

## Blue Book 2019

**EU-Indonesia** 

Together for Sustainable Development





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## **FOREWORD**

### by the European Union Ambassador to Indonesia and Brunei Darussalam



Vincent Guérend

European Union Ambassador

to Indonesia and Brunei Darussalam

I am very pleased to present the 2019 EU-Indonesia Blue Book, our annual publication on development cooperation with Indonesia. The EU works closely with Indonesia on a wide range of thematic areas, from trade-related assistance and green infrastructure and growth, to environmental protection and climate resilience, human rights and civil society empowerment.

The EU and Indonesia are committed to working together to meet our global commitments under the Sustainable Development Goals and the 2030 Agenda for Sustainable Development. As stated by the First Vice-President of the European Commission, Frans Timmermans: 'Sustainable development starts and ends with people, it is about making our economy and society sustainable and prosperous at the same time.'

Indonesia has shown remarkable progress in the development of national and regional action plans, and in mainstreaming the SDGs in its development strategies. The EU remains dedicated to its support of Indonesia's efforts, with the overall objective of delivering concrete contributions to the SDGs through its cooperation programmes.

It is for this reason that we chose 'Together for Sustainable Development' as the theme for the 2019 Blue Book. In this publication, we share success stories from EU and Member States' development programmes that have supported Indonesia's economic growth, social inclusion, and environmental protection. The EU is, among other areas, working with Indonesia on the sustainable management of peatlands and transboundary haze mitigation; on good governance through close cooperation with civil society; and towards producing sustainable palm oil.

In the spirit of SDG 17 'Partnerships for the goals', the EU works closely with its Member States to support Indonesia's national infrastructure finance institution PT Sarana Multi Infrastruktur (SMI) and its platform 'SDG Indonesia One'. 'SDG Indonesia One' aims to advance SDG implementation through the development of sustainable and green infrastructure.

In 2019, the EU and Indonesia will continue to deepen their political partnership, in addressing national and global challenges, and to create sustainable communities that are able to ensure prosperity, environmental protection and social cohesion.

By adopting the 2030 Agenda, countries around the world pledged to leave no one behind in their implementation of the SDGs. The EU strives to include all segments of society, including minorities and the marginalised in its efforts to fulfil these goals at home and abroad.

I believe we are on the right track, and I am looking forward to continuing our strategic cooperation with a focus on sustainable investments, trade, environmental issues, immigration, and counter-terrorism.

I hope you find this publication an accessible and informative introduction to our cooperation work with Indonesia.











## THE EU WORLDWIDE

The European Union (EU) is a unique economic and political community of 28 European Member States that work together to improve the lives of their citizens. For more than 60 years the EU has delivered peace, stability and prosperity through its commitment to democratic processes and the establishment of a single market, which enables the free movement of people, goods, services and capital.

In 2018, the EU represented a population of more than 445 million people, and is the second largest economy in the world. Accounting for one fifth of global trade, the EU is also the world's largest importer and exporter of goods and services. As a global actor, the EU is committed to lead by example in addressing the most pressing global challenges of this century, including the fight against climate change and the promotion of peace and security.

developed a Common Foreign and Security Policy and has established the European External Action Service (EEAS) as its official diplomatic corps. The EEAS supports the work of the EU's foreign affairs chief in carrying out the EU's political, diplomatic and policy agenda globally. Over 140 EU Delegations throughout the world cooperate closely with EU Member States and other countries to promote the values and interests of the EU.

To speak with one voice in international affairs, the EU has

The EU champions equal rights and opportunities for all regardless of socio-economic background. EU development assistance is prioritised for developing countries that are in need of urgent and critical support. The EU will continue these efforts and work together with its partners towards building a peaceful, prosperous and sustainable future.



Antonio Tajani

The President of the European Parliament



Donald Tusk

The President of the European Council



Jean-Claude Juncker

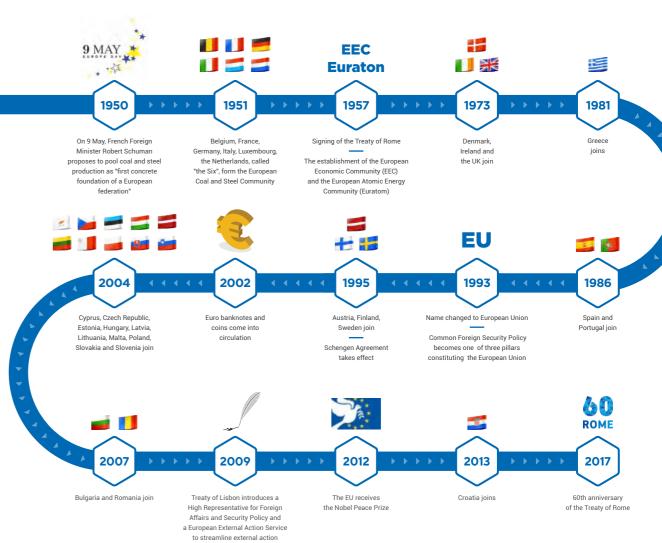
The President of the European Commission



Federica Mogherini
High Representative of
the Union for Foreign Affairs and
Security Policy / Vice-President
of the European Commission



## THE EUROPEAN UNION



## THE EU AND INDONESIA

Indonesia is a key partner for the EU, with a close relationship based on a set of shared values, including the promotion and protection of democracy, pluralism, human rights and the environment. Indonesia, as the host of the ASEAN Secretariat, serves as a hub to the region's emerging political, security and economic architecture, supporting regional integration and region-to-region partnership.

Since the EU-Indonesia Partnership and Cooperation Agreement (PCA) entered into force in May 2014, the EU and Indonesia have continuously strengthened and expanded their relationship. This is best illustrated by the start of negotiation of a Comprehensive Economic Partnership Agreement (CEPA) in 2016. Once concluded, the agreement will enable increased trade in goods and services and more investment opportunities in a combined market of 750 million people.

The EU and Indonesia also conducts a wide range of **policy dialogues** on topics such as human rights, security or climate change. Under the PCA, the EU and Indonesia Joint Committee meets on an annual basis to review existing partnership projects and explore future initiatives to enhance political, economic and socio-cultural cooperation.

The EU and Indonesia have progressed from a relationship which was previously defined by financial assistance towards a mutual partnership based on common interests. As a member of the G20, Indonesia no longer receives EU development assistance in the current programming period (2014 to 2020).



Although projects under the 2007–2013 financial framework focusing on issues such as good governance are ending in 2019, various thematic and regional programmes continue to support economic cooperation, climate change mitigation, and capacity-building for civil society.

The pursuit of the Sustainable Development Goals is an important objective of the EU's relationship with Indonesia. Together, the EU and Indonesia have undertaken concrete actions to reduce inequalities, enhance peace and security, address the effects of climate change, and support private sector development.

The success of the EU-Indonesia partnership rests on a joint commitment to the preservation of democratic values and international cooperation. Through their collective efforts and by empowering local communities, the EU and Indonesia strive to create a socially inclusive and environmentally sustainable economy for all.



# THE EU AND INDONESIA DEVELOPMENT COOPERATION

'Together with our Member States, the European Union continues to show global leadership in achieving the 2030 Agenda for Sustainable Development – internally and externally.' - Neven Mimica, Commissioner for International Cooperation and Development

Development cooperation between the EU and Indonesia has evolved from a relationship defined by aid assistance to a partnership built on Sustainable Development Goal (SDG) 17 focused on 'Partnerships for the goals'. The EU commends Indonesia's progress in incorporating the SDGs in its development plans, and is committed to supporting the country's efforts in meeting its SDG targets. Over the years, the EU and Indonesia have successfully worked on joint initiatives to: foster inclusive economic development; support civil society and promote good governance; address climate change; improve the quality of basic education; and advocate for gender equality.

Today, EU support is focused on the following shared strategic priorities: economic cooperation, including sustainable investments, as well as environmental protection and climate change mitigation. As a middle-income country with its own development cooperation activities in, for instance, the Palestinian Territories, Afghanistan, and the Pacific, the EU is also exploring new and innovative ways to engage with Indonesia, including triangular and South-South Cooperation.

As the largest country in ASEAN and the host of the ASEAN Secretariat, the EU recognises the significant role Indonesia

plays in advancing regional integration and cooperation. Indonesia also benefits from EU-ASEAN development cooperation initiatives across a variety of sectors, including trade, education, environmental protection, and disaster management.

### **ARISE Plus - Indonesia**

The newly-launched ASEAN Regional Integration Support from the EU - Indonesia Trade Support Facility (ARISE Plus - Indonesia) will help Indonesia benefit in the future from a currently negotiated EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA). The programme will work closely with the Government of Indonesia as well as other key stakeholders to enhance Indonesia's capacity to boost trade performance and competitiveness, promote sustainable and inclusive growth, and contribute to employment creation.



EU-INDONESIA DEVELOPMENT COOPERATION

### The EU at the IMF/World Bank Annual Meetings 2018



In October 2018, European Commission Vice-President Valdis Dombrovskis, Commissioner Johannes Hahn and Commissioner Pierre Moscovici visited Indonesia to participate in the 2018 Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group. The meetings showcased how public and private resources can drive innovation and high quality, climate-resilient and inclusive development for the SDGs, and provided an opportunity to exchange insights with global partners on how to drive this agenda forward.

In addition, the President of the European Investment Bank (EIB), Werner Hoyer, and Indonesia's Minister of National Development Planning, Professor Bambang Brodjonegoro, signed a Memorandum of Understanding (MoU) to further develop green infrastructure in support of climate change mitigation and adaptation projects in Indonesia.



By blending grants with loans from its Member States' development banks, Germany's Kreditanstalt für Wiederaufbau (KfW) and France's Agence Française de Développement (AFD), the EU promotes sustainable investments through the Asia Investment Facility. These projects will support Indonesia's national infrastructure financing institution PT Sarana Multi Infrastruktur (SMI) in the implementation of feasibility studies, capacity-building and project preparation, as well as technical assistance linked to development policy loans in key reform areas of Indonesia.

Another important field of cooperation between the EU and Indonesia is the protection of the environment, through the sustainable management of forests and peatlands, among others. These efforts have seen significant success with Indonesia becoming the first country in the world to obtain Forest Law Enforcement, Governance and Trade (FLEGT) licensing for its timber products exported to the EU market – a landmark achievement in the fight against illegal logging.

In 2018, the EU continued to advocate for reforms in the justice sector and in public finance management, with the overarching goal of **advancing good governance** in the country.

The EU supports civil society organisations (CSOs) in their work promoting human rights, democracy, gender equality and economic development, among other issues. A new edition of the EU Roadmap for Engagement with Civil Society ensures a more structured approach for collaboration

between civil society, central and local governments across Indonesia, and with the EU and its Member States.

As a cross-cutting issue, **gender equality is mainstreamed into all EU programmes**. The EU currently supports several projects focusing on increasing women's economic empowerment and female participation in decision-making processes.

Continuing its support in the education sector, the EU provides more than 200 scholarships annually for Indonesian students to study in Europe under the ERASMUS+scholarship scheme.

These are only a few examples of how the EU has aligned its cooperation commitments, based on the European Consensus on Development, with Indonesia's national development plans.

