates that the three companies (PT Jamsostek, PT Taspen, and PT

2 Satriana S. and Schmitt V.: *Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Indonesia* (Jakarta, ILO, 2012).

Asabri) will be merged into the Workers' Social Security Provider, or BPJS Ketenagakerjaan, which is expected to start operations in mid-2015. BPJS Ketenagakerjaan aims to provide old-age pensions, old-age lump sums, survivors' benefits, and employment injury benefits to the entire population, including informal sector workers.

Social assistance

Social assistance is provided through a number of social welfare programmes providing access to education, health care, food security, social infrastructure, and employment opportunities. The Ministry of Social Affairs operates a conditional cash transfer (CCT) called the Family Hope Program (*Program Keluarga Harapan* (PKH)) and an unconditional cash transfer programme (*Bantuan Langsung Tunai* (BLT)). The Ministry of Education and the Ministry of Religious Affairs operate scholarships for poor students (*Bantuan Siswa Miskin* (BSM)). Government subsidies, both universal and targeted, include universal energy subsidies (fuel and electricity) and non-energy subsidies (such as the Rice for the poor programme (Raskin), microcredit programmes, and distribution of fertilizers, seeds, soybeans, and cooking oil), which are targeted to certain categories of the population. The country is slowly moving away from universal fuel subsidies to targeted poverty alleviation programmes.

1.4 The challenges of social protection extension

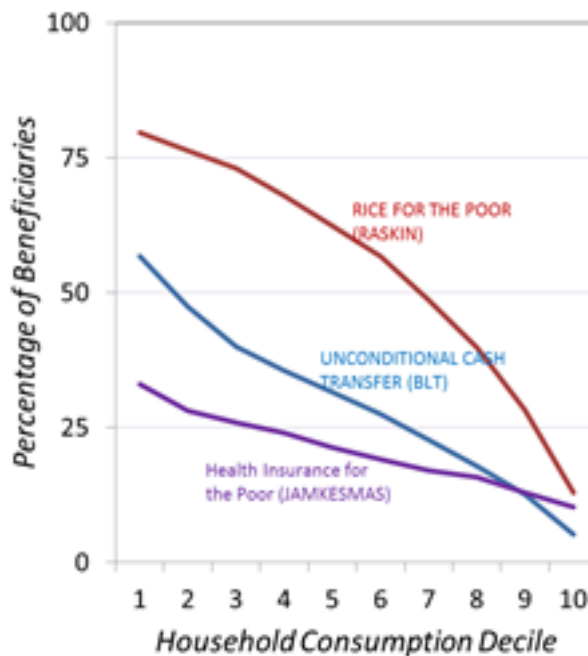
ILO's report *Social protection assessment based national dialogue: Towards a nationally defined social protection floor in Indonesia* identifies a number of policy gaps and implementation issues that are common across programmes, benefits, and implementing agencies.

Existing programmes have **insufficient outreach** and fail to provide adequate benefits to the vast majority of participants. Social protection for informal economy workers and their families is still very limited due to insufficient policies and schemes targeting this group of the population, as well as difficulties for existing programmes to reach out to informal sector workers. The report acknowledges that the National Social Security System Law (*Sistem Jaminan Sosial Nasional* (SJSN)) is a promising foundation for the provision of social security for all Indonesian workers and their dependents, including those in the informal economy. However, the new BPJS Kesehatan and BPJS Ketenagakerjaan will need to find effective ways to reach out to informal sector workers, the majority of whom have never been part of any social security scheme. Membership in BPJS Kesehatan of non-wage workers (who do not benefit from the subsidized benefit package) has increased dramatically from 14.2 thousand in January 2014 to 1.1 million in March 2014. However, more efforts need to be carried out to ensure that these new members remain in the scheme and that the remaining non-poor informal sector workers can join rapidly. Although BPJS Ketenagakerjaan will be implemented in mid-2015, it has already identified a number of challenges in expanding coverage to formal and informal sector workers, including unclear administrative procedures for enrolment, payment of contributions, and benefit claims; lack of understanding of the importance of paying contributions prior to any entitlement to benefits; weak law enforcement; low salary scales and irregular income patterns; and an insufficient network of BPJS offices where people can register, receive information on their application, make contribution payments, and so on.

The report also highlights **data limitations and targeting issues** in many programmes, combined with vague definitions of target beneficiaries that may lead to inclusion and exclusion errors, as well as uneven entitlements to benefits across localities. Many programmes have developed their own targeting system, but executing agencies are not equipped with appropriate information systems to register

individuals in a proper database, keep track of enrolments, monitor utilization of services, and evaluate the impact of the programmes. For example, in the case of the assistance programme for poor families with students, poor students eligible to BSM scholarships should also be entitled to receive conditional cash transfers from the PKH programme. The two programmes use different database systems to target their beneficiaries: PKH uses national data while BSM uses data based on the assessments by school committees. The two datasets use different criteria to guide the selection of beneficiaries, resulting in incoherent targeting and an inability to link the list of beneficiaries from the two programmes.

Figure 3. Illustration of the targeting errors



Source: TNP2K Presentation in Malang, Nov. 2013.

Figure 3 illustrates the consequences of targeting errors under the Raskin, BLT, and Jamkesmas programmes. A significant proportion of the programmes' beneficiaries come from high consumption households, i.e. the richest segments of the Indonesian population, even though the programmes are meant to target the poorest segments of the population.

The ILO's report acknowledges that efforts have been made to establish a unified database for potential beneficiaries but questions the capacity of this new database to be updated on a regular basis, as well as provide information on individual characteristics (disabilities, children with special needs, and so on) needed to identify beneficiaries for some of the programmes. These data inadequacies not only make the identification and targeting of beneficiaries difficult and imprecise, but also prevent the installation of a proper and unbiased evaluation and monitoring

mechanism that would contribute to progressively improving the design and delivery of existing social protection programmes and employment services.

An **absence of coordination** between programmes leads to inefficiencies and lost opportunities for synergies. Instead of sharing common administrative functions (identification of the target groups, enrolment procedures and tools, information sharing and support to the claims processes), all of the social protection programmes are administered separately. This lack of coordination also exists at the policy level. Line ministries often focus on their own prerogatives without looking at the work in progress from other line ministries. Similarly, a lack of coordination extends across the layers of the Government (central, provincial, and district levels), with many programmes designed at the central level without considering the actual constraints of field implementation.

Currently, there are **no efforts to combine policies and programmes** in order to create combined benefit packages with potentially higher impacts on poverty reduction, linkages between social protection and employment programmes, and bridges between social assistance and social insurance. Beneficiaries of social security programmes, for instance, do not benefit from any specific access to employment services that can help in improving their employability. Conversely, beneficiaries of employment programmes, such as the community empowerment programmes (PNPM), are not systematically enrolled in health or other social protection schemes even though social protection schemes targeting informal sector workers do exist, such as Jamsostek for construction workers. Employment programme beneficiaries also do not receive vocational training or post-training services.

Finally, final beneficiaries are frequently **not represented** in the design of policies and programmes, and do not have the opportunity to provide feedback on existing services. Although most local governments in Indonesia offer online complaint and feedback systems, the grievances and suggestions are often not answered and are not sufficiently analysed with a view to improve the delivery, availability, and quality of social services.

There is also a general lack of clarity between the **roles and responsibilities** of the different layers of the administration that may lead to loopholes in the accountability framework. The sub-national level does not have sufficient capacity for the proper provision of social services, data management, monitoring, and evaluation.

All these challenges lead to a highly complex social protection landscape. It is difficult for residents to identify which programmes they are entitled to and acquire proper information on registration and other processes.

Better coordination at all levels is needed to overcome these challenges. Coordination can take various forms:

- the development of coherent national social protection strategies linked with employment policies to achieve more inclusive societies;
- the establishment of cross-ministerial coordination boards and committees;
- better communications between central and regional governments regarding needs and constraints on the ground, proposed policies and programmes to ensure adequate benefit packages, and increased coherence of the implementation process;
- the design and implementation of integrated management information systems to channel information on benefit packages and financial allocations (top-down), as well as to report on coverage, impact, and suggestions for improvements (bottom-up);
- the development of common registration and delivery mechanisms (single referral system);
- the promotion of combined benefit packages covering a variety of needs and constraints that are identified at the local level through combined socio-economic assessments; and
- the development of cross-national, south-south exchanges of experience.

1.5 Attempts to increase the coherence of social protection schemes and expand coverage

The Government of Indonesia initiated the National Coordinating Team for Accelerating Poverty Alleviation (TNP2K) in 2010. The team's main objectives are to coordinate at the national level all the line ministries working in the fields of social assistance and social protection and to integrate all the different poverty alleviation programmes in order to develop a more comprehensive and efficient system. TNP2K has established several basic policies related to poverty reduction, including:

- policy on targeting;
- policy on draft programmes;
- policy on programme control; and
- policy on monitoring and evaluation.

The policy on targeting aims to develop one unique list of potential recipient families for all social aid programmes. The policy on draft programs aims to avoid redundancy of social assistance programmes. Ensuring efficiency and effectiveness in the delivery of social protection programmes is covered by the policy on programme control. Finally, policy on monitoring and evaluation ensures that a number of indicators can be tracked and that the impact of existing programmes on various dimensions (awareness, governance, access, poverty reduction, and so on) can be assessed.

In close coordination with twelve line ministries and national agencies, TNP2K has developed a common database to target beneficiaries of social assistance programmes. The coordinated development of the database involved the Ministry of Home Affairs, Ministry of Finance, Ministry of Social Affairs, Ministry of Health, Ministry of National Education, Ministry of Public Works, the Central Bureau of Statistics, and the Special Unit for the Supervision and Control of Development (UKP-PPP), among others.

TNP2K has also designed a common targeting mechanism and built a unified database of social assistance beneficiaries based on several datasets: the Data Collection for Social Protection Programmes, the population census, the National Socio Economic Survey, the Employment Survey, and the Health Survey. However, since these surveys were not conducted during the same periods of time, the information in the newly integrated database needed to be reconciled. Some inaccuracies likely remain in the final combined database, which will need to be progressively corrected.

TNP2K is working closely with local coordination teams for poverty alleviation programmes (TKPKD) at the provincial and district levels. These teams have been established through governor and regent/mayor decrees. Officially, TKPKD teams have been established in all provinces and districts of Indonesia. Many of these teams are not fully functional due to a lack of clear job descriptions, analytical methods and tools, good leadership, and financial resources. As a consequence, TKPKD only conducts coordination meetings twice each year in most regions. In addition, TNP2K does not have any monitoring procedures to evaluate the work completed by TKPKD.

On the social security front, the Law on Social Security Providers (No. 24/2011), or BPJS Law, aims to rationalize the provision of social security by introducing two providers (one for health and one for the other social security benefits) and expand social security coverage. Until recently social security schemes were primarily managed by four state-owned limited liability companies: PT Jamsostek (social insurance fund for private sector employees), PT Taspen (responsible for the civil servants' old-age benefits provider), PT Askes (health insurance provider for civil servants and pensioners), and PT Asabri (old-age benefits provider for the armed forces and the police). PT Askes was transformed into the new social health insurance provider (BPJS Kesehatan) and started operations in January 2014. The new workers social security provider (BPJS Ketenagakerjaan) will be established by transforming PT Jamsostek. BPJS Ketenagakerjaan's operations are expected to commence in mid-2015.

Law No. 40/2011 mandates that the new schemes be expanded to cover the entire population. However, both institutions currently lack the human resources and organizational capacity to play the role of a unique purchaser of health-care services and to provide outreach to agricultural and informal sector workers. For instance, BPJS Kesehatan in the Malang Raya area (serving Malang Municipality, Malang District, and Batu Municipality) has only one office with thirty employees for an estimated population of 5 million.

In response to the limited capacity, a number of innovative initiatives have emerged to facilitate the progressive expansion of social security coverage to uncovered populations. For instance, since January 2013 the Directorate of Demographic and Civil Registration of the Ministry of Home Affairs has made its electronic identification card number (e-ID) database available to PT Askes, which was therefore able to prepare the implementation of the new health insurance scheme (BPJS Kesehatan) by identifying and registering new members from the e-ID card number database. The e-ID card number is also used as the

health insurance identification number. Another example includes a pilot project from the Ministry of Social Affairs to establish a one-stop service for social service delivery in five districts and municipalities across Indonesia: Sukabumi Municipality in West Java province, Sleman and Sragen districts in Central Java province, Berau in East Kalimantan province, and Bantaeng in South Sulawesi. This single window service called the technical unit for poverty alleviation (UPTPK) provides access to various services and programmes, including social health insurance (BPJS Kesehatan) and programmes from the Office of Social Affairs, Bureau of Community Empowerment, Office of Manpower and Transmigration, Office of Agriculture, Education, and so on. UPTPK assesses the vulnerability of households and corrects mis-targeting errors in the PPLS database. Individuals are registered in a single database and identified through the e-ID card number. Children under 17 years of age who do not have an e-ID card number are identified through the family card system.³ The UPTPK is financed by district budgets and corporate social responsibility (CSR) allocations.⁴ The design of the UPTPK varies in each pilot district and municipality. For instance, in Bantaeng district the single window hosts the offices of the BPJS Kesehatan and BPJS Ketenagakerjaan. In Berau district, a proper management information system links the village offices to the district office. MoSA would be interested in using the SRS design study to integrate the district UPTPK with the sub-districts and village levels.

A national workshop was organized on 5 December 2013 by BAPPENAS to take stock of the various coordination experiments and pilot projects and to reach a consensus on efficient ways to update the unified poor household database. The SRS was recognized as a mechanism to support the regular updates of the unified database for all social assistance and anti-poverty programmes, facilitate access to existing social insurance and social assistance programmes, improve targeting and monitoring of existing programmes, increase efficiency of budget allocations, and better coordinate budget planning. Through a case management system, the SRS will also carefully monitor households' socio-economic situations and adapt the provision of services and social transfers to the needs of final beneficiaries while facilitating graduation out of poverty. To prepare a national design and rollout of the SRS it was agreed that BAPPENAS would conduct an inventory of existing schemes and innovative approaches in monitoring and evaluating social programmes in ten districts across Indonesia.

The SRS concept was also acknowledged at a recent workshop on *Making decentralization work: Challenges and opportunities for delivering social protection at the sub-national level*, organized by BAPPENAS and Paramadina University on 4 June 2014. It was also confirmed that the SRS will be proposed as a mechanism to improve access and delivery of social protection programmes in the framework of the upcoming Medium Term Development Strategy (*Rencana Pembangunan Jangka Menengah* (RPJM)).

The SRS concept is also welcomed by BPJS Kesehatan as a mechanism to register non-wage workers and encourage them to contribute to social security. It is also seen as a mechanism to reduce the administrative costs of BPJS and empower the final beneficiaries. The beneficiaries will be better informed and aware of their entitlements and will claim for an increase in the quality of health-care services. Local governments who embrace the SRS concept will play an active part in the development of social protection in their localities and will be compelled to answer the new demand for higher quality and availability of services through additional investments in the supply of services.

The single referral system design is also in line with recent Government policies, notably the Presidential Decree No. 43/2014 enacted on 17 May 2014 regarding the Government's 2015 work plan. Among the specific measures mentioned in this decree are the development of an integrated referral system that is expected to improve the delivery of social protection programmes. The decree also foresees improvements in access to basic social protection for the poor and near-poor groups by strengthening

³ A description of existing databases is available in section 2.2.2.

⁴ Law No. 40/2007 and Government Regulation No. 47/2012 concerning social and environmental responsibility of limited liability companies state that companies managing or utilizing natural resources are required to fulfil social and environmental responsibilities.

organizational capacity of the public service delivery mechanism, empowering final beneficiaries, facilitating better planning, management, monitoring, and evaluation of basic service quality, and developing coordination and synergies between programmes.

1.6 The roles and responsibilities of the sub-national level in policy design and delivery of social protection services

Indonesia has engaged in decentralization reform since 2001. The decentralization has successfully extended the authority of district/municipal governments, which are now able to initiate policies and enact local regulations based on local needs. However, this transfer of authority is not supported by adequate budget allocations from the central Government. According to Government Regulation No. 38/2007 concerning Governmental Authority Provision, the central Government mandates that local governments develop social security systems in their own jurisdictions, notably by facilitating the implementation of national programmes. In addition, district and provincial governments are entitled to develop their own complementary programmes.

Many districts and provinces have indeed developed their own visions and strategies for the extension of social protection to the informal economy, improving working conditions of informal economy workers, and progressively formalizing the informal economy. Several districts/municipalities have even developed additional or supplementary schemes that provide additional benefits or extend coverage to uncovered groups of the population. Provincial- and district-level health insurance programmes cover approximately 13.5 per cent of the Indonesian population.⁵ These programmes are found in almost all provinces with the exception of Gorontalo, Papua, and West Papua.

Since 2003, the Ministry of Social Affairs has developed social welfare insurance for the informal sector (Askesos) in several provinces. The service provider for the Askesos is called the Implementing Agency of Askesos (*Lembaga Pelaksana Askesos* (LPA)). Its main function is to validate participant data after the MoSA recommends beneficiaries based on the list generated from the poor household database (PPLS 2011). LPA is composed of officers who receive an honorarium from the Office of Social Affairs at the provincial level and salary from PT Jamsostek (now BPJS Ketenagakerjaan) in the amount of 12.5 per cent of total collected contribution fees. The East Java province has successfully piloted the Askesos programme, establishing several LPA. The total number of LPA offices in East Java is 14 units across 38 districts with 8,179 contributing participants. The East Java LPA manages the collection of IDR 1 trillion (US\$ 100,000) in premiums (Office of Social Affairs in East Java province, 2012).

