



EU-Indonesia  
**DEVELOPMENT  
COOPERATION 2010**



The European Union and Indonesia  
A Partnership for Change





# CONTENTS

## CHAPTER 1

---

### The EU in the World > 8

Getting to know the European Union > 9

The EU as a Member of the International Community > 13

## CHAPTER 2

---

### EU Cooperation Policies > 20

Goals, Principles and Commitments > 21

Aid Effectiveness > 23

EU Development Cooperation in Asia > 25

## CHAPTER 3

---

### EU Cooperation in Indonesia > 30

Overview of EU Cooperation in Indonesia > 31

Alignment of EU Cooperation with Development Planning in Indonesia > 35

Education > 37

Environment and Climate Change > 41

Post-Disaster Reconstruction > 47

Health > 53

Water Supply and Sanitation > 57

Trade and Economic Cooperation > 61

Conflict Prevention, Peace and Security > 63

Government and Civil Society > 65

## **ANNEX 1**

---

Bilateral Cooperation of  
EU Members with  
Indonesia > 71

## **ANNEX 2**

---

Aid for  
Development  
Effectiveness > 97

## **ANNEX 3**

---

Trade and  
Investment > 101

## **ANNEX 4**

---

Scholarships Offered  
by the European  
Union 2010 > 103

## **ANNEX 5**

---

Contact Details > 107

## **ANNEX 6**

---

References > 109

# ACRONYMS

ADB	Asian Development Bank	DFID	Department for International Development
AECID	Spanish Agency for International Development Cooperation	DGCS	Directorate-General for Development Cooperation
AFD	Agence Française de Développement	DPR	Dewan Perwakilan Rakyat (House of People's Representatives)
ASEAN	Association of South East Asian Nations	EC	European Commission
ASEA UniNet	ASEAN-European University Network	ECF	Emerging Countries Facility
AUP	Aid to Uprooted People	ECHO	European Commission's Humanitarian Aid Department
A4DES	Aid for Development Effectiveness Secretariat	EIB	European Investment Bank
BAPPENAS	National Development Planning Agency	EIDHR	European Instrument for Democracy and Human Rights
BE-SCSP	Basic Education Sector Capacity Support Programme	ECIFP	EC-Indonesia Forestry Programme
BEC-TF	Basic Education Capacity Trust Fund	ESP	Environmental Support Programme
BMZ	Bundesministerium fuer Zusammenarbeit	ESSP	Education Sector Support Programme
CCPL	Climate Change Programme Loan	EU	European Union
CSOs	Civil Society Organisations	FAO	Food and Agriculture Organisation
CSP	Country Strategy Paper	FLEGT	Forest Law Enforcement, Governance and Trade
CSR	Corporate Social Responsibility	GDP	Gross Domestic Product
DAC	Development Assistance Committee	GHG	Greenhouse gas
DANIDA	Danish International Development Agency	GNI	Gross National Income
DCI	Development Cooperation Instrument	GoI	Government of Indonesia
DED	Deutscher Entwicklungsdienst (German Development Service)	GTZ	Gesellschaft fuer Technische Zusammenarbeit (German Technical Cooperation)
		ICCTF	Indonesia Climate Change Trust Funds
		IFCA	Indonesian Forest Climate Alliance
		IFRC	International Federation of Red Cross and Red Crescent Societies

IMF	International Monetary Fund	RENSTRA	Rencana Strategis (Ministerial Strategic Planning)
JAMKESMAS	Asuransi Jaminan Kesehatan Masyarakat (Social Health Insurance Scheme)	RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Medium-Term Development Plans)
JICA	Japan International Cooperation Agency	SIDA	Swedish International Development Agency
JRF	Java Reconstruction Fund	SMEs	Small and medium-sized enterprises
KfW	Kreditanstalt fuer Wiederaufbau (German Development Bank)	SPSP	Sector Policy Support Programme
KPK	Komisi Pemberantasan Korupsi (Corruption Eradication Commission)	STI	Sexually transmitted infections
LCF	Local Cooperation Fund	SVLK	Sistem Verifikasi Legalitas Kayu (Timber legality verification system)
MDF	Multi Donor Fund for Aceh and Nias	SWAP	Sector-wide approach
MDG	Millennium Development Goal	TMDF-A4DE	Transitional Multi Donor Fund for Development Effectiveness
NCCC	National Council of Climate Change	UK	United Kingdom
NGO	Non-governmental organisation	UN	United Nations
ODA	Official Development Assistance	UNDP	UN Development Programme
OECD	Organisation for Economic Cooperation and Development	UNICEF	United Nations Children's Fund
PDC	Partner Driven Cooperation	US(A)	United States (of America)
PNPM	Program Nasional Pemberdayaan Masyarakat (National Programme for Community Empowerment)	USD	United States Dollar
PPSP	Program Percepatan Sanitasi Permukiman (Accelerated Sanitation Development for Human Settlement Programme)	WB	World Bank
RANHAM	Rencana Aksi Nasional Hak Azasi Manusia (National Action Plan on Human Rights)	WG	Working Group
REDD	Reduce Emissions from Deforestation and Degradation	WHO	World Health Organisation
		WSP	Water and Sanitation Programme
		WTO	World Trade Organisation

# FOREWORD

---



**Julian Wilson** | Ambassador  
Head of Delegation of  
the European Union

We are pleased to present you with the fifth edition of the “Blue Book”, our annual report on development cooperation between the European Union (EU) and Indonesia. The purpose of the Blue Book is to give an overview of the official development assistance from the EU – including our individual Member States – to help Indonesia achieve its development objectives. This new edition covers development cooperation activities until the end of 2009.

The EU has a long-standing tradition in promoting sustainable development, and currently provides over half of the world’s official development assistance. The overall objective of our development policies is poverty reduction. To achieve this objective, we support activities that contribute towards achieving the United Nation’s Millennium Development Goals (MDGs). Furthermore, the EU as a major trading block supports strong pro-development multilateral commitments whereby global trade policies provide powerful avenues for development. Therefore, in addition to WTO commitments, the EU’s generous preferential concessions for developing countries to access the European single market provide a very powerful development framework for stability, sustainable growth and poverty reduction.



In Indonesia, we continue to support the Government's development objectives, as stated in its Medium Term Development Plans (RPJMN), especially in the areas of education, environment/climate change, post-disaster reconstruction, health, as well as trade and investment sectors. Overall, in 2009 the EU disbursed a total of over € 700 million in ODA to Indonesia.

In many ways, 2009 was a special year for development cooperation between the EU and Indonesia. First of all, on 12 January 2009 the EC and the major EU Member States were among 22 signatories to the Jakarta Commitment, which redefines the roles between donor and recipient of development aid. The commitment builds upon the Paris Declaration on Aid Effectiveness, which will strengthen local ownership of development assistance through strengthened government systems and focused capacity building. Although it will take time to implement the Jakarta Commitment in full, we see the commitment as an important step forward in deepening and widening our relationship with Indonesia.

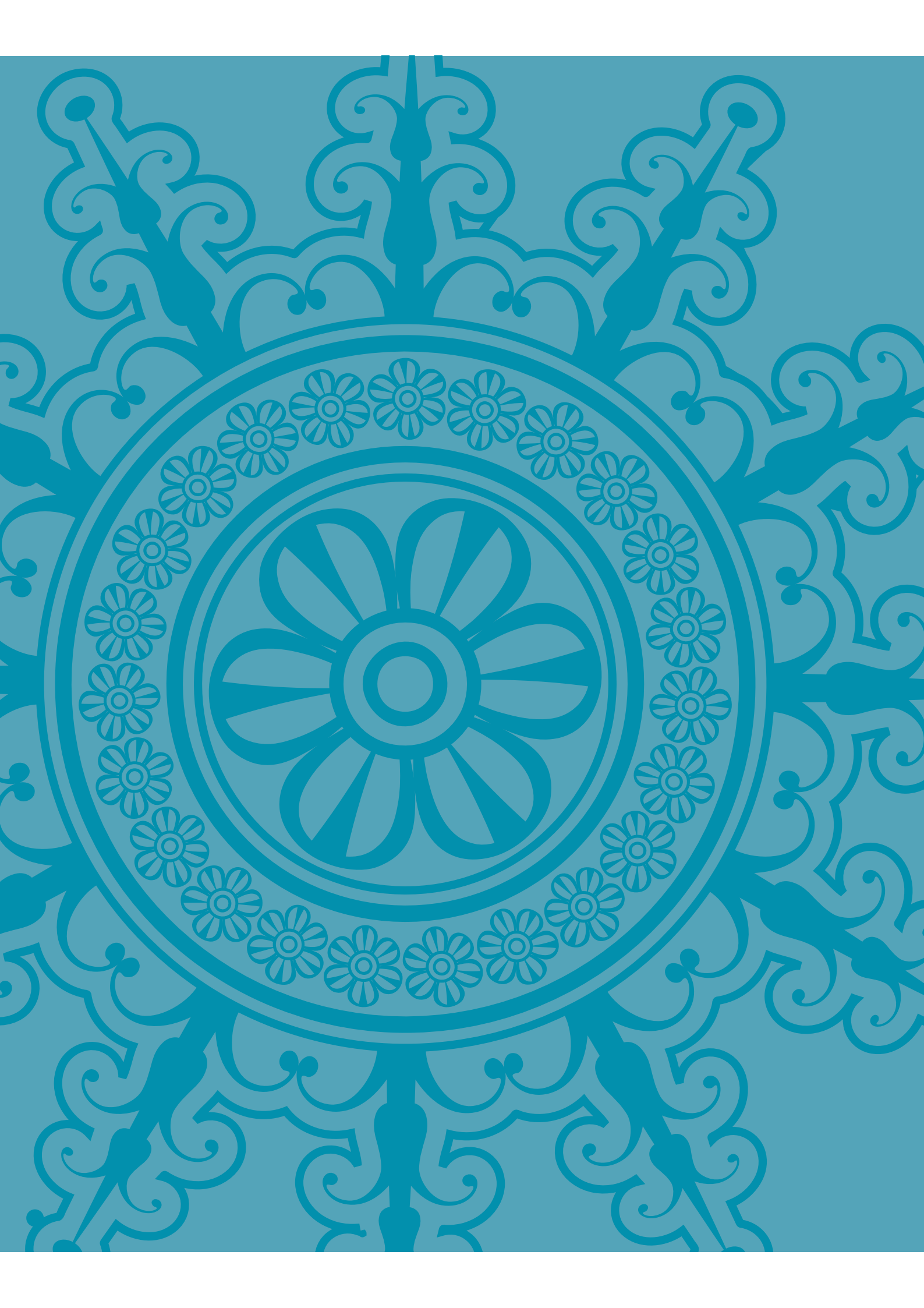
Secondly, on 9 November 2009 we signed the Indonesia-EU Partnership and Cooperation Agree-

ment, the first of its kind between the EU and an ASEAN country. The agreement will strengthen cooperation across wide range of fields, such as trade, environment, energy, science and technology, good governance, as well as counter-terrorism and the fight against corruption and organised crime.

We hope you find this Blue Book an accessible and informative introduction to our development cooperation with Indonesia, which forms an important part of our bilateral relations, which are based on shared principles such as equality, mutual respect, mutual benefit, democracy, rule of law and human rights.

A handwritten signature in black ink, appearing to read 'Julian Wilson', written over a horizontal line.

**Julian Wilson**  
Ambassador  
Head of Delegation of the European Union

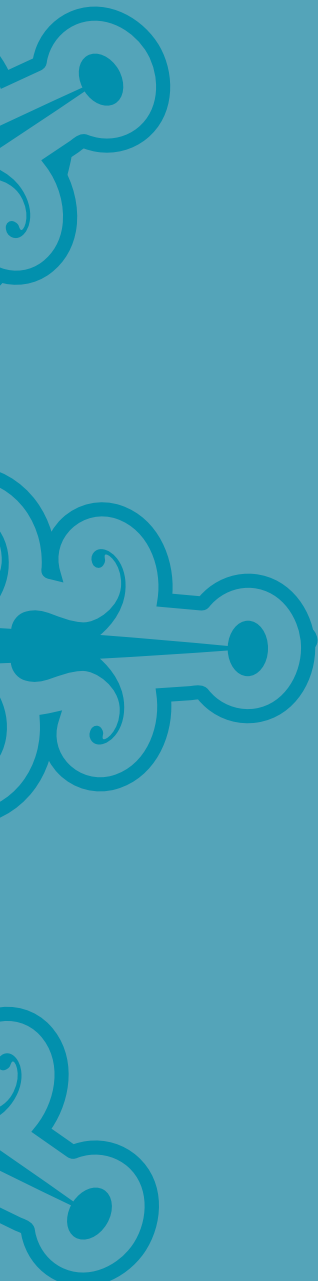


The EU in the World

---

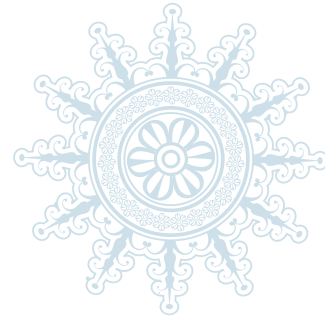
# CHAPTER

# 1



# CHAPTER 1

## The EU in the World



### Getting to know the European Union

**What's the EU?** The European Union (EU) is an economic and political alliance composed of 27 independent Member States in Europe, an increase from six States in 1957 when the union was founded. The EU ensures the free movement of people, goods, services, and capital between all Member States, thereby creating a “single market” with a population of over half a billion. Following the Schengen Agreement, most Member States have abolished passport controls for travel within the EU, and 16 of 27 members have adopted a common currency, the Euro. It is now possible to travel from, for example, Spain to the Netherlands without a passport and without having to change money. The EU maintains common policies on trade, agriculture, fisheries, regional development, is the world's largest provider of development and humanitarian assistance and is forging greater co-operation on defence and foreign policy.

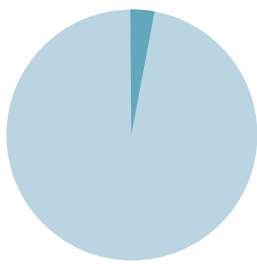
**Organisation of the EU:** The EU is not a federal state. It is also not purely an international organisation, such as the United Nations or ASEAN. Instead, it combines elements of both models. In certain areas (such as setting health and safety standards), decisions are taken by independent “supranational” institutions. The most important of these are the European Parliament, the Council of the EU and the European Commission.

In other areas (notably energy policy), decisions are made through negotiation between Member States, or are taken without any involvement of the EU (income tax rates, education standards).

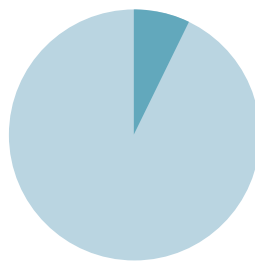
**Population and economy of the EU.** There is enormous variation in the size of the population and economy of individual members. Germany, France, the United Kingdom and Italy have a population of over 50 million, whereas three States (Luxembourg, Cyprus and Malta) have fewer than 1 million inhabitants. Taken together, however, the EU Member States play a major part on the world stage. They have a combined population of over 500 million, more than double the population of Indonesia, and account for 28% of the world's economic product, and almost 20% of global trade in goods and services. The services sector is by far the most important sector in all Member States, accounting for about 70% of the EU's gross domestic product. The EU is home to the many of the world's leading multinationals, including the world's largest financial services company (Allianz), mobile phone manufacturer (Nokia), and jet airline producer (Airbus). The EU's share in the world's greenhouse gas emissions is lower than the share in economic output, indicating a relatively “green” method of economic production compared to the rest of the world.

"The EU is the world's largest provider of development assistance, providing 56% of all ODA in 2008"

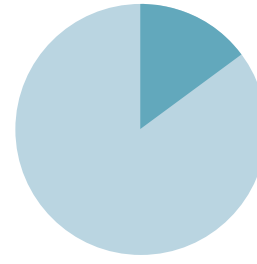
EU as % of World Total  
( all figures for 2009, unless indicated otherwise )



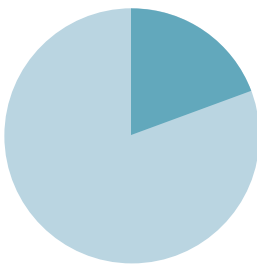
■ EU Land area **3%**  
■ Rest of the World **97%**



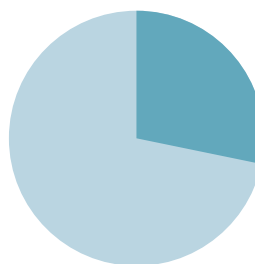
■ EU Population **7%**  
■ Rest of the World **97%**



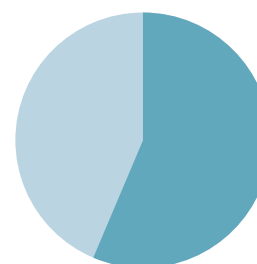
■ EU Greenhouse Gas Emissions **15%**  
■ Rest of the World **85%**



■ EU International Trade **19%**  
■ Rest of the World **81%**



■ EU Gross World Product **28%**  
■ Rest of the World **72%**



■ EU ODA **56%\***  
■ Rest of the World **44%**

\* DAC countries only, 2008

"The EU Member States have a combined population of over 500 million, and account for over 25% the world's economic product."



## How does the EU work?

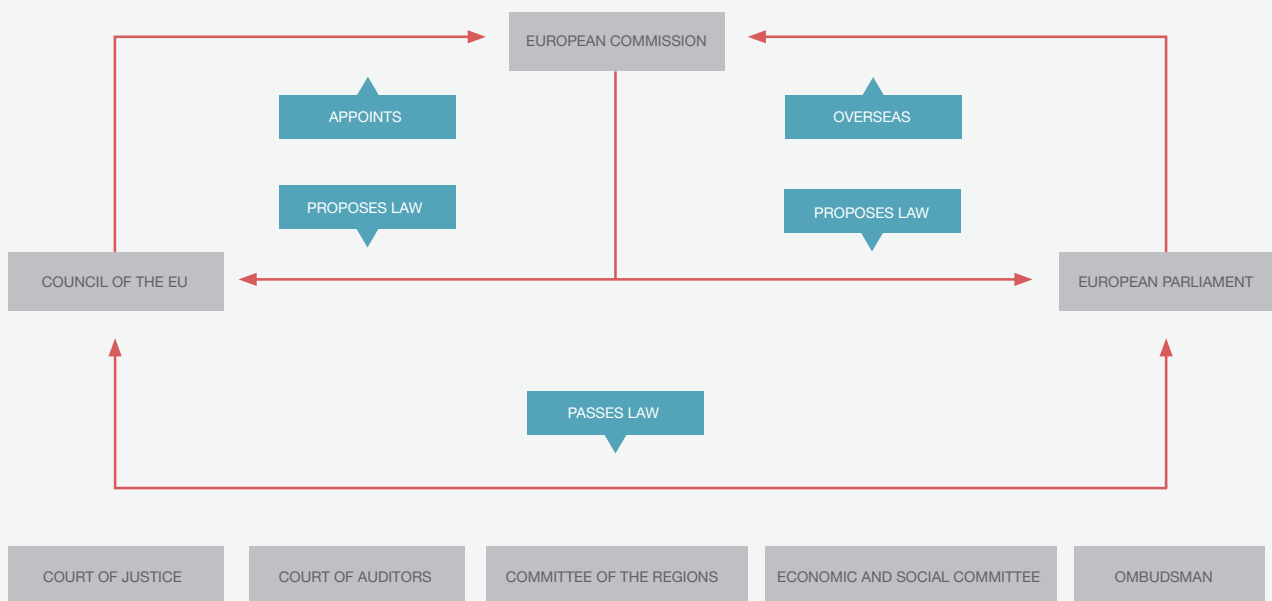
### The EU has three main institutions:

- The **European Parliament** represents the citizens of the EU, just as the DPR represents the population of Indonesia. The European Parliament consists of 736 representatives, who are directly elected every five years. Together with the Council of EU, it has the power to pass new laws, approve budgets proposed by the European Commission (EC), and – in extreme cases – to dismiss the EC.
- The **Council of the European Union**, consists of ministers from the national governments of the Member States. Each Member State has a weighted vote in the Council that broadly reflects its population size. The Council is responsible for coordinating policies and shares the power with the European Parliament to pass laws and approve budgets. The President of the European Council, Herman van Rompuy, spearheads the co-ordination

of EU policy at the highest level. The High Representative for Foreign Affairs and Security Policy, Baroness Catherine Ashton, has a vital role to play in mobilising EU policy and development assistance in both the Council and the European Commission (see also below).

- The **European Commission (EC)** is the executive branch of the EU, akin to an “EU Cabinet” with individual Commissioners holding policy portfolios such as trade and home affairs. It is independent from national governments and consists of a college of 27 commissioners (one for each Member State), who are appointed for a five-year period. The task of the Commission is to execute policies, and ensure that everyone abides by EU treaties, laws and regulations.

### The main institutions of the EU



# The EU as a Member of the International Community

The EU actively promotes sustainable development in economically less advanced nations through a large number of initiatives, which can be summarised as follows:

- Reduce barriers to trade. The EU has established a generous system of trade preferences for developing countries, including duty-free and quota-free access for all products (except weapons) exported by least developed nations.
- Provide security. The EU is increasingly involved in conflict prevention, peacekeeping and counter-terrorism activities and has created a European Security and Defence policy, under which military, police or civil forces can be sent to assist in crisis-hit areas.
- Provide financial assistance. The EU remains the world's biggest provider of development and humanitarian aid. In 2009, the EC and the individual EU Member States spent € 48.2 billion on official development aid, more than the rest of the world combined.
- Support the mitigation of and adaptation to climate change. In this area, the EU leads the world by example. The European Union Emission Trading Scheme is the largest multi-national, greenhouse gas emissions trading scheme in the world.

**The Lisbon Treaty: paving the way for better decision-making.** This treaty, which came into force on 1 December 2009, makes decision-making in the EU more efficient and democratic, with greater use of majority voting on EU legislation and a bigger say on EU policy and law for the directly elected European Parliament. On key cross-border issues of concern to both the EU and Indonesia –

such as trafficking of people, arms and drugs – the Lisbon Treaty gives the EU more power to act on behalf of the Member States. The treaty has also created the position of High Representative for the EU's foreign and security policy, a post currently held by Baroness Catherine Ashton, who also serves as the Vice President of the European Commission in charge of External Relations. She is supported by 137 EU delegations that are accredited to governments and international organisations all over the world. An important task of the delegations is to assist with the implementation of EU policies and financial assistance programmes.

