Anti Poverty Interventions through Community-based Programs (PNPM) and Direct Cash Support (PKH)
The Program Clusters of Poverty Alleviation Strategies

1st Cluster
- Assistance & Social Protection Programs
  - rice subsidy, cash transfers, health insurance, scholarships, social assistance

2nd Cluster
- Community Empowerment Programs
  - Block grants & TA for poor sub-districts

3rd Cluster
- Micro & Small Scale Enterprise Empowerment
  - Micro credits through banks, & other types of financial assistance

Gradually improvement of the social and economic status
PNPM - Poverty Reduction Through Community Empowerment

RESPONSIVE GOVERNMENT & EMPOWERED COMMUNITIES
• Strengthening bottom-up dev’t approach;
• Improving local government (sub-districts, village heads & legislative) responsiveness
• Improving social service delivery to the poor.
• Pro-poor planning and budgeting

MARKET LINKAGES
• Infrastructure
• Microfinance
• Smallholder dev’t
• Renewable energy & NRM

SOCIAL PROTECTION
• Women’s participation
• Justice for the poor
• Helping marginal groups
• Transparency
Why is PNPM?

1. To fulfill people needs in remote & isolated areas due to imperfect market.

2. To solve difficulties in reaching the poor.
   
   → Current decentralization doesn’t guarantee local governments perform participatory and pro-poor approaches.

3. To avoid inefficiency & confusion of overlapping activities, procedures, & community institutions of community-based activities implemented by different kinds of ministries

   → PNPM attempts to harmonize:
     
     • Location by targeting poor sub-districts
     • Principles & performance indicators.
     • Simplifying procedures (planning, disbursement, facilitation training, and unit costs).
     • Community institutions as a forum for community decision making
The Cycle of Empowerment Process

**Self-help mapping:**
- Needs & asset identification
- Problem solving

**Poverty reflection:**
- Poverty diagnostics
- Problem identification
- Solution identification

**Community meetings:**
- Binding interest
- Democratization
- Self reliance

**Dissemination:**
- Social mapping
- Socialization

**Community Organization:**
- Form & set up community organization

**Planning:**
- Programs & activity identification and Prioritization

**Implementation:**
- Form implementation units
- Set up agenda / action plan

**Beneficiaries:**
- Set up beneficiaries
What are the activities for community empowerment?

- Train the communities in identification, analysis and decision making process to tackle their poverty problems
- Create/expand small scale infrastructures and community economic productivities.
- Increase community capability and self-help to achieve better standard of living
<table>
<thead>
<tr>
<th>Program</th>
<th>2007</th>
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<th>2010</th>
<th>2011</th>
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<tr>
<td></td>
<td>Total</td>
<td>Alok/Kec</td>
<td>Total</td>
<td>Alok/Kec</td>
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<td>1.841</td>
<td>1.2</td>
<td>4.284,1</td>
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<td>RISE</td>
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Notes: * The allocation is only from National Budget (LG is considered to co-finance the block grant 20-30%).
Lesson learned from Evaluations (1)

1. Positive impacts to increasing consumption, access to health & education, & job creation.
   • The 1st quintile HH approximately gain per capita consumption 10 percent greater in comparison with control areas;
   • household heads in PNPM areas were 11.0 percent more likely to see expanded access to outpatient care
   • Unemployment rates 1.5% less than in control areas
   ➔ Yet, the impacts were less significant in non-poor sub-districts

2. Increased basic infrastructure with quality ranges good to very good, high economic returns, and costs lower than equivalent works built through government contracts.
   ➔ They typically provide unskilled manual workers in short-term employment
   ➔ Villagers are willing to supply only labor for routines maintenance. Needs role of local governments to conduct periodic maintenance.
3. The microcredit/revolving fund has replaced informal credits
   → The source mainly rely on the block grants. Further facilitation to other financial resources is needed.

