

Blue Book 2017

EU-Indonesia

Development Cooperation
in 2016



Gender Equality

Equal Rights and Opportunities





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EU-Indonesia Development Cooperation in 2016

Inspired by UN Women's #orangetheworld campaign against gender-based violence, the Delegation of the European Union to Indonesia honours the movement by adapting its annual Blue Book cover in orange colour. Since 2013, the EU-Indonesia Blue Book cover features the EU-Indonesia Friendship Batik developed in the SWITCH ASIA Clean Batik Indonesia project (2009-2013) by highly skilled women entrepreneurs working in the sustainable textile industry.

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Foreword



I am particularly pleased to present the 2017 Blue Book, the European Union's annual report on development cooperation with Indonesia. It provides an overview of the objectives, activities and outcomes of the assistance the European Union and its Member States provide to Indonesia which contribute to reducing poverty and supporting equitable and sustainable growth.

In March 2017, [as I write,] the European Union is celebrating its 60th anniversary. In 1957, the Treaty of Rome laid the foundation for the Europe we know today, ushering in Europe's longest period of peace and the establishment of a common market where people, goods, services and capital move freely. On this anniversary, Europe looks back with pride and forward with hope. Over 60 years we have built a Union that promotes peaceful cooperation, respect of human dignity, liberty, democracy, equality and solidarity among nations and peoples. We have also created the conditions for stability and prosperity to the benefit of Europe's 500 million citizens.

'United in diversity', the motto of the European Union, signifies how Europeans have come together to work for peace and prosperity, enriched by the continent's many different cultures, traditions and languages. In this, there is a significant coincidence with Indonesia's genesis, development and growth to become the world's fourth most populous country and third largest democracy, a G20 member, and an increasingly prominent global actor. Given our

shared values, shared vision, and even our shared history, the European Union has a deep interest in strengthening and deepening our friendly interactions with Indonesia.

In 2016, one of our cooperation's main highlights was the announcement of the launch of the Comprehensive Economic Partnership Agreement (CEPA) negotiations in April during the visit of President Joko Widodo to Brussels. Thereafter, the formal CEPA negotiations started with two rounds held in September 2016 and January 2017 respectively. A third negotiation round is foreseen to take place in the last quarter of this year.

Moreover, the Voluntary Partnership Agreement (VPA) on Forest Law Enforcement and Trade (FLEGT) has fully materialised on 15 November 2016, through FLEGT licensing granted by the EU to all Indonesian timber products for export to Europe. Indonesia is now the first country in the world to certify the sustainability of its wood products and to enjoy direct access to the European market. I really do hope that this certification scheme for timber will inspire Indonesia to develop further the sustainable management of its forest, notably by developing sustainable oil palm plantation and production with a similar multi-stakeholder approach.

The European Union's desire to move an already strong partnership to a new level was also demonstrated by important visits by EU



dignitaries to Indonesia over the last year. A few days before President Widodo visited Brussels, Federica Mogherini, the EU High Representative for Foreign Affairs and Security Policy and Vice President of the European Commission, came to Jakarta to co-chair the first meeting of the Indonesia-EU Ministerial Strategic Dialogue together with Retno Marsudi, the Indonesian Foreign Minister. Subsequently, both of them jointly launched the first Joint Committee meeting of the Partnership and Cooperation Agreement (PCA) between the European Union and Indonesia in November 2016 in Brussels. The PCA is the most comprehensive agreement entered into force with any ASEAN country. It sets out our vision for EU-Indonesia cooperation: a cooperation between equal partners, intensifying relations on several global issues including climate change, counter terrorism, peace building and human rights as well as working jointly on delivering the sustainable and inclusive economic growth required to reduce poverty effectively.

In November 2016, accompanied by a European agro-business delegation, the EU Commissioner for Agriculture and Rural Development, Phil Hogan visited Jakarta and jointly opened the 6th EU-Indonesia Business Dialogue together with Indonesian Vice-President Jusuf Kalla. During his visit Commissioner Hogan also highlighted the potential of Geographical Indication (GI) for a country like Indonesia - the GI strategy for Indonesia is one of the many

actions successfully supported by EU-Indonesia Trade Cooperation Facility (TCF) which ended in November 2016. Commissioner Hogan also underlined the immense role of family farmers in feeding Indonesia, ASEAN and Europe.

In February 2017, the European Commissioner for Environment, Maritime Affairs and Fisheries Karmenu Vella has visited Indonesia, to strengthen EU-Indonesia dialogue and cooperation on environment, climate change, fisheries and the global governance of a sustainable ocean economy; thus also highlighting the success of Indonesia's ratification of the Paris Climate Agreement.

Over the last decade the European Union has continued to contribute significantly to the development of Indonesia, in the different areas discussed recently with the European Commissioners, thus targeting basic education, health, good governance, forestry and climate change as well as trade and economic development.

On the front of the fight against Climate Change, in March 2016 I have been happy to launch a new EU-funded programme for Aceh together with the Governor of this province which is still very rich in its forest, beyond the unique Leuser Ecosystem. Then in June I have visited Papua province - which still hosts the richest forests in Southeast Asia; this visit particularly focused on education as well as on a EU-funded project which

is working successfully with the communities of Jayapura and Merauke, where the two regents are personally committed to sustainably manage their rich natural forest resources for future generations.

Our theme for this year's publication is 'Gender Equality'. From the beginning, European integration has been based on the principle of non-discrimination, which underpins all European policies. Equality between women and men is one of the European Union's founding values. It dates back to 1957 when the principle of equal pay for equal work became part of the Treaty of Rome. Moreover, Article 20 of the European Union Charter of Fundamental Rights states that 'Everyone is equal before the law'. Today the gender pay gap has been narrowed down to 16 percent but work is still needed – gender gaps remain in the labour market and women are still underrepresented in decision-making positions.

The European Union's new Strategic Engagement for Gender Equality and Gender Action Plan 2016-2020 (GAP II) is well in line with Sustainable Development Goal 5 – Achieve gender equality and empower all women and girls, which is a global commitment that concerns us all. Gender

equality is indeed not just a fundamental human right, but it also means that the full participation of women in society – politically, economically and socially – is a necessary pre-requisite to delivering sustainable development. The GAP II outlines an ambitious approach to delivering gender equality in all EU external action, including in Indonesia where the European Union now considers gender in all aspects of its development cooperation, as well as through multiple local initiatives that are helping to change the lives of thousands of women and girls. We are glad to present to you some of their stories in our Blue Book 2017.

From the strategic issues of world diplomacy to the minute details of practical cooperation, the partnership and interactions between the European Union and its Member States and Indonesia are doubtlessly intensifying. This publication provides a brief overview and I hope you find it an enjoyable and informative reading.

Vincent Guérend

EU Ambassador to Indonesia and Brunei Darussalam





The EU Worldwide

The European Union (EU) is a unique economic and political partnership between 28 democratic European countries. Sixty years ago the Treaty of Rome laid the foundation for the Europe that we know today, ushering in the longest period of peace in written European history. Since then, the EU has delivered over half a century of peace, stability and prosperity, and is progressively building a single market in which people, goods, services and capital move freely.

Today, the EU is a global force with more than 500 million inhabitants, and responsible for one quarter of the world's gross domestic product. It is the biggest economy and the largest exporter and importer of goods and services in the world, accounting for one fifth of worldwide trade. Assuming a significant role in global governance, the EU contributes to finding solutions to the 21st century's global challenges.

To speak and act as one in world affairs, the EU has developed a Common Foreign and Security Policy and has established the European External Action Service (EEAS), the EU's diplomatic corps. This service supports the EU's foreign affairs chief – the High Representative for Foreign Affairs and Security Policy – to carry out the EU's political, diplomatic and policy work. In fact, 140 EU delegations worldwide are working in close cooperation with EU Member States locally to promote the values and interests of the EU.

A key to addressing global challenges is providing women with equal rights and equal opportunities so that they can fully contribute to a peaceful, prosperous and sustainable world. To this end, the EU adopted the Gender Action Plan II (2016-2020) in 2015. The Plan strengthens the EU's commitment to gender equality in all its external actions.

Current EU Leadership Team



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 EU and Indonesia

Towards a more stable and long-term economic framework with the Comprehensive Economic Partnership Agreement.