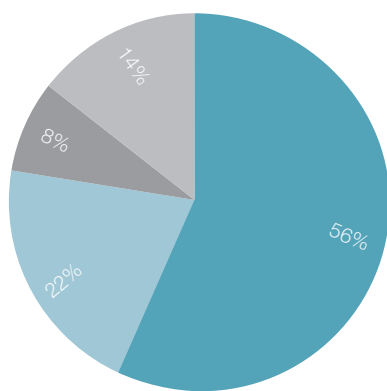
### **Financial assistance to developing countries.**

At present, more than a billion people live on less than a Euro a day. The primary objective of the EU's development policies is poverty reduction. In 2008, the EU and its Member States provided 56% of all official development assistance delivered by a group of 23 industrialised countries collectively known as the DAC (Development Assistance Committee). In that year, the development aid given by EU Member States accounted for approx 0.44% of gross national income, still below the United Nations target of 0.7%. Only five DAC countries met the target, four of which are EU Member States (Denmark, Luxembourg, the Netherlands and Sweden). EU Member States also score high on the Commitment to Development Index, which attempts to measure the quality of support to developing countries (and not simply the amount of financial support granted). The index measures national efforts in seven policy areas: aid, trade, investment, migration, environment, security, and technology. In 2009, the top three countries based on this measure were Sweden, Denmark and the Netherlands.



"The Lisbon Treaty, which came into force on 1 December 2009, makes decision-making in the EU more efficient and democratic"

Major providers of official development aid, DAC countries 2008



EU	56%
USA	22%
Japan	8%
Others	14%

Source: OECD



**Mitigation of and adaption to climate change.**

The EU has taken the lead in seeking to limit the adverse effects of climate change, mainly through its strong support for the implementation of the Kyoto Protocol. The purpose of this protocol is the reduction of greenhouse gas (GHG) emissions all over the world, but financed by developed countries, the main producers of such emissions. The EU has committed itself to reducing its GHG emissions by 8% from the 1990 levels during 2008-12.

The EU has set itself three targets that should be met by 2020:

- a 20% reduction in energy consumption compared with projected trends;
- an increase to 20% in renewable energies' share of total energy consumption, and
- an increase to 10% in the share of petrol and diesel consumption from sustainably produced biofuels.



---

## Member States

---

Austria	Latvia
Belgium	Lithuania
Bulgaria	Luxembourg
Cyprus	Malta
Czech Republic	Netherlands
Denmark	Poland
Estonia	Portugal
Finland	Romania
France	Slovakia
Germany	Slovenia
Greece	Spain
Hungary	Sweden
Ireland	United Kingdom
Italy	


---

## Candidate Countries

---

Croatia  
The former Yugoslav Republic of Macedonia  
Turkey

---

 Members States  
 Candidate Countries

---



"The European Union Emission Trading Scheme is the largest multi-national, greenhouse gas emissions trading scheme in the world."



## The European Union at a Glance

Member state	Capital city	Joined in	Population ('million)	Area ('000 km <sup>2</sup> )	Density (pop./km <sup>2</sup> )	GDP/capita ('000)*
Belgium	Brussels	1957	10.8	31	355	35.4
France	Paris	1957	64.7	675	96	33.7
Germany	Berlin	1957	81.8	357	229	34.2
Italy	Rome	1957	60.4	301	200	29.1
Luxembourg	Luxembourg	1957	0.5	3	194	78.4
Netherlands	Amsterdam	1957	16.6	42	399	39.9
Denmark	Copenhagen	1973	5.5	43	129	35.8
Ireland	Dublin	1973	4.5	70	63	39.5
United Kingdom	London	1973	62.0	245	253	34.6
Greece	Athens	1981	11.1	132	84	29.9
Portugal	Lisbon	1986	11.3	92	122	21.9
Spain	Madrid	1986	46.1	506	91	32.0
Austria	Vienna	1995	8.4	84	100	38.8
Finland	Helsinki	1995	5.4	338	16	33.6
Sweden	Stockholm	1995	9.3	450	21	36.0
Cyprus	Nicosia	2004	0.8	9	87	28.5
Czech Republic	Prague	2004	10.5	79	133	24.1
Estonia	Tallinn	2004	1.3	45	30	17.9
Hungary	Budapest	2004	10.0	93	108	18.6
Latvia	Riga	2004	2.2	65	35	14.3
Lithuania	Vilnius	2004	3.3	65	51	16.5
Malta	Valletta	2004	0.4	0	1,318	23.6
Poland	Warsaw	2004	38.2	313	122	18.1
Slovakia	Bratislava	2004	5.4	49	111	21.2
Slovenia	Ljubljana	2004	2.1	20	101	27.7
Bulgaria	Sofia	2007	7.6	111	68	11.9
Romania	Bucharest	2007	21.5	238	90	11.9
<b>TOTAL</b>			<b>501.8</b>	<b>4,456</b>	<b>113</b>	<b>29.9</b>

Sources: IMF (GDP/capita), Eurostat (other)

\* At purchasing power parity

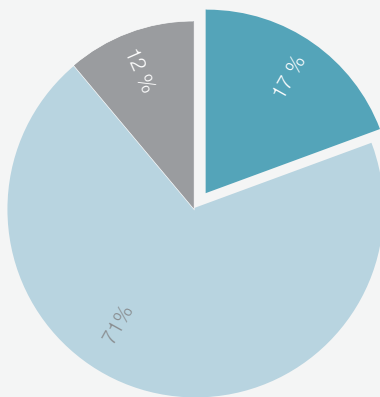
## BOX 2

### The rise and rise of the Euro

The Euro was introduced in 1999, with notes and coins entering into circulation in January 2002. Eight years later, in June 2010, the Euro became the currency with the highest combined value of banknotes and coins in circulation in the world, having surpassed the US Dollar. In 2009, about 27% of the world's foreign exchange reserves was

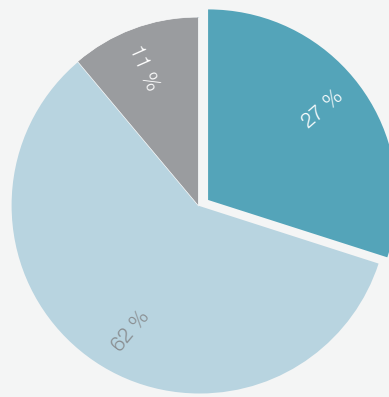
held in Euro, up from 17% in 1999, when it was first introduced. At present, 16 of the 27 Member States have adopted the Euro as their official currency, with Estonia to follow in January 2011.

Share of Euro in Foreign Reserves (% World)



1999

■ Euro	17%
■ US Dollar	71%
■ Other	12%



2009

■ Euro	27%
■ US Dollar	62%
■ Other	11%

Source: EC (2010)



EU Cooperation Policies

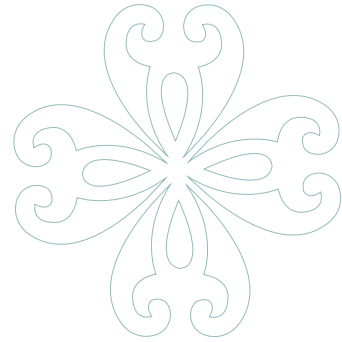
---

# CHAPTER

# 2

## CHAPTER 2

# EU Cooperation Policies



### Millennium Development Goals (MDGs)

-  **1** **Goal 1:** Eradicate extreme poverty and hunger
-  **2** **Goal 2:** Achieve universal primary education
-  **3** **Goal 3:** Promote gender equality and empower women
-  **4** **Goal 4:** Reduce child mortality rate
-  **5** **Goal 5:** Improve maternal health
-  **6** **Goal 6:** Combat HIV/AIDS, malaria, and other diseases
-  **7** **Goal 7:** Ensure environmental sustainability
-  **8** **Goal 8:** Develop a global partnership for development

## Goals, Principles and Commitments

**General principles.** In December 2005, the European Union (EU) adopted a new development policy called the “European Consensus on Development”. This policy identifies shared goals, values, principles and commitments that the European Commission (EC) and the EU Member States will incorporate in their development policies. The most important of these are:

- the overall goal of EU development cooperation is poverty alleviation,
- development cooperation is based on two basic principles: Europe’s democratic values and the national strategies of the partner government, and
- the EU Member States all have a commitment to increase their official development assistance to 0.56% of GNI by 2010, and to the UN target of 0.7% of GNI by 2015.

**MDGs as the key to poverty reduction.** The EU – together with the rest of the international community – has committed itself to eradicate extreme poverty by 2015 (a person is said to be living in extreme poverty if (s) he is forced to live on less than US\$1 per day). To achieve this objective, the EU strongly supports countries with achieving the eight Millennium Development Goals (MDGs).



"The overall goal of EU development cooperation is poverty alleviation."





"The EU provides most its financial assistance in the form of grants. An increasing share of these grants is provided as budget support."



## Aid Effectiveness

**Making development policies effective.** The EU tries to build synergies between policies other than development cooperation to make aid more effective (for example, it is not productive to help a country's textile industry whilst imposing very high tariffs on textile imports). This approach of "Policy Coherence for Development" is being taken by both the EC and EU national governments. In 2005, the EU agreed to apply the Policy Coherence for Development approach in 12 policy areas that could accelerate progress towards achieving the Millennium Development Goals. These areas include trade, environment and climate change, security, social policies, migration, research, information technologies, transport and energy.

**Make aid effective.** In February 2005, the EC and the EU Member States – alongside many other countries and international organisations – signed the Paris Declaration on aid effectiveness. The declaration was intended to reform the delivery of aid, which was seen as uncoordinated, unpredictable, not transparent and largely driven by donors rather than recipient countries. At heart of the declaration are the following five principles:

- **Ownership:** developing countries must lead their own development policies and strategies.
- **Alignment:** Donors must line up their aid firmly behind the priorities outlined in developing countries' national development strategies.
- **Harmonisation:** donors must coordinate their development work better amongst themselves to avoid duplication and high transaction costs for poor countries.
- **Management by results:** recipient countries must show to what extent aid has led to the desired results, and be held accountable for their performance.
- **Mutual responsibility:** donors and developing countries must account more transparently to each other for their use of aid funds.

In January 2009, the EC and 10 EU Member States belong to 22 signatories to the Jakarta Commitment, a roadmap for putting the five principles of aid effectiveness into practice in Indonesia.

**Avoiding duplication of effort.** The EU finances development assistance through three channels:

- EU institutions, of which the EC is the most important
- Individual Member States, through their own bilateral programs
- Multilateral institutions, such as the World Bank, the UN agencies and the Asian Development Bank

For obvious reasons, it is important that the various countries and institutions work together effectively. For this reason, the Council of the EU and the EU Member States have adopted “The Code of Conduct”. This agreement, which builds on the principles of the Paris Declaration and the values stressed in the European Consensus, ensures that each EU Member State and aid institution provides assistance where it can add most value, thereby increasing the overall effectiveness of the assistance. Since its adoption in May 2007, the Code has led EU Member States to concentrate their efforts on a smaller number of sectors, in a smaller number of countries.

#### **How does EU aid assist the partner country?**

The EU delivers its assistance in various ways: as direct cooperation with governments, through non-governmental organisations, or directly (which is often the case for emergency assistance). The EC provide most financial assistance in the form of grants, whereas the European Investment Bank (EIB) provides loan financing at favourable conditions to both governments and private sector parties in developing countries. An increasing share of the EC’s financial assistance is provided as general or sectoral budget support (or opposed to project-specific grants), in accordance with the principles of the Paris Declaration.

### EU Policy Milestones

2000

Millennium Development Goals

2005

- European Consensus on Development
- Policy Coherence for Development
- Paris Declaration on Aid Effectiveness

2007

Code of Conduct

2009

- Jakarta Commitment
- Partnership and Cooperation Agreement

"Principles of aid effectiveness: ownership, alignment, harmonisation, management by results and mutual responsibility."

# EU Development Cooperation in Asia

## Trade and investment relations with Asia.

According to recent OECD data, gross disbursements of official development aid from the EC and EU Member States to Asia (excluding the Middle East) more than doubled from about US\$ 35 billion in 1998 to over US\$ 85 billion in 2008, and now accounts for over 60% of global ODA to the region. This large and growing amount of development support from the EU to Asia matches the growing importance of Asian countries in trade relations with the EU Member States. In 2009, sixteen Asian countries (ASEAN + China, India, Japan, Mongolia, Pakistan and South Korea) accounted for over 33% of the EU's imports, and 20% of its exports. ASEAN countries alone provided 5.7% of the EU's imports (primarily office and telecommunications equipment, and animal and vegetable oils), and received 5.1% of its imports (which largely consisted of machinery and transport equipment). At present, the EU is ASEAN's second largest trading partner after China. On average, EU companies invested € 10.4 billion per year during 2006- 2008, making the EU by far the largest investor in ASEAN countries.

**Bilateral aid by the European Commission.** The EC has allocated about € 29 billion for development support to Asian countries for 2007-2013. This amount includes a maximum of € 3.8 billion in concessional loan funds, which the EIB is authorised to lend for operations supporting EU cooperation strategies and programmes in Asia. The remaining € 25 billion consists of grants, originating from a variety of sources:

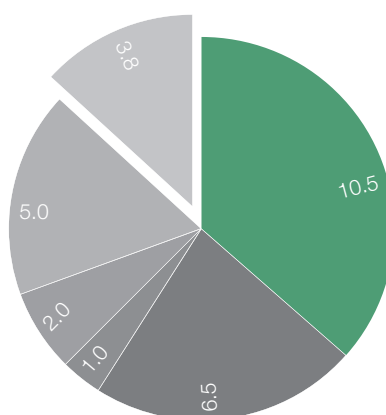
- The Development Cooperation Instrument (DCI): € 17 billion for 2007-2013; this is the main instrument for EC operations in Asia, and is used to finance: (i) bilateral cooperation, based on CSP, (ii) regional cooperation, and (iii) five

thematic programmes for which funding is allocated annually on a competitive basis through calls for proposals in the following areas: investing in people, environment, non-state actors and local authorities, food security, and migration

- The European Instrument for Democracy and Human Rights (EIDHR): € 1 billion
- The Instrument for Stability: € 2 billion
- Humanitarian aid: about € 5 billion

In 2008, the EC disbursed the equivalent of about US\$ 1.7 billion to developing countries in Central, South and Far East Asia, accounting for 7% of total ODA to these countries.

EC Grants and EIB Loans for Development Support to Asia, 2007-2013 (€ billion)



DCI for bilateral and regional programmes	10.5
DCI for competitive proposal	6.5
EIDHR	1.0
Instrument for stability	2.0
Humanitarian aid	5.0
EIB (loans)	3.8

Source: EC (2010)

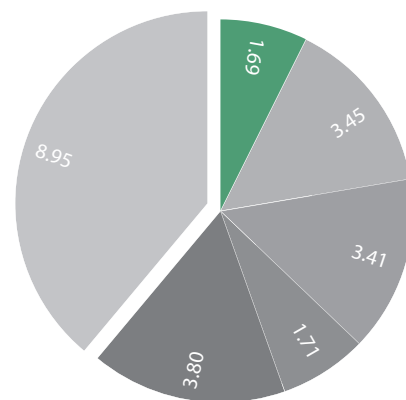


"The EC has allocated almost € 30 billion for development support to Asian countries for 2007-2013."



**Bilateral aid by EU Member States.** Apart from the EC, Germany, the United Kingdom and France have traditionally been the largest providers of EU development support, accounting for over 60% of the total. The development instruments used by these three countries in Asia reflect their global ODA strategies. In 2008, all three countries allocated approximately one-third of their ODA budgets to multilateral institutions, such as the EC or the World Bank, and spent most of the remainder as grants. Unlike France and Germany, the United Kingdom spent a major portion of grants on humanitarian aid and contributions to NGOs, and a relatively small portion on technical co-operation. The priority sectors of France are education, transport and communications, and multi-sectoral initiatives (integrated planning). Germany allocates more than half of its ODA to education, energy and actions related to debt, whereas the United Kingdom mainly invests in social infrastructure and programme assistance.

Development Support of EC and EU Member States to Asia, 2008 (US\$ billion)



European Commission	1.69
United Kingdom	3.45
Germany	3.41
France	1.71
Other EU Member States	3.80
Non-EU Member States	8.95

Source: Development Co-operation Report (OECD, 2010)



"Among the EU Member States, Germany, the United Kingdom and France have traditionally been the largest providers of bilateral aid to Asia"





EU Cooperation in Indonesia

---

# CHAPTER

# 3



# CHAPTER 3

## EU Cooperation in Indonesia



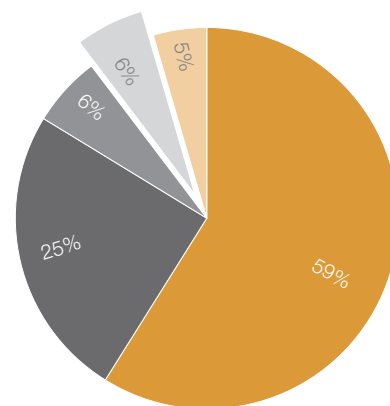
### Overview of EU Cooperation in Indonesia

#### EU-Indonesia Partnership in recent years.

The European Union has been among the largest providers of bilateral development support to Indonesia. According to OECD's 2008 Survey on Monitoring the Paris Declaration, the EU was the third largest source of bilateral aid in 2007 (after Japan and Australia), with total disbursements of about US\$ 240 million. In accordance with principles on aid effectiveness, the EC and EU Member States work together with the Government of Indonesia to ensure that aid contributes to achieving the country's national development objectives.



Official development aid to Indonesia by development partner, 2007 (% total)



- World Bank (including EU contributions to the Bank)
- Japan
- Australia
- EU (direct contributions only)
- Others

Source: 2008 Survey on Monitoring the Paris Declaration (OECD, 2009)

"The Indonesia-EU Partnership and Co-operation Agreement is the first of its kind between the EU and an ASEAN country."

**Development cooperation by the EU.** In 2009, the EU provided over € 700 million in development support to Indonesia, with the European Commission and four EU Member States providing over 80% of this amount:

- **The European Commission:** € 78 million, which was primarily disbursed to post-disaster reconstruction projects, basic education, environment/climate change, as well as support to government and civil society.
- **France:** € 245.3 million, consisting almost exclusively of the disbursement of a tranche from the Climate Change Programme Loan (CCPL), which co-finances Indonesian policy reforms aimed at mitigation of, and adaptation to, the negative impacts of climate change.
- **Germany:** € 111.4 million, mainly for transport and communication, and health.
- **The Netherlands:** € 111.3 million, evenly spread over most sectors, notably good governance, education, water management, drinking water and sanitation, trade and investment climate, post-disaster reconstruction, and environment (the latter with focus on peatlands).

- **The United Kingdom:** £ 33 million (equivalent to € 38.09 million), which large consisted of contributions to the Multi-Donor Fund that co-financed reconstruction of infrastructure in Aceh and Nias, health sector and grants for government and civil society programme.

Refer to Annex 1 for details on all EU Member States that provided development support to Indonesia in 2009.

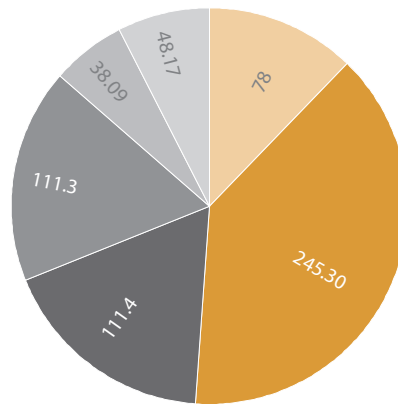
#### **Strengthening cooperation through the Partnership and Co-operation Agreement.**

In November 2009, the European Union and the Government of Indonesia signed the Indonesia-EU Partnership and Co-operation Agreement, the first of its kind between the EU and an ASEAN country. The agreement will strengthen cooperation across a wide range of fields, such as trade, environment, energy, science and technology, good governance, as well as counter-terrorism and the fight against corruption and organised crime.

"The EC-Indonesia Country Strategy Paper lists three focal sectors for 2007-2013: education, trade and investment, and law enforcement and justice."



Official Development Aid from the EC and EU Member States to Indonesia, 2009 (€ million)



- European Commission
- France
- Germany
- Netherlands
- United Kingdom
- Other Member States

Source: EU Delegation and EU Member States.



"The EC and EU Member States work together with the Government of Indonesia to ensure that aid contributes to achieving the country's national development objectives."

# Alignment of EU Cooperation with Development Planning in Indonesia

## **MDGs in Indonesia's development plans.**

The most important document for development planning in Indonesia is the National Medium-Term Development Plan (Rencana Pembangunan Jangka Menengah Nasional or RPJMN), which covers a period of five years. It contains broad development targets for the planning period, and outlines requirements and responsibilities for achieving these targets. At the ministerial level, the strategic plans (Rencana Strategis or Renstra) are the basis for the preparation of the annual work plan of a government ministry for the same five-year period, which outline in more detail how to achieve development targets for a specific sector, such as education or health.

The current national medium-term development plan (RPJMN 2010-2014), as well as the previous version (RPJMN 2005-2009), strongly supports achieving the UN's Millennium Development Goals, as part of a wider set of national development objectives. Both RPJMNs contain intermediate targets (for 2009 and 2014, respectively) that must be met to achieve the MDGs by 2015. This is where the development policies of the Government of Indonesia are squarely aligned with those of the EU: both sides consider achieving these goals of major importance to achieve the overall objective of eradicating poverty.

"Activities supported by the EU contribute directly to the achievement of one or more of the eight Millennium Development Goals."