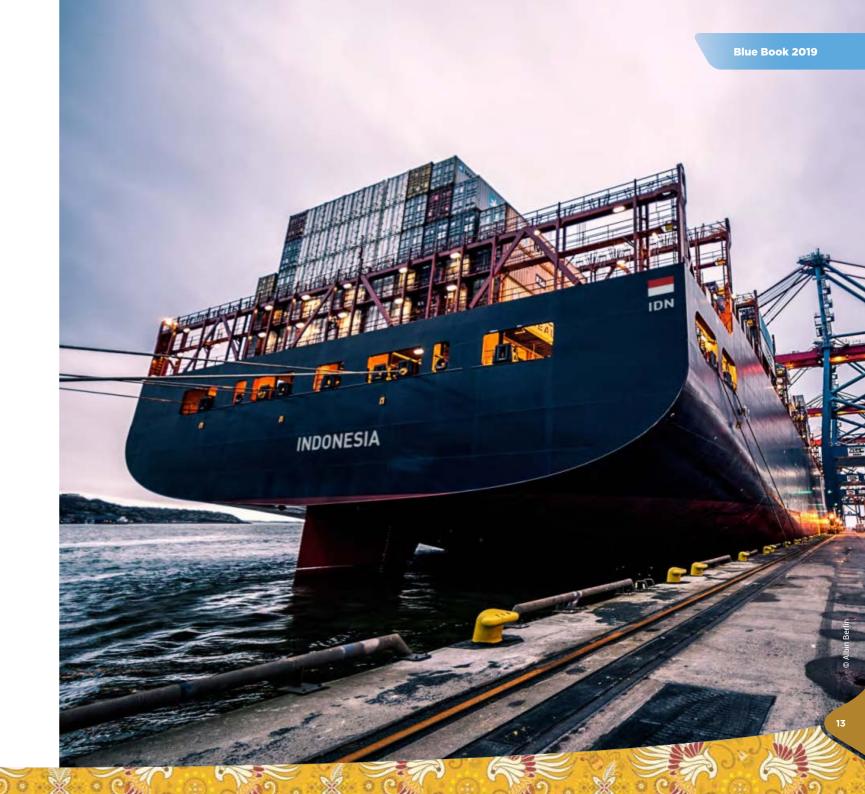
## **ECONOMIC COOPERATION**

Economic cooperation continues to be a priority area for the EU and Indonesia, with the joint objectives of increasing bilateral trade, investment and business opportunities, and pursuing poverty alleviation through sustainable economic development.

Building on the achievements of previous EU-Indonesia trade support initiatives, a new EU flagship programme was launched with the aim of strengthening bilateral economic cooperation. It will be the first trade-related EU bilateral assistance programme with Indonesia, which is closely linked to regional economic integration in ASEAN.

The Financing Agreement for the ASEAN Regional Integration Support from the EU - Indonesia Trade Support Facility (ARISE Plus - Indonesia) (EUR 15 million) was signed in August 2018. The new programme commenced its activities in early 2019, and will focus on enhancing Indonesia's competitiveness in the global value chains, improving Indonesia's trade infrastructure and procedures, and boosting job creation.





ECONOMIC COOPERATION

Blue Book 2019

ARISE Plus - Indonesia is one of the country-level interventions complementing the regional ARISE Plus programme, which supports the implementation of the ASEAN Economic Community Blueprint 2025. ARISE Plus covers a range of areas: trade facilitation; customs; transit and transport facilitation; standards and conformance (particularly on agro-based products); economic statistics; Intellectual Property Rights (IPR); civil aviation; and the institutional strengthening of the ASEAN Secretariat.

More specifically, the ARISE Plus regional programme and ARISE Plus - Indonesia will support efforts to improve the regulatory framework for food standards and safety, including the introduction of Rapid Alert Systems for Food and Feed (RASFF), a notification tool for health-related risks detected in the food chain. The two programmes will also contribute to strengthening IPR frameworks, including the development, promotion and protection of geographical indications, which are distinctive signs used to identify a product whose quality, reputation or other characteristics is linked to its geographical origin. Both projects will facilitate the integration of small- and medium-sized enterprises (SMEs) into global value chains, raise awareness of internationally recognised technical standards, and build the capacity of businesses to comply with these standards.

Two additional EU initiatives continue to facilitate market access for EU companies in Indonesia, and promote favourable foreign investment policies in the country.

## **EUROCHAM**

The European Chamber of Commerce (Eurocham) in Indonesia focuses on proactive advocacy with the Indonesian government, and has provided business insights relevant to the negotiation of the Comprehensive Economic Partnership Agreement (CEPA).



342

working groups and member forums



175
courtesy meetings



113 letters of recommendations

## **EIBN**

The EU-Indonesia Business Network (EIBN) facilitates the expansion of EU companies to Indonesia and ASEAN, and raises awareness of the potential trade and investment opportunities presented by the Indonesian market in Europe.



A consortium of **six** European chambers of commerce in Indonesia and **two** counterparts in Europe



1916
business enquiries
received since 2013



As of January 2017, the EU Desk at the Indonesia Investment Coordinating Board (BKPM) is supported by EIBN



The EU also supports civil society initiatives targeted at driving inclusive and equitable local economic development. These grant programmes focus on sustainable cocoa production, the improvement of livestock value chains, community-based ecotourism and youth skills development.

## **POVERTY REDUCTION** THROUGH ECOTOURISM

**Creative Entrepreneurship for Accelerating Tourism** and Local Economic Development Project (CREATED)

Flores, one of the islands in East Nusa Tenggara (NTT), is blessed with magical beauty, wonderful nature, and spectacular geology. It is no wonder that tourism is one of the island's fastest growing industries. The number of tourists coming to Labuan Bajo, the main entry point of Flores, has more than tripled in only four years, growing from over 41 000 in 2014 to more than 137 000 in 2018. with the number of hotels doubling in the same period.

Such boom in tourism should provide rich economic opportunities for the surrounding villages, but this has not always been the case. In order for local communities and businesses to cater to the needs of a modern tourism industry and harness the opportunities it brings, their capacity needs to be developed.

In response, the EU supported three Indonesian nongovernmental organisations (NGOs) led by the Indonesian Ecotourism Foundation (INDECON), to implement a project on tourism and local economic development in Flores. With a focus on West Manggarai, Manggarai and Ngada Districts, CREATED aims to increase the tourism sector's contribution to poverty reduction and equitable local economic growth. CREATED supports the development of local economic policies, and accelerates links between both tourism and local economic development in cities and the surrounding villages.





Implemented between 2016 and 2019, CREATED encourages the participation of civil society organisations (CSOs) by engaging and consulting with local communities and businesses, and ensuring that local development programmes, especially those related to tourism, benefit the people. The project also facilitates capacity-building activities for communities and local businesses to add value to their products and enhance entrepreneurship.

CREATED has conducted English language trainings, as well as guest service and homestay management for more than 1000 people, 84 per cent of whom are women, and established more than 12 community groups which provide tourism services, including the production of more than 30 variants of community products such as tour packages. As a result of the EU's support, participating villages have seen tourist numbers and their incomes grow.



Ecotourism programmes in these villages have been recognised not only by the local communities but also by Indonesia's Ministry of Tourism. Waerebo, a traditional village supported by CREATED, won the Gold Award for the Cultural Heritage Category in the 2018 Indonesia Sustainable Tourism Award (ISTA), organised by the Ministry of Tourism.

When receiving the award in Jakarta, Mr. Yosef Katup, a representative from Waerebo Cultural Preservation Board (LPBW), a local community organisation managing the ecotourism programme in Waerebo, proudly said, 'The award is thanks to [the] great and hard work of many people, including INDECON who has improved the capacity of Waerebo community in tourism. The award is a challenge for us to always improve.'

1000 **PEOPLE TRAINED** 84% ARE WOMEN

## THE RETURN OF COCOA

**Sustainable Cocoa Development Programme (SCDP)** 



centres for cocoa. For the past decade, low market prices and a lack of adequate support to farmers has led to the production of other commodities, gradually eroding cocoa growing traditions. Recently, these villages have returned to their past glory, thanks to the EU-supported Sustainable Cocoa Development Programme (SCDP), in collaboration with the East Java Exporters' Association (GPEI), and the Indonesian Coffee and Cocoa Research Institute (ICCRI).

SCDP aims to increase cocoa production in East Java. The programme has been implemented in five districts in East Java: Blitar, Malang, Pacitan, Trenggalek, and Bondowoso. In only a few years, farmers participating in the programme have seen results.

One of them is Wijiyanto, a cocoa farmer from Sukowati village, Trenggalek, who commented, 'All my hard work and dedication will pay off. I planted 800 cocoa seeds from ICCRI on one hectare of land, and around 60 per cent of the planted cocoa trees have produced fruits in only 16 months. I look forward to the harvest time in the next few months.'

Before SCDP, the cocoa price was between IDR 19 000 and IDR 20 000 per kilogram. After three years of project implementation and subsequent improvements in product quality, the price has increased by around 30 per cent.

As Wijiyanto notes, 'We will continue to expand our cocoa plantation, because cocoa sells very well. One kilogram of dry cocoa is priced between IDR 23 000 and IDR 25 000 in our village. Farmers in Trenggalek, trained in the fermentation process through SCDP, can command an even higher price for fermented cocoa between IDR 30 000 and IDR 35 000 per kilogram. At these prices, cocoa farming can be fairly profitable.

'We estimate that we can harvest one to one and a half tonnes of dry cocoa per hectare', said Supomo, another cocoa farmer from Wonoanti village, Pacitan.

With more chocolate factories starting to operate in East Java, the need for cocoa has increased and could reach 200 000 tonnes per year; cocoa supplies from East Java are currently only 35 000 tonnes per year. In each of the five districts, the SCDP has had ten hectares of demonstration plots to showcase good cocoa farming practices.

SCDP's success is expected to motivate district-level governments to sustain cocoa farming development. Pacitan District Head Indartato observes that despite the sluggish growth in cocoa farming in the last ten years, cocoa remains the agrobusiness with the most potential in Pacitan. He welcomes the work of SCDP and its input into increasing economic productivity in rural areas.

'Pacitan's land potential is still great for cocoa farming. We welcome any investor who is interested in partnering with the farmers. This way, not only would the cocoa farmers be more prosperous, their past glory would also be fully restored.' - Indartato, Pacitan District Head

## **PEER EXCHANGES ON** SUSTAINABLE PORT MANAGEMENT

Capacity-building Programme with Grand Port Maritime of Le Havre (GPMH)

In Indonesia, the world's largest archipelago, ports play a significant role in contributing to connectivity and economic development. The French Government is supporting the Government of Indonesia (GoI) to improve Indonesian ports through a partnership with the port of Le Havre in Northern France and the Agence Française de Développement (AFD).

Since 2017, AFD has supported the Gol's reforms in the logistics sector, and in 2018 set up a capacity-building programme with public institutions, the Grand Port Maritime of Le Havre (GPMH) and the Indonesian Ministry of Transport.

The two-year initiative has enabled Indonesian port authorities to exchange know-how and best practices with experts from GPMH in both Le Havre and Jakarta on various port management topics, including investment strategies and environmental issues.

'Regular training is vital for sharing best practices on port management, to make the port sector more innovative and efficient, and to develop and strengthen the relationship between Indonesian and French ports.' - Abdul Rahman, Manager of Tarakan Port in North



Through this capacity-building initiative, Indonesian authorities have become familiar with EcoPorts, an approach for which GPMH is internationally recognised. It is a more environmentally responsible port management model which reconciles port performance and preservation of the environment.

Improving port efficiency is at the heart of the capacity-building programme, including waste treatment, and the implementation of tools for assessing the environmental performance of ships.



