Bantuan Pangan Non Tunai (BPNT) Operations Assessment

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Overview of BPNT 2017

44 Cities or regions in Java and Sumatera Island

1.4 million Beneficiaries*

7,700 e-Warongs*

Process of BPNT

The beneficiary goes to the designated e-Warong and checks their balance. An e-Warong is a bank agent and designated outlet for BPNT disbursement.

The beneficiary swipes their KKS, enters their PIN, and purchases listed food items (rice, cooking oil, sugar, and eggs).

Each beneficiary has a Kartu Keluarga Sejahtera (KKS). This is a combo card used to receive BPNT.
Objective and Methodology
Objective and Methodology

**Objective**

To assess the operational implementation of the BPNT programme in 2017 through feedback from beneficiaries and e-Warongs.

Identify potential issues for large-scale implementation in 2018.

**Population and Sample Size**

<table>
<thead>
<tr>
<th>Total Sample of Quantitative Research</th>
<th>2,355</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-Warong Beneficiaries</td>
<td>n = 585</td>
</tr>
<tr>
<td>n = 1,770</td>
<td></td>
</tr>
</tbody>
</table>

**e-Warong Owner and Beneficiaries of BPNT**

- Qualitative research conducted to complement quantitative findings
- 40 in-depth interviews with e-Warongs, beneficiaries, and government staff (*Kelurahan* office, *Pendamping PKH*, and *Tenaga Kesejahteraan Sosial Kecamatan* or TKSK).

* Kelurahan is a village level governance
**PKH: Program Keluarga Harapan or Family Welfare Programme, a conditional cash transfer programme is a G2P programme in Indonesia
***TKSK: a staff under Ministry of Social Affairs (MoSA) who in charge as BPNT Supervisor at the field level
*The percentage sample for both the beneficiaries and e-Warong in each province was the same.

**There has been no distribution of BPNT in Sidoarjo city yet, as of 2017.
The research focuses on understanding the experience of beneficiaries and e-Warongs surrounding BPNT implementation in 2017, specifically on the following areas:

**Beneficiary Survey**
- Socialisation and awareness
- Convenience of BPNT process and complaint resolution
- Feedback on food items received

**e-Warong Survey**
- Quality of onboarding and technical support
- Ease of the BPNT process and support available
- Viability of e-Warongs
Results from Beneficiary Survey
Of the beneficiaries, 96% were female. This was in line with the guidelines that require the KKS card to be made under the name of the female head of household.

A majority of the respondents were between 40 and 60 years old.

Of the respondents, 82% had education level of junior high school or below. This had implications for using debit cards and PINs.

Typical BPNT beneficiaries are female, middle-aged, with a low level of education.
Socialization and Awareness
Beneficiary Awareness Remains Low on Scheme Details

Of the beneficiaries, 27% do not know how much subsidy they receive—a figure that is quite high.

A couple of reasons for this is the change in frequency from monthly to bimonthly. In some cases, the amount for 3–4 months was transferred in one shot. This irregularity in disbursement has lead to confusion among beneficiaries regarding the scheme details.

In addition, the receipts for transactions are not given in a majority of the locations during balance check and after disbursement.

“I have not received any transaction receipt. The e-Warong operator keeps it with herself. She says it is for their record.”

-Beneficiary – Padang, West Sumatera
Of the beneficiaries, 93% received the invitation letter. Only 5% of the total respondents who received the invitation letter felt that the information in the invitation letter was insufficient or unclear,

Respondents felt that the invitation letter is a good way to introduce the scheme and it provides legitimacy for the beneficiaries to participate in the programme.
Community Leaders are Important for Giving Scheme Information

Who gave the invitation letter?

- Community Leader: 55%
- Kelurahan staff: 27%
- Kader*: 11%
- Others**: 7%

Who informs you about BPNT disbursement date?

- Community Leader: 42%
- Other Beneficiaries: 35%
- e-Warong: 13%
- Kader*/BULOG: 12%

- Community leaders like RT/RW are the key sources of information on BPNT. Kader staff like Pendamping PKH or TKSK are not known to the beneficiaries.
- Beneficiaries are depending on the community leaders for important information, such as the date for the next disbursement, the individuals who are eligible for the scheme, and the reasons for inclusion or exclusion.

