Blue Book 2018 EU-Indonesia



Development Cooperation

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Climate Change Putting Paris in Practice



Blue Book 2018 EU-Indonesia Development Cooperation

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Foreword

Vincent Guérend European Union Ambassador to Indonesia and Brunei Darussalam

It is with great pleasure that I present the 2018 Blue Book, the European Union's annual report on development cooperation with Indonesia. The EU and Indonesia closely cooperate on a variety of development issues ranging from environmental protection and climate change over trade related assistance, to human rights and **good governance.** Cooperation between the EU and Indonesia has generated numerous social, environmental and economic outcomes, which we are pleased to share with you in this annual report.

As stated by the European Commissioner for International Cooperation and Development, Neven Mimica: "As the world's biggest donor of development assistance, we're also striving to be the best by bringing real change into people's lives." This, I believe, summarises what the EU aims to achieve in Indonesia. We are confident that we are firmly on this path and would like to share success stories of our cooperation efforts.

Our development programmes will continue to address key areas such as climate change, economic cooperation, education, good governance, human rights and strengthening civil society in the pursuit of our shared mission to achieve the Sustainable Development Goals (SDGs). Over the last months, what has become more apparent is the need to safeguard the sustainable management of Indonesian forests and peatlands - both key areas in the fight against climate change.

It is for this reason that the theme of this year's Blue Book is climate change, reflecting our commitment to supporting the fight against the negative impacts of climate change, as well as overall environmentally friendly reforms. The motto 'Putting Paris in Practice' reflects the commitments both the EU and Indonesia have made previously. The EU is in particular working with Indonesia in the areas of biodiversity conservation. the sustainable management of peatlands and combating transboundary haze, on FLEGT licensing for Indonesian timber exports to the EU, as well as engaging on sustainable palm oil.

In 2018, the EU and Indonesia will continue to deepen their political partnership and cooperate on both national and global challenges. This year, the EU aims to further enhance its relationship with Indonesia, going beyond trade and investment and strengthening cooperation in the areas of environment, education, science and technology, immigration and counter terrorism. This, we believe, will help further align our shared values and bring our partnership to the next level.

I hope you find this publication informative and. above all, inspiring.

The EU Worldwide

The European Union 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 sixty years the EU has delivered peace, stability, and prosperity through its commitment to democratic processes and the establishment of a single market in which people, goods, services, and capital can move freely.

Today, the EU represents more than 500 million inhabitants and approximately one guarter of the world's gross domestic product. Accounting for one fifth of global trade, it is also the world's largest importer and exporter of goods and services. As a global actor, the EU is willing to lead by example on addressing challenges of this century, such as the fight against climate change or global peace and security.

Current EU Leadership Team



Antonio Taiani The President of the European Parliament





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To speak with one voice in international affairs. the FU has 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 EU's foreign affairs chief by carrying out the EU's political, diplomatic, and policy agenda around the globe. In addition, some 140 EU Delegations throughout the world cooperate closely with EU Member States and third countries to promote the values and interests of the EU, which go hand in hand.

The EU aims to ensure that people from all social and economic backgrounds enjoy equal rights and opportunities. Priority is given to developing countries that are in serious need of support. The EU will continue these efforts and work together with its partners towards a peaceful, prosperous and sustainable future.





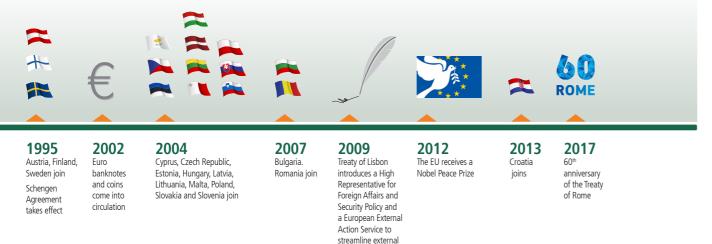
Jean-Claude Juncker The President of the European Commission



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

The EU Timeline





action

The EU and Indonesia

Indonesia is a key partner for the EU, with a deep and broad relationship based on a set of shared values, including democracy, pluralism, human rights, and environmental protection. 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 as well as promoting region-to-region relations.