## STRENGTHENING LOCAL GREEN FINANCING

PT Sarana Multi-Infrastruktur (PT SMI)

Renewable energy and sustainable infrastructure initiatives often face a shortage of funding sources, and are perceived as risky investments in Indonesia. To address this financing gap, the Agence Française de Développement (AFD) and the United Kingdom's (UK) Department for International Development (DFID) have supported the efforts of PT Sarana Multi-Infrastruktur (PT SMI), a public financial institution, to finance infrastructure projects in Indonesia focusing on climate change mitigation and adaptation.

In 2015, AFD agreed to commit more than EUR 94 million to assist Indonesia to move closer to achieving the Sustainable Development Goals (SDGs). The cooperation focused on financing small- and medium-scale renewable energy projects. Through a credit facility and risk reduction mechanism, the partnership has allowed PT SMI to invest in a number of minihydro and water supply projects. There has been a reduction of 300 000 tonnes in carbon emissions and an increase of 1.5 million people accessing sustainable water sources as a result of the additional funding.

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'Our partnership with AFD has helped us make significant progress in becoming a key development financial institution in Indonesia. AFD's support is not restricted to financing only, but extends to grants, knowledge transfer and the sharing of tools and methodologies, which enabled PT SMI to explore new frontiers, especially in the renewable energy sector.' - Darwin Trisna Djajawinata, PT SMI's Project Development and Advisory Director





€94 MILLION

COMMITTED TO ASSIST INDONESIA TO ACHIEVE THE SDGS

## FOR THE GREATER GOOD: PUBLIC SECTOR CAPACITY DEVELOPMENT

**Innovation and Investment for Inclusive Sustainable Development (ISED)** 

Indonesia's economy has grown around five per cent annually in recent years. This is relatively high compared to other lower middle-income countries, but not high enough to create sufficient employment opportunities. The lack of job creation affects the country's young population. The Indonesian labour market is characterised by a high number of unskilled workers, a lack of skilled professionals who meet the job market requirements, and a stark difference in employment opportunities between urban and rural areas.

Supported by the German Ministry of Economic Cooperation and Development (BMZ), the Innovation and Investment for Inclusive Sustainable Development (ISED) project aims to create inclusive employment through an integrated approach to employment promotion, vocational training, and inclusive business. With a funding of EUR 7.5 million, ISED has been developing the capacity of the public sector and private sector partners for inclusive business and supply chains. Inclusive business practices provide goods, services, and livelihoods on a commercially viable basis to people living at the base of the economic pyramid, making them part of the value chain as suppliers, distributors, retailers, or customers.

Running between 2017 and 2021, ISED operates in various sectors of the economy, at both national and regional levels. At a national level, ISED supports the Government of Indonesia in reforming vocational training, through political consultation and dialogue with relevant policy makers. At the regional level, two sectors have been selected to trial ISED's approach: tourism, and the food and beverage manufacturing, with a sustainable tourism project in Lombok, West Nusa Tenggara (NTB) chosen as one of the first pilots. The technical experience gained at the regional level continuously feeds into the development of relevant national programmes.



The ISED project has given the public and private sectors in Indonesia the opportunity to learn and understand each other.

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Veronica Shinta Dewi, Head of Human
Resources of Nutrifood, a food and beverage
company and one of ISED's private sector
partners, said, 'Indonesian-German
development cooperation through ISED [has]
become a milestone for Nutrifood to prepare
our human resources to be ready for industry
4.0 and the disruption era, especially in soft
skill, technical and digital capabilities.'

## **BUILDING BACK BETTER**

**Sulawesi/Lombok Programme for Earthquake and Tsunami Infrastructure Reconstruction Assistance (PETRA)** 

In August 2018, a 7.0 magnitude earthquake jolted the Island of Lombok, West Nusa Tenggara (NTB) Province, killing nearly 600 people, displacing 400 000 people, and damaging more than 70 000 homes. In the following month, Palu City in Central Sulawesi Province was hit by a 7.4 magnitude earthquake followed by a tsunami, killing over 2000 people, displacing more than 173 000 people, and damaging 68 000 homes, 1500 education buildings, and 176 health facilities, including two major hospitals.

The Government of Germany acted swiftly to support people in the disaster areas by providing a grant fund of EUR 25 million, which Germany's Kreditanstalt für Wiederaufbau (KfW) and the UN Development Programme (UNDP) are managing through the Sulawesi/Lombok Programme for Earthquake and Tsunami Infrastructure Reconstruction Assistance (PETRA). The fund has been leveraged for the reconstruction of critical infrastructure facilities in Central Sulawesi and NTB, including health stations and hospitals for up to 200 000 people, education facilities for 10 000 children, and the rehabilitation of dumpsites, as well as the construction of a sanitary landfill in order to dispose of up to 150 tonnes of solid waste per day.

'I was shocked by the many losses and severe damages
I witnessed on my last visit to Sulawesi. I am therefore

very proud of this important project, which is also a great example of the solidarity between our countries. I am looking forward to guick and visible results.'

- Dr. Peter Schoof, Ambassador of the Federal Republic of Germany to Indonesia, ASEAN and Timor Leste





Managed by UNDP Indonesia, this multi-year programme (2019-2022) will work in close collaboration with the National Development Planning Agency (BAPPENAS), the National Agency for Disaster Management (BNPB), and the provincial governments of NTB and Central Sulawesi. The reconstruction will align with the Reconstruction Master Plan and Plan of Action, currently in the process of being finalised by the Government of Indonesia.

UNDP Indonesia Country Director, Christophe Bahuet, thanked the Government of Germany for their financial contribution, 'As we enter the recovery and reconstruction phases, the funding from KfW Development Bank will provide much-needed resources to [the] reconstruction process and restoration of public infrastructure, like health, education [and] solid waste management. It will also help communities restart their economic activities and become more resilient to future shocks.'

## EMPOWERING WOMEN THROUGH AQUACULTURE BUSINESSES

Improving Technical Skills and Practical Knowledge in Aquaculture for Fish Cultivation as a Small Business

Irish Aid is supporting women's groups in the villages of Sei Gohong Lewu and Trans, in Palangkaraya Municipality, Central Kalimantan (Kalteng), to expand their small-scale aquaculture businesses. This project builds upon the previous success of the women's groups' fish businesses, generating extra income for the women involved.

The project collaborated with the Palangkaraya municipal government to conduct a value chain analysis of the small-scale fish business sector, providing a deeper understanding of the main drivers, opportunities and constraints in the sector. The analysis identified a need to improve the technical skills and practical knowledge in aquaculture for fish cultivation of the women's groups.

To meet this need, the project has increased the business capacity of the women by training them to develop their technical skills in aquaculture. The training provided a range of skills from ways to hatch catfish fingerlings, breed catfish and larvae, and construct ponds, to techniques in local fish food production, breeding and harvesting, and management of small-scale enterprises.

The training has brought an immediate benefit to the business groups.





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'I joined this training on fish product processing to improve my knowledge and expertise, which has helped me fulfil my family's needs and to improve my income level. I now know how to make crisps and fish balls, and have learnt how to manage business finances', said Anis, a member of Gohong Hapakat Joint Business Group, who participated in a training session on fish product processing in October 2018.

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# CLIMATE CHANGE AND THE ENVIRONMENT

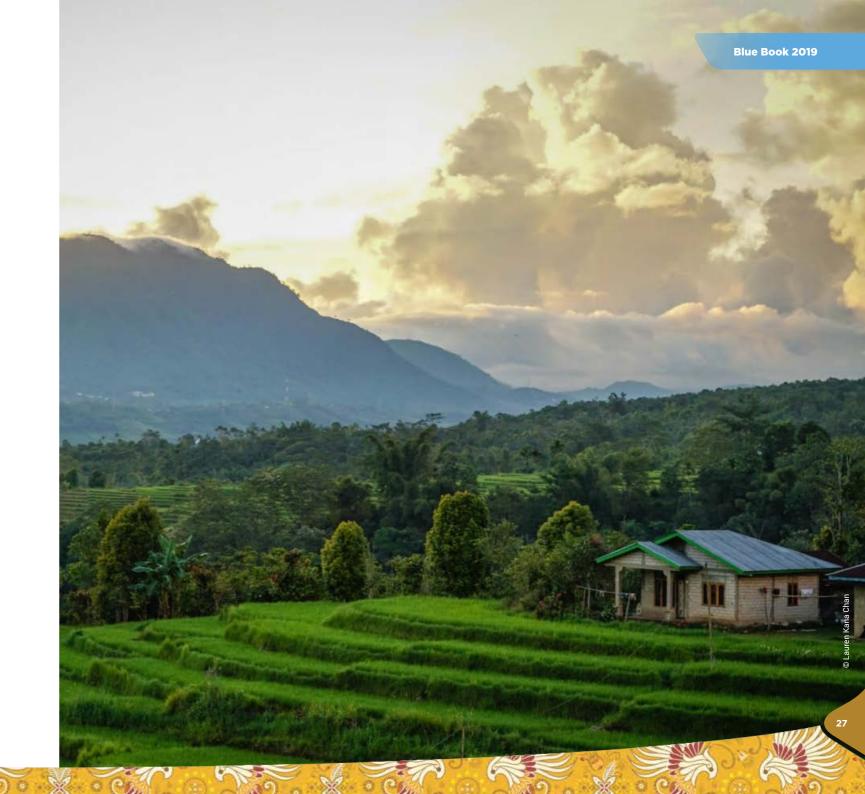
Against the backdrop of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), the EU is committed to building a circular, resource-efficient, low-carbon and climate-resilient economy. The EU seeks to balance sustainable economic growth and poverty alleviation, with climate-resilient development and conscious efforts to reduce greenhouse gas emissions. Following the 24th Conference of the Parties to the United Nations Framework Convention on Climate Change (COP24) in December 2018 in Katowice, Poland, the EU turned its efforts to the full implementation of the Paris Agreement Work Programme both within its own borders and globally.

The EU stands ready to support Indonesia in the preparation of its Nationally Determined Contributions (NDCs), a country-level commitment towards climate change mitigation and adaption under the Paris Agreement. Along with its Member States, the EU will work with Indonesia to achieve shared climate goals, focusing, in particular, on sustainable, low-emission land use, energy efficiency and climate change adaptation.

The EU strives to identify and utilise best practices in building climate resilience through initiatives such as the Global Covenant of Mayors for Climate and Energy, which aims to mobilise cities and local governments towards ambitious climate and energy action, or through the



Sustainable and Innovative Cities and Regions programme, which promotes sustainable urban development. The EU is aware of and is committed to support the difficult balancing act required from Indonesia to boost **energy efficiency and renewable energy** sourcing while completing the electrification of the country, which is a national priority for the Government of Indonesia.



CLIMATE CHANGE AND THE ENVIRONMENT

The EU's Renewable Energy Directive 2021-2030 sets ambitious targets to increase the use of energy from renewable sources, including the use of sustainably produced biofuels. It opens a difficult but necessary dialogue with producing countries, such as Indonesia, on the sustainable and environmentally friendly production of food-based biofuels, which is also consistent with the country's economic development trajectory.