“I prefer to ask the RT/RW*** about the scheme details and other information than reading it from the letter, as I trust the person. - (Beneficiary – Pekanbaru, Riau)”

*Kader is a government employee at field level, i.e. TKS/TKSK/Pendamping PKH
**Others in source of invitation letter: e-Warongs, bank staff, courier, and other beneficiaries
***RT/RW is an abbreviation for Rukun Tetangga/Rukun Warga, a community-based governance and it smaller than Kelurahan (village)
Convenience of BPNT Process and Complaint Resolution
Registrations Usually happen Within a Day and in the *Kelurahan* Office

<table>
<thead>
<tr>
<th>Place of registration</th>
<th>Kelurahan Office</th>
<th>Kecamatan Office</th>
<th>Bank Branch/Bank Outlet</th>
<th>Other Public Facility</th>
<th>e-Warong</th>
<th>By courier and others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>49%</td>
<td>21%</td>
<td>18%</td>
<td>5%</td>
<td>5%</td>
<td>2%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Time taken for registration</th>
<th>&lt; 30 minutes</th>
<th>30 minutes until 1 hour</th>
<th>On the same day</th>
<th>More than 1 day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>19%</td>
<td>31%</td>
<td>42%</td>
<td>7%</td>
</tr>
</tbody>
</table>

- Only 7% of the respondents (127 respondents) said that it took more than one day to do registration. This was usually due to incomplete documents, such as expired *KTP* (for non-electronic *KTP*), or for cases when beneficiaries either did not have e-*KTP* or due to a difference in the name between *KTP* and beneficiaries data or both.

- Locations which are more often used as registration place are *Kelurahan* office (49%), *Kecamatan* office (21%) and bank branch (18%). Some of the respondents have their KKS card kit delivered by courier to their home.

*KTP* is a national identity card in Indonesia
Variations in Registration Requirements and Post-registration Documents

- KTP or e-KTP and Family Certificate (Kartu Keluarga/KK**) are the most common documents that are required for registration. Mobile phone number came up in 11% of responses from all respondents.

- A majority of the respondents received a KKS card, passbook, and PIN as part of the registration kit. However, only a small selection of beneficiaries mentioned that their KKS card also contained a brochure or a pamphlet (14%) and an e-Warong list (11%).

*Respondents were allowed to give multiple responses
**Kartu Keluarga or KK is a certificate issued by government which declare all family members information in a household
Community Leaders/Kader are Responsible for Allocating e-Warongs for Beneficiaries

Who decides on the e-Warong location?

- In most cases, the community leaders and Kader (38%) decide the e-Warong for the beneficiary. Though location of e-Warong has been given in the invitation letter, but in the end beneficiaries go to different e-Warong.
- Some beneficiaries (5%) have the freedom to select an e-Warong, usually in areas where there are more e-Warongs available.
Beneficiaries still Spend a Nominal Amount for Transportation

**e-Warong distance**

<table>
<thead>
<tr>
<th>Distance</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 10 minutes</td>
<td>53%</td>
</tr>
<tr>
<td>10 - 30 minutes</td>
<td>38%</td>
</tr>
<tr>
<td>30 minutes - 1 hour</td>
<td>7%</td>
</tr>
<tr>
<td>&gt; 1 hour</td>
<td>1%</td>
</tr>
</tbody>
</table>

**Transportation cost to reach the e-Warong**

<table>
<thead>
<tr>
<th>Cost Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Didn't spend anything</td>
<td>32%</td>
</tr>
<tr>
<td>&lt; IDR 10,000</td>
<td>23%</td>
</tr>
<tr>
<td>IDR 10,000 - 30,000</td>
<td>43%</td>
</tr>
<tr>
<td>IDR 30,001 - 50,000</td>
<td>2%</td>
</tr>
<tr>
<td>&gt; 50,000</td>
<td>0.11%</td>
</tr>
</tbody>
</table>

- Median Time Taken to Reach e-Warong: **2 minutes**
- Median Expense to Reach e-Warong: **IDR 6,000 (USD 0.43)**

- The e-Warongs were usually close to beneficiary residences. The median time taken for travel was two minutes.
- Beneficiaries paid a nominal median amount of IDR 6,000 (USD 0.43) per disbursement. This is usually to take local an ojek (motorcycle taxi) to pick up the BPNT.
- For more rural areas, we forsee distance and transportation could be a factor if e-Warongs are not selected appropriately. However, in 2017 since the selected areas were urban or semi-urban this is not an issue for most beneficiaries.
**Did you have to pay for anything to get food?**