## **EU development support for achieving MDGs.**

The EC and the EU Member States support a wide range of activities, which are grouped in eight sectors:

1. Education
2. Environment/Climate Change
3. Post-Disaster Reconstruction
4. Health
5. Water Supply and Sanitation
6. Trade and Economic Cooperation
7. Conflict Prevention, Peace and Security
8. Government and Civil Society

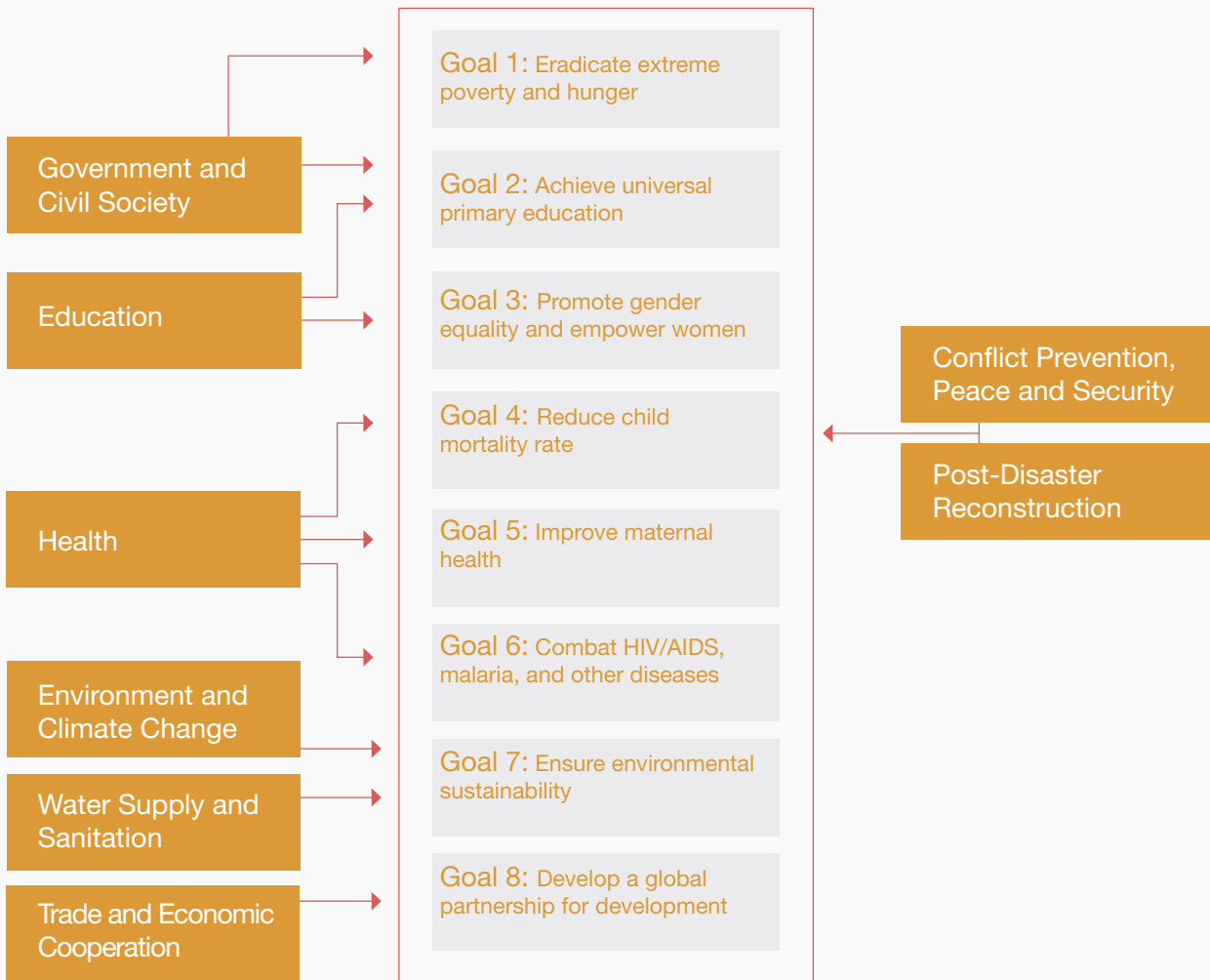
As shown in the chart below, activities in each of these sectors contribute directly to the achievement of one or more of the eight MDGs. Post-Disaster Reconstruction and Conflict Prevention, Peace and Security are "cross-cutting" sectors that contribute to achieving all eight MDGs. In contrast, activities in the other six sectors tend to focus on the achievement of one or two specific MDG's.

## **EU development support by sector.**

- In 2009, three sectors accounted for almost 75% of all EU-financed development support to Indonesia: (i) Environment/Climate Change (primarily due to the disbursement of € 245.3 million disbursement of the climate change programme loan financed by France), (ii) Post-Disaster Reconstruction, and (iii) Trade and Economic Cooperation.
- During 2007-2009, the sectoral composition of EU-financed development support changed markedly. The share of financial support for Environment/Climate Change increased considerably, reflecting the changing circumstances of Indonesia. At the same time, there was a gradual reduction in financial assistance for post-disaster reconstruction in Aceh and Nias, which is now nearly complete.

The remainder of this chapter presents summaries of EU development support in each of these sectors and Indonesia's progress towards achieving MDGs, starting with Education.

EU-Supported Sectors and Millennium Development Goals



# Education

"Indonesia is on track to achieve its MDG on universal primary education."

## Background

Education reform has been central to the Government of Indonesia's development agenda for 2005-2009, as part of its strategies to reduce poverty and increase economic growth through improved competitiveness and work force productivity. The primary objective is to provide nine years of compulsory basic education for all children by 2015.

Progress in implementing education reform policies and targets, as set out in the 2005-2009 strategic plan (Renstra) of the National Ministry of Education, has been encouraging. Access and participation in all sub-sectors of the education system has expanded significantly, especially in secondary education and gender equity has improved at all levels. Performance indicators for education quality and standards have shown an upward trend, and a comprehensive teacher qualification and certification process is underway to improve the quality of education services. Good progress has been made in establishing a comprehensive legislative and regulatory framework for education quality assurance and schools accreditation, as well as in increasing governance and accountability in education service delivery.

High-level political leadership, ownership and commitment to reforms have been evident throughout the period, alongside evidence of growing managerial and implementation capacity at various levels. Most importantly, the Government of Indonesia has formally committed itself to devote at least 20% of annual public expenditure to education.

As Indonesia's education system is the fourth largest in the world, the challenges of reforming the system are significant. Education remains a top priority in the national development plan 2010-14, which considers investments in science and technology

as a key to long-term economic development. The new education Renstra follows through on existing commitments and consolidates policy directions initiated in the previous period. It focuses on ensuring availability, affordability, quality and equity at all education levels and ensuring reliable governance systems. As Indonesia is nearing universal basic education, attention is now turning to increasing the quality and relevance of education. The new Renstra 2010-14 addresses a number of important challenges that remain. One is reducing provincial/district disparities in access to high quality basic education, alongside increasing the supply of high quality, market-oriented senior secondary and higher education graduates. A second challenge is to further improve education quality and standards at all levels. A further one is to sustain improvements in planning and managerial capacity, especially at district and education institutions levels. A final challenge will be to ensure equitable and cost-effective education financing.



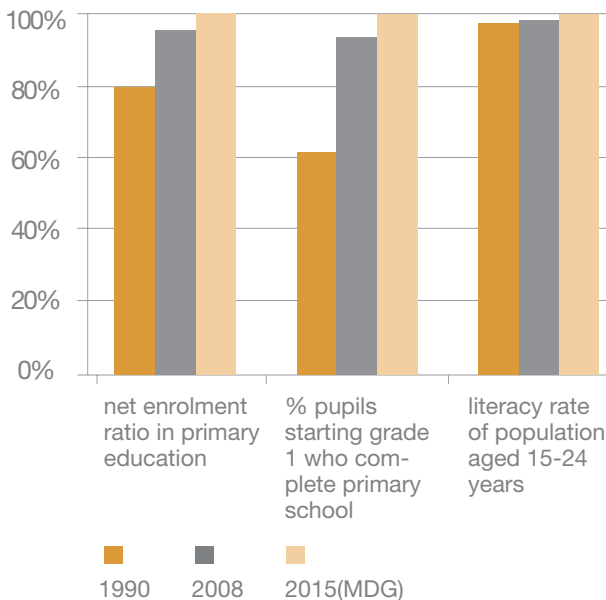


**Progress toward achieving Millennium Development Goals**

According to the Report on the Achievement of the Millennium Development Goals Indonesia, which was issued in May 2010, the country is on track to achieve MDG#2 on universal primary education, which is “Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling”. At present, almost all children enrol in primary education and complete school once started. The literacy rate of

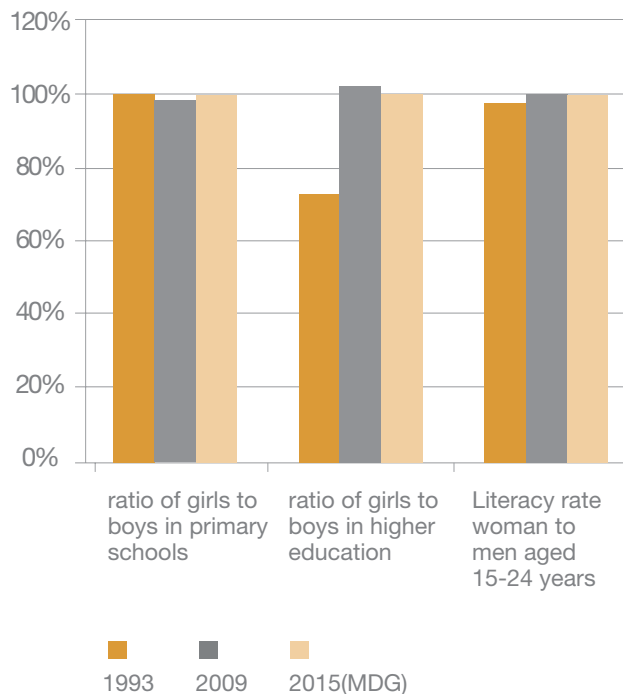
persons aged 15-24 years is close to 100%. Enrolment ratios and literacy rates are nearly identical for boys and girls, which is a strong indication that Indonesia is also on track to achieve MDG #3 on gender equality and women empowerment, which is “Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015”.

Actual vs. Targeted Achievements for MDG #2 on Primary Education (1990, 2009 and 2015)



Source: Report on the Achievement of the Millennium Development Goals Indonesia (BAPPENAS, 2010)

Actual vs. Targeted Achievements for MDG #3 on Gender Equality and Women Empowerment (1993, 2009 and 2015)



Source: Report on the Achievement of the Millennium Development Goals Indonesia (BAPPENAS, 2010)

## EU support for education

**Basic education.** Assistance from the EU is well aligned with the Government education priorities and has helped to advance aid effectiveness and harmonisation in the sector. The Basic Education Sector Capacity Support Programme (BE-SCSP), implemented through ADB and UNICEF, and the joint EU/ Netherlands Basic Education Capacity Trust Fund (BEC-TF), managed by the World Bank, focus on country capacity for sector policy/strategy setting, improved management and delivery of basic education services at district and school levels, and improved efficiency and governance in the use of resources. The Netherlands has also been supporting decentralised management of basic education in under-served provinces/ districts, youth skills development, capacity development for implementing the teacher-upgrading programme and institutional linkages and twinning in higher education. Reflecting the importance of involving civil society in education reforms, Luxembourg and the EC supported several NGOs who provide help in the basic education sector.



In 2009, the EC finalised with the Government and AusAID the design of a major new Education Sector Support Programme (ESSP), with an initial EC contribution of € 200 million over three years, which makes it the second largest EC budget support operation in Asia. As it will be implemented jointly with AusAID, it brings together the two largest grant donors to education in Indonesia, as well as the Asian Development Bank (ADB) for joint implementation of the technical cooperation component, and is viewed by the Government as a first example of good practice in implementing the Jakarta Commitment for aid effectiveness. Building on the work of on-going programmes, the ESSP supports key policies and strategies in the education Renstra 2010-2014 to ensure nation-wide access to, quality of, and good governance in basic education services, and offers potential for further coordination with other development partners.

**Higher education.** The EC and EU Member States such as Austria, Belgium, Bulgaria, the Czech Republic, France, Greece, Germany, Hungary, Italy, the Netherlands, Portugal, Romania, Slovakia, Spain, and the United Kingdom have been supporting overseas scholarships for key sectoral leaders and managers as well as academic cooperation and research initiatives. In 2008 and 2010, they also jointly organised European higher education fairs. The events, which were held in Jakarta, were visited by more than 12,000 visitors. Exhibitors consisted of 70-80 higher education institutions and representatives from EU Member States. The events displayed high quality educational opportunities on offer in Europe to the Indonesian public.

Education – Disbursements of ODA to Indonesia, 2009 (€ million)

Netherlands	30.10
European Commission	8.80
Germany	6.42
Austria	0.53
Luxembourg	0.13
Italy	0.10
Portugal	0.03
<b>TOTAL</b>	<b>47.51</b>



"Assistance from the EU is well aligned with the Government education priorities and has helped to advance aid effectiveness and harmonisation in the sector."

# Environment and Climate Change

"Indonesia is unusually vulnerable to the adverse impacts of climate change. At the same time, the country generates 10% of global greenhouse gas emissions."

## Background

Indonesia is facing major environmental challenges, in a number of areas. Factors such as population growth, rapid urbanisation and the failure to enforce environmental legislation are critical issues. Urbanisation is leading to increased air pollution largely through vehicle exhaust emissions and the use of fossil fuels in power generation. The disposal of domestic waste generates widespread contamination of surface and ground water sources. The disposal of refuse through burning further reduces air quality. Industrial pollution and a lack of capacity for the recycling of hazardous waste are other causes of concern. Mining, and in particular open-caste mining, continues to cause environmental problems. Poor land use planning in urban and rural areas compounds many environmental problems. The continued destruction of forests through unsustainable (and often illegal) logging continues at an alarming rate, even though figures suggest this rate has decreased in recent years. Apart from biodiversity loss and GHG emissions, the effect of this is progressive erosion of the environmental services provided by such areas, such as clean and reliable surface water flows, as well as affecting directly on livelihoods.

Indonesia is unusually vulnerable to the adverse impacts of climate change, which is expected to lead to rising sea levels and an increase in extreme weather events. These, in turn, will lead to excessive flooding and extended droughts, thereby

threatening food security and lives. About 20% source of greenhouse gas emissions, globally, is deforestation. Indonesia is responsible for approximately 10% of global emissions from deforestation, which in vast areas also causes peat subsidence and long term fires to rage, thus significantly creating more emissions.

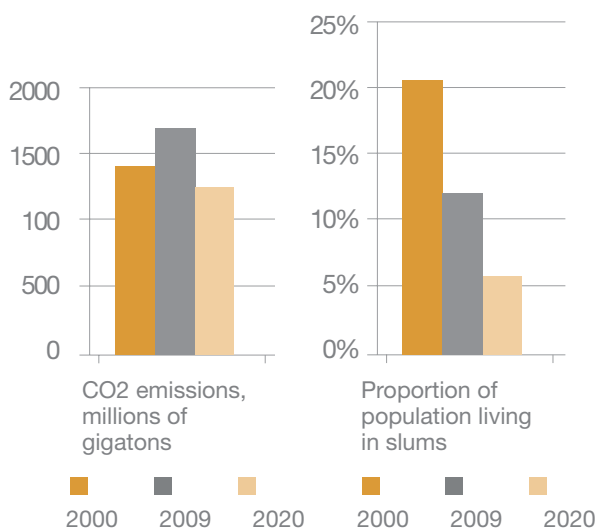
A national strategy to Reduce Emissions from Deforestation and Degradation (REDD) has been formulated by the Indonesian Forest Climate Alliance, backed by the Ministry of Forestry, and was launched in December 2007. Government efforts to improve law enforcement in forestry are now visible and are thought to be having an effect on illegal logging, although sentences passed down for participating in illegal activities are weak. A National Council of Climate Change (NCCC) was established in mid-2008, chaired by Indonesia's President. It has a difficult mandate to coordinate and harmonise climate change related policies among the 17 ministries and government agencies identified to play a role in the national response. Indonesia's carbon emissions are amongst the highest in the world, mostly because of land use changes and deforestation. The NCCC has recently completed a study (the National Economic, Environment, and Development Study) to develop a comprehensive plan on adaptation to and mitigation of the adverse impacts of climate change.

### Progress toward achieving Millennium Development Goals

Indonesia has a high rate of GHG emission, but has worked to increase forest cover, eliminate illegal logging and is committed to implementing a comprehensive policy framework to reduce carbon dioxide emissions over the next 20 years. Nonetheless, the country may not be able to meet MDG #7 on ensuring environmental sustainability because of limited progress in increasing forest cover, reducing CO2 emissions, and reducing the proportion of the urban population living in slums. As discussed in the next section, it is also unlikely to meet service coverage targets with respect to water supply and sanitation, which also form part of MDG #7.



Actual vs. Targeted Achievements for MDG #7 on Environmental Sustainability (2000, 2009 and 2020)



Source: Report on the Achievement of the Millennium Development Goals Indonesia (BAPPENAS, 2010)

"Indonesia's carbon emissions are amongst the highest in the world, mostly because of land use changes and deforestation."



### EU support for environment/climate change

The EU Delegation has been very active in the forestry sector since the 1990s through the EC-Indonesia Forestry Program (ECIFP), designed to address a large range of issues such as biodiversity conservation, forest fires, and sustainable forestry.

Over the past years, the EU's primary objective in the forestry sector has been to combat illegal logging and associated trade. This was done in the context of the Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan which includes in particular the negotiation of a Voluntary Partnership Agreement (VPA) which aim ensure the legality of the timber traded between Indonesia and the EU and to eliminate illegal products. Support is provided accordingly by the EU to assist with the implementation of Indonesia's timber legality verification system, to promote independent monitoring from civil society, and to improve governance and law enforcement in the forestry sector. Main channels include the EC-Indonesia FLEGT Support Project (2006-2010) and a series of small and medium size projects managed by NGOs.

Supporting Indonesia's response to climate change is another primary objective of the EU's intervention in the environment sector in Indonesia. Projects funded under the ECIFP (i.e. South Sumatra Forest Fire Management Project) and related to FLEGT have already contributed to this objective. EU support to civil society has increasingly targeted climate change actions over the past years and projects related to carbon accounting mechanisms, participatory land use planning, forest conservation have been funded accordingly. Technical assistance to the National Council on Climate Change has also been provided and further cooperation with the Government of Indonesia has been prepared in 2010.

Significantly, the EU's trade policies provide incentives to switch to sustainable practices in the commodities sector. This does not only include timber policies (the EU adopted the illegal timber regulation in 2010 under the FLEGT Action Plan) but also bio-fuel policies. The EU's Renewable Energy Directive foresees incentives for the use bio-fuels meeting environment sustainability criteria in the EU's transport sector. The possible implications for Indonesia's palm oil industry are closely monitored and coherence with this Directive is being looked at in the planning of future EU climate change co-operation in Indonesia.

Finally, through the regional programme SWITCH Asia, the EU Delegation has financed two projects in the field of sustainable production and consumption of eco-friendly batik in Indonesia and Malaysia, and in the field of energy. These projects started in 2009.

The United Kingdom has supported the establishment of a multi-donor trust fund called Indonesia Climate Change Trust Funds (ICCTF) led by the National Development Planning Agency (BAPPENAS), and has also agreed to support the Ministry of Finance with a grant of up to £ 1.5 million to develop the Indonesian Green Investment Fund. It also provides consultancy support to the Provincial Government of Papua to support the development and implementation of their plan for low-carbon development and green growth.



"Local development, sustainable forest management, the preservation of biological diversity and climate protection can go hand in hand."



DFID has also been developing a programme on climate change issues in Indonesia. In 2002, the UK and Indonesia concluded a Memorandum of Understanding to prevent the illegal trade in timber. This programme was a response to a civil-society campaign highlighting the scale of the problem, and a subsequent call to action by East Asian forestry ministers. Through grants under the Multi-stakeholder Forestry Programme, working with the Ministry of Forestry from 2000, DFID has supported:

- The development of a Timber Legality Assurance Scheme, just passed by Ministerial Decree. This aims to certify the legal origin of timber exports.
- Independent monitoring by civil-society groups.
- The development of a law on anti-money laundering, as a tool to facilitate the detection and prosecution of the high-level backers of illegal logging.

In 2007, DFID committed a further £ 5 million to the second phase of the Multi-stakeholder Forestry Programme (2007-2011) focusing closely on the development and implementation of the SVLK – the Government of Indonesia’s national timber verification scheme.

**France** provides direct budgetary support to the Government of Indonesia as part of the Climate Change Programme Loan (CCPL), co-financed with Japanese International Cooperation Agency. In 2009, it disbursed US\$ 240 million through the Agence Française de Développement (AFD). The purpose of the loan is to support Indonesian policy reforms on responding to climate change, and to help achieve targets stated in a so-called “policy matrix”. The targets in the matrix are divided in three sections: mitigation, adaptation and cross-sectoral issues. In addition, AFD financed several experts to help the Government monitor progress with combating climate change, and design policies to improve energy efficiency and forest management.

**Germany** and Indonesia agreed to launch a new priority area programme for Environment/Climate Change with a focus on the protection of forests (REDD) and the support of Indonesia’s geothermal



programme. The aim of the REDD programme is to develop and test at various levels REDD demonstration measures that can be latched on to the mechanisms still to be set up nationally and internationally. Key importance will be attached in the first instance to the selection of REDD demonstration measures, and evaluation of first experiences with their implementation. These REDD demonstration measures – developed and financed by KfW Development Bank, GTZ and other donors – are among the first REDD projects on the ground, both in Indonesia and worldwide. They will be designed to demonstrate that local development, sustainable forest management, the preservation of biological diversity and climate protection can go hand in hand. (The geothermal programme was under preparation at the end of 2009.)

**The Netherlands** supports improved implementation of environmental and climate policies, resulting in an increase of renewable energy, sustainable natural resources management, mitigation and adaptation. The Netherlands supports the Government of Indonesia driven design of a National Lowland Development Strategy. Key target areas are the vast lowlands of Indonesia. The Government of Indonesia is undertaking an initial five-year programme for the rehabilitation and revitalisation of the Central Kalimantan Ex-Mega Rice Project area, a heavily degraded peat area of 1.4 million hectares. The Netherlands supported both a community-based peat restoration demonstration project and the formulation of a Master Plan for the area, which was completed in March 2009.

The Netherlands also started a community-based peat conservation project in the southwestern districts of Papua and is preparing for master planning in the area. For supporting Adaptation strategies, the Netherlands has also started work with line agencies in the water sector. Related to lowland development and peat conservation, the Netherlands supports a study on greenhouse gas emissions from palm oil production.

**Denmark** is working with the Ministry of Energy and Mineral Resources to support public sector institutions, energy efficiency in construction and use of large buildings, and decentralised natural

resources management and renewable energy, as means to mitigate the adverse impacts of climate change.

**Finland** plans to start bilateral cooperation to support forest sector development and to promote renewable energy as well as combating climate change.

**The Czech Republic** finances a project to support environment protection in North Sulawesi Province, which is expected to be completed in 2010.

**Spain** contributed € 200,000 to protect the population of orang-utans in the Gunung Leuser National Park, and co-financed a program that supports the livelihood of fishermen in six countries in Southeast Asia, including Indonesia. The National Organisation of Autonomous Parks of Spain contributed to the development of the programme “Supporting the development of the appropriate monitoring and law enforcement systems for the Biosphere reserve in Siberut”.

**Sweden** focuses its support on the sustainable city concept introducing a holistic approach with technical innovations and system solutions. A multi stakeholder Waste Refinery Network with the hub at the University of Gajah Mada is a pilot for possible expansion. A cooperation with the Ministry of Public Works on waste and sewage cooperation is being planned. In cooperation with BAPPENAS, Sweden supports an Integrated Water Resources Management project. It has also committed financial support to the ICCTF.

Environment/Climate Change – Disbursements of ODA to Indonesia, 2009 (€ million)

France	243.5
Netherlands*	14.00
Denmark	5.60
European Commission	5.11
Germany	3.07
United Kingdom	1.02
Sweden	0.68
Spain	0.65
Czech Republic	0.12
<b>TOTAL</b>	<b>273.75</b>

\* Including agriculture, forestry and fisheries

# Post-Disaster Reconstruction

"Most rehabilitation and reconstruction work in Aceh, Nias and around Yogyakarta has been completed, or is nearing completion."

