POVERTY ALLEVIATION IN INDONESIA

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Outline of Presentation

I. Dimension of Poverty in Indonesia

II. Development Strategy on Social Welfare

III. Poverty Alleviation Strategy

IV. Major Poverty Alleviation Programs and UCT
   a. National Program on Community Empowerment (PNPM Mandiri)
   b. PKH - Indonesian Conditional Cash Transfer Program
I. DIMENSION OF POVERTY IN INDONESIA
Dimension of Poverty in Indonesia

Three characteristics of poverty

A significant number of vulnerable

Access inequality in health, nutrition, education, water & sanitation, etc., especially for the poor households

Interregional disparity
POVERTY FIGURES

Poverty Micro Data (Survey 2008 – PMT method)

<table>
<thead>
<tr>
<th></th>
<th>The Poorest</th>
<th>Poor</th>
<th>Near Poor</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Household (HH)</td>
<td>2,990,679</td>
<td>6,829,174</td>
<td>7,668,063</td>
<td>17,487,916</td>
</tr>
<tr>
<td>Total member of HH</td>
<td>15,942,536</td>
<td>25,192,010</td>
<td>19,261,505</td>
<td>60,396,051</td>
</tr>
<tr>
<td>Avg number of people/HH</td>
<td>5.33</td>
<td>3.69</td>
<td>2.51</td>
<td>3.45</td>
</tr>
</tbody>
</table>
Some Indicators of Access Inequality

- Household without access to safe water: 29.30% Non-poor, 52.32% Poor
- Household w/o access to sanitation: 21.21% Non-poor, 43.86% Poor
- Household with children aged 12-15 not enrolled in junior high school: 7.86% Non-poor, 20.76% Poor
- Household with birth attended by traditional paramedics: 9.29% Non-poor, 27.89% Poor

Source: SUSENAS 2005, BPS

Indonesia’s achievement in MDGs indicators, among other countries

Source: Global Monitoring Report 2007
Unemployment is decreasing, but

a. Educated unemployment is high.

b. the quality of labor force and their productivity are low.

c. The biggest absorption is in the informal sector
II. DEVELOPMENT STRATEGY ON SOCIAL WELFARE
1st Mid-term Development Plan (2005-2009)

Rearrange and develop Indonesia that are safe, peace, justice, democratic, and better welfare.

2nd Mid-term Development Plan (2010-2014)

Strengthen the development by increasing quality of human resources, knowledge & technology capability, & economic competitiveness

3rd Mid-term Development Plan (2015-2019)

Strengthen the over-all development by emphasizing the competitiveness which based on available natural resources, qualified human resources, as well as knowledge & technology capacity

4th Mid-term Development Plan (2020-2024)

Accomplish the nation that are full of self reliance, justice, & prosperous through acceleration in all aspects of development based on competitive advantage.

Long-term Development Plan 2005-2025
(Regulation No. 17/2007)
Development Strategy
(Four-Track Strategy)

- **Pro-Growth**: Strategy to increase and accelerate economic growth through promoting investment, exports, and businesses including the improvement of investment climate.

- **Pro-Job**: Strategy to create employment opportunities including the establishment of a flexible labor market and creation of conducive industrial relations.

- **Pro-Poor**: Strategy to reduce poverty and to revitalize agriculture sector, forestry, maritime, rural economy. In the medium and long-term period the poverty alleviation strategy is also aimed at increasing the participation (including the capacity and quality of the people at community level) to local development and providing access for the poor to basic services including education, health, sanitation/clean water, as well as rural infrastructure.

- **Pro-Environment**: Strategy to protect and maintain the environment through sustainable development. Resources are optimally used while preserving the environment to meet present human needs and generations to come.
Development Strategy on Social Welfare

- Fiscal and Monetary Policy
- Accelerate infrastructure development
- Improvement of Investment climate
- Policy on Energy sector
- Policy on small and medium enterprises
- Policy on Industrial sector
- Policy on Trade
- Price stabilization basics needs
- National Social Security System

**Growth & Economics stabilization (PRO-POOR GROWTH)**

- Job Opportunity Creation (PRO-JOB)
- Poverty Reduction (PRO-POOR)

**Social Welfare Improvement (GROWTH with EQUITY)**

- Family Based Social Assistance Programs
  - Conditional Cash Transfer (Program Keluarga Harapan/PKH), Subsidized Rice for Poor Families (RASKIN)
  - Scholarship for student from poor family, Health assistance
- Community Empowerment Programs
  - PNPM Mandiri Core and Support
- Small and Medium Enterprises Empowerment Programs
  - Credits for the poor, Access to productive Resources, Training
Improvement on Social Welfare

