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JSLU, JSPACA, PKSA

CASH AND IN-KIND TRANSFERS FOR AT-RISK YOUTH, THE DISABLED, AND VULNERABLE ELDERLY

SOCIAL ASSISTANCE PROGRAM AND PUBLIC EXPENDITURE REVIEW 7

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JSLU, JSPACA, PKSA

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List of Abbreviations, Acronyms and Indonesian Terms

APBD	*Anggaran Pendapatan dan Belanja Daerah* (Regional Budget, Both Provincial and District Budgets)
APBN	*Anggaran Pendapatan dan Belanja Negara* (Central Government Budget)
Bappenas	*Badan Perencanaan dan Pembangunan Nasional (National Development Planning Agency)*
BKSN	*Badan Kesejahteraan Sosial Nasional* (National Social Welfare Agency)
BLT	*Bantuan Langsung Tunai* (Unconditional cash transfer)
BN/bn	Billion
BPS	*Badan Pusat Statistik* (Central Statistics Agency - Statistics Indonesia)
DG	Directorate General
Dinsos	*Dinas Sosial* (Kemensos regional-level office)
Fakir Miskin	Poor people
GDP	Gross Domestic Product
GOI	Government of Indonesia
INPRES	*Instruksi Presiden (Presidential Instruction)*
JSLU	*Jaminan Sosial Lanjut Usia (Social cash transfer for the elderly)*
JSPACA	*Jaminan Social Penyandang* Cacat Berat (Social cash transfer for the severely disabled)
Kemenkeu	*Kementerian Keuangan* (Ministry of Finance, MOF)
KUBE	*Kelompok Usaha Bersama* (Collective Enterprise Group)
LAKIP	*Laporan Akuntabilitas Keuangan Pemerintah* (Annual Financial Accountability Reports)
LHS	Left hand side (of graph)
LIPI	*Lembaga Ilmu Pengetahuan Indonesia* (Indonesian Institute of Sciences)
LKSA	*Lembaga Kesejahteraan Sosial Anak* (Social Welfare Institution for Children)
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal(s)
MoU	Memorandum of Understanding
NIMH	National Institute for the Mentally Handicapped

OECD	Organization for Economic Co-operation and Development
PKS-ABT	*Program Kesejaheraan Sosial - Anak Balita Terlantar* (PKSA program for neglected children under five)
PKS-Antar/Anjal	*Program Kesejahteraan Sosial - Anak Terlantar/Anak Jalanan* (PKSA program for neglected children/street children)
PKS-ABH	*Program Kesejahteraan Sosial - Anak Berhadapan dengan Hukum* (PKSA program for children in contact with the law)
PKS-AMPK	*Program Kesejahteraan Sosial - Anak Memerlukan Perlindungan Khusus* (PKSA program for children in need of special protection)
PKS-ADK	*Program Kesejahteraan Sosial - Anak Dengan Kecacatan* (PKSA program for children with disabilities)
PKH	*Program Keluarga Harapan* (Conditional cash transfer)
PKSA	*Program Kesejahteraan Sosial Anak* (Social cash transfer for disadvantaged children)
PMKS	*Penyandang Masalah Kesejahteraan Sosial* (People with Social Welfare Issues)
PMT	Proxy-means Testing
PPLS	*Pendataan Program Perlindungan Sosial* (Data collection for targeting social protection programs)
PT Pos	*Perseroan Terbatas Pos Indonesia* (National post office system)
PUSKA PA UI	*Pusat Kajian Perlindungan Anak Universitas Indonesia* (Centre on Child Protection University of Indonesia)
RBM	*Rehabilitasi Berbasis Masyarakat* (Community Based Rehabilitation)
RHS	Right hand side (of graph)
Rp	Indonesian Rupiah
RPJM	*Rencana Pembangunan Jangka Menengah* (Medium-Term Development Plan, MTDP)
Susenas	*Survei Sosio-Ekonomi Nasional* (National Socio-Economic Survey)
UCT	Unconditional Cash Transfer
UEP	*Usaha Ekonomi Produktif* (Productive Economic Enterprise)
US$	United States Dollars
Yanrehsos	*Pelayanan Rehabilitasi Sosial* (Pelayanan dan Rehabilitasi Sosial)

Executive Summary

Direct cash transfers for vulnerable elderly and disabled populations have been provided by the Ministry of Social Welfare (*Kementerian Sosial*, Kemensos) since 2006; a similar cash transfer for at-risk youth was inaugurated in 2009. The Government of Indonesia's (GOI) Pro-Poor development initiatives, international agreements and domestic laws and regulations, and considerable experience delivering more general social assistance programs led to the creation of cash transfers for these historically neglected and difficult-to-reach groups. These programs – *Jaminan Sosial Lanjut Usia* (JSLU), *Jaminan Sosial Paca Berat* (JSPACA), and *Program Kesejahteraan Sosial Anak* (PKSA) for the elderly, disabled, and youth respectively – transfer cash directly to beneficiaries. They account for increasing shares of the Kemensos overall budget, but subsidies directed to care and rehabilitation facilities as well as direct provision of institutional care still account for a noticeable portion of the Kemensos budget for these groups.

Estimates of eligible and targeted populations for these programs are not definitive, but overall coverage and budgeted recipients in these pilot initiatives remain quite small. In 2010, there were less than 20,000 JSPACA beneficiaries, less than 15,000 JSLU beneficiaries, and less than 5,000 PKSA beneficiaries. Independent estimates of eligible populations imply current coverage levels of 1.4 percent for the elderly, 4 percent for the disabled, and less than 1 percent for at-risk youth. However, nationally representative data do not permit an estimate of the total eligible populations while the estimates of subpopulations that program implementers are using appear to be quite low. These activities were executed under DG Yahrensos which received 17 percent of Kemensos budget allocation. Of this budget, PKSA program receives the largest share of DG's budget at 42 percent, followed by Disabled program at 35 percent and Elderly program at 12 percent, while the remaining budget was disperse among various activities including DG's administrative activities.

Outreach and facilitation are included with the cash transfer in all programs, but the capacity to effectively deliver these elements varies widely between regions; furthermore, budgets for these activities are limited and depend on local-level support and cooperation. Facilitation includes access to basic social services such as acquiring birth certificates, access to, and encouragement to use, local education and health providers; and routine visits to monitor clients' well-being and cash transfer receipt and utilization. These services can be provided by workers at

care facilities or independent advocacy and outreach organizations, implementing agencies, or facilitators recruited by Kemensos or its regional offices. The responsibilities a facilitator has are broad, and often the geographic coverage of one facilitator is substantial, but facilitators are generally paid far less than professional facilitators working for Indonesia's conditional cash transfer (PKH), for example. Average levels of education among the facilitator corps and relatively low qualifications suggest that the outreach and facilitation provided is quite general, though enthusiastically provided.

Program support operations – socialization and outreach; allocation, targeting and prioritization; monitoring and evaluation; and complaints and grievances – have very small budgets and depend crucially on cooperation and enthusiasm from local governments and facilitators. A full range of safeguarding activities is spelled out in program guidelines but these have not been institutionalized at the local implementation level. There is variation in the content, methods, frequency, completion rates, and outcomes in all safeguarding activities, and no easy-to-use reporting process that would ensure information from implementation level reaches the central funding and policy agency, Kemensos. Indicators describing whether safeguarding activities have occurred are monitored, but the indicators do not describe whether activities performed were effective or perfunctory and therefore cannot be used for any "troubleshooting" of the implementation process.

To be effective for the target populations – who are neglected, unable to rely on a support network of friends, family, and community members, and confronting serious daily risks to well-being – these cash transfers need reform. The populations targeted by the JSLU, JSPACA, and PKSA cash transfers are not reliably covered by existing social assistance or social insurance initiatives and they are likely excluded from regular community-wide support services as well, so a mixed cash transfer and facilitation package is a valuable benefit. In order for the JSLU, JSPACA, and PKSA options to be effective: (1) the mix of cash and services should be re-examined while the quality of facilitation, outreach, and triage services provided should be improved; (2) safeguarding operations, including a regular monitoring and evaluation cycle, need major upgrades; and (3) methods for searching and identifying eligible beneficiaries need serious consideration and improvement.

1. Background

Cash transfers and facilitated services from the Ministry of Social Affairs are delivered directly to hard-to-reach populations of vulnerable elderly, severely disabled, and at-risk youth.

In Indonesia, the Ministry of Social Affairs delivers programs and services to improve welfare and outcomes for vulnerable Indonesian subpopulations, including disadvantaged youth, disabled individuals, and the vulnerable elderly.[1] The Social Welfare and Rehabilitation Services office (*Pelayanan dan Rehabilitasi Kesejahteraan Sosial*, or Yanrehsos), which is responsible for these activities, has traditionally provided services and programs via three different modes: operating grants and for-service subsidies to other non-government service providers (like orphanages, old-age homes, and foundations delivering biomedical devices and life services to disabled groups); community intervention programs; and programs delivering a mix of cash, in-kind services, and training directly to individuals or households to encourage greater participation in a productive and social community life. The last mode – direct cash transfers with facilitated services – is used in the newer household-based social assistance initiatives in Indonesia: first payments through the JSLU and JSPACA programs (for the elderly and disabled, respectively) were delivered in 2006 and for PKSA (for neglected children) in 2009.

1 Additional vulnerable subpopulations served are also served by the Yanrehsos office, for example drug addicts, victims of violence and trafficking, those in trouble with the law, and people without access to social resources ; the homeless and those who have been sexually exploited.

The new pilot cash transfer programs target difficult-to-reach populations currently underserved by other social assistance transfers or pro-poor schemes. The government of Indonesia has made poverty reduction, Pro-Poor development, and a "Justice for All" initiative centerpieces of its medium-term inclusive growth strategy: Presidential Instruction (Inpres) no. 3 (2010)[2] stated *inter alia* that all public officials should encourage programs focused on Pro-Poor development, the Justice for All initiative, and the achievement of the Millenium Development Goals (MDGs).[3] The GOI has also ratified (in 2006) the International Covenant on Economic, Social, and Cultural rights (ICESCR), which states individuals or groups cannot be excluded from either economic rights (for example, fair wages, social security) or social rights (for example, food, clothing, housing, access to basic education and health services) on the basis of color, ethnicity, gender, language, political affiliation, race, religion or other status. These obligations have resulted in initiatives providing regular social services to groups that have difficulty accessing such services as they are normally delivered.[4]

2 Together with Presidential Instruction no. 1/2010 on the Acceleration of the Implementation of National Development Priorities, these commitments are affirmed into strategic statements and action plans in the RPJM (*Rencana Pembangunan Jangka Menengah*, or Medium-Term Development Plan) 2010-2014. Before Inpres 3 (2010), Indonesia had already made several national and international commitments to improving welfare outcomes for poor and vulnerable groups, including ratification of: Convention on Rights of the Child in 1990, Convention on the Elimination of All Forms of Racial Discrimination in 1999, and Convention on the Rights of Persons with Disabilities in 2007.

3 Each of the Pro-Poor Development, Justice for All, and MDG schemes are policy orientations that explicitly direct attention and resources towards achieving better welfare outcomes for poorer Indonesians.

4 For example, in 2005 it was observed that a new unconditional cash transfer (see "Social Assistance Program and Public Expenditure Review 2: BLT" in this collection) was not reaching the elderly or the disabled, and a cash transfer with delivery methods revised specifically to be effective for these subpopulations was quickly put in place. These very same cash transfers – JSLU for vulnerable elderly and JSPACA for the disabled – are discussed in this note. They were initiated by the President of Indonesia on the International Day of the Disabled in December 2005 and inauguration included instructions to the Minister of Social Affairs and all related agencies for taking actions to improve the welfare of the marginal groups.

The following note summarizes quantitative and qualitative evidence in order to build a sound foundation for evaluating the cash transfer programs - JSLU, JSPACA, and PKSA - provided by Kemensos. The evidence on which the evaluation is based here is composed primarily of first-hand observation of the programs in operation.[5] Where possible information collected from administrative records, including monitoring and evaluation reports, and from Kemensos itself, is summarized. Design features, efficiency and effectiveness of program implementation and operation, and impacts (intended or not) the program produces for beneficiaries are all analyzed in as much detail as possible. Current policy planning within Kemensos assumes expansion of these programs in the coming years[6], so an evaluation of the programs' features is relevant for Indonesian policymakers and stakeholders.

5 World Bank staff observed operations and talked to Kemensos employees over a period of approximately 12 months to understand program logic and delivery processes. In addition, a team of researchers from *Pusat Kajian Perlindungan Anak* – Universitas Indonesia (PUSKA PA UI) also spent several days in the field at four locations across Indonesia interviewing beneficiaries, providers, facilitators, and associated support staff as well as other stakeholders. However, the programs' small size means they do not leave a "footprint" in the nationally representative datasets that are used in other volumes in this collection; nor have the programs been frequent topics in either private or commissioned analytical research. For this reason, this note provides a preliminary investigation that inevitably will raise more questions than are answered conclusively.

6 In addition, medium-term development policy planning documents (RPJM) also have poverty reduction and the expansion of social safety net programs as explicit goals.

2. Objective, Program Size and Benefit Adequacy

Kemensos has developed cash-based and hybrid cash-and-services-based transfers for marginal groups including the severely disabled, vulnerable elderly, and at-risk youth.

PKSA operates as a conditional cash transfer program; payments began on a pilot basis in 2009. PKSA combines youth savings accounts with facilitated, in-kind assistance to children and families.[7] Facilitators encourage beneficiaries to use the cash transfer to fulfill basic needs and access social services (birth certificate, education, health, shelter) while strengthening knowledge and good practice among parents and caretakers. The cash transfer amount was determined by consulting daily per-capita subsidies provided by Kemensos to facilities providing care for neglected children: the Rp 6,000 daily rate is equivalent to Rp 1.8 million per year. Program designers consider this to be adequate for consumption of an appropriate food basket and school supplies (including proper clothing). PKSA conditionalities, or behaviors for which beneficiaries are responsible, include: positive behavior change, increased social function, and increase in utilization of basic social services. PKSA parenting information packages encourage caretakers to adopt preventative strategies to keep children from neglect and risky behavior. PKSA provides rehabilitation and social protection for children outside the institutional care network with the explicit goal of helping well-adjusted children stay with their families, communities, and local networks.[8]

JSLU is a cash transfer program that targets elderly with diminished potential for supporting themselves or for receiving support through family and social networks; payments began on a pilot basis in 2006. The characteristics (see Table 3 below) of a JSLU beneficiary include income poverty as estimated by a proxy-means score and indicators summarizing inability to provide for oneself; reports from the subdirectorate in charge of the JSLU program indicate that the "bedridden" characteristic is referred to most often to determine JSLU eligibility status. JSLU's objectives include fulfilling basic needs and protection and promotion of physical, psychological, and social rights. The program delivers Rp 300,000 per month to its beneficiaries. In 2010 the program reached approximately 10,000 beneficiaries in 143 districts across 29 provinces.

JSPACA delivers cash transfers of Rp 300,000 per month to severely disabled individuals; payments began in five provinces in 2006. Much like JSLU, eligible JSPACA beneficiaries exhibit characteristics indicating that they have difficulty raising income and that they depend on others for accomplishing daily activities. Reports from the subdirectorate in charge of the JSPACA program indicate that the "severely disabled" are prioritized for JSPACA as long as they are not already receiving income support; disability severity is judged primarily with reference to physical disability and physical inability to participate in the production of one's own needs. JSPACA's objectives include enabling beneficiaries to fulfill nutrition and health care needs as well as encouraging social functioning and community integration. JSPACA provides Rp 300,000 per month to its beneficiaries. In 2010, JSPACA was delivered to approximately 17,000 beneficiaries in 184 districts in 31 provinces.

7 Within the PKSA program, there are 5 subprograms, each with its own targeted beneficiary profile. There is PKSA for (1) "neglected (under 5 years old)" or PKS-ABT (*Program Kesejahteraan Sosial - Anak Balita Terlantar*), (2) "street children and neglected children (5- 18 years old)" or PKS-Antar/Anjal (*Program Kesejahteraan Sosial-Anak Terlantar/Anak Jalanan*), (3) "children in contact with the law" or PKS-ABH (*Program Kesejahteraan Sosial-Anak Berhadapan dengan Hukum*), (4) "children with disabilities" or PKS-ADK (*Program Kesejahteraan Sosial-Anak Dengan Kecacatan*); and (5) "children in need of special protection" or PKS-AMPK (*Program Kesejahteraan Sosial-Anak Memerlukan Perlindungan Khusus*). Table 3 below summarizes eligibility characteristics for each of the programs discussed in the note.