<table>
<thead>
<tr>
<th>Type of Cost</th>
<th>Median Charges (IDR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paying for the plastic bag to carry the groceries</td>
<td>3,000 (N = 278)</td>
</tr>
<tr>
<td>e-Warong service</td>
<td>8,750 (N = 61)</td>
</tr>
<tr>
<td>Others (porter fees, helper fees, etc.)</td>
<td>20,500 (N = 14)</td>
</tr>
</tbody>
</table>

**Charges to Beneficiary by e-Warongs - Across Type (Median)**

<table>
<thead>
<tr>
<th>Type of Charge</th>
<th>IDR 2,000</th>
<th>IDR 1,500</th>
<th>IDR 2,500</th>
<th>IDR 10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>e-Warung KUBE*</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RPKs**</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regular Grocery Shop</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community Leader</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 20% of the beneficiaries were charged by e-Warongs to give BPNT. Usually these charges are levied for plastic bags, fees for porters or trucks, or as general service charges.
- In some instances, respondents paid up to IDR 20,000 for buying a plastic bag (in Cilegon) and IDR 50,000 as e-Warong services (in Pekanbaru).
- e-Warongs mention they have to manage quite a bit of costs and that is why they charge beneficiaries.

* e-Warung KUBE is agent network under Ministry of Social Affairs and bank supervision, owned by 10 PKH members as the caretakers, who handle daily store operations.
** RPKs is an abbreviation of Rumah Pangan Kita, agent network under BULOG (Government Agency for Food Logistic) and bank supervision.
Many Beneficiaries find Queuing at e-Warongs is Acceptable

• A majority (63%) of the respondents take less than 30 minutes to complete BPNT transaction.

• Of the respondents, 36% take more than 30 minutes per disbursement while 23% take more than an hour.

• Usually disbursements are done only for two days in a month in most shops. Most beneficiaries come on the first day of the disbursement, which leads to long queues and waiting time at the e-Warong.

Median Range of Time for Disbursement

16 – 30 minutes
Documents Required for Disbursement Vary Across e-Warongs

Requirement of disbursement documents*

- Of the respondents, 46% said they have to also show their KTP or e-KTP to get their entitlement while 18% have to show their Family Certificate (Kartu Keluarga or KK).

- The e-Warongs ask for EDC receipts in instances where they ask beneficiaries to swipe the cards in advance. The e-Warongs then give the beneficiaries the receipt as proof of payment, after which the e-Warong buys the stock. The beneficiaries then have to reach the shop again to pick up the food stock and submit the receipts to the e-Warong. The e-Warongs follow this method to finance the purchase of food stocks.

*Respondents were allowed to give multiple responses.
Most Beneficiaries Utilised the Entire Amount in One Transaction

Did you utilised the entire amount in one transaction?

- Yes (96%)
- No (4%)

Reason for utilised the entire amount in one transaction

- e-Warong told me to (68%)
- My own decision (27%)
- No availability of stock in near future (3%)
- e-Warong is not open everyday (2%)

Almost all of the respondents utilise their BPNT amount in a single transaction (96%). The respondents reported that they did so because they were following the instructions of the e-Warongs (68%).

In a few circumstances where beneficiaries did not utilise the amount, it was due to the fact that they would have received the subsidy for multiple months of subsidy at one time. In such instances, the beneficiaries did not wish to spend the entire amount in the same month.
Major Hurdles to Disbursement were PIN and Network/System Issues

A number of beneficiaries reported remembering the PIN as being a hassle for them, which led to delays in the disbursement. Of beneficiaries, 30% faced issues related to network, 23% faced system failure, and 20% said that they were not happy with the amount of BPNT.

Respondents also mentioned other issues, such as the unavailability of e-Warong, instances where beneficiaries had lost their KKS card, long queues at the e-Warong, instances where beneficiaries did not receive adequate quantity of food items, and cases where the KKS card was damaged.

*Respondents were allowed to give multiple responses
Emerging Issues — though not Systemic or at Significant Scale

“Whether I like it or not I have to give my card and PIN to the Kader. In every BPNT collection, I never do any card transaction myself. The Kader holds a record book and informs beneficiaries through WhatsApp about the disbursement. She also asked us to bring IDR 15,000 (USD 1.09) when we come to the e-Warong to collect BPNT. The money is mandatory for all.

