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An inclusive child grant in Papua: lessons learnt from implementing cash transfers in remote contexts

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Summary

In 2017 the Indonesian province of Papua launched an inclusive child grant for all indigenous Papuan children under the age of four. The program, called BANGGA Papua, is currently being implemented in three districts with plans to eventually scale-up to the entire province. The program was developed by the Provincial Government of Papua (PGP) with technical assistance from development partners and is funded with the province's special autonomy funds.

Papua has the highest rates of poverty and lowest child development in Indonesia. National social protection programs have limited coverage in Papua and experience significant implementation challenges. In response, the PGP launched BANGGA Papua with the overall goal of furthering its commitment to achieving a '*Generasi Emas*,' or golden generation, of Papuans. The design and implementation of BANGGA Papua, in light of its geographic constraints, limited infrastructure and political complexities, is instructive not only for Indonesia as an innovative example of inclusive social protection, but also to other countries implementing social protection programs in remote and challenging contexts.

This paper contextualises BANGGA Papua in the broader Indonesian social protection landscape and discusses the implementation experiences of BANGGA Papua to date. The first section introduces the broader child poverty situation and the social protection system in Indonesia. The next two sections discuss the Papuan context and the rationale for BANGGA Papua. The fourth section describes the implementation of BANGGA Papua. Section five summarises key lessons learnt from the scheme thus far and key challenges ahead.

Photo: Firdaus Syahril, 2020

Section 1: Introduction

Indonesia, an archipelago with over 13,000 inhabited islands, is the fourth most populous nation and the 16th largest economy in the world. Given its size and increasing influence as a global power, its development progress will be critical to ensuring ongoing economic prosperity and stability in the Asia Pacific Region.

Since the 1997 Asian financial crisis and the country's re-democratisation in 1998, Indonesia has achieved impressive national development outcomes. Between 1999 and 2019, Indonesia reduced its poverty rate by more than half to 9.2% and more than doubled its inflation adjusted GDP per capita from US$2,071 to US$4,131.[6] Child well-being increased as well. Between 2000 and 2017, Indonesia halved its infant mortality rate from 41 to 21 out of 1,000 births.[7] In this time period, the country also achieved close to universal primary school enrolment (from 69 percent to 95 percent), as well as increased secondary school enrolment and completion from 55 percent to 86 percent.[8] The Government of Indonesia's (GoI) rapid expansion of social protection programs and investment has contributed towards these outcomes (refer to Box 1).[9]

Despite these positive trends, critical challenges remain and are further exacerbated by the Covid-19 pandemic. Under the most recent projection, 1.2 million people in the country would eventually be infected[10]. Prior to the pandemic, more than 23 per cent (61 million Indonesians) were living under the World Bank's moderate poverty line of US$3.20 and income inequality increased from a Gini Coefficient close to 0.3 in 1997 to 0.38 in 2018.[11] Further, 37% of children under five experienced stunting (low height for age) which is associated with impaired cognitive ability, low educational attainment, reduced future productivity and earnings potential, and a high risk of poverty.[12]

Mild national projections estimate that the Covid-19 pandemic may increase the poverty rate to 9.7%, pushing an additional 1.3 million people under the

Box 1: An overview of Indonesia's national social protection system[13]

Indonesia's national social protection system consists of:

- **contributory schemes** such as health insurance and employment insurance programs financed by individual and/or employer contributions. Given the high rate of labour informality in Indonesia coverage of the contributory system is still limited.
- **non-contributory** schemes that target the poorest and are financed by the government through general tax revenue. Key non-contributory schemes include:
  1) Non-Cash Food Assistance (Sembako) that provides electronic food vouchers to 10.2 million households
  2) In-kind rice transfers (Bansos Rastra) to 5.3 million households;
  3) Family Hope Program (PKH), a conditional cash transfer for pregnant mothers and school-aged children that reaches 10 million poor families;
  4) Smart Indonesia Program (PIP), a cash transfer for students from poor and vulnerable families that reaches 19.7 million students; and
  5) Government subsidised national health insurance for the poorest forty percent of the population, or approximately 92.3 million beneficiaries.

6 http://data.worldbank.org
7 World Bank (2019)
8 TNP2K (2018)
9 McCarthy and Sumarto (2018)
10 Shiddiq (2020)
11 ibid
12 TNP2K (2018)
13 See TNP2K (2018) and World Bank (2017) for a comprehensive analysis of Indonesia's social protection system pre-pandemic. Indonesia's expenditure on social protection responses to Covid-19 is significant and the national programs mentioned here have provided an important mechanism for providing additional cash and in-kind support to millions of vulnerable Indonesians. GoI's social protection responses to Covid-19 include advance payments of cash transfers for PKH beneficiaries; an expansion of Non-Cash Food Assistance; subsidized electricity for the poor; incentivized skills-training for those who have lost their jobs; subsidized housing; and unconditional cash transfers

poverty line in 2020, although more severe projections estimate that the poverty rate can increase up to 12.4%, impoverishing a further 8.5 million people.[14]

Additionally, significant geographical disparities persist among Indonesia's 34 provinces. In 2018, the official poverty rate varied from 3.3 per cent in the capital region of Jakarta to over 27.4 percent in the province of Papua.[15] As reflected in Box 2, geographically concentrated poverty remains a critical issue and has strong negative implications on the development of Indonesia's children.