8 Older modes of child protection in Indonesia relied almost exclusively on social services provided by homes for neglected children and victims of violence.

Table 1: Yanrehsos cash transfer programs at a glance[9]

	JSPACA	JSLU	PKSA
Official name:	**Jaminan Sosial Penyandang Cacat Berat**	**Jaminan Sosial Lanjut Usia**	**Program Kesejahteraan Sosial Anak**
Program type:	Cash transfer (permanent, tax-financed)		
Inaugural year	2006	2006	2009
Coverage:	31 provinces, 184 districts	29 provinces, 143 districts	24 provinces
Number of beneficiaries (2010):	17,000	10,000	4,187 (estimated)*
Official value of benefit:	Rp 300,000 per month for 12 months	Rp 300,000 per month for 12 months	Rp 1.3 - 1.8 million per year
Public expenditure (2009)	Rp 4,620 billion (US$ 446 million)		
Administrative cost per recipient	522,169	576,390	199,882
Percent of poor households covered (2009)**	4% poor and disabled	1.4% poor and vulnerable elderly	1.6% poor and neglected children
Key policy and executing agency:	Ministry of Social Affairs (Kemensos)		
Key implementation agencies (role):	Kemensos, Regional office (Dinsos), PT.Pos		
Support operations partners (role)	PT Pos (funds distribution to beneficiaries); Ministry of Finance (Kemenkeu) (silent fund disbursement); PKSA implementing agencies (LKSA)		
Local Government participation	Socialization, card distribution, monitoring and evaluation		

Source and *Notes*: Kemensos, Kemenkeu, and World Bank staff calculations.
*Estimated number of PKSA beneficiaries is based on PUSKA PA UI field research data.
**The coverage number is estimated based on Kemensos data dan Susenas 2009.

Together and individually JSPACA, JSLU, and PKSA intend to improve beneficiary and community welfare by helping beneficiaries acquire and consume basic necessities and basic social services including health and education[10] as well as to encourage and assist in daily functions and quality of life issues that are otherwise at risk. PKSA's conditionalities are explicitly related to re-integrating beneficiaries into the regular education system and re-socialization.[11] JSLU and JSPACA beneficiaries are instructed in the appropriate use of funds, but the programs also hope to achieve better psychological functioning, social functioning, and community integration of beneficiaries by increasing self-confidence and through increased acceptance of disability and its characteristics in family, community, and social networks.

JSPACA, JSLU, and PKSA attempt to intervene before beneficiaries need more intensive services or care (Figure 1). Potential beneficiaries – at-risk children or elderly individuals and the severely disabled – are not currently being assisted or can not effectively utilize regular social services like health, education, or social support provided universally to all Indonesians (the "Primary Level" in Figure 1 below). Additionally, potential beneficiaries lack access to the support networks in family, kin, and local community, including government-delivered programs like PKH or Jamkesmas, (the "Secondary Level" in Figure 1 below) that might otherwise intervene or assist with loans or in-kind assistance, child care, or contacts and advice when difficulties arise. In fact, potential beneficiaries are identified partially with reference to a *lack* of primary and secondary care. The "Tertiary Level", where JSPACA, JSLU, and PKSA[12] operate, attempt to fill in when universally-provided or privately-available care and assistance are unavailable; they intend to improve beneficiary and

9 These programs are by and large direct cash transfers to beneficiaries. However, each program and each directorate varies in its reliance on institutions (either state-owned and operated or private) and the human resources available in the institutions to deliver these benefits. When programs are delivered through institutions, and when programs rely on institution staff, we make note of it, but we do not attempt a full review of practices or the level and quality of care in the institutions themselves. For reviews of the care provided by institutions, please see "Someone that matters; The Quality of Care in Childcare Institutions in Indonesia (Save the Children, Unicef, & MoSA, 2007).

10 In addition, helping beneficiaries acquire birth certificates, shelter, clean water, skills and other facilitated behaviors are mentioned in program manuals as facilitated activities.

11 Nonfulfillment of PKSA's conditionalities may result in reduction of benefits or exit from the program, but PKSA is not a fully-fledged conditional cash transfer with all relevant machinery and processes.

12 Though Figure 1 was developed to summarize the logic of the PKSA program in particular, it also summarizes the logic behind the JSLU and JSPACA interventions as well. At the "Tertiary" level in Figure 1, the reader can substitute "Elderly protection services" or "Disabled protection services" in the red circle that surrounds "Child Protective services" when thinking about the JSLU or JSPACA interventions (respectively).

community welfare by helping beneficiaries acquire and consume basic necessities; basic social services including health and education; and to encourage and assist in daily functions and quality of life issues that are otherwise at risk.

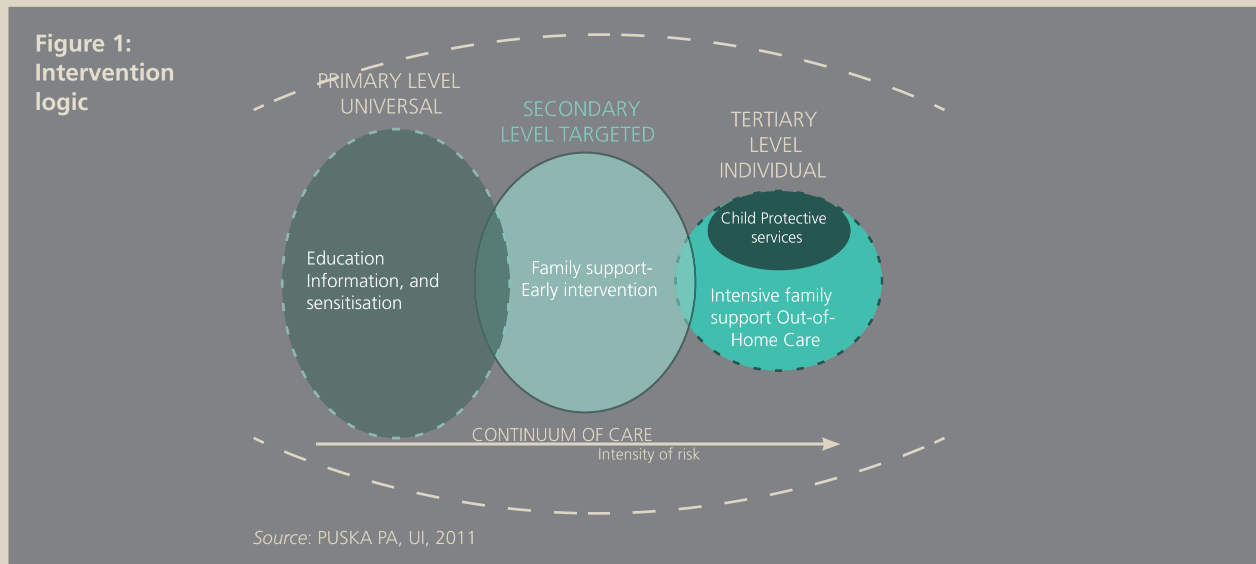


Figure 1: Intervention logic

Source: PUSKA PA, UI, 2011

JSPACA, JSLU, and PKSA command a large share of Kemensos resources: currently 33 to 46 percent of each subdirectorate's budget is accounted for by the cash transfers alone (not counting administrative costs). The total spending of these three subdirectorates (Child, Disabled, and Elderly Social Services) account for nearly 90 percent combined of the Directorate General under which they operate. The programs' collective share has been consistently increasing and should be expected to increase further given current policy stances. In other words, the Child, Disabled, and Elderly Social Services subdirectorates, and the Directorate General under which they operate - *Pelayanan dan Rehabilitasi Kesejahteraan Sosial*, or Yanrehsos - are increasingly dedicated to delivering cash transfers.

Yanrehsos spending is relatively minor part of Cluster 1 social assistance spending, but represents a sizable share of all Kemensos spending. Spending on all Yanrehsos activities rose substantially in 2006, increasing by around three-quarters in real terms, reflecting the launch of various social cash transfer initiatives including JSLU and JSPACA (Figure 2). Since then, however, nominal spending has increased only marginally each year, with the result that real spending declined by 30 percent between 2006 and 2010.[13] In 2010, Rp 559 billion (US$ 56 million) was spent on Yanrehsos activities and staff: this is equivalent to around 17 percent of total Kemensos spending and just 4.3 percent of the Central Government's total expenditure on Cluster 1 social assistance transfer programs.

13 This reflects high rates of inflation in Indonesia over the same period.

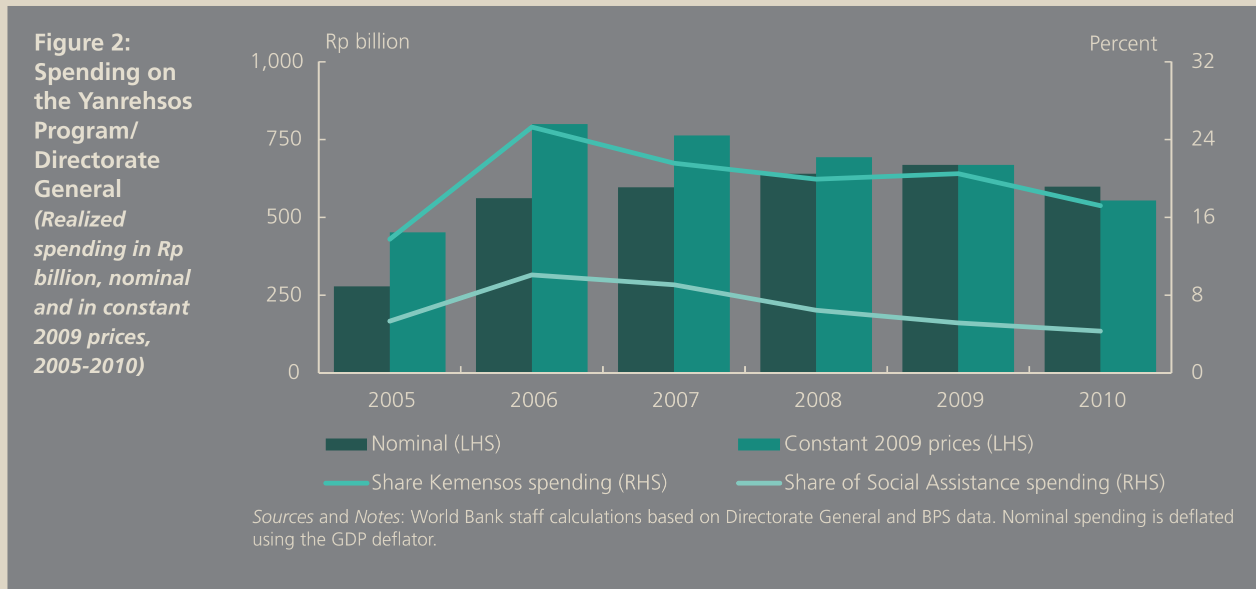


Figure 2: Spending on the Yanrehsos Program/ Directorate General ***(Realized spending in Rp billion, nominal and in constant 2009 prices, 2005-2010)***

Sources and *Notes*: World Bank staff calculations based on Directorate General and BPS data. Nominal spending is deflated using the GDP deflator.

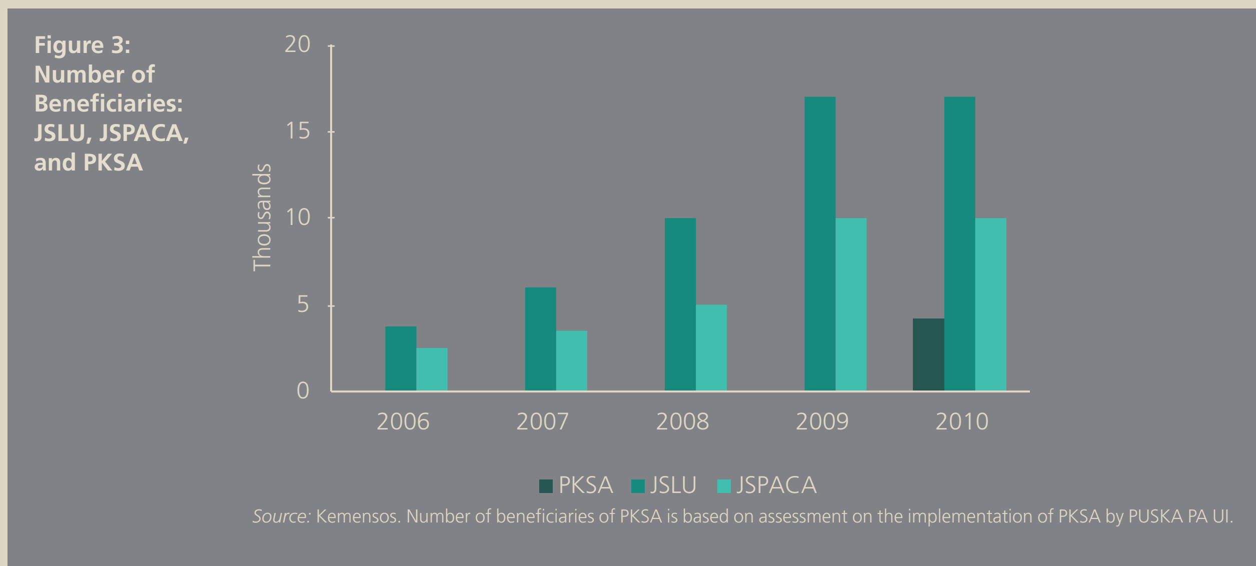


Figure 3: Number of Beneficiaries: JSLU, JSPACA, and PKSA

Source: Kemensos. Number of beneficiaries of PKSA is based on assessment on the implementation of PKSA by PUSKA PA UI.

The Yanrehsos budget is divided between five activities each of which provides numerous interventions. Each of the five activities is managed and administered by a separate subdirectorate (Table 2 and Figure 4). The largest intervention in the Child Social Services subdirectorate is a direct cash transfer to orphanages providing assistance to 145,000 children; it accounts for over half of all Child Social Services spending. The next largest intervention provides cash and in-kind assistance to non-institutionalized children delivered by social workers, drop-in centers and institutions (including two state run orphanages). In 2009 part of this activity was "converted" into the PKSA conditional cash transfers which are payable directly to beneficiaries and with social workers facilitating the transfers. Disabled and vulnerable elderly subdirectorates have also expanded activities including by piloting and then increasing allocations for the JSPACA and JSLU cash transfers. These subdirectorates also finance social services delivered by social workers, community-based organizations[14] and institutions. Notably, the disabled subdirectorate funds 18 institutions for the disabled throughout Indonesia as well as a Braille printing house. Finally, minor interventions targeting the homeless and drug abuse victims accounted for the remaining 11 percent of Yanrehsos spending.

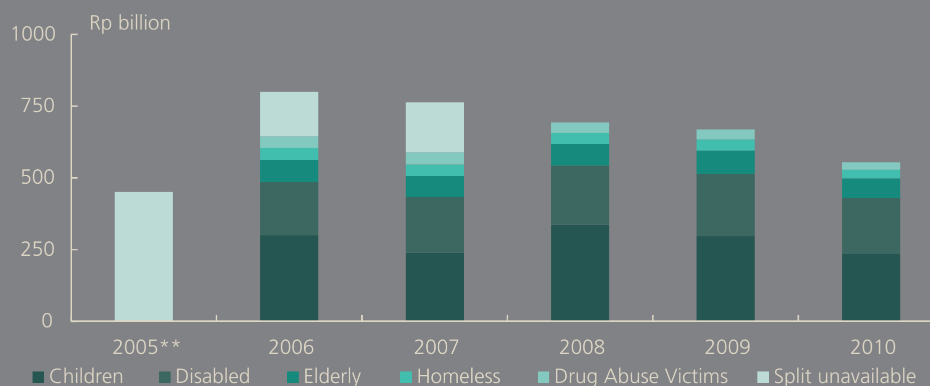
14 These include mobile rehabilitation units, sheltered workshops and community-based rehabilitation.

