

## Policy Brief

# Covid-19 Pandemic and the Momentum to Strengthen the National Targeting System

### Key Messages:

- The policy on social safety net (*Jaringan Pengaman Sosial: JPS*) requires a robust targeting system to support the distribution of benefits.
- The targeting system is currently based on the Integrated Data of Social Welfare (*Data Terpadu Kesejahteraan Sosial: DTKS*), comprising 38 per cent of Indonesia's population. The availability of by-name-by-address (BNBA) information has been quite helpful for the implementation of the JPS Program to reduce the impact of the Covid-19 outbreak.
- It is necessary to enhance the DTKS to support the JPS Program implementation so that the negative impact of the Covid-19 pandemic on the economy can be mitigated. Several programs remain in need of BNBA information on unrecorded poor and vulnerable households.
- The cooperation and active participation of all ministries and local governments in providing feedback on the data usage for the implemented programs is imperative.
- There is a need to establish a steering committee composed of representatives from ministries to direct the framework and ensure the quality of the National Target Determining System (*Sistem Penetapan Sasaran Nasional: SPSN*).

## BACKGROUND

The issuance of Government Regulation In Lieu of Law No. 1/2020<sup>1</sup> and Presidential Regulation No. 54/2020<sup>2</sup> presents new instruments to reduce the socioeconomic impact of the Covid-19 pandemic. The government has topped up the 2020 allocation to JPS by Rp 110 billion to deal with the pandemic.

**The policy on JPS requires a robust targeting system to support the distribution of program benefits. The enhancement of DTKS with by name by address (BNBA) information is deemed helpful in distributing the benefits of the JPS Program**—thus lessening the impact of Covid-19. There is, however, around 2 per cent gap remaining if DTKS is intended to cover 40 per cent of Indonesia's population in the low- and middle-income wealth categories. This gap can be utilized as the program support.

### DISTRIBUTION OF COVID-19 SOCIAL SAFETY NET

**DTKS is managed by the Ministry of Social Affairs pursuant to the Decree of the Minister of Social Affairs No. 19/HUK/2020 on 2020 Integrated Data of Social Welfare, and contains data on 38 per cent of Indonesia's population.** The current population of Indonesia is estimated at 268 million people and consists of 72 million households and a total of 78 million families. DTKS stores the data of 97 million people within 27 million households. Assuming that during the Covid-19 pandemic the aim of the JPS Program is to cover 40 per cent of the Indonesian population, then there is a need for additional data in DTKS on 2 per cent of the population.

The move by the Ministry of Social Affairs to provide Covid-19 coverage in JPS for the entire population in the DTKS needs to be recognized given the inconducive

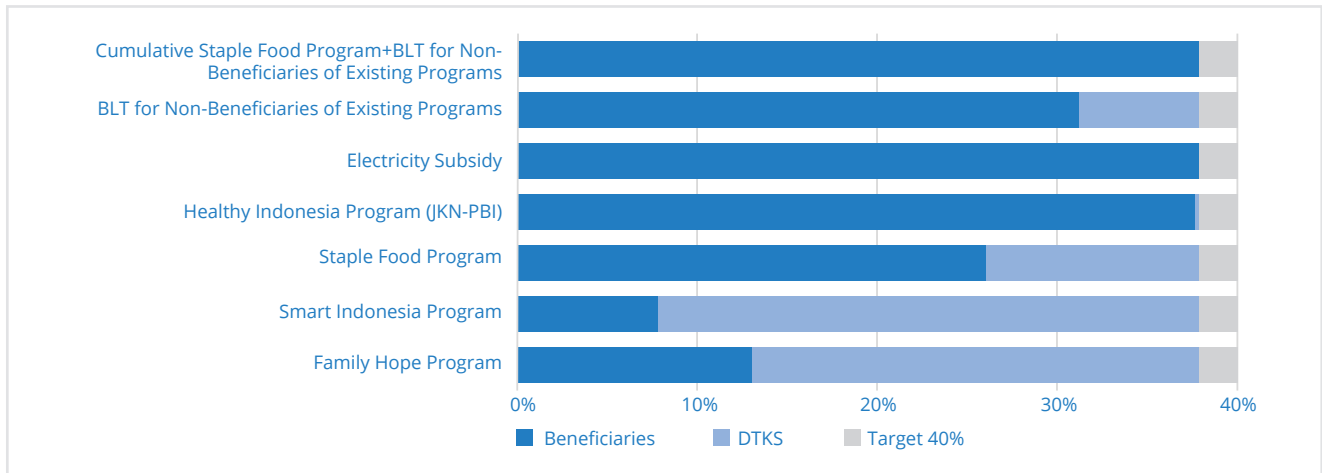
<sup>1</sup> State Financial Policy and Financial System Stability for the Handling of Covid-19 pandemic and/or in order to Tackle Threats Jeopardizing National Economy and/or Financial System Stability.