Since the EU-Indonesia Partnership and **Cooperation Agreement** entered into force in May 2014, we have continuously strengthened and expanded our relationship. This is best illustrated by the negotiation of a **Comprehensive Economic** Partnership Agreement (CEPA) that kicked off in 2016. Once concluded, the CEPA will enable more trade in goods and services and increased investments to the mutual benefits of both sides. The EU-Indonesia partnership encompasses a wide range of **policy dialogues** on topics such as human rights, security or climate change. A Joint Cooperation Committee meets on an annual basis to review existing cooperation and explore future initiatives across political, economic, social and cultural sectors.



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The EU and Indonesia have moved away from traditional bilateral aid, 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 2014-2020. However, programmes under the 2007-2013 financial framework will continue until 2019 and further funding is made available for thematic and regional programmes.

The pursuit of the Sustainable Development Goals and actions to mitigate climate change are important objectives of the EU's relationship with Indonesia. Together, the EU and Indonesia are exploring concrete cooperation on the implementation of National Determined Contributions under the Paris Agreement, forestry, and environment, including sustainable palm oil and social forestry.

The success of this bilateral 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 aim at a socially inclusive and environmentally sustainable economy for all.

EU-Indonesia Development Cooperation

"Development aid is a word of the past. It is about partnership, not aid, and it is time we invested more in that partnership."

> - Jean-Claude Juncker, President of the European Commission

EU-Indonesia development cooperation has evolved from a donor-recipient relationship to an equal partnership. Over the years, the EU and Indonesia have successfully worked together to foster inclusive economic development, support civil society, promote good governance, protect the environment, counter the effects of climate change, promote basic education, and prevent diseases. In 2017, more than €20 million were committed for ten new projects, including the new Indonesia Trade Support Facility (ARISE Plus Indonesia). This programme will support the negotiations of the EU-Indonesia Comprehensive Economic Partnership Agreement (CEPA) and build the capacity of Indonesian Ministries and SMEs to maximise the benefits for Indonesia.

To ensure the protection of the environment, the EU is one of the main development partners working on sustainable management of peatlands, promoting sustainable fisheries, sustainable forestry, and countering climate change. In 2017, Indonesia and the EU celebrated one year of the Forest Law Enforcement, Governance and Trade (FLEGT) licensing, which prevents illegal logging, thereby protecting valuable ecosystems. Indonesia's own commitment to fight climate change through preventative measures is fully supported by the EU and its Member States.

2017 was also a successful year for many other EU development programmes in Indonesia. EU budget support to the education sector and two large capacity building programmes came to an end, having provided substantial results on improved availability and quality of basic education. By ensuring that all young Indonesians are financially supported for the first nine years of their schooling, the Indonesian Government has successfully reduced both primary and secondary school drop-out rates. Furthermore, the EU continued to support reform in the justice sector, as well as public finance management, with an overall goal to promote good governance. The EU and Indonesia also share the belief that the eradication of poverty can only be achieved with high standards of public health and, to this end, work together towards eradicating prevalent diseases.

The EU also continues to work in close **cooperation with civil society** for promoting human rights, democracy, gender equality, economic development and other issues.

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



Photo Credit: Lauren Kana Chan

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plans. Moving forward, the EU and Indonesia will continue their joint efforts to further the development agenda and work towards the achievement of the Sustainable Development Goals.





Climate Change and Environment

"2018 is a crucial vear for accelerating our work to turn the Paris Agreement into action and the EU is stepping up its efforts to reach out to countries and stakeholders all around the world. We are determined to continue playing a leading role in delivering on the promises of the Paris Agreement - and we want everybody on board."

> - Miguel Arias Cañete, Commissioner for Climate Action and Energy

After the successful Paris Climate Summit in 2015 and the rapid entry into force of the Paris Agreement in 2016, the EU and Indonesia continued building on this momentum in their partnership on climate and environment issues in 2017. The EU is committed to keeping the world firmly on the path for achieving the goals agreed in Paris. It. therefore. strives to enhance climate action on the ground while completing the Paris Agreement Work Programme by the next UN climate conference (COP24) in December 2018 in Katowice, Poland.

In line with the EU's Global Strategy, the EU has confirmed its commitment to double efforts to monitor and act upon climate-related root causes of conflict, such as contributing to loss of livelihoods, increased pressure on environment and natural resources. forced displacement and heightened social and political unrest, as well as to strengthen climate risk assessment and management at all geographical scales, including within the UN system.

