THE SOCIAL CONTRACTING AND HARM REDUCTION

BANDUNG CITY EXPERIENCE

HARM REDUCTION INTERNATIONAL

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HARM REDUCTION INTERNATIONAL

Harm Reduction International is a leading non-governmental organisation (NGO) dedicated to reducing the negative health, social and legal impacts of drug use and drug policy. Through research and advocacy, we promote the rights of people who use drugs and their communities to help achieve a world where drug policies and laws contribute to healthier, safer societies. The organisation is an NGO with Special Consultative Status with the Economic and Social Council of the United Nations.

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Key messages

- Social contracting regulations and policies should be inclusive of community and civil society organisations, without imposing stringent conditions or legal barriers that restrict their access to funding.
- Flexible and reliable social contracting funds strengthen community systems, and stronger community systems mean more resilient health systems, capable of delivering essential health and harm reduction services to marginalised populations.
- The role and engagement of community-led and civil society organisations are crucial in building inclusive and sustainable social contracting mechanisms for stigmatised and criminalised groups, such as people who use drugs.
- Technical assistance and funding from donors and development partners are vital in convincing policymakers of the need for inclusive social contracting policies, and in equipping them with the tools and resources required to formulate these policies and their implementation mechanisms.
- Joint advocacy from community and civil society organisations strengthens policy influence and builds real collaboration with government — unlocking social contracting funds in the process.

Key recommendations

FOR GOVERNMENT- NATIONAL/PROVINCIAL/DISTRICTS

- **Assess and review national and local regulations** to ensure local community organisations are eligible for government grant funding. The regulations should be free from stringent conditions and legal barriers, enabling organisations with limited technical capacity to access such funding.
- **Plan for flexible and continuous funding for community-led organisations:** Community system is crucial to strengthen health system and mediate the access of marginalised populations to health facilities. Flexible and continuous funding will benefit community-led organisations and provide them with the crucial support.

FOR DONORS AND INTERNATIONAL PARTNERS

- **Support social contracting guidelines and policies integrated into national system.** Often donor-led social contracting are short-lived limited to guidelines (in paper only) – without government ownership. Social contracting guidelines should be translated into policies and should be integrated into national system under specific ministry and department.
- **Technical support and funding to government to implement social contracting mechanism:** Goverments may not be acquainted with social contracting process due to their limited engagement with community-led and civil society organisations. Donors and technical partners should support government to prepare technical guidelines and train

the government officials to effectively implement social contracting mechanism.

- **Provide grants for budget advocacy to civil society and community-led organisations:** Community-led and civil society organisations play crucial role to influence government budget allocation and also support government in design and effective implementation of social contracting mechanism.

FOR COMMUNITY AND CIVIL SOCIETY ORGANISATIONS

- **Joint advocacy and support for social contracting mechanism inclusive of community-led and civil society organisations:** Community-led and civil society organisations need to collectively advocate to the local and national government on community favorable social contracting regulations free from any restrictions.
- **Constructive dialogue and collaborations with government** help create supportive and community-friendly government representatives who will eventually formulate social contracting policies and allocate reliable budget for communities.

1. Background

The term social contracting is used within international discourse on health financing practices to describe an overarching mechanism defining the partnership between the government and non-government actors to achieve shared goals. In relation to health, social contracting is the process by which government resources are used to fund non-governmental entities to provide health services that the government has a responsibility to provide, in order to assure the health and welfare of its citizens.[1] Social contracting mechanisms and funding can offer an important framework for sustaining harm reduction community systems, safeguarding HIV prevention achievements made so far, and ensuring people who inject drugs have uninterrupted access to harm reduction services post-transition.[2] However, the social contracting for harm reduction is limited, and documentation of social contracting within HIV response often exclude harm reduction or gets integrated as HIV prevention package.

Harm Reduction International (HRI), with financial support from Elton John Foundation, and in collaborations with Rumah Cemara, in Indonesia, assessed and documented social contracting process for harm reduction in Bandung, Indonesia.

The study employed a qualitative approach to assess and document the case study. Key informant interviews were conducted with diverse stakeholders, including government representatives, service providers, and people who inject drugs. Focus group discussions were also held with people who inject drugs.