- Growth: 6.3-6.8%
- Inflation: 4-6%
- Open Unemployment: 5-6% (2014)
- Poverty Rate: 8-10% (2014)

**Pro Poor**
- Social development
- Cluster 1, 2, dan 3 Programs (Social Assistance Programs)

**Pro Growth**
- Social Protection
- Macro strategy
- Sector strategy
- Micro strategy (SME)

**Pro Job**
- Decent work
- Social Security
- Labor Competency
- Migrant Workers
Social Protection Coverage

Social Security
- Pension.
- Old Age Security.
- Health.
- Work Injury.
- Death.

Social Assistance

Cluster 1
- Scholarship.
- Subsidized Rice.
- CCT.*
- Social Health Assistance
- UCT (if needed)
- Disabled.
- Neglected Children.
- Neglected Seniors.*

Cluster 2
National Program on Community Empowerment (PNPM)

Cluster 3
Credit Facility to SMEs

* Pilot for the poorest households
Current condition:

- Law No. 40 (the SJSN law) requires the establishment of five separate mandatory social insurance programs covering the entire Indonesian population.
- The SJSN programs will eventually provide a basic level of social protection for all Indonesians.
- Social security programs are combined with social welfare programs (social assistance programs) to protect mostly the poor.
- Preparing all government regulations to implement the Law No.40
- Preparing the Law of Social Security Implementing Agency (BPJS) to operate the system
Challenges:

- Transform all current government social security companies from “profit oriented” to “non-profit oriented” → trust fund principles.
- Develop an integrated social security system
- Cover all people → constraints with limited government budget. High priority for the poor
- All programs need to be phased-in carefully to make sure government contribution and assistance for the poor can be covered in the state budget → Health Insurance is the first priority
- Establish Single Identity Number
- Pass the Law of Social Security Implementing Agency in 2011
### Social Security Coverage

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Civil Servants</th>
<th>Private Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Military &amp; Police</td>
<td>Non-Military and Police</td>
</tr>
<tr>
<td><strong>Programs</strong></td>
<td>1. Work Injury</td>
<td>1. Old Age Benefit</td>
</tr>
<tr>
<td></td>
<td>2. Pension</td>
<td>2. Pension</td>
</tr>
<tr>
<td><strong>Active Member</strong></td>
<td>500,000</td>
<td>4,100,000</td>
</tr>
<tr>
<td><strong>Current Beneficiaries</strong></td>
<td>291,381</td>
<td>1,910,607</td>
</tr>
</tbody>
</table>
Social Assistance Program’s Response Scheme to protect the Poor (1)

1. Target group identification:
   a. Use the recent poor HH data (PPLS 2008)
   b. Open local registry office to receive community reports
   c. Verification of new poor HH by CBS/BPS and card issuance.

2. Intensify implementation of social assistance program (Cluster 1)
   a. Prioritize Health program (JAMKESMAS) for the poor and near poor.
   b. Prioritize School Operational Assistance (BOS) for potential drop out students of laid off workers.
   c. Subsidized food package (rice, cooking oil and sugar).
   d. Speed up the implementation of Conditional Cash Transfer (CCT) or PKH and analyze possibility to re-implement Unconditional Cash Transfer (UCT).
Social Assistance Program’s Response Scheme to protect the Poor (2)

3. Escalation of community empowerment programs (Cluster 2):
   a. Increase block grant to cover more community needs.
   b. Intensify block grant program as cash transfer programs.
   b. Add block grant to cater the needs for small capital to expand existing micro/small business or new business.

4. Increase the coordination to intensify micro credit program (Cluster 3).
III. POVERTY ALLEVIATION STRATEGY
Poverty Alleviation Strategy

- Reduction in the Number of Poor and Poverty Rate
  - Improvement in Purchasing Power
    - Quality growth (pro-poor and pro-job), Inflation control, Price stabilization for basic needs, Subsidy policy, Social assistance
  - Improvement in Access to Basic Services
    - Availability of Health services, Education, Clean water, Legal protection, and other types of infrastructure
  - Improvement in Access to Market
  - Market information availability, Access to productive resources (capital, credit), Empowerment of micro & small scale enterprises
  - Population Control
  - Empowerment of poor community, Improvement of community participation
  - Productivity/ Capacity Improvement
    - Family Planning programs
  - Improvement in Access to Market
    - Improvement in Access to Basic Services
      - Improvement in Purchasing Power
        - Reduction in the Number of Poor and Poverty Rate
Clusters of Poverty Alleviation Programs