Against the background of the Sustainable Development Goals and the 2030 Agenda, the EU seeks to balance efforts on mitigation and adaptation, and to reach a balance between greenhouse gas emissions and removals across economic sectors that are consistent with climate-resilient development. For instance, one of the EU's priorities is to support the transition towards a more circular economy.

Indonesia, in its Nationally Determined Contribution (NDC), identifies land use and energy as important areas for action among others. The EU and its Member States are working together with Indonesia to achieve shared climate goals, in particular focusing on sustainable, low-emission land use, energy, and adaptation. Rapid urbanisation is bringing issues of sustainable urban management to the forefront. In this area, the EU is focusing on identifying and spreading good practices such as through the Regional Covenant of Mayors and Sustainable and Innovative Cities

The EU Action Plan for Circular Economy

Circular economy significantly contributes to climate change mitigation efforts and incorporates the whole life-cycle of a product from product design and production, over consumption, to waste management and the market for secondary raw materials and water re-use. Identified actions thus aim to close the loop of product life-cycles through greater recycling and re-use, and bring benefits to both the environment and the economy. One of the first priority areas in the EU Action Plan is plastics.

and Regions. Furthermore, the EU is acutely aware of the difficult balancing act needed from Indonesia to boost energy efficiency and **renewable energy sourcing**, while completing the electrification of the country.

The EU and Indonesia enjoy close technical cooperation and policy dialogue on three of the main drivers of greenhouse gas emissions from deforestation and land degradation, namely: forestry, palm oil production, and the draining of peatlands, which increases fire risks. In these areas, the EU supports actions such as

- the initiative on Forest Law Enforcement, Governance and Trade (FLEGT)
- the Forest Carbon Partnership Facility (FCPF)
- the Facility on reducing emissions from deforestation and forest degradation (REDD)
- studies on strengthening the Indonesian certification for sustainable palm oil (ISPO)
- exploring the use of Copernicus Remote Sensing for peatlands

An important highlight is the ongoing EU project on Support to Indonesia's Climate Change

Response, which focuses implementation in the Aceh Province, to boost actions on climate change mitigation and adaptation in full adherence with the Indonesian NDC.

On the regional level, the EU has launched two initiatives through its cooperation with ASEAN that directly benefit Indonesia. These initiatives focus on the sustainable management of peatlands and combating transboundary haze pollution (SUPA), as well as the conservation of biodiversity (BCAMP).

In addition, the EU and Indonesia have, together with other G20 countries, put in place a strategic partnership for the implementation of the Paris Agreement, in order to facilitate the exchange of good practices and advance bilateral cooperation and NDC-friendly investments. This partnership aims to contribute to improved public awareness of challenges and opportunities associated with the implementation of the Paris Agreement.

Bilateral and multilateral cooperation between the EU and Indonesia remains crucial to achieve the goals set out in the Paris Agreement, to enhance Indonesia's resilience to the impact of climate change, and preserve its extraordinary biodiversity.

Protecting Aceh's forests



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

The efforts of the EU and the Government of Aceh to protect its forests are now paying off. Data from HAkA, an environmental NGO that monitors deforestation in Aceh, reported that the rate of deforestation in Aceh decreased in 2017. The NGO found that the rate of deforestation dropped from 21,000 hectares to 17,333 hectares over the course of one year. One of the contributing factors to this decrease is the presence of twenty-nine Civil Servant Investigator Officials (PPNS) within the Forestry Management Unit (FMU), strengthening the Aceh Environment and Forestry Service. Each forestry ranger undergoes a rigorous selection process and completes an intensive two-month training course based on a curriculum co-facilitated by an EU funded project. With the licenses that were issued in August 2017, 30 PPNS are now authorised to conduct criminal investigations to protect the environment and eradicate illegal deforestation in Aceh.



Development of 2050 Scenario Analysis on Energy and Consolidation of the Balmorel Power Sector

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Increasing the amount of electricity generated in Indonesia requires a large amount of capital investment, but balancing such ambitious goals with renewable energy targets is a challenge in itself for policy makers. The 2050 Scenario Analysis challenged existing policy targets and showed various ways in which renewable energy systems can increase their share of the national energy grid. The consumer side of the equation indicated that consumer demand is a means of driving the transition toward renewable energy. The modelling is now used by the Indonesian Government to support four 2050 energy scenarios, to be reviewed and adopted by Indonesia's energy sector, which will ultimately advance the government's sustainable development goals.