[1] Open Society Foundations, UNDP and the Global Fund (2017) A global consultation on social contracting: working toward sustainable responses to HIV, TB, and malaria through government financing of programmes implemented by civil society. A meeting report. Available from http://shifthivfinancing.org/wp-content/uploads/2018/06/Social_Contracting_Report_English.pdf

[2] Harm Reduction International 2023. Domestic Public Financing and Social Contracting For Harm Reduction https://hri.global/publications/towards-domestic-public-financing-and-social-contracting-for-harm-reduction/

2. National social contracting regulations in Indonesia

Indonesia has diverse regulations[3] governing non-governmental organisations (also known as community or civil society organisations), their activities, and funding sources, including social contracting. However, non-profit organisations must be registered and must have obtained legal approval from the Ministry responsible for legal affairs and human rights, in accordance with the relevant laws and regulations – to access any government funding.

The social contracting funding for community-led and civil society organisations, at national level, is governed by Ministry of Home Affairs Regulation No. 13 on Guidelines for the Provision of Grants and Social Assistance – and the funding is sourced from the Regional Revenue and Expenditure Budget. Such grants are provided through a mechanism called Self-Management, guided by Presidential Regulation No. 16 of 2018 on Government Procurement of Goods and Services, and LKPP Regulation No. 8 of 2018 on Self-Management Guidelines. Of the four types of self-management, community organisations may only access Types III and IV, as follows:

- Type III: Planned and supervised by the Ministry/Agency/Regional Authority responsible for the budget, and implemented by the community organisation acting as the self-management implementer. The government often identifies implementer under this funding category.
- Type IV: Planned by the Ministry/Agency/Local Government Body responsible for the budget based on proposals from community groups, and implemented by the community group acting as the self-management implementer.

[3] Government Regulation instead of Law No. 2 of 2017 Amending Law No. 17 of 2013 on Community Organisations

3. Why Bandung for social contracting and harm reduction in Indonesia?

Indonesia has highly develoved and autonomous provinces and cities. Bandung, a city within West Java province, has inclusive regulation on social contracting for civil society; where as West Java provincial government allows only regents[4] or mayors to submit proposals within the provincial administration and excludes civil society.

The Bandung Mayor's Regulation explicitly permits civil society organisations, non-government bodies, and even political parties to access government funds. The city government allocates such funding on regular basis. However, funding limit varies by institutional status. The Bandung City AIDS Commission (KPA), classified as a government-designated body, can secure funding annually on an ongoing basis, with limits of up to IDR 1,000,000,000 (approx. USD 58,000) per year. Civil society organisations such as Yayasan Grapiks (local organisation working on harm reduction outreach programs) and PKBI (The Family Planning Associations in Indonesia) Bandung etc face stricter conditions: they cannot access funds in consecutive years and secure lower limits of IDR 50,000,000 (approx. USD 3,000) for non-construction projects and IDR 250,000,000 (approx. USD 14,500) for construction projects.

These organisations accessed fund through the Type IV self-management scheme, submitting proposals for review against set criteria. However, each organisation may submit only one proposal per funding year, restricting them to a single priority activity, such as outreach for people who inject drugs. This limitation poses a significant challenge for organizations transitioning to local government funding sources.

[4] Regent is the head of a regency- the second-level administrative divisions directly beneath a province

4. Enabling factors for social contracting in Bandung

I. ROBUST AND HISTORICAL HARM REDUCTION ACTIVISM

Advocacy for harm reduction programmes with the Bandung City Government has a long history, particularly since the Bandung City KPA (AIDS Commission) was established in 2007, which eventually set up an City-level Harm Reduction Working Group. While the Working Group coordinates joint strategies, individual organisations also pursue independent or allied advocacy for domestic funding for harm reduction services.

II. SUPPORTIVE GOVERNMENT AGENCY AND CITY LEVEL HARM REDUCTION WORKING GROUP

The Bandung City KPA has actively encouraged HIV-related community-led and civil society organisations to access government funding, including by facilitating meetings with Kesbangpol[5] (the National Unity and Politics Agency), which oversees civil society organisations and coordinates narcotics-related community programmes (P4GN). The KPA also proposed budget allocations—such as funding for outreach to key populations—during planning meetings held by Bapperida (the Regional Development Planning Agency) and the Musrenbang (Development Planning Consultation). Such engagement raises government officials' awareness of harm reduction and HIV issues and creates further opportunities for collaborative advocacy dialogue.

