

# Social Protection Programme (SPP)

Expansion of the Innovative approaches to elevate the economic livelihoods

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

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

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

Social protection coverage for the population and the economic options to get out of poverty are inadequate.

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

## Objectives

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

## Our approach

German continuous support for the reform of the Indonesian social-protection system was initiated back in 2011.



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



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

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

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

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

The vast collaboration with the Ministry of National Development Planning and the state postal (PT Pos Indonesia)

underpin of the efforts to improve access to basic financial services for poor and vulnerable households. This approach ultimately benefits their participation in systems of social protection, reduce transaction costs and promote graduation from social assistance programmes.

## Results achieved so far

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

- Indonesia's health insurance has established itself as the largest contribution-based health insurance in the world, with a current membership of around 223 million (equal to 85% of the population).
- The conditional basic protection programme (*Program Keluarga Harapan/ PKH*), was expanded from one million families in 2011 to 10 million (approximately 40 million poor people) in 2019.
- Endorsement of the President Decree 70/2019 concerning inclusive cross-sectoral development towards Persons with Disabilities (RIPD).
- The accident insurance and the related return-to-work programme have significantly expanded their memberships to over 49.045 companies through appropriate regulations and collaboration with the German Social Accident Insurance Agency.
- The expansion of digital giro platform as one of inclusive financial distribution platforms and reached out at least 0,5 million poor and vulnerable groups in 2019.

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