Increasing the effectiveness and coverage of Indonesia's social protection system is essential to addressing these challenges. Although Indonesia's investment in social protection grew tenfold between 2005 and 2017, its current investment of 0.55% of GDP[16] (of which 0.35% is invested in its non-contributory schemes), remains low compared to other middle-income countries,[17] and exclusion rates for national schemes—particularly PKH and PIP—remain high.[18] Only 18 percent of children under the age of six from the poorest 40 percent of households, and only 8 percent of children across the entire population, have access to the social protection system.[19]

The Government of Indonesia is committed to further strengthening and expanding the national social protection system as reflected in its 2005–2025 Long-term Development Plan. Moreover, sub-national governments are innovating to supplement national programs with local schemes. For instance, the Aceh Jaya district in the province of Aceh and the capital region of Jakarta are implementing non-contributory elderly grants to address old-age poverty. The province of Papua is also implementing one of the few inclusive child grants in the country,[20] which will be further discussed in the coming sections. These innovations take into consideration the local context and help fill critical gaps in existing social protection coverage.

Sub-national governments are currently playing a crucial role in identifying those who are missing out on national social protection schemes so that they are able to benefit from national and local fiscal stimulus packages.

Box 2: Child poverty - an overview and multidimensional approach [21]

In 2016, 13% of Indonesian children and adolescents experienced income poverty. The geographic disparities in child income poverty are significant. The provinces of Bali, the capital region of Jakarta and Kalimantan Selatan have the lowest rates of child income poverty (5.4%, 5.5% and 6.1%, respectively). In contrast, the provinces of Papua, Papua Barat and Nusa Tengara Timur have child income poverty rates between five and seven times higher (35.4%, 31.0%, and 26.4%, respectively).

The results of UNICEF's multidimensional poverty analysis, which considers six dimensions of deprivation—health, nutrition, education, shelter, child protection and utilities—reflect that two thirds of children in Indonesia suffer from deprivation and/or are living in poverty. Specifically:

- Health deprivation, which is associated with lack of health insurance and incomplete vaccinations, impacts 53% of children.
- Nutrition deprivation, in line with stunting indicators, affects 34% of children.
- Education deprivation: 30% of children nationally (and about 50% in Papua) have low pre-school attendance rates and/or do not attend school at the appropriate grade for their age.
- Shelter deprivation: 20% of children nationally (and about 60% in Papua) live on a floor made of earth and/or in crowded conditions .
- Child Protection: 20% of children nationally (and about 61% in Papua) do not have adequate child protection, meaning they lack birth certificates, and/or engage in child marriage and/or child labour.
- Utilities: 57% of Indonesian children do not have access to improved water and sanitation facilities at home and/or their family uses solid fuels to cook.

[14] SMERU (2020)
[15] Data presented in this box is from UNICEF (2017)
[16] This figure excludes investment in subsidized health insurance
[17] TNP2K (2018)
[18] ibid
[19] ibid. These figures reflect coverage rates in 2018, which has since increased.
[20] The district of Sabang in Aceh province is implementing a universal child grant for all children aged 0-6 with technical support from UNICEF, Indonesia
[21] Data presented in this box is from UNICEF (2017)

Section 2:
The context of Papua

Socio-economic conditions in Papua

Papua is the eastern-most province of Indonesia with a population of 3.5 million people across 26 ethnic groups and over 261 languages spoken. Its geographic diversity, including mountainous and jungle areas, make infrastructure and access to services challenging. These factors contribute to Papua experiencing the highest poverty and inequality rates in the country (27.6 percent poverty rate and a Gini coefficient of 41.1), despite its abundance of natural resources.[22] Children in Papua are particularly vulnerable with over 35 percent living below the national poverty line and 59 percent living below twice the national poverty line.[23] Over 40 percent of children under five are stunted in Papua, reflecting widespread chronic malnutrition, which in turn has life-long implications for their human development and productivity.[24]

Social Protection in Papua

National social protection programs, including BPNT, PIP and PKH, are active in Papua but face significant implementation and coverage challenges. Most recently in 2019 the GoI scaled-up its flagship national conditional cash transfer, PKH, to reach 63,000 Papuan families.[25] While a laudable national program with a range of positive impacts, certain design features of PKH do not resonate within the Papuan context. For instance, current PKH benefit levels do not adequately meet the high cost of living in the province, and limited beneficiary coverage has a minimal impact on Papua's extremely high poverty levels. Furthermore, targeting the poorest is challenging given the high rates of poverty in the province and also because it goes contrary to the close-knit and equitable social structures found in Papua. The fact many households have been unable to benefit from from poverty targeted national social protection programs has been associated with social conflict in some Papuan communities.[26]

Against this backdrop, in 2017 the PGP decided to leverage its Special Autonomy Status and financing (also known as the OTSUS fund - see Box 3 on Special Autonomy Status) to launch *Bangun Generasi* dan *Keluarga Papua Sejahtera* (BANGGA Papua),[27] an inclusive child grant for all indigenous children under the age of four. According to high-level PGP officials, an inclusive child grant aligns more closely with Papuan cultural norms and supports the PGP's commitment to delivering a *'Generasi Emas,'* or golden generation, of Papuans. BANGGA Papua provides mothers (or female legal guardians) with a monthly transfer of IDR200,000 (or US$14.20) per month/per eligible child paid through individual bank accounts. As discussed below, the program currently covers 32,000 children in three districts with plans to eventually scale-up to the entire province.