The highly functional city-level harm reduction working group provides district-level stewardship for harm reduction programmes and funding. The Working Group consists of communities of people who inject drugs, NGOs, and government agencies such as the Health Office, hospitals, the Police, and the BNN (National Narcotics Board). The Working Group has been hosted by the Bandung City AIDS Commission (KPA) and served as a forum for discussing issues and challenges related to the implementation of harm reduction programmes in Bandung City, including initiatives to advocate for regulations and funding, evaluate implementation, and coordinate across programmes and sectors.

III. ONGOING TECHNICAL ASSISTANCE ON BUDGET ADVOCACY

Bandung HIV response and harm reduction has history of funding and collaborations from international organisations and donor agencies with the local organisations. Such collaborations has strengthened local organisations, their advocacy efforts and their technical capacity.

For this study we took the case of Rumah Cemara, Bandung based community-led organisation working in harm reduction and HIV. Rumah Cemara received a budget advocacy technical grant (2023–2026) from Harm Reduction International, funded by

[5] Kesbangpol (Badan Kesatuan Bangsa dan Politik) is a government agency in Indonesia. It operates at the provincial, city, and regency levels. Its main job is to keep the community safe, united, and peaceful.

the Elton John AIDS Foundation. The grant aimed to help provincial community-led and civil society organisations navigate Indonesia's complex domestic social contracting processes through targeted training and capacity building.[6]

As part of this work, stakeholder mapping led Rumah Cemara to form coaltions with diverse organisations. Coalitions proved central to securing social contracting fund. In Bali, Yakiba (Islamic Social Foundation) acted as the key contact organisation within a broader 21-organisation forum, while in Bandung, community-led and civil society organisations were supported through a dedicated budget advocacy forum to apply for Hibah social grants (government grant).

The initiative achieved breakthroughs in Bandung and Denpasar, using existing social contracting mechanisms to secure domestic government funding for three CSOs. At city level, two organisations accessed funds through Bandung's Kesbangpol Hibah platform: Grapiks Foundation received Rp20 million (approx. USD 1,225) for 2025, and PKBI Bandung's Women's Empowerment and Child Protection Service received Rp200 million (approx. USD 12,250). In Denpasar, Spirit Paramacita Foundation secured Rp39.6 million (approx. USD 2,475) for 2025 through a Swakelola type 3 self-management platform, supporting key population outreach and mentoring programmes.

These outcomes demonstrate how targeted technical assistance and coalition-building can translate into tangible domestic funding wins for community-led harm reduction work.

> "With this grant we strengthen them about budget advocacy because we see the budget development in Indonesia is very complicated." –Rumah Cemara representative

[6] Harm Reduction International 2026 Grant mid-term evaluation. The summary of evaluation report can be found in https://hri.global/publications/investing-in-advocacy-to-increase-harm-reduction-funding-evidence-of-what-works/

5. Challenges

The challenges outlined below are specific to Bandung, however they also reflect challenges faced by many other provinces and countries even with favorable social contracting regulations.

- **Limited awareness and understanding on social contracting:** Many community-led and civil society organisations lack awareness of government funding opportunities, partly because the city government does not publicise this information and partly because some organisations are not proactive in seeking it out. Limited understanding of application, utilisation, and accountability mechanisms also discourages organisations from submitting government proposals.
- **Legal and administrative barriers are significant:** Many community-led and civil society organisations have not completed the legal registration required to access funding, while additional requirements—such as three consecutive years of audited financial statements and proof of tax compliance—further restrict eligibility. In particular there are additional legal barriers for organisations led by people who inject drugs to complete the registration process.
- **Limited funding ceiling:** The maximum grant available (IDR 50,000,000 - USD 2800) falls short of actual programme costs, such as the IDR 56,000,000 (USD 3108) needed to fund a single outreach worker based on Bandung's minimum wage.
- **Non-regular funding:** Regulations limit organisations to one proposal per financial year conflicting with the need for continuous, long-term programming, particularly for behavioural interventions.