Table 2: Spending on the Yanrehsos Program by Activity/ Directorate *(Realized spending in Rp billion, constant 2009 prices, 2005-2010)*

	2005*	2006	2007	2008	2009	2010	Share in 2010 (%)
Child Social Services		301	240	338	296	235	42
o/w cash transfer for orphanages		0	0	136	159	0	0
Disabled Social Services		186	194	206	217	194	35
o/w cash transfer for severely disabled		21	31	43	67	0	0
Elderly Social Services		76	73	75	82	69	12
o/w cash transfer for abandoned elderly		14	19	21	38	0	0
Homeless Social Services		43	40	39	39	30	5
Drug Abuse Social Services		40	42	37	35	26	5
Unclassified		155	175	0	0	0	0
Total Program/Directorate General	453	801	765	694	669	554	100
% change	n.a.	77	-5	-9	-4	-17	
% of total Kemensos spending	14	25	22	20	21	17	
% of total Social Assistance spending	2.4	1.9	4.2	1.9	2.4	4.3	

Source: Kemenkeu, Kemensos and World Bank staff calculation. * 2005 data is undetailed up to program level.

Figure 4: Spending on the Yanrehsos Program by activity/ subdirectorate* *(Share of total program spending, 2005-2010)*



Sources and *Notes*: World Bank staff calculations based on Directorate General and BPS data. *While original budget data allocates personnel expenses, office maintenance and the DG's Secretariat as an overhead cost for the DG as a whole, expenses for each individual Activity/Directorate have been estimated based on staff numbers and budget allocations. **Budget allocation data rather than realized spending, and no breakdown available.

Benefit levels for JSPACA and JSLU are generous relative to other Cluster 1 transfers… Transfer levels in JSLU and JSPACA - Rp 300,000 per month - are approximately one and one-half times the March 2010 poverty line. JSLU and JSPACA benefits are more than double the average benefits paid to households participating in the PKH conditional cash transfer program (see "Social Assistance Program and Public Expenditure Review 6: PKH" in this collection), but it is worth noting that a full year of PKSA benefits would not quite be enough to fund a complete year of education at a public junior high school (see "Social Assistance Program and Public Expenditure Review 5: BSM" in this collection) though returning to the education system is a conditionality in the PKSA program.[15]

15 PUSKA PA UI (2011).

…but elderly and disabled subpopulations face higher costs of living. However, in addition to an earnings handicap, both disabled and elderly populations likely face a higher cost of living due to higher levels of non-optional expenditure in certain categories like transportation, health care, assistive devices, personal assistance, and dwelling adaptation.[16] For example, a national survey in India estimated average recurring costs of being disabled were alone approximately equal to the official poverty line. In Bangladesh, 57 percent of families with disabled children reported extra direct costs for specialized child care, medicine, and health care; a child with severe impairments was found to be three times more expensive to raise than a child without disabilities.[17] The amount of the increase in living costs also depends on the supply, leading to a perverse result: the disabled and elderly may experience no increases in spending where required goods and services are not available or are too expensive. In such areas the increased cost of living is not a monetary surcharge but is observed in increased effort accomplishing daily activities, increased morbidity, and increased mortality. Kemensos calculates JSLU, JSPACA, and PKSA benefits levels based on subsidies paid to institutional care providers rather than on estimates of the increased cost of living (relative to an able-bodied individual) for the non-institutionalized beneficiary, making it difficult to summarize whether benefits are adequate.

In addition, real transfer values have eroded due to a lack of adjustment for inflation. Like most other cash transfer programs in Indonesia, benefit levels for JSPACA and JSLU have remained unchanged since the launch of the initiatives in 2006. This has resulted in a 29 percent decline in the real purchasing power of transfers between 2006 and 2010 (using poverty basket inflation). The lack of indexation of benefits to account for increases in the cost of living is unsustainable and could undermine the objectives of the programs.

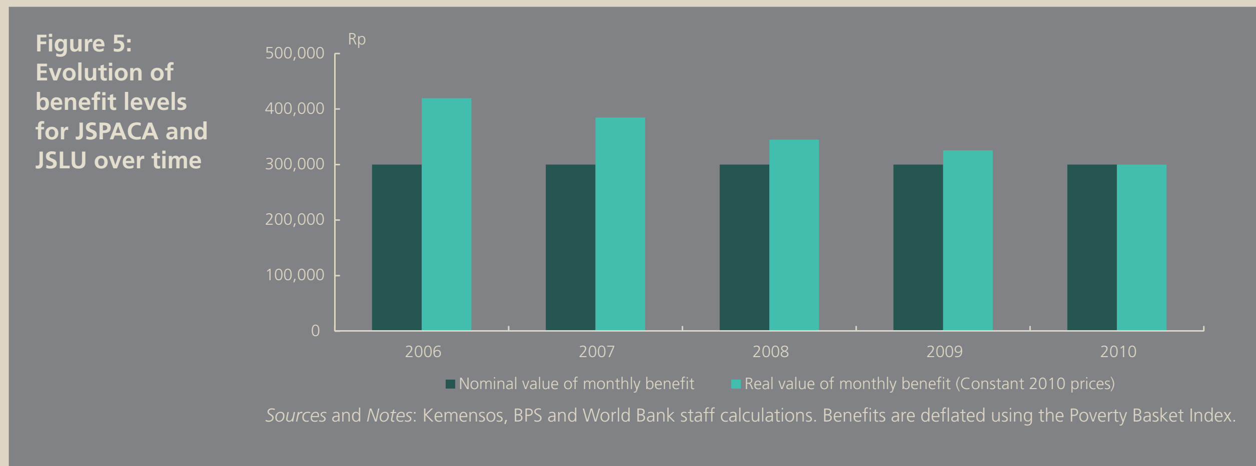


Figure 5: Evolution of benefit levels for JSPACA and JSLU over time

Sources and *Notes*: Kemensos, BPS and World Bank staff calculations. Benefits are deflated using the Poverty Basket Index.

Yanrehsos has shifted program implementation away from community-executed towards centrally-executed spending while subsidies to institutions and rehabilitation centers has remained relatively stable. Traditionally Yanrehsos has used three channels for implementation (see Figures 5 and 6): (1) direct central execution by Kemensos, for example cash transfers originating in the central budget, transferred to Indonesia's postal service agency PT Pos, then delivered directly to recipients; (2) local execution by social workers and community organizations, for example, mobile rehabilitation units, supported by deconcentration funds for provinces and districts; and (3) spending in the form of subsidies executed by institutions. Lately the shift towards centrally-executed spending has picked up pace, reflecting the increasing focus on cash transfers[18], and the centrally-executed share of total program spending rose from 46 percent in 2007 to 61 percent in 2010 (Table 6 and Table 7 in Annex). This trend is broadly based: around 75 percent of spending on children and the elderly was centrally executed in 2010 (up from 24 and 45 percent in 2007), while 45 percent of spending on the disabled was centrally executed (up from 32 percent).[19] Community-based spending has declined in parallel with this development: real spending fell by more than 80 percent between 2007 and 2010, reducing the share of spending from 31 percent to 8.5 percent over the same period. Meanwhile, spending executed by institutions has remained relatively stable, and accounted for almost 30 percent of total spending in 2010. Changes to implementation

16 See Mitra, Posarac, and Vick (2011).

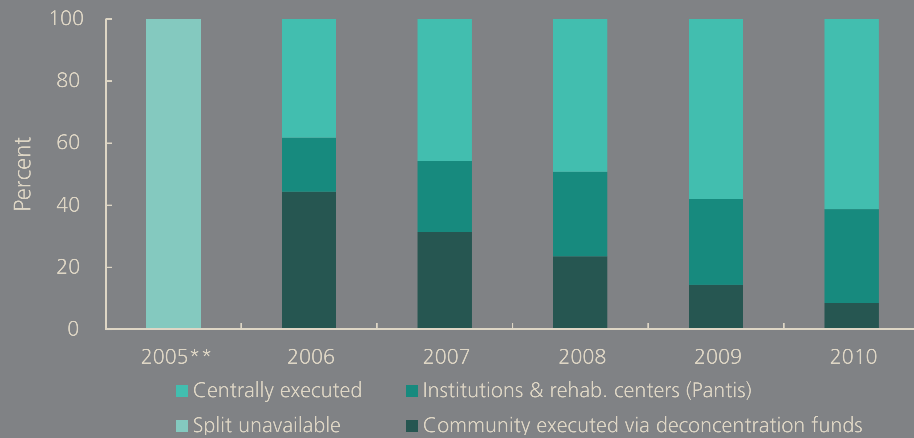
17 See NIMH (2004) and Chowdhury, J. (2005) . There are no contemporaneous estimates of the additional expenditures associated with caring for either a disabled or vulnerable elderly individual in Indonesia.

18 This shift also reflects, in part, a policy to encourage greater cost sharing by sub-national governments.

19 The lower ratio for the disabled activities reflects a greater predominance of institution-provided care.

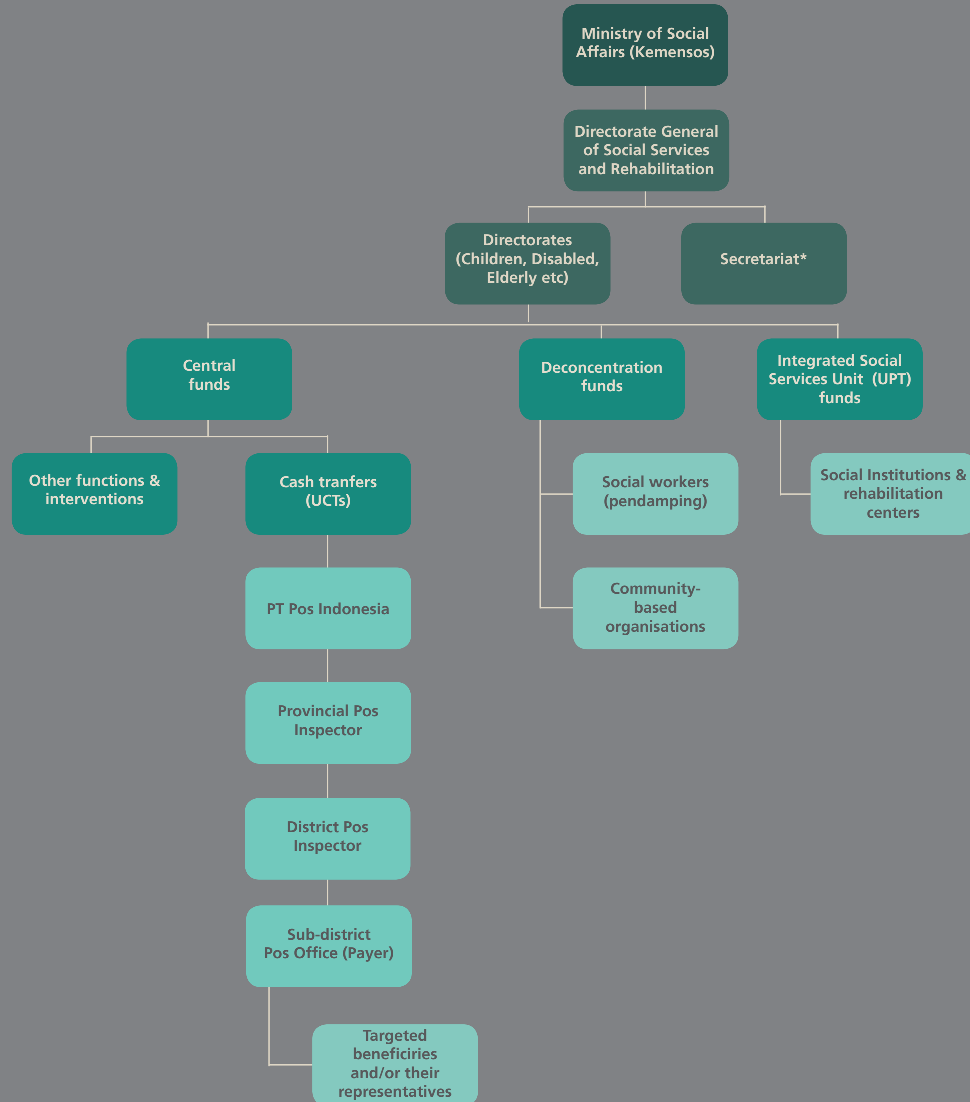
arrangements in the future are expected, as Kemensos plans to decentralize management and execution of JSPACA to district governments. The resulting increase in deconcentration funds would partially fund the district-implemented program.

Figure 6: Spending on the Yanrehsos Program by executing agency



Sources and *Notes*: World Bank staff calculations based on Directorate General and BPS data. Nominal spending is deflated using the GDP deflator. **Budget allocation data rather than realized spending, and no breakdown available.

Figure 7: Flow of funds within the Yanrehsos Program



Sources and *Notes*: World Bank staff based on DG Manuals. *Disburses civil servant salaries at the central level and helps supervise deconcentration funds.

3. Targeting

Coverage of PKSA, JSPACA and JSLU is small and not proportional to estimated need; benefits provided include cash, facilitation, and recruitment into additional social services.

It is difficult to determine the size of the eligible populations for JSLU, JSPACA, and PKSA at either the national or regional levels (see Box 1 below). External researchers found that PKSA pilot provinces were identified based on the availability of institutions and care organizations (who would become PKSA implementation partners) rather than by attempting to determine where eligible beneficiaries would be concentrated. There is no nationally representative dataset with the information necessary to enumerate the JSPACA-, JSLU-, or PKSA-eligible populations according to characteristics that Kemensos uses to identify beneficiaries. As a proxy, the target population for JSPACA is here estimated as those individuals who are disabled and living below the poverty line and the JSLU target population is estimated as those individuals 60 yrs or older who are poor and categorized as vulnerable based on PMKS (*Penyandang Masalah Kesejahteraan Sosial* or People with social welfare issues) criteria.[20] Data limitations preclude calculation of coverage and incidence for the PKSA program.

JSPACA, JSLU, and PKSA together cover far less than one-tenth of one percent of Indonesia's 2010 individual population, and approximately one-half of one percent of Indonesian households. Both JSLU and JSPACA are present almost in all provinces in Indonesia (29 and 31 provinces for JSLU and JSPACA respectively) while PKSA is still essentially a pilot program present in 24 provinces. Kemensos has directed approximately equal absolute shares of the total program resource envelop across all Indonesian provinces, leading to large variation in *per-capita* coverage and incidence rates by province (see Figure 7 and 8 below)[21]. Figure 7 and 8 also shows that the *expected* incidence of either disabled or "poor and elderly" status does not vary widely by province.

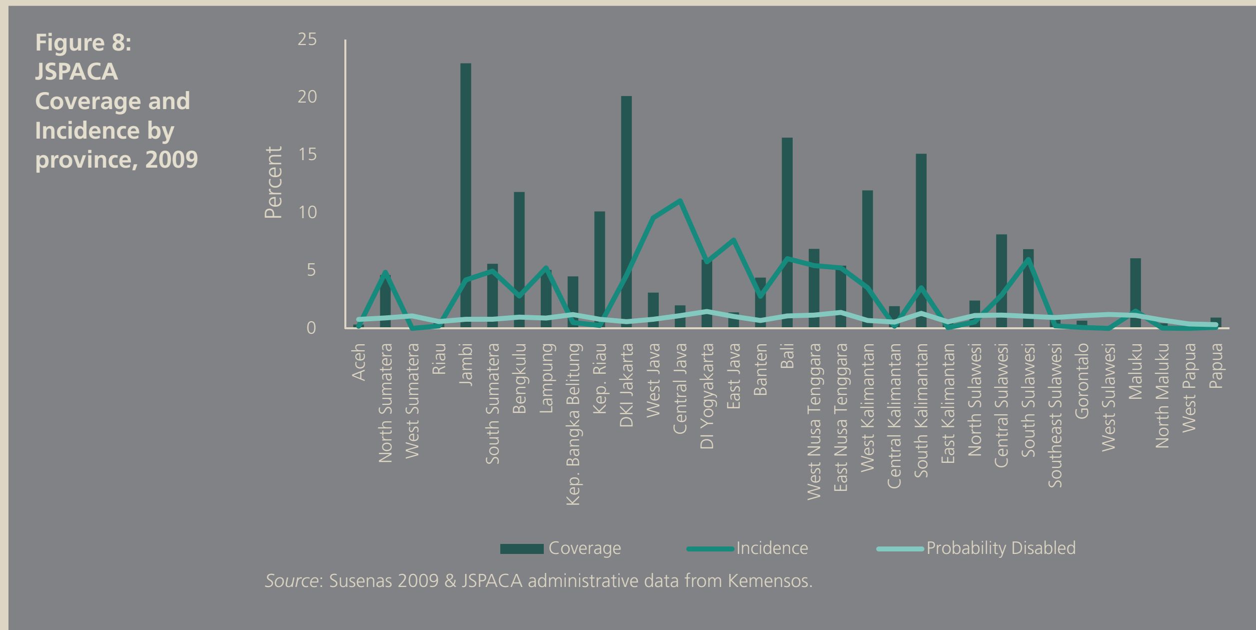


Figure 8: JSPACA Coverage and Incidence by province, 2009

Source: Susenas 2009 & JSPACA administrative data from Kemensos.