- (Beneficiary – Depok, West Java)”

“I received a sole, one-time disbursement at the e-Warong. When I came to know about the second disbursement from the community leader and other beneficiaries, I went to the e-Warong. However, I had no balance in my account until now. I have already asked the e-Warong, TKSK, and bank staff but there is no solution from them.

- (Beneficiary – Medan, North Sumatera)”

“The BPNT transfers are irregular and has confused beneficiaries, myself included. I also feel that the location of disbursement can be closer to my home, so that I don’t have to spend IDR 20,000 (USD 1.45) for an ojek on each disbursement.

- (Beneficiary – Bogor, West Java)”
The Community Leader, the *Kader*, and the *Kelurahan* office are the top three contact points for any grievance.

Only 6% of the beneficiaries have ever tried out the call centre, while only 1% know that the call centre can be used in case they face any issues.

Beneficiaries prefer to talk to someone in person in case of any issues.

“I only know that I need to contact the RW Leader if there are any problems. I did not know if there is a call centre number written at the back of her KKS card. *(Beneficiary – Cirebon, West Java)*”
Feedback on Food Items Received
Some e-Warongs allow Flexibility to Choose Items

Who decides on food items?

- A majority of the beneficiaries said that the e-Warong decided the food items for disbursement. However, 14% of beneficiaries were able to decide the food item.
- The stock of food has been managed well, with 97% of the respondents experiencing no issues of lack of stock.

“In my area, e-Warongs made a certain disbursement schedule for every RT or RW so all beneficiaries would not come in the same time and crowd their outlet. This also helps the e-Warong to manage the stock better.”

-(Beneficiary – Bogor, West Java)
**e-Warong KUBE and Grocery Shops Offer Flexibility in the Choice of Food**

- Regular grocery shops and e-Warong KUBE offered more flexibility to customers in choosing food items.
- This presents a challenge to control the type of food being sold from these counters.

### Who selected the food items in e-Warong KUBE?

<table>
<thead>
<tr>
<th>Selection</th>
<th>Beneficiaries themselves</th>
<th>e-Warong</th>
<th>MoSA/BULOG</th>
<th>Bank Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>9%</td>
<td>21%</td>
<td>68%</td>
<td>2%</td>
</tr>
</tbody>
</table>

### Who selected the food items in RPKs?

<table>
<thead>
<tr>
<th>Selection</th>
<th>Beneficiaries themselves</th>
<th>e-Warong</th>
<th>MoSA/BULOG</th>
<th>Bank Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>3%</td>
<td>19%</td>
<td>69%</td>
<td>7%</td>
</tr>
</tbody>
</table>

### Who selected the food items in Regular Grocery Shop?

<table>
<thead>
<tr>
<th>Selection</th>
<th>Beneficiaries themselves</th>
<th>e-Warong</th>
<th>MoSA/BULOG</th>
<th>Bank Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>13%</td>
<td>29%</td>
<td>49%</td>
<td>9%</td>
</tr>
</tbody>
</table>

### Who selected the food items in Community Leader?

<table>
<thead>
<tr>
<th>Selection</th>
<th>Beneficiaries themselves</th>
<th>e-Warong</th>
<th>MoSA/BULOG</th>
<th>Bank Staff</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>5%</td>
<td>16%</td>
<td>68%</td>
<td>11%</td>
</tr>
</tbody>
</table>
Some Beneficiaries Bought Non-listed Food Items or Non-food Items or Both

- Listed items which beneficiaries can disburse are rice, sugar, cooking oil, and eggs. In general, only rice, sugar and cooking oil are available. Many e-Warongs said that eggs are difficult to get.
- Of the respondents, 16% mentioned that they bought items other than those listed, including condensed milk, instant noodle, tea, and soy sauce.
- Of the respondents, 1% bought non-food items like soap, shampoo, detergent, etc.
- In some instances, BULOG supplied non-listed food items like garlic. Usually e-Warongs, who have their own suppliers, tend to offer more flexibility on the products to purchase.