<sup>2</sup> Changes in Posture and Details of 2020 State Budget.

socioeconomic situation. The poor and vulnerable who are recorded in DTKS are a priority that need to be safeguarded.

**Nevertheless,** additional support is, however, vital to improve coverage of program beneficiaries so that groups in upper wealth tiers receive another kind of stimulus to anticipate the socioeconomic impact.

**Figure 1.** Distribution of Program Beneficiaries Compared to Total Population (2020)



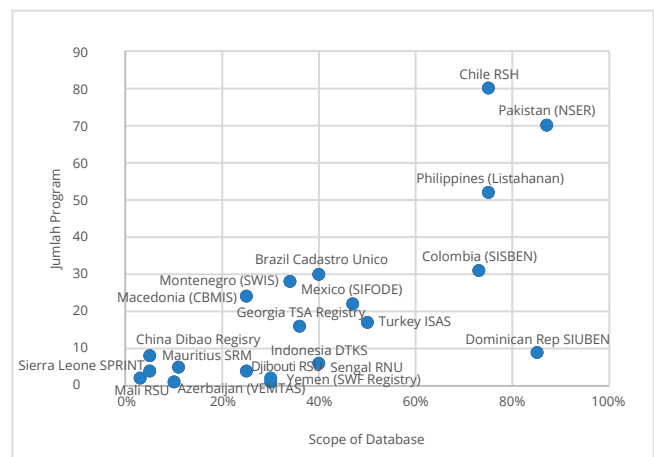
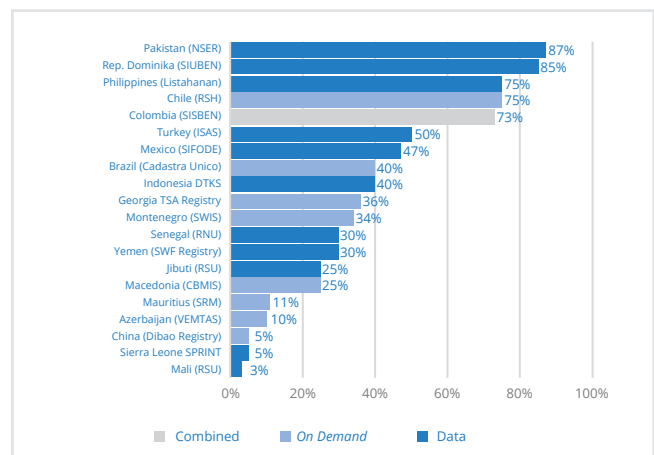
Source: Exposure Materials of Minister of Finance<sup>3</sup> and Minister of Social Affairs 2020.<sup>4</sup>

### GLOBAL EXPERIENCE: SCOPE OF TARGET DETERMINING SYSTEM

From the global experience, coverage by the national target determining database varies between countries, ranging between 3-87 per cent of total population (Figure 2).<sup>5</sup> Indonesia is classified into the middle group in terms of the coverage by the DTKS which represents 40 per cent of the population in the lowest welfare level. Pakistan’s NSER, the Dominican Republic’s SIUBEN, and the Philippines’ Listahanan are three national agencies with the widest coverage in their target determining database—at 87 per cent, 86 per cent, and 75 per cent respectively.

The experience of other countries shows that the number of programs is correlated positively with the proportion covered in the database against total population. Countries with fewer programs tend to have relatively poorer target system coverage—for example, Mali has only two programs covering 3 per cent of the total population. On the other hand, Pakistan’s NSER covers nearly 90 per cent of the population in 70 programs.

**Figure 2.** Scope of Social Registry and Number of Programs (2017)



Source: Leite et al., 2017.