"We now have the authority to follow up on criminal cases that have a direct impact on the environment, make necessary arrests, sentence serious offenders to detention, and seize evidence which can be used during a criminal prosecution. We hope that this will deter crime and improve the quality of our forests."

- Muttagin - Civil Servant Investigator Official, Aceh Environment and Forestry Office



"The 2050 electricity supply scenarios for Indonesia provides a thorough analysis of costeffective solutions for investment and dispatch and calculate the socio-economic cost of including environmental benefits. It is a solid framework for the promotion of competitive and clean technologies in Indonesia."

 Søren Mensal Kristensen, Head of Energy Cooperation, Danish Embassy.

Keeping our oceans clean

Safeguarding Indonesia's Oceans

Indonesia is the world's second largest emitter of plastic waste to the ocean. To address the problem, a Multi-Donor Trust Fund (\$5million over five years), will support the Government of Indonesia to develop and implement its National Ocean's Agenda. 80% of all the plastic in the ocean is caused by leakages in land-based systems. Supported by the World Bank Group, efforts are made to improve solid waste management in coastal cities and waterways through better communication, disposal of recycling and solid waste, as well as awareness campaigns. The work of the trust fund will improve the evidence-base for decision-making, increasing the capacity for marine debris management, fisheries and coastal resources management and governance. It will also strengthen coordination across sectors on issues associated with marine debris and coastal resources, support resource mobilisation, and leverage sustainable streams of finance.



"Attaining sustainable growth in our ocean economy and tackling issues related to oceans and marine debris is high on our agenda. Therefore, we greatly appreciate the support of the international community as clearly demonstrated by Denmark as it will further our National Oceans Agenda and programme outcomes."

- Luhut Binsar Pandjaitan, Coordinating Minister for Maritime Affairs at the signing of the Danish

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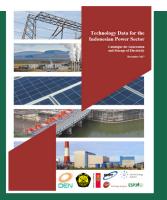


Informing the grid



Developing a Technology Catalogue for Indonesia's Energy Sector

Providing reliable and affordable energy services for the growing population of Indonesia is high on the government's policy agenda. The objective of the Technology Catalogue is to establish a common platform for the exchange of price and performance data on energy production and information on distribution technologies. This will, as a result, provide an accurate and reliable information foundation from which policy makers can conduct long-term energy planning. The catalogue contains cost and performance data for thirteen different technologies including renewable energy, fossil-fuels and storage technologies. The catalogue will support long-term energy planning with the aim of increasing the electrification rate of Indonesia.



"The Technology Catalogue will assist longterm energy modelling in Indonesia and support government institutions, private energy companies, think tanks and other stakeholders to develop effective policies and business strategies which can support the government's long-term renewable energy and energy efficiency targets while increasing electrification rates in Indonesia."

> - Saleh Abdurrahman, Secretary General, National Energy Council

Managing our waste



Revision of Jakarta's Waste Management Masterplan

Each day the Greater Jakarta Area produces sixto-seven thousand tonnes of waste, which mostly ends up in a single landfill, Bantar Gebang. Much of the waste is burned in open fires and some of it is discharged into nearby rivers without being processed. To add to this issue, the landfill is about to reach maximum capacity and there is an urgent need to find viable alternatives to Jakarta's waste problem. The revision of the Jakarta Waste Management Masterplan will benefit the current and future generations of Jakarta by presenting several recommendations that advance best practices in solid waste management, such as reducing the amount of waste deposited in rivers, and in urban areas, especially in poorer parts of Jakarta.

Promoting renewables to decrease coal usage

Financial Support for Coal and Renewables in Indonesia

Coal has become an increasingly central part of Indonesia's power plans. By contrast, renewable energy has not seen significant growth. Subsidies to coal (worth approximately IDR 8.5 trillion in 2015) are significantly larger than subsidies to renewables. To put it in perspective, IDR 8.5 trillion would cover the health insurance premiums for over 10% of Indonesia's population. Denmark and Sweden supported the development of IISD's Global Subsidies Initiative report: Financial Supports for Coal and Renewables in Indonesia. Along with the contributions from the Swedish and Danish renewable energy partnerships, the report provides policy makers with strong evidence that the overall goal of Indonesia's energy policy should be to increase the share of renewable energy while reducing the share of coal.



