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Foreword



I am pleased to present the Blue Book 2014, our annual report on development cooperation between the European Union (EU) and Indonesia. It provides an overview of the objectives, activities and outcomes of the development assistance that the EU and its Member States provide to Indonesia. In 2013, this totalled over €270 million, which supported programmes in areas such as education, environment, good governance, peace building, and trade.

The past year has been important for the EU and its development cooperation partners. In February 2013, a new framework - A Decent Life for All - was adopted to guide our post-2015 activities. Its overarching aim is to end economic, social and environmental poverty, and give the world a sustainable future. These are universal and interrelated challenges, which need to be addressed by all countries working together as partners for progress.

This theme is in line with the EU's 2011 Agenda for Change which sets out a more strategic approach to reducing poverty, fostering sustainable development, and promoting democracy, good governance and respect for human rights worldwide. It foresees more flexible and better coordinated programming aligned with our partners' priorities. It will mean that the EU is better placed to promote its core values and stand by its international commitments.

Major economies such as Indonesia will remain eligible for thematic and regional cooperation programmes, and an innovative Partnership Instrument is foreseen to support a wide range of actions. These include tackling climate change, protecting intellectual property rights, fighting organised crime, supporting higher education, protecting the environment, and increasing access to global markets. Again, our sincere desire to work together as partners for progress remains our primary goal.

It is impossible for us to include all of the projects that the EU and its Member States have carried out in Indonesia in the past year, but I would like to highlight the following:

First, in 2013 the EU signed a €37 million contract to support Minimum Service Standards in the education sector, focusing on the 110 less advanced districts in the Indonesian archipelago.

Second, In December 2013, a new €10 million contribution was agreed towards capacity building for the Supreme Court, and the strengthening of human resources and organisational management of the Judicial Reform Team Office. This is to focus on case management and the transparency and quality of legal procedures.

Third, in the fight against climate change, many EU-funded projects in land use planning and REDD+ started to show tangible results.

I hope you find this publication enjoyable and informative.

Olof Skoog

EU Ambassador to Indonesia, Brunei Darussalam and ASEAN

The EU - A Global Actor

The European Union (EU) is a unique economic and political partnership between 28 democratic European countries working together to improve the lives of their citizens. It has delivered over half a century of peace, stability and prosperity, and is progressively building a single Europe-wide market in which people, goods, services and capital move freely. These achievements were recognised internationally in 2012 when the EU was awarded the Nobel Peace Prize.

With more than 500 million inhabitants, and responsible for one quarter of the world's gross domestic product (GDP), the EU is a global actor. It is the largest economy and the largest exporter and importer of goods and services in the world, accounting for one fifth of worldwide trade. Assuming a commensurate role in global governance, the EU actively promotes human

rights and democracy, and contributes to finding solutions for the 21st century's global challenges.

A Common Foreign and Security Policy enables EU Member States to speak and act as one in world affairs, with the European External Action Service (EEAS) serving as the EU's diplomatic corps. Working in cooperation with the European Commission and the diplomatic services of the Member States, the EEAS carries out the EU's political, diplomatic and policy work and provides support to Member States through a global network of more than 140 Delegations.

The basis for the EU's foreign policy remains 'soft' power: the use of diplomacy - backed where necessary by trade, aid and peacekeepers - to reduce poverty, resolve conflicts, and promote international understanding. Moreover, development cooperation and humanitarian assistance are important elements of the EU's commitment as a global actor.





EU Development Cooperation Agenda for Change

Development cooperation is a task shared between the EU and its Member States. Together, the EU, the EU institutions and the Member States, account for over half of all global official development assistance. This amounted to €55.1 billion in 2012, and constitutes the world's largest contribution to the struggle against poverty by far

The overarching objective of EU development cooperation is the eradication of poverty through sustainable development. Moreover, in accordance with the principles of the United Nations Charter, and the objectives of the Millennium Development Goals, EU development assistance promotes peace, democracy, good governance, gender equality, the rule of law, solidarity, justice and respect for human rights. This commitment spans the globe, extending to more than 160 countries. In addition to regular development assistance, the EU is a leading donor of emergency and humanitarian aid.

In order to maximise the impact of its commitment, the EU takes a strategic approach. The 2012 Agenda for Change on development cooperation builds on the 2005 Paris Declaration on Aid Effectiveness to adapt to the challenges of a rapidly changing world. The EU is

determined to find new approaches that respond to changing needs around the world. One pillar of this modernised agenda rests on promoting human rights, democracy and good governance; the other is founded on promoting sustainable and inclusive growth.

As the world's largest aid donor, through the Agenda for Change, the EU aims to maintain the level of its support while 'streamlining' aid to provide a sharper focus, simpler procedures, and enhanced cooperation. This is most effectively accomplished by working in partnership with national and local governments, and with communities, civil society organisations and other donors on issues of shared concern.