<sup>3</sup> “The Effectiveness of Social Safety Net Program Distribution”, exposure material for closed meeting, 7 April 2020.

<sup>4</sup> “Regional Implementation of Large Scale Social Restriction (PSBB) on Safety Net”, exposure material for closed meeting, 9 April 2020.

<sup>5</sup> Leite et al., *Social Registries for Social Assistance and Beyond: A Guidance Note & Assessment Tool*, 2017.

Given the experience of these various countries, the target of Covid-19 JPS Program may also serve as the additional data to expand the scope of the DTKS and update the existing database information.

With a broader scope, there is an opportunity to reach the poor and vulnerable currently not enlisted as program beneficiaries. This also creates a chance for the groups directly affected by the Covid-19 pandemic to be listed in the national target determining database in accordance with the corresponding JPS Program. Entering the data of Covid-19 pandemic JPS program beneficiaries into the database is also a means to ensure the program's accountability.

### STRENGTHENING TARGET DETERMINATION SYSTEM MANAGEMENT

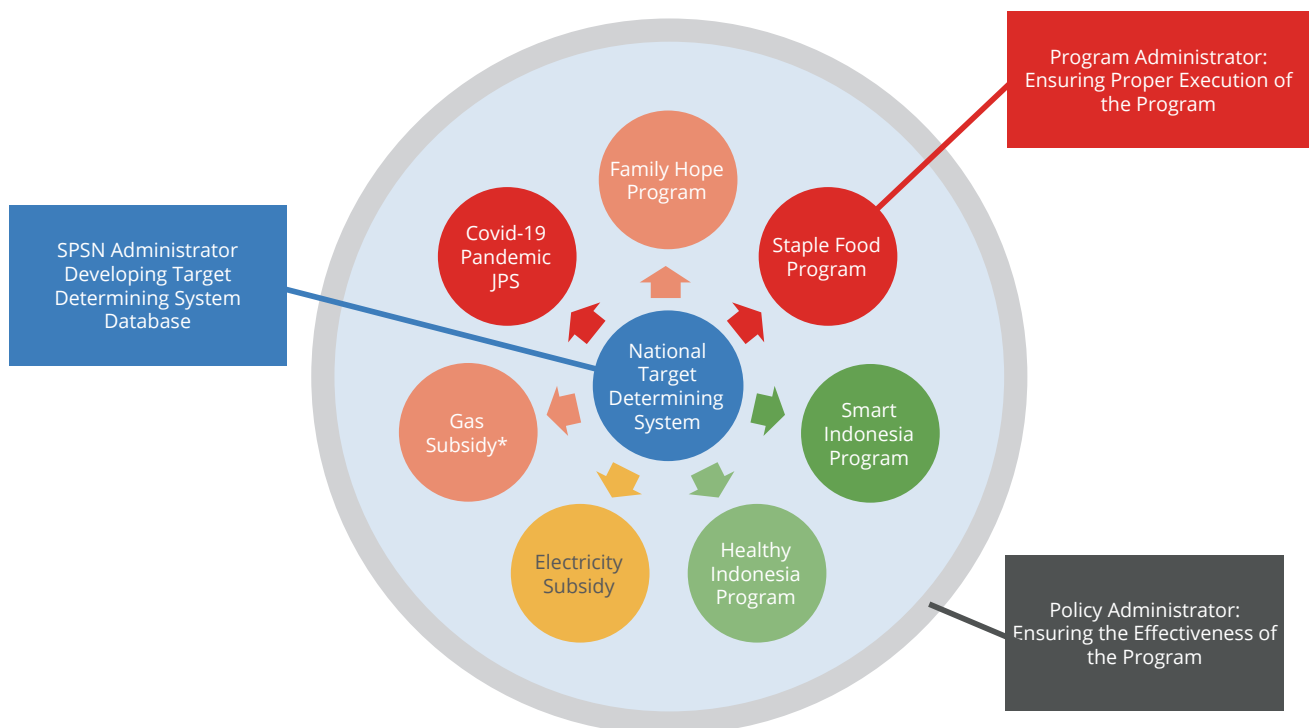
The target determining system currently refers to Law No. 13/2011 on Management of the Extreme Poor, thus DTKS is managed by the Ministry of Social Affairs with due observance to the Law as the underlying basis. DTKS is an enhancement of the existing targeting system. It is a continuation of the Integrated Database (*Basis Data Terpadu*: BDT) that is an outcome of the Integrated Database Update (*Pemutakhiran Basis Data Terpadu*: PBDT) in 2015. Similar data collections were carried out in 2008 and 2011 under the name of Social Protection Program Data Collection (*Pendataan Program Perlindungan Sosial*: PPLS). This was a successor