“*My e-Warong told me that I can choose non-specified items from her shop, including non-food items (such as a 3kg LPG cylinder).*”

- (Beneficiary – Padang, West Sumatera)

*Respondents were allowed to give multiple responses*
Rice, Sugar, Cooking Oil are the Most Common Foods Distributed

**Food items distributed in e-Warung KUBE**

- Rice: 99%
- Sugar: 97%
- Cooking Oil: 92%
- Eggs: 32%
- Flour: 10%
- Others*: 10%

**Food items distributed in RPKs**

- Rice: 100%
- Sugar: 91%
- Cooking Oil: 82%
- Eggs: 12%
- Flour: 4%
- Others*: 9%

**Food items distributed in Regular Grocery Shops**

- Rice: 100%
- Sugar: 96%
- Cooking Oil: 87%
- Eggs: 22%
- Flour: 12%
- Others*: 20%

**Food items distributed by Community Leaders**

- Rice: 100%
- Sugar: 89%
- Cooking Oil: 79%
- Others*: 16%

- Others: instant noodle, condensed milk, tea/coffee, sardine cans, soy sauce, onion, salt, and non-food items (soap, shampoo, detergent)
- **Respondents were allowed to give multiple responses**

- Of the listed items, eggs were considered the most difficult to deliver due to non-availability of reliable suppliers in the required quantity.
- Of the regular grocery stores, 20% allowed purchase of non-listed food items (like condensed milk, instant noodle, sardine cans, tea, coffee, onions, and salt).
Beneficiary Satisfaction
Beneficiaries Feel that in General, BPNT is Better than Raskin

- A majority of the respondents mentioned that quality, quantity, and regularity of BPNT is better than Raskin.
- Beneficiaries feel that the rice supplied by BULOG is still of poor quality and that the e-Warongs that source from private suppliers have better quality.
- However, beneficiaries feel that the price of the food items received through BPNT is expensive as compared to Raskin. But since the price is the same as in the open market, they are not too concerned.

“I am happy with BPNT rice because it has good quality and I receive fixed quantity. In the case of Raskin, the RT Leader usually divides the quantity equally for all citizens, including non-eligible beneficiaries.”

- (Beneficiary – Magelang, Central Java)

*Raskin is an abbreviation for Beras Rakyat Miskin (Rice for the Poor) programme, a rice subsidy programme where beneficiaries received subsidized rate rice as in-kind food assistance. BPNT is a digital initiative to replace Raskin.
Overall, Beneficiaries are Satisfied and Wish to Continue with BPNT Due to Better Quality

Satisfaction towards BPNT

<table>
<thead>
<tr>
<th>Not satisfied</th>
<th>Average</th>
<th>Satisfied</th>
<th>Very satisfied</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>3%</td>
<td>63%</td>
<td>32%</td>
</tr>
</tbody>
</table>

Reason for want continue receiving BPNT

- Food items have better quality: 81%
- Ease of transaction: 38%
- Flexible on the utilisation: 37%
- Funds does not lapse at the end of the month: 32%
- Availability of food items: 29%
- e-Warong is close to home: 28%

“I am happy with BPNT because the quantity is similar to Raskin, the rice is much better in quality, and the food items are varied.”

- (Beneficiary – Depok, West Java)
Results from e-Warong Survey
Profile of e-Warong Operators

The typical e-Warong operator is female, middle aged, and has served for at least six months.

A majority (69%) of the e-Warong operators are female with 59% of the owners or operators in the 40-60 year age group.

A majority (62%) had served as e-Warongs for more than 6 months.

*Laku Pandai is Indonesian Financial Services Authority (Otoritas Jasa Keuangan or OJK) Programme for delivering formal financial services through bank agents, and supported by the use of information technology facilities.

KUBE (43%) and regular grocery shops (42%) are the two major type of e-Warong. Regular grocery shops are usually Laku Pandai* agents of banks. Of the e-Warongs, 3% are located in the homes of community leaders. These were in places where agents or e-Warung KUBE were not present.
Quality of Onboarding and Technical Support
Banks play a Leading Role in Recruiting and Training e-Warongs

Who recruited the e-Warong?

- Banks (53%) and MoSA (35%) are largely in charge of recruiting e-Warongs. Meanwhile, the bank staff play an even bigger role in training.

Who gave training to e-Warong?*

- Training varied across regions and banks. Some e-Warongs received full-day training (33%) while some received half-day training (30%).

- Training material mostly contained information on how to operate EDC (Electronic Data Capture) machine, features of BPNT, beneficiary eligibility, grievance mechanism for e-Warong and beneficiaries, and commission structure. Of the e-Warongs, 92% were satisfied with the training received.

