

DEVELOPMENT OF ADAPTIVE SOCIAL PROTECTION IN INDONESIA

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URBAN CLIMATE
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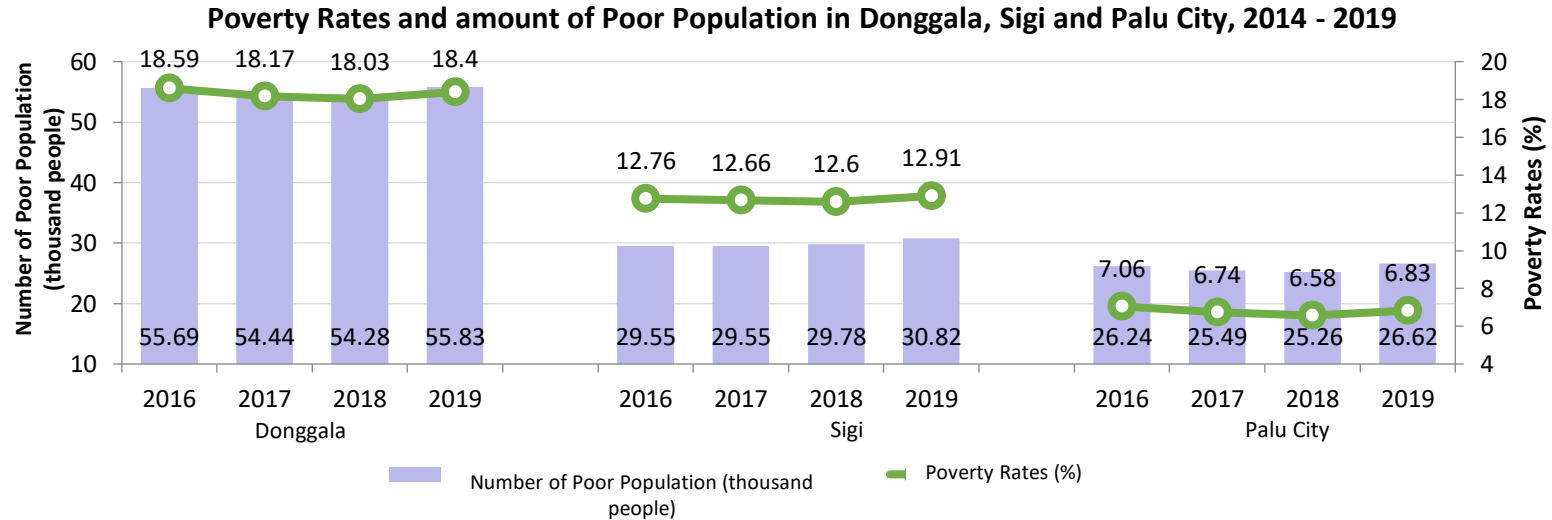
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Natural Disaster Increase the Poverty Rates of the Impacted Region



- In 2018, Donggala, Sigi and Palu City experienced earthquake and tsunami.
- As a result, there was a high increase in poverty rates in 2018 – 2019 in the these regions.
- The number of poor people increased to 1.55 thousand people (Donggala), 1.04 thousand people (Sigi) and 1.36 thousand people (Palu City).

The Need of Adaptive Social Protection in Regulatory Framework



Law No. 11 / 2009
about Social
Welfare

Law No.24 /2007
about Disaster
Management

National Medium
Term Planning
2020-2024

Social Protection
Reform

Disaster Victims as a vulnerable group is one of priorities in the implementation of social welfare program.

Disaster management by fulfilment of basic needs, social protection, education and skills.

Currently, a presidential regulation is being drafted for social protection reform including the development of ASP.

The Development of Adaptive Social Protection in Indonesia

Adaptive Social Protection Development Framework

Prevent hazardous events through disaster risk analysis, individual income stabilization programs, and natural resources management improvement.

Phase
01

Disaster
prevention

Preparedness

Phase
02

Sets the ground for all stakeholders through communication channels and coordination in institutional structure. rise awareness of ASP.

Provide emergency responses and finance resilient recovery activities for disaster-affected communities .

Phase
03

Residual risk retention
and transfer

Response

Phase
04

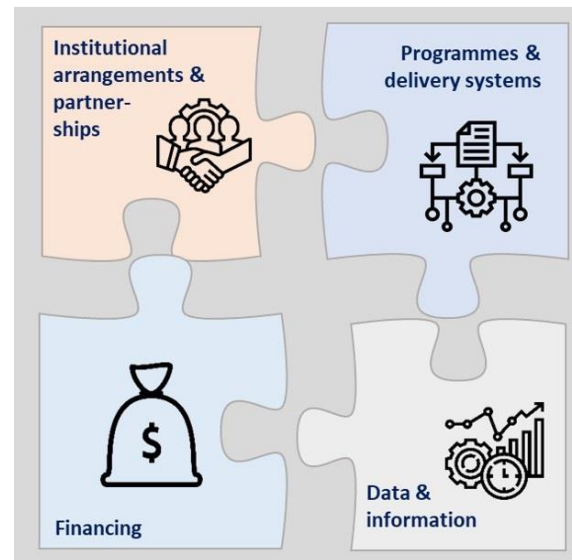
Effective and efficient response activities based on preparedness phase including the development of the response capacities of all actors.