BANGGA Papua has completed three successful disbursements. Although the PGP anticipated for payments to be made quarterly, the high costs associated with delivering and accessing cash in Papua led the PGP to disburse payments every 6 months. As of January 2020, PGP temporarily suspended payments to support the financing of other national and provincial priorities. However, PGP is optimistic that payments will resume in the latter half of 2020 particularly in light of the need for response to the Covid-19 pandemic.

BANGGA Papua has a critical role to play in lessening the economic impacts of Covid-19 in Papua province, which already experienced staggering poverty levels pre-pandemic. Cash transfers are being seen globally as an economic response, as they reduce the severity of poverty, help stimulate economic activity and promote social solidarity in difficult times, especially if distributed widely. Given that BANGGA Papua is among the few universal cash transfer schemes in Indonesia, the scheme can be leveraged to provide direct economic support to thousands of Papuans who are suffering as a result of the crisis.

[22] BPS (2017)
[23] UNICEF (2017)
[24] TNP2K (2018)
[25] As part of the rollout to Papua, the GoI has made some adjustments to the PKH program. For example, payments are made once per year instead of quarterly to take into consideration the challenges of PKH transfer distribution. The conditionalities tied to the transfers are also being reviewed considering the context.
[26] Hossain, N. et al. (2012)
[27] Building a Prosperous Papuan Family and Generation

Box 3: Papua's Special Autonomy Status and access to 'special autonomy financing'

The national government granted Papua special autonomy status through Law 21/2001. This status provides a higher level of funding per capita to Papua than to the other Indonesian provinces and provides provincial government authority over decision making across major development sectors.

The Law also enables a special autonomy fund – now known as the OTSUS fund – to finance the fast-tracking of Papua's social and economic development. OTSUS funds, which are provided by the national government and managed by the provincial government, must be used to benefit the indigenous Papuan population (about half the population living in Papua is indigenous). In 2017 OTSUS funds amounted to IDR5.62trillion (about US$400.2 million).

Photo: Firdaus Syahril, 2020

Section 3:
BANGGA Papua and the rationale for ‘not doing business as usual’

Evidence indicates that the development gains of past OTSUS funded initiatives have been minimal and often concentrated in resource-rich enclaves and urban areas, bypassing most indigenous Papuans.[28] In 2017, the PGP sought to identify innovative investments that would better ensure that OTSUS funds reach vulnerable indigenous Papuans and have stronger development outcomes. The idea of a cash transfer program appealed to the PGP due to its potential to significantly reduce poverty, relative ease of implementation and political popularity.

In June 2017, the Governor of Papua publicly announced that the first provincial cash transfer scheme would be implemented, and would include both child and elderly grants. The PGP ultimately opted to start with a child grant for all indigenous children under the age of four. The decision was based on fiscal space considerations, the fact that approximately 10 per cent of Papua’s population is under the age of five,[29] and that cash transfers for children would complement the PGP’s ‘first 1000 days program’ to reduce stunting.

The PGP decided to implement BANGGA Papua in the poorest and most difficult to reach districts first, as the implementation experience there would provide important lessons for scale-up. The program was rolled out in the districts of Lanny Jaya, Paniai, and Asmat, which were selected based on their high poverty rate (above 35 percent); low human development index; concentration of children under the age of four; strong political commitment from the implementing district government; and representation of the three most prominent customary regions in Papua (see Figure 1).

The PGP initially planned to expand BANGGA Papua to reach all 39 Papuan districts by 2021 (at which point it would cover approximately 26 percent of all households living in Papua), although expansion to date has been slower than anticipated.

Figure 1: Customary map of BANGGA Papua, highlighting the BANGGA Papua implementing districts

Source: Papuan Provincial Government (2017)

[28] Resosudarmo, B. et al (2014)
[29] Susenas (2017)

Photo: Firdaus Syahril, 2020

Section 4:
Key design features of BANGGA Papua

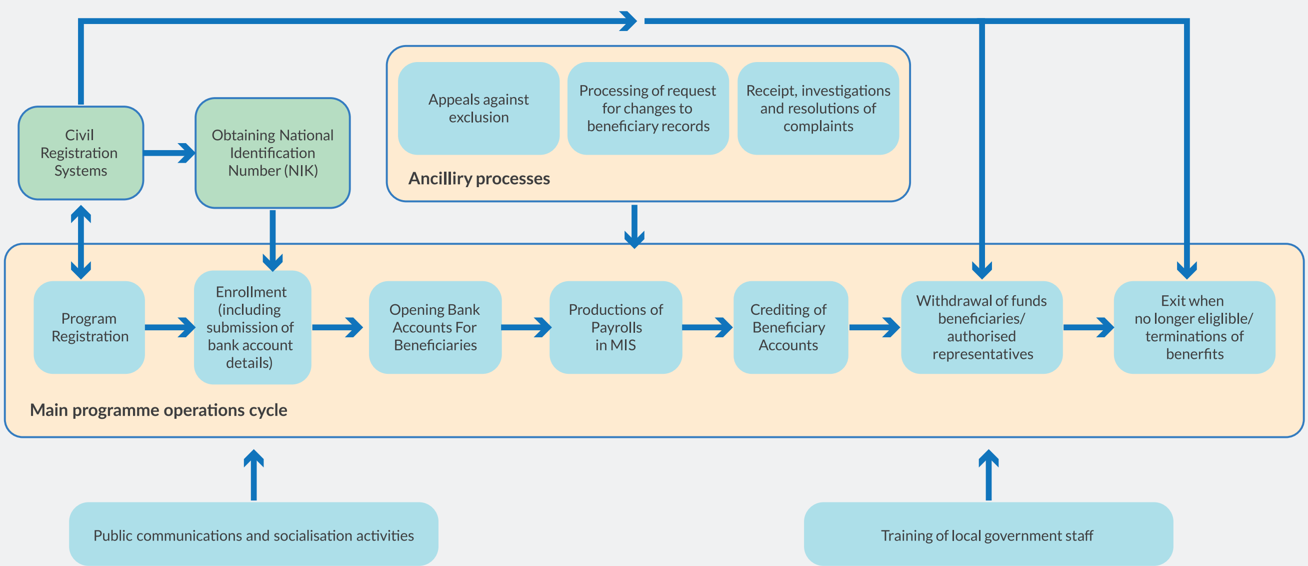
The PGP designed BANGGA Papua over a three-month period (between April to June 2017) with support from a small team of technical consultants from Australian Government-funded programs MAHKOTA and KOMPAK.[30] The PGP spent the remainder of 2017 laying the groundwork for program implementation, which included establishing the program's regulatory framework; setting-up government coordination mechanisms; and identifying the right payment service provider. In 2018, the provincial and district secretariats began executing BANGGA Papua's business processes (see Figure 2).