*Respondents were allowed to give multiple responses
The Frequency of Transfer and Beneficiaries Served Varied Across Geographies

- A majority of respondents mentioned that BPNT transfer happened bimonthly (69%) and IDR 220,000 (USD 15.94) is the subsidy transferred;
- Two-thirds of the e-Warongs served less than 500 beneficiaries per disbursement, while only 13% served more than 700 beneficiaries. This shows that in some regions, the banks or local governments could not find required the grocery stores that could transform into e-Warongs.
**e-Warongs Use a Combination of Suppliers for Different Food Items**

- Of the e-Warongs, 51% use their own suppliers solely for BPNT while 41% of the e-Warongs still depend on BULOG, and 8% use a mix of both.
- Across e-Warung types, a majority of regular grocery shops and e-Warung KUBE have shifted from BULOG to their own suppliers due to the poor quality of BULOG stock and the potential to earn more.
Private suppliers can restock faster, with 45% of e-Warongs reporting that they can do it on the same day, which was better than the capability of BULOG (17%).
Issues with Control at e-Warung KUBE

“I asked about the price of rice to the porter. He stated that the price is IDR 80,000 per sack, while our Pendamping (PKH) mentioned that the price is IDR 89,000 per sack. In another time, our Pendamping got offended when we asked her about the discrepancy of IDR 500,000 in the financial statement. She argued and gave no clear explanation.”

- (e-Warung KUBE PKH Caretakers – Malang, East Java)
Ease of BPNT Process and Support
Zero Balance, PIN, and Connectivity are the Key Technical Issues

• Of the e-Warongs, 69% reported lack of balance in the account as a key concern. This may be due to changes in the list of beneficiaries after the first disbursement. While the reason may be genuine, there was no formal communication to the e-Warong or the local bank staff on the reason for this.

• Of the e-Warongs, 59% reported that beneficiaries forgetting their PIN has been a major issue. This has been leading to risky practices of e-Warong operators determine the PIN.

• Of the e-Warongs, 48% encountered connectivity issues. This large number points to challenges in scaling up BPNT to rural areas. Of the e-Warongs, 33% reported system errors and 21% reported a malfunction of EDC machines. These were usually resolved by the bank staff.

*Respondents were allowed to give multiple responses
Key Technical Issues Faced by e-Warongs

“The most common problem is the occurrence of cards with zero balance and beneficiaries receiving only partial amount. Some beneficiaries received BPNT bimonthly (IDR 220,000 or USD 15.94) while others received subsidy for all 10 months at one time (IDR 1,100,000 or USD 79.71).
-(e-Warong – Pekanbaru, Riau)

“The major challenges faced are missing cards, card unreadable when swiped, or instances where beneficiaries forgot the PIN. I hand over such cases to the Pendamping PKH for resolution. Usually, the Pendamping PKH will go to the bank to fix it.
-(e-Warong – Bogor, West Java)

“In one instance, the beneficiary account was successfully deducted but I did not receive the amount in my account. The Pendamping PKH had reported it to the bank. The bank called it “transaksi gantung” (unsettled transaction). It has been 14 working days and this problem has not yet been resolved.
-(e-Warong – Depok, West Java)
Local Bank Staff are the Go-to People to Resolve Most Issues

What do e-Warongs do in case of any issue?*

- For most technical issues, the e-Warongs approach bank staff while for other scheme-related issues they direct beneficiaries to the Kelurahan.
- Call centres are the least-preferred option for e-Warongs as they are expensive.
- Issues of lack of balance and lost cards either take time to be resolved or do not get resolved at all.

Were the issues resolved?

*Respondents were allowed to give multiple responses
A Variety of People Perform the Monitoring but it is Unstructured

- A variety of staff are involved in monitoring. TKSK is closely involved for monitoring e-Warung KUBE. While regular grocery stores and RPK are monitored by the bank who recruited them as e-Warongs for BPNT programme.

- Though the frequency of visits is not fixed, most e-Warongs receive visits at the time of disbursement.

“Bank staff and Pendamping PKH visit our shop during the disbursement. We utilise this opportunity to pass over all issues, queries, and complaints. We do not want to handle any of those things since we are occupied with the disbursement process. They are more capable to resolve any issues, queries, or complaints compared to us.” - (e-Warong – Pekanbaru, Riau)
e-Warong Viability
Suppliers and Number of Beneficiaries Determine Earnings

Median of BPNT Earnings per Month: **IDR 1,000,000 (USD 72.46)**

- 55% of the e-Warongs have earned more than IDR 1 million (USD 72.46) per month. Most of these e-Warongs are those who get stock from non-BULOG sources.
- With a median of IDR 1.4 million (USD 101.45) per month, e-Warongs who used a mix of suppliers earned the biggest amount compared to others.
- Earnings increased in line with the number of beneficiaries. The e-Warongs who serve more than 700 beneficiaries have median earnings of IDR 2.2 million (USD 159.42).