**Assistance & Social Protection**
- Program: rice subsidy, CCT, health insurance, scholar-ships, UCT (in crisis), etc
- **Target:** the poorest, poor & near poor Households

**2nd CLUSTER**
- [Facilitate with fish rod]
- **Community Empowerment**
  - Block grants & facilitation through PNPM to increase community capacity & self reliance
- **Target:** poor communities of subdistricts

**3rd CLUSTER**
- [Assist to have fish-rod & boat]
- **SMEs Empowerment**
  - Micro credits provision (< Rp 5 million) through banks, & other types of financial assistance
- **Target:** SMEs

Gradually improvement of the poor’s social & economic status
Clusters of Poverty Alleviation Programs
Fourth Cluster

The fourth cluster is planned to start in 2012
(complement to the three clusters)

4th CLUSTER

Access for the poor to buy very low price ‘basic needs’
- subsidized by government -

EXAMPLES:
- Housing
- Clean water services
- Electricity
- Vehicle for public transportation

Three Clusters Poverty Alleviation and Social Welfare Improvement
POVERTY REDUCTION THROUGH COMMUNITY EMPOWERMENT

RESPONSIVE GOVERNMENT/EMPOWERED COMMUNITIES
- Strengthening bottom-up planning and budgeting;
- Improving local government representation and responsiveness (sub-districts, village head, village legislative etc);
- Improving social service delivery to the poor;
- Pro-poor planning and budgeting.

Market linkages
- Microfinance & non-bank
- SADI (smallholder dev’t)
- Information technology
- Renewable energy

Social Protection
- Women’s participation
- Justice for the Poor
- Helping Marginal Groups
- Budget transparency
- Sustainability
IV. MAJOR POVERTY ALLEVIATION PROGRAMS and UCT

a. National Program on Community Empowerment (PNPM Mandiri)
b. PKH - Indonesian Conditional Cash Transfer Program
c. BLT - Unconditional Cash Transfer
A. NATIONAL PROGRAM ON COMMUNITY EMPOWERMENT (PNPM MANDIRI)
What is PNPM?

- PNPM is a national program which based on community-driven development (CDD) approach by increasing community capacity & self-help to create jobs & achieve better standard of community welfare.

- Develop based on Kecamatan Development Program (KDP)’s experience for a basis of rural community empowerment & Urban Poverty Program (UPP)’s experience for a basis of urban community empowerment

- The objectives:
  - To harmonize different kinds of empowerment activities within ministries, which created inefficiency & overlapping activities, mechanisms & procedures, & community’s institutions.
  - To fulfill people needs in remote & isolated areas due to imperfect market.
  - To solve difficulties in reaching the poor.
PNPM MANDIRI MECHANISM

PNPM local implementing unit (APBN/APBD)

Community Grant
Decided by Inter-village cooperation body

Sector local office (APBN/APBD)

Increased capacity of local government & multi stakeholders

Community institution at village level

Community self-help activities

Community facilitators

Technical facilitators

Roads
Water
Housing
School
Health post
Micro credit
Revolving fund
others
PNPM - Community Empowerment Process

1. Socialization to Community:
   - Social mapping
   - Program socialization

2. Comm. Meeting:
   - Developing sense of comm.
   - Democratizing comm.
   - Awareness of self existense.

3. Poverty Reflection:
   - Pov. Identification.
   - Conceptualizing poverty.
   - Identify cause of pov.
   - Identify potential to overcome problems.

4. Comm. Self Mapping:
   - Conceptualizing needs and local potentials.
   - Problem solving.

5. Community Organizing:
   Establish functional comm. institution through democratic and value based approach.

6. Plan Development:
   - Identification & prioritization.
   - Development of programs and activities.
   - Discussion with service provider (community CCT.)

7. Execution of Activities:
   - Establish smaller groups of beneficiaries.
   - Establish common ‘space’ to independently solve problems.