The EU and Indonesia work closely in the areas of technical cooperation and policy dialogue to address three of the main drivers of deforestation, land degradation and rising greenhouse gas emissions: forestry; palm oil production; and peatland drainage and its associated fire risks. To reduce the adverse environmental impact of these industries, and to mitigate their contribution to climate change, the EU supports:

- Forest Law Enforcement, Governance and Trade (FLEGT) licensing for timber products to combat illegal logging;
- The Forest Carbon Partnership Facility (FCPF) targeted at forest conservation and sustainable forestry;
- The EU REDD Facility focused on reducing emissions from deforestation and forest degradation:
- Studies on strengthening and expediting the Indonesian certification for sustainable palm oil (ISPO);
- The use of Copernicus Remote Sensing, a tool developed as part of the EU's Earth Observation programme, Copernicus, for improved peatland mapping.



The EU's Support to Indonesia's Climate Change Response (EUR 6.5 million) programme was successfully completed in 2019 after four years of operation. One of its key achievements included the development of a roadmap to strengthen the five regional units of Indonesia's Directorate General of Climate Change, a government body focused on tackling climate change-related issues within the Ministry of Environment and Forestry.

The project also contributed to the 'greening' of Provincial Development Plans (RPJM), and the incorporation of climate change commitments and targets in the official planning and budgeting framework, governing provincial policies for the next five years.

### **Disaster management & response**

In 2018, the EU assisted Indonesia in the aftermath of the natural disasters which struck in Lombok, Sulawesi and the Sunda Strait.

The total collective humanitarian aid provided by the EU and its Member States amounts to around EUR 20 million, in addition to the civil protection and humanitarian experts deployed to Jakarta and the disaster areas to participate in the damage assessment, and to help coordinate the EU's relief efforts.

In addition, the Copernicus satellite mapping service was activated to produce satellite imagery of the affected areas to assess the damage caused by the earthquakes and tsunamis. In order to provide better information on such events in the future, the EU's Joint Research Centre is, together with the Indonesian Tsunami Society (IATsI), the Marine Research Center of the Ministry of Marine Affairs and Fisheries (KKP) and the Meteorology, Climatology and Geophysical Agency (BMKG), working on developing an Emergency Early Warning System.

### **Our Ocean Conference**



In October 2018, Karmenu Vella, the EU Commissioner for Environment, Maritime Affairs and Fisheries, attended the Our Ocean Conference in Bali, Indonesia. The theme 'Our Ocean, Our Legacy' reflected on the choices and actions needed to sustain ocean resources and preserve ocean health. The EU made 23 new commitments worth around EUR 300 million, which include projects to combat plastic pollution, work towards a more sustainable blue economy, and improve research and marine surveillance. Among these commitments, a EUR 9 million project will focus on tackling marine litter in East Asia, notably in China, Indonesia, Japan, the Philippines, Singapore, Thailand and Vietnam.

At the regional level, several EU cooperation projects with ASEAN directly benefit Indonesia. These initiatives focus on the sustainable management of peatlands and transboundary haze mitigation, biodiversity conversation and the management of protected areas, and region-to-region dialogue on the environment, climate change and the circular economy through the Enhanced Regional EU-ASEAN Dialogue Instrument (E-READI).

## PIDIE DISTRICT AT THE FOREFRONT OF CLIMATE CHANGE MITIGATION



Support to Indonesia's Climate Change Response Technical Assistance Component (SICCR-TAC)

The EU-funded project targeted at supporting Indonesia's climate change response helped the enactment of a district head's decree in Pidie, Aceh Province. The decree provided an opportunity for villages to be at the forefront of climate change mitigation, to counter the adverse impact of climate change, and to prepare for a more resilient future. This is the first decree of its kind in Indonesia, allocating village funds to support environmental and forest protection, thanks to the strong commitment of the Pidie District Head to low carbon development. Environmentally, Pidie is vital to Aceh. It is an upstream area, home to 13 watersheds. 60 per cent of its territory is forest, most of which is protected.

The decree was the result of the project's advocacy strategy which involved consulting with various experts and representatives from the Ministry of Home Affairs, the Ministry of Finance, the Ministry of Rural Development, and the Ministry of Environment and Forestry. After the consultations, facilitation of legal drafting and deliberation followed. The environment and forestry provincial office was the main local stakeholder.

The project, which was implemented between February 2016 and January 2019, was a partnership between the Government of Indonesia and the EU in addressing climate change, implemented under the auspices of the Ministry of Environment and Forestry. It focused on building the Government of Aceh's capacity around its efforts towards low-carbon, low-emission economic development.



The project had the opportunity to present its success at the United Nations Climate Conference, COP 24, in Katowice, Poland, in December 2018. Pidie's initiative has been commended as crucial by the Director General of Climate Change, Dr. Ruandha Agung Sugardiman, in realising Indonesia's Nationally Determined Contribution (NDC), a commitment to reducing greenhouse gas emissions. This initiative has been used as an example to encourage similar actions in other regions throughout Indonesia.

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'We will replant the forest watersheds and catchment areas to maintain our water supply and prevent floods and landslides. The Pidie District Head's decree reminds us to incorporate environmental and forest protection as an integral part of our village budget planning.'- Yusuf Adam, the Village Treasurer of Alue Lada Village, Pidie District, Aceh

## SUSTAINABLE CINNAMON AND COFFEE, FOR A SUSTAINABLE FUTURE



Developing Green Economies for Cinnamon and Coffee Farmers in Protected Forest Landscapes of Kerinci Seblat National Park (KSNP)

Developing sustainable agricultural practices is at the forefront of efforts to preserve the forest ecosystem in Jambi Province, a region with one of the highest levels of deforestation in Indonesia. Studies have shown that in the last five years, at least one million hectares of primary forest area has been destroyed or transformed into agricultural land.

Belgium supports Rikolto in Indonesia in implementing a project focused on developing green economies for cinnamon and coffee farmers in the Kerinci Seblat National Park (KSNP) in Jambi. Rikolto is part of a partnership between international and local NGOs that works to empower farmer groups to become solid business partners to implement future-proofed sustainable practices.

The project applies a Payment for Ecosystem Services (PES) model, where farmers receive financial and non-financial incentives for their environmentally friendly agricultural practices. The project collaborates with local farmer organisations such as TAKTIK and Koerintji Barokah Bersama Cooperative (KBBC) to ensure that they follow good agricultural practices. This includes, for example, selecting only a few cinnamon trees for harvest at once, in combination with cultivating other crops (intercropping) such as avocado, ginger, turmeric, and chili.

Sustainable practices are only possible when a sufficient, diversified income for the farmer families is assured. For this reason, PES identifies commodity chain actors, such as private sector and government partners, who are willing to provide incentives to farmers in exchange for ecosystem services. For example, the farmers provide the protection of watersheds in exchange for better infrastructure and clean water.



The project is also helping farmers, young and old, to strengthen their business and organisational skills, and to access domestic and international markets for their cinnamon and specialty coffee. With the knowledge and new skills farmers have gained through the initiative, they will not only benefit financially from better prices for their produce, but also be better placed to take ownership of both business development and conservation efforts.

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'Through the Payment for Ecosystem Services, we learnt that cultivating coffee in a sustainable manner will help us restore and preserve our forests. By adopting sustainable agricultural practices, we are also able to produce higher quality coffee, which gives our products greater economic value.' - Triyono, Head of Koerintji Barokah Bersama Cooperative

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## **TURNING TRASH INTO TREASURE**

### **Cooperation for Circular Economy and Waste in Indonesia**

Indonesia is the second biggest plastic polluter of the world's oceans, which is putting a major strain on Indonesia's maritime and tourism industries.

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'It is sad how much waste and plastic gets dumped in the sea, which is why I have launched a new inter-agency cooperation for Circular Economy and Waste in Indonesia', said Danish Minister for Development Cooperation Ulla Tørnæs, while visiting Indonesia in 2017.

This bilateral partnership will also support Indonesia's transition to a more circular economy. This means harnessing waste as a resource, instead of continuing to use landfills that are quickly approaching maximum capacity, discharging waste into rivers, or burning substantial amounts of waste in open fires. These factors are all contributing to air and water pollution, and to increasing greenhouse gas emissions.

A number of Danish companies have visited Jakarta to present solutions to the local authorities and partners to mitigate the problem of plastic pollution.

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Mochamad Satua Oktamalandi, Vice General Secretary of Indonesia Solid Waste Association noted, 'It is an advantage for us to know what steps to take to achieve the same status as Denmark on waste management with our limited resources.'





Alongside the private sector's work to introduce sustainable technologies in the waste sector, the cooperation aims to increase knowledge and capacity on circular economies and waste management at various levels in the government and in the field of research.

## (EM)POWERING THE ISLAND COMMMUNITIES

### **Strategic Sector Cooperation (SSC) on Energy**

Indonesia is striving to ensure that its entire population has access to electricity. The Government of Indonesia (GoI) has an ambitious agenda to increase the country's power capacity by 5600 megawatts (MW) annually to reach the power capacity growth of 35 000 MW by 2020. The GoI also aims to ensure 23 per cent of the energy mix comes from renewable sources by 2025.

Between 2016 and 2018, under the Strategic Sector Cooperation (SSC) on Energy, the Danish Government assisted the Gol in developing relevant policies, strategies and solutions to increase the electrification rate, and to achieve its long-term renewable energy and energy efficiency targets.

One of the first projects under the SSC was to create a model of reliable electricity supply on Indonesia's remote islands, including Parang, Nyamuk, and Genting in the Karimunjawa archipelago in the Java sea. Residents of the islands previously had electricity for only six hours a day, produced by expensive diesel generators. Thanks to the SSC project, an additional capacity of 182 kilowatt peak from solar photovoltaic (PV) energy was installed, providing the island communities with 24-hour electricity at a reduced tariff, which contributed to reducing carbon emissions by approximately 3200 tonnes per year.

The change has had a significant social and economic impact.



'Now that we have 24-hours-a-day access to electricity from the solar PV facilities, the housewives have created a small home-based business group to make mango chips to increase our families' incomes', said Wakhidatun, a mango chip producer on Parang Island.





Of Indonesia's 17 000 islands, many still generate their electricity from unsustainable diesel and coal-fired power plants, including Lombok, a popular tourist destination island, east of Bali. In Lombok, the Danish Government supported a study to showcase how an increase in electricity demand can be met in a cost-efficient and sustainable way to support a low carbon transition.

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Titled Lombok Energy Outlook 2030, the study provides 'a thorough framework that can guide and support not only the development of a low-carbon transition in Lombok, but also scale up the potential and apply it on islands all over Indonesia', explained Søren Mensal Kristensen, Head of Energy Cooperation at the Embassy of

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## SAFEGUARDING OUR OCEANS AND COASTLINES

The Blue Action Fund (BAF)

The Agence Française de Développement (AFD) joined the Blue Action Fund (BAF) in October 2018 by providing a EUR 2.5 million grant to reinforce BAF's efforts in protecting marine biodiversity and supporting ocean and coastline conservation in the Asia-Pacific region. The BAF was established by the German Ministry for Economic Cooperation and Development (BMZ), through the KfW Development Bank, and is also supported by the Swedish Ministry of Foreign Affairs.

The financing agreement was signed by Emmanuel Baudran, Country Director of AFD Indonesia, and Markus Knigge, Executive Director of Blue Action Fund, on 28 October 2018, before the opening of the Our Ocean Conference in Bali, held on 29 and 30 October 2018.

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Markus Knigge, Executive Director of Blue Action Fund, said, 'The ocean belongs to no one, we all share responsibility for it. So, we are excited that the AFD has joined Blue Action Fund, and look forward to combining knowledge, resources and determination to safeguard the oceans for future generations.'