Median of Commission from BULOG per transaction: **IDR 3,850 (USD 0.28)**
Regular Grocery Stores can Make Better Margins on Food Items

Regular grocery stores and RPKs are able to make higher margins on the products due to experience, business acumen, and stable supplier relationships.
E-Warongs Show a High Level of Satisfaction Across Parameters

- A Majority of e-Warongs said that they felt satisfied with BPNT (74%), earning (76%), and the number of beneficiaries (74%),

- The e-Warongs who served 200 – 500 beneficiaries reported the highest satisfaction levels.

- Based on qualitative research with a Pendamping in Pekanbaru, he said that ratio of e-Warong for serving beneficiaries is 1 to 500 up to 1,000.

- Of the e-Warongs, 99% said they want to continue with the programme in the following year.

“ I can earn IDR 1 – 2 million (USD 72.46 – 144.93) per disbursement, and this amount is quite attractive for me. For this reason, I want to continue my collaboration as a BPNT agent for 2018. ”

-(e-Warong – Cirebon, West Java)
Recommendations
Recommendations on Operations (1)

1. Electronic capture of sales information that MoSA would be able to directly access through POS machines in e-Warongs, for printing and recording all purchase of food items

   One of the key issue of the current model is the inability to track purchases that are being made at the e-Warong. Either a modified EDC or mobile phone-based POS (Point Of Sale) device to capture all the purchases electronically is required. The cost of the technology to be employed needs to be evaluated against the potential benefits.

2. Provide receipt of transaction for beneficiary and ensure regular periodic payment of BPNT

   Proof of transactions would improve the awareness of a beneficiary and will make the transactions more transparent. Similarly, ensuring a fixed schedule for the subsidy transfer will increase beneficiaries familiarity with BPNT programme.
Recommendations on Operations (2)

3 Develop customer protection guidelines, which would include disincentives for e-Warongs, implementing banks, and MoSA field staff (Pendamping PKH/TKSK)

The study finds that 45% of beneficiaries are unable to remember the PIN. Similarly, 19% of the beneficiaries are being charged by e-Warongs to access the services. A clear customer protection guidelines which details the ‘Dos’ and ‘Dont’s’ need to be compiled and communicated across to different stakeholders. Dis-incentives in case of flouting of the guidelines should also be written down and communicated.

4 Develop detailed socialization and communication material for beneficiaries that include: scheme details, process to access BPNT, potential customer risks, and recourse mechanisms. Such material should then be delivered through multiple channels

Beneficiary awareness remains low on the amount of subsidy, frequency of transfer, and the reasons for delays. Whenever beneficiaries have queries, complaints, or disputes, they should know whom to call and how to rectify the situation.
Recommendations on Programme Design

1. Allowing more banks to set up e-Warongs

Finding the necessary number of e-Warongs will become a challenge as the programme scales up. Allowing other banks (including private banks) which have strong Laku Pandai agent networks to join BPNT programme can ensure presence of e-Warongs in rural and remote areas. Exploring non-banks like e-money issuers for making payments can also be explored in the long run.

2. Selecting food items whose supply can be ensured effectively

In the 2018 BPNT implementation, rice and eggs are going to be the food products that are going to be implemented. Our study finds that the supply of eggs is difficult. MoSA/BULOG may have to develop local strategies to ensure the supply chain for eggs for many e-Warongs.

3. Continuing e-Warongs to choose the suppliers

Both e-Warongs and beneficiaries feel that the quality from BULOG is low as compared to other suppliers. In regions (especially urban) where e-Warongs have sufficient availability of stock it may be better for e-Warongs to use private suppliers. BULOG may be needed for supplying to remote areas where other suppliers might not be present. Steps also need to be taken to improve the quality of supply from BULOG.