Priority will be given to support developing countries that are the most in need (the 'differentiation principle') and focus EU assistance on a maximum of three sectors per country to maximise impact and results (the 'concentration principle').

At the same time, more will be done to coordinate EU and EU Member States' support - as much as possible through joint programming - and to make EU assistance as a whole more visible. This publication aims to be part of this effort.

EU-Indonesia Relations Sixty-five Years of Diplomacy

Diplomatic relations between European countries and Indonesia date back to 1949. Initially the main channel to foster EU-Indonesia relations was EU-ASEAN cooperation. Given Indonesia's strategic role in the region, the EU aimed at mutually enhancing both bilateral consultation and regional cooperation.

A dedicated EU Delegation to Indonesia opened in 1988 and quickly became an important voice speaking on behalf of EU Member States, and coordinating their commitments where necessary. Over the following years, the EU and Indonesia intensified their partnership. These interactions were upgraded in February 2000 with the release of the European Commission's communication: Developing Closer Relations between Indonesia and the FU

Since the signing of the EU-Indonesia Partnership and Cooperation Agreement in November 2009, development cooperation has become part of a wider framework. This provides opportunities to expand EU engagement, and four priorities for closer cooperation have been agreed; education. human rights and democracy, trade and



















Winston Churchill calls for a "kind of United States of Europe"

1950

On 9 May, French Foreign Minister Robert Schuman proposes to pool coal and steel production as "the first concrete foundation of a European federation"

1951

Belgium, France. Germany, Italy, Luxembourg, Netherlands, called "the Six", form the European Coal and Steel Community

1958

The Six establish the European Economic Community that will later become the European Union

1973

Denmark. Ireland and UK join

1981 Greece ioins

1986 Spain and Portugal join 1993

Name changed to European Union

Common Foreign and Security Policy becomes one of three pillars constituting the European Union

investment, and the environment. This enhanced partnership reflects a new balance between economic, political, social and cultural elements of cooperation.

In Indonesia, the EU aims to support the government's policies as determined by the National Medium-Term Development Plan. The current plan, which runs from 2009 to 2014, focuses on strengthening economic competitiveness, developing science and technology, and promoting quality human resources. These objectives align with the overall development cooperation policies of the EU, which focus on supporting education, investment and trade, and law enforcement and justice.

In addition to bilateral cooperation, Indonesia benefits increasingly from EU regional cooperation and thematic programmes, and - if required - prompt and substantial responses to emergencies are available through the European Community Humanitarian Office.

















1995 Austria, Finland, Sweden join

Schengen Agreement takes effect

2002

Euro banknotes and coins come into circulation

2004

Cyprus, Czech Republic. Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia join 2007

Bulgaria and Romania join

2009

Treaty of Lisbon introduces a High Representative for Foreign Affairs and Security Policy and a European External Action Service to streamline external action

2012

The EU receives the Nobel Peace Prize

2013 Croatia joins

EU-IndonesiaDevelopment Cooperation

Indonesia has had great success over the years in reducing poverty, supported in part through strong economic growth and improved democratic and decentralisation processes. Today, as the Government of Indonesia focuses on creating jobs and business opportunities, empowering and building the capacities of the poor, and developing social protection systems, the EU's commitment is to work closely with the government and other partners to ensure that aid contributes to the national development strategy.

This means that the EU supports Indonesia's development goals in many ways including capacity building, training, and planning. Aid is provided through a variety of channels in the form of grant contracts and budget support. To obtain maximum impact, the EU focuses on a number of key objectives, specifically poverty reduction, economic growth through trade and investment, and the promotion of good governance through improved law enforcement.

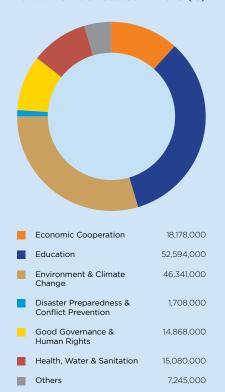
Indonesia's commitment to fight climate change has the full economic and political support of the EU and its Member States, and is an important step towards reducing CO² emissions globally. The EU has accordingly scaled up climate change cooperation in recent years to work towards these ambitions.

Internationally, cooperation in trade and investment that translates into strong, mutually benefiting partnerships will be a powerful force in the future EU-Indonesia partnership for progress.

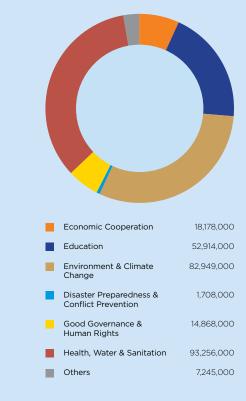
EU assistance in Indonesia is implemented through various programmes and projects ranging from bilateral to regional and thematic programmes. Many are currently being implemented and will run until 2016 to 2018.