In order to complement national social assistance programmes such as PKH, provincial and district governments disburse its local budgets to reach under-covered beneficiaries. The conditional cash transfer programme (PKH) financed through the national budget (APBN) has assisted 42,219 out of 149,272 poor households in Malang district since July 2013. According to the Office of Social Affairs in Malang district, in 2012 there were 254 street children who do not recognize their parents. For these underprivileged children, the Office of Social Affairs of Malang has already spent around IDR 90 million (US\$ 9,000) to facilitate cross-issues training (automotive workshop, soft skill development, among others) for about 65 children. In addition, the provincial government of East Java has also allocated a social assistance fund for 75 children in Malang district through NGOs. There are still unmet needs among the remaining 140 street children in Malang district despite of consolidated budget allocated by the sub-national administrations.

5 Source: www.social-protection.org platform (accessed 8 August 2014).

Another national programme, the social cash transfer for vulnerable elderly people (JSLU), had budget sufficient to cover only 53 out of 3,458 elderly persons in Malang district in 2012. To expand its coverage, the district government of Malang distributed non-regular social assistance to elderly persons who lived in 38 sub-districts. The targeting procedure to expand the JSLU beneficiaries occurs through reports from field social workers (TKSK), who are part-time employees of the Ministry of Social Affairs in the Office of Social Affairs at district level.

2

The single referral system mechanism

The single referral system in Indonesia is designed to facilitate access to social security and anti-poverty programmes for the poor, informal economy workers, and their families.

2.1 The SRS's main objectives

2.1.1 Increased outreach to beneficiaries

In Indonesia, existing social protection programmes fail to cover those in need of protection for several reasons:

- The selection of eligible beneficiaries under targeted programmes is not determined by entitlement to benefits, but rather by the total amount of budget available. Due to the limitations of these budgets, only a share (usually the most in need) of the potential target population can benefit from the programme. Since budget availability may vary from one year to the next, inclusion in a programme can also vary over time.
- A poor household database exists and is updated once every three years by the Central Bureau of Statistics based on a survey called the Data Collection for Social Protection Programmes (PPLS). The surveyors conduct interviews with poor households and then cross-check information with the heads of the villages, the neighbourhood services (*Rukun Tetangga* (RT)) and the community services (*Rukun Warga* (RW)). The database is of poor quality for a number of reasons, including a lack of training for the surveyors, insufficient budget to conduct full-fledged interviews, risk of manipulation of the information by village elites, lack of involvement of the local administration in the update of the PPLS, and insufficient updates occurring only once every 3 years. This leads to high rates of exclusion and inclusion errors. This may lead to frustration such as in the case of the Rice for the poor programme (Raskin) that has triggered riots in many parts of the country since its inception more than 10 years ago.
- Even when families are aware of existing programmes, they often do not understand the registration procedures or how to access benefits. Beneficiaries who are not fully aware of their entitlements fail to appeal when they do not receive their benefits.
- In the framework of the extension of social security coverage to non-poor informal sector workers and families it may also be of critical importance to have at hand complementary tools and databases to identify and register non-poor informal economy workers.

The SRS provides a single entry point for households to access information and register in social protection schemes and employment services at their doorstep. Community facilitators will deliver information and offer assistance to facilitate registration and application processes. They will also channel a combination

of services and benefits which best match the needs and constraints of the beneficiaries. Moreover, the design of services can be progressively improved by taking into account beneficiaries' feedback and complaints. The SRS – as a contact point for beneficiaries – will also be best placed to collect and update information on households, and therefore update the poor household database and any other databases used for the identification and registration of beneficiaries in existing programmes.

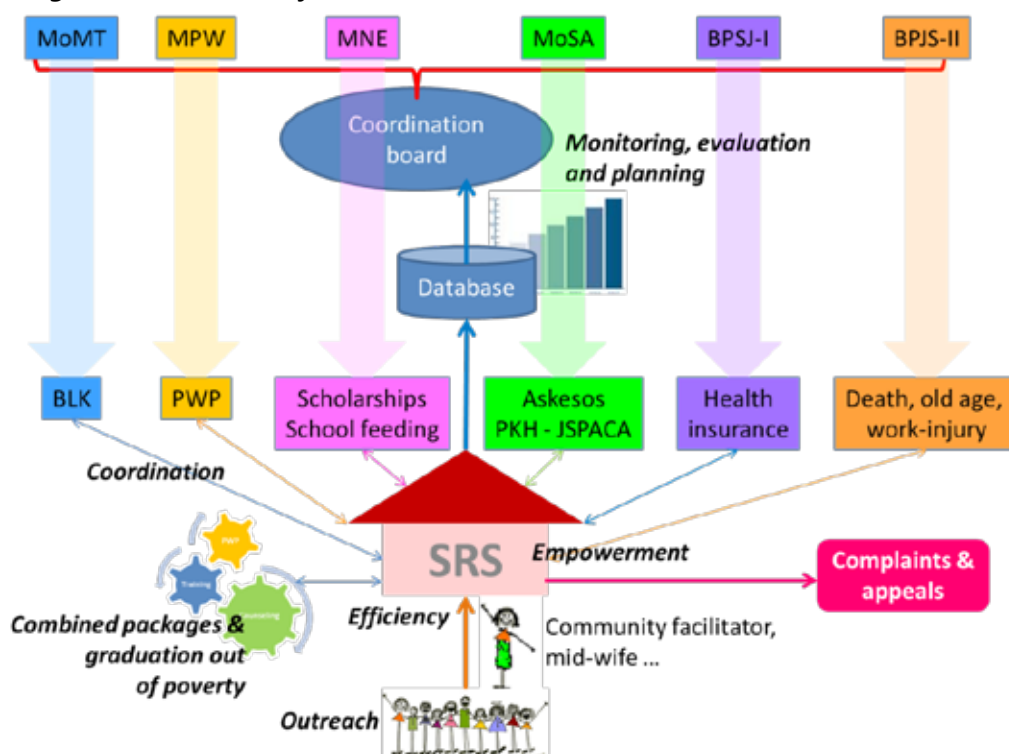
2.1.2 Horizontal and vertical coordination leading to increased efficiency

Currently, the local planning agency, *Badan Perencanaan dan Pembangunan Daerah* (BAPPEDA), does not coordinate sufficiently with decentralized offices of existing line ministries that implement their programmes directly, such as the offices of education, health, social affairs, and labour. Although the programmes under the line ministries are complementary with one another, they often do not exchange information. For instance, the database of jobseekers is not connected to the database of job vacancies. Many of these programmes use liaison officers at the community level that focus only on their target groups and interventions and do not try to link with the liaison officers from other programmes. Thus, one household is potentially served by several liaison officers (one for each programme). This results in a number of administrative inefficiencies with many processes being redundant and labour intensive. Processes such as household identification and registration, dissemination of information, and collection of contributions are conducted separately for each programme rather than for all programmes at once. The creation of TKPKD teams (led by deputy governors, deputy regents, or deputy mayors) working at provincial and district levels was an attempt to improve coordination among sub-national administration offices, but has failed to generate operational linkages between different government agencies involved in social protection at the local level. In many cases, TKPKD is not fully supported by a particular budget line to cover its operational costs.

The SRS will be operated by local administration staff at the sub-district and district/municipal levels. These staff members will therefore be aware of existing social protection programmes and will serve as the front office for these programmes. This will contribute to increasing horizontal coordination between the local administrations and the offices of the line ministries in charge of social protection (health, social affairs, labour, education, and so on). The SRS will additionally adopt a case management approach and answer to the needs of the people by providing combined benefit packages to beneficiaries. The SRS will also contribute to increased synergies across interventions which carry the potential for higher poverty alleviation impact. Such linkages include, for instance, the automatic affiliation under a work injury scheme for all workers enrolled in public works programmes. Case management would also reduce duplications between programmes and avoid "double targeting", where the same beneficiaries are targeted by two similar programmes. The SRS will also collect, combine, and disseminate information on existing social protection programmes, which will contribute to an increased awareness of existing interventions at the local level.

The SRS will be equipped with a management information system (MIS) which will synchronize information on potential beneficiaries (poor, near-poor, and non-poor) with existing programmes from the national Government, provincial authorities, and international development partners (UN Agencies, bilateral organizations, international non-governmental organizations (NGOs), among others). The MIS will provide necessary information for monitoring the delivery of services and for monitoring coverage of the beneficiaries. It will also contribute to increased traceability of the system as a whole. In addition, a grievance and appeal mechanism will enable the SRS to keep track of possible abuses of the system. Regular evaluations of the system as a whole, as well as specific programmes, will result in continuous improvements in the policy design and delivery of services. The MIS and flows of information from the local level to the central level and vice-versa will contribute to a better vertical integration of the social protection system.

Figure 4. The main objectives of the SRS



Source: ILO – DWT Bangkok, 2014.

2.1.3 Empowerment of local administrations and communities

In the current system, the national Government designs social protection programmes while local governments implement the programmes through technical units (*Satuan Kerja Perangkat Daerah* (SKPD)). The local administration has no role in the delivery and coordination of existing programmes. This leads to synergy losses due to the fact that the sub-district administration is in constant contact with the local populations through the civil registration service, the distribution of family cards, and other interventions.

The SRS will rely on local administrations at district, sub-district, and village levels for its daily operations, thus empowering local communities. In line with the ongoing decentralization reform, the SRS is intended to give sub-national administrations concrete roles in the delivery of social services and, more specifically, in the processes of registration of individuals and families, targeting, enrolment, delivery of benefits and transfers, monitoring, evaluation, and impact assessments. The SRS will also build the institutional capacities of local institutions to administer and monitor existing social protection programmes. The role of the SRS in fostering decentralization is exemplified with a recent suggestion by BAPPENAS to allocate de-concentration budgets to support districts that are actively piloting the SRS.

The SRS will also contribute to the empowerment of final beneficiaries through information sharing, representation in the SRS board, and the ability to provide feedback through the complaints and appeals mechanism.

2.1.4 Facilitating graduation out of poverty

Despite impressive reductions in poverty headcounts, a large share of the population remains vulnerable with no access to even basic social protection and limited opportunities to enhance their capabilities and engage in formal jobs.

The SRS will first contribute to the reduction of poverty by providing access to basic social protection to those who are not yet covered by existing social protection programmes (health, nutrition, and income security through public employment programmes). The SRS will also give households the tools to develop their full productive potentials by providing them with measures to enhance their capabilities (education, vocational training, and support in creating micro-enterprises). The integration of social protection programmes and employment services, which is made possible under the common umbrella of the SRS, will provide beneficiaries with opportunities to progressively graduate from being mere receivers of basic social protection to finding or creating decent jobs and becoming active contributors to social security and the economy as a whole.

Figure 5. Linkages between social protection and employment leading to a progressive graduation out of poverty and higher levels of social protection



Source: ILO-DWT-Bangkok, 2012.

2.1.5 Improved monitoring, evaluation, and planning of programmes

In Indonesia, development programmes, including social protection programmes, lack proper monitoring and evaluation mechanisms which result in inefficient implementation, inadequate benefit packages, and inappropriate target groups. For instance, programmes in the agricultural sector provide seed and fertilizer subsidies to local farmers. This type of assistance may have been relevant in the past, but nowadays this type of assistance no longer answers the main challenges faced by beneficiaries, including lack of infrastructure and channels to distribute their products, limited access to information and markets, or difficulties in negotiating fair trade agreements with powerful wholesalers. In a similar vein, an existing micro-credit programme for business start-ups has focused on the same target group for years even though the market has continuously evolved. The programme has not adapted to the new demands for micro-credit from other groups of micro-entrepreneurs. This situation may lead to a sense of injustice among non-recipients as the same individuals reap benefits year after year. Currently, the measurement of achievements does not rely on objective monitoring and evaluation protocols. In the absence of baseline studies and measurable indicators, evaluations – when they exist – are subjective. They not only fail to capture the real achievements of the programmes, but also tend to hide the misuse of some of these programmes that in some cases serve electoral purposes.

In this context, a proper monitoring and evaluation system is needed. The SRS will provide standardized processes and tools to monitor each programme and conduct fair and transparent evaluations of their impacts. Measurable and traceable indicators should be defined for each programme and then

monitored on a regular basis by using the monitoring function of the MIS system. The proper monitoring and evaluation of programmes will also be used for planning and budget allocation purposes.

In addition, a complaints and appeals mechanism will allow final beneficiaries to express their concerns about the operations of the SRS and existing programmes. This feedback will not only be useful to solve individual issues, but also as a mechanism to progressively improve the benefit packages and the delivery of social protection programmes and employment services. Workers' and employers' representatives and civil society organizations may also need to be involved in the monitoring and evaluation system in order to increase ownership, transparency, and reduce political manipulations (for example, the use of social transfers to gain votes).

2.2 The main characteristics of the SRS

The SRS is a one-stop service operated by the sub-national administration and managed with an integrated management information system. The SRS front office is located close to where people live and facilitates dissemination of information on and registration for existing social protection programmes and employment services. The MIS ensures information flows between the sub-national level (operating level) and the central and provincial levels (policy and planning levels).

2.2.1 Local teams embedded in Government institutions operated by district/municipal governments

Decentralization in Indonesia has provided local governments with a significant level of responsibility and budget to improve service delivery, notably in the sectors of health and education. The local government is not only responsible for its local constituents, but also for participating in current development planning processes based on a bottom-up approach, known as a forum for planning and development (*Musyawarah Perencanaan dan Pembangunan*). Development planning is conducted at each layer of the sub-national government and requires increased capabilities among respective local officers.

The SRS is a concrete tool for local governments to take on these new responsibilities. Through the SRS, local governments offer assistance to potential beneficiaries to access social protection and employment services. They assess the vulnerabilities and skills of potential beneficiaries, channel information concerning existing social services, support registration processes (both for the new BPJS Kesehatan health insurance system and for existing anti-poverty programmes), deliver membership cards, and collect contributions, if any. They also maintain a shared database at the sub-district level. They coordinate actions of the decentralized offices of the ministries in charge of social protection (health, education, social affairs, and so on). They represent the interests of the final beneficiaries through an appeals mechanism and by advocating for increased availability and quality of social services at the local level. The SRS not only brings the social protection floor delivery mechanism down to the beneficiaries, but also empowers local governments with upgraded quality of service delivery.

2.2.2 An integrated management information system

The SRS will compile and synchronize the following in a management information system:

- information on potential beneficiaries and households;
- information on social protection programmes and employment services ; and
- a matching system of the beneficiaries with the programmes based on targeting criteria or other entitlement conditions.