4. Involving Kelurahan staff for monitoring

Availability of TKSK/Pendamping PKH to monitor all e-Warongs within a Kecamatan is not possible. In the general guidelines of BPNT 2018, Kelurahan staff have been given a role to undertake field-level monitoring. This is a good way to improve monitoring together with the technology interventions like POS.
MoSA can adopt a system of conducting an area-readiness assessment prior to the launch of BPNT in a particular district. Some of the key aspects to be monitored include:

1. Availability of e-Warongs (one for every 500 beneficiaries);
2. Availability of monitoring staff (TKSK);
3. Registration of all eligible beneficiaries;
4. Availability of food supplier;
5. Socialisation and communication to beneficiaries and e-Warongs.

The result of the area-readiness assessment could act as a check on BPNT before it is rolled out in that district or region. The MoSA team at the regional level or the central level can be given the authority to take this decision.
Annexures
**Target Population**
E-Warongs who distribute the BPNT programme and the beneficiaries of BPNT

**Sampling Frame**
- e-Warongs in Java and Sumatera island covered 94% of total e-Warongs who distribute BPNT in 2017,
- 72% of total beneficiaries live in Java and Sumatera island.

**Sampling Methodology**
Using stratified random sampling* in terms of geography – Province and City

*Stratified random sampling* is a method of sampling in which stratum or groups are created and then units are picked randomly for sampling. The groups (stratum) for this study were the cities where BPNT Programme was implemented.

**Agent Selection**: Randomly pick from the database of the respective cities

**Beneficiary Selection**: Randomly pick one Kelurahan from within the selected city

**Starting Point**: Randomize RT / RW as the starting point for beneficiary selection. Only one respondent allowed for complete interview in one household. Skipping pattern was adopted.

**Number of Sample in 1 Kelurahan**: 10 beneficiaries selected in 1 kelurahan
<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>BPNT</td>
<td><em>Bantuan Pangan Non Tunai</em> or Non-cash Food Assistance</td>
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<tr>
<td>BULOG</td>
<td>Badan Urusan Logistik or Government Agency for Food Logistics</td>
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<tr>
<td>Ditjen PFM</td>
<td><em>Direktorat Jenderal Penanganan Fakir Miskin</em> or General Directorate for Handling the Poor</td>
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<tr>
<td>EDC</td>
<td>Electronic Data Capture</td>
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<td>e-KTP</td>
<td><em>Elektronik Kartu Tanda Penduduk</em> or Electronic National Identity</td>
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<td>e-Warong</td>
<td><em>Elektronik Warung Gotong Royong</em> or Electronic Shop for Mutual Cooperation</td>
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<tr>
<td>e-Warong KUBE</td>
<td><em>Elektronik Warung Kelompok Usaha Bersama</em> or Electronic Shop for Mutual Business Group</td>
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<tr>
<td>FGD</td>
<td>Focus Group Discussion</td>
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<td>FPS</td>
<td>Fair Price Shop</td>
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<tr>
<td>HIMBARA</td>
<td><em>Himpunan Bank Milik Negara</em> or Association of State-owned Banks</td>
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<td>IDR</td>
<td>Indonesia Rupiah</td>
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<tr>
<td>KKS</td>
<td><em>Kartu Keluarga Sejahtera</em> or Combo Card for beneficiaries to receive social assistance from the government</td>
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## List of Abbreviations (2)

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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>KK</td>
<td>Kartu Keluarga or Family Certificate</td>
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<tr>
<td>KTP</td>
<td>Kartu Tanda Penduduk or National Identity</td>
</tr>
<tr>
<td>MoSA</td>
<td>Ministry of Social Affairs or Kementerian Sosial</td>
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<tr>
<td>PIN</td>
<td>Personal Identification Number</td>
</tr>
<tr>
<td>PKH</td>
<td>Program Keluarga Harapan or Family Welfare Programme</td>
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<tr>
<td>POS</td>
<td>Point of Sales</td>
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<tr>
<td>TKSK</td>
<td>Tenaga Kesejahteraan Sosial Kecamatan or District Social Welfare Workers</td>
</tr>
<tr>
<td>Raskin</td>
<td>Beras untuk Rakyat Miskin or Rice for the Poor Programme (in-kind food assistance)</td>
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<td>RT</td>
<td>Rukun Tetangga or Community Association in the neighbourhood area</td>
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<tr>
<td>RW</td>
<td>Rukun Warga or the aggregate form of Rukun Tetangga with a wider scope of area</td>
</tr>
<tr>
<td>RPK</td>
<td>Rumah Pangan Kita or Grocery Agents of BULOG</td>
</tr>
</tbody>
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