With Indonesia now a G20 Member and a donor in its own right, the EU is supporting its graduation from direct bilateral development aid through an existing set of thematic and regional cooperation programmes, and a new Partnership Instrument. This will be complemented by innovative cooperation modalities such as the blending of grants and loans.

Grant Disbursements by the EU and its Member States in 2013 (€)



Grant and Loan Disbursements by the EU and its Member States in 2013 (€)



Economic Cooperation

2013 Disbursements in Grants (in €)

	Grants
European Union	3,607,000
Denmark	290,000
France	724,000
Germany	6,974,000
Netherlands	6,583,000

This table shows disbursements in 2013. Unless otherwise specified, funding figures in the text reflect total project allocations.

Trade and investment are vital for development as they can generate sustainable growth, create jobs and reduce poverty. Investment by EU-based companies now underpins over one million Indonesian jobs in industries such as infrastructure, manufacturing, pharmaceuticals, and banking. These industries also bring technology, which helps Indonesia climb the value-added chain.

Nevertheless, mutual benefits could be greater if barriers to trade were removed, and the huge potential for further bilateral trade and investment was released. Currently, Indonesia ranks only fourth inside the ASEAN region as an EU trading partner, although it is ASEAN's largest economy, representing almost half of its GDP and population.

The partnership between the EU and Indonesia is built on sound economic relations. Capacity building is a vital element to further strengthen EU-Indonesia trade and investment. The EU and its Member States support Indonesia with a wide

array of economic cooperation programmes designed to aid integration into the international trade system, and help the country realise its full trade and investment potential.

The EU provides, for example, assistance to key government agencies under the 'EU-Indonesia Trade Support Programme' (TSP II) to enable exports to meet EU health, safety and environmental standards. The EU is also part of the 'Public Finance Management Trust Fund' (PFM-TF), which supports Indonesia in its efforts to reform public finance management in order to enhance sound fiscal conditions and further increase economic growth.

In addition, the 'EU-Indonesia Trade Cooperation Facility' (TCF) aims to support government plans to improve investment conditions, addressing issues ranging from investment and intellectual property rights, to science and technology cooperation.





Ecotourism for Trade

Flores is one of Indonesia's less developed islands. vet it offers significant potential for tourism, which can contribute sustainably to the local economy. The 'Innovative Indigenous Flores Ecotourism for Sustainable Trade' (INFEST) project, supported by the EU with €375,000 over three years, aims to facilitate tourism by improving the capacity of five villages to provide services and engage with local government. Activities have included establishing tourism organisations, developing links between the villages, local government and tourism organisations, and providing training and licensing service for guides. Tour packages and marketing strategies and material have also been developed, and familiarisation trips for industry organisations conducted.

"INFEST activities implemented by Yayasan Indecon have helped us tremendously. For instance, we made a code of conduct for us, and an information book and a code of ethics for visitors. We also now cook better with local ingredients. We hope this assistance continues because we still have much to learn."

Fransiskus Mudir, Chairman, Waerebo Culture Preservation Organisation

Boosting Eastern Indonesia

The overarching aim of the three-year 'Strengthening Local Chamber of Commerce in Improving Investment and Trade Environment in Eastern Indonesia through the Establishment of Centre for Investment and Trade Advisory' project, funded by the EU with €491,000, is to improve the business environment in six regions in eastern Indonesia and thereby reduce poverty.

The project focuses on linking six chambers of commerce through a new Centre for Investment and Trade Advisory (CITRA). This facility will improve access to information and communications among local, national and international businesses, build local expertise in trade and investment policy analysis, and improve communications between the private sector and local governments.

"The CITRA project allows us to promote our top agriculture products and explore new business opportunities and trade networks. This strengthens our business ties and helps move our businesses forward."

Frankie Najoan, Head of Department of Foreign Affairs, North Sulawesi Chamber of Commerce and Industry

The Route to Global Success

With a dynamic population of over 240 million, abundant natural resources, and a vibrant economy approaching the \$1 trillion GDP mark, Indonesia has huge potential to succeed globally. In this market, however, the ability to meet international quality and safety standards is key.

The **'EU-Indonesia Trade Support Programme'** (TSP) II is supporting Indonesia in its objectives to further integrate into the world market and prosper. Specifically, the programme is geared to improving the quality of Indonesian exports to facilitate better access to demanding markets such as the EU. The TSP II is co-ordinated by the Indonesian Ministry of Trade, and involves other key government agencies, including the Ministry of Industry, Ministry of Agriculture, Ministry of Marine Affairs and Fisheries, National Standardisation Agency / National Accreditation Body, National Agency of Drug and Food Control, and the Indonesian Institute of Sciences.

The programme, which began in 2011, will last for four years and has a total EU grant of €15 million.