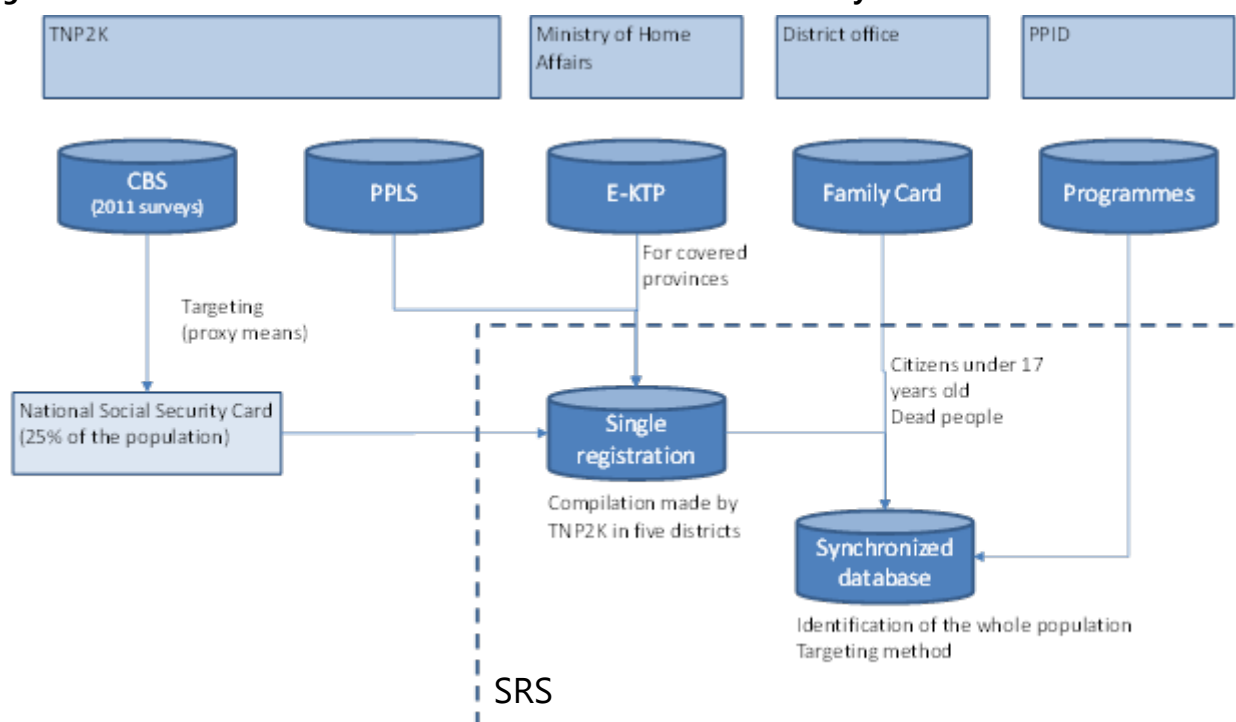
Information on potential beneficiaries and households comes from the following sources:

- The Ministry of Home Affairs' electronic identity card database (*kartu tanda penduduk elektronik* (e-KTP)) registers and issues an electronic identification card to all citizens above 17 years of age. The database includes administrative information, including name, date of birth, place of birth, gender, marital status, address, blood type, neighbourhood service number (RT), community service number (RW), Kelurahan (village), Kecamatan (sub-district), Kabupaten/Kota (districts/municipalities), province, biometric information (fingerprints and iris recognition), and provides a unique identification number to each person (*Nomor Induk Kependudukan* (NIK)).
- The poor household database, which is based on the PPLS survey, is updated once every 3 years nationally. TNP2K has been utilizing this PPLS database together with other databases from the Central Bureau of Statistics, such as the Population Survey, Health Survey, Socio-economic Survey, Labour Survey, and Small Enterprise Survey. These databases have been compiled as a unified database to identify all poor households who are eligible for anti-poverty programmes based on a proxy means testing method.
- The national social security card database, which includes only the 25 per cent poorest households in Indonesia, was established in June 2013 and is managed by TNP2K. These households receive a national social security card (*Kartu Perlindungan Sosial*). The database includes administrative information for each household: name of household head, name of household head's partner, names of each family member, address of the family, family card number with a barcode, unique social security card number, and expiration date. The database is used to target the poor households who are eligible for the following programmes: Rice for the poor (Raskin), assistance for students from poor families (BSM), and a temporary unconditional cash transfer (*Bantuan Langsung Sementara Masyarakat* (BLSM)).
- The family card database, which includes children under 17 years of age, shares the same national identification number (NIK) with the e-KTP database (for citizens above 16 years of age). Newborns will be issued an NIK once their parents update their family card data in the office of civil registration at the district level. However, the child is not yet eligible to receive an e-KTP card. Indeed, the family card database should be more updated than e-KTP database because it contains the most recent vital events. However, this is not always the case since both databases are stored separately.
- On a pilot basis in five districts, a single registry has been developed based on information from the PPLS database and the citizen number (NIK). TNP2K has initiated this attempt.

The SRS will receive and synchronize information from these databases. The database will include each individual's (identified by their NIK) and each household's available administrative information and vulnerability assessment. When information on the same person is not consistent across databases, this synchronization will not be possible. In this case, the SRS will need to check and complete information through its offices at the sub-district level and through its community facilitators at the village level.

The technical unit's (SKPD) information and documentation officer (*Pejabat Pengelola Informasi dan Dokumentasi* (PPID)) is responsible for the compilation of information on programmes.⁶ However, in most cases this compilation has not happened. The SRS in its early stage will develop an initial database of programmes, including the relevant information needed for each programme (such as the type of intervention, levels of benefits, selection criteria, and so on), and will support the PPID in the maintenance of this database. In the long run, the SRS will provide budget consolidation for those social protection programmes financed through district budgets, which will likely enhance resource efficiency. For this activity, the SRS will closely collaborate with BAPPEDA at the district level.

Figure 6. Identification of the source databases for the creation of a synchronized database for the SRS



Source: ILO-DWT Bangkok, 2014.

2.2.3 Operational linkages with the integrated public service delivery (PATEN) at sub-district level and integrative business service facility (IBSF) at district/municipal level

Through the Minister of Home Affairs Decree No. 4/2010 on integrated public service delivery at the sub-district office (*Pelayanan Administrasi Terpadu Kecamatan* (PATEN)), sub-district offices are encouraged to deliver more services to the citizens in addition to civil administration. The decree also suggests the establishment of a performance-based management system of the services provided, based on standardized procedures (for each service), benchmarks (such as on the duration to deliver the service) and indicators of performance. This decree provides a legal basis conducive to the implementation of the SRS for social protection programmes and employment services at the sub-district level where most of the front-office activities will be performed.

Through the Minister of Home Affairs Decree No. 24/2006, all districts/municipalities/provinces are required to establish and operate an integrative business service facility (IBSF) whose role is to facilitate

⁶ Each province/district/municipality's executive government could establish a PPID with a proposal from the provincial or district/municipal legislature. Consequently, every province/district/municipality may have different PPID structures. One district may install it in the Office of Communication and Informatics while another district might establish it in BAPPEDA. At the national level, PPID is under the Directorate of Public Information, Ministry of Communication and Informatics.

business registration and deliver business permits. Prior to the establishment of the IBSF, business registration was conducted by scattered technical units (SKPD) of the sub-national administration. For final users, the process of obtaining permits was long, costly, uncertain, and complex.

The IBSF experience shows that the role of local leaders is an important determinant of success in establishing coordinated, transparent, and efficient facilities. While increasing the quality of the services provided, the IBSF also standardized all the procedures and drastically reduced possibilities for under-table payments that were a common practice in the past. Strong commitments from local leaders were needed to make this major reform a reality.

The objectives of these two programmes are to improve good governance, coordination, transparency, offer better services to the people, and to introduce administrative simplifications. PATEN is a supporting regulation for the IBSF, which initially functioned as both a back office and a front office facility at the district level only. Through PATEN, district governments urge sub-district offices to provide a front office facility for the IBSF function. These objectives are similar to those of the SRS. The SRS could furthermore learn from the experience of PATEN and IBSF to ensure smooth operations. Synergies between these mechanisms may also be further explored. For instance, linkages could be established between IBSF and SRS through information exchange or shared databases. This would enable enterprises and small entrepreneurs that use IBSF services to be automatically channelled to the SRS where they will receive information and incentives to register under existing social protection programmes and employment services. Also, all business owners who register under the IBSF could be directed to the SRS to register for social security (BPJS Kesehatan and BPJS Ketenagakerjaan) and to pay their contributions.

2.3 Recommendations on the functions and services provided by the SRS

The SRS has six main functions:

1. disseminate information on existing programmes;
2. develop and maintain an integrated database on beneficiaries and programmes;
3. match beneficiaries with programmes and facilitate registration;
4. install and operate a call centre;
5. facilitate claims and payment of contributions; and
6. assist in the complaints and appeals process.

2.3.1 Function 1: Disseminate information on existing programmes

The SRS will disseminate information to people. It will use tools such as leaflets, pamphlets, radio broadcasts, social networks (Facebook and Twitter), local television talk shows, community coordinators, local civil society organizations (CSOs), non-governmental organizations (NGOs), school teachers, and local universities. Dissemination of information on available programmes will also be made through a call centre (see below).

For each social protection programme and employment service, the information provided should include details on the benefits and services provided, the eligibility criteria (which poor category, age,

employment status), and the registration procedures and required documents. If the SRS does not have the authorization to register the beneficiaries, it should also provide the contact details of the focal points in charge of registering of potential beneficiaries.

Table 1. List of programmes available in Ambon Municipality and Malang District

SPF guarantee	Relevant programmes
Access to essential health care, including maternity care	- Health insurance for the poor financed by the national Government (Jamkesmas). Health insurance for the poor financed by the local government (Jamkesda). Universal delivery care (Jampersal). As of 1 January 2014 these health insurance programmes have been merged into the universal health insurance system (BPJS Kesehatan). - Nutrition supplements for pregnant women who suffer from a lack of protein (PMT-KEK)
Basic income security for children, including providing access to nutrition, education, and care	- Cash transfer financed by the national budget (PKH) - Scholarships for poor students (BSM) - Transfers in kind for street children, victims of drug abuse, and children who live in orphanages - Supplemental food for school children program (PMT-AS) - Basic immunizations for children under 5 years of age - School operational assistance for primary and lower secondary school (BOS)
Basic income security for persons in active age who are unable to earn sufficient income, in particular in cases of sickness, unemployment, maternity, and disability	- National Community Empowerment Programme (PNPM), including public works programmes to build village infrastructure and access to credit for women's groups - Cash transfer for poor households (PKH) - Social rehabilitation programme for people with HIV/AIDS - Assistance for people with severe disabilities (JSPACA) - Social assistance for joint micro-business development (KUBE) - Vocational training centres (BLK) - Organization of job fairs - Empowerment programme for former sex-workers whose operational premise was closed due to government policy - Job placement services for workers willing to migrate abroad, including fellowship training to learn foreign languages - Training programme for workers and their families whose contracts have been terminated by cigarette and tobacco industries and people who live near cigarette factories - Social assistance for farmers' groups: provision of seeds, gear, information on new plantation methods - Subsidies for the renovation of houses - Shelters for older persons (<i>Panti Jompo</i>) - Social welfare insurance for workers in the informal sector (ASKESOS). As of July 2015 the ASKESOS programme will be integrated in the BPJS Ketenagakerjaan - Labour-intensive employment programmes in villages - Vocational training for female homemaker (<i>Pekerja Rumahan</i>) and household assistant (<i>Pekerja Rumah Tangga</i>)⁷
Basic income security for older persons	Cash transfer for vulnerable elderly (JSLU)

Source: ILO CO Jakarta, 2013.

⁷ ILO Country Office in Indonesia has implemented two projects in Malang District, the MAMPU project for woman homeworkers, and the PROMOTE project for household assistants. The MAMPU project has provided female homeworkers entrepreneurship training and encouraged employers to register the homeworkers with whom they contract with existing social security providers. The PROMOTE project has developed capacities of local CSOs to advocate for the development of local regulations to enhance the protection of households assistants. Household assistants are usually underpaid, vulnerable to sexual abuse, and perform multi-tasking jobs without regular work hours.

2.3.2 Function 2: Develop and maintain an integrated database of beneficiaries and programmes

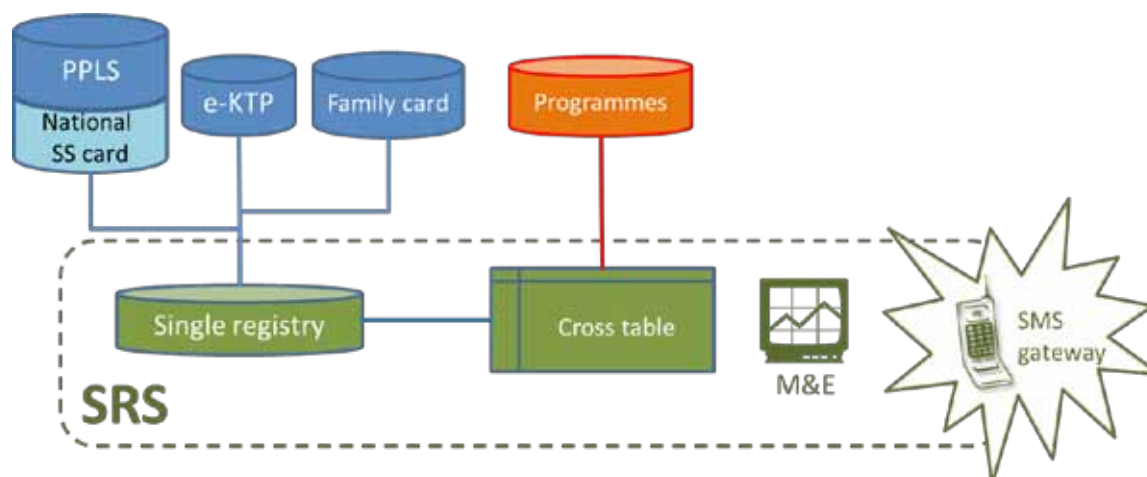
The management information system of the SRS aims to synchronize existing databases on households, individuals, and programmes. The MIS enables users to know at any time which individuals are registered in the system, who has applied to each programme, and whether eligible beneficiaries have effectively availed services and transfers. The MIS can be used to generate and disseminate information on existing programmes. The MIS also includes a jobseekers' database, which can be used by potential employers or by employment service officers.

The MIS includes:

- a mechanism to import data from available databases and communicate with existing databases;
- a population database where individuals will be identified by their unique identification number (NIK) and grouped by household. This database will be built from e-KTP, PPLS, national social security card, and family card databases and include civil registration information. It will also include information on in- and out-migrations (across districts, provinces, and abroad);
- a database of social protection programmes and employment services by area (provincial, district, and sub-district levels), including relevant information needed for each programme (such as the type of intervention, levels of benefits, selection criteria, and so on);
- a cross-table generated automatically that includes a list of potential (eligible) beneficiaries for each programme. For the social security schemes (BPJS Kesehatan and BPJS Ketenagakerjaan), this table will specify the type of membership (for example, BPJS Kesehatan non-contributing member, non-poor informal sector, and formal sector contributing IDR 25,500 per month for the lowest service class, IDR 42,500 per month for the middle service class, and IDR 59,500 per month for the highest service class);
- a short message service (SMS) gateway to disseminate information on programmes to eligible residents and to facilitate registration, consultation, or updates of beneficiaries' records;
- a monitoring and evaluation system that will generate coverage and social protection expenditure summaries for each programme and/or each guarantee of the social protection floor (access to health care and income security for children, the working age population, and older persons), by target group or area (sub-district, district, provincial, and national levels). Performance indicators will also be generated from the monitoring and evaluation system; and
- different levels of access to the MIS and responsibilities according to the level of authority and layer within the government administration.

In the long run, the SRS activities should be supported by a web-based management information system. The use of state-of-the-art technology will facilitate real-time consultation, updates and monitoring of data, and sharing of information among the different layers of the administration as well as across districts (notably in the case of in- and out-migrations). Nevertheless, this system cannot be implemented without further developing the information technology (IT) infrastructure at the village and sub-district levels.

Figure 7. Management information system of the SRS



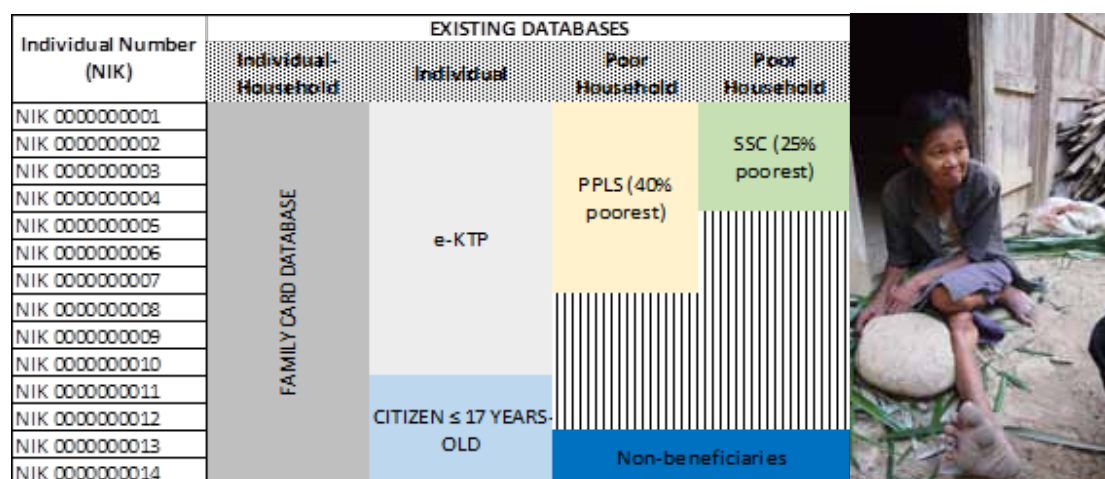
Source: ILO-DWT Bangkok, 2014.

2.3.3 Function 3: Match beneficiaries with programmes and facilitate registration

Since 2010, the Ministry of Social Affairs and TNP2K have collaborated to develop a unified database for the national social protection programme using PPLS questionnaire. An extended version of the PPLS questionnaire will be produced in order to maintain consistency with the existing database of the poorest 40 per cent of household, which are the beneficiaries of national programmes such as the conditional cash transfer (PKH), rice for the poor (Raskin), and the unconditional cash transfer (BLT). The SRS will produce another form of the questionnaire to identify personal needs of near-poor applicants who have not been listed in the current PPLS database (see figure 8) and to correct the exclusion and inclusion errors in the beneficiary database.

In order to match beneficiaries with programmes to which they are entitled, the SRS at the district level needs the ability to identify each citizen (including those who are not yet registered in any database) and the social protection programmes in which they currently participate. This list of potential (and eligible) beneficiaries will then be used for consultations with community leaders to correct possible errors. An individual from a non-poor family with a severe health condition is not eligible for health assistance. However, a community recommendation can change their eligibility status. Since 2011, the village community forum (Musyawarah Desa/Kelurahan) method for updating the poor household database has been utilized by TNP2K to add poor households newly identified at the sub-district level to the national-level database directly through the post office's information system.

Figure 8. Segregation of existing databases



Source: ILO CO Jakarta, 2014.