Appropriate and time-bound recovery supports for people and government using Build Back Better (BBB).

Phase
05

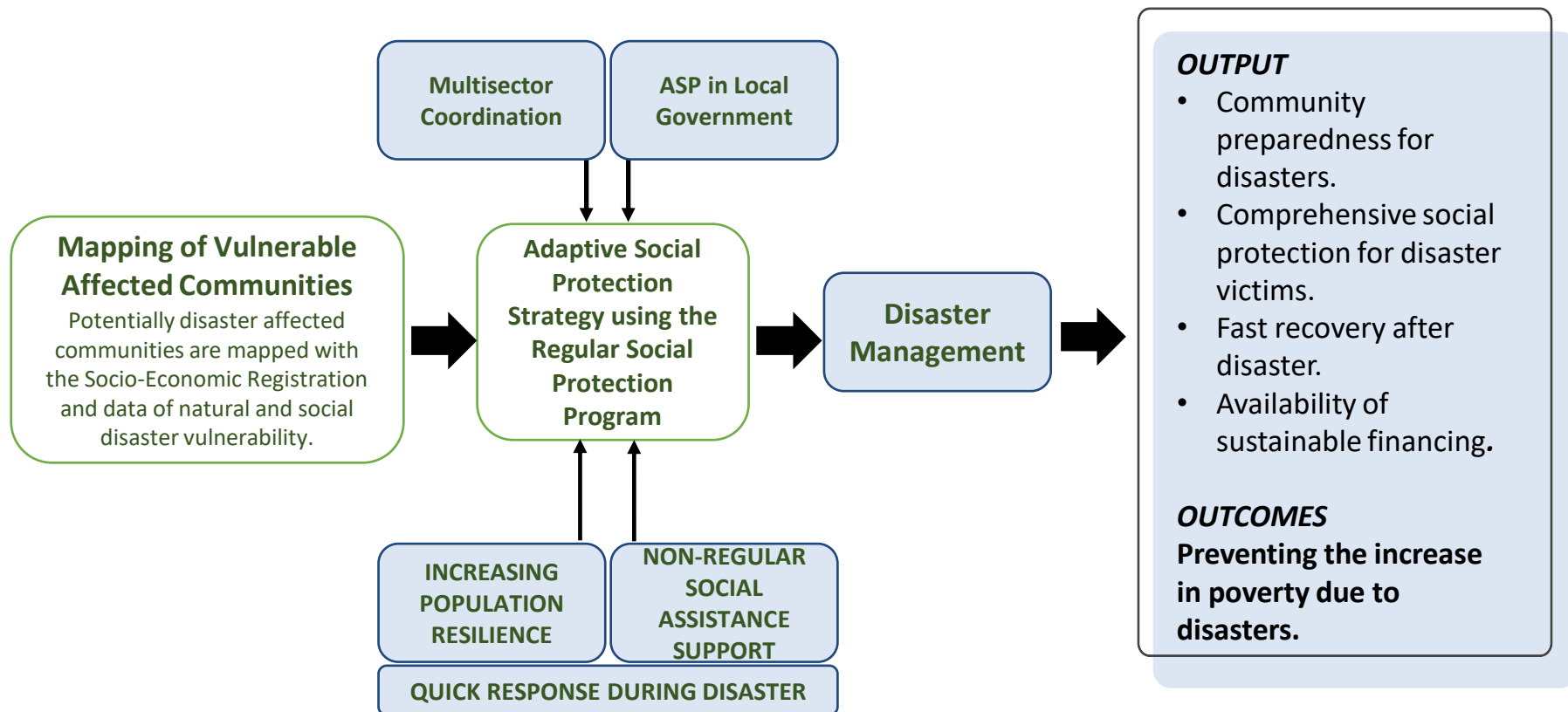
Recovery and
reconstruction

Adaptive Social Protection Roadmap Building Blocks



Source: Concept Note- Final Draft of ASP in the Context of Climate and Disaster Risks (2020)

Adaptive Social Protection Scheme in Indonesia



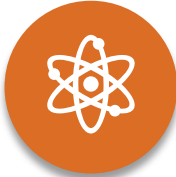
The Way Forward and Challenges



Resource mobilization: Enhance human and technical capacities for financial data management, risk vulnerability assessment, poverty targeting, cost benefit analysis, fund management, develop new schemes and tools for budgetary and non-budgetary financing based on the risk-layering approach.