Information Means Access

Producing goods for export is a demanding business, and product quality is the best way to expand customer networks. Quality, however, and the related customer satisfaction and repeat orders, means meeting standards.

In order to succeed globally, countries like Indonesia must be quick to identify and adopt these standards. The TSP II has therefore supported development of an internet-based system which allows producers and exporters to obtain relevant information. The 'Indonesia Technical Regulations Information Management System' (INATRIMS) website, which is available at http://inatrims. kemendag.go.id, contains information on EU market regulations and requirements, and links to accredited authorities and assessment bodies in Indonesia. The aim is to provide all the information required by manufacturers and exporters in one user-friendly location.

"INATRIMS will help Indonesia export products with a higher added value. We are working together towards one goal: better and more competitive Indonesian exports on a global scale."

Nus Nuzulia Ishak, Director General, Standardisation and Consumer Protection. Ministry of Trade



Food Safety: Shrimps

Shrimps are the most important aquaculture product exported by Indonesia, and shrimp exports represent approximately one tenth of national production. In recent years, however, the EU has introduced testing of imports to monitor for health threats.

In order to facilitate exports of aquaculture products to the EU, the Indonesian authorities have introduced a National Residue Monitoring Plan (NRMP). The TSP II has provided support for this plan which includes laboratory staff training, providing laboratory equipment, and the dissemination of information on EU legislation. As a result of these improvements, the EU has eased monitoring on Indonesian aquaculture products.

"Indonesia and the EU are co-operating well to ensure safety standards for aquaculture exports are met. The continued support provided by the TSP programme has been of great value to enhance the NRMP and has surely contributed to the EU's decision to ease its official controls."

Maskur, Director of Fish Health and Environment, Directorate General of Aquaculture

Safeguarding Nutmeg Exports

Indonesia is the world's leading producer and exporter of nutmeg, and growing demand provides significant opportunities. However, in recent years Indonesian nutmeg has faced quality issues as a result of contamination with aflatoxins, which can cause cancer.

The TSP II is bringing together the Ministry of Agriculture and farming associations in a project aimed at upgrading all elements in the nutmeg value chain. The first phase of the project has assessed the capacities of the private sector and government agencies, and mapped the legal and regulatory frameworks. The second phase includes training on processing, sampling and analytical techniques, a review of the regulatory framework, and capacity building in the relevant authorities

"We are confident that this cooperative effort will guarantee healthy high-quality nutmeg. This will protect and improve the livelihoods of some fifty thousand farmer families in Eastern Indonesia."

Gardjita Budi, Director of Quality and Standardisation, Ministry of Agriculture

Education

2013 Disbursements in Grants and Loans (in €)

	Grants	Loans
European Union	33,680,000	
France	2,502,000	
Germany	6,362,000	320,000
Netherlands	10.086.000	

This table shows disbursements in 2013. Unless otherwise specified, funding figures in the text reflect total project allocations.

Accessible, equitable and quality education drives strong and sustainable economic growth and is a vital element in the fight against poverty and social injustice. Consequently, the EU is one of the largest donors to education in Indonesia and is contributing €320 million through the 'Education Sector Support Programme' (ESSP). This consists of:

- policy-led sector budget support with results-led disbursement: funds are released against achievement of agreed performance indicators related to expanded equitable access, improved quality and relevance, as well as improved governance and accountability. This includes progress towards achievement of the basic education Minimum Service Standards. Funds are supplied directly to the national budget, allowing Indonesia to implement its own procedures and policies;
- a capacity development programme which supports progress towards attainment of the basic education Minimum Service Standards. With an EU contribution of €37.3 million, this programme is implemented through the Asian Development Bank in 110 (one in five) districts in Indonesia:

 a joint EU-Australia funded 'Analytical & Capacity Development Partnership' (ACDP) research facility for evidence-based policy development and capacity development planning, implemented through the Asian Development Bank.

As complementary actions, the EU also supports enhancement of Indonesia's Public Finance Management through the World Bank, along with projects implemented by non-state actors.

As Indonesia is establishing itself as a middle-income country, the demand for technical and vocational skills is increasing rapidly. The EU Member States therefore support vocational education projects that provide Indonesia's youth with skills to find and maintain employment.

The EU and its Member States also support higher education, and provide more than 1,700 scholarships - through, for example, the Erasmus Mundus programme - annually for Indonesians to study at European universities, thereby contributing to increasing the skills and competitiveness of Indonesian graduates.

Education at a regional level is also supported by the EU through the ASEAN secretariat which is based in Indonesia.





Quality Education to Reduce Poverty

A two-year project, 'Improving Basic Education through Strengthening the Capacity of Local Government, Non-State Actors, and Schools', funded by the EU and the British Council with €265,000 in Kaur, one of the poorest districts of Sumatra's Bengkulu Province, has improved the provision and governance of education services.