6. Opportunities

- **Increased sharing experiences and knowledge in managing government funds:** The Bandung based organisations are pro-actively sharing experiences and knowledge on social contracting facilitated by KPA Bandung, Rumah Cemara budget advocacy platform etc. As a result, there is a increased understanding and proacitve efforts from civil society organisations to access government funding. For instance, PKBI West Java plans to submit a proposal to the Bandung City government after learning about Bandung's favorable regulation on social contracting.
- **Government collaborations leading to larger funding:** PKBI Bandung City was invited to manage a Type III self-management package, with larger amount, by the Ministry of Social Affairs. Bandung City Health Department made this recommendations based on positive collaborations with PKBI Bandung. The funding will support series of HIV training over several years in future.
- **Promising social contracting prospect in Bandung City:** With favorable regulations and increasing government recognition of civil society work in Bandung, it not only provides a solid foundation but also a prospect of expansion. In particular, there has been an advocacy to add a Musrenbang e-catalogue menu for key population outreach, aiming to embed this as a fixed sub-district budget item in the City of Bandung. Although current outreach worker numbers fall short of the previous internationally-funded standard (one per sub-district), gains have been made, with plans to scale up gradually according to need, particularly in sub-districts with larger key populations.

  Similarly, civil society organisations are also discussing rotational government funding proposals to ensure continuous outreach and support services for people who inject drugs and people living with HIV.
- **Harm reduction integration into primary health care centers[7]:** Of the nine harm reduction components set out in regulation, health service components (Needle Syringe Programmes, Opioid Agnostic Therapy, HIV testing) are increasingly funded through the Bandung City Health Office, through integrated primary health care services. However, community outreach and support components continue to face sustainability challenges.

[7] Harm Reduction International 2026. Integration of harm reduction services into primary health care centers in Indonesia. Available from: https://hri.global/publications/integration-of-harm-reduction-services-into-primary-health-care-centers-in-indonesia/

7. Recommendations

FOR GOVERNMENT- NATIONAL/PROVINCIAL/DISTRICTS

- **Assess and review national and local regulations** to ensure local community organisations are eligible for government grant funding. The regulations should be free from stringent conditions and legal barriers not to impede organisations with limited technical capacity to access such funding.
- **Plan for flexible and continuous funding for community-led organisations:** Community system is crucial to strengthen health system and mediate the access of marginalised populations to health facilities. Flexible and continuous funding will be benefical to run community-led organisation and provide the crucial support.

FOR DONORS AND INTERNATIONAL PARTNERS

- **Support social contracting guides and policies integrated into national system.** Often donor-led social contracting are short-lived limited to guidelines-without government ownership. Social contracting guidelines should be translated into policies and should be integrated into national system under specific ministry and department.
- **Technical support and funding to government to implement social contracting mechanism:** Goverments may not be acquainted with social contracting process due to their limited engagement with community-led and civil society organisations. Donors and technical partner should support government to prepare technical guidelines and train the government officials to effectively implement social contracting mechanism.
- **Provide grants for budget advocacy to civil society and community-led organisations:** Community-led and civil society organisations play crucial role to influence government budget allocation and also support government in design and effective implementation of social contracting mechanism.

FOR COMMUNITY AND CIVIL SOCIETY ORGANISATIONS

- **Advocacy for community-friendly social contracting regulations:** Community-led and civil society organisations need to collectively advocate to the local and national government on community favorable social contracting regulations free from any restrictions.
- **Constructive dialogue and collaborations with government** help create supportive and community-friendly government representatives who will eventually formulate social contracting policies and allocate reliable budget for communities.