Indonesia is an important partner for the EU globally and in South East Asia. This close partnership is based on common values concerning democracy, human rights and environmental protection. It is also a result of Indonesia's growing prominence in international affairs. As a G20 member, and an active actor in promoting regional integration, Indonesia hosts the ASEAN Secretariat and acts as the hub of the region's emerging political, security and economic architecture.

After an official announcement by President Joko Widodo in Brussels in April 2016, the EU and Indonesia have started official negotiations for a Comprehensive Economic Partnership Agreement (CEPA). So far, two rounds of negotiations have taken place. Once concluded, the CEPA will enable the free flow of goods, services and investments in a common market of 750 million people. This agreement will provide mutual benefits and build confidence between the complementary economies of Indonesia and the EU.

In this context, the EU has identified three priorities for its relations with Indonesia:

- strengthening economic ties
- deepening the political partnership
- cooperating on regional and global challenges.

The CEPA will complement the EU-Indonesia Partnership and Cooperation Agreement (PCA), which entered into force in 2014. The PCA is a testimony to the rapidly growing importance of the ties between the EU and Indonesia. The agreement is the first of its kind between the EU and an ASEAN country and it is already strengthening cooperation in a wide range of areas. These include trade, climate change and the environment, energy, education, science and technology, migration, and counter-terrorism. Politically, the PCA confirms and deepens a shared commitment to respect democratic principles and human rights. It will further enhance cooperation on critical global challenges, where both Indonesia and the EU are playing an increasingly important role.

To date, working groups and other mechanisms, such as high level dialogues, have already been established in the fields of trade and investment, development cooperation and human rights, as well as fisheries and maritime affairs, and environment and climate change. In November 2016, the first ever Joint Committee of the PCA took place in Brussels. This Joint Committee constituted a milestone in EU-Indonesia relations by increasing the scope, scale and pace of collaborative engagement between the two partners. The launch of this Joint Committee will now allow the EU and



Indonesia to work further in a systematic way to explore the full potential for cooperation in the agreed priority areas.

The EU is also one of the main development actors promoting initiatives that protect the environment and support the sustainable management of Indonesia's rich forests and peatlands and the fight against climate change. In 2016, these efforts saw significant success: Indonesia became 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 to reduce illegal logging. In 2016, Indonesia also ratified the Paris Climate Agreement, and launched free trade negotiations with the EU, where palm oil takes an important place.

A further important development in 2016 was the prioritisation of gender mainstreaming as a crosscutting issue. This approach, which is in line with the implementation of the EU's new Gender Action Plan (GAP II), recognises that gender equality is not only relevant to projects focused on specific issues, but that it is also a vital part of achieving economic growth that is socially inclusive, and environmentally sustainable.



EU Development Cooperation

Our world, our dignity, our future

Building more resilient and sustainable societies to address complex global challenges.

Eradicating poverty and achieving sustainable development are two of the world's greatest challenges, and the EU, working in collaboration with its Member States and partner countries, is determined to address both. Since 2000, the world has made great progress. Extreme poverty and child mortality have been halved, two billion people have gained access to clean water, and more children – both boys and girls – are now in school.

But great challenges remain, particularly in addressing climate change and achieving sustainable development. If economic development depletes natural resources and

damages ecosystems, our achievements will be undermined and future progress threatened. As the world's largest donor, providing €75.5 billion of Official Development Assistance in 2016, the EU and its Member States are working to address these issues. Every day, in the Brussels headquarters and more than 100 EU delegations around the world, the European Commission's Directorate-General for International Cooperation and Development (DG DEVCO) strives to build solid and lasting partnerships for progress.

In order to address global challenges, the EU welcomes the 2030 UN Agenda for Sustainable



EEC
Euratom



EU

1950

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

1951

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

1957

Signing of the Treaty of Rome

The establishment of the European Economic Community (EEC) and the European Atomic Energy Community (Euratom)

1973

Denmark, Ireland and UK join

1981

Greece joins

1986

Spain and Portugal join

1993

Name changed to European Union

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



Development, which was adopted by the international community in September 2015 and represents an ambitious response to global trends and challenges. The 2030 agenda, which represents the 17 sustainable development goals (SDGs) along with other international summits, the Addis Ababa Action Agenda for financing development, Paris COP21 and finally the Marrakech Climate Conference, constitute an ambitious new framework for all countries to work together on these shared challenges. The EU and its Member States have played an important role in shaping this new agenda, and are fully committed to it. To achieve sustainable development in Europe and around the world the EU has set out a strategic approach – the New European Consensus on Development 2016. This consensus addresses in an integrated manner the main orientations of the 2030 Agenda:

- **People** – Fostering human development in a healthy environment by tackling poverty, hunger, discrimination and inequalities.
- **Planet** – Managing natural resources and tackling climate change by promoting resource efficiency and sustainable consumption and production to protect the planet from degradation.
- **Prosperity** – Achieving socially inclusive and sustainable growth and technological progress to enable all human beings to enjoy prosperous lives.
- **Peace** – Promoting the universal values of peace, justice, non-discrimination and human rights to build societies that are free from fear and violence.
- **Partnership** – Improving effectiveness and impact of development cooperation with participation of all stakeholders through greater coordination and coherence to address the pressing needs of the most vulnerable.



1995

Austria, Finland, Sweden join

Schengen Agreement takes effect

2002

Euro banknotes and coins come into circulation

2004

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

2007

Bulgaria, Romania join

2009

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

2012

The EU receives a Nobel Peace Prize

2013

Croatia joins

2017

60th anniversary of the Treaty of Rome

To deliver stronger partnerships with greater impact, the EU will focus on increased use of joint programming, enhanced coordination by the EU and its Member States on budget support, and the blending of public grants and loans to leverage engagement from the private sector.

Recognising women's equality and empowerment as both the objective and part of the solution, gender equality cuts across the whole 2030 Agenda as well as the EU Consensus. In line with SDG 5, the EU is clear that women have a right to equality in all areas. This must be cemented in

legal systems, upheld in laws and legal practices, and supported by proactive measures. Since all areas of life relate to gender equality, efforts must be made to cut the roots of gender discrimination wherever they appear.

Acknowledging that all countries have common challenges and opportunities for a shared future, the EU embraces the concept of sustainable development as a model that meets the needs of the present, without compromising the ability of future generations to provide for their own needs.





EU-Indonesia Development Cooperation

Equal partners in achieving sustainable development

Working hand in hand to ensure long-lasting development to safeguard equal rights and opportunities.

In the past decades, EU-Indonesia relations have evolved from a donor-recipient relationship to an equal partnership. EU development assistance to Indonesia, which amounted to more than €500 million in the past 10 years, has been used to deliver sustainable growth and address global challenges. In line with Indonesia's Medium Term Development Plan, priorities include promoting good governance and universal basic education, countering climate change and deforestation, and encouraging trade and economic development.

In education, major programmes have supported minimum service standards in disadvantaged areas, with a focus on fostering high-quality teaching, and developing higher education opportunities, as well as policy dialogues.

EU-Indonesia development cooperation for good governance focuses on transparency, accountability and inclusive representation in decision-making, public finance management and public procurement procedures, as well as equality before the law and access to justice. In order to ensure that these objectives are attained, the EU works in close cooperation with civil society, which plays a vital role in promoting

human rights, democracy and good governance. However, the EU recognises that the role of civil society can be further strengthened and has therefore set up a Roadmap for Engagement with Civil Society for 2015-2017 to ensure a structured approach for engagement between civil society, the local government and the EU.

The EU also promotes gender equality, women's empowerment, and the fight against gender-based violence within the EU-Indonesia Human Rights Dialogue. Moreover, women's rights are now included as a priority in the Human Rights and Democracy Country Strategy for Indonesia (2016-2020). The new framework is narrow in focus but broad in scope and engagement. The EU Gender Action Plan II promotes gender equality, women's empowerment, and the fight against gender-based violence to achieve sustainable development. It seeks to concentrate efforts on a shift in institutional culture, and covers three thematic areas: women's and girls' physical and psychological integrity, their economic and social rights, as well as their voice and participation. All initiatives and programmes of EU-Indonesia development cooperation now prioritise gender mainstreaming as a crosscutting issue.



The EU is also one of the main development actors promoting initiatives that protect the environment and support the sustainable management of Indonesia's rich forests and peatlands and the fight against climate change.