The District Education Office is now capable of implementing Minimum Service Standards to determine which schools meet requirements, and which still need more attention and resources. Education officials are also now prepared to ensure that public interests are considered when local government resources are being allocated. In schools, teachers are better equipped to create positive environments, and school principals have been trained in managing annual school work plans and budgets.

"With the project in Kaur completed, we believe the future of education there is now in good hands. Those who have benefited will be able to continue the journey in improving the standards of education."

Sally Goggin, Director, British Council Indonesia

Education for All

Children with disabilities are often highly disadvantaged. Excluded from social life and vulnerable to neglect, many are denied education. In Nusa Tenggara Barat province, estimates suggest that only 5 % of children with disabilities go to school, and only 3 % are in inclusive schools.

To address this issue, Handicap International is running a two-year project, 'Support to the Development of a Quality inclusive Education System', funded by the EU with nearly €210,000, which is designed to support the development of an inclusive education system. Activities include studies to identify children with disabilities not in school, supporting parents, training teachers, and encouraging education officials to consider children with disabilities in their plans and budgets.

"I was very worried whether my child would be able to attend school, but Handicap International's training opened my mind. Thanks to this guidance and encouragement, I now support and accompany him as he learns to use his feet."

Ernawati, a parent of a child with physical disability in East Lombok

The European Higher Education Fair

With over 4,000 higher education institutions hosting some 17 million students and 1.5 million academics, Europe remains one of the leading study and research destinations for international students, offering both quality education and value for money. To encourage undergraduate and postgraduate Indonesian students interested in studying in Europe, and to inform academic and administrative staff working at Indonesian higher education institutions, the EU supported Indonesia's fifth European Higher Education Fair (EHEF), which was held in Jakarta and Surabaya in October 2013.

The EHEF is one of several similar events supported by the EU and its Member States across Asia. The free-entrance 2013 events in Indonesia attracted more than 13,000 visitors, who had the opportunity to explore study opportunities in Europe ranging from graphic design to nuclear engineering.

Over 115 exhibitors were present from 15 Member States, providing visitors with the chance to meet with representatives of a wide range of higher education institutions and get first-hand information on their study programmes, enrolment procedures, language requirements,

living conditions and other practical matters. Visitors also had the opportunity to learn more about funding possibilities and scholarship programmes for studying in Europe, with financial support available from individual educational institutions, national governments and the EU. Overall, the EU and its Member States provide over 1,700 scholarships each year for Indonesians to study at European universities.

A Learning World

The EHEF also provided an opportunity for postgraduate students, administrators and academics from Indonesian higher education institutions to find out more about the Erasmus Mundus programme. This programme aims to enhance the quality of higher education, promote dialogue and understanding between people and cultures through increased mobility and academic interactions, and contribute to the development of the human resources and international cooperation capacity of higher education institutions across the world.

Erasmus Mundus scholarships encourage and enable highly qualified graduate students to study in Europe for one or two years. Funds are also available for scholars to carry out teaching assignments or research work at institutions participating in the Erasmus Mundus master's programme. In 2013, Erasmus Mundus awarded scholarships to 115 Indonesian students to undertake studies at European universities. This represents the highest number of awardees in Southeast Asia

The programme also provides support to institutions that wish to implement joint programmes at postgraduate level, or to establish inter-institutional cooperation programmes. It is open to any organisation active in the field of higher education and research, as well as to graduate students, doctoral candidates, researchers, and academics.



Environment and Climate Change

2013 Disbursements in Grants and Loans (in €)

	Grants	Loans
European Union	4,588,000	
Denmark	6,365,000	
Finland	1,565,000	
France	14,000	19,908,000
Germany	14,255,000	16,700,000
Netherlands	2,422,000	
United Kingdom	17,132,000	

This table shows disbursements in 2013. Unless otherwise specified, funding figures in the text reflect total project allocations.

With its extraordinary marine and terrestrial biodiversity and vast natural resources, Indonesia is simultaneously one of the richest and most threatened areas in the world. Ranked among the highest contributors to global emissions, Indonesia is also one of the countries most vulnerable to climate change. A major source of Indonesia's emissions is carbon dioxide released into the atmosphere when forests are converted to agricultural land. Although recent data suggest a declining trend, deforestation rates over the past three decades have remained high in Indonesia.

A reduction in emissions from deforestation can however occur if the drivers of deforestation are effectively addressed. Indonesia's effort in combating illegal logging and improving sustainable forestry is part of a bold and unprecedented initiative called the EU Forest Law Enforcement, Governance and Trade (FLEGT) Action Plan. As part of the Action Plan, Indonesia and the EU have signed a Voluntary Partnership Agreement which is a legally binding

trade agreement between the EU and Indonesia to ensure that timber and timber products exported to the EU come from legal sources. The agreement looks beyond trade as it considers development and environmental issues, as well as how policies affect local populations. The process has a symbolic importance for Indonesia beyond the forest sector, as it represents the development of a more democratic Indonesia while providing an additional instrument to strengthen forest governance with the associated reduction of greenhouse gas emissions from forest and land conversion activities.