20 See Box 1 below for an explanation of the PMKS data module and Kemensos procedures for estimating the size of eligible beneficiary pools.

21 From administrative records, it appears that there are roughly three levels of province quota. Provinces with larger populations get the largest-sized quota while provinces with smaller populations get the smallest-sized quota, so there is some proportionality in quota assignment. Benefit amounts do not vary, so roughly equal shares of overall benefits means roughly equal absolute numbers of beneficiaries across provinces. Flat benefits also means that the number of beneficiaries covered is typically determined by overall program budget (for transfers) divided by the per-beneficiary amount transferred.

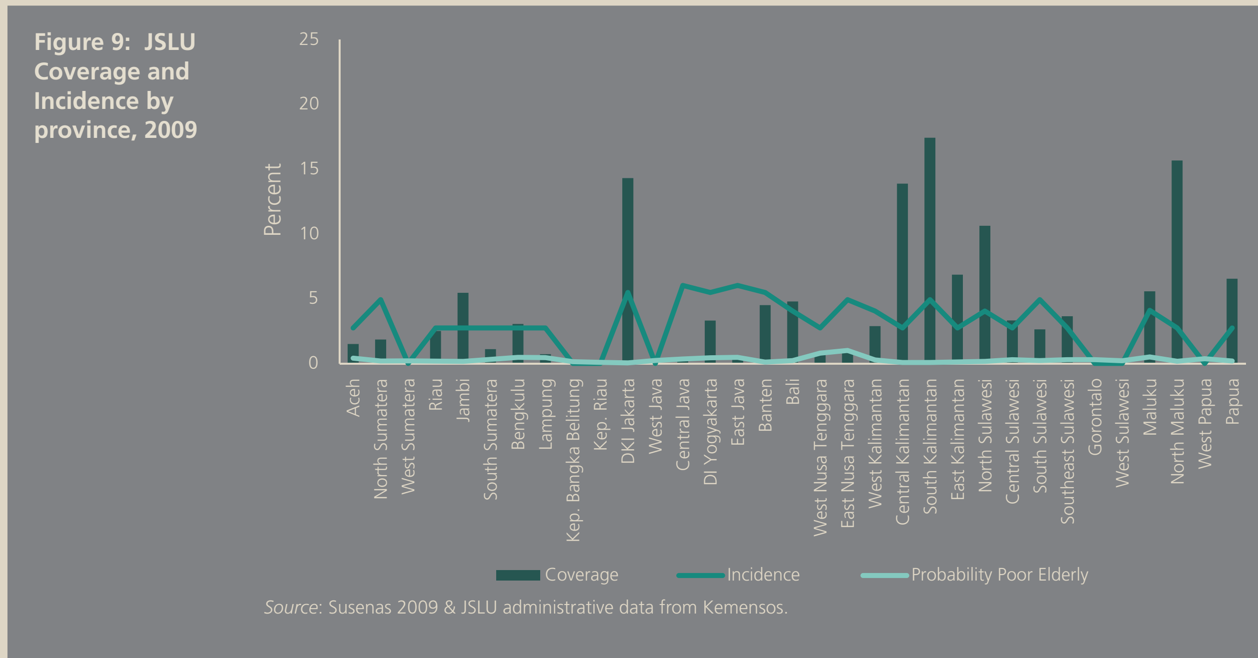


Figure 9: JSLU Coverage and Incidence by province, 2009

Source: Susenas 2009 & JSLU administrative data from Kemensos.

Average coverage in the JSPACA initiative is 4 percent but the poor disabled living in Maluku and Aceh are covered at rates of less than 0.5 percent while those in Jambi and DKI Jakarta are covered at rates exceeding 20 percent.[22] For JSLU, the average coverage rate is 1.4 percent but South Kalimantan and North Maluku are covered at rates exceeding 15 percent.[23] Provinces in Eastern Indonesia[24] received nearly 25 percent of all JSLU benefits but represent approximately 10 percent of the overall Indonesian population.

22 The provinces appointed to implement JSPACA in the its first year (2006) are West Java, Central Java, Yogyakarta, West Sumatra, and South Sumatera. These pilot areas were defined based on the number of disabled population from BPS using PMKS data from 2003. However, discrepancies between field-based observation and BPS data are likely as Susenas records only contain information regarding "regular" disabilities. Susenas does not observe the additional criteria that JSPACA uses to identify beneficiaries. In 2007, becoming a pilot JSPACA area was a possibility for all districts, but only districts providing data on potential beneficiaries, as well as an agreement allocating budget and staff time for data collection and additional facilitators, were chosen. The number of beneficiaries added is determined by the quality of incoming applications and the willingness of local government partners to support implementation.

23 In 2006, five provinces in Java were appointed as the first JSLU pilot areas. Java was chosen as support facilities and infrastructure, as well as PT Pos readiness, was thought to be higher than in other regions.

24 South Sulawesi. Southeast Sulawesi, Maluku, Papua, and East Nusa Tenggara.

Box 1: Baseline estimates for vulnerable subpopulations in Indonesia

Currently there are no definitive, authoritative, or consistently-estimated data resources, at either local or national levels, which reliably capture the frequency of the subpopulations targeted by cash transfers (see Table 3 for eligibility criteria). In 1998 (with updates in 2000 and every 3rd year following) the national statistics agency (BPS) surveyed households with social welfare problems (*Penyandang Masalah Kesejahteraan Sosial,* PMKS) as part of its household welfare survey (Susenas). Kemensos referenced these PMKS populations to estimate 2003 populations of neglected children (4.6 million, or 6 percent of all Indonesians below age 18), elderly (2.4 million, or 15 percent of all Indonesians aged 60 yrs and above), and disabled (3 million or 1.4 percent of all Indonesians).[25] By 2009, the PMKS module in Susenas estimated an *absolute decrease* in the disabled population to 2 million or 0.9 percent of the total population. Kemensos's in-house data center reports an even lower number of disabled persons (1.5 million) for 2009, while non-government sources report much higher overall rates of disability at nearly 10 percent or 23 million individuals.[26]

Internationally, large countries at all income levels estimate much higher disability rates than does Indonesia. In a recent update, using only high-quality data, of disability prevalence in 15 developing countries in Sub-Saharan Africa, Asia, and Latin America, rates among working-aged individuals ranged from lows of 7.4, 7.6, and 8.5 percent (Mexico, Pakistan, and Kenya, respectively) to highs of 16.8, 19.6, and 21.5 percent (Malawi, Bangladesh, and Brazil, respectively).[27] In the United States in 1991, disability prevalence ranged from approximately 6 percent for under-18 year olds to nearly 30 percent for 45-64 year olds. Disability prevalence tends to rise with income: from under 5 percent (generally in low-income African countries) to 20 percent or more for some OECD countries.[28] Internationally, disability prevalence is frequently, though not always: (1) higher in rural areas than urban, (2) higher among females than among males, and (3) higher among poorer individuals than non-poor individuals (across several different poverty measures).[29]

Given different definitions (of both disability and the severity of disability) and the methods and instruments used to record such characteristics, estimated rates can be expected to vary over different sources. At-risk youth and vulnerable elderly subpopulations are similarly difficult to estimate as they are often difficult to locate and have much higher "miss" rates in national household surveys. Even so, GOI estimates (of disability prevalence at least) for Indonesia appear to be an entire order of magnitude lower than average rates estimated for many different types of countries in many different regions and many different income levels. Compounding this difficulty, JSPACA, JSLU, and PKSA are prioritized to individuals with specific characteristics that do not precisely correspond to any records in, for example, the Susenas household survey. This makes a reasonable guess about the size of the potential beneficiary pools doubly difficult.

Eligibility criteria are numerous, complex and not well understood by the local-level staff responsible for finding and nominating potential beneficiaries. Eligibility criteria (see Table 3 below) were designed so that transfers would reach the neediest households and so that the negative publicity and misunderstanding surrounding targeting that greeted the BLT program in 2005 (for example) would be avoided. For JSPACA and JSLU, the more criteria that apply to a potential recipient, the higher the priority of that recipient on the final recipient list. For PKSA, each group of characteristics represents a sub-program (PKSA for abuse victims, for example) and any one, but not necessarily all, of the listed characteristics may apply to a beneficiary of that program.

25 The PMKS variables which were used to estimate the incidence of vulnerable elderly, disabled, neglected, and Fakir Miskin were mutually agreed by BPS, BKSN (Badan Kesejahteraan Sosial Nasional), Bappenas, and (Lembaga Ilmu Pengetahuan Indonesia) LIPI. PMKS criteria are associated with socio-economic conditions, for example criteria for neglected children and elderly are: never enrolled in school/have not finished 9-year basic education, do not have proper meals (eat less than 14 times/week, consume meat/fish/egg no more than twice/week), do not have enough clothes (less than 4 pairs), do not have proper place to sleep, are not able to get health treatment when needed, have to work to earn family income, and orphaned (only for neglected children). The children/elderly are categorized into not-neglected, nearly neglected, and neglected for satisfying less than 2 criteria, 2 criteria, and more than 2 criteria respectively. See BPS/KemenSos publication on: *Analisa deskriptif Penyandang Masalah Kesejahteraan Sosial 2006*.

26 United Cerebral Palsy and Wheels for Humanity pamphlet; www.ucpwfh.org.

27 LMitra, Posarac, and Vick (2011)

28 Loeb, Eide, and Mont (2008)

29 Loeb, Eide, and Mont (2008)

Table 3: Summary of Eligibility Criteria of JSPACA, JSLU, PKSA

JSPACA	JSLU	PKSA
1. Severely disabled who depend on others to support their daily activities. 2. Without fixed income support. 3. Prioritized for disabled who are poor and/or not members of care institutions. 4. Are not currently receiving other assistance from government.	1. 70 years or older 2. 60 years and older if chronically ill & depending on others for support in daily activities 3. Bedridden. 4. Do not have fixed income support. 5. Not a disabled or person who received a permanent assistance from government. 6. Other PMT criteria.[25]	1. Abuse victims, abandoned by the parents/family, vulnerable street children. 2. In violation of law, being processed judicially, or serving a criminal sentence. 3. With physical and/or mental disabilities. 4. Victims of trafficking/ exploitation, from minority/ isolated groups, or HIV/AIDS positive, or drugs abusers.

In JSLU and JSPACA, local Kemensos employees (from the regional Kemensos offices called *Dinas Sosial*) together with enumerators collect data on potential beneficiaries. These profiles are reviewed by Kemensos at both district and central level (see figure 9). Kemensos in Jakarta applies a scoring system to the data in the profiles and potential beneficiaries are ranked according to that score. In the early years of the JSPACA and JSLU programs, final beneficiary selection was made by Kemensos on the basis of this ranking; however JSLU has delegated final beneficiary selection back down to regional offices. Reports from JSLU and JSPACA staff in Kemensos indicated that the scoring system and associated criteria are not widely known or well understood by the local program officials responsible for making initial nominations.

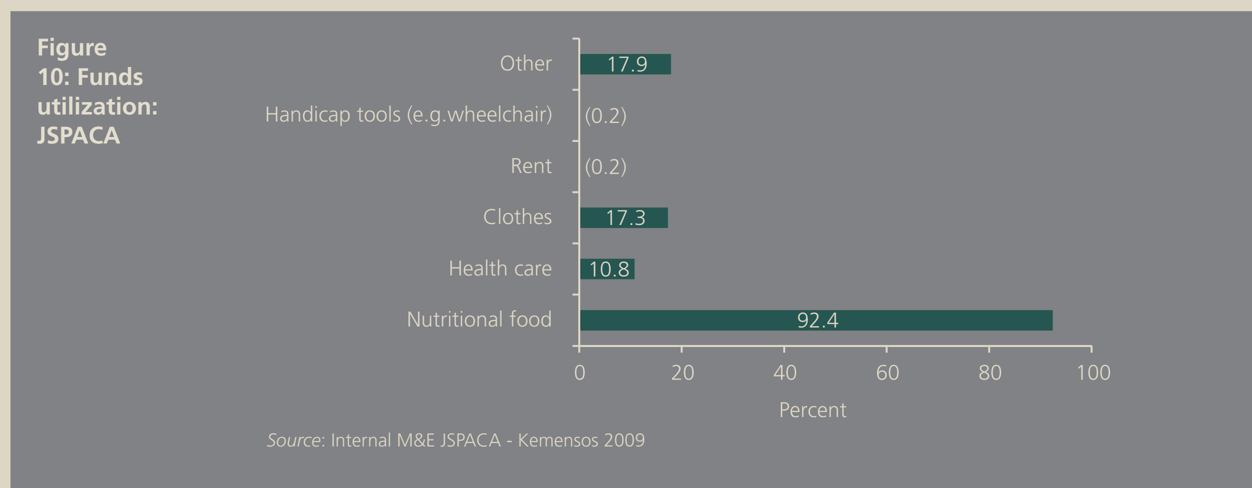
30 The criteria included in the Proxy Mean Test (PMT) used are: do not have proper meals (eat less than 2 times/day, consume meat/fish/egg no more than twice/week), do not have enough clothes (less than 4 pairs), do not have proper place to sleep.

4. Potential Impacts

Impacts are not known, but beneficiaries appreciate the combination of cash transfer and facilitated services.

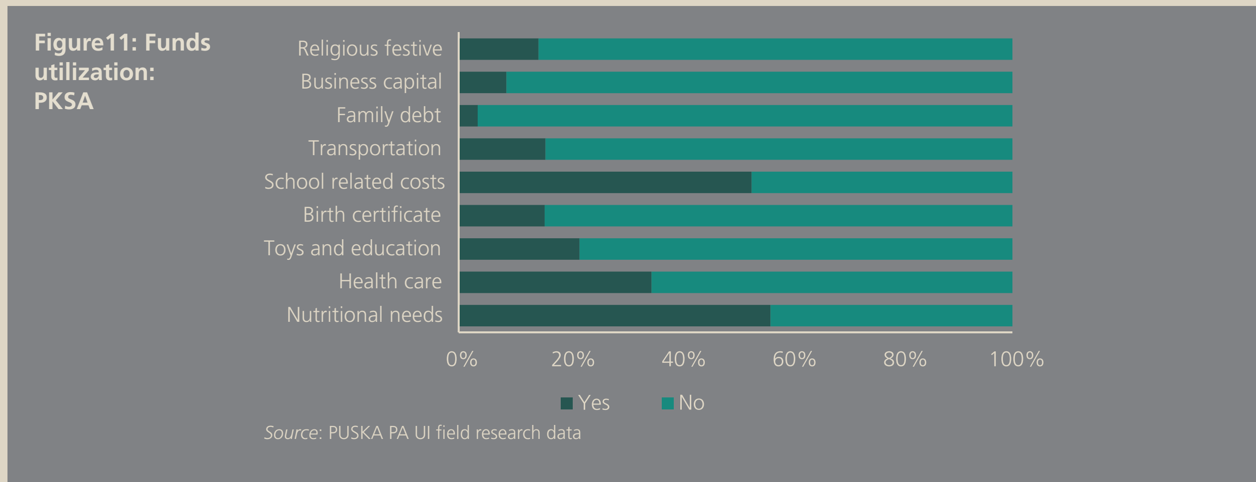
Beneficiaries report that cash transfers are appreciated and are spent almost immediately to purchase basic necessities like food, milk, health care, transportation, and clothes while JSPACA beneficiaries purchased medical equipment.[31] When late disbursements and subsequent bunching of fund transfers made it possible (see below), beneficiaries reported making house renovations or rent payments, purchasing televisions and other assets, and paying down debt. Internal monitoring and evaluation reports from the 2009 JSPACA program indicated that 92 percent of beneficiaries bought food, 11 percent paid for health services or assistive devices, 17 percent bought clothing, and 18 percent bought assets (usually precious metals or livestock). Only 6 percent of JSPACA facilitators interviewed stated that beneficiaries utilized funds improperly. PKSA beneficiaries indicated that common uses of funds were to buy food (nearly 60 percent of beneficiaries), pay for festive activities and religious holiday observances (14 percent), obtaining birth certificates (16 percent), and for business capital or debt payments (12 percent). Over 70 percent of PKSA beneficiaries mentioned positive benefits from PKSA cash support. Some PKSA families indicated that they depend on PKSA to educate children who are otherwise not involved in school. Direct observation of JSPACA and JSLU beneficiaries revealed similar sentiments: cash transfers help individuals fulfill daily needs and without such transfers, they would be forced to ask for assistance from family and relatives who are often also poor.