Economic cooperation programmes also continue, which are designed to strengthen the policy framework and promote trade and investment. In October 2016, a new EU bilateral financial commitment worth €10 million was announced for a new trade support programme, which is currently in its process of formulation.

The EU shares with Indonesia and ASEAN a commitment to regional integration as an effective means to address global challenges and deliver sustainable development. In support of this commitment, the EU's allocation to EU-

ASEAN cooperation has almost tripled for the 2014-2020 period. ARISE Plus – Indonesia Trade Support Facility (TSF), which will run from 2018 to 2021, is the national component of the ASEAN-wide ARISE Plus programme. It covers four priority areas including working towards an EU-Indonesia Free Trade Agreement (the Comprehensive Economic Partnership Agreement), facilitating trade, and developing a quality export infrastructure and the protection of intellectual property rights.

In the future, through both thematic and regional cooperation programmes, the EU will concentrate its support on Indonesia's priority sectors. These include higher education, continued aid for trade, support to green infrastructure, green growth, climate change and forestry, as well as civil society support and gender equality.



Gender Equality, Human Rights and Good Governance

Together for equal access, participation and opportunities

“Gender equality as a matter of development, social justice, peace and security – not only a matter of principles.”

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

The EU and Indonesia share the belief that sustainable peace, long-term development and prosperity cannot exist without respect for human rights, good governance and gender equality. In a new era of relations between the EU and Indonesia, these crosscutting issues are systematically addressed and incorporated in EU-Indonesia initiatives, at a moment where important projects on trade, security, environment and climate change are driving the partnership to new heights. The EU and Indonesia work hand-in-hand to ensure that the fundamental rights of citizens and communities are protected.

Human rights and good governance are mutually reinforcing principles. They are both based on core standards of participation, accountability, transparency and state responsibility, which the EU holds in the highest regard. The EU and Indonesia have a committed long-term partnership to promote reforms in public finance management, the rule of law and the judiciary. The EU provides constant support to the Indonesian government's development plan to

provide its country with good governance and greater respect for human rights.

The EU supports projects with civil society through the European Instrument for Democracy and Human Rights (EIDHR). These projects correspond to the priorities in the EU Human Rights and Democracy Country Strategy for Indonesia which provides a platform for furthering dialogue between the two partners. In 2016, EU and Member States projects covered a wide range of human rights issues including the promotion of religious tolerance and pluralism, the abolishment of the death penalty, and the rights of vulnerable groups such as women and people with disability, as well as promoting the application of the UN Guiding Principles on Business and Human Rights in Indonesia.

The EU is contributing to Indonesia's judicial reform agenda through the Support for Reform of the Justice Sector in Indonesia (SUSTAIN) project. It aims to improve transparency, integrity and accountability of the judiciary as well as the

quality of justice service delivery. In 2016, the project facilitated a joint training between law enforcement agencies and special courts on fishery to enhance coordination and responses in the field when dealing with legal cases in fishery. This is in line with Indonesia's priority to improve its fishing industry, where strong law enforcement is needed to fight illegal fishing.

Gender equality is also a vital aspect of human rights and good governance. It allows women to participate fully in society – politically, economically and socially – and enhances their ability to take their communities forward. Gender equality is not just a matter of social justice and peace, but also one of 'smart economics': women's participation in the economy is essential for sustainable development and economic growth. The EU is therefore fully committed to support Indonesia in establishing a more enabling environment for the fulfilment of girls' and women's rights and to achieve real and tangible improvements in gender equality. Following the Gender Action Plan II as a guideline, the EU's three pillars in promoting gender equality

are: ensuring girls' and women's physical and psychological integrity, promoting the social and economic rights and empowerment of girls and women, and strengthening girls' and women's voice and participation.

As part of this programme, in November 2016, to commemorate the International Day for the Elimination of Violence against Women, the EU Ambassador and Ambassadors of the EU Member States in Indonesia made a pledge of support to the UN Women #HeForShe campaign. A series of events were organised jointly with UN Women and other partners. The EU and Member States also support initiatives that address gender equality and women's empowerment through awareness raising, dissemination of information, capacity building, policy advocacy and dialogue activities. Specific projects range from increasing the participation of women in local decision-making processes, including the development of gender-sensitive budgets for their communities, to enhancing the capacity of young rural women to improve their farming skills and earn and save money sustainably.





Girl power

Young Women Economic Empowerment (YWEE)

The EU-funded Young Women Economic Empowerment (YWEE) programme, which ran from 2013 to 2016, has improved access to livelihoods for approximately 3,000 young people, primarily young women on the island of Timor in East Nusa Tenggara, one of the poorest regions in Indonesia. Implemented by Plan International Indonesia working with local partners, the programme has provided participants with technical farming skills as well as training in life skills such as gender sensitivity, reproductive health, financial management, marketing and business. It has also strengthened Indonesia's policy and economic environment in favour of gender equality and young women's economic empowerment.

"Thanks to training that allows us to select crops that require less time and effort to cultivate, we do not need to use so much of our energy to prepare the fields. Now everything grows faster and we can earn a steady income from crops that include eggplant and Chinese cabbage."

– **Blandina Nainoe**, leader of the Nunuh Pakae farming group, East Nusa Tenggara.



Safeguarding women's rights

Support to Good Governance in Indonesia

Decentralisation in Indonesia has sometimes missed its target of democratisation and instead resulted in an increase in the number of discriminatory local regulations that restrict women's access to basic rights and discriminate against minorities. Based on their lack of compliance with the Indonesian constitution and other laws, the National Commission on Violence Against Women documents these discriminatory regulations and advocates for their amendment or withdrawal. In partnership with The Asia Foundation and the National Commission, Denmark has been supporting this process and in December 2016 the Danish Embassy and The Asia Foundation jointly organised a workshop on women's rights in Banda Aceh.

"With support from Denmark, we are developing policy options that provide better outcomes to all members of society, irrespective of gender."

– **Ronald Rofiandri**, Director of Monitoring, Evaluation and Network Strengthening, Indonesian Center of Law and Policy Studies



A woman, a farmer, a leader

Sustainable Coffee

As chair of the Kagho Masa Coffee Cooperative in Bajawa on Flores island, Marselina Walu counters stereotyped ideas that farming in Indonesia is dominated by men. Facilitated by VECO Indonesia's sustainable coffee programme in East Nusa Tenggara, Marselina strives to empower women in her village as well as to ensure the welfare of all the cooperative members. She is also a qualified Q Grader, authorised to assess and score the quality of coffee, and is working to improve the skills of five other female cooperative members.

"It's time that women in agriculture are taken seriously. For this to happen, women should never stop learning and be critical of themselves. We can be proud of what we have achieved today, but we should never forget what we have learned yesterday."

– **Marselina Walu**, Chair,
Kagho Masa Coffee Cooperative



Weaving prosperity

Sustainable Consumption and Production (SCP) of hand-woven textiles: Female Entrepreneurship in Indonesia and the Philippines

The traditionally diverse hand-woven textile industry in Indonesia and the Philippines is dominated by small local enterprises which usually employ poor women. The Sustainable Consumption and Production of hand-woven textiles: Female Entrepreneurship in Indonesia and the Philippines project is contributing to poverty reduction by developing a sustainable hand-woven textile value chain along with an enabling policy environment. The project is supported by the EU with €2.5 million over four years and implemented by HIVOS together with three partner associations. It has helped 7,000 micro and small entrepreneurs to improve their technical, management and business capacity in producing and marketing quality eco-friendly hand-woven textile products. Another key success has included the establishment of an Indonesian national competency standard and an eco-label for naturally dyed hand-woven textiles.

"I feel fortunate to be part of this project. The project has improved our knowledge and skills in producing natural dyes and linked us with designers who taught us to design and create products favoured by the market."

– **Poninten**, leader of Maju Lancar Producer Group,
Klaten, Central Java





Amplifying village voices

DESA: Gender Sensitive Citizen Budget Planning in Indonesian Villages

With the enactment of the new national Village Law No. 6/2014, villages have been given greater opportunities for self-determination and public participation. However, the new law does not automatically transform village development into a socially inclusive process involving broad-based citizen engagement. The three-year EU-supported DESA: Gender Sensitive Citizen Budget Planning in Indonesian Villages project aims to enhance citizen involvement in budget planning at the village level. Activities such as training and awareness campaigns have enabled citizens, local leaders and CSO representatives to engage constructively in public budgeting processes that consider and respect the specific needs of women.