Annex 1:

STUDY METHODOLOGY

This rapid study used a qualitative approach to document the integration and social contracting of the HR program in Indonesia. This study focuses on documenting the process and implementation of HR service integration in primary services (Puskesmas) and social contracting HR programs in Bandung. Data and information were collected through several methods, namely:

- In-depth interviews with key informants from several different groups
- Focus Group Discussions (FGD) with beneficiary groups to obtain an overview of their experience in accessing services
- Literature studies from various references relevant to the study objectives

Document analysis is a systematic procedure for reviewing or evaluating documents—both printed and electronic (computer-based and Internet-transmitted) material. Like other analytical methods in qualitative research, document analysis requires that data be examined and interpreted to elicit meaning, gain understanding, and develop empirical knowledge[8]. Documents that may be used for systematic evaluation as part of a study take many forms. The documents are found in libraries, newspaper archives, historical society offices, and organisational or institutional files[9]. Document analysis was conducted using documents officially released by various parties that have implemented or been involved in HR programs at both the national and sub-national (provincial and district/city) levels. This approach is expected to provide a comprehensive overview from the perspectives of policymakers, service providers, and program beneficiaries. To strengthen and enrich the analysis, secondary data were collected from the Health Office and Puskesmas.

STUDY LOCATION

The study was conducted in city of Bandung based on discussions with HRI and Rumah Cemara. Firstly, the city of Bandung was selected as the research sample because it is known to have HR services integrated with the primary healthcare system (Puskesmas) and because the local government has entered into social contracts with several NGOs implementing HR programmes. Secondly, this location was chosen to obtain a more detailed and in-depth overview of two previous studies, namely Strengthening Integrated Services for HIV, Drug Use, and Mental Health through Collaboration of Primary and Community Health Care Systems: An Analysis of Implementation and Advocacy Strategies in Four Cities in Indonesia, conducted by Yayasan Karisma and the Elton John AIDS Foundation in 2025, and Best Practice: Sustainable Funding Transition Harm Reduction Programme in Indonesia, Case Study: Bali Province and Bandung

[8] Corbin, J. & Strauss, A. (2008). Basics of qualitative research: Techniques and procedures for developing grounded theory (3rd ed.). Thousand Oaks, CA: Sage

[9] Bowen, G.A. (2009). Document Analysis as a Qualitative Research Method. Qualitative Research Journal. Vol.9.N0.2.pp 27-40

City, conducted by Rumah Cemara and HRI in 2025. The selection of Bandung City as the location for documentation is also expected to complement and deepen the results obtained from the two previous studies.

KEY INFORMANTS AND DATA COLLECTION

Key informants interviews were conducted using an open-ended questionnaire for those representing government agencies (Bandung City Health Office[10], the Bandung City National Unity and Politics Agency[11], and the Bandung City Komisi Penanggulangan AIDS/KPA[12]) and service provider (Puskesmas Tamansari) with integrated harm reduction services and CSOs (The Yayasan Grapiks, PKBI Bandung City, and PKBI West Java) who implement HR programs and have accessed government funds. Focus Group Discussion was conducted only with the people who inject drugs group, guided by open-ended questions

All interviews and FGD were recorded with the consent of all informants. The recordings were used only for the information analysis process and were managed in accordance with research ethics standards. All informants agreed to be recorded during the interviews and FGD.

Meanwhile, secondary data were sourced from official documents published by various institutions. The use of data or information from these documents was managed in accordance with research principles. The documents used in the study were selected based on their relevance to the two topics of this rapid study.

DATA ANALYSIS AND MANAGEMENT

The data obtained from interviews, FGD, and document reviews were then analysed using data triangulation. Data validation and clarification were conducted with each informant as needed. This study also adhered to the principles of research ethics by applying voluntary participation, obtaining consent from each informant, maintaining participant confidentiality, and managing the security of research data and information.

Although carefully designed and grounded in research ethics and principles, this study still has limitations in its implementation. These limitations include methodological limitations, whereby qualitative and descriptive approaches have certain limitations in analysing results; the scope of the documentation study only captures the situation in Bandung City with a limited number of samples, and limitations in the use of data or documents obtained, especially in the study of service integration that occurred more than 20 years ago.

[10] Health Office: local government bodies responsible for administering health-related affairs within their respective areas

[11] National Unity and Politics Agency: government agencies at provincial and district/municipal level responsible for implementing policies in the fields of national unity, ideology, national consciousness, domestic politics, as well as interfaith harmony and civil society organisations

[12] Komisi Penanggulangan AIDS (KPA): independent, non-governmental organisations in Indonesia, both national and regional, which focus on coordination, policy, advocacy and monitoring of HIV/AIDS prevention and response efforts. The KPA is a partnership hub to strengthen the response to the AIDS epidemic

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