Scaling up intervention for conservation and sustainable management of marine and coastal areas is one of AFD's strategic priorities globally. Non-Governmental Organisations (NGOs) play a major role in promoting the conservation of marine and coastal ecosystems in developing countries. The BAF will allocate grants to selected NGOs following a call for proposals led by AFD. A new BAF call for proposals was launched during the Our Ocean Conference.



The projects funded by the BAF address critical aspects of marine biodiversity, including: the promotion of aquaculture and sustainable fisheries; support for inclusive fisheries and aquaculture sectors; the protection of marine and coastal biodiversity; and support for the communities that depend on them.

## HARMONY AMONG COMMUNITIES, HARMONY WITH NATURE



**Forests and Climate Change Programme (FORCLIME)** 

Active since 2013, the Forests and Climate Change Programme (FORCLIME) aims to reduce greenhouse gas emissions from the forestry sector, while improving the livelihoods of Indonesia's poor rural communities. FORCLIME is a bilateral programme between the Government of Indonesia and the German Federal Ministry for Economic Cooperation and Development (BMZ) with a total German contribution of EUR 11.9 million.

FORCLIME is a national programme that deals with local forestry and environmental issues. One such example took place close to the Malaysian border. Located in the heart of Kalimantan, Kapuas Hulu District is inhabited by a variety of traditional groups, including the Dayak communities of Iban and Embaloh, as well as Malay communities. They rely on natural resources for their livelihood, and live close to national parks. Clear boundaries and land use rights for these villages are not always a given, causing dispute between forest-dependent communities.

To prevent such conflicts, FORCLIME facilitated a consultative process which involved engaging village representatives in mediation and participatory mapping. This mapping exercise determined jointly agreed village boundaries, reducing potential conflict between village communities. The communities also used the mapping exercise to identify village potential, helping them decide how to use their land more productively.



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Sebatopa, the project's local non-governmental organisation (NGO) partner said, 'Through participatory mapping processes, the local communities were not only able to identify the village boundaries but also the potential of their village. They are now aware of the spatial land use patterns in their village.'

## SMART RICE: PRODUCING RICE SUSTAINABLY

**Green Economy and Locally Appropriate Mitigation Actions in Indonesia (GE-LAMA-I)** 

Rice is Indonesia's most important staple food, which makes rice production central to Indonesia's food security. Despite its importance, rice production contributes to nearly half of Indonesia's greenhouse gas emissions from agricultural activities. Making rice production sustainable is vital to Indonesia's agricultural sector.

Funded by the International Climate Initiative of the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety (IKI-BMU) in collaboration with the World Agroforestry Centre (ICRAF), the Indonesian Agricultural Environment Research Institute (IAERI) and local government partners, the EUR 5 million project to develop a green economy and locally appropriate mitigation actions has supported Indonesia's global leadership in reducing land-based emissions.

To achieve sustainable self-sufficiency in rice production by reducing emissions, GE-LAMA-I has formulated and tested an environmentally friendly agricultural system in rice production – known as Smart Rice – in three districts in Central Java. Smart Rice includes: the utilisation of climate information for crop planning; the selection of superior varieties and seed quality management; proper land preparation and soil nutrition management; the application of water saving and efficient technologies; and integrated pest management. The test results showed that the Smart Rice approach is more productive and generates higher profit. Equally important, the approach also causes less greenhouse gas emissions and uses less water.



Mubayyinah, a farmer in Banjarnegara District said,
'We are thankful to be involved and be in partnership with the
Government of Germany under GE-LAMA-I. Smart Rice is not
only contributing to reducing greenhouse gas emissions,
farmers can also harvest more by using organic farming
systems than by conventional systems. It has been proven.'

On the advocacy front, GE-LAMA-I strengthened the capacity of local governments to combine development and spatial planning, and to synergise climate change mitigation and adaptation actions through multiple stakeholder negotiations. The project helped develop guidelines for mainstreaming the green economy in the district mid-term plan. As part of the process, GE-LAMA-I ran 85 sessions in six districts to train 386 district planners on low-emission land use planning.

## HARNESSING RENEWABLE ENERGY

Promotion of Least Cost Renewables in Indonesia (LCORE-INDO)

Indonesia has an abundance of potential renewable energy sources, from geothermal and hydropower to solar and biomass. Despite the Government of Indonesia's (GoI) target to increase the share of renewables in its energy mix to 23 per cent by 2025, Indonesia's renewable energy sources continue to be largely underexploited.

To assist the GoI in achieving its renewable energy target, the Government of Germany implemented a project focused on the promotion of least cost renewables in Indonesia (LCORE-INDO). LCORE-INDO has been working with the Directorate General of New, Renewable Energy and Energy Conservation (DG-NREEC) of the Ministry of Energy and Mineral Resources, to strengthen their capacity in formulating programmes and policies to effectively support the use of renewable energy, and contribute to climate change mitigation.

With EUR 5.5 million funding from the International Climate Initiative of the German Federal Ministry of the Environment, Nature Conservation and Nuclear Safety (IKI-BMU), LCORE-INDO promotes renewable energy in areas where they can be applied cost-efficiently. LCORE-INDO explores three renewable energy strategies: the utilisation of biomass waste from the agricultural industry for power generation; the replacement of diesel fuel through grid-connection of renewables; and new application and models for off grid renewables.

In April 2018, LCORE-INDO published a study on renewable energy deployment strategies, and organised trainings to

help partners from the GoI simulate the impact of policies and incentives on renewable energy deployment. The study proposed a cost calculation model and tool, which compares the cost of new fossil fuel-based power plants to new renewable energy plants. Everything is calculated at full cost, including interest rates at market level and subsidies.

The study results and tools have generated interest from multiple ministries in Indonesia, which has led to more indepth training being organised for the DG-NREEC, the National Development Planning Agency (BAPPENAS), and the Ministry of Finance's Fiscal Policy Agency (BKF); government bodies which have key roles in the formulation of renewable energy concepts and policies.

'Despite the barriers and challenges of implementing renewable energy, it is our main task together to devise the right strategic approach to achieve 23 per cent renewable energy target by 2025, as mandated by National Energy Policy (KEN).' - Andriah Feby Misna, Director of Bioenergy, Directorate General of New, Renewable Energy and Energy Conservation of the Ministry of Energy and Mineral

€5.5 MILLION

FUNDING TO PROMOTE RENEWABLE ENERGY IN INDONESIA

## PROTECTING THE NORTHERN COAST OF JAVA WITH HYBRID ENGINEERING



**Building with Nature** 

30 million people suffer from coastal flooding and erosion hazards in the Northern coast of Java, affecting 3000 villages. This is mainly caused by the removal of mangrove belts for aquaculture development, unsustainable coastal infrastructure, and groundwater extraction. In some places more than three km of land has already disappeared, swallowing entire villages in the sea. Due to loss of land and salinity intrusion, the agri- and aquaculture sectors, key economic engines in Indonesia, suffer losses of billions of rupiah. Many people in coastal communities experience a major loss in income, reaching up to 60-80 per cent in some villages.

A consortium of Indonesian and Dutch organisations is working together in implementing a Building with Nature approach to tackle coastal erosion and flood risk. It aims at stabilising the coastlines of Central Java to reduce erosion risks through a unique integration of nature-based solutions such as mangrove restoration, hybrid-engineering consisting of soft engineering and hard engineering, and sustainable land use. Soft engineering measures, mainly the construction of grids of permeable bamboo dams, but also the reversion and opening of old aquaculture ponds, are applied to accrete sediment and restore mangrove habitats. In addition, local communities are encouraged to change their current aquaculture practices and adopt more sustainable and environmentally friendly forms of shrimp farming.



An extensive monitoring programme showed that these permeable structures enabled thick layers of sediment to be captured and mangroves to grow back, though in the long run, they may not be able to counteract human-induced subsidence through ground water extraction. Therefore, the project also raises awareness in local communities on the severe threat that subsidence presents to coastal safety.

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'People are expecting that the hybrid-engineering can bear up against the tidal waves, so that it won't enter our settlement and then we will feel safe. So this village can sustain as it once was', says Nur Salim, a resident of Timbulsloko, District of Demak, in the Northern coast of of Central Java.





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## GOOD GOVERNANCE, HUMAN RIGHTS,

## **AND GENDER EQUALITY**

Good governance, human rights, and gender equality are of strategic importance to the EU and Indonesia. These crosscutting issues are addressed and incorporated in EU-Indonesia initiatives to ensure that the fundamental rights of citizens and communities are protected.

The EU and Indonesia have committed to a long-term partnership to promote the rule of law through reforms in public finance management and the judiciary.

#### PFM MDTF

The Public Financial Management Multi-Donor Trust Fund (PFM MDTF), with support from the EU, works towards improving public financial management, and increasing transparency and accountability in government financial systems. The project also supports government efforts focused on the digitalisation of public financial management, and has recently developed a blueprint to align budget management with procurement plans and sourcing.



### SUSTAIN

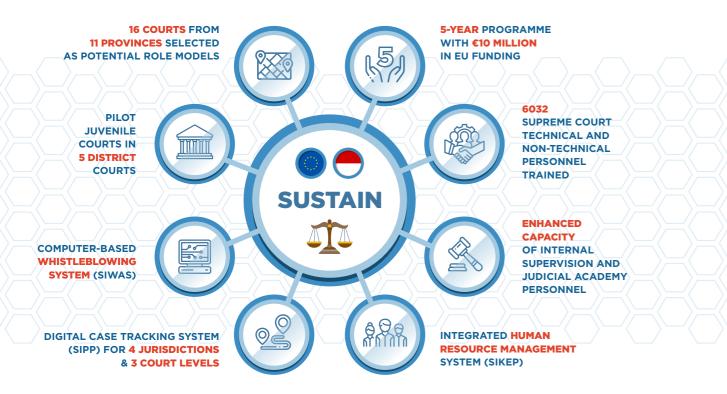
Through the Support for Reform of the Justice Sector in Indonesia (SUSTAIN) programme, the EU strives to build public trust in the country's judicial system through a series of initiatives targeted at enhancing justice service delivery, boosting transparency, and increasing the accountability and integrity of the judicial apparatus.



GOOD GOVERNANCE, HUMAN RIGHTS, AND GENDER EQUALITY

Blue Book 2019

### **SUPPORT FOR JUSTICE SECTOR REFORM IN INDONESIA (SUSTAIN)**



As part of the EU Country Strategy for Human Rights and Democracy in Indonesia, the EU and Indonesia held the 7th EU-Indonesia Human Rights Dialogue on 1 February 2018 in Jakarta, Indonesia. The event provided a platform for the exchange of insights and to initiate cooperation on several human rights issues, including: access to justice and penal policy; the rights of migrants as well as other minority and vulnerable groups; business and human rights; freedom of assembly and association; and freedom of expression.



In addition, the EU provides active support to civil society in Indonesia, for instance, through the European Instrument for Democracy and Human Rights (EIDHR). In 2018, projects by the EU and its Member States addressed a wide range of human rights issues, including: the abolishment of the death penalty; the prevention of torture and other inhuman treatments; the promotion of religious tolerance and pluralism; non-discrimination based on gender or disability; and the promotion of responsible and human-rights based business practices. Together with its Member States, the EU updated its strategy for civil society to ensure a more structured approach for collaboration between civil society, central and local governments across the country.