“We now know that working on issues of women’s empowerment cannot be done alone. The programme has allowed us to build relationships and networks with other groups, such as entrepreneurship organisations, to ensure that we can integrate assistance based on what our villages need.”

- **Luh Riniti**, Director of Bali Sruti



Working for equality

Technical and Vocational Education and Training (TVET)

Gender equality is essential for full employment and sustainable economic development, but women’s participation in the workforce remains low. In order to enhance women’s opportunities on the labour market, in 2016, the first SMK Girls’ Innovation Camp took place in collaboration with Intel Indonesia. Both students and teachers received career guidance and learnt the basic principles of teamwork, leadership, design thinking and technology. The Sustainable and Economic Development through TVET programme (SED-TVET), supported with €18.3 million from the German Ministry of Economic Cooperation and Development (BMZ), has been working to improve teaching quality and access to career guidance and jobs for approximately 8,400 male and female graduates per year in 23 TVET institutes.

“Although female IT programmers are rare, I have decided that this is what I want to do. The Innovation Camp was therefore very helpful to me and added significantly to my knowledge. I am convinced that in the future I will be working in the IT business.”

- Female workshop participant



Livestock for a brighter future

Strong CSOs for Inclusive Livestock Value Chain Development in NTT (SCILD)

Approximately 2,000 young men and women living in East Nusa Tenggara are benefiting from a project which supports sustainable economic development in the livestock sector. The project provides small grants to eight civil society organisations (CSOs) to develop models for young people's involvement in the livestock value chain. With a total budget of €1 million for 3 years (2016-2019), Plan International Finland is working together with local partners to provide cattle (pigs, cows and chicken), sustainable livestock training and mentoring for youth and young women's groups in 40 poor villages in Timor island. The programme also facilitates access for livestock owners to related programmes offered by the local government, the private sector and other initiatives.

"SCILD training improved our skills and knowledge about the livestock sector, especially on chicken farming. I also attended a workshop on budget planning for my village. It opened my horizons and I am now actively involved in the village forum."

- **Melvin Adu**, 19 years old,
Nekmese village, Kupang, NTT.



Engendering change

The Forests and Climate Change Programme (FORCLIME)

The Forests and Climate Change programme (FORCLIME), financed with €14.8 million over four years by the German Ministry of Economic Cooperation and Development (BMZ), has conducted a range of activities to support the achievement of gender mainstreaming goals in the forestry sector. Gender relevant capacity training has been conducted with 155 government officials, 25 gender focal points, and 225 farmers. The relevant budget of the Ministry of Environment and Forestry has also increased almost seven-fold from 2013 to 2016. Over the same period, the Ministry moved from Category 3 (medium) to Category 2 (best) in the official National Gender Awards, which are judged by the Ministry of Women's Empowerment and Child Protection.

"Women here used to be underestimated, but now they enjoy being involved in making decisions about local development"

- **Surya Emi**, Head of Tepian Buah Village, Berau District, East Kalimantan, and a participant in gender training supported by FORCLIME





Justice, transparency and accountability

Making Rule of Law Accessible for Women, Poor People, and Vulnerable Groups

The Women's Association for Justice and Legal Aid (LBH-APIK) is working with the Netherlands-funded Making Rule of Law Meaningful for Women, Poor People and Vulnerable Groups programme. The programme aims both to provide access to justice, economic development and basic services to poor women and other vulnerable groups (such as the elderly, disabled people and children), and to improve the accountability, responsiveness and responsibility of government. Programme activities include creating citizens' forums to improve knowledge about citizens' rights, and training to improve skills in obtaining access to justice and assuring transparent and accountable public services.

"My husband used to beat and insult me almost every day but now I am aware of my legal and political rights and I have the confidence to speak out. In fact, my self-confidence has improved so much that I have been selected to serve on the School Committee at my children's school."

- **Sumiyati**, a housewife and a programme participant from Central Jakarta



Mainstreaming gender in public services

Transforming Administration, Strengthening Innovation (TRANSFORMASI)

As a fast-growing country, Indonesia is facing diverse challenges. One of them is that administrative processes are rarely orientated towards gender equality. To analyse the current situation, the Transforming Administration, Strengthening Innovation (TRANSFORMASI) project, financed with €6 million by the German Ministry of Economic Cooperation and Development (BMZ), conducted a study in collaboration with the National Civil Service Agency. The results showed that women occupy only approximately 24% of all executive positions nationally, and 15% at the sub-national level. Building on this evidence, recommendations were established for further development and training of executives working in public services.

"The National Civil Service Agency manages 14 regional offices across Indonesia, and some of the offices are led by female staff. My dream is that there will be a pilot in a regional office of BKN where all staff are women."

- **Ibu Yulina Setiawati**, Deputy of BKN (Badan Kepegawaian Negara - National Civil Service Agency)



Keeping girls in school

Menstrual Hygiene Management (MHM)

Lack of information, mockery and inadequate sanitation facilities at school mean that 14% of rural teenage girls miss at least one day of school every month, limiting their academic achievement. To address this issue, SNV Netherlands Development Organisation has integrated Menstrual Hygiene Management (MHM) in its rural sanitation and hygiene programming. With funding from the Netherlands, the programme supports local governments and schools to integrate MHM in school curricula, train teachers, develop information materials, and improve school sanitation facilities. In Lampung province, 138 schools have been involved in the programme, and 2,500 students have benefited, boys and girls alike.

“Before the programme, girls would not talk about this topic and simply would not change at school. Now the teachers are much more confident in informing students about MHM.”

- **Herjony**, a teacher at SD Negeri 2, Way Halom, Tanggamus, Lampung.



Changing the gender climate

Policy Advice for Environment and Climate Change (PAKLIM)

Studies have shown that women are generally more vulnerable to climate change than men. Among other reasons, this is due to their traditional roles as mothers, being bound to their homes and less able to migrate, more dependent on natural resources in agricultural areas, and more inclined to prioritise their children's needs over their own in times of scarcity. To address this issue, the Policy Advice for Environment and Climate Change (PAKLIM) project, financed with €13.75 million over four years by the German Ministry of Economic Cooperation and Development (BMZ), integrates gender mainstreaming goals into climate change strategy development and action planning. This approach, which starts with an assessment to identify which elements of a project are sensitive to gender, ensures that gender issues are considered and integrated into project design, management and monitoring.

“The condition of public transportation systems is yet not optimal and often they are uncomfortable, especially for women. Terminal Terboyo is still unorganised and I have experienced pick-pocketing. Hopefully, as a result of this event, there will be improvements at the terminal.”

- **Reni Yesiana**, Department of City and Regional Planning, Diponegoro University (PWK UNDIP)





Action on the ground

Empowering Local Women's Role in Sustainable Land Practices

Support from Sweden has allowed the Asia Pacific Forum on Women, Law and Development (APWLD) to partner with Indonesian women's organisations to address land, labour and climate change policy issues. Using Feminist Participatory Action Research (FPAR), local women's groups have documented their experiences and built strategies to achieve community-driven sustainable development. In Kalimantan, for example, women became able to participate in discussions related to forestry projects, and in West Java, FPAR has been used to support local women's efforts to secure land tenure rights. Studies have shown that women's involvement lead to improved poverty alleviation, and that secure land tenure rights result in more sustainable agricultural processes as well as increased gender equality.

"We gained many new members and local leaders found the methods so effective that they adopted them to advocate on wage discrimination between male and female farm labourers."

– Dewi Amelia Eka Putri,
Serikat Perempuan Indonesia (Seruni)



Good Governance & Human Rights

Youthful energy

Strengthened Civil Society and Inclusive and Empowered Youth in West Java (CREATIVE)

The Strengthened Civil Society and Inclusive and Empowered Youth in West Java (CREATIVE) project, which is supported by the EU from 2015 to 2017 in Garut and Sukabumi districts in West Java, aims to empower young people and civil society to engage with the private sector and local government to promote access to youth employment. The overall objective is to reduce poverty and increase opportunities for sustainable economic development. Significant progress was made in 2016 when youth representatives analysed local employment issues and delivered the results to the village government through formal meetings.

"CREATIVE has helped us to realise that we are part of the community and have our own role to play in contributing to development. I personally learnt that every adolescent has the rights to express his or her opinions to decision-makers and to access the village budget for youth development."