## Background

Following three major natural disasters (the tsunami in Aceh and Nias, the Yogyakarta and Central Java earthquake, and the earthquake in and around Padang), reconstruction work has been intense. Both are now in a transitional stage, as the majority of rehabilitation and reconstruction work has been completed, or is nearing completion.

The tsunami that hit Aceh and Nias in December 2004 was the worst natural disaster in decades. It claimed over 230,000 lives and destroyed countless schools, houses, places of worship, and livelihoods. The level of death, destruction, displacement, and disorder caused by these natural disasters required a virtual reorganisation of communities in the province. Following the disaster, the Government made the following key decisions:

- Calling for national and international support for emergency relief
- Undertaking prompt damage and loss assessment
- Developing a Master Plan to guide the rehabilitation and reconstruction efforts
- Establishing the Agency for Rehabilitation and Reconstruction for Aceh and Nias (BRR) to coordinate hundreds of organisations
- Requesting development partners to mobilise a multi-donor fund

The 2006 earthquake in Yogyakarta and Central Java also brought about enormous loss of life and damage, particularly in housing. It caused almost 6,000 deaths, damaged almost 300,000 houses

left an estimated 1.5 million people homeless. On the positive side, more than 290,000 houses were reconstructed in two years and 99.3% of the people re-housed.

The September 2009 earthquake that hit West Sumatra claimed 1,115 victims, severely damaged over 135,000 houses and affected an estimated 250,000 families through the total or partial loss of their homes and livelihoods.

## EU support for post-disaster reconstruction

**The EU Delegation**, as well as most EU Member States provides significant financial support to the Multi Donor Fund for Aceh and Nias (MDF) and the Java Reconstruction Fund (JRF). These funds were both created in accordance with the principles laid out in the Paris Declaration, and fostered local ownership, alignment with country priorities, donor harmonisation and management for results. Various EU Member States also provided emergency support for the victims of the West Sumatra earthquake in 2009.

## The Multi Donor Fund for Aceh and Nias (MDF).

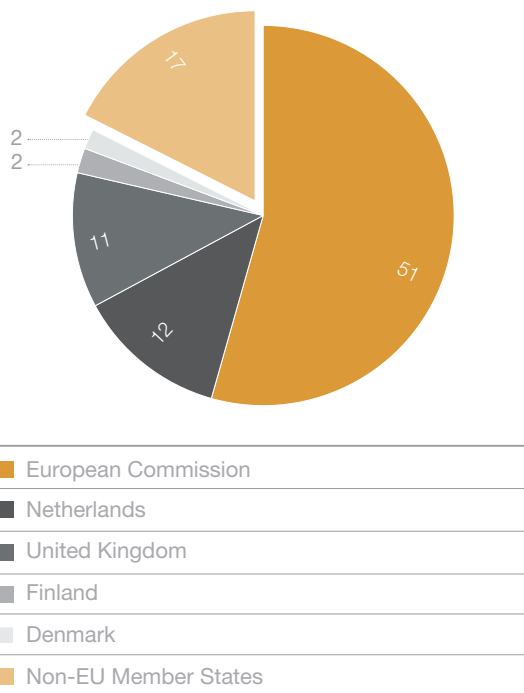
The MDF was established to ensure efficient and coordinated delivery of financial support and as a partnership between the Indonesian and relevant provincial governments, the international community, and civil society to support recovery. It provides grants for quality investments based on good practices, stakeholder participation, and coordination. At the end of 2009, the MDF had received pledges of over US\$ 685 million from 15 donors, making it

by far the largest donor for the reconstruction of Aceh and Nias. Over 75% of the pledges come from three donors: the EC, the Netherlands and the United Kingdom, with major donations from several other EU Member States. The EU Delegation is co-chair of the MDF. Activities will be financed until 31 December 2012. MDF interventions cover the following key strategic investment areas:

- Recovery of communities
- Reconstruction of larger infrastructure
- Rebuilding governance
- Sustaining the environment
- Economic development and livelihoods



Cumulative cash contributions to the MDF as of 31 December 2009 (US\$ million)



Source: MDF, Quarterly Financial Management Report No. 19 (2009)

"At the end of 2009, the MDF had received pledges of over US\$ 685 million from 15 donors, of which the EC was by far the largest."





**Other support from EU Member States for the reconstruction of Aceh and Nias.** Various EU Member States provided funds for the reconstruction of Aceh and Nias that were not channelled through the MDF. **Italy** provided post-disaster reconstruction funding of a further € 25 million, in the form of a debt-swap. **Germany**, another significant contributor, provided nearly € 44 million in post-disaster reconstruction assistance. **France**, through the channel of AFD, granted a € 36.8 million highly subsidised and long-term loan to the Government of Indonesia to finance a rehabilitation project of the drainage system of Banda Aceh; the financing agreement was signed in September 2008 and the project is now under construction. **Sweden** contributed to emergency response in Indonesia via several multilateral emergency funds (apart from its contributions to the MDF).

In addition to its contributions to the MDF, **the United Kingdom** supports four interventions in Aceh and Nias dealing with natural disasters and emergencies:

- Safer Communities through Disaster Risk Reduction (2007-10), which supports education, prevention, early warning systems, risk mitigation and emergency response.
- Support for Poor and Disadvantaged Areas (2007-09), to support post-conflict reintegration and strengthening capacities of local government in Aceh.
- The Community Water Services and Health Project, in collaboration with ADB (2005-09) to improve sustained access to safe drinking water and sanitation, plus better hygiene behaviour in Aceh and Nias.
- Financial support to Transparency International (2006-10), an international NGO, with the aim of strengthening participation of the people of Aceh in government, through community-level training and monitoring.

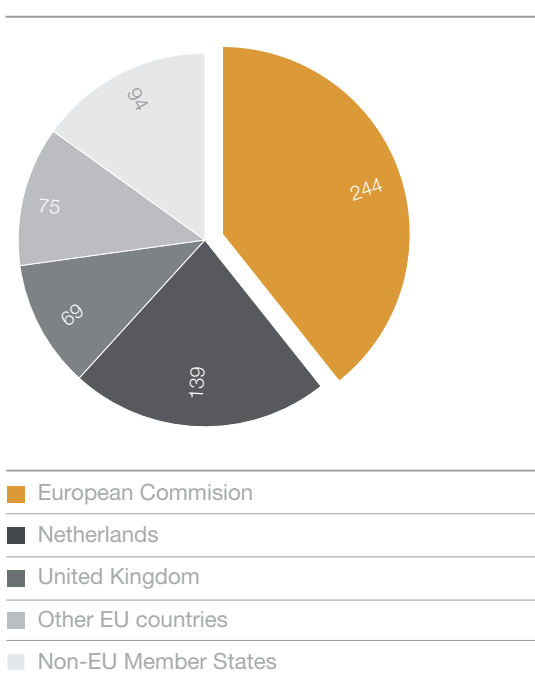
During 2005-2010, **the Netherlands** supported several interventions in Aceh and Nias related to natural disasters and emergencies (other than those financed through the MDF) with a total cost of about € 32 million. The most significant of these interven-

tions included:

- the preparation of a sea defence strategy, the reconstruction of the port of Malahayati in Aceh,
- the preparation of urban water supply projects, the Community Water Services and Health Project, in collaboration with ADB and the United Kingdom (see above), and
- support to regional audit institutions, also in collaboration with ADB.

**The Java Reconstruction Fund (JRF).** The Java Reconstruction Fund (JRF) received a total of US\$94.06 million in pledges from seven donors. The European Commission and four EU Member States (the Netherlands, the United Kingdom, Finland and Denmark) provided US\$ 77.53 million, or 82% of the total. The earthquake response was led by the Government of Indonesia, who has transferred the implementation of the reconstruction process to the two provincial governments – thereby ensuring a greater ownership at the local level.

Cumulative cash contributions to the JRF as of 31 December 2009 (US\$ million)



Source: JRF, Quarterly Financial Management Report (2009)



**Support for victims of the West Sumatra earthquake.**

- **The Netherlands** provided emergency relief through two organisations: the IFRC and Save the Children, which both received a grant of €500,000. In addition, the Netherlands reallocated US\$ 1.8 million from a grant for the Decentralised Basic Education Programme for the reconstruction of nine junior secondary schools in the affected areas
- **Austria** provided assistance for post-disaster reconstruction, mainly through NGOs, to help the earthquake victims.
- **Italy** sent four planes with materials help (including water purifiers, electric generators, and food)
- **Luxembourg** donated € 200,000 to two NGOs (Caritas Luxembourg and Care) to provide emergency aid to the population of Pariaman.
- **Spain** shipped 48 tons of food aid through AECID together with a team of 40 persons to provide rescue expertise and medical assistance, in an amount of € 1.0 million, and approved two projects to help reconstruct areas damaged by the earthquake, with a total cost of € 350,000. It also contributed € 430,000 in post-disaster aid for the National Park of Siberut, also in West Sumatra.
- **The United Kingdom** financed early response activities in West Sumatra after the earthquake in September 2009.

Post-Disaster Reconstruction – Disbursements of ODA to Indonesia, 2009 (€ million)

European Commission	47.15
Netherlands*	27.10
Italy	23.70
United Kingdom	14.95
Germany	8.23
Spain	1.35
Finland	0.30
Austria	0.27
Luxembourg	0.20

**TOTAL** 273.75

\* Including agriculture, forestry and fisheries

"EU Member States supported various interventions in Aceh and Nias related to natural disasters and emergencies, in addition to their contributions to the MDF"



# Health

"Without special attention, there is a real possibility that Indonesia will not be able to reach the MDGs for improving maternal health and combating HIV/AIDS and other deadly diseases."

## Background

In the 1970s and 1980s, Indonesia invested heavily in its public health system, which contribute to major improvements in life expectancy, dietary intake and other health outcomes. However, as a result of social and economic changes, disease patterns have become more complex. Indonesia is now in the midst of an epidemiological transition in which non-communicable diseases (notably cardiovascular) are increasingly important, whilst infectious diseases (such as tuberculosis, malaria, and diarrhoea) remain a significant burden.

In many provinces, infant and child mortality rates compare unfavourably with some of the poorest countries in Asia, as do maternal mortality rates. The vaccination rate for measles is the lowest in the region. Almost one-fifth of women of childbearing age are anaemic. HIV/AIDS is on the rise, with increasing prevalence amongst groups with high-risk behaviour.

In recent years, the performance of the public health system is declining, partly because Indonesia spends much less on health than other Southeast Asian countries. Health expenditure has increased substantially since 2000, but remains below 1% of

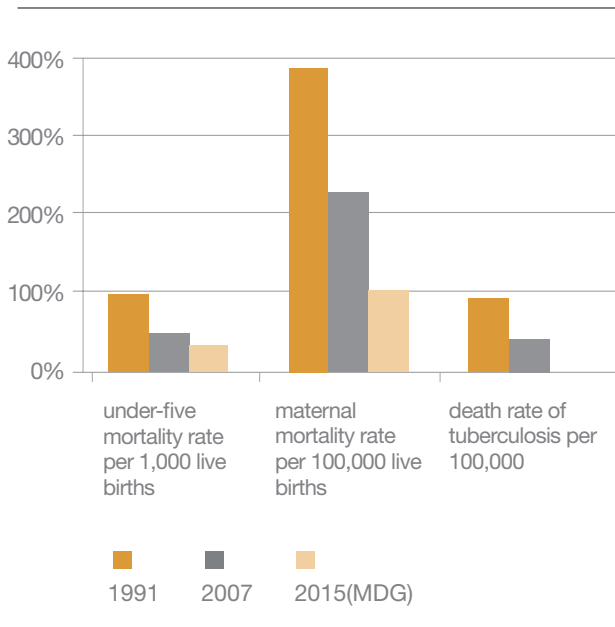
GDP. About 70% of the government's health budget is channelled through local governments, many of which are poorly equipped to cope with the changing demands for health services. It is expected, however, that the public health budget will increase significantly to about 10% of the total with the issuance of a new health law in 2009. Most of the budget increase will be allocated to a social health insurance scheme (JamKesMas) that covers 76 million poor people. This will indirectly reduce out-of-pocket expenses in the near future.

## Progress toward achieving Millennium Development Goals

Indonesia is on track to meet the MDG #4 on reducing child mortality. However, the country needs to improve its efforts to improve maternal health (MDG #5) and combat HIV/AIDS and several other deadly diseases (MDG #6). Without special attention, there is a real possibility that Indonesia will not be able to reach these two goals. It is especially worrying that the HIV/AIDS prevalence rate continues to increased, especially among high-risk groups, notably injecting drug users and sex workers. The number of HIV/AIDS cases reported in Indonesia more than doubled between 2004 and 2005.



Actual vs. Targeted Achievements for MDGs on Child Mortality, Maternal Health and HIV/AIDS and Other Diseases (1991, 2007 and 2015)



"The HIV/AIDS prevalence rate continues to increase, especially among high-risk groups, notably injecting drug users and sex workers."

**EU support for health**

The EU Delegation was the first major donor to focus upon human contagion in Avian Flu, and is currently supporting a project (administered by the World Health Organization) to assist the Government of Indonesia to improve case management, strengthen human disease surveillance, promote healthy food markets and risk communications, and to conduct epidemiological research. EC and EU Member States have been major contributors to the Global Fund for AIDS, Tuberculosis and Malaria, in which Indonesia receives a total commitment of €370 million. Other EU Delegation interventions in the Health Sector provide support for:



- reducing HIV-related risk behaviour in West Java, especially by preventing infections of injecting drug users,
- integrating HIV-related services into primary health care in Papua,
- improving access to reproductive health services in Papua and West Papua, and
- improving Nutrition to mother and young children in Papua, Central Java and East Nusa Tenggara

**The United Kingdom** provides funding for health at a sector-wide level, particularly in collaboration with other donors, with the aim to target off-track Millennium Development Goals in health, such as the reduction in maternal mortality. In 2009, it was funding four major programmes in the health sector:

- Improved Maternal Health in Indonesia (2005-2009). This programme is implemented by UNICEF in seven provinces of Indonesia, seeking to improve health services, systems and behaviours that influence pregnancy and birth outcomes.
- Safer Motherhood Project, Nusa Tenggara (2006-2009). This project aims to increase access to maternal health care and improve maternal health services and systems in Nusa Tenggara, one of the poorest regions in Indonesia.
- Tuberculosis Programme, with WHO (2005-2009). This programme aims to support effective diagnosis and treatment for all patients with Tuberculosis

"In recent years, the performance of the public health system has been in decline, partly because Indonesia spends much less on health than other Southeast Asian countries."

- Indonesian Partnership Fund (2005-2009). This is an HIV/AIDS programme with UNDP, with the UK as the first donor to support the fund. It aims to increase capacity to halt and start to reverse infection rates, and builds capacity at the provincial level.

**Germany** provides grants and loans to the health sector to help:

- Create quality standards and incentive systems for health personnel
- Develop a social health insurance system via installation of a Management Information System and improved administrative systems
- Improve the quality of equipment and health services in Nusa Tenggara (with the United Kingdom)
- Restore capacity in a hospital in Banda Aceh for adequate health services

**Austria** supports an NGO that recently started a capacity-building project to improve health services in West Timor, one of the poorest provinces of Indonesia.

Health – Disbursements of ODA to Indonesia, 2009 (€ million)

Germany	29.26
United Kingdom	6.65
European Commission	0.77
Austria	0.20
<b>TOTAL</b>	<b>36.88</b>





" The European Union supports the improvement of maternal health and nutrition for children, particularly in Eastern Indonesia."

## Water Supply and Sanitation

Indonesia is not on track to achieve MDG target 7C, which is to “Halve, by 2015, the proportion of households without sustainable access to safe drinking water and basic sanitation”.

### Background

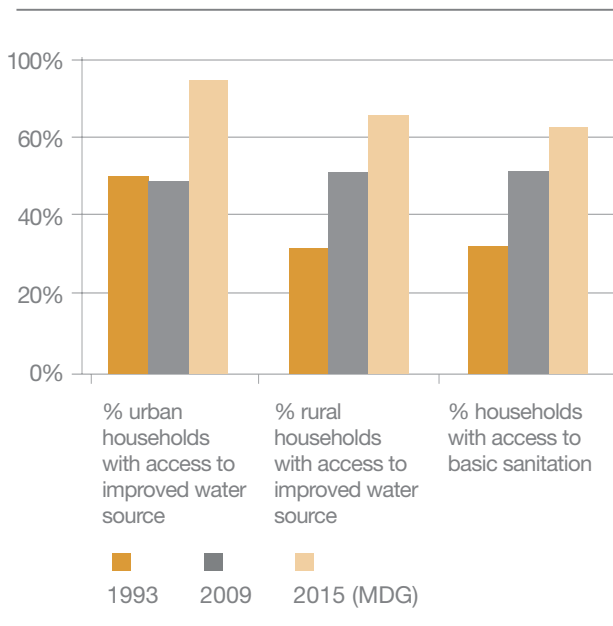
Today, fewer than 30% of households in Indonesia have access to piped water, which is inexpensive and still of reasonable quality compared to alternative sources. The situation has deteriorated in recent years, as revenues are usually far lower than the full cost of the service due to downward political pressure on tariffs. As a result, municipal water utilities, which are responsible for the delivery of piped water to most households and other small-scale water users, have resorted to ‘stop-gap’ measures including deferring essential maintenance expenditures. In some areas, groundwater abstraction through individual and often unregistered wells has reached unsustainably high levels, causing sea-water infiltration and land subsidence. Households without access to piped water often rely on wells, but many of these have become increasingly unsustainable because of contamination of shallow groundwater sources and over-pumping of deep wells. Especially in urban areas, poor households are forced to buy water from vendors, which may cost up to 20% of their income.

Indonesia has one of the lowest rates of off-site sanitation services in the world. At present, less than 2% of the population is connected to piped sewerage networks. About 60% of the population relies on septic tanks and pit latrines for human waste discharge. Over ten million households, or 25% of the total, are currently not served by some form of on-site sanitation. A large portion of the rural population, as well as many low-income households in urban areas, discharge human waste directly into rivers, lakes and open space. The resulting contamination of surface and groundwater has led to high incidences of faecal-borne diseases and environmental degradation of water sources, especially in densely populated areas. To address these problems, in 2009 the Government launched the “Accelerated Sanitation Development for Human Settlement Programme” (Program Percepatan Sanitasi Permukiman or PPSP) for 2010-2014, with ambitious goals, including the provision of access to on-site sewerage to 90% of the population.

### Progress toward achieving Millennium Development Goals

Indonesia is not on track to achieve MDG target 7C, which is to “Halve, by 2015, the proportion of households without sustainable access to safe drinking water and basic sanitation”. In 2009, the proportion of the urban population with sustainable access to an improved water source (such as a tap or a well) was lower than it was 16 years earlier, in 1993. On the positive side, the proportion of the rural population with access to an improved water source increased from about 32% in 1993 to over 45% in 2009, although this is still substantially lower than the MDG target of 66%. The same observation can be made about access to sanitation. Access increased significantly during 1993-2009, but on current trends Indonesia will nonetheless fall short of the MDG target to provide 62% of its population with sustainable access to basic sanitation by the end of 2015. The financial and economic costs of poor sanitary facilities are enormous, especially because of high foregone health benefits.

#### Actual vs. Targeted Achievements for MDG #7 on Water Supply and Sanitation (1993, 2009 and 2015)



"The financial and economic costs of poor sanitary facilities are enormous, especially because of high foregone health benefits."



### EU support for water supply and sanitation

The EU Delegation has provided over substantial support to the Government of Indonesia in water resources development and management. Since 1980, the EC support has provided grants of over € 110 million to finance projects across the country (such as the Madura Groundwater Irrigation Project in East Java, the West Pasaman Irrigation Project in West Sumatra, and Sustainable Development of Irrigated Agriculture in Buleleng and Karangasem in Bali province). More recently, the EU has financed a large-scale water resources management project in West Nusa Tenggara province. The purpose of the project, which was completed at the end of 2009, is to establish an efficient and sustainable water resources management system, inclusive of irrigation, through improved governance and transparency, stakeholders' empowerment and devolution of powers to stakeholders.

The Netherlands is assisting with dredging works for micro-drains in Jakarta (mechanically and manually) and associated awareness raising in communities on the need for environmentally sound sanitation. A big challenge for many cities is the annual flooding caused by poor natural resources management in the upper river catchments, dumping of

solid waste into the drains, and a poorly functioning urban drainage system, and many other causes.

The Netherlands also provides technical assistance for the implementation of PPSP (see above), and supports the UNICEF programme on Water and Environmental Sanitation in Eastern Indonesia, the World Bank's Sustainable Sanitation in East Asia, several bilateral programmes for Indonesia, and water and sanitation programmes in Eastern Indonesia undertaken by Dutch NGOs and water utilities in cooperation with their Indonesian counterparts.

#### Water Supply and Sanitation – Disbursements of ODA to Indonesia, 2009 (€ million)

Netherlands*	19.3
Germany	3.72
European Commission	2.26
Sweden	1.4
<b>TOTAL</b>	<b>26.68</b>

\* Including water management



"In recent years, EU supports various programmes for water resources and environment sanitation in Eastern Indonesia"

## Trade and Economic Cooperation

Based on most indicators, Indonesia is on track to achieve MDG #8, which is to “Develop a Global Partnership for Development”. Its economy has become more open, and its public finances are in proper order.

### Background

The EU remains an important trade partner for Indonesia in non-oil and gas products, with a 10.3% share of total imports and exports in 2009, although its relative position has deteriorated in recent years. Singapore, Japan and China are now more important trade partners than the EU.

Trade and investment flows between the EU and Indonesia are affected by a series of non-tariff barriers. Indonesian exporters are often unable to ensure that their products and services comply with EU health and safety standards. On their part, EU companies claim to face difficulties with Indonesian mandatory national standards (which seem to be aimed at protecting domestic industries), a restrictive list of sectors open to foreign investment, cumbersome customs procedures and delays in tax refunds. To address these concerns, the Government of Indonesia has set itself the following priorities:

- Develop export promotion and export supporting services, including finance, market research and marketing skills, design development, and futures markets for commodities
- Develop training capacities for small and medium-size enterprises
- Improve international trade diplomacy
- Improve trade facilitation
- Improve compliance with standards required in major export markets
- Improve the investment climate



### Progress toward achieving Millennium Development Goals

Based on most indicators, Indonesia is on track to achieve MDG #8, which is to “Develop a Global Partnership for Development”. Its economy has become more open, and its public finances are in proper order. The proportion of households with access to Internet or personal computers remains relatively low, however, and requires special attention.