Following the EU Gender Action Plan 2016-2020, the EU works with Indonesia towards establishing a more enabling environment for women and girls, and towards the protection of women's rights in line with Sustainable Development Goal 5, through civil society initiatives in particular. Gender equality and the empowerment of women are mainstreamed in all EU and Member States programmes. These initiatives strive to increase the participation of women, including women with disabilities, in local decision-making processes; develop gender-sensitive budgets; and empower young rural women to improve their livelihoods through sustainable livestock production.

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## **DEVELOPMENT BY AND FOR ALL**

**Building Local Capacities and Alliances for Participatory, Inclusive and Open Public Finance Management Processes in Indonesia** 

Inclusive development means that all people, including the marginalised, not only become beneficiaries but also active participants in the development process. The EU and Handicap International Federation (Humanity & Inclusion) are working together to build local capacities and alliances for participatory, inclusive and open public finance management processes in Indonesia. The project works with local partners and authorities to ensure that development processes include marginalised members of society in Indonesia, and advocates for inclusive policies.

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'We are committed to becoming an inclusive city.

In the process of getting there, support from various parties is needed because these issues belong to all of us. Thanks to the EU's support, we are able to accelerate our efforts to realise our commitment to create an inclusive city.'

- Haryadi Suyuti, Mayor of Yoqyakarta

### In a relatively short period, the project has brought about some significant changes:



The Yogyakarta Municipality has committed to facilitating the participation of excluded groups, such as people with disabilities and other vulnerable groups, in the local development process. The Municipality has also developed guidelines on inclusive medium-term village development. These guidelines will determine the development policy direction for 45 kelurahan (urban villages) in the area for the next five years.



A few hours from the city of Yogyakarta, in the neighbouring Gunungkidul District, a village called Plembutan officially issued a Perdes (village regulation) on the participation of vulnerable groups in village development. The Perdes is the result of a six-month advocacy effort by a disabled people's organisation (DPO) in Gunungkidul supported by the project. This regulation is the first in Yogyakarta Province focused on advancing the inclusion of vulnerable groups in local development processes.



Another success story comes from the Eastern part of Indonesia, and centres around the DPO, Persani East Nusa Tenggara. The project supported advocacy efforts to promote the participation of marginalised groups in local development processes with a small grant. The advocacy work has resulted in a policy by Bappeda (the development planning agency) of Kupang Municipality mandating district stakeholders to involve vulnerable groups in planning and development consultation.

# EMPOWERING CIVIL SOCIETY TO HELP ACHIEVE THE SUSTAINABLE DEVELOPMENT GOALS



**Enhancing CSOs' Contribution to Governance** and Development Processes in Indonesia

The EU supports a project that aims to strengthen civil society's capacity to ensure the accountability of the Government of Indonesia (GoI) in achieving the Sustainable Development Goals (SDGs), and to enhance good governance in Indonesia's efforts to achieve the SDGs.

Spearheaded by a partnership of three civil society organisations (CSOs), Oxfam, the International Non-Governmental Organisation Forum on Indonesian Development (INFID) and Koalisi Perempuan Indonesia (Indonesian Women's Coalition), the project has successfully advocated for the Gol to issue a Presidential Regulation on the SDGs. This regulation mandates provincial and district governments to integrate the SDGs into their development plans. The Gol also implemented the CSOs' recommendation to establish a National Coordination Team on the SDGs that should comprise of various stakeholders, including CSOs.

In addition, in three districts, Kepulauan Pangkajene in South Sulawesi (Sulsel), Timor Tengah Selatan in East Nusa Tenggara (NTT), and Dompu in West Nusa Tenggara (NTB), the project, with the EU's assistance, developed a social accountability mechanism, allowing local CSOs to actively engage in policy dialogue. The project has also promoted evidence-based policies, using a dashboard monitoring system. With user-friendly maps, infographics and photos, the system consolidates and displays data on the contribution of various stakeholders, including the government, CSOs, donor agencies, and philanthropic organisations, in achieving the SDGs.



Through this project, the EU has assisted the districts in integrating the SDGs, especially those related to women and children, including poverty reduction, improvement of maternal and child health and nutrition, and gender equality, into their development plans.

Dompu District parliamentarian, Muhammad Iksan, expressed his support to this EU-funded project 'To achieve mid-term and long-term development goals, women [must] have strategic political roles, which should be integrated in the development plan of Dompu District. Therefore, we are supporting Koalisi Perempuan Indonesia's programme.'

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## **INNOVATIONS FOR JUSTICE**

### **Support for Justice Sector Reform in Indonesia (SUSTAIN)**

Indonesia has one of the largest and most complex judicial systems in the world. More than 31 000 personnel including judges, registrars, bailiffs and other court personnel in over 800 courts across 34 provinces handle in excess of five million cases each year. The Indonesian judiciary continues to require support to implement its reform agenda, including enhancing its integrity, quality of justice service delivery and access to justice.

The EU has shown its commitment to support the Government of Indonesia in implementing its judicial system reform through several major projects. The most recent of these is the Support for Justice Sector Reform in Indonesia (SUSTAIN) project. Started in 2014 and scheduled to end mid-2019, SUSTAIN's overall objective is to enhance public trust in the judicial system through a series of initiatives aimed at improving integrity, transparency and accountability.

One of SUSTAIN's innovations is the SIWAS application. SIWAS, or Sistem Informasi Pengawasan (Control Information System), is a computer-based whistleblowing system, allowing the public to report allegations of corruption, nepotism, or violation of ethics by court personnel.



SIWAS reports allegations of:

CORRUPTION

**NEPOTISM** 

VIOLATION OF ETHICS



The application has been successful in enhancing internal and external oversight mechanisms of the judiciary.

As Judge Mustamin from South Sulawesi
District Court testifies, 'Until now, the public
didn't know how to report violations by judges
and other court personnel. But now those who
are asked for bribes or become victims of other
misconduct are able to report it through SIWAS'.
He explains further that, 'Before SIWAS, it was
difficult to track reports on court personnel, but
now, thanks to SIWAS, it became easier.'



Another innovation introduced under SUSTAIN is the digital case tracking system, SIPP or Sistem Informasi Penelusuruan Perkara. SIPP enables anyone to monitor the progress of cases online, from when a case is filed until a verdict is reached. The system has increased efficiency in managing court cases and has become a useful tool for judges' leadership.

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'SIPP is used by the heads of courts to monitor the performance of judges and the court apparatus. This is an effective tool to monitor the administrative discipline of the courts internally', Chief Justice M. Hatta Ali said.

Another issue the judiciary system needs to address is its lack of transparency in recruiting personnel. With the EU's support through SUSTAIN, the Supreme Court has established an assessment centre to ensure that the recruitment process is transparent, fair and accountable.

'The assessment centre will significantly improve public trust in human resources management of the Supreme Court', said Judge Achmad Setyo Pudjoharsoyo, Secretary of the Supreme Court.

In addition, the Supreme Court has developed a job competency dictionary to make sure that all recruited personnel meet the qualifications required for their role. Thanks to this dictionary, a tool that has been used globally, all court personnel, no matter their location in Indonesia, can be expected to have the same standards of competency and skills.

SUSTAIN has also contributed to enhancing the technical skills and gender sensitivity of Juvenile, Environment and Administrative court personnel, including judges, registrars and bailiffs.

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#### SUCCESS STORIE

## REFORMING PUBLIC FINANCE MANAGEMENT, SUSTAINING DEVELOPMENT



**Public Financial Management Multi-Donor Trust Fund (PFM-MDTF)** 

Indonesia has experienced steady economic growth (around five per cent annually) over the past decade, and has managed to lift millions of people out of poverty. Despite this growth, the tax-to-GDP-ratio remains low. For this reason, the Government of Indonesia (GoI) has been pursuing the Public Financial Management (PFM) reform agenda since 2007.

The EU has made significant contributions to a Multi-Donor Trust Fund (MDTF) to support the Gol's PFM reform.

Vincent Guérend, the EU Ambassador to Indonesia and Brunei Darussalam said, 'With a grant contribution of EUR 19 million to PFM MDTF, the European Union takes pride to attest the progress made towards the building of a culture of sound financial management. The reform, built upon best international practices, is steadily strengthening citizens' trust in government public finances management. Increased citizens' confidence is a prime driver to boost tax revenues.'

The EU's assistance has supported Indonesia to achieve key successes, including: the consolidation of the treasury single account, and improvements in cash and debt management; improvements in asset management; the harmonisation of planning and budgeting procedures; an enhancement in the transparency of public procurement; and the strengthening of internal audit and accounting functions.



The Ministry of Finance in Indonesia is set to continue reforming PFM through digital transformation.

As Arun Arya, Senior Public Sector Management Specialist at the World Bank in Jakarta explains, 'The PFM project has recently developed and delivered a document that sets out a vision for the Ministry's digital transformation. This will enable the government to collect more revenue to finance the country's development.'

The digitalisation of PFM will also allow the government to spend its budget more efficiently, an important means to achieving inclusive growth.

In order to further improve budget efficiency, a manual, which introduces new know-how for the Ministry of Finance and the National Development Planning Agency (BAPPENAS) to conduct programme-level spending reviews, has been developed. An improved human resource management framework has also been prepared for the Directorate General of Tax to assist their decision-making on learning and development, and performance management of core staff.

# ALIGNING NATIONAL AND REGIONAL APPROACHES TO ACHIEVE THE SUSTAINABLE DEVELOPMENT GOALS



**Support to the National Roadmap 2030 and Regional Action Plans for Planning and Monitoring of SDGs** 

The Government of Indonesia (GoI) has demonstrated its commitment to achieving the Sustainable Development Goals (SDGs) by: adopting an SDG framework in its National Medium-Term Development Planning (RPJMN); establishing a National Coordinating Team (NCT) led by the President; and launching a National Action Plan (NAP) on the SDGs in 2018.

The German Federal Ministry for Economic Cooperation and Development (BMZ) supported the Indonesian-German SDGs project, which has worked closely with the National Development Planning Agency (BAPPENAS) to assist the establishment and consolidation of a multi-actor partnership that was central to the formulation of the NAP. According to Professor Bambang Brodjonegoro, the Minister of National Development Planning, the NAP was 'formulated with a very intensive and inclusive process', and the result of '[the] contribution of more than 200 non-governmental institutions'.

The project has been working in West Sumatra, North Kalimantan, East Nusa Tenggara and Gorontalo, supporting these provinces to develop regional action plans aligned with the NAP. Experience from the four provinces will be scaled up countrywide by the Gol.



'The collaboration between the Government of Germany and the Government of Indonesia has been significant in supporting the implementation of the SDGs in Indonesia, both at national and sub-national levels', said Dr Arifin Rudiyanto, Deputy for Maritime Affairs and Natural Resources of BAPPENAS.

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Minister Brodjonegoro said that Indonesia is implementing the principle of 'no one left behind'. 'Implementing SDGs for a country of 17 000 islands and plural societies is definitely a challenging task. But if all stakeholders work together, we are optimistic that SDGs and our national development agenda of sustainable development could be achieved in 2030', he emphasised.













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## **EDUCATION AND HEALTH**

### **EDUCATION**

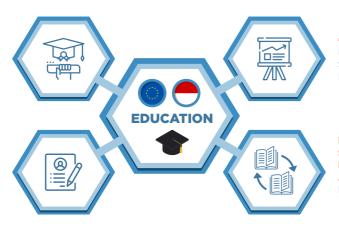
Indonesia continues to improve the availability and quality of its universal basic education, with the objectives of providing 12 years of basic education to all, and reducing both primary and secondary school drop-out rates. The EU has supported this process with budget support totalling EUR 320 million for education reforms in Indonesia.