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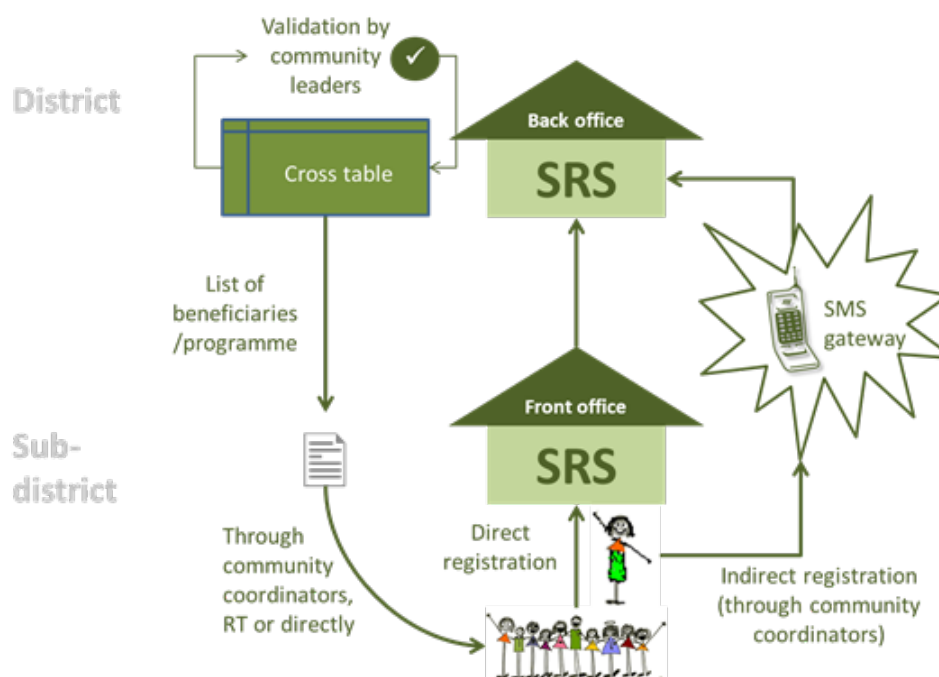
In the medium term, the SRS at the district level will generate a cross-table that includes a list of potential (eligible) beneficiaries for each programme. This implies that the national level will decreasingly utilize any particular targeting method. Lists of beneficiary candidates will then flow from the sub-national level to the national level. Before a district beneficiary database is generated, the SRS should assess their local poverty conditions in order to provide comprehensive basic information for budgetary planning purposes. The SRS at the district level should compile social programmes from the national and provincial levels which need to be consolidated prior to matching with entitled beneficiaries. PPID as a public information dissemination centre will compile and provide information on programmes while the SRS will perform the matchmaking function (Figure 7).

The final list of pre-identified beneficiaries will be transferred from the district office to the sub-district office. The sub-district office will then disseminate the list through the community coordinators by sending a letter to the head of neighbourhood services (RT) or by directly contacting identified beneficiaries. The pre-identified beneficiaries will also be asked to register directly at the SRS sub-district or village office or through their community coordinator (particularly in cases of people with disabilities, older people, and so on). Community coordinators will either channel the registration forms to the SRS offices or send information through the SMS gateway. Other ways to register beneficiaries may be considered such as through a mobile phone application system.

The final list of pre-identified beneficiaries will also be communicated to relevant agencies and programmes, such as BPJS Kesehatan, BPJS Ketenagakerjaan, and development partners who may need this information for their programme interventions. In addition, public-private partnerships could be developed through community development and corporate social responsibility programmes in the private sector. The SRS could in this context partner with ILO's MAMPU and PROMOTE projects in Malang.

Partnerships with BPJS Kesehatan and BPJS Ketenagakerjaan may also be relevant in view of the insufficient network of offices for the two social security providers. BPJS Kesehatan has only 116 main and branch offices at the national, provincial, and district levels in a country that has 34 provinces and 515 districts. This means that many districts do not have any BPJS Kesehatan office and sub-district level BPJS Kesehatan offices are rare. Although BPJS Kesehatan has placed officers in public hospitals, their main role is to inform and register patients who need treatment but are not yet registered. Similarly, the BPJS Ketenagakerjaan may face difficulties in the future providing services close to its members. BPJS Ketenagakerjaan currently has 11 regional offices, 121 branch offices, and 53 sub-branch offices. However, these offices only provide registration services to formal sector workers. Informal economy workers need to travel to the provincial office to register under one of the pilot programmes, which poses huge accessibility challenges. A BPJS counter could be established in SRS district and sub-district offices with delegated responsibilities. Access to the BPJS management information system would be required. Alternatively, if this MIS is not deployed in all parts of Indonesia, the MIS of the SRS could be used, from which BPJS would be able to retrieve and send information.

Figure 9. Facilitation of registration



Source: ILO-DWT Bangkok, 2014.

2.3.4 Function 4: Install and operate a call centre

The SRS will install a call centre at the district office to disseminate information on programmes and registration processes, channel beneficiaries to health-care facilities, and receive complaints. To avoid overlapping services, the SRS call centre should comply with existing district government initiatives to establish complaint mechanisms at each technical unit office (SKPD). The call centre will support the technical units (SKPD) in charge of the implementation of social protection programmes and employment services by answering all information requests regarding these programmes. For instance, a poor household could receive information on registration procedures and required documents to apply for a house renovation subsidy. The call centre could also provide information on available beds in vicinity hospitals for patients requiring in-patient treatment, or vacant beds in older persons' shelters. The call centre officers will receive specific training on standard operating procedures, questions and answers, programme characteristics, list of social and health facilities in the district, local language, follow-up actions that need to be conducted (notably in the case of complaints), and preparation of reports. Some municipalities such as Ambon have experience in collaborating with private operators (in this case Telkomsel) for the establishment of call centres and SMS gateways. The SRS will learn from these experiences and build public-private partnerships with other providers.

2.3.5 Function 5: Facilitate claims and payment of contributions

As stipulated by Law No. 24/2011, BPJS has to collect contributions, process claims, and pay social security transfers (income transfers and reimbursement of medical expenses). To reduce the risk of leakages, financial transactions cannot be done by BPJS officers directly and need to be carried out by a third party, such as through an electronic payment system established with the People's Bank of Indonesia (*Bank Rakyat Indonesia* (BRI)) or by using post offices. Although the risk of leakages may also exist with the SRS, automated teller machines (ATMs) could be established at the SRS offices where cardholders would be able to pay contributions to the BPJS and retrieve social transfers. BPJS Kesehatan and BPJS Ketenagakerjaan estimate the cost of collecting contributions at between 2 per cent and

12 per cent of the amount of contributions. These administrative costs could be allocated to the SRS whenever the SRS has the delegated authority to collect contributions on behalf of BPJS.

2.3.6 Function 6: Assist in the complaints and appeals process

The SRS represents the interests of its members by ensuring that those who are eligible can avail transfers and services of acceptable quality. Issues of access may be linked with:

- inclusion and exclusion errors due to inaccurate information in the poor household database and the national social security card database;
- inaccurate information in the e-KTP and family card databases and unmatched information between them;
- lack of clarity on existing programmes, as well as issues related to the availability of social services and the availability of health-care personnel, medicines, and other medical supplies;
- issues related to the reception of patients or beneficiaries and the perceived quality of the services provided; and
- delays in the payment of benefits.

Complaints will be reported by the beneficiaries themselves by filing complaint forms through the SRS sub-district offices, call centre officers, or intermediaries such as midwives, secretaries of villages, or community coordinators.

Call centre officers will be able to process some complaints immediately (for example, in cases of lack of clarity concerning procedures or programmes). For more complex cases, an action form will be filled out and channelled to the relevant officer in the back office, the persons in charge of single registry within the SRS, or the technical units (SKPD). The action form will include a reference number, the date of submission, the date of transmission to the relevant officer (SKPD or database experts), the name of the officer in charge, the response given to the beneficiary, and a place for the signature of the beneficiary. Complaints that cannot be solved at the sub-district or district levels will need to be channelled to the ombudsman at the provincial level or through the ombudsman's online platform to manage complaint reports called SIMPEL.

Complaint action forms will be entered into the database and statistics on the types of complaints, services or programmes related to the complaint, resolution status, will be generated at the district level. Monthly reports will be submitted to the provincial ombudsman for progressive improvement of the social protection system as a whole. To collect feedback on the quality and availability of services, the SRS will also organize regular public discussions and focus groups at the SRS offices, as well as in public health-care facilities.

2.4 Recommendations on the integration within the existing sub-national administration

2.4.1 The decentralization reform

Since 1997, Indonesia has engaged in reforms that have progressively transformed the formerly centralized Government into a decentralized administration. Administrative and political decentralization was established through the enactment of Law No. 32/1999, which was amended by Law No. 32/2004, and fiscal decentralization was established through the enactment of Law No. 33/1999, which was amended by Law No. 33/2004.

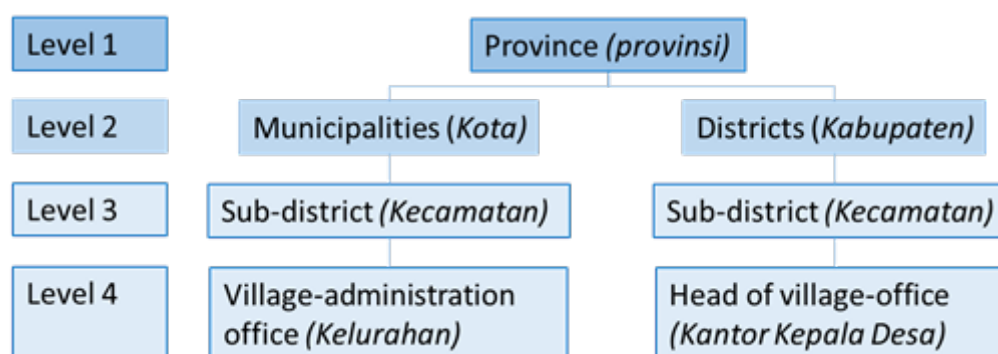
Decentralization has successfully reduced the authority of the central Government and extended the authority of district/municipal governments to initiate policies and enact local regulations based on local needs. However, this significant transfer of authority is not supported by adequate funding from the central Government. As a consequence, local governments have applied higher user fees and levies on services to increase their fiscal space. This increase in taxation has posed a burden on employers who are the main taxpayers.

Local elections have been held every five years since 2004. They aim to select a governor (head of province), a provincial legislature, a regent/mayor (head of district/municipality), and district/municipal legislature. In this decentralized system, the regent/mayor is accountable to the district/municipal legislature and not to the governor. The provincial governments are only responsible for coordinating the district/municipalities in their jurisdiction. There is no political hierarchical relationship between them. Provinces are both considered as autonomous entities (since the governor and the provincial legislature are elected) and as administrative areas (where the governor acts as a representative to the central Government). This ambiguity in statutes and lack of clarity in the accountability framework have generated tensions in the relationships between provinces and districts/municipalities. Unclear administrative and political relationships have affected the quality of public services in Indonesia.

The layers of the sub-national territorial administration include:

- the province (*Provinsi*);
- the district/municipality (*Kabupaten/Kota*);
- the sub-district (*Kecamatan*); and
- the village (*Kelurahan*).

Figure 10. Layers of the sub-national administration



Source: Based on Government Regulation No. 41/2007.

Districts are based in rural areas and are composed of at least five sub-districts. Municipalities are based in urban areas and are composed of at least four sub-districts.

The sub-national administration at the provincial, district, and sub-district levels, includes:

- the offices of the regional or district government known as *Dinas* (administrative functions); and
- the provincial and district offices of the central Government known as *Kanwil* (provincial level) and *Kandep* (district level).

Table 2. Indonesia's population, geography, and administrative units



© ILO/Asrian Mirza

Population	259 940 857
Land area (in km ²)	1 910 931
Islands	17 508
Provinces	33
Districts	399
Municipalities	98
Sub-districts	6 694
Kelurahan	8 301
Villages	72 944

Source: Ministry of Home Affairs, December 2013.

In Indonesia's decentralized system, district/municipal governments are authorized to make decisions and manage programmes related to public works, public health, education and culture, agriculture, communications, industry and trade, investment, environment, cooperatives, and labour affairs. The central Government remains accountable for international affairs, defence and security, justice, monetary and fiscal matters, and religion. District/municipal governments are also authorized to manage local taxes and user fees, establish regional organizations, manage public service delivery, recruit staff, register businesses and deliver business licenses, and manage the sub-national government budget (*Anggaran Pendapatan dan Belanja Daerah* (APBD)), of which 70 per cent comes from the national Government budget (*Anggaran Pendapatan dan Belanja Negara* (APBN)).

Government Regulation No. 38/2007 on the provision of government authorities mentions that district/municipal governments have greater authority than the central administration in terms of technical implementation of public service delivery and response to local needs. In addition, Government Regulation No. 41/2007 on regional organization provides guidelines on the establishment of local organizations. Additionally, technical guidelines were issued by the Ministry for the Empowerment of State Apparatus for the assessment of local public services in 2010 and for minimum standard unit costs of public services in 2012. Despite these guidelines, the separation of the respective responsibilities across the different layers of the sub-national administration and obligations for coordination are unclear, which has negatively impacted the quality of public services in Indonesia.

Decentralization in Indonesia intends to improve people's welfare and the quality of public service delivery. Unfortunately, it is prone to corruption, mainly by local leaders. Cases of corruption are frequent among local leaders: 17 governors out of 33 and 138 regents and mayors out of 497 have

been suspected by the National Commission for Corruption Eradication (*Komisi Pemberantasan Korupsi* (KPK)), in 2010.⁸ In 2013, the Minister of Home Affairs declared that 290 governors, regents, and mayors were on the KPK's list of suspects and that 250 were found guilty.⁹ Most local leaders' corruption cases are linked to the misuse of public expenditures, e.g. through procurement.

2.4.2 Sub-national administration's organization, roles, and responsibilities

The SRS should be implemented within the government structure at the provincial, district/municipal, and sub-district levels.

2.4.2.1 Organization at provincial, district, and municipal levels

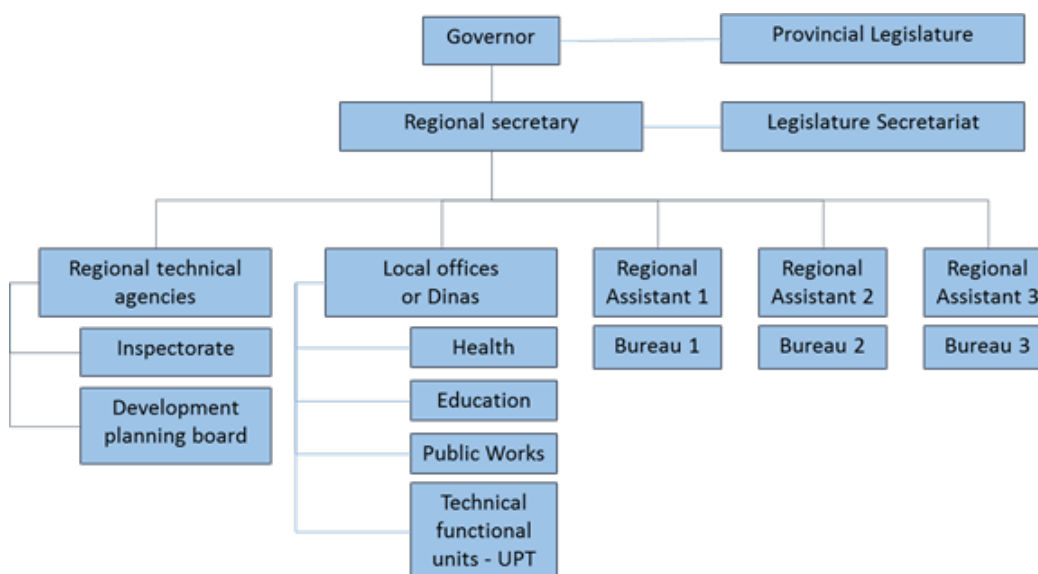
Government Regulation No. 41/2007 divides the regional administration into six major divisions: regional secretary, legislature secretariat, regional development planning board, local offices, inspectorates, and regional technical agencies:

- The regional secretary drafts regional policies, coordinates offices and regional technical agencies in the implementation of programmes, evaluates programme implementation, and assists the governor, regent, or mayor in other assigned functions.
- The legislature secretariat provides administrative support to the regional secretary.
- The regional development planning board is in charge of planning and coordination among development programmes, as well as consolidating the technical office's programme budget.
- The offices of the regional or district government known as *Dinas* (specializing in health, education, public works, manpower, and so on) formulate policies under their jurisdictions, handle governmental affairs and public services, and develop and implement tasks assigned by the governor, regent, or mayor in coordination with their respective line ministries. The heads of these offices work under the supervision of the governor, regent or mayor through the regional secretary.
- The inspectorates monitor operations and achievements, including identification of budget misuse, employee performance, and programme outcomes.
- The regional technical agency (Lembaga Teknis Daerah) may establish a technical functional unit (Unit Pelayanan Teknis (UPT)) to perform technical operations and/or support activities of the sub-district administration. The IBSF is one example of regional technical agency with delegated authority to issue business permits.

The administrative divisions at district and municipal levels share a similar structure with the regional administration: a district/municipal secretary, a legislature secretariat, a district/municipal development planning board, local offices, inspectorates, and a district/municipal technical agency.

8 Source: Presentation by Teguh Kurniawan at the Conference on Decentralization and Democratization in Southeast Asia, University of Freiburg, Germany, June 16, 2011.