The Government of Indonesia is committed at national and international levels to address the challenges of climate change and to use forest carbon offsets to consolidate its forestry sector reforms. One way Indonesia plans to meet this target is by reducing its emissions from deforestation and forest degradation through the REDD+ mechanism. This offers the potential for innovative forms of financing for local governments and community-based resource management. The EU and its Member States continue to support this process with a number of actions and through sustained policy dialogue.





Strengthening Local Participation

Papua, Indonesia's largest and easternmost province, supports the greatest extent of undisturbed forest in the country. Despite its low population density, however, loss of forest is extensive and has accelerated in recent years, mainly due to large land-based investments.

Participatory Monitoring by Civil Society of Land Use Planning for Low Emission Development Strategies in Papua' (ParCiMon), a four-year project funded by the EU with €2,250,000, aims to address this issue by supporting local communities and local government in developing tools and systems to plan and implement low emission development strategies. To date, the project has strengthened capacities in carbon stock measurement, established groups which participate in planning and landuse monitoring, and supported development of the Papua Greenhouse Gas Emission Reduction Action Plan.

"Through ParCiMon, unique local knowledge is strengthened by combining it with science. The project allows local communities and other key stakeholders to work together to protect nature and manage resources in a sustainable manner."

Hanna Hikoyabi, Head of Jayapura Regional Planning Development Agency

Food for Thought

Soybean based tofu and tempe are fundamental elements of the Indonesian diet and key sources of affordable protein. Production also supports about 285,000 workers nationwide, around half of whom are women. However, carbon emissions may reach 29 million tonnes annually, with each tofu factory producing over 450 tonnes, and each tempe factory 27 tonnes.

Working with the Association for Advancement of Small Business' (Perkumpulan Untuk Peningkatan Usaha Kecil), a €720,000 EU-funded project, 'Sustainable Consumption and Production in the Soybean Processing Industry' (SCoPe Indonesia), implemented by Mercy Corps, aims to reduce carbon emissions by at least 260,000 tonnes annually. More environmentally friendly technologies such as Liquid Petroleum Gas (LPG) are being introduced, consumer awareness is being increased, and links are being built between food processors, government programmes and financial institutions.

"We never imagined this, but we are now setting the standards for Indonesian tempe production. Through this project we were able to build another production factory within a year using our own money, and we now have many plans for the future."

Rikamto, KOPTI, Bogor District

Disaster Preparedness and Conflict Prevention

2013 Grant Disbursements (in €)

	Grants
European Union	1,657,000
France	31,000
Germany	20,000

This table shows disbursements in 2013. Unless otherwise specified, funding figures in the text reflect total project allocations.

Located on the so-called 'Ring of Fire', an unstable collection of tectonic plates surrounding the Pacific Ocean, Indonesia is prone to earthquakes, volcanic eruptions and other natural disasters. The immense tsunami in 2004, which is estimated to have killed more than 200,000 Indonesians, is the most shocking proof of the disastrous consequences of tectonic activity. To foster better disaster preparedness, the EU post-disaster approach entails infrastructure development, housing reconstruction, good governance, capacity building, and activities to develop economic and environmental sustainability as well as a comprehensive disaster risk reduction programme.

The EU and ASEAN are enthusiastic partners in addressing global challenges, such as natural and man-made disasters. Therefore, the EU and ASEAN - including Indonesia - are cooperating closely in the area of conflict prevention and disaster preparedness. To minimise the effects

of natural disasters, efforts include activities that help countries prevent and recover from disasters. Awareness means preparedness, and the EU and ASEAN are keen to place disaster preparedness and prevention at the heart of future development.

Despite being a stable democracy, Indonesia is also occasionally challenged by sporadic and small-scale conflict, provoked by religious, political or other differences. The EU is a willing partner in supporting Indonesia in its efforts to mitigate conflicts and promote harmony. Addressing the causes of conflicts, which include poverty and challenges to good governance, is an essential step for the EU towards peace and development.

For instance in Aceh. EU development work used comprehensive means to facilitate the peaceful resolution and prevention of conflict. This included supporting the peace talks, good policing, the rule of law and civil administration EU follows the same approach in other countries around the world with similar experiences.





Building Sustainable Peace

Over ten years after the conflict in Maluku formally ended, the devastating problem of internally displaced people (IDPs) continues to haunt the province. An estimated 500,000 people are affected, and the effects inhibit progress to lasting peace.