According to figures by UNESCO, in 2017, gross enrolment ratios for primary, secondary and higher education reached over 100 per cent, and close to 80 per cent and 40 per cent respectively. While the reach of the education system increased, issues related to the quality of teaching and the completion of classes continue to exist.

### **EU-INDONESIA COOPERATION IN EDUCATION**

1600 ERASMUS+ &
EU MEMBER STATE
SCHOLARSHIPS
AWARDED TO
INDONESIANS
EVERY YEAR

EUROPEAN HIGHER
EDUCATION FAIR (EHEF):
122 EXHIBITORS & 19 000
PARTICIPANTS IN 2018



€1.5 MILLION IN EU FUNDING TO 13 CIVIL SOCIETY PROJECTS IN EDUCATION

REGIONAL STUDENT EXCHANGE IN ASEAN THROUGH EU SHARE



Blue Book 2019



Today, the EU continues to support civil society organisations (CSOs) in the field of education. Since 2009, 13 CSO-led projects have received EU funding. These projects focus on inclusive education, early childhood development, and the improvement of basic education in the marginalised districts of Eastern Indonesia. These initiatives aim to contribute to the achievement of SDG 4 in providing inclusive, equitable and quality education for all, ensuring that no child is left behind.

In the area of higher education, the EU and its Member States offer a number of scholarship schemes for Indonesian students and graduates to study in Europe. Every year, more than 1600 scholarships are awarded to Indonesian scholars through the Erasmus+programme and EU Member States' scholarships.

Indonesia also participates in regional education programmes for ASEAN. The EU, in collaboration with ASEAN, has provided almost 600 scholarships to ASEAN students, including Indonesians, to study at EU and ASEAN universities through the EU Support to Higher Education in ASEAN Region (EU SHARE) programme.

The EU and its Member States organise an annual European Higher Education Fair (EHEF) in Indonesia. In 2018, the event was attended by 19 000 visitors and 122 exhibitors from EU Member States and higher education institutions, making it the largest European university fair of its kind in the world.

#### HEALTH



In the area of health, the EU and its Member States support Indonesia on the control and eradication of tropical and infectious diseases, the enhancement of local healthcare services, the fight against malnutrition, and improved maternal, infant and child health.

Indonesia has made steady progress in increasing the health and life expectancy of its population. Despite improvements, the country continues to face a number of health challenges, including the widespread prevalence of communicable and noncommunicable diseases, and high rates of maternal, child and infant mortality.

While Indonesia has undertaken successful efforts in reducing maternal and neonatal mortality, lack of awareness on or access to safe childbirth continue to cause preventable deaths in the country. Based on figures from UNICEF, every day approximately 203 infants die before reaching their first month.

#### **GFATM**

One key initiative in the area of health focuses on eradicating prevalent diseases through the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM). The GFATM is a non-profit foundation established in 2012 to build partnerships between governments, the private sector and civil society to support patients affected by these diseases. The EU and its Member States contribute to 44 per cent of GFATM's funding, of which USD 350 million has been given to Indonesia.

According to the World Health Organization (WHO), tuberculosis (TB) remains the second highest cause of premature deaths, while cases of HIV/AIDS are on the rise in the country. Malaria causes several million infections and about 10 000 deaths each year in Indonesia.

Healthcare projects funded by the EU and its Member States provide capacity-building support to local and community-level healthcare services, and contribute to efforts to reduce chronic malnutrition and stunting among children through education and training. These initiatives aim to improve the quality and accessibility of healthcare services, and boost maternal and infant health in particular.

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## **KEEP ON LEARNING**

### The Education Cannot Wait (ECW) Fund

Through the Education Cannot Wait (ECW) Fund, the EU has helped ensure that children affected by the September 2018 earthquake and the ensuing tsunami in Palu, Central Sulawesi, continue to receive education. The ECW Fund has delivered more than EUR 2.3 million to provide emergency education relief, aimed at getting children back into safe and reliable learning environments. The ECW Fund has supported a 12-month project implemented by UNICEF, Save the Children, World Vision and Plan International Indonesia in coordination with the Indonesian Ministry of Education and Culture.

By December 2018, thanks to the ECW Fund, almost 58 000 children, including more than 360 children with special needs, were able to go back to school, and around 550 children were given access to non-formal education in internally displaced people (IDP) camps. Learning materials were distributed to nearly 27 000 children, and almost 700 teachers were trained to provide the necessary psychosocial support for the affected children. Teaching and learning materials were distributed to 600 classrooms in the targeted areas.

The ECW Fund is the first global fund dedicated to education in emergencies and protracted crises. Funds come from 14 countries and institutions, including the EU and its Members States: Bulgaria, Denmark, France, Germany, the Netherlands, Sweden, and the United Kingdom. The EU, through its development assistance, has pledged EUR 475 million to the Global Partnership for Education and will contribute EUR 16 million to the ECW Fund in the 2018-2020 period.



Christos Stylianides, the EU Commissioner for Humanitarian Aid and Crisis Management, said, The EU is now a global leader in bringing children back to school. Eight per cent of our humanitarian aid budget goes to education in emergencies this year, eight times up from 2015. We aim to reach ten per cent in 2019.

With the increase in its contribution, the EU is drawing attention to the importance of education in emergencies, and mobilising resources desperately needed to educate children in crises.

## A GATEWAY TO QUALITY TERTIARY EDUCATION IN EUROPE



**European Higher Education Fair (EHEF)** 

Organised annually since 2008, the European Higher Education Fair (EHEF) facilitates the exchange of information between European Higher Education Institutions (HEIs) and Indonesian students who are seeking further education in Europe. Organised by the EU Delegation to Indonesia and Brunei Darussalam, the EHEF is a series of fairs which helps students explore educational opportunities in Europe, by connecting them with representatives from universities, institutes, colleges, government agencies and international institutions.

The 10th EHEF, held in November 2018 in Bandung, Jakarta and Yogyakarta, was Indonesia's largest European education fair, with 122 institutions from more than 14 European countries participating. Extensive promotional campaigns attracted more than 19 000 visitors, mainly Indonesian high school and university students.

Based on the student visas issued by EU Member States, the number of Indonesian students studying across Europe has increased significantly. In 2016, 6300 people moved to Europe to study, compared to only 1500 in 2010. Currently, more than 11 000 Indonesian students and scholars are studying in Europe, a 200 per cent increase from the number in 2012. One of the reasons for this increase is a significant number of overseas scholarship schemes offered by European HEIs, universities, governments of EU Member States, and the Government of Indonesia.

More and more Indonesian students choose Europe as their study destination because of its world-class teaching and facilities, as well as cutting-edge research programmes. The EU is actively looking to attract an additional one million researchers over the next decade, making it a perfect place to explore research opportunities.

EU Member States and European universities are making considerable investments to ensure that higher education is affordable. Thanks to their efforts, tuition fees and living costs in Europe are comparable to other study destinations. In some European countries, study programmes are even free of charge. Every year, around 1600 scholarships are provided to Indonesian students and scholars through the EU's flagship Erasmus+ programme and other scholarship schemes run by EU Member States.

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'At EHEF we gained a lot of useful information about studying in Europe. Now I understand that actually there are many scholarship programmes to pursue our studies in Europe.' - Aiti, a student visiting 2018 EHEF in Jakarta





## **ADVANCING EARLY CHILD DEVELOPMENT**

Strengthening Civil Society and Social Accountability for Improved Access to Quality, Inclusive Early Child Development Services

Anita Daud is an early child development (ECD) tutor with 16 years of experience. Throughout her career, she participated in numerous ECD training sessions, but the level of child-friendliness and the quality of the ECD trainings she took part in December 2018 was significantly different compared to her past experiences.

The ECD training Anita received was part of the EU-funded project to improve access to quality, inclusive early child development services in East Nusa Tenggara. Implemented by Barnfonden, the project works with three local civil society organisations (CSOs); Yayasan Satu Karsa Karya, Sumba Integrated Development, and Lembaga Pengembangan Masyarakat Madani, to build their capacity and help them become a driving force in championing inclusive ECD programmes. The project aims to fulfil the rights of and benefit more than 53 000 pre-school-aged children.

Anita discovered a new set of tools during the EU-funded ECD training, which ensured the ECD activities were gender-sensitive and of good quality. These tools have guided her to improve the quality of early child development at Permata Ibu Kindergarten in Sumba Timur, where she tutors.

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'Before, the other tutors and I were busy creating education materials by ourselves. After the training, I realised that we need to display children's creations in the classroom to make them feel appreciated and fulfil their right to participate.' - Anita Daud, ECD tutor, Permata Ibu Kindergarten



Tutors representing 24 targeted ECD centres, which cater for children aged 3 – 6 years old in Sumba Timur, took part in the training.





The project's strategy is to work closely with local authorities to design inclusive policies that ensure sustainable access to high quality ECD services in marginalised regions. This strategy has yielded local policy improvement on ECD. ECD centres in the Sumba Timur District have started using the tools developed by the EUfunded project. Sumba Timur District Inspector Apriana Panaringga said that previously the inspectors had focused more on the government's mandatory standards to monitor and evaluate ECD centres' quality. According to her, the new ECD tools are more detailed, covering specific teaching and learning behaviours. The tools and guidelines also define safe environments for children, including safe learning facilities, and guide the ECD centres to include school-based disaster risk reduction. inclusiveness, and gender equality.

The training has been replicated by other ECD centres that are not part of the project's target area. A local organisation, Adjarmanu Foundation, trained 24 ECD tutors using their own resources. Furthermore, the district government has also invested in ECD training on a larger scale.

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Ariani Djila Galla, Head of Early Child and Community Education in Sumba Timur District, said that she thought the training was of vital importance, 'I proposed to replicate the training to the head of Sumba Timur office of education, and my proposal was approved.'

Thanks to Ariani's advocacy effort, another 62 tutors from 32 kindergartens in Sumba Timur were trained.

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'I had always avoided becoming a trainer because I am not used to facing many people. I usually worked behind the scenes. But after learning participatory methods to deliver training, I'm willing to learn new things and move out of my comfort zone.' - Ariani Djila Galla, Head of Early Child and Community Education, Sumba Timur District

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## **INCLUSIVE EDUCATION FOR ALL**

Promoting Civil Society-Led Initiatives for Inclusive and Quality Education

The EU supports YAPPIKA-ActionAid and its three local partners, Lembaga Gemawan, Perkumpulan SOLUD, and Yayasan Bahtera to carry out a project on inclusive and quality education in Indonesia. The project is implemented in Sambas in West Kalimantan, Bima in West Nusa Tenggara, and West Sumba in East Nusa Tenggara.

The project aims to reduce dropout rates and increase access to quality education for children, in particular girls, with disabilities, by promoting better governance in primary education. Driven by citizens' demands for better access to quality education, active civil society engagement in the development process is emphasised to ensure transparency and accountability by the local government.



The EU Ambassador to Indonesia and Brunei Darussalam, Vincent Guérend, launched the project in May 2018. Shortly after its start, the project has already helped to establish a school

community in each of the 30 participating schools. Consisting of parents (including those who have out-of-school children), local authorities, school teachers and a principal, the school community monitors the use of school resources to ensure good governance in school management. The project also established a civil society network in each of the three districts.