– Inten Pratiwi Ambarwati, member of Karang Taruna
of Warnajati village in West Java



Listening and learning

Improving Efficiency, Transparency, and Accountability in Public Procurement

Many local governments are ill-equipped to improve public services in response to public complaints. The Improving Efficiency, Transparency and Accountability in Public Procurement programme, funded by the EU over four years and implemented by the NGO B_Trust, is responding to this issue by facilitating partnerships between civil society organisations and local authorities (CSO - LA partnerships) through developing public complaint handling systems in 10 subnational governments. Surakarta in Central Java is recognised as one of the programme's successes. An innovative approach to public feedback at the new Surakarta Complaint Handling Unit (Unit Layanan Aduan Surakarta - ULAS) has changed the mindset of government employees from being resistant to public complaints to appreciating them to improve services to the population, and the municipality has been officially praised by the Ministry of Administrative and Bureaucratic Reform.

"The establishment of ULAS shows our commitment to improving the quality of public services and responding to evaluation of the government by the public."

- **FX Hadi Rudyatmo**, Mayor of Surakarta



A world fit for children

Empowered CSOs to Support Government for Accountable Child Friendly City/District (CFC/D)

The Empowered CSOs to Support Government for Accountable Child Friendly City/District project, supported by the EU with about €650,000 over four years and implemented by Wahana Visi Indonesia in three districts of West Kalimantan, aims to increase the transparency and accountability of public services and finances related to basic health and welfare as part of the government's commitment towards the UN 'A World Fit for Children' declaration. Key activities include strengthening local CSO coalitions and networks, capacity building for CSOs, child forums, community groups and local governments, and conducting enhanced public discussions and budget and policy analyses.

"Many pregnant women were disappointed when they came to our health centre and discovered that no midwives were available because they rarely come to the village. A new monitoring standard means that midwives now visit more regularly, and the village government is increasing the budget to improve the services we offer."

- **Donata Aron**, Posyandu cadre, Senangak village, West Kalimantan



 **Talking tolerance**

READY - Respect and Dialogue Project in West Java Project

West Java has the largest number of adherents of local religions and members of religious minority groups in Indonesia. Nevertheless, the National Commission on Human Rights has determined that the province was the most intolerant in Indonesia in 2016. The READY - Respect and Dialogue in West Java Project, supported by the EU with €700,000 over three years, aims to increase awareness among the community and support for the human and civil rights of faith minorities via interfaith advocacy. Led by young people, the project centres on developing dialogue between different religious groups, with an emphasis on involving local religious leaders and policy makers.

"I had negative feelings when I entered and met a priest for the first time. Then I realised that all religions can live side by side in one village. The project has opened my mind and now I can see that we all must be more tolerant when facing different religions."

- **Wanti**, READY youth participant, Cirebon

 **Increasing transparency in the judiciary**

The SIWAS whistleblowing system

In October 2016, the Supreme Court of the Republic of Indonesia launched SIWAS, its whistleblowing system. SIWAS is geared towards increasing public trust in the judicial system and strengthening its oversight. It is a web application which allows both internal officials and the general public to report any violation of code of conducts and code of ethics by judges or staff in the judiciary, such as bribery. The report is confidential and goes directly to the Oversight Body, a division in the Supreme Court in charge of handling complaints, which will then verify and decide what kind of sanctions will be applied. SIWAS is supported by the EU-funded project in justice sector reform, SUSTAIN.

"I hope that the Supreme Court can now respond to public complaints faster. Before, the Supreme Court has provided an open access information system and case tracking system. Now with SIWAS, it is important to ensure confidentiality to avoid defamation. It is also important to ensure that the manpower behind the system is working well to respond to complaints."

- **Aidul Fitriadi Azhari**,
Head of the Judicial Commission



Making taxation work

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

Phase II of the €20 million Public Financial Management Multi-Donor Trust Fund, co-financed by the EU, Canada, and Switzerland, aims to support the national government in its efforts to improve the quality of spending, enhance revenue collection capacity, and increase the effectiveness of subnational service delivery. Since the project was launched in 2014, key achievements have included the roll-out of an automated treasury payment and budget preparation information system at all 222 central treasury offices around Indonesia, the piloting of an application to facilitate tax payments, the launch in October 2016 of a third Public Expenditure and Financial Accountability (PEFA) assessment, as well as the distribution of a 'People's Guide to the Budget' to increase public understanding and transparency.

"It is the responsibility of the Finance Ministry to ensure that every cent of Rupiah spent brings immediate and maximum result."

- **Sri Mulyani Indrawati**, Minister of Finance



Business women on the rise

Peace-Building Through Micro-Economic
Development

Finland supported the Wahid Institute's project to strengthen women's participation in peace building through interfaith micro-economic development in Sawangan, Depok. The main activity was the establishment of a community laundry service, where women from different religious backgrounds can work together. The project also included more general assistance on developing basic community business and management skills. As a result, 5% of 200 participants in the project were able to increase the size of their business, and 87% of the participants have now savings of their own. Since the project concluded in 2016, the businesses have continued to grow, attracting more people in the community to take part.

"Since we joined the laundry business, I have saved money for new things and have made new friends from different backgrounds and ethnic groups by going out to find customers."

- **Munah**, an employee at One Laundry Agent and a programme participant





Economic Cooperation

Removing barriers for more inclusive growth

Maximising the potential of EU-Indonesian complementary economies for greater trust and mutual benefits.

The EU and Indonesia recognise that strengthening economic cooperation is a priority. Indonesia is the largest economy and most populous country in ASEAN, representing around 42% of the region's GDP. However, the country ranks only fourth in ASEAN as an EU trading partner. The EU and its Member States have therefore supported Indonesia with a range of projects designed to assist integration into the international trade system and reduce poverty through sustainable economic development.

The EU-Indonesia Trade Cooperation Facility (TCF), for example, aimed at strengthening the capacity of government institutions to improve the trade and investment climate. Over four and half years until November 2016, it has enhanced economic analysis, trade capacity, intellectual property rights, investment, innovation, and waste to energy systems. The facility has also supported a national strategy for geographical indications and facilitated the registration of the first Indonesian geographical indication in the EU - Gayo Arabica Coffee. Moreover, the EU-Indonesia Business Network (EIBN), launched in 2013, provides business support services aimed at enhancing EU market access to Indonesia and ASEAN, and raises awareness of the potential of the Indonesian market in Europe.

In addition, another EU-funded project run in collaboration with the European Chamber of Commerce in Indonesia (Eurocham) focuses

on improving market access for European companies in Indonesia through information sharing and a proactive advocacy dialogue with the Government of Indonesia. The project has accelerated the development of improved advocacy tools and provided support to the Comprehensive Economic Partnership Agreement (CEPA) negotiations. These ambitions set the stage for the annual EU-Indonesia Business Dialogue in November 2016.

In light of the on-going CEPA negotiation, strengthening economic cooperation becomes increasingly important. These negotiations will also be supported under the ARISE Plus - Indonesia Trade Support Facility (TSF) to support Indonesia's exports, promote inclusive and sustainable economic growth, and boost job creation. TSF will be the first trade related EU bilateral assistance programme with Indonesia that is closely linked to the ASEAN economic integration agenda.

Through thematic small grant programmes, the EU supports initiatives of civil society organisations in promoting inclusive and equitable local economic development. New projects in 2016 address different economic sectors ranging from sustainable cocoa, livestock value chains, and the development of regional ecotourism networks, to women and youth empowerment and skills training, to ensure economic and social welfare in Indonesia.

Developing village entrepreneurship

Creative Entrepreneurship for Accelerating Tourism and Local Economic Development in Flores (CREATED)

The CREATED project promotes entrepreneurship for village tourism organisations and local community groups in the regions of Mbelliling, Inerie and Ruteng on Flores island. Tololela is one of the villages which receive assistance from CREATED to increase the quality and variety of their community products and services for tourism as well as to establish business networks and marketing for the tourism industry. CREATED is a joint cooperation between the Indonesian Ecotourism Network (Indecon) and the EU which is implemented in close collaboration with the local authorities and village communities on Flores island.

"I really appreciate what our village head has been doing. Our village has been revived and now I feel confident to share it with visitors."

– **Katarina Sarmining Ayu**, a Tololela resident.