9 Source: <http://www.tempo.co/read/news/2013/02/09/063460207> [accessed on 08 May 2014].

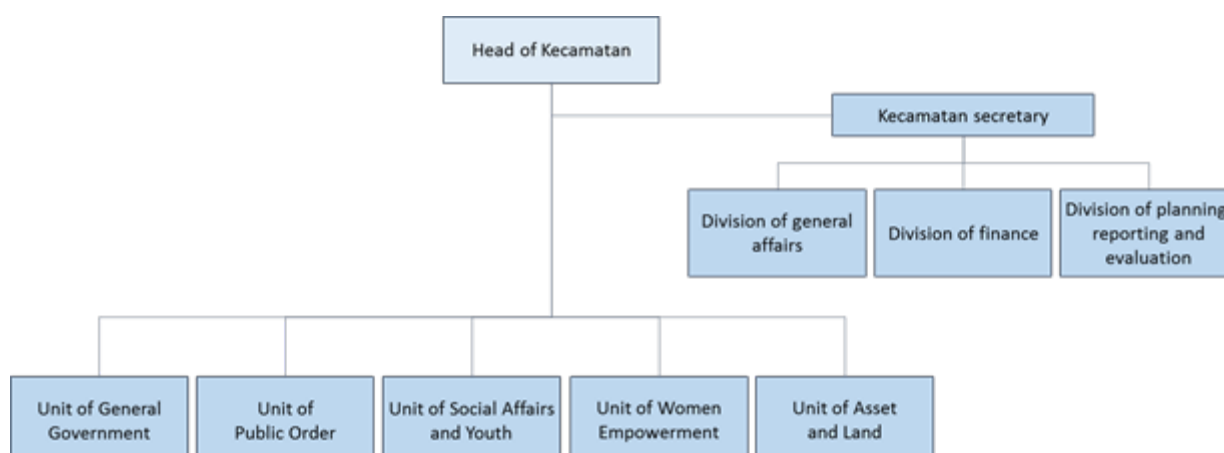
Figure 11. Provincial administration

Source: Based on Government Regulation No. 41/2007.

As mentioned earlier, the separation of authority between the province and district/municipality is not always clear. For instance, in the education sector, the district/municipal government is responsible for the provision of basic education and the development of local content for educational materials. The provincial government handles secondary education and supervises the quality of basic education. Similarly, in the health sector the district/municipality is responsible for managing health insurance based on local conditions and in supporting the Government in the provision of health insurance to the people. The regional government is responsible for providing, managing, developing, and controlling health security at the provincial level, and to support the Government in facilitating and controlling the provision of health insurance to the people.

2.4.2.2 Organization of the sub-district administration

Sub-district administration offices (Kecamatan) are managed by the head of the Kecamatan and composed of one secretariat, which includes a maximum of three sub-divisions and a maximum of five technical units. The number of Kecamatan staff members depends on the geographical coverage of the sub-district.

Figure 12. Sub-district administration

Source: Based on several Regent Decrees concerning the sub-district office organizational structure and Government Regulation No. 41/2007.



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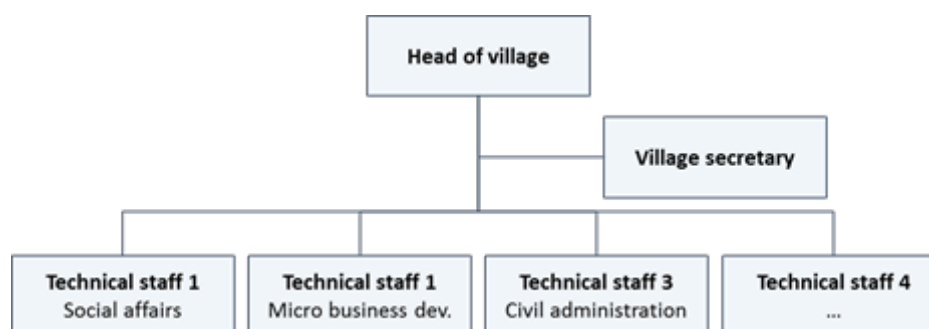
In the framework of the integrated service delivery at sub-district office (PATEN), sub-district offices act as a front office for civil administration services. They are responsible for delivering national ID-Cards, issuing letters in case of inter-regional migration, issuing letters of recommendation for starting new businesses or applying to jobs, delivering business permits (company registration), and issuing birth and death certificates.

Some social protection programmes are established at the sub-district level. This is the case of the community empowerment programme (PNPM) and the cash transfer programme (PKH). In addition, the sub-district administration also hosts several technical officers, such as a Central Bureau of Statistics (CBS) Surveyors, a family planning officer, and social workers.

2.4.2.3 Village offices and community institutions

Village offices (Kelurahan) are not formally a part of the sub-national administration. However, village offices support sub-district functions. They are usually composed of one head of village, one village secretary, and three to four staff members dedicated to social affairs, micro-business development, and general civil administration.

Figure 13. Village office

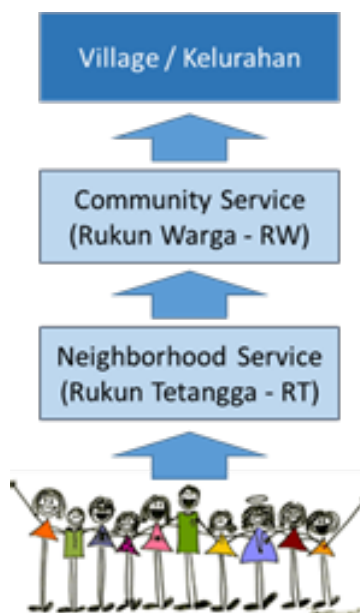


Source: Based on several Regent decrees concerning the Office Administration organizational structure and Government Regulation No. 41/2007.

Law No. 6/2014 on villages, which was enacted on 15 January 2014, stipulates budget allocations for central and local governments, allocating 10 per cent of the national budget to village administration offices. The average allocation is US\$ 120,000 per village per year, but the actual allocation is based upon the size of the geographical area and the number of inhabitants in the village.

Community institutions include the neighbourhood service (RT) and the community service (RW). RT and RW are part of the traditional culture of mutual cooperation (*gotong royong*) among households. RT and RW can facilitate community consultative meetings to support the implementation of programmes by the village administration. According to the Minister of Home Affairs' decree No. 7/1983 an RT consists of 30 to 50 households. The RT's head is elected through a meeting of the households. The RW is hierarchically above RT and coordinates several RTs.

Figure 14. Community institutions



Source: ILO – DWT Bangkok, 2014.



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Much has been achieved at the village level to enhance access to health care through the establishment of "alert villages (*Desa Siaga*)". Alert villages have been developed since 2006 based on the Minister of Health Decree No. 564/Menkes/SK/VIII/2006. In alert villages, communities assume the responsibility for spreading awareness about the risks of pregnancy and childbirth, as well as support registered pregnant mothers with funding and transportation in case they need emergency obstetric assistance. In 2010, the programme was transformed into a national programme to promote "active alert villages (*Desa Siaga Aktif*)". In addition to the management of obstetric emergencies, active alert villages provide basic health-care services, safe water and basic sanitation services, surveillance of communicable disease, monitoring of lifestyle activities, and disaster preparedness.

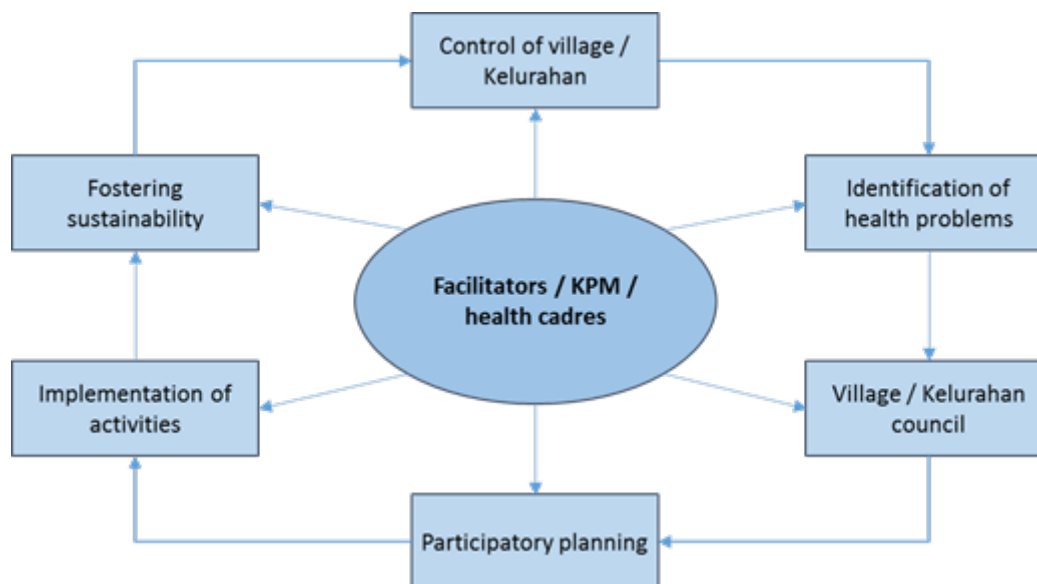
The objective of alert villages is to improve community health conditions by:

- facilitating access to public health-care infrastructure, such as village health-care posts (*Pusat Kesehatan Desa* (Puskedes)), village health-care facilities (*Puskesmas Pembantu* (Pustu)), sub-district health centres (*Pusat Kesehatan Masyarakat* (Puskesmas)), or other forms of community-based health-care facilities;
- empowering populations and communities through the development of community-based health-care centres (*Posyandu*) and community-based surveillance systems (including

monitoring of diseases, mothers' and children's health, child nutrition, environmental health, health emergency, and disaster management); and

- developing promotional materials and preventive measures with the aim to reduce spending on curative services.

Figure 15. Design of alert village system (Desa Siaga)



Source: Modified from Office of Health, Timor Tengah Selatan District, NTT Province.

The alert village includes a team of empowered health cadres and works closely with village officers and community institutions (RT and RW) to:

- review health profiles of the villages and identify specific preventive and curative care needs;
- conduct health condition analysis to identify health problems and their causes, and propose priority actions by carrying out an Introspective Survey (*Survei Mawas Diri* (SMD)) in the community; and
- conduct village/Kelurahan meetings to disseminate and discuss the village's health profile and results of the SMD, reach a consensus on priority actions, develop a plan of action, and confirm the village's commitment to implement the plan of action, raise awareness, and empower populations and communities.

2.4.3 The IBSF and PATEN structures: A possible model for SRS

Before decentralization took place in Indonesia, the delivery of business permits was carried out by issuing offices in provinces, districts, and municipalities under the responsibility of central Government ministries. After the decentralization reform in 2001, business registration was transferred to relevant technical units (SKPD) of the sub-national administration. For final users, however, the process of obtaining permits was long, costly, uncertain, and complex—a direct consequence of the geographically scattered permit issuance offices.

Through the Minister of Home Affairs Decree No. 24/2006, all districts/municipalities and provinces are required to establish and operate an IBSF whose role is to facilitate business registration and deliver business permits. Furthermore, the IBSF objectives are to increase the quality of public services, increase

business registrations, attract foreign and domestic investment, put in practice good governance principles, and empower district and municipal governments.

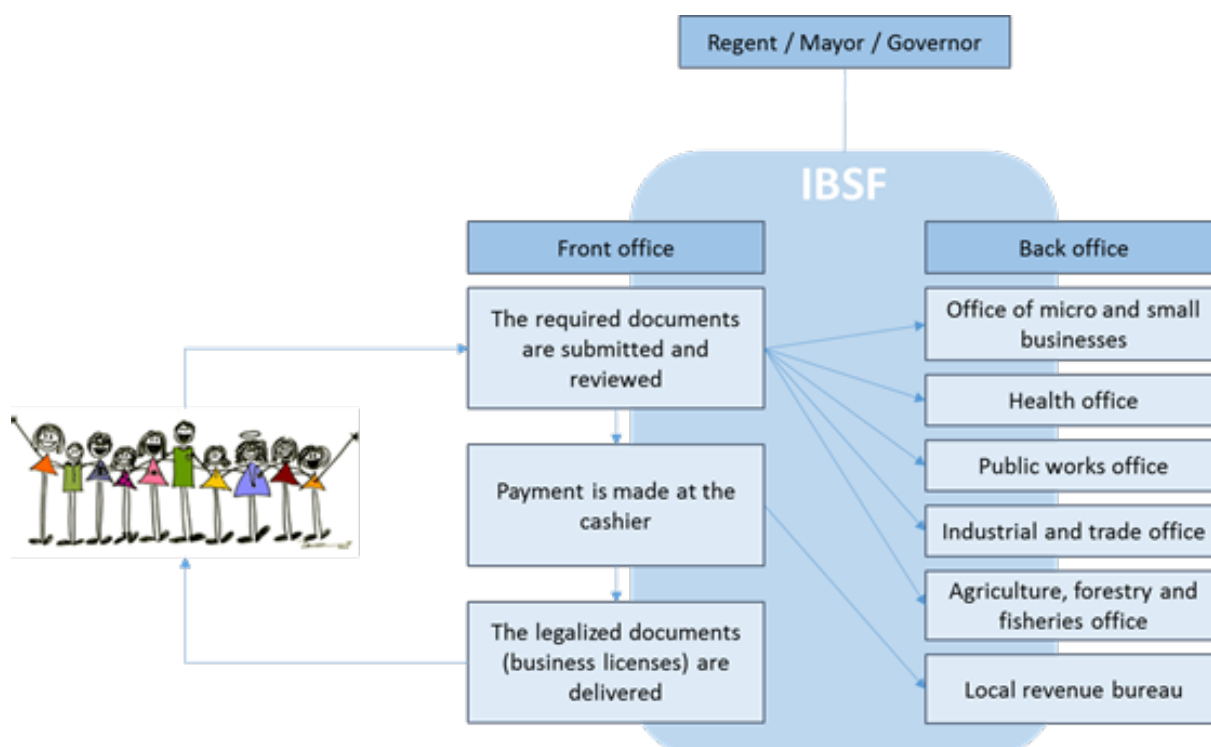
The Minister of Home Affairs Decree No. 4/2010 on integrated service delivery at the sub-district office (PATEN) encourages sub-district offices to deliver more services to citizens in addition to civil administration. Sub-district administration offices should not only deliver business permits, but also facilitate access to non-business services, which may include social services. The decree also suggests the establishment of a performance-based management system for the services provided, based on standardized procedures (for each service), benchmarks (such as time to service delivery), and indicators of performance. This decree provides a legal basis which is conducive to the implementation of the SRS for social protection programmes and employment services at the sub-district level where most of the front-office activities will be performed.

The IBSF is located at the provincial and district/municipal levels and can take three different forms: unit (*Unit*), office (*Kantor*), and board (*Badan*). The unit is the simplest form while the board refers to the most complex and comprehensive set-up, including services to promote investments. Yet, these three forms are operated in a similar way with a front office and a back office. The IBSF at the district/municipal and provincial levels are established through the enactment of a regent/mayor decree (*Keputusan Bupati/Walikota*) or a governor decree (*Keputusan Gubernur*). A local leader's decree, however, is not legally sufficient to sustain a particular local policy once the tenure of that particular leader has expired. A legal basis for IBSF needs to be established through the district/municipal and provincial legislatures in order to transform a regent/mayor/governor decree into a local regulation (*Peraturan Daerah*).

Regional investment facilities were integrated with IBSFs since 2010. These independent structures at the local level have limited or no linkages to local administrations, which has resulted in coordination hassles and hampered service delivery. A 2010 Joint Decree of the Minister of State Apparatus and Bureaucracy Reform, the Minister of Home Affairs, and the Head of National Investment Board (SE/08/M.PAN-RB/9/2010, No. 570/3727A/SJ, and No. 12/2010) mandates the integration of the regional investment facilities into the IBSF and the development of a common management information system under the coordination of the National Investment Board. This integration has contributed to improve the coordination of services, increase user satisfaction, and reduce costs.

The IBSF experience shows that the role of local leaders is an important determinant for the successful establishment of a coordinated, transparent, and efficient facility. While increasing the quality of services provided, the IBSF also standardized all administrative procedures and drastically reduced possibilities for under-table payments that were previously a common practice. Strong commitments from local leaders were needed to make this major reform a reality.

Figure 16. The integrative business service facility



Source: Based on Ministry of Home Affairs Decree No. 24/2006.