### EU support for trade and economic cooperation

Donor support in this area is fragmented. Donor coordination has occurred for specific topics (tax administration, capacity building for the Ministry of Trade, amongst others), under the leadership of the Government. EU cooperation is focused on trade policy issues and improvement of infrastructure for Indonesian exports, where needs have been identified. Future co-operation will also focus on export quality infrastructure issues and supporting improvement in regulatory issues affecting the trade



and investment climate.

**The EU Delegation.** Support to improvement of trade and economic conditions has been a constant priority area of cooperation for the EU with Indonesia. Through its contribution to a Multi Donor Trust Fund, EU cooperation focuses on the improvement of Indonesia's public finance management as a key factor contributing to economic stability. In addition, major cooperation initiatives, such as the EU-Indonesia Trade Support Programmes I and II address the need to strengthen the quality infrastructure that ensures compliance of Indonesian exports to international standards. Finally, the upcoming EU-Indonesia Trade Cooperation Facility will support the Government reform programme to improve trade and investment climate, covering important topics such as trade and investment policy, investment facilitation, technology transfer, energy efficiency or intellectual property rights.

In parallel with the cooperation with the Government, the EU has also supported the Indonesian business associations and chambers of commerce, which are key actors in the improvement of trade and investment climate in the country. This support has been channelled through grant programmes such as the Small Projects Facility, which will be continued in 2011 with a similar scheme directed to the civil society organisations involved in the trade and investment sector.

In the area of local economic development, the EU Delegation contributes to the PNPM Support Facility (2009-2014), a multi-donors platform to support the implementation of Indonesia's largest community empowerment programme, the PNPM-Mandiri, in

the efforts of alleviating poverty.

**The Netherlands**, through its Ministry of Agriculture, assists the Ministry of Marine Affairs and Fisheries to improve sanitary conditions for fisheries exports, an area that will also be covered by the EU-Indonesia Trade Support Programme II. The Netherlands, through a Trust Fund with the World Bank, the Multi Donor Facility for Trade and Investment Climate, has also been the main EU player in investment climate improvement. The areas of focus of the fund include: domestic and international trade policy, human resources management at the Ministry of Trade, rationalisation of business licensing processes, access to finance, and capacity building for an investment policy unit.

**Germany** supports SME development, including improving export skills, together with multilateral and other bilateral donors.

**The Czech Republic** financed a regional transport infrastructure project in Yogyakarta.

**Sweden** supports a number of trade organisations in Sweden and Indonesia in a textile trade promotion programme. An expanded programme for other sectors (furniture and food products) is being planned. Sweden finances an air transportation programme for eastern Indonesia, and plans a broader approach under the Eco Airport umbrella involving transportation, energy and environmental aspects. Corporate social responsibility is another prioritised area with discussions being initiated with a number of Indonesian actors.

Trade and Economic Cooperation –  
Disbursements of ODA to Indonesia,  
2009 (€ million)

Germany	54.21
Italy	5.50
European Commission	3.78
Netherlands	1.60
Sweden	0.40
Spain	0.45
Czech Republic	0.08
<b>TOTAL</b>	<b>66.02</b>

Note: German contribution includes financing

# Conflict Prevention, Peace and Security

In the long run, the success of the peace process in Aceh will depend upon the province's economic development and how well local government manages its budgets to improve public services, infrastructure and prosperity for the people.

## Background

A number of social and ethnic conflicts erupted in Indonesia between 1998 and 2000 and led to the displacement of approximately 1.3 million people. The provinces which were affected included Maluku and North Maluku, Central Sulawesi, West and Central Kalimantan, West Timor and Aceh. The last ten years, there has been relative calm.

In Aceh, large-scale violence ended in 2006 with the Helsinki Memorandum of Understanding. During almost 30 years of conflict an estimated 33,000 persons were killed. During this period, many serious human rights abuses occurred, notably widespread violence including rape, forced labour and confiscation or destruction of property. In the long run, the success of the peace process will depend upon the province's economic development and how well local government manages its budgets to improve public services, infrastructure and prosperity for the people. On the positive side, public revenue per capita is almost twice the national average. However, at 26.5% poverty incidence is also twice the national average. It is therefore necessary to provide capacity building to strengthen infrastructure, reduce poverty and improve education. Capacity building is also needed to ensure that provincial and district governments can take on the full responsibility for continued efforts with rehabilitation, reconstruction and reintegration. The current normalisation of the situation in Aceh has led to many donor programmes in support of the peace process winding down. The Government of Indonesia largely regards the Aceh peace process as a success.

Improved political stability and the support provided by international agencies since 2005 have created the preconditions for economic growth, which still has to be realised. It also remains important to support social integration, the judicial sector and strengthened governance in Aceh.

## EU support for conflict prevention, peace and security

The EU programme on Aid to Uprooted People (AUP) is part of its Asia Regional Strategy, covering the period 2007-2013. Cooperation is intended to assist refugees, internally displaced persons and returnees, as well as demobilised soldiers and other combatants, including child soldiers, to return to and settle in their own country of origin or in a third country. The objective is to reintegrate uprooted people into the socio-economic fabric of the relevant country, to allow them to find durable solutions, and to provide support to local host communities and resettlement areas.

The AUP 2009-2010 strategy for Indonesia builds on the achievements of past and ongoing AUP projects in the country, and links the programme to existing national and local mechanisms, complementing government development programmes by promoting better targeting and providing information on uprooted people's vulnerabilities. It supports relocation of the remaining families out of camps and other unsustainable settlements, in line with Government policy. It also takes advantage of the recent expansion of democracy at local levels, plus the many community empowerment programmes to

assist them, to support the consolidation of peace in these areas. The EU will contract six projects under this budget line in 2010, targeting the provinces of West Timor, Central Sulawesi and Maluku.

In Aceh, the EU under the Instrument for Stability will continue to support the political dialogue for sustainable peace, community policing, improved governance and continued social integration of ex-combatants.

The Aceh Local Governance Working Group meets on a regular basis, chaired by the EU Delegation (Europe House in Banda Aceh), and plays an essential role in bringing all the local government stakeholders together. A decision was reached at the end of 2008 to prolong the mandate of Europe House and to maintain a presence in Aceh until August 2012.

In 2009, **the Netherlands** signed an agreement with the Conflict and Development Unit from the World Bank to support their Consolidating Peaceful Development Programme in Aceh in an amount of US\$ 4.4 million. This programme runs from mid-2009 to the end of 2012, and focuses on: (i) dealing with post-conflict vulnerabilities, (ii) building local government capacity for peace development in Aceh (iii) policy advice on post-conflict development, and (iv) building on Aceh's experience. The Netherlands also provided a grant of € 450,000 to the Finnish organisation PACTA for the implementation of its peace-building program (known as IPAC) during the period September 2009-August 2010.

Conflict Prevention and Related Aid –  
Disbursements of ODA to Indonesia, 2009  
(€ million)

European Commission	5.59
United Kingdom	2.23
Italy	1.00
Spain	0.25
<b>TOTAL</b>	<b>9.07</b>

Note: total disbursements of the Netherlands for this sector (€ 1.32 million) are included in the table for Government and Civil Society



"The Government of Indonesia largely regards the Aceh peace process as a success."

# Government and Civil Society

Indonesia is on track to achieve MDG#1 on eradicating extreme poverty and hunger. It achieved the target for reducing the proportion of the population living on less than US\$1 per day to less than 10% already in 2008 - seven years ahead of schedule.

## Background

Since the end of the New Order government in 1998, Indonesia has made substantial progress towards restoring democracy, transparency and the rule of law. Parliamentary and presidential elections in 2009 took place in a peaceful and transparent manner, further consolidating the country's effective transitions from autocratic rule to democracy. This is all the more remarkable when seen against the background of Indonesia's enormous cultural, ethnic, linguistic and religious diversity. The country has also successfully decentralised the organisation of its government. Since 2001, it has devolved considerable authority to the heads of provincial and municipal governments, who are now directly elected by citizens.

In 2003, Indonesia established a special Corruption Eradication Commission (Komisi Pemberantasan Korupsi or KPK), and has made modest progress in its attempts to eradicate corruption. Its standing in Transparency International's corruption perception index has risen from a score of 2.0 in 2004 to 2.8 in 2009, where a score of zero is the most corrupt and 10 is the cleanest. However, corruption remains pervasive, and Indonesia remains one of Asia's most corrupt countries.

The transition towards a properly functioning democracy has also led to significant improvements in the country's respect for human rights, as basic human rights including democratic rights are now guaranteed by the Constitution. Moreover, Indonesia has sought to play an increasingly constructive role regionally and internationally on human rights

through active role in the establishment of the ASEAN Intergovernmental Commission on Human Rights and a readiness to engage with partners on human rights issues, including through the EU-Indonesia human rights dialogue. The National Action Plan on Human Rights has also shown Indonesia's commitment to further improve its human rights situation. However, areas of concern still exist especially regarding past human rights abuses, action against human rights defenders, excessive punishments under State security provisions, inter-religious relations, capital punishment and alleged torture and ill treatment of people in custody.

According to the RPJMN for 2005-2009, the highest priorities to promote security and peace is by solving separatist conflicts in Aceh and Papua, and fighting transnational crime, in particular terrorism. The next highest priorities are to improve justice and democracy through improvements in governance, public administration and law enforcement, and by decentralised delivery of public services.

The role of civil society organisations (CSOs) becomes increasingly important in facilitating democratic transition and in raising people's and the government's awareness of various issues in political, economic and social sectors. The level of involvement of CSOs in the policy making and oversight processes has been improved. Some promising developments include a) in the law enforcement sector, where CSOs strive to consult civil society actors through public consultations and

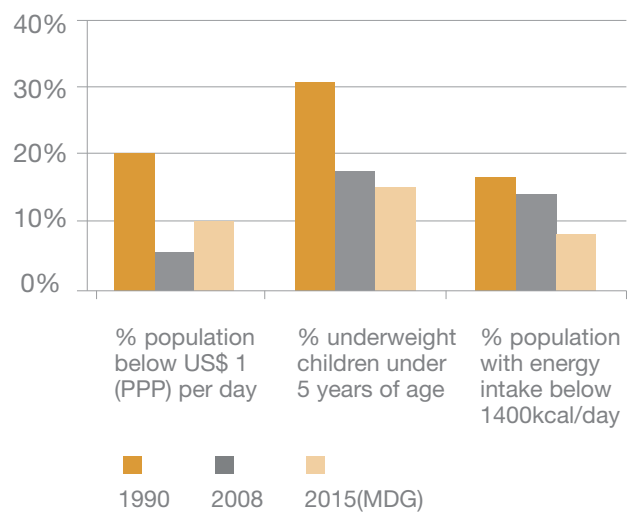


incorporate CSOs' suggestions into the institutional reform initiatives of key law enforcement agencies, in particular the Attorney General's Office, Supreme Court and the Indonesian National Police, b) in the local economic development and community empowerment programmes, where the local government often work together with the civil society.

### Progress toward achieving Millennium Development Goals

According to the Report on the Achievement of the Millennium Development Goals Indonesia, which was issued in May 2010, the country is on track to achieve MDG#1 on to eradicating extreme poverty and hunger. Perhaps the most significant achievement of the Government has been to reduce the proportion of the population living on less than US\$1 per day (expressed in terms of purchasing power parity) from 20.6% in 1990 to 5.9% in 2008 – far below the target of 10.3% for 2015, which has therefore been achieved seven years ahead of schedule. The country has also made significant improvements in increasing employment opportunities, and reducing hunger. However, it needs to step up its efforts to improve dietary consumption, as the daily energy intake of a large proportion of the population remains below the recommended minimum of 2,000 kcal.

Actual vs. Targeted Achievements for MDG #1 on Eradicating Extreme Poverty and Hunger (1990, 2009 and 2015)



## EU support for government and civil society

### The EU Delegation supports:

- Strengthening the Rule of Law and Security in Indonesia (2008-2012): Support for the implementation of a community policing strategy in the context of the National Human Rights Action Plan, the National Anticorruption Strategy, and support to tackle trans-national crimes through support for the Jakarta Centre for Law Enforcement Cooperation.
- Support for National Police Reform in Aceh (2006-2009): Training of the Aceh police force in methods of policing including community policing with a focus on Human Rights and gender issues.
- Support to Justice for Peace and development in Aceh (2006-2009): To provide support to the civil judicial system and to improve access to justice with particular focus on training for the judiciary on human rights issues, and support for the establishment of a Human Rights court in Aceh.
- Non-State Actors and Local Authorities (NSA-LA) in Development (2007-2010): Support for small-scale initiatives aimed at enhancing local authority capacity for realising key MDGs and fighting poverty; to enhance their capacities and effectiveness in delivering basic services to the poorest and most marginalised people; as well as contributing to non-state actors empowerment through participatory local governance processes.
- European Instrument for Democracy and Human Rights (2007-2010): The Country-Based Support Scheme Programme is aimed to provide financial support for small-scale local initiatives in promoting human rights and strengthening democracy in Indonesia.

**The Netherlands** supports various programmes in the field of good governance, including:

- Support for participatory democracy, consisting of support for the election process, stimulating debate between political parties, and encouraging civil society engagement through the National Community Empowerment Programme (Program Nasional Pemberdayaan Masyarakat Mandiri or PNPM-Mandiri)
- Regional development programmes in Aceh, Papua and Maluku to support peace and reconciliation, capacity building of local governments and regional economic development.
- Support for community policing, anti-terrorism, and implementation of international human rights conventions.
- Capacity building of key institutions in the field of justice and combating corruption

**The United Kingdom** supports the development of stronger and more accountable institutions, as a means to promote good governance and adherence to the rule of law. To achieve these objectives, it is co-financing three major initiatives:

- The Decentralisation Support Facility (2006-2009), a government-led facility aimed at creating a responsive, accountable enabling environment for decentralised governance.
- The Initiative for Local Governance Reform (2005-2009), which seeks to strengthen the capacities of district governments in public financial reform, public services and public participation.
- The PNPM Support Facility, which helps the Government implement the largest social protection programme in the world.

**Germany** has financed an information and documentation centre (the “Anti-Corruption Clearing House”) in KPK and seven other government institutions, the development of a “whistle-blower” system for early reporting on corruption, as well as a series of anti-corruption campaigns.

**Sweden** co-finances the Raoul Wallenberg Institute in Jakarta. This institute focuses on capacity building for correctional services and the implementation of the Indonesia human rights action plan. In addition, Sweden supports access to justice for marginalised groups through UNDP and Tifa, an Indonesian NGO.

**Finland’s** Local Cooperation Fund (LCF) is part of the country’s worldwide development cooperation in the field of human rights, democracy and good governance, and strengthening the civil society in particular. In Indonesia, the fund supports initiatives of local NGOs, community-based organisations, and other institutions, and disburses approximately € 300,000 per year in grants. In 2009-2010, the priority areas of cooperation have been sustainable forestry and support for women’s rights in Aceh.

**Denmark** supports a four-year programme of promoting good governance in Indonesia. The development objectives of the programme are to strengthen democratic and rights-based civic values, reduce cross-border crime, and reduce corruption. Denmark also contributes to the PNPM Support Facility.

**France** supports a three-year programme with the Ministry of Justice, DG of Human Rights, of promoting good governance in Indonesia. The objectives of the programme are to promote the access to water and education as a human right (2009-2010) and to fight domestic violence (2009).

Conflict Prevention and Related Aid – Disbursements of ODA to Indonesia, 2009 (€ million)

Netherlands*	19.2
United Kingdom	8.64
Germany	5.54
European Commission	4.50
Sweden	2.02
Denmark	1.58
Finland	1.23
France	0.10
<b>TOTAL</b>	<b>42.81</b>

\* Including conflict prevention, peace and security

“ The European Union provides support to enhance the role of civil society organisations considering their importance in facilitating democratic transition. ”





# ANNEXES

---

## **ANNEX 1**

Bilateral Cooperation of  
EU Members with  
Indonesia > 74

## **ANNEX 2**

Aid for  
Development  
Effectiveness > 102

## **ANNEX 3**

Trade and  
Investment > 106

## **ANNEX 4**

Scholarships Offered  
by the European  
Union 2010 > 108

## **ANNEX 5**

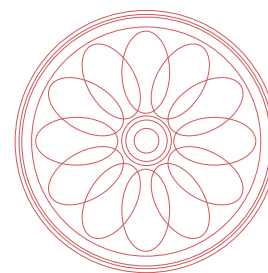
Contact Details > 112

## **ANNEX 6**

References > 114

## ANNEX 1

# EU Bilateral Cooperation with Indonesia



## European Commission

### Development and cooperation strategies

On 20 December 2005 the European Union adopted new development policy called “European Consensus on Development”, whereby EU Member States, the Council of the EU, the European Parliament and the European Commission (EC) agreed to a common EU vision of development. The Consensus identifies shared values, goals, principles and commitments which the EC and the EU Member States will implement in their development policies, including reducing poverty, development based on Europe’s democratic values and on partner government’s national strategies and a commitment to increase their official development assistance (ODA) to 0.56% of its gross national income by 2010 (on the way to achieving the UN target of 0.7% by 2015).

With the realisation that making development policy in isolation will not bring sufficient results, the EU seeks to build synergies between policies other than development cooperation that have a strong impact on developing countries. This approach of “Policy Coherence for Development” is being taken by both the European Commission and EU Member States. In 2005, the EU agreed to apply the Policy Coherence for Development approach in 12 policy areas that could accelerate progress towards the UN’s Millennium Development Goals including trade, environment and climate change, security, social policies, migration, research, information technologies, transport and energy.

### Policies and priorities in Indonesia

The funding of the EC is in the form of grants. For the period 2007-2013, the EC has simplified its own funding toolkit so that there are now much fewer instruments through which it implements its external assistance. The Development Cooperation Instrument (DCI) is the main instrument for EC operations in Asia. The DCI global budget for the period 2007-2013 is € 17 billion. Through the DCI, the EC finances:

1. bilateral cooperation, under the Country Strategy Papers (CSP), and regional cooperation (€ 10 billion), and
2. five thematic programmes (€ 6 billion), for which funding is allocated annually on a competitive basis through calls for proposals: Investing in People, Environment, Non-State Actors/Local Authorities, Food Security, Migration / Asylum.

Other relevant instruments include: the European Instrument for Democracy and Human Rights - EIDHR (€ 1 billion for the period 2007-2013), the Instrument for Stability (€ 2 billion over seven years), and Humanitarian Aid (on average € 750 million per year). Furthermore, for the period the 2007-2013, the European Investment Bank is authorised to lend up to € 3.8 billion for operations supporting EU cooperation strategies and programmes in Asia.

European Commission – Disbursements of ODA to Indonesia,  
2006-2009 (€ million)

	2006	2007	2008	2009
Government and civil society*	7.0	6.3	4.1	4.5
Education	6.6	2.5	5.7	8.8
Health	10.8	10.0	1.9	0.8
Environment / Climate change	9.1	5.7	3.0	5.1
Water supply and sanitation	0.3	0.0	0.0	2.3
Trade and economic cooperation	8.7	5.7	1.8	3.8
Post-disaster reconstruction	62.6	57.5	15.0	47.1
Humanitarian aid and disaster preparedness	12.9	4.9	6.6	5.6
<b>TOTAL</b>	<b>118.0</b>	<b>92.9</b>	<b>38.2</b>	<b>78.0</b>

\* Includes good governance and support to election projects

### Types of assistance and programming

EC cooperation in Indonesia is designed to support the policies of the Government of Indonesia, as reflected in its medium-term development plans. A limited number of focal sectors have jointly been agreed in the EC-Indonesia Country Strategy Paper (CSP) 2007-2013: (1) education; (2) trade and investment; (3) law enforcement and justice. An indicative allocation of € 498 million has been earmarked for the period 2007-2013, which places Indonesia as the second largest recipient of EC development assistance in Asia after Afghanistan. The first financial envelope covered the period 2007-2010: education (€ 201 million), trade and investment (€ 30 million), law enforcement and judicial reform (€ 20 million).

Following the Mid-Term Review, the indicative financial allocation for 2011-2013 is € 200 million: Education (€ 144 million), Trade and Investment (€ 25 million), Law Enforcement and Justice (€ 16 million) and Climate Change (€ 15 million).

In addition to the bilateral cooperation framed in the CSP, Indonesia can benefit from regional cooperation (ongoing portfolio of € 53 million) and from thematic programmes (ongoing portfolio of €38 million). The EC also provides prompt and substantial responses to emergencies and funds disaster preparedness and mitigation projects through the EC's Humanitarian Aid Department-ECHO (2009 Country Decision € 4.5 million) and supports Reconstruction following the tsunami/ earthquake in Aceh-Nias and Yogyakarta (€ 246 million) as well as the Aceh Peace Process (€ 19 million).



## Austria

### Development and cooperation strategies

The Austrian Federal Ministry for European and International Affairs plans the strategies and programmes and the Austrian Development Agency implements these together with public institutions, non-governmental organisations and enterprises. The projects are coordinated and the efficient use of funds overseen via 12 offices abroad. Austria also makes significant contributions to co-shaping common development cooperation in the EU and is engaged in the United Nations, in international financial institutions and in development-policy platforms. The development cooperation of Austria pursues its goals of reducing global poverty, ensuring peace and human security and preserving the environment in an international framework. The policies and programme parameters are agreed on with the European Union and in international committees (notably the EU, the UN, the OECD, and international financial institutions such as the World Bank). Two policy pillars of bilateral and multilateral development cooperation are the Millennium Development Goals and the Paris Declaration.

### Policies and priorities in Indonesia

Activities in South East Asia are part of the Austrian Development Cooperation's global programmes, with capacity building at the centre. Austria's assistance is provided by means of established instruments such as postgraduate scholarships, as well as contributions to relevant research projects in the area of academic cooperation both within the region and in Austria.

**Education.** Austrian scholarships to Indonesian students or researchers are given mainly in the framework of the ASEA-UNINET university cooperation network, which awards Southeast Asian Technology doctorate scholarships as well as ASEA-UNINET one month post-doctorate trainings. The scholarship programme for PhD students is expected to be broadened in the near future.

**Health.** An Austrian NGO recently started a capacity-building project in West Timor.

**Emergency assistance.** In 2009, Austria provided assistance for post-disaster reconstruction, mainly through NGOs, to help the victims of the earthquake that hit Padang in September of that year.

### Types of assistance and programming

In 2009, official development assistance from Austria to Indonesia was approximate € 1.4 million.

Austria- Disbursements of ODA to Indonesia, 2009 (€ million)

Education	0.53
Health	0.20
Post-disaster reconstruction	0.27
Other	0.40
<b>TOTAL</b>	<b>1.40</b>



## Belgium

In 1997, Belgium closed its cooperation and development office in Jakarta. Nevertheless, Belgium has remained active, especially in the funding projects in the field of education and post-disaster reconstruction

Belgium – Disbursements of ODA to Indonesia, 2007-2009 (€ '000)

	2007	2008	2009
Education	84	-	325
Health	184	-	-
Trade and economic development*	370	-	-
Environment / Climate change**	820	-	-
Government and civil society	26	-	-
Post-disaster reconstruction	4015	-	109
<b>TOTAL</b>	<b>5498</b>	<b>0</b>	<b>436</b>

\* Including transport, trade and tourism

\*\* Including agriculture, forestry and fisheray



## Bulgaria

With the adopted Concept Paper on the Policy of the Republic of Bulgaria for Participation in International Development Cooperation, Bulgaria has clearly stated its political will to become an active participant in assisting less-developed countries.