to the Socioeconomic Data Collection (*Pendataan Sosial Ekonomi*: PSE) in 2005. This transformation is a government move to satisfy the target determining need of various social protection programs requiring the list of names and addresses (by-name by-address: BNBA) of the beneficiaries.

As a national target determining instrument, DTKS is significant for the implementation of social protection plans or other poverty eradication programs. Institutions with good management systems that are independent and professional are, therefore, vital to ensure the target determining system is accurate and meets program criteria. The Ministry of Social Affairs currently manages the target determination, along with most of the primary and regular social assistance programs directed at families, households, and individuals, in addition to administering a large number of BNBA-based primary programs. This endeavour, therefore, requires the development of an institution to manage a more independent SPSN to deliver on its function to develop a target determining database. The implementing ministry should focus on ensuring proper execution of the program, whether in terms of accuracy, time, number, and system administration.

Untuk sampai pada kebutuhan tersebut, pemerintah perlu menerbitkan peraturan pemerintah yang khusus mengatur tugas pokok dan fungsi kelembagaan yang berwenang mengelola administrasi SPSN.

Figure 3. Ideal Work Allocation of National Target Determining System (*Sistem Penetapan Sasaran Nasional*: SPSN)



Source: Research Unit, TNP2K Secretariat, 2020.

To address the requirements, the government needs to introduce a regulation specifically governing the primary duties and functions of institutions that have the authority to manage the SPSN administration.

### PANDEMIC AND THE MOMENTUM TO STRENGTHEN THE TARGETING SYSTEM

DTKS does not yet have the capacity to optimise the implementation of the JPS Program to anticipate the socioeconomic impact caused by the pandemic. Other programs still need the BNBA list that is outside the data in the DTKS database. The JPS Program of the Provincial Government of Jakarta and the *Kartu Pra-Kerja* (Pre-employment Card) are examples of programs that need the BNBA list.

The government must take advantage of the pandemic's momentum to improve the SPSN. The first step is to ensure that the DTKS covers 40 per cent of the household population. If necessary, the government can expand the database coverage in accordance with its needs, including accommodating socioeconomic shifts due to the pandemic. As a matter of fact, DTKS largely consists of the data from the PBDT in 2015. For that reason, it is necessary to update the number of households or the socioeconomic information on households and individuals given that the DTKS is five years old while the number of citizens, families and households has experienced changes in line with the growth of the population.