2.4.4 Overall structure of the SRS

The SRS is designed to be located close to the final beneficiaries and to be embedded in existing local administrations. Hence, each level of the sub-national administration has a role to play in ensuring the flow of information from the villages to the policy-makers and conversely:

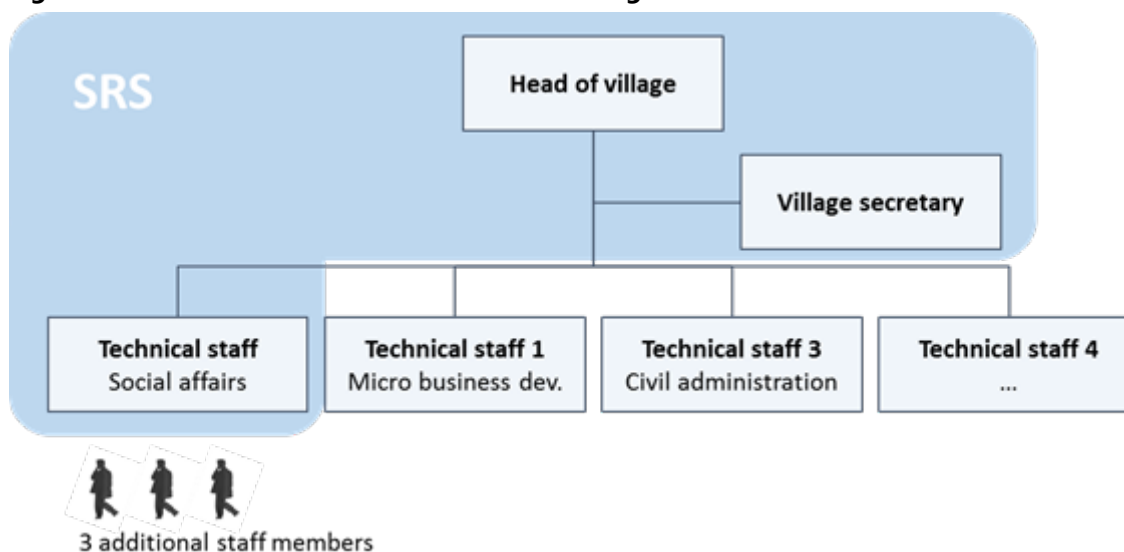
- At the provincial level, a back office will consolidate information from the districts and national line ministries, coordinate the management of the poor household database, monitor the overall system, process some verifications, address unresolved complaints from the district level, and provide mentoring and capacity building to districts and municipalities in the implementation and operations of the SRS.
- At the district/municipal level, a back office will utilize a management information system to compile and synchronize information on potential beneficiaries and households, social protection programmes, and employment services. The back office will also match the beneficiaries with programmes based on targeting criteria or other entitlement conditions and send the final list of pre-identified beneficiaries to the sub-district office. A call centre will disseminate information on programmes and registration processes, channel beneficiaries to health-care facilities, and receive complaints. The district/municipal office will also prepare pamphlets, leaflets, and brochures to inform beneficiaries on existing programmes and registration procedures. The SRS should coordinate with BPJS Kesehatan and BPJS Ketenagakerjaan regarding shared MIS applications for registration and contribution collection. During the implementation phase, the SRS will develop cooperative arrangements with private enterprises located in the district/municipality through corporate social responsibility and community development programmes to expand programme participation.
- At the sub-district level, a back office will enter information in a single registry, update the poor household database (and other databases), and compile and distribute complaints to the relevant officers in the back office. A front office will disseminate information on existing

programmes, register beneficiaries, facilitate claims and payments of contributions, receive complaints, support applications to BPJS, and disseminate information on social protection and employment programmes.

- At the village and community levels, midwives, secretaries of villages, and community coordinators will disseminate information to the population on available programmes and the SRS registration procedures. They will also facilitate registration and collect complaints.

2.4.4.1 Structure, functions, and actors of the SRS at the village level

Figure 17. Overall structure of the SRS at the village level



Source: ILO – DWT Bangkok, 2014.

Note that the village administration structure does not change with the additional functions of the SRS. However, it will be necessary to acquire more personnel for the social affairs unit. Three additional persons would be needed in this unit to run the SRS.

The head of the social affairs unit will either disseminate information directly or coordinate with community institution leaders (RT and RW), alert villages, community-based health-care centres, and community-based surveillance systems to disseminate information on existing social protection and employment programmes, registration procedures for the SRS and the BPJS, and insurance principles. They will use pamphlets, leaflets, and brochures prepared at the district/municipal level. The social affairs unit will also assist beneficiaries in filling out registration forms and collecting supporting documents.

The village secretary, midwives, and community institutions (RT and RW) will collect data on households and individuals. Village secretaries will also check the data received from community institutions and village midwives. In most cases data will not be entered at the village level due to a lack of capacity and low infrastructure quality. Rather, the data entry will be done at the sub-district level. For instance, in Malang District, villages that rely on a modern administration will be able to perform the data entry function, while in Timor Tengah Selatan District this function can only be performed at a higher level.

The village secretary and midwives will collect and analyse complaints. Complaint resolution may be managed through community consensus or involve decision-makers at a higher level. Community consensus is a well-established traditional way to resolve conflicts at the community level in Indonesia. It is also used for development planning processes (*Musyawarah Perencanaan Pembangunan*), based on a bottom-up approach.

It has been suggested that a module describing the SRS design and explaining the main functions and responsibilities at the village level should be included in the technical guide for the implementation of the Law on villages that is currently being prepared by the Ministry of State Apparatus and Bureaucracy Reform. This would raise awareness among local governments and encourage them to implement the SRS on a pilot basis.

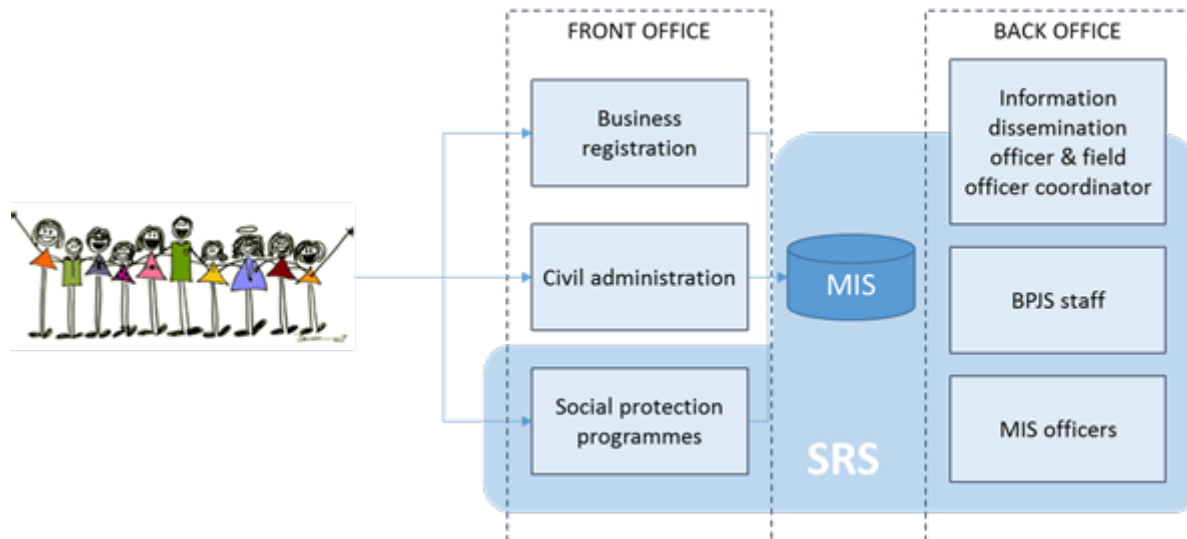
Table 3. List of functions, main job descriptions, and actors at the village level

Functions	Main job descriptions	Main actors
Function 1: Disseminate information on existing programmes	Disseminate information on social protection programmes and employment services	Social affairs unit
	Coordinate with community institutions (RT and RW), alert villages, community-based health-care centres, and community-based surveillance systems to disseminate information on social protection and employment programmes	Village secretary
Function 2: Develop and maintain an integrated database on beneficiaries and programmes	Collect data on households and individuals (name, date of birth, sex, place of birth, socioeconomic variables, educational variables, and health variables)	Village secretary
	Coordinate data collection with community institutions and village midwives	Village secretary
	Compile and check data received from community services (RW) and village midwives	Village secretary
	Input data into the MIS application	Social affairs unit
Function 3: Match beneficiaries with programmes and facilitate enrolments	Provide BPJS registration forms	Social affairs unit
	Assist beneficiaries in filling out forms and collecting supporting documents	Social affairs unit
Function 4: Assist in the complaints and appeals process	Receive complaints from community members, midwives, RT, and RW	Social affairs unit
	Compile and analyse complaints (complaints that cannot be solved through community consensus should be sent to the sub-district level)	Village secretary and midwife
	Facilitate complaint resolution through community consensus	Village head
	Send the unsolved complaints to the sub-district	Head of social affairs unit

2.4.4.2 Structure, functions, and actors of the SRS at sub-district level (Kecamatan)

The SRS at the sub-district level could be added to the integrated public service delivery office (PATEN), which includes a series of business services in addition to the civil administration services. The integration of the SRS with the PATEN would facilitate graduation out of poverty and formalization of employment by supporting the creation of micro-enterprise (which is part of PATEN's functions) and providing micro-entrepreneurs and the self-employed with access to social protection (which is part of SRS's functions). Despite these linkages, the new SRS will require a specific budget allocation to cover operational costs and physical infrastructure (e.g. additional room and computer).

Figure 18. General organization of the SRS combined with the PATEN at the sub-district level



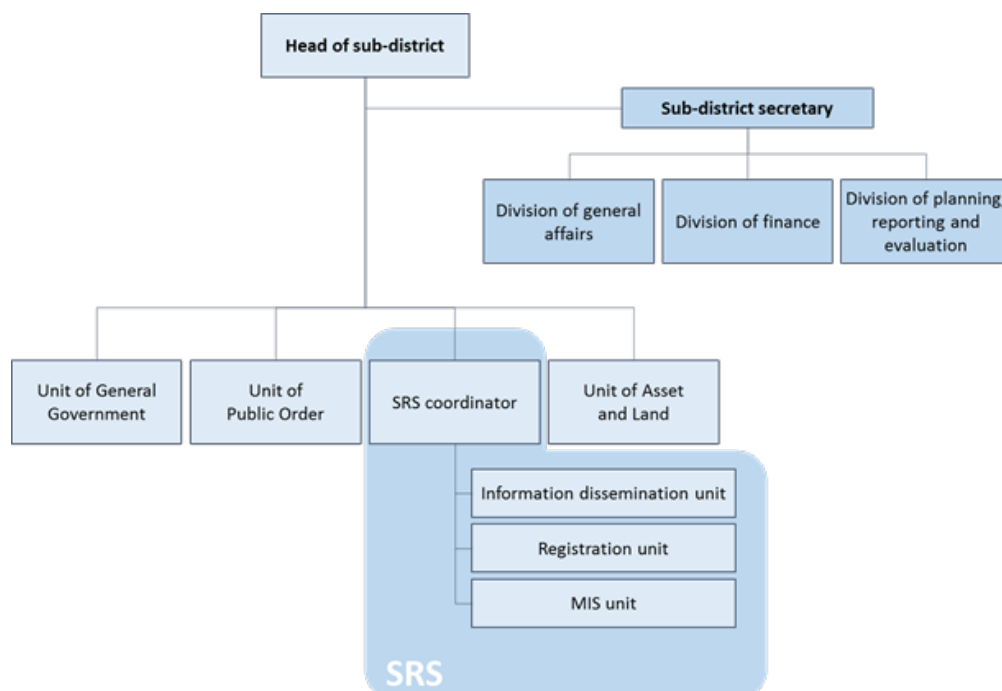
Source: ILO – DWT Bangkok, 2014.

At the sub-district level, the SRS will be headed by an SRS coordinator and be composed of four units: the information dissemination unit (which includes a call centre), the registration unit, the MIS unit, and the finance unit. These four units would be managed by the SRS coordinator responsible for smooth SRS operations under the general supervision of the Head of sub-district. Depending on the existing administration, the units can be dedicated to the SRS or shared with other existing structures of the administration (notably PATEN).



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Figure 19. Organizational structure of the SRS at sub-district level



Source: ILO – DWT Bangkok, 2014.

The information dissemination unit of the SRS will be responsible for identifying social protection programmes and employment services at the sub-district level and to collaborate with the information and documentation officer (PPID) at the district level to maintain a list of social protection programmes (called single form). This unit should ensure communication between the district level (responsible for the design of information tools) and the village level (responsible for the dissemination of information to the final beneficiaries). In addition, the information dissemination unit should identify and collaborate with key actors—such as religious scholars and local radio stations—to disseminate information on social protection programmes and employment services. For example, dissemination of information to Muslim citizens could be conducted after Friday prayer.

The MIS unit will be responsible for developing, updating, and maintaining the synchronized database – which includes information on beneficiaries and programmes – based on available databases (CBS, poor household database, e-KTP, family card, and programmes databases). The MIS unit will organize and manage the work of local coordinators in collecting information on residents and programmes. It will cross-check information with existing databases. The MIS unit will either validate information entered at the village level or input data into the synchronized database. The SRS coordinator and the MIS unit will be in a good position to suggest modifications to the data collection questionnaires to ensure that they collect relevant information to match individuals to existing social protection programmes and employment services (e.g. add new eligibility requirements).

The registration unit will assist applicants with filling out registration forms and collecting supporting documents. It will also identify potential beneficiaries who are eligible for services and/or transfers and were not part of the list of pre-identified beneficiaries (exclusion errors). The unit will then channel registration forms to the social protection programme or employment services and follow up on the application status (this function can also be executed at the district/municipal level for programmes that are established at that level). The registration unit will deliver the results of the applications (positive or negative) to the applicants and the justification of the decision in the case of a negative result.

The information dissemination unit will establish and operate a call centre that will provide support to village officers and disseminate information to the general public. The call centre will provide information on existing social protection programmes and employment services, including registration procedures under BPJS, and will also record complaints.

To reduce the risk of leakages, automated teller machines (ATMs) could be established at the SRS offices where card holders would be able to pay contributions to the BPJS and retrieve social transfers.

The SRS coordinator will be responsible for the smooth functioning of the complaint and appeals mechanism. The coordinator will ensure that complaint forms are available at the sub-district and village levels. The SRS coordinator will receive all complaints collected by midwives and other village officers, as well as complaints channelled through the call centre. The SRS coordinator will then channel these complaints to the SRS coordinator at the district level, who will then transfer them to the appropriate technical units.

The sub-district SRS coordinator will also follow up on the resolution of cases and inform beneficiaries of the results. Regular reports on complaints and appeals will be produced by the SRS coordinator and submitted to the ombudsman commission as a basis for providing suggestions for changes and improvements in the management of the SRS and operations of existing schemes and programmes.

Table 4. List of functions, main job descriptions, and actors at the sub-district level

Function	Main job descriptions	Main actors
Function 1: Disseminate information on existing programmes	Identify social protection programmes and employment services at the sub-district level and collaborate with PPID to maintain the single form Receive information tools from the district SRS and disseminate them to final beneficiaries Cooperate with religious scholars and local radio stations to disseminate information on social protection programmes and employment services Distribute information tools to village offices; train and monitor local coordinators Disseminate information tools in Puskesmas, post offices, schools, and public markets	SRS information dissemination unit SRS coordinator and SRS information dissemination unit SRS information dissemination unit
Function 2: Develop and maintain an integrated database on beneficiaries and programmes	Receive from the SRS district existing databases (poor household database, e-KTP, family cards), information from the geographic information system (GIS), and a first version of the synchronized database Organize and monitor data collection by local coordinators Cross-check information across existing databases, identify inconsistencies, update the synchronized database with information collected at the sub-district and village levels (e.g. personal information, vulnerability, out- and in-migration, health status, among others) Suggest updates in the questionnaire used for data collection by village and community coordinators	SRS MIS unit SRS coordinator and SRS MIS unit SRS MIS unit SRS coordinator and SRS MIS unit
Function 3: Match beneficiaries with programmes and facilitate enrolments	Assist applicants in filling out registration forms and collecting supporting documents Check and identify the beneficiaries of available programmes Liaise with social protection programmes and employment services (channel applications, follow up on the result) Provide answers regarding and justifications for application processes to the applicant	Registration unit
Function 4: Install and operate a call centre	Receive calls from village officers and potential beneficiaries on existing social protection programmes and employment services in the area, eligibility criteria and application procedures and tools Record, compile, and disaggregate complaints submitted	SRS information dissemination unit
Function 5: Facilitate claims and payment of contributions	Provide facility for the payment of contributions and benefits in cooperation with a bank (e.g. ATMs) Channel claims to BPJS through the SRS finance unit at district/municipal level	SRS finance unit
Function 6: Assist in the complaints and appeals process	Ensure availability of complaint forms Receive complaints from midwives and call centre operators; establish a "crisis centre" with a hotline to manage specific complex cases (e.g. violence against women, human trafficking) Send the complaints to relevant technical offices at the district level (through SRS coordinator at district/municipal level) and follow up on case resolutions; inform the beneficiaries of the result of the case Produce regular reports on the complaints and appeals mechanism Analyse monitoring reports and provide suggestions for change	SRS coordinator SRS Coordinator

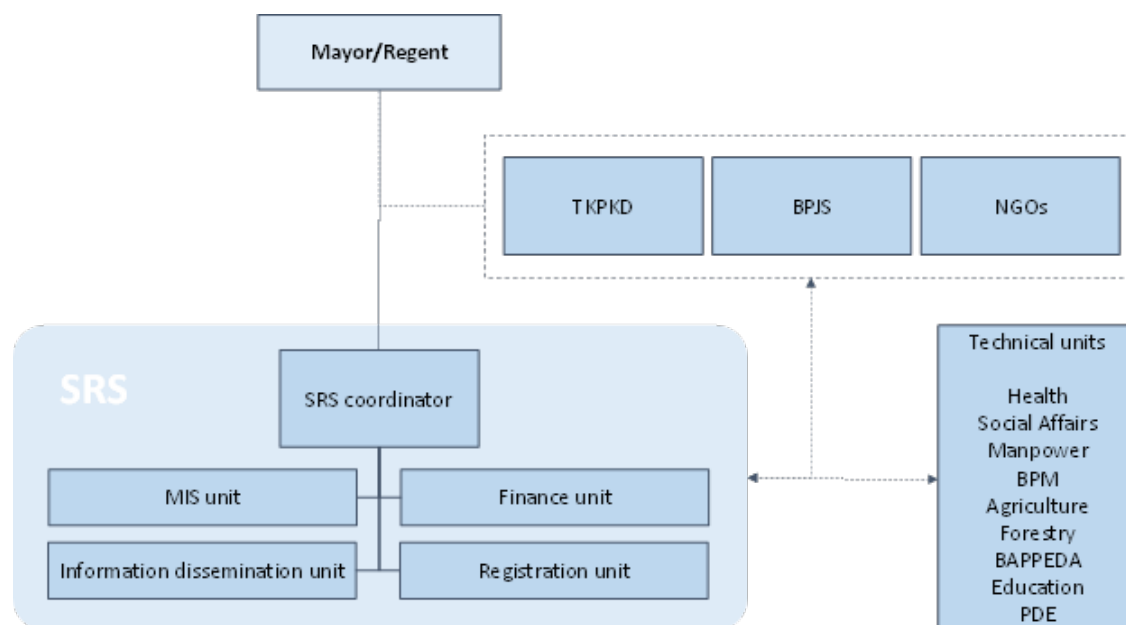
2.4.4.3 Structure, functions, and actors of the SRS at the district/municipal level

The SRS at district/municipal level should coordinate with the local coordinating team for poverty alleviation (TKPKD). Since the SRS will not only deal with the poor household database (covering the poorest 40 per cent of people) and work for the whole social protection and employment system, the SRS activities will be broader than the TKPKD functions. TKPKD could be a leading actor in initiating the establishment of the SRS at the beginning. It is headed by the deputy regent/mayor/governor who could take a lead to form the SRS.