With its accession to the EU on 1 January 2007, Bulgaria has undertaken a new commitment to provide official development assistance to developing countries and countries in transition. Bulgaria is undergoing a process of transition of being an ODA recipient country to being a donor country. Bulgaria's commitment is laid down in the Concept Paper: to strive to achieve the ODA targets for new EU Member States of 0.17% of GNI by 2010 and 0.33% of GNI by 2015.

Bulgaria's development assistance will be targeted at poverty eradication and tackling economic underdevelopment in partner countries as well as assistance on good governance and combating major social problems. Eradicating poverty and improving the quality of life are not achievable without promoting sustainable development.



## Czech Republic

### Development and cooperation strategies

As a member of the EU and the international community of democratic and economically developed countries, the Czech Republic recognizes the principle of solidarity among people and countries and assumes its part of responsibility in addressing global issues. One expression of this standpoint is development cooperation, which constitutes an integral part of the Czech foreign policy.

In line with the European Consensus on Development, the Paris Declaration and the Action Agenda from Accra, the development cooperation of the Czech Republic is based on the principles of partnership, efficiency and transparency. In 2009, the Czech Republic decided to reduce the number of priority countries and priority sectors in order to improve aid effectiveness. Priority countries are Afghanistan, Bosnia and Herzegovina, Ethiopia, Moldova, and Mongolia. Priority sectors are environment (including water and sanitation), agriculture, social development, economic development, promotion of democracy and human rights. The Czech Republic fully supports the Millennium Development Goals as confirmed by the UN Millennium Summit in 2000.

The Czech Republic provides both bilateral and multilateral development assistance. In the past five years, total development assistance almost doubled, from US\$ 108 million in 2004 to over US\$ 214 million in 2009, or approximately 0.12% of Gross National Income (GNI). At present, bilateral aid consists of about 48% of total official development aid, consisting of technical assistance and scholarships (12%), investment projects (5%), special reconstruction programmes (8%), emergency assistance (6%), assistance to refugees in donor country (5%), debt relief (9%) and administrative costs (3%). Multilateral assistance accounted for the remaining 52% of total ODA.

For the delivery of aid, the Czech Republic employs the following five development cooperation instruments:

- **Development projects.** Most funds for bilateral development cooperation are distributed through development projects. Thanks to the Czech Republic, people at various regions of the world have a secured access to drinking water and health services, empowered women, and helped people and families affected by AIDS/HIV.
- **Scholarships.** Scholarships at public universities for citizens of developing countries have historically been an important part of the Czech Republic's ODA. Every year, approximately 800 scholarship holders from developing countries study at Czech universities.
- **Emergency assistance.** It may be provided in the form of cash, rescue services or in kind resources (pharmaceuticals, medical equipment and materials, chemicals for water treatment, tents, blankets, participation in opening healthcare or educational institutions, etc.). Emergency assistance is delivered through international organisations, rescue teams, Czech missions, and other means.
- **Assistance to refugees in the Czech Republic.** The bilateral form of development cooperation also includes assistance to refugees in the Czech Republic, mostly for healthcare and housing.
- **Transformation cooperation.** This instrument focuses on promoting democracy, defence of human rights, the establishment and reinforcement of democratic institutions, the rule of law, civil society and the principles of good governance through education, spread of information, and exchange of knowledge.

### Policies and priorities in Indonesia

To date, the priority areas of the Czech Republic's ODA in Indonesia have been programmes in agriculture, environment protection and regional transport infrastructure. In 2008, an agricultural project was completed in the province of North Sumatra, whereas two projects in the field of regional transport infrastructure were finished in Yogyakarta in 2009. A project to support environment protection in North Sulawesi Province is expected to be completed in 2010.

### Types of assistance and programming

From 2007 to 2009, the Czech Republic provided approximately US\$ 700,000 in official development aid to Indonesia, all in the form of grants.

Czech Republic – Disbursements of ODA to Indonesia, 2007-2009 (US\$ million)

	2007	2008	2009
Environment	0.17	0.13	0.12
Trade and Economic Development	0.11	0.09	0.08
<b>TOTAL</b>	<b>0.28</b>	<b>0.22</b>	<b>0.21</b>





## Denmark

### Development and cooperation strategies

Danish development assistance takes the most urgent problems in the developing countries as its starting point, and tries to promote sustainable development through economic growth policies that benefit the poor, such as investing in basic education and health, and the development of the private sector as an engine for growth. Special emphasis is given to promote respect for human rights, poverty reduction for women and their participation in the development process.

Denmark has identified the following priority areas for its development cooperation programme in the next few years:

1. Freedom, democracy and human rights
2. Growth and employment
3. Gender equality
4. Stability and fragility
5. Environment and climate

Results in these five areas are dependent and on each other, and success in every one is important in the fight against poverty and the fulfilment of the United Nations 2015 MDGs.

### Policies and priorities in Indonesia

Denmark's development cooperation in Indonesia is focused on supporting Indonesian government policies in good governance and environmental management. Overall, Indonesia has made impressive gains in the areas of democratisation and combating terrorism and corruption, but these problems have not yet been solved. The increasing pressure on Indonesia's natural resources, due to economic activities and a growing population, pose a distinct challenge for its effort in alleviating poverty without compromising its biodiversity. Preserving Indonesia's natural resources is another top priority for Denmark in its aim to contribute to the prevention of global warming. Danish support to both sectors is given in accordance with the Paris Declaration and the Accra Agenda for Action, which both aim at improving aid effectiveness.

### Types of assistance and programming

Denmark has two main development programmes in Indonesia, focusing on good governance and environmental management, respectively.

**Good governance.** Denmark supports a four-year programme of promoting good governance in Indonesia. The development objectives of the programme are:

1. Strengthen democratic and rights based civic values. Denmark works with The Asia Foundation, through religious institutions and the police, to help achieve this objective.
2. Reduce cross-border crime and terrorism. To this effect, Denmark continues to support the Jakarta Centre for Law Enforcement Cooperation, which provides law enforcement training to increase the capacity of Indonesian agencies to combat terrorism and trans-national crime.
3. Good governance and reduction of corruption. Denmark provides financial support to Transparency International Indonesia to support reform and improvement of the setting for good governance and create better opportunities for the fight against corruption.

The second phase of the good governance programme was finalised in 2009. The third phase of the programme covers the period of 2010-2013, to which Denmark's has committed a grant of 50 million Danish Kroner (about € 7 million). Part of the grant will be channelled to a joint trust fund with the Embassy of the Kingdom of the Netherlands for the Partnership for Governance Reform (Kemitraan), aimed at improving transparency, democratisation and strengthening of local capacities. Denmark also provides financial support for post-disaster construction through World Bank administered trust funds for Aceh and Nias, and for Yogyakarta.

**Environmental management.** Denmark is providing 220 million Danish Kroner (about € 30 million)



in grants to support the Environmental Support Programme (ESP) during 2008-2013. ESP has the overall objective of promoting sustainable environmental management in support of livelihoods in Indonesia through:

- Support to public sector institutions
- Energy efficiency in construction and use of large buildings
- Support to decentralised natural resources management and renewable energy

ESP is in line with the policy of the Government of Indonesia to approach environmental management as an important element in securing sustainable economic development and poverty alleviation, and is implemented through existing government structures at national, provincial, district and community levels.

Denmark – Disbursements of ODA to Indonesia, 2007-2009 (€ million)

	2007	2008	2009
Government and civil society	2.25	2.03	1.58
Environment / Climate change	3.06	4.10	5.60
<b>TOTAL</b>	<b>5.31</b>	<b>6.13</b>	<b>7.18</b>





## Finland

### Development and cooperation strategies

Development policy is an integral part of Finland's foreign and security policy. It contributes to the global effort to eradicate poverty through economically, socially and ecologically sustainable development in accordance with the UN Millennium Development Goals set in 2000. Finland places particular emphasis on the importance of issues relating to climate and the environment. At the same time, crisis prevention and support for peace processes as important elements of the promotion of socially sustainable development are stressed. Since October 2007, Finland's development policy has been steered by the government resolution on development policy called "The Development Policy Programme".

According to preliminary data, in 2009 Finland's official development assistance was estimated at over € 900 million, or 0.54 % of GNI. This means that Finland has already reached the EU target of 0.51% for 2010. Finland's government remains committed to reach the United Nations target of 0.7% by 2015.

### Policies and priorities in Indonesia

Finnish development aid and the cooperation with Indonesia have mainly been channelled through the following three channels:

- the Local Cooperation Fund (LCF),
- multilateral cooperation, and
- NGO cooperation.

Activities in Indonesia are gradually increasing, and currently several new forms of cooperation are emerging.

**The Local Cooperation Fund.** The LCF is part of Finland's worldwide development cooperation with the objective of complementing other Finnish development efforts in the field of human rights, democracy and good governance, and strengthen-

ing the civil society in particular. In addition, the fund provides support to cultural and social development activities on a small-scale level. The LCF is Finland's most long-standing form of cooperation in Indonesia. The fund supports initiatives of local NGOs, community-based organisations, and other institutions, and disburses approximately € 300,000 per year in grants. In 2009-2010, the priority areas of cooperation have been sustainable forestry and support for women's rights in Aceh.

**Multilateral cooperation.** A substantial part of Finland's multilateral cooperation in Indonesia has been channelled through the Multi Donor Fund for Aceh and Nias (MDF) and the Java Reconstruction Fund (JRF), to which Finland is a major donor.

**NGO cooperation.** This form of cooperation plays an important role in Finland's development cooperation in Indonesia. In 2010, Finnish NGOs are carrying out development projects with their Indonesian partners, for example in the areas of sustainable development, conservation of the environment, forestry, protection of livelihoods, supporting trade unions and promoting equal opportunities for disabled people.

### Types of assistance and programming

Country- and region-specific cooperation is based on the partner countries' own development plans, or on those of regional organisations. The appropriateness of Finnish inputs and the value that Finnish contributions in particular add are examined in all cases in relation to the cooperation country's own priorities and in the framework of development cooperation as a whole. Finland seeks opportunities for cooperation and harmonisation with other donors and financing organisations. In Indonesia, two programs are currently in preparation.

**The Energy and Environment Partnership programme (allocation for 2010-2012: € 4 million).** This programme aims at promoting renewable energy, energy efficiency and investments in clean technology in selected program countries, with the objectives of providing sustainable energy services to the poor and simultaneously combating climate change. Building on the lessons learned from a successful scheme that is currently being implemented in Central America and the Mekong River Basin, Finland is preparing to start a new programme in cooperation with the Indonesian Ministry of Energy and Mineral Resources in the provinces of Riau and Central Kalimantan.

**Finnish Support to Forest Sector Development in Indonesia (allocation for 2010-2012: € 3 million).** This type of support has historically been channelled through NGO projects and Indonesian partner institutes. However, a Joint Declaration was agreed in 2008 as a basis for wider Finland engagement in Indonesia on sustainable forestry and climate change and a new cooperation programme between Finland and Indonesia is currently in preparation. The focus of the programme will be the prevention of forest fires in peat swamps in Central Kalimantan by creating alternative livelihoods for local people. Activities are expected to start in early 2011.





## France

### **Development policies and priorities in Indonesia**

During 2007-2009, France built a development cooperation strategy policy based on the priorities of the Government of Indonesia, namely the promotion of democratic values, sustainable development, infrastructure development, the protection of global public goods (climate change, biodiversity), as well as higher education and science. Apart from this bilateral form of cooperation, the French Government also helps Indonesia together with regional and multilateral partners, especially the European Commission. Bilateral development support is mainly delivered in form of scholarships, grants for project preparation and soft loans.

**Scholarships.** Every year, France awards about 100 scholarships to Indonesian students, lecturers at tertiary institutions and civil servants to study for a Master's or PhD degree at a French University (20 of these are full scholarships, most of the other scholarships are co-financed by the Indonesian ministries of Education and Transportation). In recent years, the French Embassy has been involved in technical cooperation aimed at training of civil servants of government agencies at central government level (the Ministry of Public Works, the Ministry of Transportation, and BAPPENAS) and in regional governments (East Java, West Java, and DKI Jakarta).

**Grants for project preparation.** The French Embassy provides grants for the preparation of infrastructure projects, such as water supply systems, solid waste disposal facilities, or railways. During 2007-2009, such grants were given to Indonesian authorities to pay for feasibility studies of water distribution and transportation projects.

**Soft loans.** The French government manages an intergovernmental soft loan facility called ECF (Emerging Countries Facility). ECF loans may be used to finance infrastructure projects in sectors that are important to Indonesia, notably environment (such water, sanitation, and solid waste) and transportation (such as mass transit systems). During 2007-2009, the ECF was used to finance a soft loan for the civil aviation sector. In the near future, the ECF may finance railways and climate change projects.

### Types of assistance and programming

Upon request of the French Government, the Agence Française de Développement (AFD) opened a resident mission in Indonesia in 2007, with the mandate to help Indonesia combat climate change and preserve biodiversity (these are both examples of so-called “global public goods”). In 2008, AFD approved and disbursed US\$ 160 million to the Government of Indonesia as part of the Climate Change Programme Loan (CCPL), a loan program co-financed by JICA. In 2009, AFD financed the second phase of the CCPL and disbursed US\$ 240 million. The purpose of the CCPL is to support Indonesian policy reforms aimed at mitigation of, and adaptation to, the negative impacts of climate change. In addition, AFD financed several experts to help the Government monitor progress with combating climate change, and design policies to improve energy efficiency and forest management.

In the short and medium term, the objectives of French development with Indonesia are:

Mitigate and adapt to adverse impacts of climate change (through, for example, encourage energy efficiency and the use of renewable energy); this

activity will be led by AFD

- Deepen cooperation in the infrastructure sector
- Continue capacity building efforts in central government ministries
- Strengthen cooperation in higher education, science and culture in partnership with the Ministry of Education and related institutions

Apart from strengthening intergovernmental cooperation, France will also continue to work together with the French private sector and Indonesian private foundations.

France – Disbursements of ODA to Indonesia, 2007-2009 (€ million)

	2007	2008	2009
Education	1.5	1.5	1.4
Government and civil society	0.1	0.1	0.1
Trade and economic development	3.4	-	-
Environment /			
Climate change	-	160.0	243.8
Water and sanitation	1.6	-	-
Post-disaster reconstruction	38.3	-	-
<b>TOTAL</b>	<b>44.9</b>	<b>161.6</b>	<b>245.3</b>



## Germany

### **Development and cooperation strategies**

The development policy of the Federal Republic of Germany is formulated by the Federal Ministry for Economic Cooperation and Development (BMZ). The German government sees development policy as a joint responsibility of the international community, with Germany making effective and high profile contributions. Through a clear international division of labour and sound consultation and coordination with other donors, the German government aims to enhance the effectiveness of German development policy in line with the tenets of the Paris Declaration on aid effectiveness and the Accra Agenda for Action. The Federal Republic of Germany has undertaken to play an active part in helping to achieve the goals laid out in the Millennium Declaration, the Monterrey Consensus and the Johannesburg Plan of Implementation.

The BMZ commissions the implementing organisations with the concrete realisation of the development-policy projects of the German government. The tasks of these organisations include the implementation of financial and technical cooperation projects, the preparation and secondment of German experts and volunteers and the professional upgrading of specialists and executives from partner countries. KfW Development Bank is responsible for financial cooperation, while technical cooperation with partner countries is the responsibility of the Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ). The German Development Service (DED) is the specialist in preparing and seconding volunteers, and further training and upgrading is the specialty of InWEnt. A number of other implementing organisations are specialised in one field, such as the Federal Institute for Geosciences and Natural Resources or the Federal Institute of Physics and Metrology.

Germany is the second largest donor among Member States of the Organisation for Economic Cooperation and Development (OECD). In 2008, Germany's net official development assistance was about US\$ 11.98 billion, or 0.35% of GNI. The largest portion of that amount was allocated to the Middle East and North Africa (28 %). About 35% of German ODA was channelled through international institutions, such as the World Bank Group, the Asian Development Bank, and the United Nations system to complement bilateral development efforts. At present, Germany finances about a quarter of the EU's development assistance budget.

### **Policies and priorities in Indonesia**

German cooperation with Indonesia is aligned with national development priorities of Indonesia. In 2007, Indonesia and Germany agreed to sharpen the focus and profile of their bilateral development cooperation programme. The main aim is to concentrate future activities on three priority areas along national sector strategies and the international division of labour amongst donors. Given the political urgency to address the global challenge of climate change, both countries agreed to launch a new priority area programme in this area with a focus on the protection of forests (REDD) and the support of Indonesia's geothermal programme. The two other priority areas are "Private Sector Development" and "Good Governance and Decentralisation". The design of each priority area will be guided by Indonesia's regional economic and political role, with account also being taken of the country's responsibility in terms of the protection of global public goods as well as its newfound status as a Middle Income Country. It is also worth noting that Germany, together with 21 other donors, signed the Jakarta Commitment in January 2009, which forms Indonesia's aid effectiveness agenda for the coming years.

### Types of assistance and programming

Indonesia is Germany's sixth largest recipient of official development assistance, which was approximately € 111 million in 2009.

Germany – Disbursements of ODA to Indonesia, 2007-2009 (€ million)

	2007	2008	2009
Government and civil society	5.1	5.2	5.5
Education	12.2	8.6	6.4
Health	24.2	27.4	29.3
Environment / Climate change	2.6	1.9	3.1
Water supply and sanitation	2.9	3.7	3.7
Trade and economic cooperation*	28.0	48.4	54.2
Post-disaster reconstruction	30.8	9.2	8.2
Other	0.8	0.7	0.9
<b>TOTAL</b>	<b>106.7</b>	<b>105.0</b>	<b>111.4</b>

\* Includes transport and communication





## Greece

Greece takes an active part in the international alliance against poverty and, since 2000, has grown into a bilateral donor country. The Ministry of Foreign Affairs, through the exercise of policy in international development cooperation and assistance, undertakes initiatives and actions that serve the Millennium Development Goals and are fully compatible with DAC and EU priorities as well as national policy. Greece allocates 0.17% of its GNI as ODA to developing countries, aiming at the 2010 EU target of 0.51%. Hellenic Aid provides scholarships for students from least developed countries and countries facing increased problems due to climate change.



## Italy

### **Development and cooperation strategies**

Italian development policies are based on the ideals of solidarity among peoples, respect for human rights, good governance and sustainable levels of debt in developing countries. The primary objective of the Italian program for development cooperation is poverty alleviation, and therefore supports providing basic social services, safeguarding human life, encouraging food self-sufficiency, enhancing the quality of human resources, providing environmental conservation, promoting self-reliant economies, social and cultural development and improvement of women's living conditions.

Directorate-General for Development Cooperation (DGCS), which is responsible for the execution of Italy's bilateral development aid program, fully supports the Millennium Development Goals of the United Nations, and is committed to the implementation of the principles of aid effectiveness, as agreed in the Rome Declaration on Harmonization (2003), the Paris Declaration on Aid Effectiveness (2005) and the Accra Agenda for Action (2008). DGCS has set up 25 local technical units in Italian embassies in major partner countries to manage the bilateral cooperation programs. At present, Africa is the largest recipient of DGCS grants, although there is an increase in disbursements to Asian countries.

At present, DGCS manages approximately one third of the Italian Official Development Assistance, one third is managed by the Ministry of Economy (mainly through the Italian contribution to international banks and development funds) and the rest consists in transfers to the European Union (accounting for approximately 13% of the total EU aid budget). The OECD estimate Italy's total official development aid in 2009 at US\$ 3.3 billion, corresponding to about 0.16% of Gross National Income.



### Policies and priorities in Indonesia

**Soft loan for SME development.** Italy reaffirmed, among its cooperation priorities in Indonesia, its commitment to assisting the country's private sector and especially small and medium-sized enterprises (SMEs). The establishment of a training and service centre in Sidoarjo, supporting SMEs operating in leather footwear production, remains the milestone of this commitment. In 2002, the Italian government extended a soft loan of € 5.5 million to the Government of Indonesia to co-finance the centre. However, a Memorandum of Understanding has not been signed yet because of the potentially disruptive impact of the mudflow near Sidoarjo.

**Development support for debt.** In 2005, Italy signed an agreement to cancel outstanding debts of € 5.8 million and US\$ 24.2 million as a contribution to Indonesia's development. The agreement is currently being implemented. To date, two thirds of the debt swap amount has been cancelled.

**Emergency assistance.** In September 2009, Italy sent four planes with materials help (including water purifiers, electric generators, and food) to help the victims of the Padang earthquake.

**Education.** In 1997, the governments of Italy and Indonesia signed a cultural cooperation agreement. Based on this agreement, Italy supports the teaching of Italian language and culture at several Indonesian universities (Universitas Gadjah Mada in Yogyakarta, Universitas Nasional in Jakarta, Institut Teknologi in Bandung, Akademi Pariwisata Indonesia in Jakarta, and Universitas Trisakti in Jakarta). In the academic year 2008-2009, fourteen Indonesian nationals were selected to study Italian language and culture in Italy, as well as for post-graduate specialisation studies prioritised by the Indonesian authorities. The Ministry of Foreign Affairs has provided scholarships totalling 102 months.

Italy– Disbursements of ODA to Indonesia, 2009 (€ million)

	2009	Type of support
Education	0.1	Scholarships, grants
Trade and Economic Development	5.5	Soft loan
Post-disaster reconstruction	23.7	Debt swap
Emergency assistance	1.0	In kind contribution
<b>TOTAL</b>	<b>30.3</b>	





## Luxembourg

### Development and cooperation strategies

Luxembourg's development cooperation is strongly committed to poverty eradication, particularly in least developed countries, and through the achievement of the Millennium Development Goals by 2015. Today, Luxembourg comes third among the countries that exceed the United Nations target of 0.7% of GNI in official development aid (in 2009, ODA accounted for about 1.04% of GNI) and Luxembourg's authorities are determined to maintain this effort, especially in these times of crisis.

Luxembourg provides ODA through bilateral cooperation, multilateral cooperation, and NGOs. Priority sectors are health, education (including vocational training and access to labour markets), and integrated rural development with a strong emphasis on water and sanitation. Luxembourg also supports micro-finance initiatives, both at the conceptual and operational level.