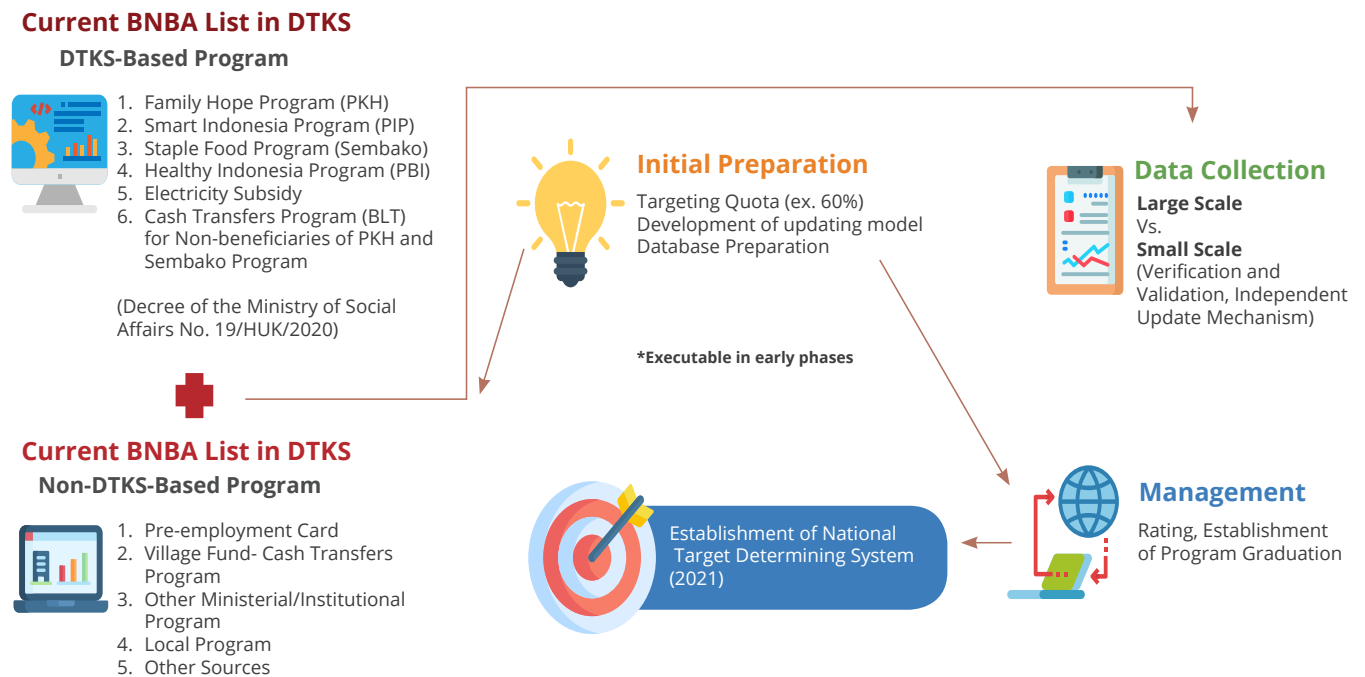
As the administrator of DTKS, the Ministry of Social Affairs is currently making various efforts to update the data through verification and validation by local governments. The results have still not been optimized, however, given that not every region have a special budget allocation for this measure.

### STAGES ON UPDATING NATIONAL TARGETING SYSTEM

#### PREPARATION: TARGET QUOTA, DATA PREPARATION, AND MODEL DEVELOPMENT

The targeting beneficiary quota has an important role in the SPSN. As mentioned above, DTKS currently represents 40 per cent of low-income citizens. During the course of the pandemic, the government is currently faced with a policy choice to be accountable for, and cover, as many groups as possible. For example, the implementation of social assistance program for covid-19 stimulant (*Bantuan Presiden: Banpres*) requires data on families affected by the pandemic but are yet to receive any regular social assistance program, the number of families in non-program DTKS cannot meet the target. To ensure it can meet the target, the Ministry of Social Affairs and local governments have agreed to include non-DTKS families proposed by local governments into the list of beneficiaries.

Figure 4. SPSN Framework



\*\*Data collection is commenced after the pandemic is over

Source: Analysis Result, 2020.

For this reason, the DTKS administrator needs to set the quota target required in the database that it manages to fulfill the needs of programs in the future. In addition, this will also allow it to anticipate and adapt to changes that occur due to changes in economic, social, or environmental conditions.