BANGGA Papua's foundation is uniquely based on innovative institutional and operational design features which will be further discussed in this section. Technical assistance from development partners has been an important feature in the development and execution of BANGGA Papua and is therefore also discussed.

Establishing legitimacy through the Governor's Regulation

Indonesia's social protection system is governed by a range of narrowly prescribed national regulations and laws. Existing national regulations state that all cash transfer schemes must be targeted to the poor and that local governments are prohibited from providing cash transfers on an ongoing basis. Therefore, in order to invest OTSUS funds towards the scheme, the PGP had to enact a Governor's Regulation for BANGGA Papua prior to commencing program implementation. The process of obtaining buy-in from relevant Provincial government agencies and drafting the Regulation took well over a year. While this delayed the intended roll out of the program, it established critical legitimacy and buy-in at the highest level of the provincial government.

Figure 2: BANGGA Papua business processes



Source: BANGGA Papua Design Document, 2017

[30] KOMPAK and MAHKOTA programs operate under a development cooperation partnership between, and with the oversight of, the Australian and Indonesian governments. KOMPAK works with GoI at the national the sub-national levels to help strengthen Indonesia's decentralised governance system and has been a long-term adviser to the Provincial Government of Papua. MAHKOTA works with the GoI at the national level to help strengthen the social protection system. The two programs collaborated to provide high quality technical assistance to the PGP in the design and implementation of BANGGA Papua.

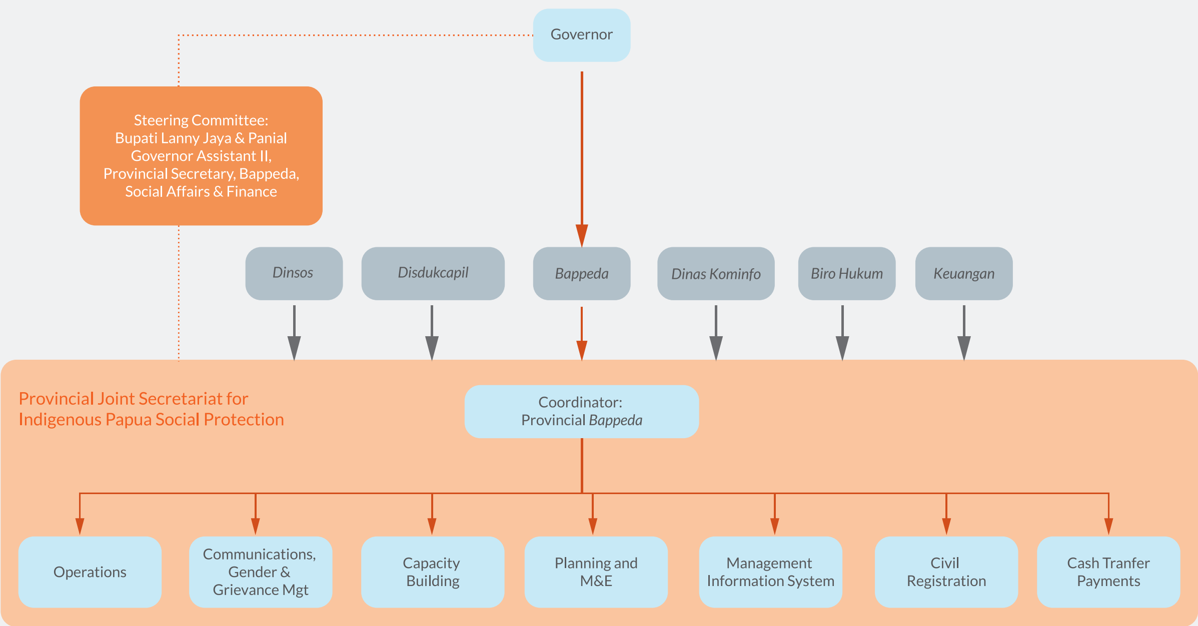
An innovative institutional set-up

Given that most programs in Papua grapple with limited local government capacity and weak governance structures, the PGP took the innovative step of establishing a joint secretariat headed by the Governor and a Steering Committee (SC) to coordinate and manage the program (see Figure 2). The SC is comprised of multiple local agencies including: Planning, Social Affairs, Communications and Informatics, the Civil Registration Office, Legal Bureau, and Finance.