### Policies and priorities in Indonesia

In 2007, Luxembourg contributed € 100,000 towards the reconstruction of a school and community centre in Lambada Lhok (through SOS Children's Villages) and € 170,000 for the reconstruction of family housing in Yogyakarta (through Caritas). After the inundations in Jakarta in January 2007, Luxembourg provided € 50,000 as humanitarian aid through Caritas, and donated € 100,000 through UNICEF for refrigeration and storage facilities for animal vaccines, to help eradicate avian influenza.

During 2006-2008, Luxembourg contributed about € 343,000 to an NGO (the Unity Foundation) to support development activities in the education sector.

In 2009, the Government of Luxembourg donated € 200,000 to two NGOs (Caritas Luxembourg and Care) to provide emergency aid to the population of Pariaman, a district in Sumatra that was hit by an earthquake in October of that year. It also provided € 105,000 to the Unity Foundation to co-finance two projects in education sector. In addition, the Embassy of Luxembourg financed a small-scale project (€ 20,000) in the province of West Papua, also in the education field.

### Types of assistance and programming

During 2007-2009, official development assistance from Luxembourg to Indonesia was approximately €1.0 million, all of which in the form of grants, which were mostly given to NGOs working in education or post-disaster reconstruction.

Luxembourg – Disbursements of ODA to Indonesia, 2009 (€ million)

	2007	2008	2009
Education	0.06	0.20	0.13
Post-disaster reconstruction	0.42	-	0.20
<b>TOTAL</b>	<b>0.48</b>	<b>0.20</b>	<b>0.33</b>



## The Netherlands

### Development policies and priorities in Indonesia

The Netherlands development cooperation in Indonesia currently supports programmes in the field of good governance, investment climate, education, water management, water supply and sanitation, renewable energy and environment (the latter with focus on peatlands). Gender issues are incorporated in the programmes. The programme is nationwide with some regional focus (Kalimantan, Aceh, Maluku, and Papua).

As Indonesia has reached the status of middle-income country, the development aid of the Netherlands to Indonesia will gradually change focus. The programme will increasingly focus on exchange of knowledge (i.e. software). Equipment and large-scale investments can nowadays generally be financed by Indonesia itself. With this change of focus, the amount of funds for cooperation in financial terms will decline, which is in line with Dutch policy to concentrate the spending of its aid funds on the poorer countries, where reaching the MDGs still needs a substantial effort. The official development assistance to Indonesia will gradually be taken over by technical and economic cooperation based on the "Comprehensive Partnership Agreement".

In 2011, the Embassy will formulate a new strategic policy paper for its cooperation with Indonesia, covering the period 2012-2015. This paper will take into account the policy of the new Dutch Government. Already the cooperation focuses increasingly on providing Dutch expertise in areas where the Netherlands has specific knowledge that Indonesia is interested to acquire, such as water management and support to the legal sector.

### Types of assistance and programming

The Netherlands – Disbursements of ODA to Indonesia, 2007-2009 (€ million)

	2007	2008	2009
Education	35.2	44.7	30.1
Government and civil society	16.5	21.5	19.2
Trade and economic development	1.8	4.0	1.6
Environment/ climate change*	2.6	10.7	14.0
Water supply and sanitation**	16.8	20.8	19.3
Post-disaster reconstruction	4.5	1.9	27.1
Cross-cutting sectors (others)	3.9	3.1	0.0
<b>TOTAL</b>	<b>81.3</b>	<b>106.7</b>	<b>111.3</b>

\* Including agriculture, forestry and fisheries  
\*\* Including water management



## Poland

### Development and cooperation strategies

In 2009, Poland disbursed about US\$ 375 million in ODA, or 0.09% of its GNI. This represented an increase of 3.2% over disbursements in 2008. Polish aid is provided either directly to recipient countries or via contributions to international organizations. In 2009, Poland allocated about US\$ 283 million to multilateral aid, and the remainder of US\$ 92 million to bilateral aid. The EU is the most important international forum where Poland's multilateral development assistance activities are visible. In 2009, over 90% of Poland's multilateral aid (US\$ 270.4 million) was allocated to the EU's external assistance budget. The remaining part of Poland's multilateral aid consisted of voluntary payments to the World Bank, UN, and other multilateral institutions.

### Types of assistance and programming in Indonesia

In 2007 and 2008, Indonesia received funds allocated for the small grants projects. In 2009, Poland granted € 50,000 for the needs of the victims of the earthquake in West Sumatra

Poland – Disbursements of ODA to Indonesia, 2007-2009 (€ '000)

	2007	2008	2009
Health	60	47	-
Environment/ Climate change	-	128	-
Humanitarian aid	-	-	50
<b>TOTAL</b>	<b>60</b>	<b>175</b>	<b>50</b>





## Portugal

### Development and cooperation strategies

Portuguese bilateral development cooperation focuses on Portuguese-speaking countries, or countries that have historical linkages with Portugal. The primary objective of the Portuguese development cooperation is to help achieve MDGs as a mean to alleviate poverty. Priority sectors are education, health and sanitation, and training and institutions building. Development cooperation is based on the following principles: respect for human rights, good governance, environmental sustainability, cultural diversity, gender equality and fight against poverty. Regarding multilateral cooperation, Portugal mainly contributes to the EU (through the EU budget and the European Development Fund), but also contributes to UN agencies, the World Bank and regional development banks, such as the ADB.

### Types of assistance and programming in Indonesia

From 2006 to 2008, the Portugal provided approximately € 1.8 million in official development aid to Indonesia, all in the form of grants. Most of that amount was spent on the rehabilitation of a clinic and the construction of a school in Lamno, a village devastated by the December 2004 tsunami that hit Aceh and Nias. The remainder was used for the promotion of the Portuguese language in Indonesia; and towards the construction of new fishermen piers and the rehabilitation of fishermen piers which were destroyed in the 1990s earthquake in the islands of Flores.

### Portugal – Disbursements of ODA to Indonesia, 2006-2009 (€ '000)

	2006	2007	2008	2009
Education	2	2	25	–
Post-disaster reconstruction	1791	–	–	–
Other	4	2	1	37
<b>TOTAL</b>	<b>1798</b>	<b>4</b>	<b>26</b>	<b>37</b>



## Slovak Republic

### Development and cooperation strategies

The Ministry of Foreign Affairs of the Slovak Republic established the Agency for International Development Cooperation (Slovak Aid) on 1 January 2007. The objective of the Agency is to improve the effectiveness of Slovak aid and to support implementation of the Slovak Republic's international commitments on official development assistance. The system enhances efficiency and flexibility via cooperation with NGOs, academic institutions, entrepreneurs, and state and local authorities. More than 200 projects of Slovak Aid were approved during 2003-2007. The planning instruments for official development assistance are the Medium-Term Strategy for ODA 2003-2008 and an annually approved national programme of official development assistance.

In 2008, total ODA provided by the Slovak Republic was € 65.4 million, or 0.10% of Slovak Gross National Income, and € 54 million in 2009, or 0.09% of GNI. The aim for 2010 is to provide an amount equivalent to 0.17% of GNI, rising to 0.33% in 2015.

### Types of assistance and programming in Indonesia

In the field of education, the Slovak Republic offers scholarships for Indonesian students. In the past three academic years (from 2007/08 to 2009/10), it has offered one scholarship per year for Indonesian students, to obtain a bachelor's and master's degree at public universities in Slovakia. In addition, the Slovak Republic offers ad hoc humanitarian aid to Indonesia in case of natural disasters such as earthquakes, tsunamis or landslides.





## Spain

### Development and cooperation strategies in Indonesia

In April 2009, the Spanish Agency for International Cooperation (AECID) adopted a new strategy for Spanish development cooperation in Indonesia, which did not consider future grants other than those allocated to the third phase of the programme “Strengthening the Capacities of Vulnerable Communities in Nusa Tenggara Timur”. This programme, which is executed by the NGO “Action Contre la Faim” started in 2007 and will be completed in July 2010. The third phase of the programme was financed by a specific allocation in 2010 of about € 248,000 for food aid/food security.

### Types of assistance and programming

In order to work in accordance with the horizontal priorities settled by the Master Plan, in the year 2009, Spanish Cooperation has also contributed together with UNESCO-Jakarta to the financing of three new projects related to environmental sustainability. Some Ministerial departments have also contributed to the financing of these projects:

- “Post-disaster Aid for the National Park of Siberut”. AECID contributed € 430,000 to fund this project, which is located in West Sumatra. It is expected to be finished in 2012.
- The Spanish Ministry of the Environment and Rural and Marine Affairs contributed € 200,000 to the funding of the project “Protecting the population of Orang-utans in the National Park of Gunung Leuser, Rainforest Heritage of Sumatra”, which is expected to be completed in December 2011.
- The National Organisation of Autonomous Parks of Spain contributed to the development of the program “Supporting the development of the appropriate monitoring and law enforcement systems for the Biosphere reserve in Siberut”, to be completed by the end of 2010.

At a regional level, AECID launched in 2008 a project entitled “Maintaining the Means of Livelihood for Fishermen in Southeast Asia”. This project is being implemented by the FAO in six countries of South-east Asia (Vietnam, Philippines, Timor-Leste, Cambodia, Sri Lanka and Indonesia). Spain is the sole donor to this project, with a financial contribution of € 14.5 million for five years. Indonesia is expected to receive a total of € 1.8 million for the total duration of the project, of which € 0.45 million in 2009.

In response to the earthquake that hit the province of West Sumatra in September 2009, the Spanish Office of Humanitarian Aid shipped 48 tons of food aid through AECID together with a team of 40 persons to provide rescue expertise and medical assistance, in an amount of € 1.0 million. The team assisted earthquake victims housed at the Parit Malintang Hospital in Padang. The same office also approved two projects to help reconstruct areas damaged by the earthquake. The first project (€ 200,000) was carried out by the NGO Handicap International, and the second (appr. € 150,000) by *Cipta Fondasi Komunitas*.

### Spain – Disbursements of ODA to Indonesia, 2009 (€ million)

Environment/ Climate change	0.65
Trade and economic cooperation*	0.45
Post-disaster reconstruction	1.35
Humanitarian aid	0.25
Other	0.04

**TOTAL 2.74**

\* Including fishery





## Sweden

### Development and cooperation strategies

Swedish development cooperation forms an integral part of the Swedish Policy for Global Development, the objective of which is to contribute to equitable and sustainable global development. The overall objective of development cooperation is to help poor people improve their living conditions.

### Policies and priorities in Indonesia

In 2009, the Swedish government approved a bilateral strategy for selective cooperation with Indonesia during 2009-2013 ("the strategy period"). The objectives of this form of cooperation are enhanced democratic governance and increased respect for human rights, environmentally sustainable development, and more inclusive economic growth. It is implemented by means of Partner Driven Cooperation (PDC) and targeted interventions in strategic areas.

The intention of PDC is to develop and strengthen relations between Swedish and Indonesian actors that are of common interest, with the purpose of contributing to the overall development cooperation objective. It is envisaged that cooperation between Sweden and Indonesia will mainly consist of PDC by the end of 2013.

During the first part of the strategy period, Sweden plans to phase out funding channelled through multilateral organisations (notably UNDP, UNICEF and the World Bank) in the areas of good governance and water and sanitation, as well as funding to Indonesian NGOs (who are working with rights issues). Cooperation between Swedish agencies and Indonesian counterparts (on issues such as land administration and air pollution) will continue in compliance with PDC criteria, i.e. with more responsibility to the partners, in particular regarding cost sharing.

### Types of assistance and programming

During the strategy period, targeted interventions in strategic areas will largely consist of continued support to the Swedish Raoul Wallenberg Institute in Jakarta. The institute focuses on capacity building for correctional services and the implementation of the Indonesia human rights action plan (also known as RANHAM). A main priority during the strategy period will be to establish PDC in two sectors: environment and private sector development. Sweden has comparative advantages in the environmental sector for which there is a clear demand from the Indonesian side, especially in urban environmental planning, strategic environmental assessments and environmentally sustainable transportation. As to private sector development, there is an interest in corporate social responsibility (CSR) and trade promotion in the textile sector.

During 2010-2013, the annual ODA budget € 3.5 million per year, excluding emergency assistance. In 2009, the first year of the planned transition from multilateral and NGO support to PDC, disbursements amounted to € 4.5 million. The human rights and democratic governance sector accounted for about 45% of total disbursements, followed by the environmental sector including water and sanitation (45%), and transportation and private sector development (10%).

#### Sweden – Disbursements of ODA to Indonesia, 2009 (€ million)

Government and civil society	2.02
Trade and economic cooperation	1.80
Environment / Climate change	0.68
<b>TOTAL</b>	<b>4.50</b>

Note: indicative figures, assuming that the 2009 budget was spent in full



## United Kingdom

### Development and cooperation strategies

The Department for International Development (DFID) is the United Kingdom (UK) Government department responsible for promoting sustainable development and reducing poverty. The central focus of the UK Government's policy is a commitment to the internationally agreed Millennium Development Goals, to be achieved by 2015.

### Policies and priorities in Indonesia

Under DFID's Country Business Plan for Indonesia (2008 to 2011) there are three main objectives for the DFID Indonesia country programme:

- To support the development of stronger and more accountable institutions;
- To deliver poverty reduction, focussing on achievement of off-track MDGs; and
- To enable Indonesia to deliver a range of global public goods, particularly climate change and work to help prevent radicalisation.

DFID has committed £ 75 million for Indonesia from 2008-2011.

### Types of assistance and programming

DFID's recent support in Indonesia has focused on:

- Pro-poor policy formulation;
- Governance reform, including conflict prevention and reduction;
- Promoting forest management reforms to benefit poor people who depend upon forest resources; and
- Under-performing MDGs, including HIV and AIDS, tuberculosis and maternal mortality.

DFID is also providing substantial reconstruction assistance to Aceh, Nias, Yogyakarta and Central Java, as well as funding a major national disaster risk reduction programme and early response activities in West Sumatra after the earthquake in September 2009.

DFID has also been developing a programme on climate change issues in Indonesia. In 2002 the UK and Indonesia concluded a Memorandum of Understanding to prevent the illegal trade in timber. This responded to a civil-society campaign highlighting the scale of the problem, and a subsequent call to action by East Asian forestry ministers. Through grants under the Multi-stakeholder Forestry Programme, working with the Ministry of Forestry from 2000 DFID has supported:

- The development of a Timber Legality Assurance Scheme, just passed by Ministerial Decree. This aims to certify the legal origin of timber exports.
- Independent monitoring by civil-society groups.
- The development of a law on anti-money laundering, as a tool to facilitate the detection and prosecution of the high-level backers of illegal logging.

In 2007, DFID committed a further £ 5 million to the second phase of the Multi-stakeholder Forestry Programme (2007-2011) focusing closely on the development and implementation of the SVLK – the Government of Indonesia's national timber verification scheme.

DFID signed a Letter of Agreement with the Government of Indonesia in December 2008 on DFID support to poverty reduction through national responses to climate change. DFID committed up to £10 million until 2011; to date it has been allocated to the Indonesia Climate Change Trust Fund as well as to BAPPENAS, the Ministry of Finance and the National Council on Climate Change for work on climate change planning and analysis. DFID has also agreed to support the Ministry of Finance with a grant of up to £ 1.5 million to develop the Indonesian Green Investment Fund; the Fund is under development. DFID also provides consultancy support to the Provincial Government of Papua to support the development and implementation of their plan for low-carbon development and green growth.

In November 2009, the (then) DFID Secretary of State agreed that DFID should provide £ 50 million to extend the partnership with Indonesia on climate change. Letters have been exchanged with the Government of Indonesia confirming this arrangement.

United Kingdom – Disbursements of ODA to Indonesia, Jan 2009-Aug 2010 (£ million)

(Jan-Aug)	2009	2010
Government and civil society	7.51	1.22
Health	5.78	0.80
Environment / Climate change*	0.89	5.54
Post-disaster reconstruction	13.00	-
Humanitarian aid and disaster preparedness	1.94	4.28
Cross-cutting (poverty reduction)	4.00	1.50
<b>TOTAL</b>	<b>33.12</b>	<b>13.34</b>

\* Including fishery



## ANNEX 2

# Aid for Development Effectiveness

## Background

**How effective is aid to Indonesia?** In 2008, the OECD published a survey on monitoring of the Paris Declaration on Aid Effectiveness. The survey includes a detailed analysis for 54 countries, including Indonesia, along the five dimensions that lie at the heart of the declaration: ownership, alignment, harmonisation, managing for results, and mutual accountability. The survey produced mixed results for Indonesia, which scored well on alignment with country priorities and systems, but not on managing for results and mutual accountability.

**Jakarta Commitment: a roadmap for making aid more effective.** To improve aid effectiveness in Indonesia, the Government of Indonesia signed the Jakarta Commitment with 22 major foreign development partners. The signing took place in January 2009, coinciding with the elevation of Indonesia to the status of middle-income country. The Jakarta Commitment contains a “roadmap” (a series of practical proposals) for improving the effectiveness of development assistance to Indonesia during 2009-2014. To make these proposals work, both the Government of Indonesia (the recipient) and its foreign development partners (the donors) need to change the way they cooperate, for example by undertaking joint review missions of development projects, or by establishing reporting standards and procurement methods that are acceptable to both sides. The Jakarta Commitment builds on reforms that both the Government of Indonesia and the international community started many years ago, notably the Monterrey Consensus (2000), the Rome Declaration on Harmonisation (2003) and Law 17 of 2003 on the Public Finances of Indonesia.



" The European Commission and major European States are among the 22 signatories to the Jakarta Commitment."

Reforms resulting in the Jakarta Commitment

REFORMS BY THE GOVERNMENT OF INDONESIA



REFORMS BY THE INTERNATIONAL COMMUNITY



Source: Based on Jakarta Commitment Annual Report 2009

# The Aid For Development Effectiveness Secretariat (A4DES)

**Taking ownership through the A4DES.** To make sure that the Government of Indonesia has the capacity to take ownership of development aid, and well prepared to lead the coordination and management of ODA, it established the Aid for Development Effectiveness Secretariat (A4DES for short) in BAPPENAS, the National Development Planning Board. The key operating principles of the A4DES are:

- Government-led
- Inclusive of development partners and governmental stakeholders and building upon existing networks
- Responsive to policy needs as identified by decision-making organisations at multiple levels, by being legitimate and policy-relevant
- Underpinned by results of monitoring and relevant assessment processes
- Monitored from the outset with procedures for measuring its effectiveness
- Evolving and subject to critical review as appropriate

## **Harmonisation and alignment between donor and the Government of Indonesia financial systems.**

It is planned that the Government (or an institution appointed by the Government of Indonesia) will manage a trust fund to finance activities in support of its national development priorities, in accordance with criteria agreed between the Government of Indonesia and the donors who contribute to the fund. Recognizing that it will take time to establish such a fund, the Government of Indonesia decided to first create a smaller trust fund, with contributions from several major donors, to finance the preparation of a nationally managed fund. This temporary trust fund is known as the Transitional Multi Donor Fund for Development Effectiveness (TMDF-A4DE), and was formally established in August 2009. It is managed by the United National Development Program (UNDP), and has a budget of US\$ 3.5 million for 2009-2010. Its objectives are to:

- Finance activities to support achieving the targets of the Jakarta Commitment
- Build expertise to manage a national trust fund
- Support the capabilities of Indonesian institutions to manage a national trust fund
- Prepare the regulatory framework for the planned national trust fund

## **Managing for results and mutual accountability.**

Once the national trust fund is established, the management of fund will be based on terms and conditions agreed between the Government of Indonesia and development partners contributing to fund, including reporting requirements and the results that the fund is expected to achieve.

The management of contributions through direct support (bilateral aid) will be governed by terms and conditions between the Government of Indonesia and the contributing development partner.

## **Reforms resulting in the Jakarta Commitment**

The EU is actively involved in A4DES, notably through Germany, the Netherlands and the United Kingdom. Germany has financed the development of an aid information management system, and is a member of the A4DES workgroup on monitoring and evaluation. The United Kingdom and the Netherlands are co-financiers of TMDF-A4DE. The Netherlands has also been active as a member of the workgroups on procurement, dialogue on institutional development, financing mechanism, public financial management, and monitoring and evaluation.

The EC is a member of workgroups that the Secretariat has set up to align the procurement systems and public financial management systems of the Government of Indonesia and its donors, and to improve the dialogue on institutional development. Currently the EC is considering to finance the implementation of studies, workshops, and related technical inputs for A4DES.

# Progress and Priorities of A4DES

**Progress during 2009.** The secretariat has set up six working groups with the task to prepare practical proposals for improving aid effectiveness in a specific area. The members of each working group (WG) consist of the Government of Indonesia officials and representatives of its development partners. The progress of each of the working groups in 2009 is summarised in the following paragraphs.

The **WG Procurement.** This workgroup assisted with the revision of Presidential Decree 80/2003 on procurement, with the aim to move towards international procurement standards, as well as with the development and implementation of e-procurement.

The **WG Public Financial Management** prepared proposals for improving the regulation for planning and utilisation of foreign grants, supported BAPPENAS in preparing financial projections for ODA during 2010-2014, and assisted the Government of Indonesia with preparing a manual for performance-based budgeting and preparing medium-term expenditure frameworks.

The **WG Dialogue and Institutional Development** prepared a framework for facilitating discussions between the Government of Indonesia and its development partners

The **WG Developing of Financing Mechanism** reviewed multi-donor funds in Indonesia, as a means to identify an appropriate model for the nationally managed trust fund.

The **WG Monitoring and Evaluation** developed a standard method for the planning, implementation and monitoring and evaluation of non-financial aspects of ODA

The **WG Capacity Building and Knowledge Management** organized several meetings and workshops, none of which had resulted in clearly defined results by the end of 2009.

**Priorities for 2010.** During 2010, A4DES has set it-

self six major objectives. Firstly, it plans to establish a framework for a dialogue between the Government of Indonesia and its bilateral and multilateral donors. Secondly, there is a need to simplify the registration of financial aid in the Government's financial system. The third objective is to complete the Aid Information Management System, which was being developed with German support starting in 2009. Fourth, A4DES plans to move beyond TMDF-A4DE and establish a nationally managed trust fund for the channelling of official development aid. The fifth objective is to further improve the public procurement system. The sixth and final objective of A4DES for 2010 is to undertake an update of the 2008 survey on achieving Paris Declaration indicators.

For details on the 2010 priorities as well as activities of the individual working groups, please refer to the Jakarta Commitment Annual Report 2009 and the website [www.a4des.org](http://www.a4des.org)

## ANNEX 3

# Trade and Investment

## Trade

The EU remains an important trade partner for Indonesian non-oil and gas products, with a 10.3% share of total imports and exports in 2009, although its relative position has been deteriorating in recent years due to the emergence of the Asian economies and the diversion of European business focus to other regions. Singapore, Japan and China are now more important trade partners than the EU, measured by total flows of trade.