"Jakarta's waste problem has reached a tipping point, but the solid waste master plan provides a path forward. Denmark is proud to provide waste management solutions as it not only improves the city's sanitation, but it also directly improves the health and happiness of its residents. We are always open to sharing green technologies and technical know-how with Indonesian policy makers and businesses to improve waste management in the context of the circular economy."

> - Kurt Mørck Jensen. Head of Development Cooperation. Danish Embassy.



"Not only are the emissions associated with coal power a significant contributor to global climate change, but there are also other negative effects, such as health impacts related to air pollution. We encourage Indonesia to choose renewables instead of coal to the full extent this is possible."

> - Richard Bridle, International Institute for Sustainable Development (IISD)

Alternative biofuels

PHC NUSANTARA

Bogor Agricultural University and the Laboratoire de Chimie Agro-Industrielle based in Toulouse, France collaborated on two projects supported by PHC NUSANTARA. Both projects aimed to improve the scientific understanding and commercial viability of alternative bio-fuels. The main objective was to produce biodiesel from vegetable oil (from Jatropha seeds in 2010 and Calophyllum seeds in 2016), as well as higher-end products such as resin from Calophyllum seeds (used for cosmetic applications), and renewable fiberboards based on Jatropha or Calophyllum cakes (for subsequent use in furniture or buildings). The outcomes and findings generated from these projects were published in several peer-reviewed iournals and presented at international scientific conferences.



"These two PHC NUSANTARA projects were an opportunity for Bogor Agricultural University to maintain a collaboration with the Laboratoire de Chimie Agro-Industriell, thus allowing the Indonesian partner to have access to equipment not available in Indonesia."

- Dr. Ika Amalia Kartika, Director of Departemen Teknologi Industri Pertanian, FATETA, IPB

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Many nations, one climate





Concrete solutions to cope with climate change and achieve SDGs in Indonesia

Following COP 23 and as part of the EU Climate Diplomacy Week, a conference on climate was organised in November 2017 by the French Development Agency (AFD) in cooperation with BAPPENAS. This conference gathered highranking officials from the Indonesian Government and international development partners to highlight the ways in which the Indonesian Government is combating climate change in resource-intensive sectors that are targeted by the Nationally Determined Contribution of the Paris Agreement (NDC): energy and Agriculture, Forestry and Other Land Use (AFOLU), Major carbon emitters that were identified by the Paris Agreement identified the support that could be provided by the international community to support the Indonesian Government's efforts to tackle climate change and transition to a low carbon economy.



"This event is emblematic of the strong cooperation between our two nations, especially in climate change and its relationship with Indonesian development policy. Secondly, it allows us to discuss the relevance, practices and lessons-learnt from developing and implementing policy actions against climate change within the framework of Indonesia's low carbon development."

> - Gellwynn Jusuf, Secretary General of BAPPENAS.

Lighting up the streets



Energy Efficiency Study | Smart Street Lighting in Mataram and Bogor

Energy efficiency and coverage are two major priorities for the Government of Indonesia. Indonesia must develop a more sustainable and environmentally friendly national energy grid which covers both regional and urban areas. With this in mind, street lighting was identified as a promising area for energy savings. The French Development Agency (AFD), with financial support from the UK's Department of International Development (DIFD), supported the municipal administrations of Mataram and Bogor by developing the Smart Street Lighting master plan which, among other things, trained technical and management staff on energy efficiency planning and the sustainable development and maintenance of energy systems. This master plan helps both municipalities achieve their development goals whilst reducing greenhouse gas emissions.

Sustainable Urban Transport Study | Bandung Low-Carbon Mobility Plan

Putting people before cars

Indonesia's urban transportation systems are under a large amount of pressure due to their high popularity and increasing rates of urbanisation, contributing to the environmental degradation and poorer air quality of major cities. To address this issue, the French Development Agency (AFD), with financial backing from the UK's Department of International Development (DIFD), supported the development of a Low-Carbon Mobility Plan for the City of Bandung. The study identified the most economically, technically, and environmentally sustainable transportation strategies with the aim of improving the efficiency of and access to public transport for low-income citizens whilst reducing congestion and limiting greenhouse gas emissions.