Figure 10: Funds utilization: JSPACA



Source: Internal M&E JSPACA - Kemensos 2009

31 There is no trace of these programs in the secondary data sources (like the Susenas household surveys) used to measure impacts in other programs covered in the Indonesia Public Expenditure and Program Reviews (Reviews 2 through 5 in this collection) and no consolidated administrative data that is ready or appropriate for analysis. The available first-hand, directly-observed qualitative information (from beneficiaries, program implanters, and other stakeholders) is summarized below.



Source: PUSKA PA UI field research data

PKSA cash transfers are often controlled by *pendamping* (facilitators) or LKSA staff. PKSA beneficiaries usually receive cash payments – as a lump sum, as several staged payments, or as payouts based on an assessment of needs – only after consultation with and implicit approval from a social worker.[32] Field research also uncovered a few instances of local neighborhood leaders or others in positions of authority (legitimate or otherwise) co-opting the control of PKSA funds. There is no guarantee that these (legitimate or illegitimate) fund managers are aware of individual or household needs; direct observation revealed a lack of thoughtful assessment of needs and instead a reliance on previous assumptions and experiences.[33] Nonetheless, some parents ultimately preferred to have fund managers: they considered LKSAs to be better informed regarding both the types of goods, services or activities' that PKSA funds could be used for as well as decisions regarding how much of a PKSA disbursement to save.[34]

Very little is known about the quality and effectiveness of the facilitator-provided services that accompany these cash transfers. The facilitator is responsible for making regular visits intended to provide constructive assistance such as access to basic social services like free health care, birth certificate or identity registry, and education (for PKSA beneficiaries) and monitor the client's condition as well as funds utilization. The facilitator is also expected to be able to give motivational support to increase beneficiaries' self esteem. While field research and interviews with Yanrehsos officials indicate that the number of well-trained facilitators is growing, and that facilitators themselves acknowledge their lack of adequate training, the quality and frequency of facilitated services still varies widely. PKSA (and also JSLU and JSPACA) often relies on the efforts of local-level volunteers to deliver both cash and facilitation. Facilitators (volunteer or otherwise) do not always have the Yanrehsos-desired minimum education level. As a result facilitators are not always equipped to address the complex physical, mental, and social difficulties that beneficiaries present; this is compounded by the lack of a triage system within PKSA (and also JSLU and JSPACA) that could direct the worst-off or most complex cases to agencies and personnel with the relevant expertise. An additional complication is that several beneficiaries under one facilitator's care may be spread across great geographic distance, which means a facilitator may spend most of his or her time traveling to beneficiary households and performing only a perfunctory check before having to begin travel to the next site.[35]

32 The PKSA program for neglected children under 5 years of age (PKS-ABT) provides part of its transfer as supplementary nutrition packages. It uses day care centers to distribute this portion of the assistance.

33 PUSKA PA UI (2011).

34 PUSKA PA UI (2011).

35 Indonesia's conditional cash transfer (PKH) also relies heavily on facilitators for motivation, to encourage compliance with conditions, and to ease access to social services. PKH Facilitators indicate that the quality and intensity of services they have time to provide is limited when large distances separate beneficiaries while all stakeholders note the quality and frequency of facilitators efforts are the best predictors of household success under the PKH program. See "Social Assistance Program and Public Expenditure Review 6: PKH" in this collection.

5. Cost Effectiveness

Assessing spending efficiency in the Yanrehsos program as a whole is difficult due to data limitations and the complexity of comparing vastly different interventions. Administrative costs in the numerous Yanrehsos interventions can be very different and difficult to compare, making high-level data and budget classifications uninformative. For example, just over half of Yanrehsos program spending is classified as social assistance with the rest split between goods and services, salaries and capital expenditures (Figure 12). However, this breakdown disguises large variations: centrally-executed spending – which is increasingly dominated by cash transfers – is now largely classified as social assistance, whereas institution-executed spending – which delivers services rather than cash – is almost entirely classified as salaries or goods and services. Second, while centrally-executed spending is documented in annual financial accountability reports (*Laporan Akuntabilitas Keuangan Pemerintah* or LAKIPs), reporting on supporting activities or stand alone interventions executed by community organizations, institutions and local governments is sparse and not readily accessible.[36] This makes it difficult to build a comprehensive picture of total program administrative costs.

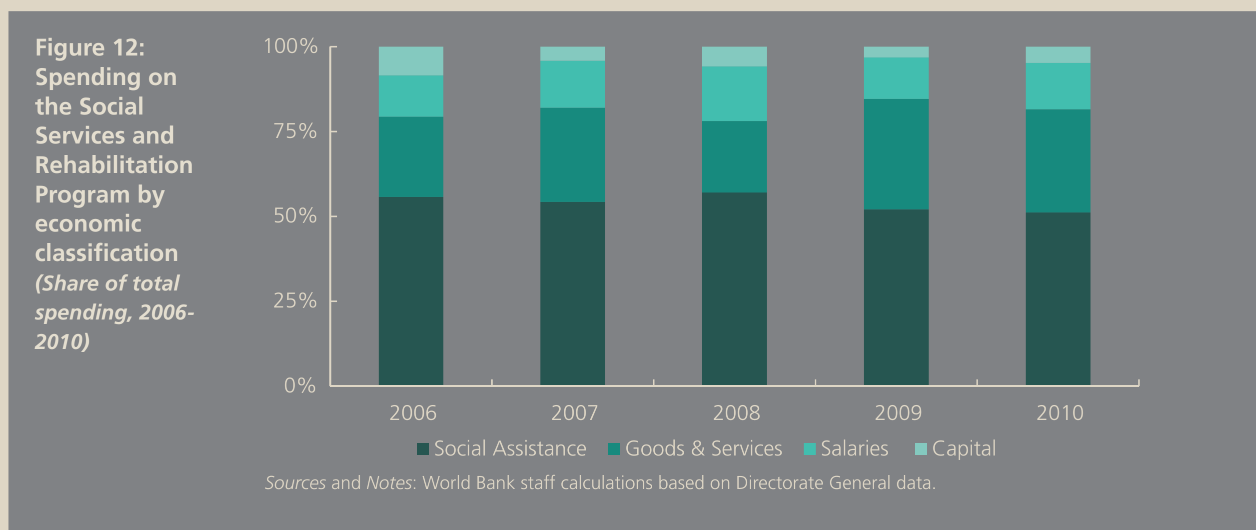


Figure 12: Spending on the Social Services and Rehabilitation Program by economic classification ***(Share of total spending, 2006-2010)***

Sources and *Notes*: World Bank staff calculations based on Directorate General data.

Staff and systems are shared across multiple functions and interventions making the efficiency of spending difficult to determine. Even for centrally-executed interventions, it is difficult to isolate staff and administrative costs associated with each intervention. First, civil servant salary expenses are not recorded under the budget – nor reported in the LAKIP – of each individual Directorate, but grouped together and recorded under the budget of the Directorate General's Secretariat, necessitating estimates based on staff numbers. Second, staff and systems within each Directorate are shared across both policy and implementation functions and across multiple interventions, all of which are not strictly comparable. Thus, efficiency indicators for an entire Directorate are simply an average of numerous activities and interventions and may not be meaningful (Table 6 in Annex). While there may be some synergies from this arrangement, the spreading of staff across different functions and interventions could have efficiency costs if a lack of specialization hinders the development of streamlined processes and specialized skills. There are also potential conflicts of interest from having the same staff designing, implementing and evaluating activities, which is not generally considered best practice.

Assessing the efficiency of JSLU, JSPACA, and PKSA is more straightforward; such assessment indicates moderate and declining administrative overheads despite their small scale and pilot status. JSLU and JSPACA spending is unique because it is isolated within the LAKIPs of their implementing Directorates, allowing for a more straightforward examination of their administrative costs. Estimates indicate that administrative costs are moderate and have declined as the scale of the interventions has increased. For example, average annual administrative costs per beneficiary were US$ 37 and US$ 31 for the disabled and elderly cash transfers respectively in 2010 (down from US$ 49 and US$ 67 in 2008), while the overall administrative overhead was 9 and 8 percent respectively (down from 12 and

36 While reports by community organizations and institutions putatively exist, these are not systematically submitted to Kemensos, collated or analyzed. Detailed local government budgets (with information down to the program level) are also not readily accessible.

16 percent).[37] In comparison, an international survey of 16 cash and near cash programs found that the administrative costs of well-executed interventions cluster in range of 8 to 15 percent of total costs, with a mean of around 8 percent (Grosh et al 2008, Pg.391). Thus, the efficiency indicators for the cash transfers appear to be reasonable, especially considering the small scale and pilot status of the transfers.

However, this analysis excludes local government contributions and thus may underestimate the full extent of administrative costs. According to Kemensos officials, local governments are expected to allocate funds from their budgets (APBD) to provide socialization and to top up the salaries of local social workers. Local governments which do so are rewarded with increased beneficiary quotas when budgets allow. However, these cost-sharing arrangements are not explicitly specified in any regulation, which means compliance is variable.[38] Field visits to a limited set of districts and an examination of a small selection of district budgets obtained from Kemenkeu both indicate variation in district contributions, though it is difficult to identify subnational budget allocations for individual programs.39 However, because limited district budget data makes it difficult to quantify the extent of local government contributions, they are not included in the efficiency indicators reported above, which thus may underestimate the full extent of administrative costs (and thus overstate the intervention's spending efficiency).

More resources may be necessary for developing the management and implementation systems of the interventions in order to enhance their impact. A breakdown of current administrative costs indicates that the small non-benefit budget is largely split between civil servant salaries, general administration and targeting. Very little is spent on socialization, monitoring and evaluation, follow up (such as complaints handling), or training – see Section 6 below for the on-the-ground impacts on service quality of these low allocations. In the near term, maximizing the impact of the program and improving its implementation may require more resources for administration.

Budget fragmentation and duplication of program implementation functions could also be imposing efficiency costs. The overall size and budget of the Yanrehsos program is relatively small; that small pot of money is then divided between five major activities/subdirectorates, each of which has multiple interventions, each of which are executed by multiple actors at various levels of government. This is likely to produce significant efficiency costs arising both from the small scale of the interventions resulting in high administration overheads and the challenges of managing, coordinating and ensuring accountability across different levels of government.[40] There is also some duplication of implementation systems: for example, JSLU and JSPACA are implemented separately by their respective subdirectorates, and have parallel structures for fund flow, targeting, socializing and monitoring and evaluation as well as separate local-level social workers. Yanrehsos could reap efficiency savings by realizing greater economies of scale and consolidating common processes across subdirectorates. Efficiency gains could also be realized by consolidating smaller interventions and merging some implementation functions into a single implementation unit.

37 These figures include estimates of local social worker honorarium, which is not recorded in the LAKIP. In 2009, 640 social workers were employed to assist in JSPACA implementation and 1,000 to assist in JSLU implementation. The primary function of the social workers is to help identify potential beneficiaries and facilitate the delivery of payments. Social workers are paid by local governments using deconcentration funds transferred from the Central Government.

38 In 2010, Presidential Regulation No. 3/2010 on 'Justice for All' requested that all levels of local government (Province, District, City/Village) support a nominated group of social assistance programs (including most of the interventions within Yanrehsos) but did not explicitly clarify spending responsibilities.

39 During a JSPACA monitoring and evaluation mission in Maluku Province in 2010, Ambon district officials reported providing additional salary of Rp 350,000 per year to each social worker, while districts officials from Maluku Tengah and Pulau Buru reported no additional salaries. During an JSLU monitoring and evaluation mission in West Java, officials reported that seven districts were allocating resources to the elderly cash transfer program, although documents detailing these allocations were not available upon request. Some officials reported that allocations for these specific programs were not always uniquely identified, but rather grouped under broader categories (for example, socialization activities for these interventions may simply be recorded under the goods and services expenditure).

40 It may, however, be an understandable product of (a) the desire to target a wide array of vulnerable groups, (b) Indonesia's decentralized system of government and (c) the need for local social workers and government officials to support implementation.

Table 4: Spending Efficiency Indicators, 2008-2010

	Severely disabled cash transfer** (JSPACA)			Abandoned Elderly cash transfer** (JSLU)		
	2008	2009	2010	2008	2009	2010
Unit cost (Total spending/No. beneficiaries, Rp)	4,091,930	4,050,100	4,004,475	4,268,472	4,123,563	3,913,598
Administrative costs per beneficiary (Non-benefits/No. beneficiaries, Rp)	491,930	450,100	366,098	668,472	523,563	313,598
in US$***	49	45	37	67	52	31
Administrative overhead ratio (Non-benefits/Total spending)	12%	11%	9%	16%	13%	8%
Cost of delivering benefits ratio (Non-benefits/ Benefits)	14%	13%	10%	19%	15%	9%
Civil servants per 10,000 beneficiaries		9	9		14	14
Memo items:						
No. of beneficiaries	10,000	17,000	17,000	5,000	10,000	10,000
Number of civil servants		16	16		14	14
Value of annual UCT (Rp)	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000	3,600,000
Total spending (Rp bn)*	41	69	68	21	41	39
o/w Benefits	36	61	61	18	36	36
o/w Non-benefits	4.9	7.7	6.2	3.3	5.2	3.1
o/w Civil servant salaries	0.6	0.7	0.5	0.6	0.6	0.4
o/w Admin/other	1.6	3.3	2.7	0.5	0.2	0.1
o/w Targeting****	1.1	1.8	1.5	1.4	2.9	1.7
o/w Follow-up	0.0	0.0	0.0	0.0	0.1	0.0
o/w Socialization	1.0	0.9	0.7	0.5	0.3	0.2
o/w Training	0.0	0.0	0.0	0.0	0.0	0.0
o/w Evaluation (M&E)	0.5	1.0	0.8	0.4	1.2	0.7

Sources and *Notes*: World Bank staff calculations based on Financial Accountability Reports (LAKIPs) and Directorate General data. *While original budget data allocates personnel expenses to the DG as a whole, expenses for each individual Activity/ Directorate have been estimated based on staff numbers, and salary expenses associate with the cash transfers are assumed to be 50% of total Directorate personnel costs (while only around 5 full-time staff work on each UCT year round, the majority of staff in each Directorate are involved in processing UCT applications between January and May of each year). **Includes some minor non-UCT activities. ***Rp/US$ rate assumed to be 10,000. ****Includes estimates of social worker honorarium under deconcentration budget.

6. Implementation

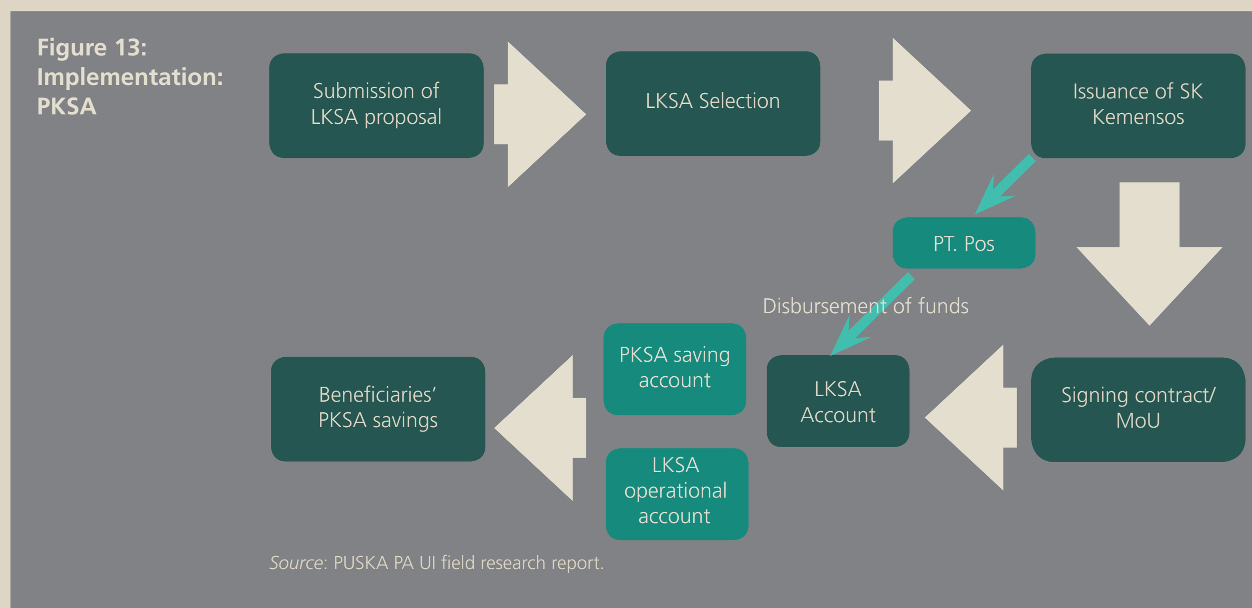
Program support operations – socialization, facilitator training, monitoring and evaluation, and a complaints feedback system – are weakly implemented.