The Provincial secretariat is responsible for training and coordinating the implementing districts; planning and budgeting; developing implementation guidelines; running the Management Information System (MIS); disbursing the transfers to beneficiary bank accounts; and monitoring program progress. The institutional structure of the Provincial secretariat is also mirrored at the district level. District secretariats are responsible for executing the program, including: communicating the program to local leaders and communities; registering and enrolling beneficiaries into the MIS; leading disbursements at local payment points; and managing grievances and appeals. District secretariats provide monthly progress reports to the Provincial secretariat and convene once a quarter.

Although inter-agency coordination is challenging in any context, the district-level BANGGA Papua governance structure played an instrumental role in building ownership of the program across the entirety of local government. Also, the fact that each agency dedicated resources to BANGGA Papua meant that the program was well-budgeted and staffed. Moreover, BANGGA Papua is a part of every local line agency's institutional mandate and therefore able to function across several complementary areas. This is an important distinction from national social protection schemes which are typically implemented at the local level by a single line agency (usually the Office of Social Affairs).

Figure 3: Institutional set-up (provincial and district level secretariats)



Description of the provincial level line agencies :

Dinsos	: Office of Social Affairs
Disdukcapil	: Office of Civil Registration
Bappeda	: Planning Agency
Dinas Kominfo	: Office of Communication and Information Technology
Biro Hukum	: Legal Bureau
Keuangan	: Finance Bureau

Source: BANGGA Papua Design Document, 2017

Identifying a suitable payment service provider for the Papuan context

The PGP carried out an assessment of potential payment service providers and identified that only three large-scale financial service providers are operational in the implementing districts: Bank Papua (the lead provincial bank), BRI (a major national bank) and PT Pos (the post office system). Although BRI is the designated payment provider for national social protection schemes in Papua, it has very limited branch coverage in the Papua province. While PT Pos has excellent outlet coverage across Papua, this mechanism would rely on manual cash delivery rather than electronic transfers to bank accounts (with the Papuan Provincial Government strongly in favour of the latter). It is also worth noting that there is limited potential for agency banking or mobile banking in the three initial districts given the lack of telecommunications infrastructure and internet network coverage.

The PGP identified Bank Papua to be the most appropriate payment provider given its:

- high branch coverage (although many villages would still have difficult access);
- ability to serve the population through bank accounts, substantially increasing financial inclusion in some of Papua's most remote areas; and
- previous experience in distributing cash to marginalised groups for other provincial government schemes.

Registering remote populations: thinking outside the box

All villages across the three pilot districts were classified in three clusters: easy to reach, moderate access, and difficult to reach. Difficult to reach villages can take up to 3 days by foot (in Paniai); over a US$150 round trip boat ride (in Asmat); and travellers' safety is at risk while commuting (in Lanny Jaya). Given this challenging geographic context, all three District secretariats had to think creatively about how to register eligible beneficiaries who were unable to travel to the local district office to sign up for BANGGA Papua.

Lanny Jaya and Paniai utilised the local village apparatus (e.g. village leaders and councils) to verify and register potential beneficiaries and manually transport completed forms to the District secretariat's office. Although practical, this approach was not without its challenges. Many village heads lacked faith that the government would deliver on its promise of cash transfers and therefore opted out of the process. The District governments could also only afford to validate data accuracy in the 'easy to reach' villages, leaving major gaps in data quality. As a result, many eligible beneficiaries in Lanny Jaya and Paniai were missed or their data was incorrectly recorded. The PGP will need to address these challenges as the program matures.

Asmat took a different approach and hired enumerators to collect data on all indigenous Papuans in the district. The census approach seemed to be the most effective in reaching eligible individuals, as Asmat managed to enrol the population's 15,365 children into the program, whereas Lanny Jaya and Paniai only registered 4,610 and 11,942 respectively. However, Asmat allocated a much higher budget to registration as compared to the other districts, yet were still unable to reach very remote areas.

BANGGA Papua's management information system: a one-stop shop

BANGGA Papua requires that all beneficiaries (mothers and other legal guardians) have national identification numbers (NIKs) to receive BANGGA Papua payments. While this is often an obstacle preventing poor families from enrolling in national social protection schemes, the PGP leveraged BANGGA Papua as an opportunity to provide civil registration for thousands of Papuan citizens.

The PGP, all too aware of the cost of going back to families multiple times, developed a comprehensive management information system (with support from MAHKOTA) that could be leveraged to enroll beneficiaries into BANGGA Papua, obtain NIKs through the Civil Registration and Vital Stastics (CRVS) system, and establish bank accounts through Bank Papua. In addition to basic enrolment data, BANGGA Papua's registration form therefore incorporated aspects of the national civil registration form as well as the Bank Papua account opening form.

The BANGGA Papua Management Information System is a one-stop shop for managing beneficiary information and data services and was used to populate the CRVS system which attracted the attention of key national policymakers (see Box 4 for an overview of BANGGA Papua's MIS).