The SRS at the district/municipal level will in most cases consist of a back office with no front office. The SRS front office would be handled at the sub-district level with the objective of empowering the sub-districts and villages. In some under-developed regions, however, where capacities of sub-district administrations are too low, the front office would be handled at the district level.

The SRS at the district/municipal level will be composed of four units managed by the SRS coordinator under the direct supervision of the regent/mayor. The four units are: the information dissemination unit, the registration unit, the MIS unit, and the finance unit. These four units will work in close collaboration with the other administrative structures, notably the technical units (SKPD).

Figure 20. Overall structure of the SRS at district/municipal level



Source: ILO – DWT Bangkok, 2014.

The SRS information dissemination unit at the district/municipal level will compile and maintain a list social protection programmes and employment services based on the information received from the district technical units, and notably from the units of education, health, social affairs, manpower, agriculture, forestry, and fishery. All these programmes should be compiled into the management information system, as well as in the single form used by the PPID.

The SRS information dissemination unit will also, in close coordination with PPID, BPJS, and SKPD, develop the following communications materials:

- information on BPJS Kesehatan programme with information on registration procedures, benefits, contribution levels, and a list of health service providers in the respective district/municipality;

- information on BPJS Ketenagakerjaan with a description of the benefits and registration procedures for the different social security branches, including employment injury, old-age pension and lump sum, and death insurance; and
- information on training for high school graduates, skills development programmes for communal groups (farmers, stockbreeders, carpenters, among others), and any other employment services.

All of the communications materials should be delivered to the sub-district SRS together with trainings. The information dissemination unit at the district/municipal level is also responsible for technical monitoring of the information dissemination units at the sub-districts. Hence, it will develop a reporting form to be filled in by the sub-districts on a regular basis to report on their communications activities and related expenditures.

The SRS information dissemination unit will also develop communications materials on labour rights and the minimum wage to be distributed to workers in selected sectors (domestic workers, agriculture, fisheries, and so on).

The SRS MIS unit at the district/municipal level will commission the IT development of the MIS that will support all SRS operations. The development of the MIS should take stock of existing management information systems and pilot initiatives in the district/municipality (such as SILADES in Malang municipality). The development of the MIS should also respect the guidelines provided by the provincial administration in order to ensure compatibility and guarantee compilation of information across districts.

The SRS MIS unit will compile information from the poor household database, e-KTP, family cards, programmes, and the geographic information system to progressively build a synchronized database used by the SRS. This will be done in close collaboration with the Office of Civil Administration, which manages the databases on citizens, and the bureau of electronic data management (Pengelolaan Data Elektronik (PDE)) that is currently responsible for managing the information system of each sub-administration office. The synchronized database will be able to match potential beneficiaries with existing programmes through various scoring methods based on vulnerability, age, sex, occupation, income, and other parameters. This matching system will enable the SRS to maintain a list of beneficiaries from each programme and provide eligibility information to the people. The SRS MIS unit will also maintain the database, develop training modules on the MIS for sub-district and village officers, and conduct trainings every two months.

The SRS MIS unit, in close collaboration with BAPPEDA, the Office of Social Affairs, and the Office of Health, will also be responsible for developing and maintaining the questionnaires used to update and collect missing information on residents. All the tools developed at the district/municipal level should be documented and shared with sub-districts and villages, notably through regular trainings.

The SRS MIS unit will develop and maintain a database of enterprises that can be used by labour and social security inspectors, as well as a database of representative organizations of workers and persons of concern that can play a facilitation role in the framework of the complaints and appeals mechanism.

The SRS MIS unit will also produce monthly monitoring reports of activities for the villages, sub-districts, and district. These reports will be used to readjust activities to achieve stated objectives. The consolidated report generated at the district level will be sent to the regional level for monitoring purposes.

The district/municipal registration unit will monitor the registration activities of each sub-district SRS office. The unit will compile, analyse, and consolidate the registration data received from the sub-districts and match potential beneficiaries with existing programmes. BAPPEDA and the Office of Social

Affairs will be involved in the latter to assess the impact of potential newly identified beneficiaries on the budget requirements for each programme.

The SRS information dissemination unit will design the call centre that will be implemented at the sub-district level. This unit will also develop job descriptions, recruit staff members for the call centre, and develop training materials and tutorials (with generic questions and answers) for the officers of the call centre.

The SRS finance unit at the district/municipal level will develop the reporting system that will be used by the sub-district SRS finance units to report on the contributions, claims, and payments made by the SRS and the use of funds. It will also monitor activities of the SRS finance units at the sub-district level and prepare consolidated monthly reports that will be sent to existing service providers (BPJS and others).

The SRS coordinator at the district level will design the complaint forms to be used at the village and sub-district levels. The coordinator will also receive complaints from the sub-district and channel them to the relevant technical units (SKPD). The SRS coordinator at the district level will also develop tools to monitor complaint resolution and assess performance (average time required to solve a grievance, percentage of resolved cases, and so on). The coordinator will inform the village and sub-district levels of the results of the complaints.

Finally, the SRS coordinator at district/municipal level will produce consolidated monitoring and performance reports on the complaint and grievance mechanism and share them twice per year with the ombudsman.

Table 5. List of functions, main job descriptions, and actors at the district/municipal level

Function	Main job descriptions	Main actors
Function 1: Disseminate information on existing programmes	Design a single form to register all programmes	SRS MIS unit, PPID
	Compile and maintain a list of social protection programmes and employment services in coordination with PPID and SKPD	SRS coordinator and SRS information dissemination unit
	Compile existing programmes into the MIS and single form used by PPID	SRS information dissemination unit
	Develop communications materials such as leaflets, brochures, and presentations; disseminate materials at the sub-district SRS, local radio and television stations, and workshops at universities	
	Develop communications materials on labour rights and minimum wage to be distributed to the workers in selected sectors (domestic workers, agriculture, industry, and so on)	
	Design reporting forms to be filled in by the sub-district SRS on their communications activities and related expenditures	
Function 2: Develop and maintain an integrated database on beneficiaries and programmes	Commission IT development of the MIS	SRS MIS unit, PDE
	Compile information from the poor household database, e-KTP, family cards, and programmes to build a synchronized database for the SRS	SRS MIS unit, PDE, Office of Civil Administration
	Develop and maintain the questionnaires used to collect and update missing information on residents; share the tools with the sub-district and villages through training	In collaboration with BAPPEDA, Office of Social Affairs, Office of Health
	Develop and maintain a database of enterprises that can be used by labour and social security inspectors	MIS unit, Office of Manpower, BPJS
	Develop and maintain a database of representative organizations of workers and persons of concern that can play a facilitation role in the framework of the complaints and appeals mechanism	MIS Unit, workers' associations, Office of Manpower
	Design and develop the maintenance and synchronization system of the SRS database	

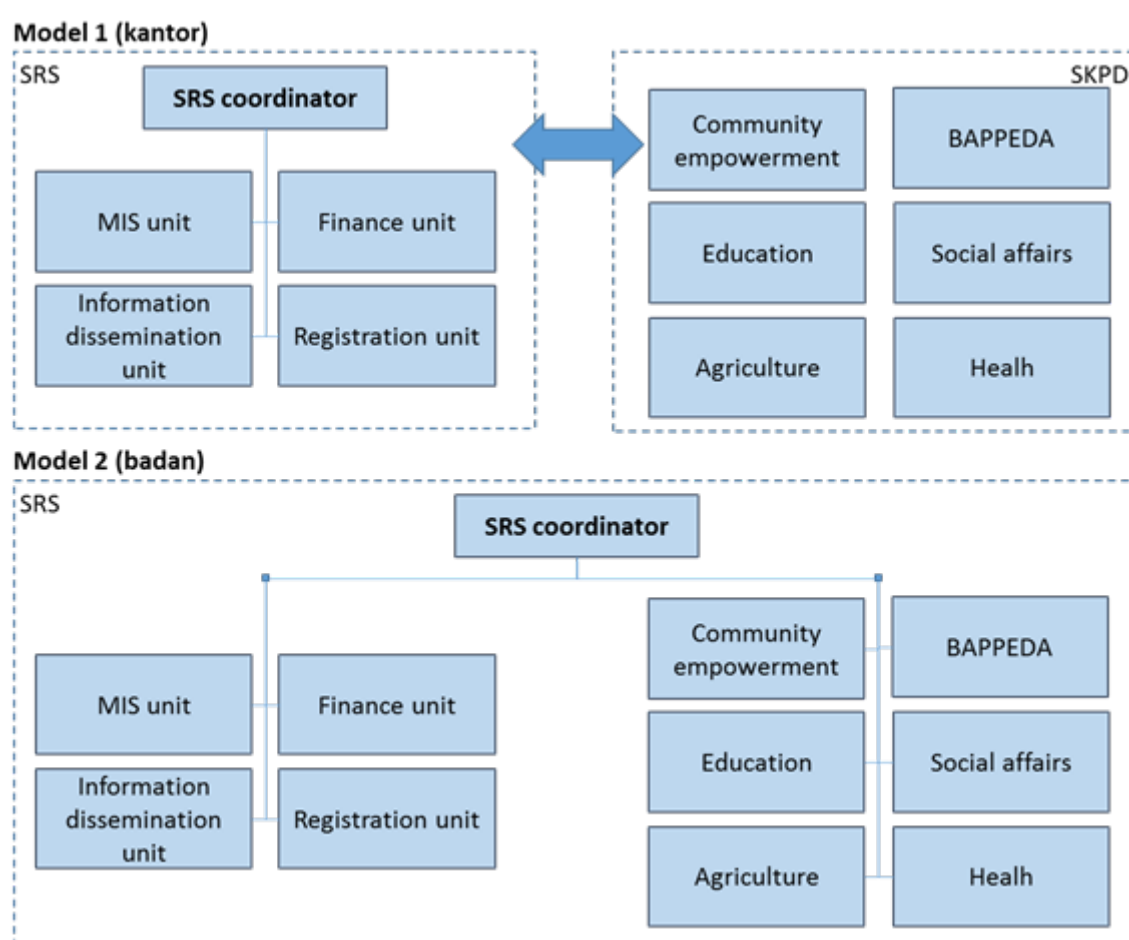
Function	Main job descriptions	Main actors
	Develop training modules on the MIS for sub-district and village officers and conduct trainings every two months Produce a complete, accurate, and timely monthly report for each village and each sub-district on population data and beneficiaries of social protection and employment programmes; prepare a consolidated report at the district level	
Function 3: Match beneficiaries with programmes and facilitate enrolments	Compile, analyse, and consolidate registration data received from the sub-district; match potential beneficiaries with programmes Match senior high school graduates and job applicants to vacancies and vocational training Prepare consolidated reports for the sub-districts	SRS registration unit, SRS coordinator In collaboration with Office of Manpower and NGOs SRS registration unit
Function 4: Install and operate a call centre	Design a call centre that will be implemented at the sub-district level Produce job descriptions and recruit resources for sub-district call centres Develop training materials and train the recruited call centre officers	SRS information dissemination unit
Function 5: Facilitate claims and payment of contributions	Design a reporting system that will be used by the sub-district SRS finance units to report on the contributions, claims, and payments made by the SRS and the use of funds. Prepare consolidated monthly reports that will be sent to existing service providers	SRS finance unit
Function 6: Assist in the complaint and appeals process	Design the complaint forms to be used at the village and sub-district levels Receive complaints from the sub-district and distribute them to related technical units Monitor the complaint-resolution process and assess performance Inform the village and sub-district levels of the results of complaints Produce consolidated monitoring and performance reports of the complaint and grievance mechanism and share them twice per year with the provincial ombudsman Create a shared MIS with the national ombudsman through SIMPEL	SRS coordinator

Due to the diversity of sub-national conditions in Indonesia, two models of organization have been developed for the implementation of the SRS at the district/municipal level. These two models are based on the experiences gained during the IBSF implementation.

In model 1, the SRS at the district/municipal level is mainly a coordinating body, liaising between the different technical offices and compiling information. In model 2, the SRS is more integrated and takes the lead for social protection and employment programmes. In this second model, the SRS coordinator could be considered the manager of the technical offices (SKPD) working in the field of employment and social protection. Although it is expected that the second model will be more successful (in terms of coordination, synergies, economies of scales, and so on), it may be more difficult to implement due to reluctance to change among some existing stakeholders. The second model may also be more costly to implement.

Table 6. Organizational models for the SRS at the district/municipal level

Model	Model 1 (<i>kantor</i>)	Model 2 (<i>badan</i>)
Description	Technical units (SKPD) assess eligibility and match beneficiaries and programmes	The SRS assesses eligibility and matches beneficiaries and programmes
Pros	Easy to implement	Better coordination, synergies between programmes, shared administrative functions leading to economies of scale
Cons	Lack of coherence, synergy losses, higher administrative costs	Difficult to implement (reluctance to change) and more costly
Role of SRS coordinator	Mainly a coordinator; possibly lower in the hierarchy compared to a head of an SKPD	Hierarchically above the heads of SKPDs; SKPDs would be under the coordinator's authority

Figure 21. Two organizational models for the SRS at the district/municipal level

Source: ILO – DWT Bangkok, 2014.

2.4.4.4 Structure, functions, and actors of the SRS at the provincial level

At provincial level, the SRS does not have any dedicated staff and relies on the involvement of the existing administration. The regional development planning board (BAPPEDA) together with the local coordination team for poverty alleviation (TKPKD) will act as overall supervisors of the SRS.

TKPKD, information and documentation officers (PPID) from each related technical unit (BAPPEDA, health, social affairs, etc.) and BPJS will be responsible for compiling information, identifying good practices, and providing guidelines for the development of communications materials on social protection and employment programmes.

BAPPEDA and TKPKD will also involve the provincial board of human resources (*Badan Kepegawaian Daerah*) to organize capacity building activities on SRS operations, procedures, and tools in collaboration with relevant line ministries.

TKPKD, the Office of Communication and Informatics, and the Bureau of e-database Management will coordinate with national counterparts regarding the synchronization of local and national databases (such as the poor household database). They will also develop general and detailed specifications to guide the development of the SRS management information system that will be developed at the district and municipal levels. The design of the SRS MIS should ensure interconnectivity between the SRS database and other existing databases. When districts and municipalities are not able to develop their own MIS, the provincial SRS should support them both technically and financially. The provincial bureau of human resources will also organize capacity building activities at the district, municipality, and sub-district levels on the development and maintenance of the MIS.

The provincial Office of Manpower and Transmigration will be responsible for identifying, recording, and channelling job opportunities to districts and municipalities. The SRS should disseminate job vacancy information to the local level where most of the jobseekers live, making the information available at no cost to the jobseekers. This should enhance mobility across districts and municipalities and provide more opportunities to match job vacancies with skilled jobseekers. BAPPEDA and TKPKD will monitor the overall job matching process.

Special attention should be given to the identification and resolution of exclusion errors. BAPPEDA, TKPKD, and BPJS will monitor the utilization of social services and assess the impact of the SRS on utilization and access to social protection and employment services. An impact evaluation protocol will be established at the national level in partnership with independent universities.