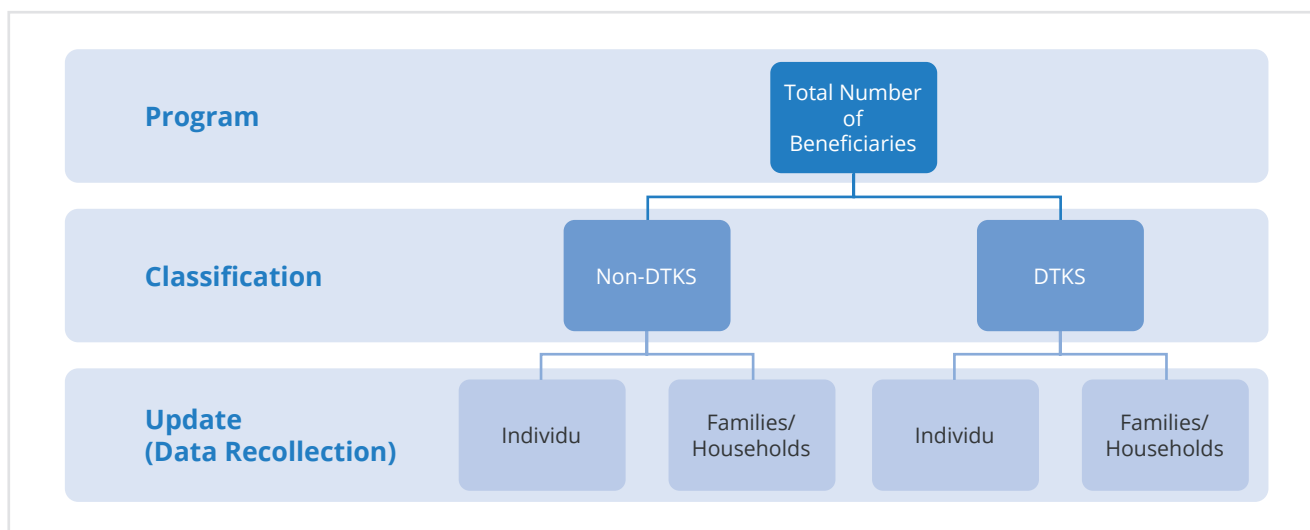
The preparation of data for estimations and modeling are other important matters that need to be resolved first before ratings are conducted. It is quite clear that current household ratings in DTKS are sourced from the PBDT in 2015. Between 2015 and 2020, there has been a substantial shift in consumption pattern. For this reason, if the plan to expand and update the DTKS is to be carried out, supporting information and data should be prepared early to be used as the main benchmark for formulating the modeling and ratings. The crucial source of information that is used for the modeling should at least include program participation and characteristics of households and individuals that represent the national population.

Development of the model is necessary for the expansion and update of the DTKS. As mentioned above, the current model uses information that is five years old. With that in mind, there is a need to develop an early model to be used for ratings, by taking into account the important information sources previously mentioned.

### ESTABLISHING INITIAL LIST OF VERIFICATION AND VALIDATION TARGET

The initial list of regular verification and validation targets that is conducted annually by the Ministry of Social Affairs consists of at least two primary components. First are the households, families, and individuals currently listed in the DTKS. For these groups, verification and validation are required to update demographic, social, and economic information. Other aspect that needs to be covered in this process is the current status of participation in the program.

Figure 5. Target Classification of the Update



Source: Research Unit, TNP2K Secretariat, 2020.

Second is the households, families, and individuals that are participants in the Covid-19 pandemic JPS Program. Some of the program beneficiaries identified in these groups are, among others, the beneficiaries of the Village Fund-Sourced Cash Transfer Program (*Bantuan Langsung Tunai – Dana Desa: BLT-DD*), participants of *Kartu Pra-Kerja*, beneficiaries of related ministerial/institutional programs, beneficiaries of local programs, and other beneficiaries. These are the key groups that need to be monitored and whose information has to be gathered as early as possible. The Ministry of Social Affairs may commence the data collection phase on recipients of non-DTKS programs by ensuring the data input (from DTKS or others) from all JPS program administrators, both from the Ministry of Social Affairs or other ministries/institutions. The key

objective of this phase is to establish the BNBA list as the primary target for regular verification and validation. This activity can be undertaken without waiting for the end of the pandemic.

### Classification of the updated targets depends on the availability of the government’s human resources.

Ideally, the update can be done in its entirety, however, in case of limited resources and time, the update can focus on the non-DTKS groups. This is important to ensure the accountability of Covid-19 Pandemic JPS Program as the first priority. The alternative is to add the list of non-DTKS JPS beneficiaries for regular verification and validation by the Ministry of Social Affairs.

## DATA COLLECTION

### **The standard operating procedures (SOPs) and data collection implementation need to be established.**

The SOPs can be done early without having to wait for the pandemic to end, however, the field data collection process needs to take into account and consider the evolution of the Covid-19 pandemic. This can be done after the pandemic ends. The main aim of the process is to create operational guidelines and undertake the data collection in accordance with the SOP.

**Learning from the experience of PSE in 2005, PPLS in 2008/2011, and PBDT in 2015, data collection had a very important role and established the DTKS as the SPSN.** For that reason, the field data collection must have at least two primary options, namely large scale and small scale. Each of these options carries its own cost implications and effectiveness.