BOX 4: THE BANGGA PAPUA MANAGEMENT INFORMATION SYSTEM (MIS)

The BANGGA Papua MIS administers the beneficiary information for the program, manages the fulfilment of all key business processes, and enables reporting on beneficiary status. The MIS is maintained by the Province, although District staff are responsible for entering data. Key features of the MIS include:

- **Registration**: the MIS digitises application data of potential beneficiaries (collected on paper-forms printed through the MIS registration module). The system has a number of checks and balances built into the data entry and approval process. The information collected is also used to populate the civil registry for applicants that are yet to have obtained national identification numbers.
- **Enrolment (bank account opening)**: Bank Papua downloads the approved beneficiary list from the MIS and creates bank accounts for all applicants authorised for enrolment offline. The MIS team and Bank Papua IT division had worked together on these transfer protocols, but the process is still manual and should look to be automated prior to scale-up.
- **Electronic payments**: the MIS enables the provincial government to run a pre-payroll audit to review payment amounts, outstanding beneficiary information, unresolved grievances, and other cases. Once reviewed, the MIS generates payment orders for approval by the Provincial Government. Bank Papua downloads approved payment orders from the MIS and processes payments offline.
- **Daily bank account and payment disbursement activity**: the MIS has the functionality to provide users with bank account activity, including amounts of debits, credits, and the closing balance for all beneficiary records. A quarterly reconciliation file is exchanged with Bank Papua to maintain data integrity and quality, although these have been slow to produce.
- **Grievances, updates and case management**: the MIS has an inbuilt workflow mechanism to record appeals and complaints and allows upload of supporting documents. It allows users to enter status updates, additional comments, but does not yet have a workflow functionality to track complaint handling or record resolution.
- **Comprehensive reporting suite and dashboards**: The MIS has a feature-rich reporting module to enable multi-tiered filtering and search functions across the dataset. There is complete flexibility for users to generate custom reports – typically lists with various filters such as status (active/inactive), gender, location, period, other characteristics, etc. The MIS also allows a report generated by one person to be shared with other users. Detailed dashboards present the information in summarised and graphical formats, but the monitoring function needs to be further developed.
- **Beneficiary registry**: The MIS provides a 360-degree information view of the Beneficiary. In addition to managing the key operational processes of the program, the beneficiary information is linked to all registration, payments, bank account activity and balance, case management, and other relevant records to provide a summarised view of beneficiary information.

As the program progresses, it is critical to integrate the BANGGA Papua MIS with Bank Papua and Civil Registration data management systems to enable automatic generation of regular reports where possible.

This synergized approach led to the issuance of NIKs for all beneficiaries, including birth certificates for all 11,000 BANGGA Papua children in Asmat, making national headlines.[31]

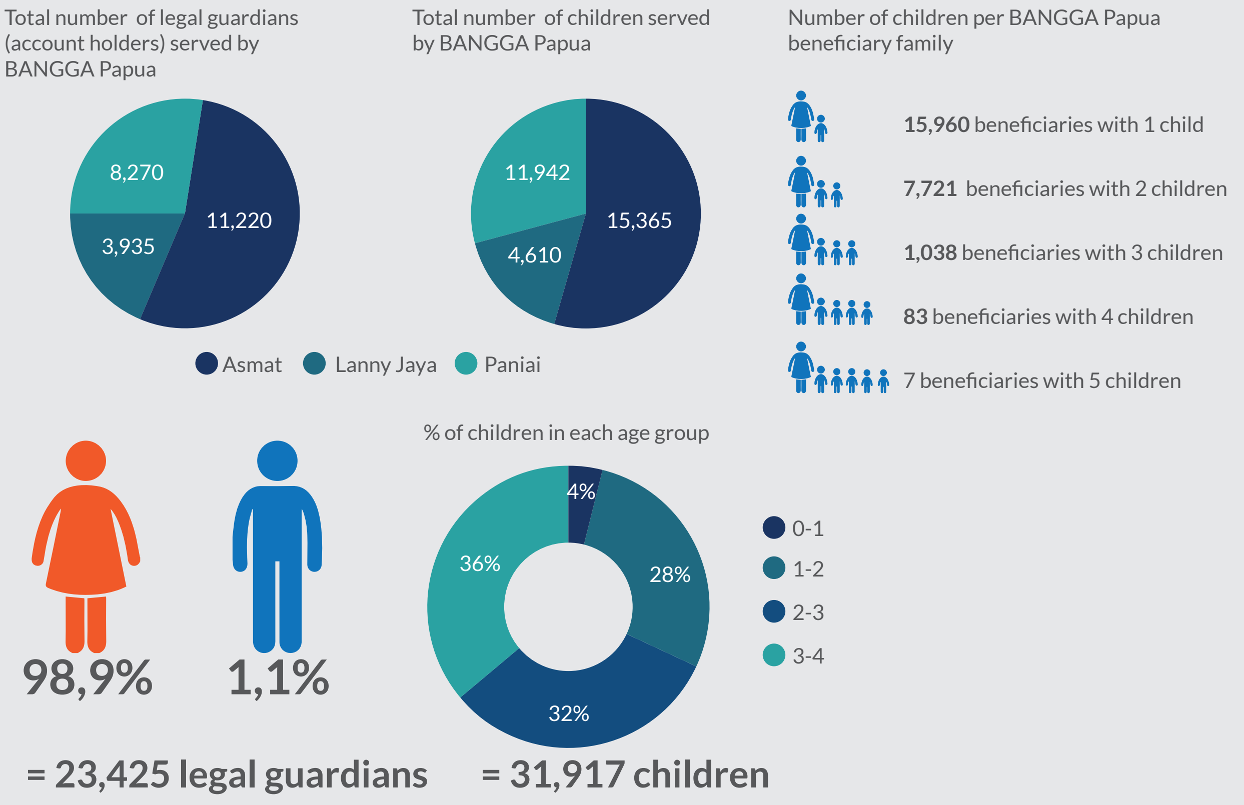
Making payments to beneficiaries: last mile delivery