Inspiring innovation

The EU-Indonesia Trade Cooperation Facility (TCF)

The EU-Indonesia Trade Cooperation Facility (TCF) has worked to support the growth of value-adding, innovation-based business. One initiative, 'Innovating Jogja', demonstrated the value of a city-based innovation approach through a business competition that developed the skills of 12 local businesses, and incubated three innovative products in the areas of crafts, leather and batik. The project also launched the process towards developing 'Innovating Indonesia', a funding and support hub designed to encourage innovation-based business across the country.

"For the Ministry of Industry, TCF introduced a totally new approach to encouraging innovation-based businesses in our cities. The TCF proposal for a national innovation fund was brilliant. It will make a real impact in Indonesia."

– **Haris Munandar**, Head of Research and Development, Ministry of Industry





Amplifying business voices

The European Chamber of Commerce in Indonesia (EuroCham)

Focusing on policy advocacy, the European Chamber of Commerce in Indonesia (EuroCham), which is co-funded by the EU with a contribution amounting to €2.5 million, works to improve market access and the business climate for EU companies operating in Indonesia. It also provides quality policy research and enhances trade dialogue with the Indonesian government. In late 2016, EuroCham finalised its Annual Position Paper, which gathers European companies' inputs, concerns and recommendations and presented it to Vice President H.E. Jusuf Kalla during the 2016 EU-Indonesia Business Dialogue.

“Both KADIN and Eurocham have a key role in forging strategic partnership, tackling barriers and developing new opportunities for EU and Indonesia business communities through their collaborative contributions in EU-Indonesia trade negotiations. I believe that this relationship is vital to support the economic growth of both Indonesia and EU countries.”

– **Wahyuni Bahar**, Head of Permanent Committee for Multilateral Institutions & Free Trade Agreements, KADIN, the Indonesia Chamber of Commerce and Industry



Supporting business in Indonesia

The EU-Indonesia Business Network (EIBN)

The EU-Indonesia Business Network (EIBN) is a partnership between five European chambers of commerce in Indonesia and two counterparts in Europe. It was initiated and co-founded by the EU with funding of €2.6 million and aims to assist European SMEs in discovering and accessing Indonesian market opportunities. The EIBN provides a set of free features on its web portal (www.eibn.org), a fast-responding business enquiry helpdesk, and business support services at competitive rates. Operating since 2014, it has supported over 380 companies, establishing itself as a valuable focal point for business support in Indonesia.

“Last week Indonesia was a blank spot on our map. Today we have several companies interested in our products and willing to work with us thanks to EIBN's support.”

– **Laszlo Penzes**, Head of International Business, ONLINET Group, Hungary



Special locations mean special products

The EU-Indonesia Trade Cooperation Facility (TCF)

The EU-Indonesia Trade Cooperation Facility (TCF) strengthened the growth of Indonesia's Geographical Indications (GIs) – the term given to the protection of special products from specific locations. For example, working with Sumbawa honey farmers, TCF helped to triple the association's membership to more than 1,000 farmers. Over roughly the same period, improvements in traceability, quality, and marketing led to a 40 % increase in the price of Sumbawa Honey, which is praised for its high quality, and a five-fold increase in farmers' incomes. In a landmark development, TCF also supported Gayo Arabica coffee's registration as the first Indonesian GI in the EU, and during its final year, TCF helped formulate

a national GI Strategy to guide its development over the coming years.

“TCF provided good support to the government with approaches that were practical and focused. For example, the creation of the economic model, and a new strategy for national branding. We are also in the process of setting up the national innovation fund proposal and we will ensure the sustainability of outcomes from the TCF project in the future.”

– **Bambang Brodjonegoro**, Minister of Ministry of National Development Planning, BAPPENAS





A new class of coffee

Developing a Geographical Indication for Bali coffee producers

Officially recognised Geographical Indications (GIs) protect respected agrarian and artisan traditions and local expertise. They can also boost the economic development of remote regions, contribute to job creation, and increase the incomes of producers. With €100,000 funding from France, the Indonesian Coffee and Cocoa Research Institute (ICCI) and the French Agricultural Research Centre for International Development (CIRAD) have been collaborating to implement a new Indonesian GI - Kintamani Bali coffee. To support the process, scientific missions have provided technical expertise to farmers and helped facilitate the supply chain structure, delimit the relevant geographical area, and determine quality and labelling specifications.

“Everyone has cooperated to develop the Kintamani Bali coffee GI. We want our coffee to be a high-quality specialty coffee and a strictly organic product so we made some clear decisions concerning the specifications. Now, prices are more stable and our efforts are bearing fruit.”

- A coffee farmer from Subak Arbian, Bali.



Combatting plant diseases

Using natural resistance to increase palm oil production

The most serious disease affecting oil palm plants in Indonesia is basal stem rot (BSR), which is caused by the fungus *Ganoderma boninense*. As addressing the issue by using chemicals is expensive and environmentally damaging, Socfindo and Palm Elit, respectively Indonesian and French plantation companies, worked with the French Agricultural Research Centre for International Development (CIRAD) to develop a plant variety that had natural tolerance to the fungus. With €2.3 million funding from France over 10 years, an innovative test for the detection of BSR tolerance has been developed, and BSR resistant seeds are now being distributed throughout the Indonesian market.

“The choice of seeds is a critical decision as plants last for more than 20 years of production. With the commercial availability of a new variety of prime seeds, we can now propose a sustainable solution to the problem of BSR to smallholders and estate companies.”

- Indra Syahputra, Head of Seed Production Laboratory, PT Socfindo Indonesia





Processing ease

Technology for smallholder farmers

Kopernik's Depot Desa initiative, funded by Poland, provides increased economic opportunity for smallholder farmers. The initiative centres on an agro-processing facility where farmers can access simple-to-use technologies that increase the value of their crops, resulting in higher incomes. In Desa Pajinian, West Adonara, East Nusa Tenggara province a solar dryer allows coconut to be dried more quickly, a pedal thresher allows sorghum to be processed faster, and hermetic storage bags have been introduced that keep sorghum free from weevils. Links to potential market buyers have also been facilitated. Kopernik is a foundation under Indonesian law based in Bali with the core of its activity in Eastern Indonesia. It is named after the famous Polish astronomer Mikołaj Kopernik.

"Kopernik provides solutions not only to save time and money, but also to sustain my family's livelihood."

- Ibu Rovina, single mother of two.



Research for results

Improving animal husbandry technology and practices

This Spanish-funded project aims to strengthen the technical, institutional and technological capabilities of meat and milk production practices in West Java, West Sumatra and South Sulawesi. It is implemented in collaboration with the Biotechnology Research Centre of the Indonesian Institute of Science (Lembaga Ilmu Pengetahuan Indonesia - LIPI) from 2012 to 2017. With a focus on enhancing research capacities, equipment and laboratory facilities, supporting staff technical development, and promoting cooperation among institutions working on animal husbandry, the project is working to improve production practices such as artificial insemination and embryo transfer, and to develop pilot initiatives that promote quality and production improvements in Indonesian agriculture.

"Our duty is to improve benefits and welfare for society."

- Dr. Ir. Iwan Setiawan, Dean of the Faculty of Animal Husbandry, Padjadjaran University, Bandung



Education

Invest in people, invest in future

Supporting equal access to high-quality education to enable all people to drive long-term prosperity in Indonesia.

Indonesia continues to make progress towards achieving nine years of universal basic education with gender parity, significant reduction of both primary and junior secondary school drop-out rates, and reduced district disparities. The introduction of social assistance to poor families targeting out-of-school children, the construction of schools and the increase in teacher qualification in disadvantaged, remote and border areas are key factors that the EU and Indonesia focus on in order to achieve equitable access to education. To support the Government of Indonesia in the education sector, the EU provides funding of €320 million through the Education Sector Support Programme (ESSP).

The EU also supports complementary technical cooperation in the education sector through the Analytical and Capacity Development Partnership (ACDP) programme. To assist the Indonesian government in the national education policies, ACDP is conducting more than 50 studies in the fields of early childhood development, regional planning, Islamic education, and curriculum and education strategic planning.

To reduce disparities in the quality of education among regions, the EU-funded Minimum Service Standards (MSS) programme is being implemented in nearly 55,000 schools. Managed by the Asian Development Bank (ADB), the programme tackles issues such as quality of education, governance and assisting local

governments to formulate a roadmap to achieve progress on the MSS indicators. The programme contributes to the allocation of school operational funds, the provision of text books, and an increase in the attendance of teachers and school supervisors.