On the advocacy front, YAPPIKA-ActionAid has reached a Memorandum of Understanding (MoU) with the Directorate General of Primary and Secondary Education of the Ministry of Education and Culture, to strengthen governance and accountability in primary education. In the three project districts, the relevant local authorities have provided their support to the project's implementation. In Bima, the project's advocacy effort has resulted in the Head of the Education Office's decree to establish an inclusive primary school in the city.

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'As the village authority, we are willing to support school community activities with village funds to cover their operational expenses, to improve education quality in Tanakaka Primary School in Welibo Village, so that more children can study there.' - Mr. Andreas Led Banyo, Secretary of Welibo Village Authority, West Sumba

## EMPOWERED COMMUNITY DRIVES SERVICE IMPROVEMENT



**Empowered CSOs to Support Government for Accountable Child Friendly City/District** 

By employing a Citizen Voice and Action (CVA) approach, the EU-funded project to support governments in the implementation of accountable child friendly cities and districts (CFC/D) aims to strengthen citizen engagement, increase local government accountability and enhance healthcare services in communities in need. CVA is a local advocacy approach that helps communities engage directly with government service providers to improve the quality of services at the community level.

Implemented in three districts in West Kalimantan Province since 2016, the project has provided capacity-building support to Civil Society Organisations (CSOs) in the region to achieve the basic health and welfare objectives set out in Indonesia's Child Friendly District Initiative. The initiative focuses on the well-being of children as the ultimate indicator of a healthy and democratic society.

In 2017, following a monitoring standards and community scorecard session modelled on the CVA approach and carried out in five villages in Kelam Permai Sub-district, KOPAS, a coalition of CSOs focusing on child rights in Sintang District, submitted a list of recommendations to the district government. This included a call to improve services at Kebong Puskesmas. Puskesmas is a community health centre at the sub-district level, covering several villages. Most villagers have to travel far to get to a Puskesmas, which is usually only open during government office hours.



As a result of the recommendations, in 2018, Sintang District government allocated approximately EUR 330 000 to establish mobile health centres and to introduce a 24-hour service at Kebong Puskesmas. This development, which demonstrates the value of social accountability processes, will benefit communities in 17 villages with a total population of 16 269 people.

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'We are grateful for the European Union's support through KOPAS, which enabled us to get a car for the mobile health centre and fund the construction of an in-patient building at the Kebong Puskesmas with a budget of more than EUR 300 000.' - Makarina Imaculata, Head of Kebong Puskesmas, Kelam Permai Sub-district, Sintang District

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## UNDERSTANDING THE LINK BETWEEN DIABETES AND TUBERCULOSIS



#### **TANDEM**

People with diabetes are three times more likely to develop tuberculosis (TB). This is concerning because the number of type two diabetes cases continues to grow in TB-endemic countries. Considering that pulmonary TB, a serious infection of the lungs, is spread from one person to another via coughing and sneezing, any increase in diabetes could easily translate into a worsened TB situation.

To better understand the relationship between the two diseases and to prevent their spread, the EU-funded TANDEM project, a four-year collaborative initiative, linked research institutions and field sites in New Zealand, Peru, South Africa, and Indonesia with research partners in a number of EU Member States, including the Netherlands, Germany, Romania, and the United Kingdom. Run from 2013 to 2017, TANDEM's goal was to unravel the causal relationship between TB and diabetes, in order to design more effective strategies for the control of both diseases.

Indonesia's Padjadjaran University, one the project partners, conducted several field studies, including a screening for TB and diabetes in diabetic and TB patients respectively. They also conducted a randomised trial of a structured clinical algorithm of TB-diabetes management, along with collecting data and samples that were then analysed by the project's European partners.



Based on this field research, the partnership under TANDEM made a number of important findings.

'The research suggests that DM (Diabetis Melitus) patients with latent TB infection are more likely to develop active TB, or TB infection with symptoms, compared to those without DM', says Bachti Alisjahbana, a senior researcher at the university.

In latent tuberculosis infection (LTBI) a person is infected with TB but does not exhibit any symptoms.

'Because the identification and treatment of people with LTBI is an important part of controlling this disease, further studies should explore the possible benefits of LTBI screening and preventive therapy in diabetic patients living in a TB-endemic region', adds Alisjahbana.



In terms of systematic screening, researchers found that computer-assisted chest radiography could be used to screen diabetic patients for TB. This significantly reduces the number of diabetic patients who need to undergo microbiological examinations to confirm a TB diagnosis, while also being useful in settings where radiologist expertise is lacking. Researchers also discovered they could accurately diagnose diabetes in TB patients using simple blood tests carried out at the same time as patient care, thus reducing the need for more expensive and complex laboratory testing.

One of the key breakthroughs stemming from the project's field research was the recommendation that diabetic TB patients take their TB and DM drugs separately, and always with food, to greatly alleviate common gastrointestinal problems and other adverse side effects.

'Although the project was completed, we are continuing to benefit from our involvement. We are currently working with the Indonesian government to implement healthcare policies based on the research findings, including proposals for conducting trials on implementing TB preventative measures, such as systematic screening for TB among diabetic patients living in TB-endemic areas.' - Bachti Alisjahbana, Senior Researcher, Padjadjaran University



## A BETTER UNDERSTANDING

OF TUBERCULOSIS AND DIABETES LEADS TO BETTER CONTROL OF THE DISEASES

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## **EU PARTNERS WITH INDONESIA IN THE FIGHT AGAINST HIV, TB AND MALARIA**



The Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM)

Indonesia has worked hard to significantly reduce the amount of people living in poverty. Yet HIV, tuberculosis (TB) and malaria are still public health threats. Indonesia sits near the top of the 30 countries burdened with the highest amounts of TB, HIV and TB co-infection, and multi-drug resistant TB. It is estimated that HIV affects 620 000 people in Indonesia, and around 17 million Indonesians still live in high malarial transmission areas.

In response, the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) has spent more than EUR 773 million (USD 870 million) in Indonesia to combat these conditions. The EU and its Member States contributed more than 44 per cent of the GFATM total spend, more than USD 350 millions of which was granted to Indonesia.

Indonesia's partnership with the GFATM has already contributed significantly to Indonesia's efforts in tackling the diseases. More than 90 000 people are on treatment for HIV, and more than two million cases of TB have been detected and treated. More than 50 per cent of the districts in Indonesia have eliminated malaria.

The Indonesian Ministry of Health is the principal recipient and administrator of the GFATM, with regional governments and CSOs participating in its implementation at the regional and community levels. A coordinating mechanism, comprising of representatives from the government, the private sector, technical partners, civil society and communities living with the diseases, coordinates the development of national requests for funding, and nominates the principal recipient, as well as oversees the implementation of approved grants.



Indonesia's Minister of Health, Dr Nila Moeloek, stressed the importance of partners working together for greater impact: 'HIV, TB and malaria are not only health issues, they are also development issues involving cross-sectoral ministries, institutions and communities. We will continue to work together to ensure that the resources mobilised through this grant are used accountably and effectively.'

Indonesia has been supported by the GFATM in its fight against HIV, TB and malaria since 2003. However, as a member of the G20, it was set to no longer receive assistance from the GFATM under a revised set of criteria. Recognising the key role played by the GFATM, the EU advocated to extend Indonesia's eligibility for the foreseeable future. In response, the GFATM ruled that middle-income countries with high burden of diseases, including Indonesia, will still be eligible for GFATM support.

## EMPOWERING LOCAL GOVERNMENTS TO PROVIDE SUSTAINABLE SANITATION



Sustainable Sanitation and Hygiene Programme for Eastern Indonesia (SEHATI)

Today, Indonesia still faces significant obstacles in overcoming sanitation-related issues. Although access to improved sanitation has increased by 6.5 per cent every year up to 2017, there are still 47 million people practicing open defecation and 52 million people using sanitary methods that are deemed unsafe.

One of Indonesia's biggest sanitation challenges is the lack of sufficient will within local governments to enact change, which is further hampered by lack of institutional capacity and insufficient resources to mitigate these challenges. To address sanitation-related issues, the Netherlands is contributing EUR 3 million in funding to the Sustainable Sanitation and Hygiene Programme for Eastern Indonesia (SEHATI).

The programme is set to achieve district-wide access to sustainable and improved sanitation and hygiene facilities. The programme aims to strengthen the capacity of the local authorities to implement sustainable community-based total sanitation (STBM). STBM is the Government of Indonesia's behavioural change strategy encompassing five key pillars: no open defecation; hand washing with soap and running water; household drinking water and management; household solid waste management; and household liquid waste management.

The SEHATI initiative is implemented by a consortium of five local non-governmental organisations (NGOs), working at

the district level as catalysts for change. The consortium has been working with local governments in seven districts in the Eastern part of Indonesia, building their capacity and systems in order to implement STBM. Thanks to this process, the district governments have been equipped to take the lead in planning, budgeting and monitoring the STBM programme.

The programme provides much-needed additional resources to improve the local government's capacity.

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Jufri, Head of Social Welfare Unit of District Development
Planning Agency (Bappeda) in Dompu, West Nusa Tenggara
(NTB) highlights, 'With the district annual budget and
programmes alone, it's impossible to overcome sanitation
and water-related problems. The solution needs a good
collaboration and coordination among all stakeholders in
the district. [The] SEHATI programme supports us in coping
with such a need by mobilising those stakeholders for
better coordination.'

Thanks to SEHATI, authorities at the district, sub-district and village levels have improved their institutional capabilities. This has led to increased involvement and leadership in issuing supportive regulations, developing programmes and allocating budgets for STBM. A total of 215 villages have participated in the programme, and the SEHATI approach has been replicated in a further 161 villages.

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## LOCAL SOLUTIONS TO FIGHT CHILD STUNTING

### **Empowering Posyandu**

Child stunting caused by chronic malnutrition has the potential to limit a child's physical and cognitive ability for life. This impairment affects more than 30 per cent of under-fives in Indonesia. On a positive note, child stunting can be prevented during 'the first 1000 days of life', a period from conception to two years of age, if the child's diet is radically improved.

Polish Aid supported a local organisation, Ayo Indonesia, in Manggarai, East Nusa Tenggara (NTT), a region with the highest level of stunting of under-five children in Indonesia (42.6 per cent), in tackling the condition. Ayo Indonesia trained community volunteers or cadres to improve mothers' knowledge about stunting, and educated them on remedies to prevent it, including producing nutritious food from locally available ingredients such as soy.

Every month mothers take their children to their nearest healthcare post, known as a *Posyandu*, for growth monitoring, counselling, supplementary feeding, micronutrients such as Vitamin A, and basic immunisation. Posyandu is the community-based arm of Indonesia's national healthcare system and the most accessible healthcare facility for the majority of Indonesians. Posyandu's role in the fight to reduce child stunting is crucial. As many as 34 cadres from 17 posyandus in six villages were trained by Ayo Indonesia.

In the six villages, 48 children benefited from this project, all of whom increased their weight and grew 1-2 cm every month during the six-month project period. There were cases in which stunted children managed to reverse their condition, back to normal growth.



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One of the young mothers in Manggarai, Roberta, testified about how her daughter was saved from a stunted growth. 'My daughter was diagnosed as stunted. I did not even understand what that meant. Then I was informed at Posyandu about the correct remedies to reverse stunting. Now my daughter has fully recovered.'

Pregnant and new mothers were also included in a training and education programme conducted by Ayo Indonesia, helping embed knowledge about good nutrition from the start of a child's life.











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### **Together for Sustainable Development**