## MANAGEMENT OF UPDATE RESULTS

**The management of data is the essence of the plan to expand coverage of, and update, the DTKS.** In this step, there are three main operations to conduct. The first is the to develop the SOPs and implement the ratings. The main purpose is to create the SOPs and implement the ratings regularly. In this stage there is a need to consider the availability of human resources in the administering ministry. Regular ratings can be developed with language that is easier to understand without the need for special skills to ensure that knowledge is transferred regularly to anticipate changes in the structure of human resources in the administering ministry. This phase also opens the opportunity to rate new households in the coming years.

**Secondly, development of the SOPs and program graduation.** This stage can be undertaken following the rating step. It aims to establish operational guidelines and a list of graduation candidates from the program beneficiaries. Through this measure, exclusion errors and inclusion errors can be corrected. Development of the SOPs needs to be coordinated with the program administrator so that the entire series of graduation mechanisms from the data may serve as one set of criteria for the program graduation process. Ensuring the transfer of knowledge transfer can be undertaken so human resources in the managing ministries/institutions are ready to serve the various needs of the program.

**Thirdly, development of the SOPs and updating the rating model.** This phase is intended to ensure the most recent rating model is used. Unlike the previous stages, the administering ministry/institution here appoints personnel with specific skills, capable of operating the model and comprehending the substance of the program that is delivered in accordance with the DTKS.

**To ensure the ratings data is aligned with the model and the specified indicators, supervisory is required to monitor the output of the process.** A steering committee consisting of a cross ministerial/institutional team needs to be set up to assure the quality and functionality of the data.

## RECOMMENDATIONS

As the current administrator of DTKS, the Ministry of Social Affairs has to take advantage of the pandemic to strengthen the SPSN. Aspects that require attention include:

1. **Expand and update DTKS coverage as early as possible by taking advantage of the data enlisting JPS beneficiaries, both DTKS-based or otherwise, to be made into an initial list for regular verification and validation. The data comprises the beneficiaries of BLT-DD, Kartu Pra-Kerja, and stimulus programs as well as other programs designed by local governments.**
2. **Strengthen the DTKS administration team in preparing SOPs on management related to data collection, modeling, rating, program graduation, and regular updates to ensure a better national targeting system in the future.**
3. **Ensure the support of relevant ministries/institutions to expand and update DTKS coverage according to their respective authorities and responsibilities.**
4. **Establish an inter-ministry steering committee consisting of members chaired by the Coordinating Minister of Human Development and Culture to guide the framework and secure the quality of a strengthened SPSN. The facilitator of the update should be specified in accordance with the main duties and functions of the corresponding ministry/institution.**

## APPENDIX

**Table 1. Social Assistance Programs Before and During Covid-19 (2020)**

Program	Components	Before Covid-19	After Covid-19	Change
<b>Family Hope Program (PKH)</b>	Target	million families 9.2	10 million families	800,000 families
	Distribution Period	Quarterly	Monthly	Distribution frequency
	Budget Allocation	Rp 29.1 trillion	Rp 37.4 trillion	Rp 8.3 trillion
<b>Staple Food Program (BPNT)</b>	Target	15.2 million families	20 million families	Additional 4.8 million families
	Benefit Value	Rp 150,000/month	Rp 200,000/month	Additional Rp 50,000/month
	Budget Allocation	Rp 27.4 trillion	Rp 43.6 trillion	Rp 16.2 trillion
<b>Electricity Tariff</b>	<b>Beneficiaries for 450 VA Electricity: 24 Million Customers</b>			
	Tariff for 450 VA	Subsidised	Free	Average savings of Rp 40,000
	<b>Beneficiaries for 900 VA Electricity: 7 Million Customers</b>			
	Tariff for 900 VA-Poor	Subsidised	Discounted 50%	Average savings of Rp 40,000
<b>Housing Incentives</b>	Down Payment Subsidy	150,000 units	Rp 4 million/unit (+175,000 Units)	Rp 800 billion
	Interest Subsidy	677,000 units	5% Interest Difference Implementing Bank 6-7% (+175,000 Units)	Rp 700 billion
<b>Pre-employment Program</b>	Target Beneficiaries	-	5.6 million people	New Program
	Training Incentives	-	Rp 1 million	New Program
	Post-Training Incentives	-	Rp 600,000 x 3 months	
<b>Other Programs (Under Discussion)</b>	Budget Allocation	-	Rp 20 trillion	Rp 20 trillion