Program guidelines in published manuals are comprehensive but not practical. For example, eligibility criteria are enumerated, but there is no guidance for identifying and prioritizing beneficiaries when not all criteria are met or when two potential beneficiaries equally meet all criteria; in practice, these judgements are left to local-level implementers and facilitators. For PKSA especially, there are many overlapping criteria between subprograms: abandoned children who are victims of violence could equally belong to the "*PKS-Antar/Anjal*" subcategory (street and neglected children) or the PKS-AMPK subcategory (children in need of special protection). For socialization and information dissemination, manuals state that socialization should be delivered to all levels of government and to beneficiaries, but direction for the content, length, frequency, and quality monitoring of socialization activities are not in the guidelines – see below for more detail.

PKSA relies heavily on partner institutions to identify beneficiaries and deliver cash plus facilitated services, but the partner selection process is not open or competitive. PKSA often partners with implementing agencies called LKSA (Social Welfare Institution for Children). LKSA need to be appointed (but not certified) by Kemensos before they can begin delivering PKSA funds. In order to be appointed, LKSA must submit a proposal to the PKSA managing unit (see Figure 13 below); the proposal contains supporting data and a list of potential PKSA beneficiaries that are either residents or users of the LKSA or are known to LKSA staff. PKSA then reviews proposals, sometimes with an accompanying verification at the LKSA facility. According to Kemensos staff, criteria that determine LKSA appointment include adequacy of facilities, resources, and networks to support PKSA beneficiaries and extent of experience with children with family, community, and social difficulties, but standard selection procedures are not detailed in PKSA manuals (or elsewhere).

This LKSA recruitment process is not widely publicized; this is partly a self-imposed weakness, as Kemensos instructed LKSA to be able to begin implementing PKSA (including disbursing the savings) only one month after fund disbursement (from PT. POS to LKSA account), leading to an abbreviated LKSA search and vetting period. Many LKSA were invited to participate (based on the recommendations National Commission for Child Protection) and many others were already working in partnership with Kemensos at either the central or local levels.[41] See below for the effect of LKSA partners on other program processes like beneficiary selection.

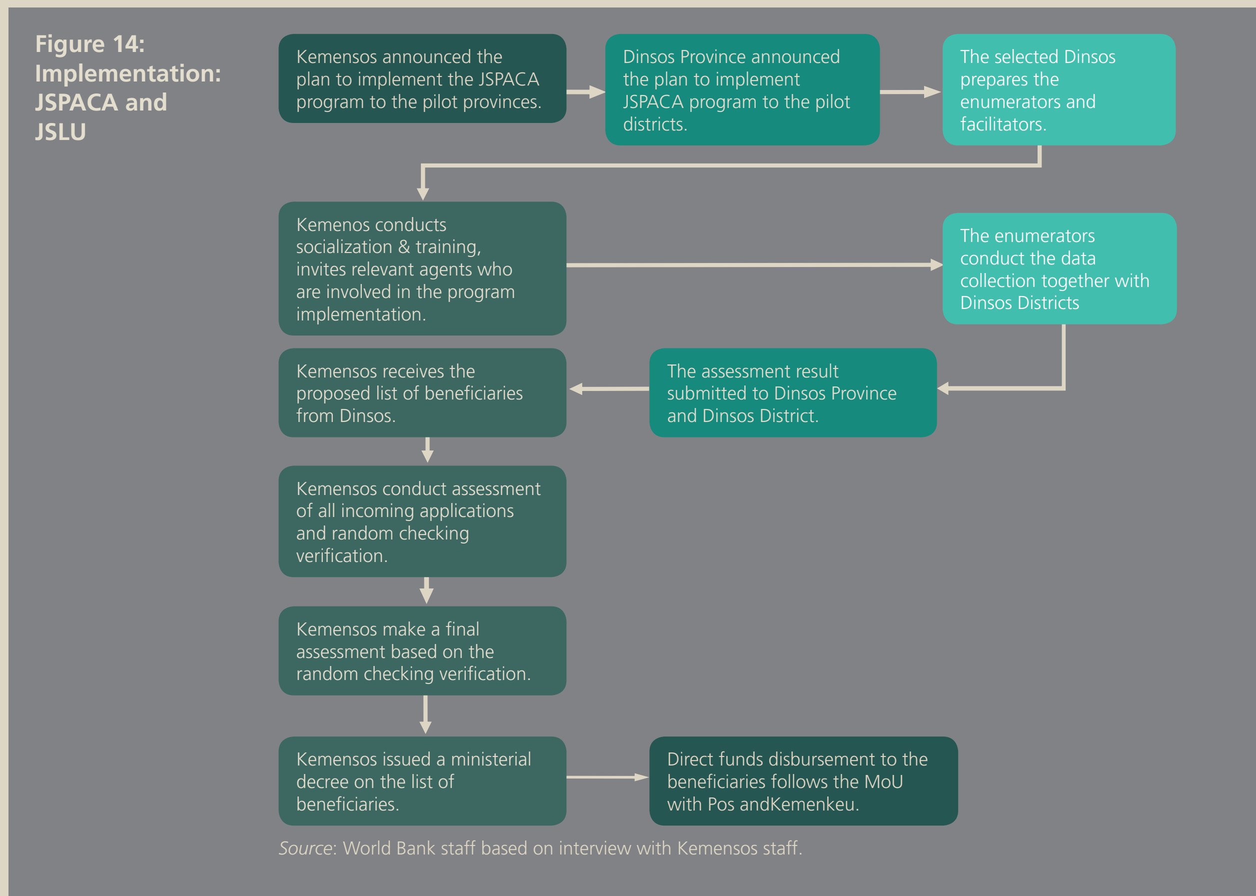
Figure 13: Implementation: PKSA



Source: PUSKA PA UI field research report.

41 PUSKA PA UI (2011).

JSLU and JSPACA perform beneficiary selection in-house; their processes are thorough but costly and time-consuming. After Kemensos receives local nominations, the subdirectorates complete an individual-by-individual review of all nominees. Both programs compile limited demographic and socio-economic information (for beneficiaries and their households) while JSPACA records type and severity of an individual's disability as well (see Table 3 above). A full body photograph is included to capture nominee characteristics not evident in the data collected from nominee materials.[42] Once data is compiled, a scoring system is applied to rank nominees according to the severity of vulnerability.[43] Often assessments based on photographs do not match assessments or scores from data alone. Many applications with a high score (low score) based on characteristics were ultimately rejected (accepted) when the accompanying photographs showed mild or no vulnerability (high vulnerability).



Source: World Bank staff based on interview with Kemensos staff.

The beneficiary selection process consumes large amounts of staff time: approximately four months to complete final beneficiary lists. JSLU found nominee assessment and final beneficiary selection too burdensome and has delegated this function to regional offices. JSLU has also dropped the scoring protocols, so there are effectively no national guidelines for districts to use for prioritizing nominees.[44] See Section 3 above for more detail on the outcomes of targeting and beneficiary selection procedures in PKSA.

PKSA has delegated beneficiary selection to implementation partners; these partners have wide discretion. LKSA are asked to nominate potential beneficiaries as part of their Kemensos partnership application, but LKSA selection and nomination practices vary widely. In some areas, LKSA do beneficiary assessment outside their current client lists, but

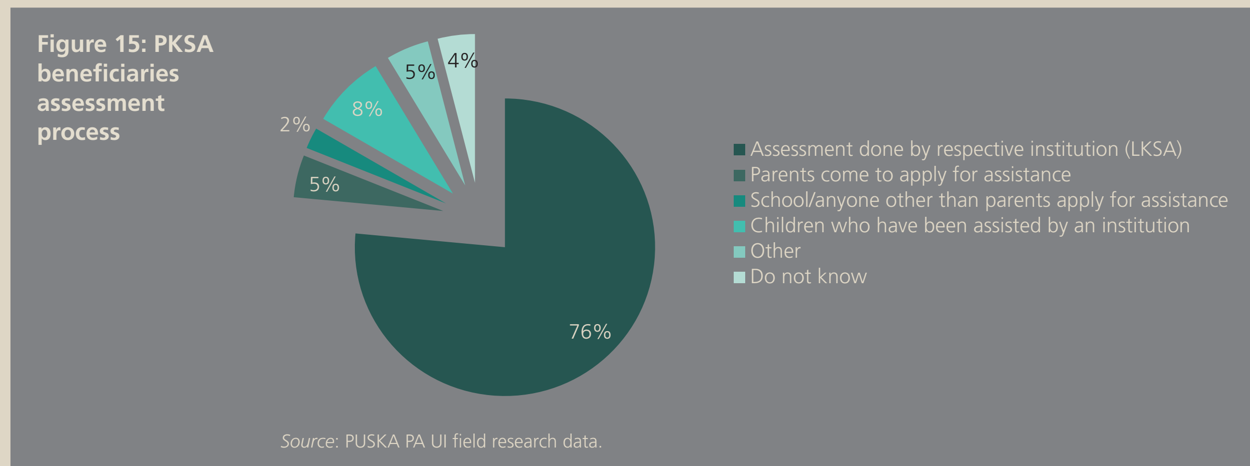
42 Due to applications that seemed dubious, Yanrehsos did a random review of nominee eligibility Many candidates were deemed ineligible upon review; full body photographs were then added (in 2007) as an application requirement.

43 The scoring system consists of two high-level criteria: type and condition of disability, including assistive devices necessary for performing daily activities; and level of dependency. Economic status is then the last filter applied: those with major disabilities from poor households are prioritized.

44 Prioritization and selection is left to the determination, by any method they choose, of the regional- and local-level offices, program administrators, and partner organizations.

these assessments are typically done under great time pressure (which is itself a result of Kemensos' desire to distribute funds quickly). In most areas, however, LKSA nominate their own clients because of insufficient time and money for additional data collection and assessment.[45] As a result, over 75 percent of current PKSA beneficiaries were LKSA clients; only 15 percent applied themselves, were nominated by their parents, or were nominated by other participants (see Figure 15). See Section 3 above for more detail on the outcomes of targeting and beneficiary selection procedures in PKSA.

Figure 15: PKSA beneficiaries assessment process



Source: PUSKA PA UI field research data.

Activities and budgets for socialization of JSLU, JSPACA, and PKSA to implementers are extremely limited. When the programs were first piloted, socialization took place at the province level for JSLU and district level for JSPACA with village, subdistrict, and district officials, facilitators, regional Kemensos staff, and PT Pos staff as the main audience. Kemensos delivered all information regarding program goals and processes in one-day events.[46] To date there have not been any additional socialization events for these groups, nor monitoring of the effectiveness of the previous activities, nor attempts to measure staff knowledge.

Socialization budgets for new program areas and new program staff are small. For example, JSPACA socialization for 7 of 18 new provinces (in 2009) took place during a yearly staff meeting where program guidelines were distributed together with data collection instruments. Written guidelines were expected to suffice for first-time implementers. However, program manuals do not have enough operational detail, which leaves regional implementers confused and with much discretion, which itself leads eventually to high rates of potential nominee rejection by Kemensos (see above) and ineffective socialization and facilitation to beneficiaries (see below).

Socialization activities for beneficiaries and communities occur unevenly among districts; effectiveness is limited. Target groups are by definition vulnerable and hard to reach[47] and substantial effort must be made to draw these populations into programs and other social services to which they are otherwise not exposed. In practice, the programs rely heavily on local government or partner institutions for hosting and funding socialization activities; these partnerships do not typically include extra funds or support staff from Kemensos. For example, the local government in Maluku spent its own funds on a media campaign supporting JSPACA socialization. However, program manuals do not contain enough detailed direction for the content, length, frequency, and monitoring of socialization activities, leaving the quality and effectiveness of socialization highly variable and leading to too little knowledge among beneficiaries and communities. For example, most beneficiaries recall their first exposure to a program being a visit by a program facilitator. Only a very few recall having received socialization materials from Kemensos officials.[48]

45 PUSKA PA UI (2011).

46 Socialization to a broad group of stakeholders is usually followed by training for enumerators and facilitators to ensure accurate understanding of eligibility criteria and their responsibilities to beneficiaries. See this section for more detail on facilitator training.

47 As well as being physically remote or unable to travel to regular socialization points or public spaces, they are often not registered and sometimes kept out of sight by their families who fear social shame and stigmatization.

48 Interview results with 174 PKSA beneficiaries in 4 provinces showed that nearly 75 percent recalled that their first source of information was an LKSA. Only 8 percent claimed that they received socialization from Yanrehsos officials.

Crucial information on program objectives and co-responsibilities is not fully delivered. For example, PKSA beneficiary interviews indicated that beneficiary rights and responsibilities, LKSA rights and responsibilities, penalties for noncompliance, program tenure, and where to submit complaints are not well understood (Figure 16). While program objectives seem to be well-communicated, fewer beneficiaries knew how much PKSA would provide nor when and where to go to receive the PKSA cash transfer. Shortcomings may constrain the effectiveness of other good cash transfer design principles. For example, JSLU and JSPACA provide membership cards, which record the date and amount of each payment made, that are to be signed by PT Pos and countersigned by beneficiaries each time payment is made. The card is meant to reduce the possibility of corruption but will be less effective when beneficiaries are not aware of rights, responsibilities, and technical details.

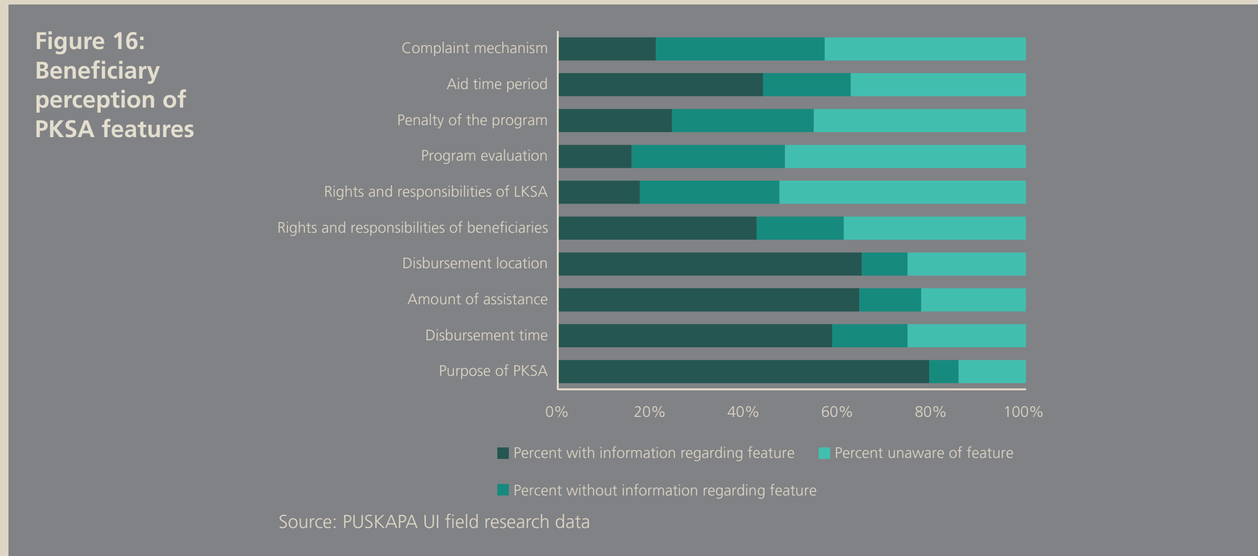


Figure 16: Beneficiary perception of PKSA features

Source: PUSKAPA UI field research data

JSLU and JSPACA beneficiaries have not been receiving funds on time. PKSA reports more timely disbursement, perhaps because of unintentional incentives. In JSLU and JSPACA, PT Pos is responsible for delivering disbursements directly to beneficiaries by no later than the 15th of every calendar month[49], but insufficient staff at post offices and difficult geographic locations slow down delivery. Consequently, disbursements often arrive as large sums that have accumulated over several months (see also Section 7 below on public financial management and Section 4 above on fund usage).