8. Participatory MONEV
   - By community members.
What will be done for community empowerment activities?

- Train the communities in identification, analysis and decision making process to tackle their poverty problems
- Create/expand small scale infrastructures and community economic productivities.
- Increase community capability and self-help to achieve better standard of living
THE USE OF BLOCK GRANT BY COMMUNITIES

- Education: 11.89%
- Social: 3.84%
- Agriculture: 3.81%
- Health: 13.55%
- Economy: 10.16%
- Energy: 1.12%
- Environment: 0.03%
- Transportation: 55.59%

*) Data based on PNPM Rural & PNPM Urban only
COVERAGE OF PNPM MANDIRI (NUMBER OF SUB-DISTRICT)
Indonesia’s Community Driven Development Programs (PNPM Mandiri) as an example of Social Safety Nets

- PNPM is considered as the largest CDD program in the world (covers 75,000 villages)
  - CDDs are delivery systems that transfer development resources to communities through empowerment and choices
  - Seek to build or to strengthen social capital
  - Cover most rural areas and address chronic poverty
  - Well developed design and management mechanism
  - Open menu development. Allow single or multi-sector activities
  - Balance between open menu development and promotion of national development priorities
  - Various level and type of engagement with local governments, sector agencies, and private sector (contractors, NGOs, etc.)

- The method are strong and solid.
- Independent evaluation on program performance demonstrates good results
- Allow community to do learning-by-doing
PNPM as a safety net mechanism

→ “Public Works” is a key counter-cyclical tool to address natural disaster & financial related shocks

- They typically provide unskilled workers with short-term employment

- **Key design features in successful workfare programs include:**
  - The level of the wage rate set at slightly below the market wage for unskilled labor
  - Construct much-needed infrastructure (to minimize trade-off between spending on transfers versus development)
  - Focus on creating assets that have the potential to generate second-round employment benefits.
  - Targeted to specific geographic areas with high unemployment and poverty rates
  - Automatic triggers for activation

- **Important considerations for PNPM**
  - Readiness of “good” projects in “community development plans”
  - Focus on “labor intensive” type project
  - Open to all eligible participants versus rationing
  - Work effort required
  - Implications for PNPM participatory processes
Linkages with local governments & sector agencies

- Most CDDs created “outside” normal public sector by design
- While local actor share local development principles & objectives, they don’t converge easily
- Parallel or subsequent decentralization processes (even if still incomplete) strongly “condition” the evolution of CDD programs
- Countries have:
  - Institutionalized CDD programs as parallel delivery system for targeted populations/interventions
  - Changed CDDs into local development/decentralization support agencies
  - Incorporated some elements of the CDD model into local government/sector agency practices
- Some practical approaches being tested:
  - Investing in “making it work” on selected services and infrastructure investments (using subsidiary principle)
  - Opening CDD programs delivery system to channel resources from other targeted government programs
  - Managed inclusion of local governments in CDD programs
What is the source of funding for PNPM?

- Government Budget
- Local government contributions (based on fiscal capacity, from 5%-20% out of block grant)
- Private/CSR contributions
- Financing Mechanism
  - *Multi Donor Trust Fund (PNPM Support Facility)* → grants from WB, AUSAID, DFID, Netherlands, Danida, EU, USAID.
  
  - *Multiyears financing for community block grants and technical assistance* → WB (PNPM Urban & Rural), IDB (PNPM Urban), ADB(RIS-PNPM), JBIC (RISE), WB (SPADA).
LESSONS LEARNED (from some quantitative studies)

- Poverty targeting to the sub-district level is successful (Alatas, 2005)
  - Covered 34,000 poor villages & 60-70% poor in the community

- Increased basic infrastructure with quality ranges good to very good (MIS; Ekart, et. Al, 2004; Torrens, 2005)
  - Built & improved 27,590 km roads, 6,040 bridges, 6,565 unit of water infrastructure & 2,660 unit sanitation
  - Built & renovated 1,760 schools & 1,450 health post & its network; and provided school supplies & 61,100 scholarships.

- Rural infrastructure projects have high economic returns (EIRR 39-68%) & costs significantly lower 56% than equivalent works built through government contracts (Dent, 2001; Torrens, 2005; Alatas, 2005)

- Over 62 work-days of short term employment from infrastructure activities & more than 1.3 million villages established/ expanded their micro & small enterprises (MIS)

- Better community capacity in project planning & implementation as well as good governance (McLaughlin et. Al 2007)

- Corruption rates are low, <1% of total program costs (Price Waterhouse; Moore’s Rowland, BPKP, MIS)

- Community participation is high.
  - Women participation in meetings & activities ranges from 31-46% (Barron, et.al, 2006)
  - Approx. 60% of those who attend planning meetings & 70% of the labor force are the poorest of community (MIS)

- Households in poor kecamatan were 9.2%-11.7% more likely to move out of poverty than households in control areas (Voss, 2007).