Once bank accounts were opened for all program beneficiaries using BANGGA Papua MIS data, the provincial joint secretariat credited all individual accounts through payrolls automatically generated by the BANGGA Papua MIS (see Box 5 for a profile of BANGGA Papua beneficiaries). Although an achievement in and of itself, the 'last mile' of payment delivery proved to be the biggest challenge, as many beneficiaries cannot afford the direct (and opportunity) costs of travel to reach an existing branch[32] (See Box 5 for a profile of BANGGA Papua beneficiaries.)

In response, the District secretariats and Bank Papua established payment distribution points at Bank Papua branches, as well as several additional locations in the remote interiors of the three districts.

[31] "BANGGA Papua Memperbaiki Data Kependudukan", Harian Kompas pg 11, 16 December 2018
[32] TNP2K 2014; Hossain, N. et al. (2012)

Box 5: Profile of BANGGA papua beneficiaries (data from the program MIS)[33]



In the case of Paniai, for example, six payment distribution points were planned but only three were established due to security concerns. The distribution point serving easy access villages provided payments to around 1,000 mothers that were up to a 25 km car ride away, while the payment point that served 'difficult to reach' areas covered around 60 mothers with the cash being transported to the payment point via helicopter.[34] In the later case, the cost of cash distribution was approximately US$200 per beneficiary – the equivalent to a year's worth of transfers for a family with one child. This highlights not only the intensive resources required to achieve last mile payment delivery in remote contexts, but also the district's commitment to ensuring that cash reaches the hands of the most marginalised. However, given the lack of markets and limited use of cash in such remote areas, a consideration for the PGP moving forward is to mobilise beneficiaries to 'easy access' payment points where they have better access to markets and other payment point services.

During the payment distributions, Bank Papua and the district secretariats worked in tandem to deliver high quality and efficient services to beneficiaries in these remote areas. By design, payment points were equipped with five stations, each with a specific function. Beneficiaries' identification is verified at the first station; withdrawal slips are completed at the second station; the third station acts as a teller's window, disbursing payments; station four is a 'communications desk' that advises beneficiaries on how the money should be spent; and the last station is for data updates, appeals, and grievances (see Box 6 on public communication strategies).

Beneficiary at a payment point in Asmat District getting recommendation on how to use their Bangga Papua fund.

Given the lack of markets to buy nutritious foods and other necessary items for children, at some payment points the district governments set-up temporary 'stores' for beneficiaries to purchase a range of items (of which the best sellers were rice, eggs, milk and children's clothes). The initiative captured considerable media attention both locally and nationally. In Asmat, the payment points were also a hub for health cadres from the local health offices to immunise children and provide other health services.

[33] This is reflective of the first payment distribution in Jan – March 2019. During the subsequent payments, PGP made efficiencies and no longer distributed cash
[34] Data extracted from the BANGGA Papua MIS in February 2020.

Box 6: BANGGA Papua's communications strategy

A strong communications strategy underlies people's understanding of the program, how to register, and how best they may utilise the transfer. An array of communication materials explaining the program were developed with the support of KOMPAK and their local communications partner, BaKTI. Communication mediums took the form of banners that the district secretariat staff used to address large crowds; posters that were hung in the local Bank Papua office, health office, the church, and other common areas; videos to be shown in Sunday church service; and publications of frequently asked questions that governments had on hand during payments. Key provincial government officials, down to local village champions, were trained on these various tools and key messages.

Given limited government staff in the remote interiors of the district, it is critical to leverage village champions and local actors to play the role of communication agents. The districts are now exploring how to train health workers, cultural leaders, and others to disseminate key messages to their communities in order to extend program awareness to villages beyond government reach.

The experience proved that these payment points are not just a mechanism to distribute cash – they act as single windows for a range of critical services, including capturing eligible beneficiaries who were missed in early registration efforts and extending basic services that are not always accessed.

BANGGA Papua technical assistance: support from development partners

Given that designing and implementing large-scale cash transfers is new in the Papuan domain, the PGP required support to establish program governance structures and develop robust delivery systems. During the design phase the PGP identified a range of priorities for technical assistance.

The Australian Government, a long-term partner in Papua's development, agreed to support these efforts through two of its programs, MAHKOTA and KOMPAK. Specifically, MAHKOTA is providing technical assistance across all operational areas, including program design, MIS development, payments set-up and distribution, as well as monitoring and evaluation. KOMPAK is engaging with local partners to provide technical assistance with public finance management, regulatory frameworks, civil registration, and public communications.[35] KOMPAK and MAHKOTA technical assistance has been critical to the establishment and implementation of BANGGA Papua across the three pilot districts.

Concurrently, UNICEF-Indonesia is financing and implementing an impact evaluation of the program which will shine light on the program's intended impact and effectiveness as well as capture any unintended consequences.

The main tenet of technical assistance has been to build the PGP capacity in key operational areas and program management so that the Provincial secretariat can independently scale-up the program province-wide. While they play a critical support role, it is important to note that development partners consciously maintain a back-office presence, and that their contributions to BANGGA Papua are a fraction of what the PGP invests into the implementation of the program.