4. People participation expands the community capacity, the activities are consistent with the community needs, as well as women and poor participation (especially at the lower level and revolving fund decision making forums).
   → Participation was less at marginalized groups (HH without assets, live isolated/far from the village center, women head or elderly HH, diffable, and minorities).
   → The delays and administrative routine create ‘fatigue’ at the community, which then delegate the voice to the activists (and/or facilitators)

5. Good governance practices support reform at the village level
   → The program expansion reduces facilitation quality and management’s span of control (delays, fiduciary, & misuse of fund)
PNPM’s Road Map

INITIAL/LEARNING PHASE (Year 1-2)
- Participatory development learning process
- Block grant as stimulant
- Community initiative learning process, facilitate by facilitators

SELF RELIANCE PHASE (Year 3-4)
- Partnership with other stakeholders
- Community able to access other resources
- Integration between participatory planning and regular planning process

SUSTAINABILITY PHASE (YEAR 5-6)
- Community are able to partnership with wider stakeholders
- Pro poor planning & budgeting of LG
- Facilitators are based on community requirement

EXIT STRATEGY
- Replication CDD principles, mechanisms & procedures by Local Government & other stakeholders (NGOs, CSR, etc)

CDD ARE IMPLEMENTED WELL
PKH: Indonesia’s Conditional Cash Transfer
What is Program Keluarga Harapan (PKH)?

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

- PKH is designed to reduce poverty and improve the human development condition.
What are the conditions?

**Related to Health:**
The mother or the adult woman responsible for taking care the children in the family receives cash if:

(a) she goes to a nearby health facility for pre and post natal check-ups; and or

(b) the children under 5 years old receives regular immunization and check-ups.

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

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

(b) children attend the school with minimum 85% attendance.
# Benefit Scenario

<table>
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<tr>
<th>Benefit Scenario</th>
<th>Annual Benefit per Poor HH</th>
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<tbody>
<tr>
<td>Fix Benefit</td>
<td>Rp. 200.000</td>
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<tr>
<td>Benefit for Poor HH who has:</td>
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</tr>
<tr>
<td>a. Children under 6 years old</td>
<td>Rp. 800.000</td>
</tr>
<tr>
<td>b. Pregnant/lactating mother</td>
<td>Rp. 800.000</td>
</tr>
<tr>
<td>c. Children in elementary school age</td>
<td>Rp. 400.000</td>
</tr>
<tr>
<td>d. Children in junior secondary school age</td>
<td>Rp. 800.000</td>
</tr>
<tr>
<td>Average benefit per poor HH</td>
<td>Rp. 1,390,000</td>
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<tr>
<td>Minimum benefit per poor HH</td>
<td>Rp. 600,000</td>
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<tr>
<td>Maximum benefit per poor HH</td>
<td>Rp. 2,200,000</td>
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</table>

**Notes:**
- Average benefit is calculated based on 16% of total annual income of poor HH.
- The range for minimum and maximum benefit is between 15-25% average annual income of poor HH.
- Benefit scenario will be evaluated periodically.
Some Evaluation Results (1)

1. PKH contributes to:
   • 3% increase in the number of mothers’ and children’s visits to health centers.
   • 5% increase in the weight of infants of PKH beneficiaries.
   • 1.6 day longer in the length of stay in class for PKH school children.
   • Additional Rp. 2,700 for education and Rp. 4,300 health per person/month.

2. The money are used for health and education purposes (uniforms, shoes, nutritional supplements and transport costs) as well as other purposes (home repair, debt repayment, etc).
3. The woman in the family controls the decision on the use of funds. If the husband would like to use the fund for strategic investment, they can do so with the wife’s approval.

4. Not all local government supports PKH:
   - the district’s head did not meet the agreement to support the supply side to health and education;
   - lack of program socialization; and
   - weak and ineffective role of local project implementation unit.

5. PKH has started to attract central and local politicians, either to support or take advantage of it.
THE WAY FORWARD: CONTINUING SUSTAINABLE POVERTY REDUCTION

1. Carefully design the expansion:
   • PNPM: refocus the intervention toward the poor (incl. the marginalized groups).
   • PKH: prioritize areas where health & education indicators are low

2. The effort of expansion however goes without unchallenged.
   • The management’ span of control vs. the quality of the services.
   • The growing number of subdistricts and districts (pemekaran) vs. The size of transfers
   • Maintain (and even improve) the current results and outcomes in the community.

3. Promote greater involvement—and responsibility—of other stakeholders (ministries, local governments, CSR):
   • Better targeting of other programs to handle poverty pockets & groups
   • Pro-poor planning and budgeting capacity
THANK YOU

TERIMA KASIH