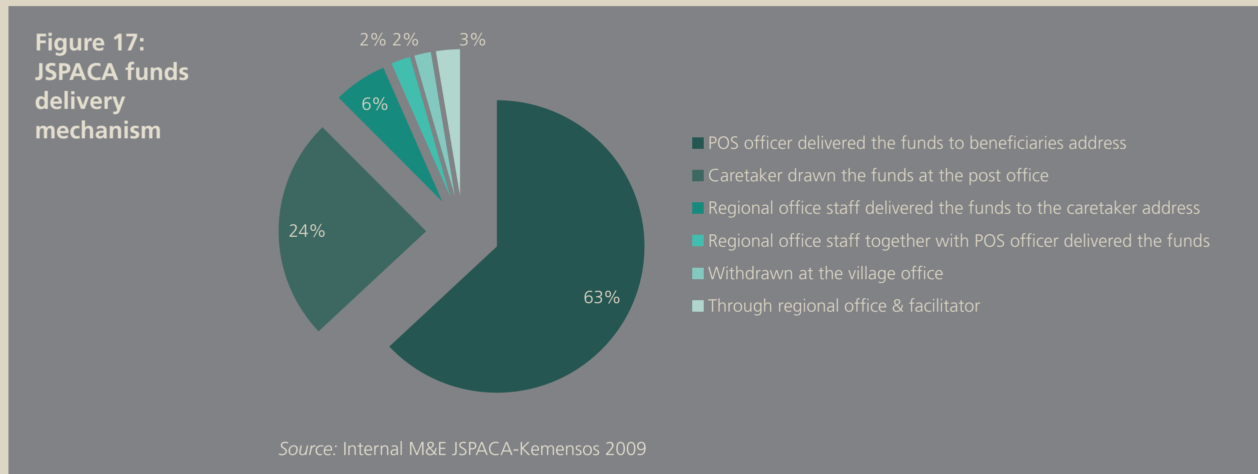


Figure 17: JSPACA funds delivery mechanism

Source: Internal M&E JSPACA-Kemensos 2009

49 If the beneficiary or guardian is twice not present at his/her address during attempted delivery, then benefits are held at and can be withdrawn from the nearest designated post office. Monitoring activities in 2009 showed that 24 percent of beneficiaries went to the post office to receive disbursement while 65 percent stated that post officers delivered funds to their address.

PKSA, which uses PT Pos to transfer funds directly to bank accounts established by LKSA on behalf of beneficiaries[50], reports more timely fund disbursement. This is likely because some LKSA rely almost exclusively on PKSA transfers to run regular activities for *all clients* under their care and therefore are motivated to advocate for better disbursement outcomes and apply pressure on PT Pos. There are no such incentives in the JSLU and JSPACA programs for applying pressure when funds are delivered late.

Facilitation is crucial for program success…. Facilitators are responsible for weekly visits to clients to advocate for and encourage healthy living practices and social integration, assist with cash transfer spending, and provide updates on disbursement schedules and co-responsibilities (see Figure 18 below for most commonly-discussed topics). Facilitators are the primary interface between a beneficiary and the program, so any obstacles, shortcomings, or malfeasance that occurs is usually reported to facilitators first. Facilitators are also one of Kemensos's primary sources of monitoring and evaluation information and contribute reports for such activities. They also assist enumeration and data collection teams in locating potential beneficiaries.

…but few resources are devoted to quality upgrading in facilitation or facilitators. JSLU and JSPACA facilitators earn approximately Rp 167,000 per month, which is below the average wage for domestic help or childcare (for example) in urban areas in Indonesia. PKSA facilitators employed by Kemensos can earn as much as Rp 1.4 million per month, which higher salaries are meant to attract facilitators with higher education levels.[51] Facilitators must be mobile and cover large areas, but neither the transportation allowance (on average Rp 300,000 per month - budgeted for 5 months) nor overall salary varies by ground covered or with the number and distance to beneficiaries. Internal JSPACA monitoring (in 2009) showed that of 151 facilitators operating in 84 districts, 11 percent served more than 40 clients while the desired beneficiary-to-facilitator ratio is 10 to 15.[52]

The effectiveness of facilitator training content and frequency is unknown. As designed, facilitator training occurs as a vertical cascade, with senior facilitators delivering training material and any program updates to cadres in their regions. Senior facilitator training was completed during the inaugural program year and JSPACA and JSLU have each conducted one regionally-staggered training refreshment per year. These refreshers are intended primarily for newly-hired facilitators but any facilitator may come to receive updates. They are staggered regionally so newly-hired facilitators receive training only if it is their region's turn. PKSA facilitators must often coordinate activities with staff from partner LKSA, but these same LKSA staff have noted that PKSA facilitators are often not well-prepared and thus ineffective. LKSA staff also observed that PKSA facilitators were in danger of becoming gatekeepers of cash transfers (delivered through PKSA) rather than providing more comprehensive support and advocacy.[53]

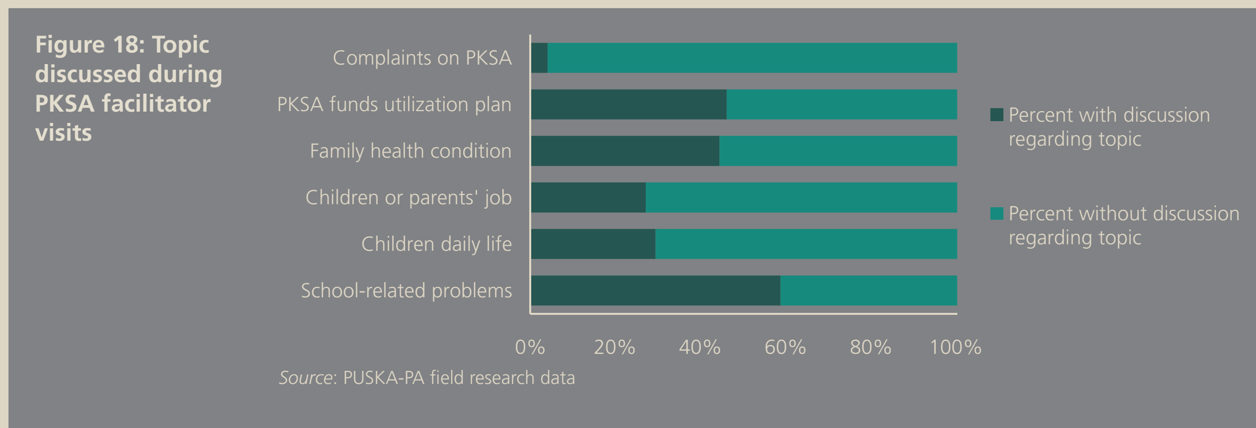


Figure 18: Topic discussed during PKSA facilitator visits

Source: PUSKA-PA field research data

50 In addition to establishing the account, LKSA retains access to that account.

51 The minimum level of education for a PKSA facilitator employed by Kemensos is a college degree in social welfare science; JSLU and JSPACA facilitators are required to have graduated from senior high school.

52 Internal M&E of JSPACA program, (2010)

53 However, there is no clear division of authority and mandate between LKSA staff and PKSA facilitators which has lead to mistrust, jealousy, and frustration (for both parties) in some cases, so LKSA evaluations of PKSA facilitators should be taken with a grain of salt. See PUSKA PA UI (2011) for further detail.

Monitoring and evaluation activities are provided for program manuals…. Program manuals indicate that activities should include questionnaires, focus group discussions, interviews, and direct observation of beneficiaries, beneficiary families, PT Pos staff, facilitators, and local government officials. In addition, regional offices are responsible for delivering quarterly implementation reports to Kemensos while JSPACA requests a monthly funds delivery report from PT Pos. Facilitators also contribute through monthly reports covering fund disbursement, beneficiary data updates, and complaints, to regional Kemensos offices. Monitoring results should be disseminated at yearly staff meetings (with staff representatives from every province). Feedback for improving program implementation is expected to be generated through discussion of results and regional success stories and difficulties.[54]

…but regular monitoring and evaluation is not successfully carried out everywhere. In 2010, Kemensos at the central level, in coordination with regional offices, completed JSPACA and JSLU monitoring activities in 20 and 28 provinces (respectively).[55] However, the regular regional-to-central reporting process is not monitored nor are there any penalties for noncompliance. Facilitator reports have become a condition for salary payment, which has encouraged hasty reporting and "ticking boxes". An internal JSPACA monitoring report in 2009 showed that 12 percent of PT Pos staff thought their reports were the responsibility of the Kemensos regional office; approximately 9 percent of post offices did not submit the report.

The monitoring instruments used and information reported are inadequate. Each directorate has a standard form to be used by facilitators and local offices. However, the form is general and does not capture critical issues or explore the root causes of implementation difficulties. For example, information like beneficiary socioeconomic characteristics or beneficiary program knowledge of selection process, disbursement timing and amounts, the complaint mechanism, or beneficiary perceptions are not fully covered.

A functioning complaints and grievance system is mostly not provided. Technically, complaints and suggestions (from any community members) for the three programs can be communicated to Kemensos or its regional offices directly. Communities are largely unaware of this, however, and beneficiaries usually lodge complaints through facilitators. Facilitators are not required to, and have no incentives to, pursue the complaint with superiors or program administrators. When complaints are filed, they do not enter any flow of information from the ground up to the central level; nor is there usually any remedy directed back down to the local level.[56]

54 Dissemination, evaluation, and feedback procedures are not explicitly mentioned in program manuals.

55 PKSA has not yet completed any monitoring activities.but plans to do so in 2011.

56 JSLU is the only one of the three cash transfers that clearly elaborates a complaint handling system – including a dedicated telephone, fax, and email connection to Kemensos and PT Pos – in the program guidelines. In addition, JSLU (and JSPACA) membership stickers placed on each beneficiary's dwelling are meant to encourage community reporting of mistargeting.

7. Public Financial Management and Sustainability

Public financial management – covering issues such as budget formulation and reporting, indexation of benefits, and budget execution and disbursement – could be strengthened.

Budget formulation and reporting is relatively comprehensive…. The overall budget ceiling for the Yanrehsos program as a whole is determined annually through consultations between the Directorate General, Bappenas and Kemenkeu, and then allocated by the DG to each of the activities and interventions, subject to approval by the Minister. Annual financial accountability reports (LAKIPs) are produced for each of the major activities and provide detailed documentation on centrally-executed spending (down to the sub-activity level). Budget planning is also informed by Indonesia's Medium Term Development Plan (RPJM) 2010-14, which outlines indicative beneficiary number targets and budgets for the Yanrehsos budget and for each of the three major activities (Children, Disabled and Elderly) for each year out to 2014.

…but the usefulness of the reports is limited by incomplete coverage and lack of detail. For example, the above-mentioned documents do not include spending on civil servant salaries (which are grouped together under the DG's Secretariat budget) nor spending on local social workers or community-based organizations and social institutions (for which separate reports putatively exist but which are not easily accessible). A single audit document which provides a comprehensive overview of all spending on each activity including salaries and spending by at the local level would allow for greater tracking and analysis of performance. Furthermore, the LAKIPs merely list expenditure items and do not present any analytical categorization of spending nor information on outcomes. The streamlining of expenditure reporting by categories such as: (1) function (e.g. policy or implementation); (2) sub-function (e.g. targeting, M&E, socialization); (3) different interventions; or (4) benefit versus non-benefit costs, would allow for faster and easier analysis of program expenditure which could better support future improvements. Spending on JSPACA and JSLU is unique in being isolated within their Directorate's LAKIPs, allowing for easier analysis, and may serve as an example to replicate. Many, perhaps all, of these issues are not unique to Yanrehsos, but reflect broader public financial management practices in Indonesia.

Budget execution rates for the Yanrehsos program are high…. The budget execution ratio for the Yanrehsos program, relative to the final revised budget, declined to below 90 percent in 2007 and 2008, largely reflecting weak disbursement of community-executed spending which was being wound down at the time (Figure 19 and Annex Table 8). Yet in 2010, the execution ratio remains under 90 percent of the budget, reflecting poor implementation, particularly on non benefit disbursement.

…although disbursement is sluggish early in the year due to implementation delays. Disbursement tends to be slow early in the fiscal year and lumpy (Figure 20). In 2008 and 2009, for example, only 6 percent of the budget was disbursed in the first quarter, while 2010 shows even worse execution ratio at 3.5 percent. A major cause of delay is JSLU, JSPACA, and PKSA implementation, for which disbursement of funds from Yanrehsos to PT Pos typically only occurs in June of each year after the beneficiary list is finalized and a Memorandum of Understanding (MoU) is signed between the two agencies (typically in April or May of each year). These delays are caused by the need for districts to re-confirm the eligibility of existing beneficiaries each year and propose new beneficiaries to Kemensos, which holds final authority to approve the beneficiary list. The Elderly Directorate initiates this process in October or November of the preceding year to try to avoid delays, but then must wait for the MoU anyway, which covers all interventions within Yanrehsos. As noted above, this Directorate is planning to decentralize its cash transfer intervention in 2012, which could help speed up disbursement since beneficiary lists will not need to be sent to the Center for verification. The delay in disbursement of funds to PT Pos means that recipients often receive their first transfer in the second half of the year in a lump sum which covers the first six months of the year. Thereafter, the stipend is either paid monthly or, more often, in tranches every two to three months (especially in remoter districts).

Figure 19: Budget execution ratios by executing agents
(Realized spending as a share of final revised budget allocation, percent, 2006-2010)

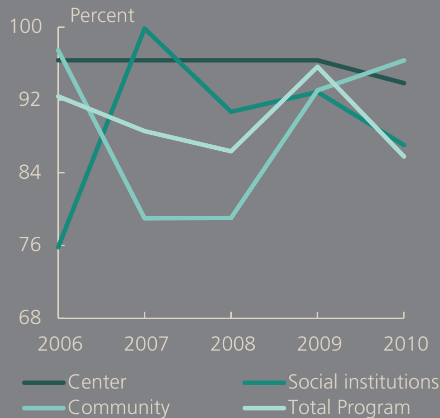
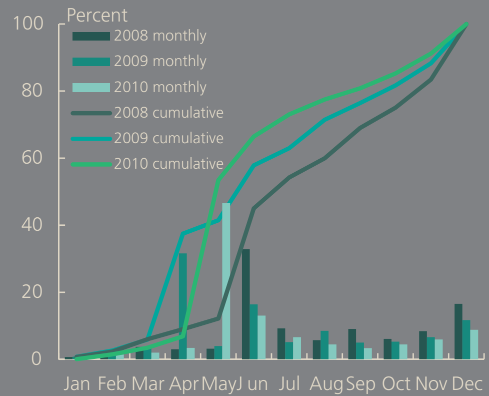


Figure 20: Budget execution by month
(Monthly and cumulative actual expenditure, percentage of total annual actual expenditure, 2008 through 2010)



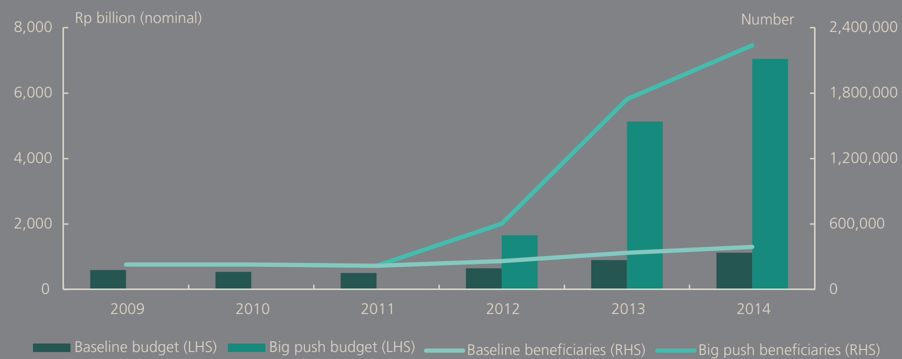
Sources and *notes*: World Bank staff calculations based on Directorate General data

Current expansion plans are minor from a Cluster 1 perspective and have negligible consequences for the central government's overall budget. The RPJM for 2010 to 2014 outlines modest expansion plans for each of JSLU, JSPACA, and PKSA (as well as other initiatives within the Yanrehsos portfolio). The target number of beneficiaries is planned to rise by around 80 percent to almost 400,000 by 2014, but coverage of the potential target population (based on household survey estimates) remains below 20 percent. Given the small scale of the programs, the budget consequences of this expansion are negligible: the overall budget doubles to around Rp 1.1 trillion by 2014, roughly equivalent to what is spent on PKH today, and remains a tiny share of total central government spending at 0.1 percent. A big push to expand coverage to all potential beneficiaries would have larger, although still relatively modest, budget implications. A massive scale up of the program starting in 2012 with the aim of reaching 100 percent coverage (over 2,000,000 beneficiaries) by 2014 could result in the annual budget rising to around Rp 7,000 billion by 2014, equivalent to around 0.7 percent of central government spending.