Source: Ministry of Finance (Material for Closed Meeting, 7 April 2020)

**Table 2. Estimated Number of Program Beneficiaries (2020)**

Expenditure Group	Before Covid-19			During Covid-19		
	Households	Families	Individuals	Households	Families	Individuals
Total Population (March 2019)	71,437,667	76,783,960	267,306,552	71.437.667	76.783.960	267.306.552
Total Population in DTKS*	27,060,751	29,085,939	97,388,064	27,060,751	29,085,939	97,388,064
Proportion of Population in DTKS/Total Population	0.38	0.38	0.36	0.38	0.38	0.36
Number of Beneficiaries						
Family Hope Program	8,559,425	9,200,000	30,804,238	9,303,723	10,000,000	33,482,867
Smart Indonesia Program	5,585,090	6,003,070	20,100,000	5,585,090	6,003,070	20,100,000
Staple Food Program	14,141,658	15,200,000	50,893,959	18,607,445	20,000,000	66,965,735
Healthy Indonesia Program (JKN-PBI)	26,897,348	28,910,308	96,800,000	26,897,348	28,910,308	96,800,000
Electricity Subsidy	27,060,751	29,085,939	97,388,064	27,060,751	29,085,939	97,388,064
Pre-employment Card				1,556,045	1,672,497	5,600,000
BLT for Non-Beneficiaries of Existing Programs				8,453,306	9,085,939	30,422,329
Cumulative Staple Food Program+BLT for Non-Beneficiaries of Existing Programs				27,060,751	29,085,939	97,388,064
Proportion of Beneficiaries to Total Population						
Family Hope Program	0.12	0.12	0.12	0.13	0.13	0.13
Smart Indonesia Program	0.08	0.08	0.08	0.08	0.08	0.08
Staple Food Program	0.20	0.20	0.19	0.26	0.26	0.25

Expenditure Group	Before Covid-19			During Covid-19		
	Households	Families	Individuals	Households	Families	Individuals
Healthy Indonesia Program (JKN-PBI)	0.38	0.38	0.36	0.38	0.38	0.36
Electricity Subsidy	0.38	0.38	0.36	0.38	0.38	0.36
Pre-employment Card				0.02	0.02	0.02
BLT for Non-Beneficiaries of Existing Programs				0.31	0.31	0.31
Cumulative Staple Food Program+BLT for Non-Beneficiaries of Existing Programs				0.38	0.38	0.36

Source: Exposure Materials of Minister of Finance and Minister of Social Affairs, 2020.

Note: \*Decree of the Ministry of Social Affairs No.19/HUK/2020 on 2020 Integrated Data of Social Welfare. Red=estimated.

**Table 3. Expansion and Update Roadmap of SPSN**

Activity	2020		2021	
	1	2	1	2
<b>Preparation</b>				
Target Quota Establishment				
Preparation of National Socio-Economic Survey Data from the past 10 years				
Model Preparation				
<b>Initial List Preparation</b>				
DTKS Beneficiary Families				
Family Hope Program				
Smart Indonesia Program				
Staple Food Program				
Healthy Indonesia Program (JKN-PBI)				
Electricity Subsidy				
Pre-employment Card				
BLT for Non-Beneficiaries of Existing Programs				
DTKS Beneficiary Families				

Activity	2020		2021	
	1	2	1	2
Village Fund-Sourced Cash Transfers				
Pre-employment Card				
Ministerial and Institutional Program				
Local Program				
<b>Data collection</b>				
SOP Development				
Field Data Collection				
<b>Management</b>				
SOP Development: Annual Rating, Graduation, Model Update				
Rating Preparation				
Graduation Establishment				
Establishment of Annual Model Update Mechanism				
<b>Establishment</b>				

Source: Research Unit, TNP2K Secretariat, 2020.





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The policy brief **Covid-19 Pandemic and the Momentum to Strengthen the National Target Determining System** was prepared by Priadi Asmanto, Taufik Hidayat, and G. Irwan Suryanto (Research Unit); and Siti Nurfitriah Farah Dewi (Social Protection Team) TNP2K Secretariat, July 2020. Jakarta: Indonesia.

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