A three-year project, implemented by Mercy Corps and supported by EU funding of over €1 million, involves approximately 30,000 individuals in 6,000 households. All three groups of IDPs – resettled, returned, and those that have done neither – are targeted, as well as some host households. The project addresses the needs of the most vulnerable, taking into account gender, female-headed households, and youth, by focusing on livelihoods, water, sanitation and health, and the capacities of government and civil society organisations.

"Mercy Corps' training has enriched my knowledge of breastfeeding, and taught me to encourage mothers to breastfeed longer. Breastfeeding is not practised much, so now I can give my patients advice and recommendations regarding good breastfeeding practices."

Meys Sahetappy, Health Skilled Midwife, Ambon, Maluku

Identify the Hazard - Reduce the Risk

Given that the foundation of disaster risk reduction (DRR) is local development that takes into account the risks faced by individual communities, the 'Building and Deepening Resilience' project, implemented by Oxfam and supported with an EU contribution of €970,000, has been working to encourage six disaster-prone districts in eastern Indonesia to identify hazards and reduce risks through 'home-grown' plans, which often involve school communities.

A particular focus is drawn on 'at risk' groups, with emphasis placed on developing replicable community-based activities, and improving livelihoods resilience in the context of global climate change. The project also works with local governments to improve coordination at provincial and national levels and strengthen the capacity of government and non-government actors to promote and develop DRR.

"We are grateful that the project was implemented in our village. It will add to the knowledge and skills of our communities in disaster risk reduction."

Yurdin, Head of Beleq village, North Lombok District

Good Governance and Human Rights

2013 Grant Disbursements (in €)

	Grants
European Union	2,403,000
Denmark	1,570,000
Finland	365,000
France	65,000
Germany	4,796,000
Netherlands	5,669,000

This table shows disbursements in 2013. Unless otherwise specified, funding figures in the text reflect total project allocations.

Democracy and human rights are universal values which ensure that all citizens are heard, can enjoy freedom and peace, and can participate in government processes. The EU shares with Indonesia a deep understanding that democracy is key to the alleviation of poverty and the prevention and resolution of conflict. Together, the EU and Indonesia therefore promote democracy, tolerance, good governance and the respect of human rights in their respective regions, and globally.

The EU's partnership in Indonesia focuses on key areas of governance such as justice, the strengthening of public finance management, and support for Indonesia's anti-corruption strategy. Good governance programmes help foster public

trust and ensure that taxpayers' money is spent effectively, fairly and transparently. They support public institutions in delivering better services to the entire population, including the most vulnerable groups, by ensuring respect for human rights.

The EU also supports a number of projects under the European Instrument for Democracy and Human Rights (EIDHR). This initiative aims to promote human rights and democracy by providing financial support to civil society organisations. In Indonesia, projects range from interfaith-dialogue, to rights of people with special needs and to the participation of marginalised groups in the 2014 election process.





Young Voices

Young voices often go unheard in designing legislation, despite the fact that people under 25 make up half Indonesia's population. Those with disabilities are doubly excluded, due to their age and their disabilities.

A two-year project, funded by the EU with €130,000, and implemented by Leonard Cheshire Disability in Jakarta and Aceh, aims to encourage young people with disabilities to advocate for their human rights and participate in decision making processes. As part of Young Voices Indonesia (YVI), around 80 members have produced movies and songs as well as worked on the Convention on the Rights of Persons with Disabilities and participated in events such as the UN Global Youth Forum

"Because we were born to be a dreamer, we were born to be a winner, we were born to be a leader, and we were born to be the change maker.

We just need you to give us the chance to show all of our ability, and we will build the world together."

from the YVI campaign song

Corruption is Crime

Corruption is acknowledged to be a persistent problem in Indonesia, and the four-year project, 'Support to the Fight against Corruption in Indonesia', funded by the EU with €2,395,000, has successfully enhanced the government's anti-corruption strategy and action plans.

Implemented in partnership with the UN Office on Drugs and Crime, Indonesia Corruption Watch, and Transparency International Indonesia, the project has focused on enhancing the capacity of law enforcement agencies and the supervisory functions of the Corruption Eradication Commission. It has also increased public participation through the national Anti-Corruption Forum.

"The project has made a significant impact to Indonesia's fight against corruption, especially in the implementation of the government's anti-corruption strategy, and the establishment of a national Anti-Corruption Forum. The Government of Indonesia will continue fighting until corruption no longer exists in Indonesia"

Diani Sadiawati, Director of Analysis of Law and Regulations, Ministry of National Development Planning

Health, Water and Sanitation

2013 Disbursements in Grants and Loans (in €)

	Grants	Loans
European Union	2,718,000	
Austria		40,000,000
France	860,000	488,000
Germany	1,400,000	72,000
Hungary		37,625,000
Netherlands	10,102,000	

This table shows disbursements in 2013. Unless otherwise specified, funding figures in the text reflect total project allocations.