Table 5: Financial sustainability of programs for vulnerable groups out to 2014

	2009	2010	2011	2012	2013	2014
Baseline (RPJM)						
Total budget allocation (Nominal, Rp billion)	595	538	504	646	899	1,122
Share of central government spending (%)	0.1	0.1	0.1	0.1	0.1	0.1
Target number of beneficiaries	228,466	228,466	216,650	260,650	336,480	390,060
- Children	169,306	169,306	157,800	185,600	234,100	263,000
- Disabled	34,195	34,195	35,750	45,000	60,180	75,640
- Elderly	24,965	24,965	23,100	30,050	42,200	51,420
Share of potential target population covered (%)	8	9	9	11	14	17
Big Push						
Total budget allocation (Nominal, Rp billion)				1,658	5,133	7,043
Share of central government spending (%)				0.2	0.5	0.6
Target number of beneficiaries				603,464	1,745,643	2,238,551
- Children				352,047	1,018,368	1,305,920
- Disabled				94,041	272,032	348,844
- Elderly				157,376	455,242	583,787
Share of potential target population covered (%)				25	75	100

Figure 21: Financial sustainability of programs for vulnerable groups out to 2014



Sources and *Notes*: RPJM 2010-14 and World Bank staff estimates and projections.

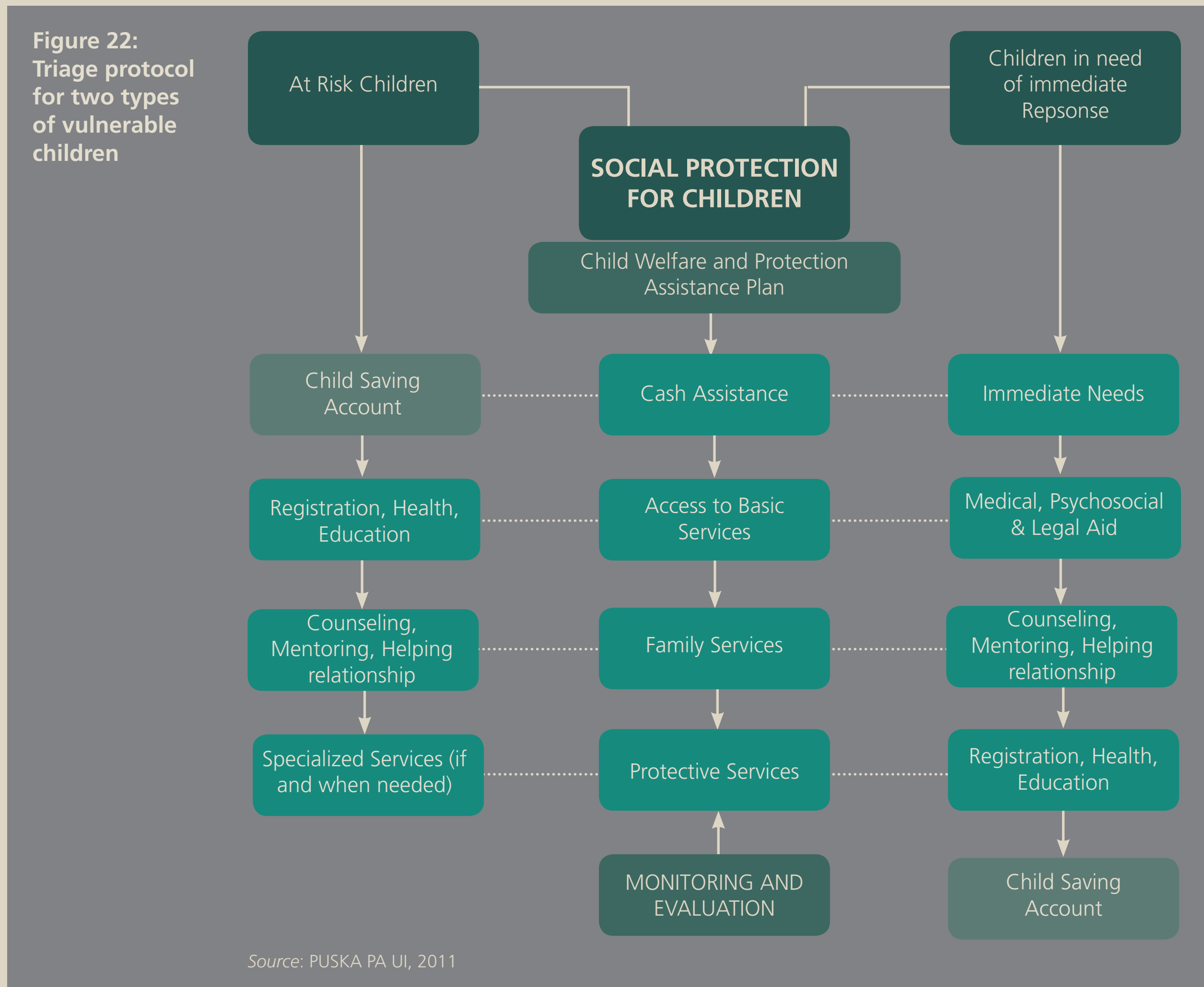
8. Summary and Recommendations

Indonesia is committed to protecting welfare for all citizens and the Yanrehsos facilitated cash transfer programs have the potential to help by delivering income and facilitated services to vulnerable and at-risk populations of elderly, youth, and the disabled. These populations face difficulties benefitting from universal services provided by local and national governments *and* privately- or socially-provided services and care. Additionally, individual members of these populations are often identified by a lack of support and care coming from family, kin, and community-based networks. At the same time, and especially for the elderly and disabled populations, daily costs of living are much higher while they may be completely or partially unable to generate income. Welfare protection for these groups must be specialized; the Yanrehsos facilitated cash transfers – JSLU, JSPACA, and PKSA – recognize the increased complexity of protecting welfare in targeted subpopulations and provide generous cash benefits for daily costs of living as well as facilitated services that aim to increase participation in social services and community life.

However, the Yanrehsos programs are not ideal. Four main areas limit effectiveness: (1) benefit package design… The cash transfers portions of the JSLU, JSPACA, and PKSA programs are relatively generous by Indonesia standards, but the facilitated services may be equally valuable for beneficiaries in terms of overall health, mental and social well-being, and inclusion. Though facilitators are instructed to provide beneficiaries help, advice, and encouragement to access the entire array of services that are locally available (health services, legal services, advocacy services, community and social services), a standard package is not detailed, and there is no guarantee that motivated and enthusiastic facilitators will have the training or experience necessary (see below) to identify and provide remedies for the most relevant physical, mental, and social difficulties that beneficiaries face.

(2) intervention design and capacity constraints… Relatedly, the cash transfers as designed have no triage system to deliver the worst-off beneficiaries to agencies and care institutions that can provide specialized assistance when needed. Figure 22 provides a summary of a triage system that distinguishes between "at risk" children and children who are "at risk" and in need of immediate or rapid response; the design can equally apply to "at risk" elderly and in some cases, the disabled. In this scenario, the children in need of immediate response are first referred to the institutes or care providers for front-line emergency care or immediate intervention. Only after those services have begun would those children be considered eligible for (and referred back to) the cash transfers and other facilitated services available in PKSA (for example). In PKSA currently (and in both JSLU and JSPACA), any beneficiaries identified are given the same basic benefit package regardless of special circumstances.[57] This is less effective for those who would benefit from a front-line emergency response. It also leads to increased burdens on Yanrehsos staff and local affiliates, who are not equipped as front-line emergency providers.

57 PKSA has developed protocols for a "case conference" system, which primarily means a consultation between PKSA facilitators, beneficiary families (if available) as well as other social service providers and representatives of the legal and security services (if necessary). Such case conferences are not yet guaranteed for every PKSA beneficiary (See PUSKA PA UI, 2011) and in most cases depend on the willingness and capability of the facilitators from the PKSA program and/or those from the PKSA-implementing institutions (the LKSA).



(3) implementation weaknesses…. Socialization, targeting and prioritization, facilitator capacity and services delivered, monitoring and evaluation, and a complaints and grievances system are not effectively and consistently provided. The large amounts of time and staff resources that JSLU and JSPACA in particular spend verifying eligible beneficiaries could be reduced if all programs rely on the upcoming registry of poor households (PPLS11) for identifying their potential beneficiary pools and for determining quotas to regions. The Yanrehsos programs should be able to rely on PPLS11 and the unified targeting database to extract list of poor households that additionally meet some or all of the eligibility criteria for their program.

JSLU and JSPACA should follow the PKSA lead in setting higher salaries for facilitators and beginning a recruitment process that will result in a facilitator corps with upgraded skills and capabilities while The facilitator corps should be given every opportunity to upgrade the services that they themselves provide, for example with cross-region forums for facilitators where experts and others can give advice and answer practical concerns. The Yanrehsos cash transfers should economize on already scarce resources by pooling their targeting, socialization, and monitoring and evaluation activities by exploring the option of introducing its facilitator corps to the PKH MIS systems and monitoring and evaluation apparatus.

and (4) extremely narrow coverage. Cumulatively these programs cover less than one-tenth of one percent of Indonesia's population. The targeted populations are difficult to reliably and consistently estimate, but estimates of overall need used by Yanrehsos appear to be an order of magnitude lower than what would be expected from applying international incidence rates to the Indonesian population. While program design and implementation needs significant reform, current low coverage levels mean that even the most effective program will not reach enough of Indonesia to affect nationwide rates of well-being or social function in these populations.

While Yanrehsos may not be taking full advantage of the opportunity to intervene positively, achieving a full slate of feasible reforms could make the programs effective and worthwhile pro-poor expenditures. The attempt to provide benefits that are in many ways the most difficult to reach, with the highest costs of daily living, and most likely the highest rates of social exclusion should be commended. The current narrow coverage of the pilot initiatives has a hidden benefit: reform can be achieved without major disruptions in services. With concerted attention to program design and implementation, Yanrehsos will be ready to bring a tested program to all of Indonesia.

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Annexes

Table 6: Spending on the Yanrehsos Program by activity* & Implementing Unit ***(Realized spending in Rp billion, constant 2009 prices, 2006-2010)***

	2006	2007	2008	2009	2010	Share in 2010 (%)
Child Social Services	**300**	**239**	**337**	**296**	**235**	**100**
Centrally executed	52	58	194	203	177	75
Institutions & rehab. centers (Pantis)	28	44	46	44	41	17
Community based (Deconcentration funds)	220	138	97	50	17	7
Disabled Social Services	186	194	206	217	194	100
Centrally executed	51	61	81	96	86	45
Institutions & rehab. centers (Pantis)	90	96	106	106	96	49
Community based (Deconcentration funds)	45	36	19	15	12	6
Elderly Social Services	76	73	75	82	69	100
Centrally executed	27	33	41	60	54	77
Institutions & rehab. centers (Pantis)	5	7	8	8	7	10
Community based (Deconcentration funds)	44	33	26	14	8	12
Total Program/Directorate General	800	763	693	669	551	100
Centrally executed	306	349	341	388	338	61
Institutions & rehab. centers (Pantis)	139	174	189	184	167	30
Community based (Deconcentration funds)	355	240	163	97	47	8

Sources and *Notes*: World Bank staff calculations based on Directorate General and BPS data. Nominal spending is deflated using the GDP deflator. *While original budget data allocates personnel expenses, office maintenance and the DG's Secretariat as an overhead cost for the DG as a whole, expenses for each individual Activity/Directorate have been estimated based on staff numbers and budget allocations.

Table 7: Indicators of spending efficiency by major activity/ Directorate, 2009 and 2010

	Child Services		Disabled Services		Elderly Services	
	2009	2010	2009	2010	2009	2010
Unit cost (Total spending/No. beneficiaries, Rp)	1,198,643	1,459,786	2,815,170	2,518,987	2,410,424	2,243,767
Administrative costs per beneficiary (Non-benefits/No. beneficiaries, Rp)	199,882	528,959	522,169	729,252	576,390	801,749
in US$	20	53	52	73	58	80
Administrative overhead ratio (Non-benefits/Total spending)	17%	36%	19%	29%	24%	36%
Cost of delivering benefits ratio (Non-benefits/Benefits)	20%	57%	23%	41%	31%	56%
Civil servants per 10,000 beneficiaries	4	4	9	9	11	11
Memo items:						
No. of beneficiaries	169,306	169,306	34,195	34,195	24,965	24,965
Number of civil servants	69	69	31	31	28	28
Total spending (Rp bn)*	203	247	96	86	60	56
o/w Benefits	169	158	78	61	46	36
o/w Non-benefits	34	90	18	25	14	20
o/w Civil servant salaries	2.9	2.9	1.3	1.3	1.2	1.2

Sources and *Notes*: World Bank staff calculations based on Financial Accountability Reports (Laporan Akuntabilitas Keuangan Pemerintah or LAKIPs) and Directorate General data. *While original budget data allocates personnel expenses, office maintenance and the DG's Secretariat as an overhead cost for the DG as a whole, expenses for each individual Activity/Directorate have been estimated based on staff numbers and budget allocations.

Table 8: Budget execution ratios by Activity ***(Realized spending as a share of final revised budget allocation, percent, 2006-2010)***

	2006	2007	2008	2009	2010
Child Social Services	**92**	**78**	**87**	**97**	**89**
Centrally executed	79	75	92	98	97
Institutions & rehab. centers (Pantis)	65	86	90	94	66
Community based (Deconcentration funds)	99	77	78	97	94
Disabled Social Services	**90**	**94**	**91**	**95**	**82**
Centrally executed	95	95	95	98	97
Institutions & rehab. centers (Pantis)	86	97	91	93	71
Community based (Deconcentration funds)	95	85	79	93	98
Elderly Social Services	**90**	**86**	**85**	**98**	**91**
Centrally executed	88	90	88	98	95
Institutions & rehab. centers (Pantis)	65	79	92	95	68
Community based (Deconcentration funds)	96	86	80	97	95
Total Program/Directorate General	**92**	**89**	**86**	**96**	**86**
Centrally executed	96	96	96	96	94
Institutions & rehab. centers (Pantis)	76	100	91	93	87
Community based (Deconcentration funds)	97	79	79	93	96

Sources and *Notes*: World Bank staff calculations based on Directorate General data.

Indonesia Social Assistance Program and Public Expenditure Reviews are policy notes summarizing current issues in the Government of Indonesia's major household-targeted social assistance programs. Design, implementation, coverage, impacts, budgetary demands, cost effectiveness, stakeholder perceptions, and program history will be examined through qualitative and quantitative analysis for each program: conditional and unconditional cash transfers, subsidized rice distribution, a health fee waiver, cash scholarships, and cash transfers for the neglected elderly, disabled, and at-risk youth. Evidence-based appraisal can assist policymakers in evaluating programs and deciding whether and how they are achieving Indonesia's social protection goals. Reviews 1 through 8 together comprise a companion volume to the "Protecting Poor and Vulnerable Households in Indonesia" report. "Protecting Poor and Vulnerable Households in Indonesia" provides a public expenditure review of the wider social assistance sector, summarizes results from Reviews 1 through 8, explores gaps in both population coverage and risk coverage of current social assistance programming, and offers recommendations and suggested reforms for achieving an integrated and coordinated household-based social assistance system.

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