The EU and its Member States also support higher education in Indonesia. Through the Erasmus+ programme, now celebrating its 30th anniversary, over 170 scholarships for Indonesian graduates to study in Europe have been awarded in 2016, and a further 1,600 scholarships were provided by Member States. Today around 9,000 Indonesian students are studying in Europe. In addition, the EU organised three workshops on funding opportunities that were attended by more than 250 university staff members and scholars. In November 2016, the Delegation also supported the 8th European Higher Education Fair, which ran in three cities in Indonesia. Bringing together 144 exhibitors from European higher education institutions and over 20,000 visitors seeking information about opportunities in Europe, the event is now considered to be one of the world's largest of its kind.

In order to address large regional disparities and social inequalities, improving access and quality in education remains a central element in EU-Indonesia cooperation. Education is crucial to ensuring respect for common values concerning human rights and prosperity for all.



Reducing teachers' absenteeism

Minimum Service Standards Capacity Development Programme (MSS-CDP)

The EU-ADB Minimum Service Standards Capacity Development Program (MSS-CDP) works in 108 districts across 16 provinces to improve quality and reduce disparities in education. The programme's guiding principle is that every child in Indonesia has the same right to minimum services standards, such as appropriately qualified teachers, learning materials, and physical facilities such as furniture. When the programme began in 2014, for example, one area in South Kalimantan was identified as suffering from significant teacher absenteeism: only 16% of schools met the minimum service standard on teaching hours. After training provided by the programme, 81% of schools and religious education institutions (*madrasah*) in the same region achieved the minimum service standard for teacher attendance.

"Our new regulation on teaching hours applies to all teaching staff at schools and religious education institutions (madrasah), including the principals."

– Muh. Arlyan Syahrial, S.Pd, M.Pd,
Head of the Organisation Unit, District Secretariat, Hulu
Sungai Selatan.



Action for education

Minimum Service Standards Capacity Development Programme (MSS-CDP)

Seram Bagian Timur (SBT) in Maluku is one of Indonesia's poorest and most remote districts, and much of the technical implementation of the EU-funded Minimum Service Standards Capacity Development Programme (MSS-CDP) has involved travelling by boat. Nevertheless, SBT is among MSS-CDP's best-performing districts. A census of all its 222 schools and religious education institutions (*madrasah*) has been completed and the data has been used to produce an action-orientated medium-term plan.

"We hope the EU's support through MSS-CDP will be a catalyst for change in Seram Bagian Timur and eventually lead to better economic development in the region."

– Achmad Rumaratu, Head of the District
Education Office, Seram Bagian Timur



Evidence-based policy making

The Analytical and Capacity Development Partnership (ACDP)

The Analytical and Capacity Development Partnership (ACDP) has conducted a comprehensive situation analysis of primary education on Sumba island, one of Indonesia's most disadvantaged region. The study showed low literacy rates, high repetition and dropout rates, poor distribution of teachers, and poorly performing teachers and school principals. However, the study has led to official recognition of the situation and provoked the formation of a forum made up of Vice Regents and senior district officials. This shows how research can drive policy reform, as well as how local stakeholders can be empowered to manage resources and make vital strategic decisions.

"The ACDP study and the formation of the forum by the Deputy Mayors of Sumba represents a significant initiative to identify educational problems and reform the school system on the island."

- **Aloysius Seran**, Head of Planning Department, West Sumba, East Nusa Tenggara



Exchanging knowledge

Dialogue on Innovative Higher Education Strategies (DIES)

The Dialogue on Innovative Higher Education Strategies (DIES) programme, jointly implemented by the German Academic Exchange Service (DAAD) and the German Rectors' Conference, contributes to Indonesia's ambition to upgrade and internationalise its universities. The programme supports university managers and decision-makers responsible for research management and finance through a range of initiatives and international collaborations, including ProGRANT (Proposal Writing for Research Grants). In 2016, 18 Indonesians participated in training initiatives and 10 were supported to participate in conferences. To date, a total of 354 Indonesian higher education administrators and officials have benefited from the programme.

"'Wunderbare Erfahrung' or, in English, 'a remarkable experience'. Thanks to ProGRANT I managed to get a grant from my institute to visit the Netherlands in 2017. This has increased my motivation to apply for bigger research grants in the future."

- **Edwin Setiawan**, Lecturer in the Department of Biology, Institut Teknologi Sepuluh Noverber, Surabaya



Milky ambitions The Young Farmer Academy (YFA)

The Young Farmer Academy, supported by the Netherlands, aims to address challenges in the Indonesian dairy industry, particularly those challenging national ambitions to be self-sufficient in milk by 2020. One important aspect of the initiative, which continues until 2018, aims to make farming more attractive to a younger and more skilled generation of new farmers, and to foster entrepreneurialism. Activities include workshops which provide technical, management, and marketing skills training, motivational sessions, and live video conferences with Dutch farmers.

“West Java, especially Lembang and Pangalengan, has a naturally rich potential for high-quality farming. We hope that through YFA young generations will become more aware and eager to develop their farms into big and profitable industries.”

– **Dedi Setiadi**, Head of the Indonesian Milk Cooperatives Association



Climate Change and Environment

Protecting the planet for future generations

Tackling climate and environment challenges with legal instruments and dialogues for an integral sustainable development model.

In 2016, the EU and its Members States, along with other key partners and stakeholders, have continued to coordinate on climate change and forestry issues with the objective of helping Indonesia overcome its environmental challenges. Events and activities over the past year have marked a new phase in the partnership between the EU and Indonesia. These include:

- After 10 years of preparations, Indonesia became the first country in the world to issue Forest Law Enforcement, Governance and Trade (FLEGT) licenses for processing and exporting verified legal timber products.
- Indonesia presented its first Nationally Determined Contribution (NDC) which it intends to achieve in line with the Paris Agreement goals of carbon neutrality by 2050.
- For the first time, there has been a dialogue on cooperation and understanding in the field of the responsible trade of endangered species.

In Indonesia, EU and Member States initiatives have been vital in supporting the FLEGT initiative and reducing emissions from deforestation and forest degradation (REDD+). They have

also addressed issues associated with palm oil production, peatland restoration, marine litter, promoting greater resource efficiency through circular economy approaches, fire prevention, wildlife conservation and trafficking, and renewable energy. The success of the FLEGT licensing scheme has led 14 other countries in the region to consider similar systems.

In addition, the EU is supporting Indonesia's climate change response programme in various regions. For example, in Aceh, the main priority is the conservation the internationally important Leuser ecosystem. An EU-supported programme has therefore worked with the local government and the national Directorate for Climate Change Control on low-carbon economic development and climate change mitigation strategies. In Papua province, which still holds the largest area of natural forests in South East Asia, the ParCiMon project empowers civil society to address climate change policy-making and engage in low emission development planning, monitoring and evaluation, and the formulation of local climate-friendly laws that respect indigenous people's voices.



On a larger scale, through regional cooperation with ASEAN, the EU has also committed to funding two important initiatives that directly benefit Indonesia. One contributes to the sustainable management of peatlands and combating transboundary haze pollution (SUPA); the other addresses the conservation of biodiversity (BCAMP). The EU has also supported action against illegal and unregulated fishing and remains a strong partner in promoting transparency in the extractive industries and

supporting the peaceful arbitration of land use disputes.

As Indonesia is one of the world's largest emitters of greenhouse gases – excluding forest and peatlands fires – and its economy continues to be dependent on the extraction of natural resources, deeper cooperation is crucial, particularly given Indonesia's vulnerability to climate change, and the extraordinary extent of its forests, which are vital to regulating the world's climate.

Dynamic agroforestry

Support to Indonesia's Climate Change Response - Technical Assistance Component project

Indonesia's precious forest resources are under threat from many directions. In Aceh, as elsewhere, one is encroachment on protected forest lands by poor communities living nearby. To address this issue, the Support to Indonesia's Climate Change Response project funded by the EU with €6.5 million from 2016 to 2019, has developed a new concept of modular agroforestry training which is designed to enhance livelihoods opportunities for forest-dependent communities. In Aceh 150 ex-combatant forest guards have been selected to train villagers living near protected areas to work sustainably in the forest and establish buffer zones that protect the remaining forest areas.

"Agroforestry training provides many benefits. In addition to increasing the well-being of people living around the forest, it can also prevent deforestation and the degradation of forests."