- Unemployment rates in control areas increased by 1.5% more than in PNPM areas (Voss, 2007)
LESSONS LEARNED (from some qualitative studies)

- Good governance practices support reform at the village level
  - Village head has a strong influence in people participation, project legitimacy, & transparency (when people’s present is low, the village head can be very dominant)
  - Collective action is bigger at the neighborhood rather than at the village → village head, facilitators, & implementation team work as instrument of cooperation at the village level.

- People participation expands the community capacity
  - Participatory decision making process & trainings increase community self-esteem & willingness to cooperate.
  - Ignorance of complaint handling, especially when the project runs well → community supervision is needed to control the quality of project and good governance
  - Women participation is greater when decision making is at the lower level ie. neighborhood or groups).

- The activities identified are consistent with the community needs or village problems.
  - Open the opportunity of villagers to help the needy/poorest, although the vote mechanism isn’t always benefiting groups who live far from the village center (ie. irrigation, health post, etc)

- The willingness toward CDD’s principles need support of external change → supportive legislative body & local government.
B. Program Keluarga Harapan (PKH)

Family Hope Program

The Indonesian Household
Conditional Cash Transfer Program
What is Program Keluarga Harapan (PKH)?

• Social assistance with some conditionalities to the poorest households which have expecting or lactating mothers and children between 0-15 years old.

• PKH is designed to achieve compulsory basic education (9 years) and to achieve MDG’s target.

• PKH will be conducted from 2007 to 2015.
What are the conditions?

- **Health conditions:**
  The mother or the adult woman responsible for taking care the children in the family receives cash if:
  
  (a) she goes to a nearby health facility for pre and post natal check-ups; and or
  
  (b) the children under 5 years old receives regular immunization and check-ups.
What are the conditions?

- **Education conditions:**
  The mother or the adult woman responsible for taking care the children in the family receives cash if:

  (a) Their school year old children are enrolled in a school for basic education, and

  (b) Their children attend the school with minimum 85% attendance.
Why PKH/CCT?

- Reducing current poverty and inequality
  - Via cash transfers to the poor – income effect
  - Redistribution and relief role

- Reducing future poverty and inequality
  - By linking transfers to incentives for investments in human capital (via health/education conditionalities) – price effect
  - Insurance effect

- Changing paradigm among the poor towards the health and education

- Reducing child labor

- Improving service quality (force the local government and sector to provide services to the poor – demand vs supply)

- Accelerating MDGs achievement (reduce poverty, promote gender issues, reduce child mortality rate, reduce maternal mortality rate, promote education for all)
PKH works when supply sides are ready. Meaning that:

- Puskesmas or Sub-district health facilities should be ready and operational (medical staff, equipment and supplies).
- Schools have enough class rooms, teachers, and educational equipment.
- Participating local governments are to ensure supply side readiness, or else, PKH pulls out from that particular kecamatan.
Objectives of PKH

**Health and Nutrition:**
- To improve access of the poor to basic health care (especially for children and pregnant women).
- To improve nutrition condition of the poor children.

**Education:**
- To improve net enrollment in elementary and junior secondary school for the poor children.
- Target group especially for the children who are outside the school system.

*In the long run:*
- *Improve quality of human resources*
- *Break poverty chain*
Benefits of PKH

1. In the short term: provide income effect for poor households

2. In the long term:
   - Improving health and nutrition condition, education and income capacity of the children in the future (*price effect* of the poor children)
   - Provide insurance effect for the certainty of the future for the children of poor households
   - Provide price effect to the children of poor households → increase income capacity of the kids in the future

3. Induce change of attitude and investments by poor on human capital → overcome problems relate to *demand-side factors* because of:
   - Lack of information about rights, benefits, outcomes, and chances
   - High indirect costs (transportation, uniforms, books, shoes, etc)
   - Opportunity cost (many poor family prefer send their children to work instead going to school)
Benefits of PKH ... (Cont)

4. Reduce child labor.

5. Exploit the complementarities among health, education, and nutrition.
   - Coordination: Promote coordination of poverty alleviation efforts among Gov’t ministries (education, health, nutrition)
   - Synergy: simultaneous provision of health, education and nutrition benefits to all the beneficiaries.