Indonesia has made significant progress in healthcare since independence in 1945. Life expectancy has nearly doubled and infant mortality rates have dropped greatly. But challenges remain and continue to emerge. Public health expenditure is only 25 % of total expenditure on health, which is below the average for the region (39 %), and significant disparities in access to healthcare persist. Malnutrition still affects about two million children. The doctor to patient ratio is 1:10,000 nationally, and less in remote areas. Malaria and tuberculosis remain significant health issues, as do infant and maternal mortality, and newer threats such as HIV/AIDS are growing.

Decentralisation has meant that local governments are now handling more than half of the public health budget, and making key decisions on funding allocations. This has led to a need to rapidly increase the capacity of local health officials. Through the €11.5 million Community Health Service programme, the EU has supported the Ministry of Health in responding to this

challenge by improving the quality of services and building the capacity of local health facilities in Papua, South Sumatra and Jambi provinces.

In order to halt the transmission of HIV, tuberculosis and malaria, the EU and its Member States contribute about 57 % of the Global Fund to Fight Aids, Tuberculosis and Malaria (GFATM), and Indonesia has benefited from a commitment of over \$650 million from this fund since 2003. This makes Indonesia the 8th biggest recipient of GFATM funds.

In addition, the EU helps to improve sexual and reproductive health rights and services among young Papuans by building the capacity of civil society organisations to advocate for the implementation of youth-friendly strategies.

EU Member States also provide substantial support to further enhance Indonesia's capacity in the area of water and sanitation





Communities to Combat Malnutrition

Over recent decades, child malnutrition rates have remained stubbornly high in Indonesia. Eighteen per cent of Indonesian children under five are underweight, and 36 % are stunted. Maternal nutrition also remains a problem. The 'Maternal and Young Child Nutrition Security Initiative in Asia' (MYCNSIA), which is running from 2011 to 2014 in Central Java, East Nusa Tenggara and Papua provinces with €4.2 million of EU support, aims to address this problem.

Implemented by the Ministry of Health with support from UNICEF, the initiative promotes a complementary diet based on local foods, and uses a community-centred approach to strengthen data collection and analysis systems, and improve mechanisms for knowledge sharing and management.

"Malnutrition is a multi-factorial problem linked to poor diet and hygiene practices, childhood infections and inadequate care. It is also closely associated with poverty and deprivation, and addressing this requires a coordinated multi-sectoral approach."

Dr Nina Sardjunani, Deputy Minister, Ministry of National Development Planning, SUN Lead Group Member

Sexual Health for All

Papua has the highest incidence of HIV/AIDS among young people in Indonesia, and despite more than ten years of intervention the number of cases is not declining. A three-year project, funded by the EU with €800,000, is addressing this situation by building the capacity of civil society organisations to advocate for the implementation of comprehensive Sexual and Reproductive Health (SRH) services in four districts in Papua province.

In particular, young people and community health workers have been encouraged to interact with local bureaucrats and decision makers, and advocate for the formulation, funding and implementation of youth-orientated SRH programmes. Addressing SRH can conflict with sociocultural and religious norms in Papua, so working with religious communities and other groups has also been important.

"This provides me with an opportunity to organise young people. I have learnt how to strategise advocacy attempts to fight for the rights of young people."

Muammar Karim, Coordinator of Youth Forum, Papua

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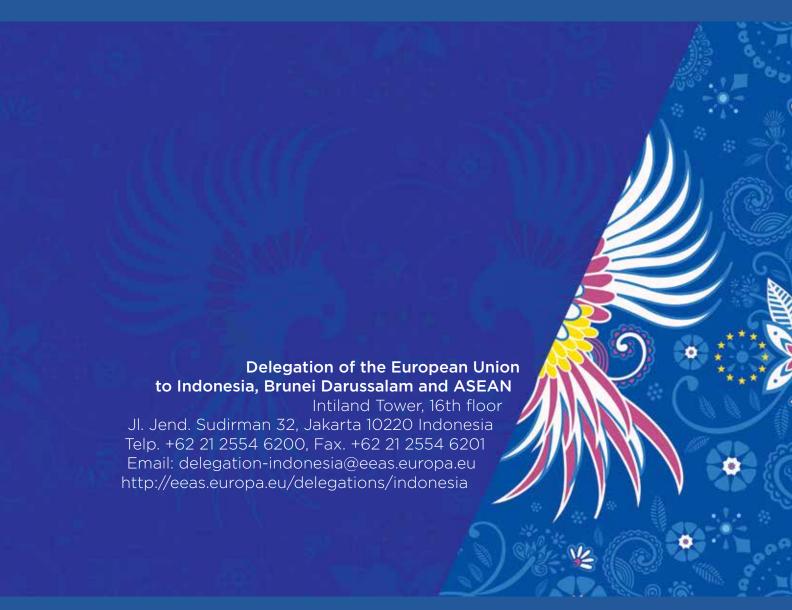
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