– **Daud**, Head of Forest Park Conservation Area Tahura, Bandung.



Hot chocolate

The Sustainable Cocoa Development Programme (SCDP)

The Sustainable Cocoa Development Programme (SCDP) coordinated by the Indonesian Exporters Association of East Java (GPEI) and carried out with the Indonesian Coffee and Cocoa Research Institute (ICCRI), aims at increasing local cocoa production in East Java by empowering small cocoa farmers and their associations. Starting in 2016, SCDP has trained 750 farmers, including youth and women, on sustainable cocoa cultivation and demonstration plantations of 15.5 hectares have been established in five districts. Furthermore, 'Cocoa Task Forces' have been established at the provincial and district levels to bring together stakeholders from the government, farmers' unions, banks and other civil society organisations.

"Local production has decreased in the past years so that we have come to rely more on cocoa supply from other regions like Sulawesi, Bali and Flores. With this EU-funded project, we hope East Java can regain its leading position and support local industries and exports."

– **Isdarmawan Asrikan**, Chairman of GPEI East Java





Artful waste

ArtUp festival

Denmark supports mapping of the sources of the 1.3 million tons of plastic waste from Indonesia that end up in the sea annually. To generate wider public awareness about this pollution, the Danish Embassy supported the NGO Greeneration to produce the ArtUp festival in Bandung in October 2016, where artists competed to make art installations from waste materials for 30 hours non-stop. The winning art installations were showcased during the National Marine Debris Summit in Jakarta in November, and related social media posts reached over two million people. Unless behaviour changes, and innovative solutions are developed for reuse and recycling, the problem of plastic waste will only increase.

“Instead of recycling waste we upcycle it. We try to use art to show that if waste is managed correctly, it can become part of a circular economy like in Denmark.”

– **M. Bijaksana Junerosano**, Chairman of Greeneration Foundation



Science for sustainability

Sustainable Palm Oil Production (SPOP)

SPOP is a joint project of French, Indonesian and international research organisations including CIRAD, INRA, IRD, CIFOR and PT SMART. Its goal is to provide evidence-based guidance to demonstrate sustainability in palm oil production. The project, funded with a €460,000 grant from the French National Research Agency, involves stakeholders in surveys, modelling exercises and workshops in order to assess socio-environmental strengths and weaknesses of the palm oil production system. These range from failures intrinsic to the system to limited access to knowledge and tools.

“Expertise from French and Indonesian teams was combined to generate and validate scientific knowledge and to propose tools for the accurate assessment of sustainability in different production systems.”

– **Dr Jean-Pierre Caliman**, Deputy Director for Science, PT SMART



Sounding the earth

Infrasound monitoring

For more than 30 years, the Indonesian Agency for Meteorological, Climatological and Geophysics (Badan Meteorologi Klimatologi dan Geofisika - BMKG) and the French Alternative Energies and Atomic Energy Commission (CEA) have been collaborating to implement and improve geophysical systems and networks for the detection and characterisation of natural phenomena such as earthquakes. Recently, the two agencies launched a pioneer infrasound project in Indonesia with the installation of experimental stations at Palangkaraya, Pelabuhan Ratu and Tondano. The station at Pelabuhan Ratu is already showing promising results and confirms the potential of infrasound technology to monitor environmental events remotely in Indonesia.

“Cooperation with the world class French agency CEA has contributed to the capacity of our staff and helped us to innovate technologically. Our renewed agreement for 2017 is a big step forward to strengthening this cooperation.”

- Head of International Cooperation, BMKG



Reducing eruption risks

DOMERAPI: Exploring the dynamics of an arc volcano with extruding lava domes

Indonesia experiences exceptional volcanic activity due to the intense tectonic activity in the region, and Mount Merapi, located in Central Java, is one of the country's most active and dangerous volcanoes. Since 2012, the French Research Institute for Development (IRD), the Indonesian Center for Volcanology and Geological Hazard Mitigation (CVGHM), and the Bandung Institute of Technology (ITB) have been implementing an ambitious multi-disciplinary project aimed at surveying Merapi's volcanic activity with the objective of reducing the danger to human populations. Thanks to an unprecedented network of multi-parametric sensors, Merapi is now one of the most carefully observed volcanoes in the world.

“This project is improving our understanding of the multiple parameters inducing volcanic eruptions and is also providing new tools to forecast volcanic eruptions and mitigate hazard in the archipelago.”

- Head of Merapi Surveillance Office at the Geological Disaster Technology Research and Development Center (Balai Penyelidikan dan Pengembangan Teknologi Kebencanaan Geologi - BPPTKG)





Light for Life

The Energising Development Partnership
(EnDev)

Electricity from the grid is not universally accessible in Indonesia. Over 30 million people in remote rural areas still live without it. The Energising Development Partnership (EnDev) funded by Germany, the Netherlands, Norway, Sweden, Switzerland and the United Kingdom has been promoting sustainable access to affordable and sustainable energy. In Indonesia, EnDev has provided capacity development, technical assessment and knowledge management services that have helped to develop 309 micro hydro power and 305 photovoltaic mini-grids. These community-operated and administered systems provide sustainable electricity to over 200,000 people, 1,500 public facilities – such as schools and health centres – and 2,500 rural businesses.

“For me, the most important thing is that now when my child cries at night, I can just flick the light switch and see what the matter is. Before, I’d have to find a torch, or light the kerosene lamp like my mother used to do.”

– Inang, Pasaman, West Sumatra



Coral Guardian

Coral Reef Conservation for Coastal
Communities Capacity Empowerment

Until recently, the fishermen of Seraya Besar, a small village located 10 km from Labuan Bajo on Flores island, were using destructive fishing practices such as dynamite. The related destruction of the coral reefs led to the disappearance of fishing stocks and forced fishermen into danger to provide for their families. Coral Guardian, supported by the French Embassy, implements community-based participatory reef conservation projects. Activities consist in planting corals, training fishermen in marine biology, educating village children, and developing ecotourism. A further benefit is that the local government has recently agreed to create a protected marine area.

“Thanks to the project, we now realise how important it is to protect coral reefs, for us and for the next generations. Coral Guardian has also helped us to develop new income resources such as tourism.”

– Sutopo, Coral Guardian project manager



Health

Healthy society, healthy nation

Combatting diseases through a strong partnership with the government and civil society to ensure the people's well-being.

Health is a basic human need and is essential in securing the well-being of the society. The EU therefore provides a significant contribution to the Government of Indonesia and its civil society partners, notably through the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFTAM), which works to combat diseases that are common in Indonesia.

Since GFTAM's creation in 2001, the support provided by the EU and its Member States of over €1.5 billion amounts to almost 50% of all allocated resources. To date, the fund has granted approximately \$736 million to Indonesia. These additional resources have complemented existing efforts to deal with these three diseases, and permitted the establishment of a strong partnership between the government, civil

society, bilateral and multilateral organisations, and the affected communities.

Over the past four years, Indonesia has attained a substantial reduction in the malaria burden nationally with a 51% reduction for Annual Parasite Incidence and a 49% reduction for case numbers. Malaria mortality also fell by 82.5% between 2009 and 2015, from 900 to 157 reported deaths. Measures to combat malaria include the distribution of 15,800,000 insecticide-treated mosquito nets to the affected populations.

With 120,000 people affected by HIV/AIDS currently on antiretroviral therapy, the most recent data available suggest that progress has been made in stabilising the sub-epidemics among most key affected populations.

Chilling out

Creating consumer awareness for healthier chicken

Despite official regulations that require poultry to be slaughtered and sold under controlled conditions, nearly one million live chicken are un-hygienically slaughtered in Jakarta every day, and consumers predominantly buy uncooled poultry meat from wet markets and street vendors. This constitutes a food safety hazard which threatens public health. With support from the Netherlands, the Ministry of Agriculture and the Jakarta government launched a consumer campaign in October 2016 with the slogan of 'Ayam Dingin Segar' (Chilled Chicken is Fresh). When more consumers demand cooled or frozen poultry meat, unhygienic slaughtering practices can be phased out and the poultry industry can grow in a safer and healthier way.

"If the meat is processed and cooled immediately after slaughtering, its taste, flavours and original qualities are perfectly preserved. Chilled chicken is perfectly nutritious and can be used in every recipe and all your favourite dishes."

– **Edwin Lau**, TV chef and health and nutrition advisor.



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