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## Progress Report - INDONESIA

13/12/2021 - 30/11/2022

BUILDING SOCIAL PROTECTION FLOORS FOR ALL - PHASE II

Project Code (GLO/21/34/MUL)



6 January 2023

Donor: Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)  
Admin Unit: SOCPRO

Project title:	<b>BUILDING SOCIAL PROTECTION FLOORS FOR ALL - PHASE II</b>
Report type (pick one):	<b>Annual</b>
Reporting period:	<b>From December 2021 to November 2022</b>

Linkages:

Strategic Policy Outcome: Outcome 8: Comprehensive and sustainable social protection for all

Country Programme Outcome: IDN 103: Inclusive and better managed social security system for all workers

Sustainable Development Goal: SDG 1: End poverty in all its forms everywhere

Preparation and Review

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# ► ILO Global Flagship Programme on Building Social Protection Floors for All

## Annual update 2022 – Indonesia

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### 1. Country context

Currently, there are six social protection programmes in Indonesia, namely: (1) the health insurance scheme, Jaminan Kesehatan Nasional (JKN); (2) the employment injury insurance scheme, or Jaminan Kecelakaan Kerja (JKK); (3) the life insurance scheme, or Jaminan Kematian (JKM); (4) the pension scheme, or Jaminan Pensiun (JP); (5) the old-age savings scheme, or Jaminan Hari Tua (JHT); and (6) the unemployment insurance scheme, or Jaminan Kehilangan Pekerjaan (JKP). Out of these six programmes, the old-age savings scheme Jaminan Hari Tua (JHT) is not a social insurance programme.

Furthermore, several social assistance and labour market intervention programmes are in place, including conditional cash transfers for households (Program Keluarga Harapan (PKH)), education cash transfers (Program Indonesia Pintar (PIP)), staple food assistance (Bantuan Sembako), cash for training, or the pre-employment card programme (Kartu Pra-Kerja) and wage subsidy assistance (Bantuan Subsidi Upah (BSU)).

According to the 2021 World Bank and Asian Development Bank report, Climate Risk Country Profile, Indonesia is ranked in the top third of countries in terms of climate risk.<sup>1</sup> The report states that Indonesia is highly vulnerable to extreme floods, droughts, rising sea levels, extreme rains and rising temperatures due to the impacts of climate change.

Indonesia is currently reforming its social protection system, which among various other facets, includes the development of an adaptive social protection system to respond to shocks and crises due to non-natural and natural disasters. To this end, the Government is finalizing a Presidential Regulation on Social Protection Roadmap, led by the Ministry of National Development Planning (BAPPENAS), in consultation and coordination with several line Ministries, including the Ministry of Health, the Ministry of Manpower, the Ministry of Social Affairs, the Ministry of Finance, the National Social Protection Board and the health and employment social protection administration (Badan Penyelenggara Jaminan Sosial) bodies, the BPJS Kesehatan and the BPJS Ketenagakerjaan.

Within this framework, an Adaptive Social Protection (ASP) Roadmap is currently being developed by the Government, led by BAPPENAS, in consultation and coordination with the Ministry of Social Affairs, the National Board for Disaster Countermeasure (BNPB), and the Ministry of Finance, with support from the German Development Cooperation (GIZ).

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<sup>1</sup> Climate risk country profile: Indonesia, World Bank, Asian Development Bank, 2021.

## 2. Progress report

Outcome: In Indonesia: Enhanced knowledge of the ILO's stakeholders in Indonesia on the role of social insurance schemes in the context of climate change to provide better protection for more workers through temporary adjustment in parameters of existing social insurance schemes

The Project aims to provide the ILO stakeholders with analysis and knowledge of the role of social insurance schemes in the context of climate change. The study focuses on three schemes under BPJS Employment, namely the unemployment insurance scheme (JKP), the employment injury scheme (JKK), and the pension scheme (JP). Findings and recommendations of the study, and related dialogue will contribute to the ASP Roadmap as well as other relevant strategies and support the Government's social protection priorities to 1) improve coordination and coherence between programmes and the institutions that implement them; and 2) address gaps in social assistance and social insurance provisions to achieve comprehensive coverage across the lifecycle.

### Output 1: A study report on the role of social insurance in the context of climate change is available

The Project team and backstopping officers are currently reviewing the final draft of the study report submitted by the external collaborator. This version of the draft has incorporated information and data provided by BAPPENAS, the Employment Social Protection Administration Body (BPJS Ketenagakerjaan) and the BNPB through individual interview sessions in November and December 2022.

After the internal review, a tripartite stakeholder consultation meeting will be organized to gather inputs from the stakeholders, and this is tentatively scheduled for February 2023.

### Output 2: Seminar to launch the study report is organized

A seminar to launch the study report will be organized once the final report becomes available. The seminar will be organized in collaboration with BAPPENAS.

## 3. Collaboration and partnerships

In implementing the Project, the ILO mainly collaborates with BAPPENAS, in consultation with the Ministry of Manpower, the Employment Social Protection Administration (BPJS Ketenagakerjaan), the BNPB, and the GIZ Indonesia.

## 4. Challenges and actions

The main challenge encountered was in finding an external collaborator who has expertise and experience in both social protection and climate change issues, yet no-one could be found with this background. In response to this, the Manager of the Social Protection Programme at the ILO Country Office (CO-Jakarta) provides support on the social protection issues and the national context.

## 5. Summary and outlook

The study undertaken by the Project has been invaluable for complementing several other studies that have already been conducted in Indonesia and which mainly focused on the role of social assistance in the context of climate change. The study's focus on the role of social insurance is expected to offer a new perspective and to contribute towards the introduction of potential additional measures that might provide better protection to workers affected by climate-related shocks and crises.

Effective consultation and the timely launch of the study report might provide an opportunity to contribute to the finalization of the ASP Roadmap.