The provincial Office of Communication and Informatics together with TKPKD will identify existing call centres available at the district and sub-district levels and disseminate existing good practices. For instance, the call centre that was developed by BPJS Kesehatan could be studied and the lessons learned from this experience. They will also develop generic guidelines and common principles and functions related to operating hours, officer profiles, available information, and support provided for all the call centres in the province. They may also provide technical support in developing the scripts of questions and answers and other tools used by the call centre officers.

BAPPEDA, together with TKPKD and BPJS, will monitor the operations of claims facilitation and payment of contributions. They will also develop guidelines for these operations, in particular regarding the installation of ATMs or the signing of agreements with banks.

The provincial ombudsman, together with BPJS, will monitor the complaints and appeals mechanism developed by the SRS based on a thorough analysis of the reports submitted by the SRS coordinators at the district/municipal level. The provincial ombudsman will also be involved in the resolution of complex cases.

Table 7. List of Functions, main job descriptions, and actors at the provincial level

Function	Main job descriptions	Main actors
Function 1: Disseminate information on existing programmes	Compile information, identify good practices, and provide guidelines for the development of communications materials on social protection and employment programmes Organize capacity building activities on SRS operations	TKPKD, PPID, and BPJS Provincial Bureau of Human Resources
Function 2: Develop and maintain an integrated database on beneficiaries and programmes	Coordinate with national counterparts for the synchronization of local and national databases Develop general and detailed specifications to guide the development of the MIS at the district and municipal levels Organize capacity building activities on the development and maintenance of the MIS at district/municipal and sub-district levels	TKPKD, Bureau of e-database, BPJS
Function 3: Match beneficiaries with programmes and facilitate enrolments	Identify, record, and channel job opportunities to districts and municipalities Monitor the overall matching process Assess the impact of SRS on awareness of the people and utilization of services based on an impact evaluation protocol	Provincial Office of Manpower and Transmigration BAPPEDA, TKPKD, and BPJS BAPPEDA, TKPKD, and BPJS in partnership with independent universities
Function 4: Install and operate a call centre	Identify existing call centres available at the district and sub-district levels and disseminate existing good practices Develop generic guidelines and common principles and functions	Provincial Office of Communication and Informatics and TKPKD
Function 5: Facilitate claims and payment of contributions	Monitor the operations of claims facilitation and payment of contributions Develop guidelines for these operations	BAPPEDA together with TKPKD and BPJS
Function 6: Assist in the complaint and appeals process	Monitor the complaint and appeals mechanism Solve complex cases Keep track of existing cases and resolutions through the management information system that connects ombudsmen from 32 provinces (SIMPEL)	Provincial ombudsman, BPJS Provincial ombudsman Provincial ombudsman through SIMPEL

2.4.4.5 Linkages with the national level

Updating the poor household database is currently coordinated by the Ministry of Social Affairs. The MoSA has closely collaborated with BPJS Kesehatan since January 2014 to monitor and update poor individuals (mainly the disabled) who are not yet covered by national health insurance (*Jaminan Kesehatan Nasional*). MoSA has coordinated with MoHA to synchronize the poor household database with the NIK. This attempt at coordination was initiated by TNP2K under the Vice President Secretary in 2010. The SRS at the national level should consider MoSA's initiatives - known as Pandu Gempita - and attempts to synchronize and update existing databases.

At the national level, the Coordinating Ministry for People's Welfare will develop a system to synchronize existing databases in close collaboration with BPJS, TNP2K, the Tax Office, and the Migration Office. This system aims to avoid duplications in data collection and progressively improve the quality and accuracy

of stored data through systematic cross-checks of information. This system will also foster coordination at the national level, which will be instrumental for better horizontal coordination at the local level.

The Coordination Ministry for People's Welfare will also ensure the respect of people's privacy and dignity by developing regulations on the use of personal data.

In close partnership with their counterparts at the provincial level, BAPPENAS, BPJS, TNP2K, and the Coordinating Ministry for People's Welfare should develop an impact evaluation protocol to assess:

- the impact of the SRS on awareness raising among the final beneficiaries;
- the impact of the SRS on access to social protection programmes and employment services;
- the impact of existing and available social services on poverty reduction and sustainable graduation from poverty; and
- the impact of innovative approaches (such as combined benefit packages or case management approaches) on poverty reduction and sustainable graduation from poverty.

The Coordinating Ministry for People's Welfare, together with BAPPENAS, BPJS, and TNP2K, will also encourage the SRS at provincial, district/municipal, and sub-district levels to create linkages between programmes by offering combined benefit packages and a case management approach to better serve final beneficiaries and avoid "double targeting".

An inventory of innovations should be established to identify and document successful experiences that can then be replicated in other parts of the country, e.g. regarding efficient and successful communication strategies and tools, ways to increase informal sector workers' registration in social protection programmes, adapted approaches to best serve the needs of vulnerable people, ways to represent the interests of the persons of concern, and so on. The SRS could also be used by national actors to test and/or pilot new benefit packages, delivery mechanisms, and innovative approaches to better serve the people.

Table 8. List of Functions, main job descriptions, and actors at the national level

Function	Main job descriptions	Main actors
Function 1: Disseminate information on existing programmes	Identify and document innovative and successful communication strategies and tools and replicate them	Coordinating Ministry of People's Welfare, BPJS
Function 2: Develop and maintain an integrated database on beneficiaries and programmes	Develop a database synchronization system	Coordinating Ministry of People's Welfare, BPJS, TNP2K, the Tax Office, and the Migration Office
	Develop regulations on the use of personal data to ensure the respect of people's privacy and dignity	Coordinating Ministry of People's Welfare, Indonesian State Intelligence Agency (BIN)
	Develop an impact protocol for social protection and employment services	BAPPENAS, BPJS, TNP2K, and the Coordinating Ministry of People's Welfare
	Create an inventory of innovations at the national level and use the SRS as an innovation laboratory	Coordinating Ministry of People's Welfare, BPJS

Function	Main job descriptions	Main actors
Function 3: Match beneficiaries with programmes and facilitate registration	Identify, document, and replicate innovative ways to increase informal sector workers' registration (e.g. through mobile phone application)	Coordinating Ministry of People's Welfare, BPJS
Function 4: Facilitate claims and payment of contributions	Identify and document adapted approaches to best serve the needs of vulnerable people (case management, integrated packages, contribution collection and payment through e-payments, mobile phones, or small retailers such as Alfamart and Indomart, and so on)	Coordinating Ministry of People's Welfare, BPJS
Function 5: Assist in the complaints and appeals process	Identify and document innovative and successful ways to represent the interests of the persons of concern	Coordinating Ministry of People's Welfare, BPJS



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3

Roadmap for the implementation of the SRS

3.1 General principles and main steps of the SRS project roadmap

The SRS project started in March 2013 and follows a three-year roadmap with the objectives of:

- (1) designing the SRS;
- (2) promoting the SRS concept at the national level and ensuring that the SRS concept is acknowledged within the Government's policy and strategy as a useful mechanism to expand social protection coverage and reduce poverty;
- (3) establishing the SRS pilot in two provinces and pilot testing it for several months at a minimum; and
- (4) demonstrating the usefulness of the SRS and preparing for the national rollout.

Table 9. Main steps of the SRS project

Steps	Objectives	Main activities
Step 1 in 2013	Select pilot areas, conduct feasibility studies, and complete the SRS design	Select pilot areas based on quantitative and qualitative assessments Identify existing social protection programmes and employment services, as well as coordination mechanisms and tools Design the mechanism through a participatory approach involving relevant local stakeholders Introduce the SRS to sub-districts and villages
Step 2 in 2014	Endorsement of the design study; pilot the mechanism in selected sub-districts	National stakeholders' endorsement of the design study Develop and implement an appropriate MIS (including a synchronized database for the SRS) Collect information on programmes and compile this information in the MIS Coordinate with BPJS for registration of beneficiaries and contribution payment Calculate investment and operations budget needed for the SRS and identify sustainable sources of funding (e.g. de-concentration budgets, mutual trust funds at district level, corporate social responsibility (CSR))

Steps	Objectives	Main activities
Step 3 in 2015	Extend the pilot to additional sub-districts and gather evidence on the impact of the SRS mechanism	Further develop, implement, and maintain an appropriate MIS Collect information on programmes and compile this information in the MIS Coordinate with BPJS for registration and contribution payment Test the reliability of mobile SRS agents (community leaders) in providing information Negotiate and secure investment and operations budget for the SRS

3.2 Step 1 – Select pilot areas, conduct feasibility studies, and complete the SRS design

According to the Indonesia Decent Work Country Programme 2013-15, the ILO should focus its interventions in three provinces: Maluku, East Java, and East Nusa Tenggara (NTT). The feasibility study for the SRS was conducted in the three provinces by performing in-depth interviews with relevant stakeholders (government officers, NGOs, BPJS, community, and health facilities) and organizing focus group discussions in order to build and validate the SRS design. The feasibility studies were completed in these three provinces and were used to develop the current design study.

In East Java province, pilot districts were selected based on a number of quantitative criteria:

- existence of enacted regulations on TKPKD at the district level;
- quality of the public service delivery based on an assessment made by NGOs;
- quality of the Integrative Business Service Facility;
- existence of a Jamsostek branch office;
- existence of vocational training providers;
- number of associations registered under the Askesos programme;
- ratio of the number of sub-district health facilities (Puskesmas) to the number of sub-districts;
- ratio of PKH officers to the population;
- percentage of the population above seventeen years of age included in the e-KTP database; and
- percentage of disabled people.

Qualitative criteria of selection were also taken into account, such as the level of interest (political will) of local authorities. In such a decentralized context, political will seems to be one of the main success factors for the implementation of any project involving local governments in Indonesia.

As a result, the following districts were selected:

- Timor Tengah Selatan district in NTT;
- Ambon municipality and Maluku Tengah district in Maluku province, with a priority given to Ambon; and
- Malang district in East Java Province, with a priority given to Kepanjen and Pagelaran sub-districts.

The project has received strong support from local governments as demonstrated by the signed memorandum of understanding (MoU) with Maluku province and Ambon municipality, and the Letter of Recommendation from the East Java International Bureau.

Communications and information dissemination on the SRS design have been carried out in Ambon municipality and Malang district. All relevant stakeholders were involved and showed great interest in the project. In Malang, the ILO collaborated with BPJS Kesehatan to explain the concept of the SRS and convince stakeholders of its relevance for the implementation of national health insurance. All heads of village in the pilot area were invited to information workshops. In addition, the ILO produced leaflets to disseminate BPJS Kesehatan registration procedures in Ambon municipality and Malang district.

During step 2 of the pilot phase (in 2014) the ILO produced the design study and advocated for the endorsement of the SRS concept and design by national stakeholders. At the local level, the ILO plans to focus pilot implementation in two sub-districts of Ambon municipality and one sub-district of Malang district. The other pilot areas will be covered during step 3 of the pilot phase in 2015.

3.3 Steps 2 and 3 of the SRS project

For steps 2 and 3 of the SRS project, the ILO team will organize its activities according to the following five areas, aiming to support the local administration in the implementation of the SRS:

- institutional set-up to develop the legal framework needed for the SRS;
- processes and tools (including MIS development);
- human resources;
- awareness raising and enrolment of service providers; and
- project management.

3.3.1 Institutional set-up to develop the legal framework needed for the SRS

The development of MoUs and operational agreements with provincial and district/municipal administrations, as well as the enactment of local decrees at the district level are required to guarantee the sustainability of the SRS in the selected districts and the commitment of respective leaders.

An MoU is needed between the project and the provincial government to secure budget allocations that are channelled by the provincial government to the districts, and to guarantee that the provincial level will carry out the activities described above in the section 2.4.4. MoUs are also needed between the project and the pilot districts/municipalities to ensure that the SRS offices are established and operated by local administration staff members.

An MoU was signed on 16 October 2013 between the ILO, Maluku province, and Ambon Municipality. According to this MoU, BAPPEDA will allocate a share of its budget to establish the SRS. An MoU was prepared and is still under discussion with East Java Province's Bureau of International Cooperation. However, this bureau has already enacted a letter of recommendation which will facilitate ILO's technical support activities.

District governments have not yet enacted any decrees to support SRS implementation. It is expected that the development of decrees will take place during the course of 2014-15. At the end of the pilot phase, the SRS design will be reviewed and a national regulation on the SRS design and establishment will be prepared under the responsibility of MoHA and/or BAPPENAS.

3.3.2 Processes and tools (including MIS development)

The tools required to conduct SRS activities include:

- questionnaires to collect required information on population and programme databases;
- an MIS for the daily operations of the SRS, including storage and analysis of the collected information;
- training manuals for officers at sub-district and district levels; and
- MIS users' manual covering both daily activities and database maintenance.

The processes related to SRS operations should be detailed for each layer of the local administration, including who is in charge of what at the village, sub-district, and district/municipal levels. The processes should then be shared and discussed with relevant stakeholders to ensure smooth operations.

3.3.3 Human resources

Human resources of the SRS are primarily composed of local administration's officers. Nevertheless these human resources should be officially appointed to ensure that the new SRS responsibilities are taken into account and clarify the respective roles of the members of the administration. Additional human resources will need to be hired for specific functions. The new positions will be part of the local administration or outsourced to local contractors (for instance, this may be the case for the call centres). Existing job descriptions may need to be adjusted to fit the SRS functions and new job descriptions may need to be created. Also, existing staff members may not have the required qualifications for the new SRS tasks, which may call for specific capacity building programmes. An assessment of existing and needed job descriptions, as well as existing and required capacities, will be conducted and a capacity development plan will be developed.

3.3.4 Awareness raising and enrolment of service providers

Awareness raising is critical to the implementation of the SRS since one of the main objectives of the SRS is to raise people's awareness of their entitlements to social protection programmes and employment services.

Indonesia's social security system, with the enactment of the BPJS Law and the implementation of two new social security providers, has experienced major changes that require active communication from the Government. In particular, awareness of social health protection is needed to enhance individual enrolments and the regular payment of contributions. Awareness raising activities cannot be carried out by the SRS in isolation. Rather, it must be carried out through strong collaboration with BPJS and other service providers at the district/municipal and sub-district levels.

The enrolment of service providers is also key to the success of the project since the SRS has to gradually facilitate access to all social protection programmes and employment services. MoUs should be signed with the different service providers to ensure that the SRS is used systematically for the functions of disseminating information, matching beneficiaries with programmes, facilitating enrolments, claims and payment of contributions, assisting in the complaints and appeals process, and operating a call centre. The MoUs should also aim to facilitate the gradual establishment of a case management approach and the delivery of combined benefit packages.

3.3.5 Project management

The roles of project management are to regroup a set of tools and good practices that are needed to successfully implement the pilot phase in accordance with the project plan and budget, as well as to coordinate activities. Project management also aims to create management capacity within the administration that will be able to make well-informed decisions and monitor the project's activities. Project management usually consists of the appointment and organization of national and district committees, the planning of activities, and the production of progress reports, including risk management and monitoring and evaluation.

The project should build a detailed implementation plan (or detailed roadmap) that will provide details on the actions expected from each stakeholder and the related deadlines. Implementation plan achievements should be tracked through regular progress reports, which should be discussed during committee meetings. Implementation challenges would be immediately identified and solutions could be found to avoid any delays in the pilot implementation.

An evidence-based impact evaluation protocol should be established from the outset of the project. Evaluations should then be carried out on a regular basis in partnership with an independent university research centre. These evaluations will enable progressive and continuous improvements of the SRS mechanism and guarantee its consistency with the evolving administrative structure.

4

Conclusion: Opportunities, challenges, and the way forward

4.1 Opportunities for SRS implementation

The single referral system will maximize the utilization of existing administrative structures, thus limiting implementation costs. The implementation of the SRS will also help clarify roles and responsibilities regarding the delivery of social protection programmes and employment services at each level of the administration. Additionally, the SRS will contribute to improving existing databases and accuracy of data by cross-checking and synchronizing existing databases and increasing the frequency of updates. It will also trigger coordination and synergies across programmes, which are in line with the Government's strategy and will contribute to the development of a less fragmented and more efficient social sector. Finally, the implementation of the SRS should increase the transparency and traceability of social protection expenditures and ease social budget planning and monitoring.

4.2. Challenges of SRS implementation

The single referral system will need to be adapted to local constraints and working patterns, which may result in different design features across districts/municipalities and sub-districts. The implementation of the SRS will be curbed by the limited capacities at the local level and, in some cases, reluctance to adhere to these new working methods and responsibilities. Additionally, the SRS will be piloted in a complex and scattered landscape with multiple stakeholders, database systems, and no clear leadership of the social protection system as a whole at the national level. This will make the decision-making process more complex. In such a context, the political will of local stakeholders will determine the success of the project.

4.3 Recommendations on the way forward

A formal cooperative framework should be established with the national Government to ease the collaboration on the project with local governments. Once the national line ministry (BAPPENAS, Ministry of Manpower, Ministry of Social Affairs, and Ministry of Home Affairs) supports this design of the SRS, local governments will be more supportive and committed to the SRS implementation. Local project steering committees and a national steering committee should be officially appointed with representatives from the Government, service providers, workers and employers, and the ILO. The steering committees will monitor the project's implementation and prepare for the rollout of the SRS.

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ILO Jakarta Office

Menara Thamrin Level 22
Jl. M.H. Thamrin Kav. 3
Jakarta 10250
Tel. +62 21 391 3112
Fax. +62 21 310 0766
www.ilo.org/jakarta

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