Socialization about Bangga Papua program in one of beneficiaries' home

[35] Public communications is supported through KOMPAK's sub-contracted partner, BaKTI.

Section 5:
Challenges, achievements, and lessons learnt to date

The PGP has clearly demonstrated a strong commitment to the BANGGA Papua pilot, although some challenges inevitably surfaced. Firstly, coordination mechanisms between the province and districts were not always smooth. Secondly, the significant length of time it took to secure the Governor's Regulation meant that many critical processes, such as program enrollment and establishing individual bank accounts, were rushed because they could not be carried out without first having legal backing. Thirdly, last mile registration and payment delivery remains a challenge - utilising village apparatus staff for beneficiary registration has left gaps in data quality and coverage, and hundreds of beneficiaries still struggle to reach payment distribution points.

Furthermore, there were considerable differences in implementation between the three implementing districts: Asmat showed very strong local leadership, innovation and acted as a 'textbook' example for how to achieve the above processes effectively. Paniai, however, endured significant political turmoil during the preparation phase, resulting in district government and Bank Papua budget freezes and high security risks which slowed down progress. Lanny Jaya suffered from weaker district leadership of the program, which resulted in the Head of the Secretariat being replaced very late into the preparation process, and the district catching up on critical preparatory activities just a few months ahead of the first payment.

Despite the differences in context and performance, the achievements of the PGP are commendable. In less than 18 months from expressing interest in a cash transfer program, the PGP was delivering payments (and a range of other services) to remote indigenous communities. Such a quick implementation period in the light of Papua's contextual, regulatory and governance challenges is nothing short of remarkable. Although BANGGA Papua is still in its early trajectory, a few critical lessons can be gleaned thus far. For instance, BANGGA Papua exemplifies that national and sub-national programs can be complementary towards the goal of establishing a comprehensive social protection system. While national schemes lay the foundation for providing economic security to the population, sub-national programs can use local innovation to address coverage gaps as well as to top-up relatively low benefit amounts.

However, national regulations can be an obstacle for social protection innovation at the sub-national level. The inability for local governments to provide cash transfers on an ongoing basis creates sustainability issues and deters local governments from addressing coverage gaps through their own innovative programs.[36] While BANGGA Papua has avoided these issues through several regulations linked to Papua's Special Autonomy Status, it poses a challenge for other sub-national governments interested in following suit and introducing innovative schemes, such as child grants.

BANGGA Papua has also designed and implemented practices that national programs can potentially learn from. For instance, BANGGA Papua's joint secretariat structure has built cross-agency ownership of the program and led to effective coordination. Similarly, the PGP's decision for categorical targeting contributed to relatively low administrative costs and strong popular support for the scheme. In addition, their decision to empower the village apparatus to take on communication and registration activities replaced the need to hire a large cohort of field staff, further lowering administrative costs and creating popular support.

[36] TNP2K (2018)


Photo: Firdaus Syahril, 2020

The Asmat district government set up mini markets for beneficiaries to buy staple foods, children's clothes, and other daily needs.

In Asmat, the district government's census approach to registration is systematic, inclusive, and replicable by new districts. Furthermore, the Province's decision to partner with a provincially managed bank rather than the major national banks also allowed for flexible and innovative payment delivery mechanisms.

Importantly, BANGGA Papua has set the precedent that legal identification (or lack thereof) should not be an obstacle for eligible beneficiaries to register for social protection programs. An inclusive social protection scheme that motivates eligible beneficiaries to register can stimulate the demand for national identification. Coupled with a comprehensive management information system and an effective coordination of data, inclusive programs can create a vehicle to provide citizenship to the disenfranchised.

In the current context of the Covid-19 pandemic, PGP has an opportunity to leverage BANGGA Papua as an economic response. The program's simple eligibility criteria, community based registration mechanisms, and local payment delivery systems make it an effective vehicle to channel cash to those most greatly impacted. PGP has an opportunity to not just reinstate the payments this year, but to scale-up the program to be inclusive of other vulnerable groups severely impacted by the crisis (e.g. the elderly as originally envisaged). It would also be appropriate to increase the benefit level to enable families to cope with lost incomes and other adverse challenges, as well as to roll-out the program to all of the districts that have been most severely impacted by the crisis.

Looking ahead, BANGGA Papua has key challenges to consider. Firstly, since BANGGA Papua only targets indigenous Papuans, the PGP will also soon have to contend with the inequality this potentially creates in areas where non-indigenous populations are relatively high. Secondly, OTSUS funding is currently set to end in 2021, and in the absence of this, the Provincial government will have to identify another source of funding for the program's long-term sustainability. Thirdly, given the difficulties in identifying and delivering payments to Papua's remote communities, continuous innovation is required to ensure that those hardest to reach are benefiting from the program as intended. Fourthly, as the program expands the BANGGA Papua Management Information System should continue to improve its functionality, integrate with Bank Papua and Civil Registration Systems, maintain data security and enhance user capacity and ownership. Fifthly, ongoing monitoring and adaptation to ensure the program does no harm. Lastly, cash can only achieve so much on its own. Strengthening access to basic services and complementary interventions are critical for comprehensively addressing the health challenges that afflict Papuan children, as is deepening communication campaigns and messages so families are increasingly aware of how to optimise their cash investment towards the well-being of their children.

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