Organizational development: Strengthen ASP policymaking bodies and delivery programs in terms of internal organization, financial management, transparency and accountability, internal audit, external outreach (e.g efficient delivery cash transfers), develop appropriate measures to monitor and improve the disaster-responsiveness.



External stakeholder relation: Monitor and evaluate the impacts of ASP measures (including infrastructure development and insurance schemes) on the well-being of target groups with special emphasis on the resilience of poor households.



Enabling environment: Adapt policies and strategies as well as institutional, legal regulatory frameworks to the needs of DRFI as a constituent component of the ASP system, ensure ASP visibility and communication with a view to enhancing awareness of the benefits of ASP, promoting and broader financial inclusion.

Thank You



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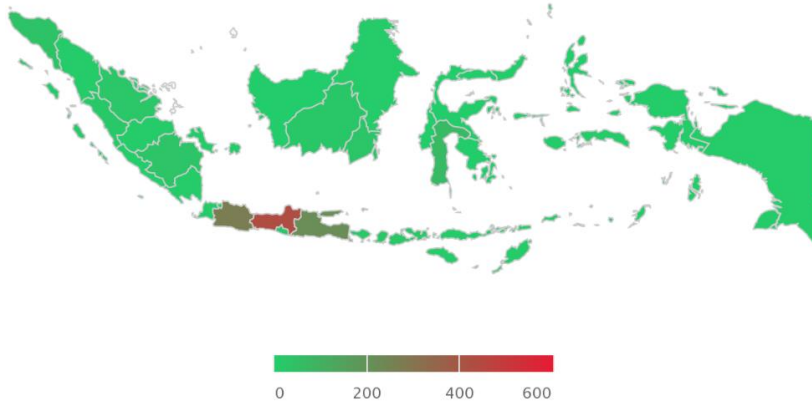
LoCAL
LOCAL CLIMATE ADAPTIVE
LIVING FACILITY

APPENDIX

The Urgencies of Adaptive Social Protection in Indonesia

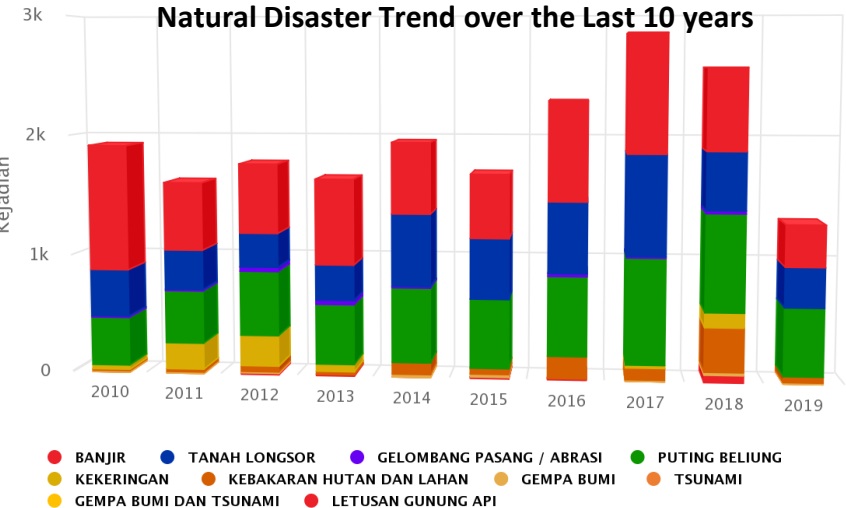
Located in the *ring of fire along with climate change as the global phenomenon*, Indonesia is **very vulnerable to various types of natural disasters**.

Indonesia's Natural Disaster Distribution 2019



During 2019, the majority of natural disasters occurred on the Java.

During 2000-2020, there were as many as 17.8 million people affected by disasters (EM-DAT, 2020). The average annual economic loss is Rp. 22.8 T while the ability of the State Budget for disaster risk management is only Rp. 3-10 T. (BNPB and MoF, 2021)



Floods, landslides and cyclones are the most frequent natural disasters in Indonesia over the last 10 years.

(Bappenas, Coordinating Ministry for Human Development and Culture, MoF, MoSA, MoHA, MoH, Ministry of Education and Culture, BNPB, Local Government, Worldbank, GIZ, ADB, Unicef, UNDP, WFP, CSIS)

What Is Adaptive Social Protection

Policies and programs aimed at preventing and protecting communities against poverty, vulnerability and social exclusion in their life cycle, especially for vulnerable groups (including disaster victims) are adapted to their conditions.

