



Improving Social Services Delivery in Indonesia

The Challenge of Reducing Poverty

Indonesia has made significant progress in addressing poverty and providing social protection for its people. The Government of Indonesia managed to reduce poverty even in the face of the economic crisis.¹ However, despite the government's strong commitment to poverty reduction, the country is still struggling with poverty and unemployment, and unequal resource distribution among regions.

The government has implemented several responses to improve the condition of the poor, but there remain many problems. Indonesia's current suite of social assistance² programs emerged recently, often as a response to an immediate shock.³ Thus, government interventions on poverty reduction, service delivery, and governance need further strengthening.

Strengthening Social Delivery for Poverty Reduction and Accelerating MDGs

The Government of Indonesia indicated its strong commitment to improve the welfare of its people by adopting the Millennium Development Goals (MDGs) and integrating these into the Long-Term Development Plan 2004–2025.⁴ The objectives of the MDGs are to increase life expectancy at birth to 72 years; reduce the

infant mortality rate to 24 per 1,000 live births; reduce the maternal mortality rate to 118 per 100,000 live births; and decrease the prevalence of mild to severe underweight among under-5 children to less than 15%.⁵

The Asian Development Bank (ADB) supports the Government of Indonesia in its goals to alleviate poverty and achieve sustainable development. In 2007, ADB approved a technical assistance (TA) for Strengthening Social Services Delivery for Poverty Reduction and MDGs Acceleration Program. The TA provided assistance to the National Development Planning Agency, Ministry of National Education, Ministry of Religious Affairs, Ministry of Health, and Ministry of Women's Empowerment on national policy reforms in health, education, and social protection. The TA aimed to improve access, equity, and quality of service delivery in the areas of education and health to accelerate progress toward the achievement of the MDGs. The TA complemented other donors in program delivery in poverty, gender, education, and health.⁶

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The TA supported cross-sectoral policy reforms by assisting the government agencies in developing recommendations for strengthening the Dana Alokasi Khusus (special development fund) technical guidelines for the education and health sectors. It provided support to develop a national road map and prepare guidelines on mainstreaming the MDGs into district medium-term development plans and poverty reduction strategies.⁷

Reforms in the education sector were done through assessment of the effectiveness of different strategies and programs in meeting the basic education objectives. They were carried out by demonstrating the use of the "Citizens Report Card" for education, used for surveying parents on their satisfaction with service delivery to improve accountability and education quality.⁸

The TA supported the reform in the health sector on budget allocations for maternal neonatal and child health (MNCH) and communicable disease control (CDC) activities. A study was conducted for revising the basic health care and insurance for the poor.

The TA prepared an evaluation of the contract provider payment-schemes, including their impact on the distribution of providers in poor and remote areas, and the utilization of MNCH and CDC services, particularly by women. It also supported the revision of a ministerial regulation regarding health-related minimum services standards and contributed to the development of a national health account program.⁹

Endnotes

¹ World Bank. 2011. *Fighting Poverty in Indonesia*. Available online at <http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/EASTASIAPACIFICEXT/INDONESIAEXTN/0,,contentMDK:20176969~h1PK:385022~menuPK:382201~pagePK:1497618~piPK:217854~theSitePK:226309,00.html>

² Social assistance in Indonesia includes unconditional cash transfer program (BLT), conditional cash transfer program (PKH), government-funded health insurance for the poor (Jamkesmas), and rice subsidy (Raskin).

³ Footnote 6.

⁴ Government of Indonesia. Ministry of National Development Planning/National Development Planning Agency (BAPPENAS). 2010. Report on the Achievement of the Millennium Development Goals Indonesia 2010.

⁵ Speech by the Minister of Health of the Republic of Indonesia at the Annual IFPMA Reception on the occasion of the 63rd World Health Assembly. Theme: Meeting UN MDG 5: The Challenges of Improving Women's Health. Geneva. 19 May 2010. Available online at www.ifpma.org/fileadmin/templates/Events/2010/pdfs/20100519_WHA_Reception_Engko_Indonesia_19May2010.pdf

⁶ ADB. 2007. *Technical Assistance Completion Report: Strengthening Social Service Delivery for the Poverty Reduction and Millennium Development Goals Acceleration Program in the Republic of Indonesia*. Manila.

⁷ Footnote 6.

⁸ Footnote 6.

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About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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