Indonesia's exports to the EU increased from about US\$ 10.9 billion in 2005 to almost US\$ 13.6 billion in 2008, an increase of about 25%. In 2009, a year in which most EU Member States recorded negative economic growth, exports decreased by 14% to US\$ 11.6 billion. Exports continued to fall until the second quarter of 2010, when they unexpectedly increased at an annualised rate of almost 23%. In 2009, Indonesia was the 19th largest exporter to the EU, accounting for 1.0% of the total. Indonesia's major export products to the EU are textile, furniture, and animal and vegetable oils (mainly palm oil, of which Indonesia is the world's largest exporter).

Historically, Indonesia's imports from the EU have been much smaller than its exports. During 2005-2009, the EU's trade deficit was in the order of US\$ 6-7 billion per year. The growth of Indonesian imports from the EU mirrored its export performance. Imports increased by about 25% from 2005 (US\$ 4.8 billion) to 2008 (US\$ 6.0 billion). This was followed by a sharp decrease in 2009, when imports dropped by 12% to US\$ 5.3 billion.

Imports from the EU started to pick up in the first quarter of 2010, shortly before export growth resumed. In 2009, Indonesia was the 35th largest importer from the EU, accounting for 0.5% of the total. Indonesia's major imports from the EU are machinery, transport equipment, and refined fuels.

## Investment

Historically, foreign investment in Indonesia was highest in the mid-1990s, when it topped US\$ 30 billion. In the years following 1997/98 monetary crisis, foreign investment largely dried up before passing the US\$ 10 billion-mark in 2007. In recent years, the share of EU member countries in total foreign investment dropped below 10% in 2008 (and only increased to 18% in 2009 because of a single major investment by a Dutch company). This is substantially lower than in the 1990s, when EU members usually accounted for over 30% of the total. The decline of the EU's predominance is partly caused by the rapid rise of new regional economic players such as China and South Korea, but possibly also by Indonesia's country risk, which remains relatively high compared to pre-crisis years.

During 2006-2009, total foreign investment by EU Member States ranged from about US\$ 6 billion in 2006 to almost US\$ 15 billion in 2008. The UK and the Netherlands were by far the largest EU investors, accounting for almost 90% of total EU investments in Indonesia during this period.



"The EU remains an important trade partner for Indonesian non-oil and gas products, with a 10.3% share of total imports and exports in 2009."

Trade Flows between Indonesia and the EU, 2006-2010 (US\$ billion)\*



\* 2010 data for January-June only  
Source: EUROSTAT (Comext, Statistical regime 4)

Foreign Direct Investment in Indonesia, 2006-2009 (US\$ million)

	2006	2007	2008	2009
United Kingdom	661	1,686	513	588
Netherlands	35	147	90	1,199
Germany	15	19	198	104
France	105	9	164	29
Italy	2	3	6	41
Other EU countries	4	7	47	12
Subtotal, EU countries	821	1,872	1,019	1,973
Subtotal, Non-EU countries	5,171	8,470	13,853	8,843
<b>TOTAL</b>	<b>5,992</b>	<b>10,341</b>	<b>14,871</b>	<b>10,815</b>
EU as % of total	14%	18%	7%	18%

## ANNEX 4

# Scholarships Offered by the European Union 2010

Country / Institution	Scholarships	Contact info/ Website
<b>Austria</b>	<p><b>18 scholarships in 2009 (graduate, post-graduate, post-doctoral as well as research grants):</b></p> <ul style="list-style-type: none"> <li>• North-South Scholarships</li> <li>• ASEA Uninet Scholarships (ASEA-Uninet is a University Network between a number of European and South East Asian Universities that was initiated by the Austrian University of Innsbruck)</li> <li>• Technology Grants for Southeast Asia</li> <li>• Special Scholarship by the Austrian Academic Service (OeAD)</li> </ul> <p><b>Web-sites:</b> <a href="http://www.oead.at">http://www.oead.at</a>  <b>Scholarship data bank:</b> <a href="http://www.grants.at">www.grants.at</a>  <b>ASEA-UNINET:</b> <a href="http://www.uibk.ac.at/asea-uninet">http://www.uibk.ac.at/asea-uninet</a></p>	<p><b>Austrian Embassy</b>            Jl. Terusan Denpasar Raya            (Jl. HR Rasuna Said Kav X/3 No.1)            Kuningan, Jakarta 12950  <b>Tel:</b> (+62 21) 259 3037  <b>Fax:</b> (+62 21) 5292 0651  <b>E-mail:</b> <a href="mailto:jakarta-ob@bmeia.gv.at">jakarta-ob@bmeia.gv.at</a>  <b>http:</b> <a href="http://www.austrian-embassy.or.id">//www.austrian-embassy.or.id</a></p>
<b>Belgium</b>	<p><b>International Training and Courses</b>            Master Degree and Training            Average 10 students / year  <b>Website:</b>  <a href="http://diplomatie.belgium.be/en/policy/development_cooperation/grants/study_and_training_grants/vlir/index.jsp">http://diplomatie.belgium.be/en/policy/development_cooperation/grants/study_and_training_grants/vlir/index.jsp</a>  <a href="http://www.cud.be">www.cud.be</a>  <a href="http://www.itg.be">www.itg.be</a></p>	<p><b>Embassy of Belgium</b>            Deutsche Bank Building, 16th floor            Jl Imam Bonjol 80            Jakarta 10310 Indonesia  <b>Tel:</b> (+62 21) 316 2030  <b>Fax:</b> (+62 21) 316 2035  <b>E-mail:</b> <a href="mailto:jakarta@diplomabel.org">jakarta@diplomabel.org</a>  <b>http:</b> <a href="http://www.diplomatie.be/jakarta">//www.diplomatie.be/jakarta</a></p>
<b>Bulgaria</b>	<p><b>Scholarships in Bulgaria</b>            Request for information can be obtained from the Embassy directly.</p>	<p><b>Bulgaria</b>            Jl. Imam Bonjol 34-36            Jakarta 10310 Menteng  <b>Tel:</b> +6221 390-40-48; 3913130  <b>Fax:</b> +6221 390-40-49  <b>HP:</b> +62 811932200  <a href="mailto:bgemb.jkt@centrin.net.id">bgemb.jkt@centrin.net.id</a>  <a href="mailto:bulvisa.jkt@centrin.net.id">bulvisa.jkt@centrin.net.id</a></p>

<p><b>France</b></p>	<p><b>Bourse du Gouvernement Français (BGF)</b> Master Degree, Doctoral degree (Phd) and Post- Doctoral program Number of scholarships: 20-25/year <b>Web-site:</b> (www.ambafrance-id.org)</p> <p><b>Joint Scholarship programme with DIKTI</b> Based on a co-sharing basis Master Degree (double degree) Number of scholarships: 50/year</p> <p><b>Joint Scholarship programme with MoT</b> Based on a co-sharing basis Master Degree (double degree) Number of scholarships: 10-15/year</p> <p><b>Joint Scholarship programme with BAPPENAS</b> <b>Based on a co-sharing basis</b> Master Degree (double degree) Number of scholarships: 5-10/year</p>	<p><b>Ambassade de France en Indonésie</b> Service de Coopération et d'Action Culturelle Jalan Panarukan n°35 Menteng, Jakarta 10310 Indonesia <b>Tel:</b> (62-21) 31931795 <b>E-mail:</b> scac.jakarta@gmail.com <b>http://www.ambafrance-id.org/spip.php?article116</b></p>
<p><b>Germany</b></p>	<p><b>Various scholarship programs (DAAD)</b> Master degree, doctoral degree, post-doctoral program, short courses (specific subjects) Number of awards: 350 scholarships / year <b>Web-site:</b> http://jakarta.daad.de</p>	<p><b>DAAD Jakarta Office</b> Summitmas I, 19th Floor Jl Jend Sudirman Kav 61-62 Jakarta 12190 Indonesia <b>Tel:</b> (+62 21) 525 2807, 520 0870 <b>Fax:</b> (+62 21) 525 2822 <b>E-mail:</b> info@daadjkt.org</p>
<p><b>Greece</b></p>	<p><b>Hellenic Aid Scholarship Programme</b> Undergraduate and Postgraduate Studies Number of awards: 100 for 61 countries without quota for a specific country <b>Web-site:</b> www.hellenicaid.gr</p>	<p><b>Embassy of Greece,</b> Plaza 89 12th Floor, Jl. H.R. Rasuna Said Kav.X-7 No.6, Jakarta 12940 <b>Tel:</b> +6221 520 7776 <b>Fax:</b> +6221 520 7753 <b>E-mail:</b> grembas@cbn.net.id</p>
<p><b>Hungary</b></p>	<p><b>Hungarian Scholarship Board (Magyar Ösztöndíj Bizottság)</b> 1- PhD 5 – Short-term courses</p> <p>Hungarian Scholarship Board Enikő Kiss Programme Coordinator Balassi Institute, Department of Subventions Hungarian Scholarship Board H-1519 Budapest, Pf. 385 <b>Tel:</b> +36-1-666-7977 <b>Email:</b> eniko.kiss@bbi.hu <b>Web-site:</b> http://www.scholarship.hu</p>	<ul style="list-style-type: none"> <li>• Mr. Attila Juhasz Consul/Deputy Head of Mission</li> <li>• Mr. David Ambrus Attache for Cultural, Consular and Press</li> </ul> <p><b>Embassy of the Republic of Hungary</b> Jl Rasuna Said Kav X/3, Kuningan, Jakarta 12950 Indonesia <b>Tel:</b> (+62 21) 520 3459 <b>Fax:</b> (+62 21) 520 3461, 573 7525 <b>E-mail:</b> mission.jkt@kum.hu <b>Website:</b> http://www.mfa.gov.hu</p>
<p><b>Italy</b></p>	<p><b>Italian language and culture;</b> specialisation studies (Master 1st and 2nd Level, PhD)</p> <p><b>Italian Government Scholarship</b> Number of scholarships: 36 Awardees/year</p> <p><b>Italian Private Scholarship</b> 23 Awardees</p>	<p><b>Embassy of Italy</b> <b>Italian Institute of Culture</b> Jl HOS Cokroaminoto No 117 Jakarta 10350 Indonesia <b>c(+62 21) 392 753</b> <b>Fax:</b> (+62 21) 310 166 1 <b>E-mail:</b> itacult@itacultjkt.or.id</p>
<p><b>Netherlands</b></p>	<p><b>HSP Huygens Programme :</b> Final Phase Bachelor, Master No quota for a specific country (this year 12 awards for Indonesian) <b>Website :</b> www.nuffic.nl/hsp</p> <p><b>NFP (Netherlands Fellowship Programmes)</b> Short course, Master, PhD Approximately 70 awards/year <b>Web-site:</b> www.nuffic.nl/nfp</p> <p><b>StuNed: Masters, Short Courses, Customised Trainings</b> <b>Approximately 200 awards / year</b> <b>Web-site:</b> http://www.nesoindonesia.or.id/indonesian-students/informasi-dalam-bahasa/beasiswa/stuned</p>	<p><b>NESO (Netherlands Education</b> Support Office - former NEC) Menara Jamsostek, 20th floor Jl Jend Gatot Subroto Kav 38 Jakarta 12720 Indonesia <b>E-mail : (+62 21) 5290 2172</b> <b>Fax: (+62 21) 5290 2173</b> <b>E-mail:</b> <b>general@nesoindonesia.or.id</b> <b>http://www.nesoindonesia.or.id</b></p>

<b>Romania</b>	<b>Government of Romania - Ministry of Education, Research Youth and Sports</b> Bachelor, Master and PhD at public universities in Romania Award: according to the number allocated by <b>Ministry of Education</b> <b>Web-site:</b> www.edu.ro and www.mae.ro.	Jl. Teuku Cik Ditiro No. 42A Menteng, Jakarta Pusat <b>Tel:</b> (+ 62 21) 390-0489 <b>Fax:</b> (+ 62 21) 310-6241
<b>Spain</b>	<b>Ministry of Foreign Affairs and Cooperation has granted 6 scholarships to Indonesian students this year:</b> 5 for summer courses on Spanish language and culture 1 to a young Indonesian diplomat for a Master on International Relations at the Spanish Diplomatic School No quota for a specific country <b>Web-site:</b> www.aecid.es	<b>Embassy of Spain</b> Jl. H. Agus Salim 61 Jakarta 10350 <b>Tel:</b> (+ 62 21) 3142355 <b>Fax:</b> (+ 62 21) 31935134
<b>Slovak Republic</b>	<b>Government of the Slovak Republic scholarships</b> Bachelor's and master's studies at public universities in Slovakia Award: 1 (one) scholarship / year  <b>National Scholarship Programme of the Slovak Republic for the Support of Mobility</b> Students, PhD students, university teachers and researchers.	<b>Embassy of Slovak Republic</b> Jl. Prof. Moh. Yamin, SH No. 29 Menteng, Jakarta Pusat <b>Tel:</b> (+ 62 21) 310-1068, 315-1429 <b>Fax:</b> (+ 62 21) 310-1180
<b>United Kingdom</b>	<b>British Chevening Awards</b> One year Master Degree Year 2010: 20 awards <b>Web-site:</b> http://www.britishcouncil.or.id	<b>British Council</b> Jakarta Stock Exchange Tower II, 16th floor Jl Jend Sudirman Kav 52-53 Jakarta 12190 Indonesia <b>Tel:</b> (+62 21) 515 5561 <b>Fax:</b> (+62 21) 515 5562
<b>European Union</b>	<b>Erasmus Mundus Master Courses (EMMC)</b> Post-graduate (students) and research/ teaching grants (scholars) Scholarship information is available at: No allocation per year due to world wide selection process Year 2010: 37 awards An average: 56 awards/year <b>Web-site:</b> http://bit.ly/emmc2010  <b>Erasmus Mundus Joint Doctorates (EMJD)</b> Scholarship information is available at: No allocation per year due to world wide selection process Year 2010: 2 awards <b>Web-site:</b> EMJD: http://bit.ly/emjd2010	<b>EUROPEAN UNION</b> Delegation of the European Union to Indonesia and Brunei Darussalam Intiland Tower 16th floor Jl Jend Sudirman Kav 32 Jakarta 10220 Indonesia <b>Tel:</b> (+62 21) 2554 6200 <b>Fax:</b> (+62 21) 2554 6201 <b>Web:</b> http://www.delidn.ec.europa.eu



## ANNEX 5

# Contact Details

### European Union

Delegation of the European Union  
Intiland Tower, 16th Floor  
Jl. Jend. Sudirman Kav. 32  
Jakarta 10220  
T. : +6221 2554-6249  
F. : +6221 2554-6201  
E-mail : delegation-indonesia@ec.europa.eu

### Austria

Embassy of Austria  
Jl. Terusan Denpasar Raya  
(Jl. H.R. Rasuna Said Kav. X/3 No. 1)  
Kuningan  
Jakarta 12950  
T. : +6221 259-3037  
F. : +6221 5292-0651  
E-mail : jakarta-ob@bmeia.gv.at

### Belgium

Embassy of the Kingdom of Belgium  
Deutsche Bank Bldg. 16th Fl.  
Jl. Imam Bonjol 80  
Jakarta 10310  
T. : +6221 316-2030  
F. : +6221 316-2035  
E-mail : jakarta@diplobel.fed.be

### Bulgaria

Embassy of the Republic of Bulgaria  
Jl. Imam Bonjol No. 34-36 Jakarta 10310  
T. : +6221 390-4048, 391-3130  
F. : +6221 390-4049  
E-mail : bgemb.jkt@centrin.net.id

### Cyprus

Embassy of the Republic of Cyprus  
Jl. Purwakarta No. 8, Menteng  
Jakarta 10310  
T. : +6221 3106 367  
F. : +6221 3919 256

### Czech Republic

Embassy of the Czech Republic  
Jl. Gereja Theresia No. 20, Menteng  
Jakarta 10350  
PO BOX 1319  
T. : +6221 390-4075/-4076/-4077  
F. : +6221 390-04078  
E-mail : jakarta@embassy.mzv.cz

### Denmark

Royal Danish Embassy  
Menara Rajawali, 25th Floor  
Jl. Mega Kuningan Lot #5.1  
Kawasan Mega Kuningan  
Jakarta 12950  
T. : +6221 576-1478  
F. : +6221 576-1535  
Email : jktamb@um.dk

### Finland

Embassy of Finland  
Menara Rajawali, 9th Floor  
Jl. Mega Kuningan Lot #5.1  
Kawasan Mega Kuningan  
Jakarta 12950  
T. : +6221 576-1650  
F. : +6221 576-1631  
E-mail : sanomat.jak@formin.fi

### France

Embassy of France  
Jl. MH Thamrin No. 20  
Jakarta 10350  
T. : +6221 2355-7600  
F. : +6221 2355-7602  
E-mail : ambfrjkt@uninet.net.id

### Germany

Embassy of the Federal Republic of Germany  
Jl. MH Thamrin No. 1  
Jakarta 10310  
T. : +6221 3985-5000  
F. : +6221 390-1757  
E-mail : info@jakarta.diplo.de

**Greece**

Embassy of the Hellenic Republic  
Plaza 89, 12th Floor, Suite 1203  
Jl. HR Rasuna Said, Kax. X-7, No.6, Kuningan  
Jakarta 12940  
T. : +6221 520-7776 (hunting)  
F. : +6221 520-7753  
E-mail : grembas@cbn.net.id

**Hungary**

Embassy of the Republic of Hungary  
Jl. HR Rasuna Said Kav. X/3 No. 1, Kuningan  
Jakarta 12950  
T. : +6221 520-3459/-3460  
F. : +6221 520-3461  
E-mail : indsec2huemb@telkom.net

**Italy**

Embassy of Italy  
Jl. Diponegoro No. 45, Menteng  
Jakarta 10310  
T. : +6221 3193-7445  
F. : +6221 3193-7422  
E-mail : ambasciata.jakarta@esteri.it

**Ireland**

Embassy of Ireland  
Ireland House  
541 Orchard Road  
#08-00 Liat Towers, 8th Floor  
Singapore 238881  
T. : +65 6238 7616  
F. : +65 6238 7615  
E-mail : ireland@magix.com.sg

**Luxembourg**

Embassy of the Grand Duchy of Luxembourg  
Q House Lumpini, 17th Floor  
1 South Sathorn Road  
Tungmahamek Sathorn  
Bangkok 10120, Thailand  
T. : +66 2677 7360  
F. : +66 2677 7364

**Netherlands**

Embassy of the Kingdom of the Netherlands  
Jl. HR Rasuna Said Kav. S-3 Kuningan  
Jakarta 12950  
T. : +6221 524-1060, 525-1515  
F. : +6221 527-5976  
E-mail : jak-cdp@minbuza.nl

**Poland**

Embassy of the Republic of Poland  
Jl. HR Rasuna Said Kav. X Block IV/3, Kuningan  
Jakarta 12950  
T. : +6221 252-5938, 252-5939  
F. : +6221 252-5958  
E-mail : mediapoland@dnet.net.id

**Portugal**

Embassy of Portugal  
Jl. Indramayu No. 2A  
Menteng  
Jakarta 10310  
T.: +6221 3190-8030  
F. : +6221 3190-8031  
E-mail : porembjak@cbn.net.id

**Romania**

Embassy of Romania  
Jl. Teuku Cik Ditiro No. 42A Menteng  
Jakarta 10310  
T. : +6221 390-0489, 310-6240  
F. : +6221 310-6241  
E-mail : romind@indosat.net.id

**Slovakia**

Embassy of the Slovak Republic  
Jl. Prof. Moh. Yamin, SH No. 29, Menteng  
Jakarta Pusat 10310  
PO BOX 1368  
T. : +6221 310-1068, 315-1429  
F. : +6221 310-1180  
E-mail : emb.jakarta@mzv.sk

**Spain**

Embassy of the Kingdom of Spain  
Jl. Haji Agus Salim No. 61, Menteng  
Jakarta 10350  
T. : +6221 3193-5136, 314-2355  
F. : +6221 3193-5134, 3192-5996  
E-mail : emb.yakarta@mae.es

**Sweden**

Embassy of Sweden  
Menara Rajawali, 9th Floor  
Jl. Mega Kuningan Lot #5.1  
Kawasan Mega Kuningan  
Jakarta 12950  
T. : +6221 2553-5900  
F. : +6221 576-2691  
E-mail : ambassaden.jakarta@foreign.ministry.se

**United Kingdom**

Her Britannic Majesty's Embassy  
Jl. MH Thamrin No. 75  
Jakarta 01310  
T. : +6221 2356 5200  
F. : +6221 2356 5351  
E-mail : consulate.jakarta@fco.gov.uk

## ANNEX 6

# References

### Key Publications

Development Cooperation Report 2010, OECD, Paris, 2010

Indonesia -European Community Strategy Paper 2007-2013, EC, Jakarta, 2006

Jakarta Commitment Annual Report 2009, A4DES, Jakarta, 2010

National Medium-Term Development Plan 2010-2014, BAPPENAS, Jakarta, 2010

Report on the Achievement of Millennium Development Goals Indonesia 2010, BAPPENAS, Jakarta, 2010

2008 Survey on Monitoring the Paris Declaration, OECD, Paris, 2009

### Useful Websites

Aid for Development Effectiveness Secretariat (A4DES) | [www.a4des.org](http://www.a4des.org)

BAPPENAS, the National Development Planning Board of Indonesia | [www.bappenas.go.id](http://www.bappenas.go.id)

BPS, the National Statistics Board of Indonesia | [www.bps.go.id](http://www.bps.go.id)

European Commission | [ec.europa.eu](http://ec.europa.eu)

Delegation of the European Union to Indonesia and Brunei Darussalam | [www.delidn.ec.europa.eu](http://www.delidn.ec.europa.eu)

EuropeAid | [www.europa.eu.it](http://www.europa.eu.it)

Eurostat | [ec.europa.eu/eurostat](http://ec.europa.eu/eurostat)

OECD, Development Assistance Committee (DAC) | [www.oecd.org/dac/](http://www.oecd.org/dac/)



### **Photo Credits**

**CARE : MIAT and SENSE** projects, photographs by Jane Dempster, and SLUICES project

**DFID:** 5 years Commemoration of the 2004 Tsunami, photographs by Abby Trayler-Smith/Phanos/DFID

**ECHO:** Humanitarian aid in Padang-West Sumatra and West Java

**EMBASSY OF FINLAND**

**EMBASSY OF THE KINGDOM OF NETHERLANDS**

**EU DELEGATION** Jakarta

**EUROPEAN COMMISSION:** Audiovisual services [ <http://ec.europa.eu/avservices/> ]

**GTZ:** Aceh Governance Stabilisation Initiative, photographs by Jacob Steiger

**MDM FRANCE:** Primary Health Care Papua project

**ORANGUTAN FOUNDATION:** The Conservation and Sustainable Management of the Lowland Forests project, Central Kalimantan

**UNICEF:** Mainstreaming Good Practices in Basic Education project

**WHO:** INSPAI project

**WORLD BANK:** MDF for Aceh and Nias, JRF, PNPM Support Facility