1

Adaptive Capacity:

Help individuals, households, and communities living in areas exposed to disasters to adapt their lives and livelihoods to these condition.

2

Ex- ante Anticipatory Capacity:

To manage potential Risks.

3

Ex-post absorptive capacity:

To cope with their negative impacts.

Sources: Concept Note- Final Draft of ASP in the Context of Climate and Disaster Risks, with adaptation

Adaptive Social Protection on Global Agendas and Framework

SDGs



Goal 1.3:
Implement nationally appropriate **social protection systems** and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable



SFDRR

SENDI FRAMEWORK
FOR DISASTER RISK REDUCTION 2015-2030

7 targets, most relevant for ASP:

- (a) Substantially **reduce** global **disaster mortality**
- (b) Substantially reduce the **number of affected people**
- (c) Reduce direct disaster **economic loss** in relation to GDP

Paris Agreement



§6/8:

[...] implementation of their nationally determined contributions, in the context of sustainable development and **poverty eradication** [...] including through, inter alia, mitigation, adaptation, finance, technology transfer and capacity-building

Further relevant global frameworks & action agendas with link to ASP



Sources: Concept Note- Final Draft of ASP in the Context of Climate and Disaster Risks

Non-Cash Delivery of Social Assistance in Indonesia

Mandate on Presidential Regulation No. 63/2017 about Non-Cash Social Assistance



Social assistance and subsidy are distributed through non-cash channels via banking system.



Integration of multiple social assistance programs in one card.



The main objective is to accelerate the poverty reduction and improve the financial inclusion.

Disbursement Mechanism of Social Assistance/Subsidy Programs in Indonesia



Conditional Cash Transfers (*Program Keluarga Harapan*)

Through basic saving accounts, disbursed via ATMs and bank agents.



Food Assistance (*Program Sembako*)

Through e-voucher integrated in Social Welfare Card (KKS) to purchase food supplies (rice, eggs, or vegetables) at agents (*e-warong*).



Education Assistance (*Program Indonesia Pintar*)

Through basic saving accounts.



Electricity Subsidy

Through price subsidy, not a direct transfer.



LPG Subsidy

Through price subsidy, not a direct transfer. It is planned to be integrated with Food Assistance in the future.

Comprehensive ASP Approach in Indonesia

- **The Government of Indonesia envisages a presidential decree for ASP and has put forward an indicator to achieve by 2024:** 30% national and local government institutions have adopted the ASP system.
- Three elements of Adaptive Social Protection According to National Medium Term Development Plan of Indonesia (RJMN 2020-2024) :



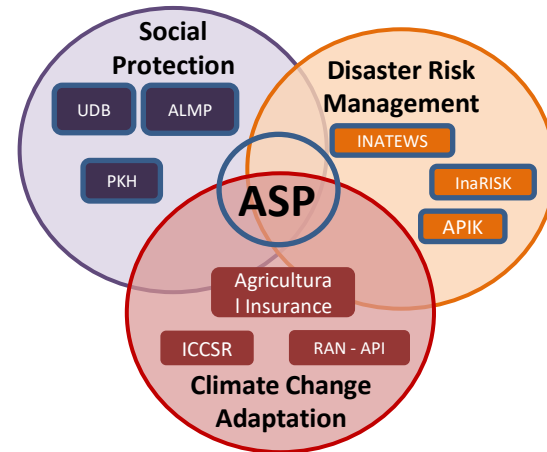
ASP reflects the integration of three different sectors - SP, DRM and CCA in an integrated manner.



Strengthening the Social Protection Institutional System to be more responsive to socioeconomic risk due to climate change and natural disasters.



Development of a sustainable ASP Financing System to overcome climate change and natural disaster risks.



Source: Concept Note- Final Draft of ASP in the Context of Climate and Disaster Risks, with adaptation

Collaboration between Stakeholders in Indonesia



Ministry of National Development Planning

- Oversee government affairs in the field of national development planning, including disaster risk mitigation planning.
- Assist the government defining its long term perspectives.
- Ensure coordination with line ministries.



National Disaster Management Agency

- As a central board responsible for disaster events, directly responsible to the President.
- To directly take over commanding functions during national disasters.
- Mapping the vulnerable areas and districts



Ministry of Social Affairs

- Build community capacity and mitigation in disaster prone areas through Disaster-Prepared Districts (Kab/Kota Siaga Bencana).
- Assist community preparedness.
- Ensure the implementation of social protection programs for social disaster victims.



Ministry of Environment and Forestry

- Plan, organize, and oversee the execution of environmental and forestry programs in the country, including climate change preparedness actions.
- Support the National Framework for the Prevention and Management of Food Crises and Disaster.
- Map the areas and districts that are vulnerable to disasters.