6. Accelerate the achievement of MDGs (improving access to education, health, and gender development).
## Benefit Scenario

<table>
<thead>
<tr>
<th>Benefit Scenario</th>
<th>Annual Benefit per Poor HH</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fix Benefit</td>
<td>Rp. 200.000</td>
</tr>
<tr>
<td>Benefit for Poor HH who has:</td>
<td></td>
</tr>
<tr>
<td>a. Children under 6 years old</td>
<td>Rp. 800.000</td>
</tr>
<tr>
<td>b. Pregnant/lactating mother</td>
<td>Rp. 800.000</td>
</tr>
<tr>
<td>c. Children in elementary school age</td>
<td>Rp. 400.000</td>
</tr>
<tr>
<td>d. Children in junior secondary school age</td>
<td>Rp. 800.000</td>
</tr>
<tr>
<td>Average benefit per poor HH</td>
<td>Rp. 1,390.000</td>
</tr>
<tr>
<td>Minimum benefit per poor HH</td>
<td>Rp. 600.000</td>
</tr>
<tr>
<td>Maximum benefit per poor HH</td>
<td>Rp. 2,200.000</td>
</tr>
</tbody>
</table>

Notes:
- Average benefit is calculated based on 16% of total annual income of poor HH.
- The range for minimum and maximum benefit is between 15-25% average annual income of poor HH.
- Benefit scenario will be evaluated periodically.
IMPLEMENTATION PLAN OF PKH 2010-2014 (Households)

<table>
<thead>
<tr>
<th>STAGE</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
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<tr>
<td>Stage 1</td>
<td>392.000</td>
<td>392.000</td>
<td>392.000</td>
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<tr>
<td>Stage 2</td>
<td>234.000</td>
<td>234.000</td>
<td>234.000</td>
<td></td>
<td></td>
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<tr>
<td>Stage 3</td>
<td>100.000</td>
<td>100.000</td>
<td>100.000</td>
<td>100.000</td>
<td></td>
</tr>
<tr>
<td>Stage 4</td>
<td>90.000</td>
<td>90.000</td>
<td>90.000</td>
<td>90.000</td>
<td>300.000</td>
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<tr>
<td>Stage 5</td>
<td></td>
<td>300.000</td>
<td>300.000</td>
<td>300.000</td>
<td>176.000</td>
</tr>
<tr>
<td>Stage 6</td>
<td></td>
<td>400.000</td>
<td>400.000</td>
<td>400.000</td>
<td></td>
</tr>
<tr>
<td>Stage 7</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>280.000</td>
</tr>
<tr>
<td>Total</td>
<td>816.000</td>
<td>1,116.000</td>
<td>1,516.000</td>
<td>1,404.000</td>
<td>1,170.000</td>
</tr>
</tbody>
</table>

Cost (Rp)          1,300 T 1,610 T 2,217 T 2,093 T 1,765 T

Notes:
1. It is assumed that the poor and very poor HH is 6.5 million which have children between 0 – 15 tahun (BPS)
2. Based on Latin America countries experiences, after 5-6 years beneficiaries would finish their school or receive another program.
3. Design of exit strategy will determine later and it will need coordination among sectors that involve in poverty reduction program (i.e. labor, industry, trade, agriculture, community empowerment, etc.)
4. The costs are calculated based on average annual benefit per poor HH (Rp 1.39 million) and it includes administration cost and supporting activities (survey, socialization, training, etc.)
Location Criteria

Criteria for selecting region:

- Region’s commitment at the National Development Planning Meeting
- Multi dimension of poverty: number and percentage of the poor, malnutrition rate and transition rate.
- Supply side readiness for health and education.
- Selection of district and sub district based on poverty data and random selection.
CCT ORGANIZATIONAL STRUCTURE

- **Steering Committee:** Bappenas, MoF, MoSA, MoNE, MoH, MoCI, BPS, Technical Committee
- **District Coord. Team:** Bappeda, Local offices for Health, Education, Social/PMD, BPS
- **Local CCT Office**
- **Local Sosial Office**

**Central**
- MoSA
- CCT Program Management Unit

**Province**
- District Unit
- Local CCT Office

**District**
- PT POS Indonesia
- Central
- Provincial Coord. Team: Bappeda, Reg’l offices for Health, Education, Social, BPS

**Sub-district**
- Post Office
- District Coord. Team: Bappeda, Local offices for Health, Education, Social/PMD, BPS
- Local CCT Office
- Local Sosial Office
- CCT Program District Unit
- CCT Program Management Unit
CCT MIS CONFIGURATION
Thank You
Terima Kasih