"In the near future, we hope that Mataram gets a Smart Street Lighting network that can effectively and safely deal with a growing community. The network will provide better access to roads at night time, thereby boosting the economic development of the city."

> - M. Nazaruddin Fikri. Head of Division for Infrastructure Planning, Bappeda Mataram



"Bandung has some challenges to face as only 20% of the population currently uses public transport while 80% still opts for cars or motorbikes. Our target is to flip this around so that 80% of the population uses public transport and 20% uses cars or motorbikes."

Ridwan Kamil, Mayor of Bandung

A model for forestry conservation

ForClime

ForClime FC focuses on the conservation of Kalimantan's forests. The programme partners developed and implemented a long-term forestry management framework, which aims to incentivise sustainable and social forestry management. This, in turn, leads to a reduction in carbon emissions and the improvement of the living conditions of rural populations. The project also supports rural populations by generating income through the production of honey, bamboo, rubber, and other non-timber products by facilitating market access schemes. The programme has successfully demonstrated that investment in the communities that are directly dependent on the landscape improves forestry management. This has since become a model for similar programmes in Indonesia. Having begun in 2010, ForClime was the first programme to demonstrate the viability of a pro-poor REDD-mechanism in Indonesia.



"ForClime FC has empowered communities living in Kalimantan forests to improve their local economies through low impact development, encouraging bottom-up, community based forestry management. Lessons from ForClime FC village interventions have been acknowledged by the Ministry of Environment and Forestry and have generated an informed, positive dialogue around the evolving space of social forestry policy."

> - Stephen Devenish, Chief Technical Adviser of ForClime FC Jakarta, Indonesia,

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Keeping it cool



Green Chillers - Development of Nationally Appropriate Mitigation Actions (NAMA) for Energy-Efficient Cooling Systems and Cold Supply in Indonesian Industry and Commerce

The Green Chillers project aims to develop Nationally Appropriate Mitigation Actions (NAMAs) that will help reduce greenhouse gas emissions with the help of energy efficient refrigeration and air conditioning technology. Through the use of natural refrigeration and modern technology, a total energy saving of up to 26.6 terawatt hours can be achieved, reducing greenhouse gas emissions by up to 35 mega tonnes between 2017 and 2030. The Green Chillers project has successfully trained seventy-eight technicians and twenty technical trainers. Also, it has installed pilot projects at the University of Indonesia, Polytechnic Bali, Polytechnic Bandung, PT Phapros Pharmaceutical Industry and PT Pertamina.



"Our vision and mission is to consider our impact on the environment in everything that we do. That's why we installed Green Chillers, because it is an environmentally friendly and energy efficient piece of technology. Refrigeration is one of the most important utilities for the pharmaceutical industry, but no matter what your purpose is, installing a Green Chiller is an important step toward a greener Indonesia."

- Barokah Sri Utami (Emmy), President Director of PT Phapros Pharmaceutical Industry.

Checking in on climate conservation



Saving the Sumatran rhino

Sumatran Rhino



Online Monitoring for National Climate Change | Policy Advice for Environment and Climate Change (PAKLIM)

In recent years, the Indonesian Government, supported by the Indonesian-German Environment and Climate project (PAKLIM), has been developing a climate policy framework that reduces the impact of climate change through a series of national climate change targets and reporting mechanisms. The activities of the National and Sub-National Action Plans for Emission Reduction have been reported each year by ministries, government agencies and local governments since 2011. On 25 October 2017, the Indonesian Ministry of National Development Planning (BAPPENAS) launched an online system which supports the monitoring. evaluation, and reporting of climate change programmes across the country, referred to as PEP online. This application, supported by GIZ, was designed to improve the overall coordination and to simplify cumbersome monitoring. evaluating and reporting mechanisms.

The Bukit Barisan Selatan National Park in Southern Sumatra contains a large amount of tropical rainforests. These preserved zones also contain large amounts of carbon and are home to a variety of endangered species such as the Sumatran rhino. These forests, however, are highly vulnerable to degradation and deforestation due to land conversions and, with more than 100,000 people living in or around this protected area, the stakes are high for those who call this fragile ecosystem home. As a direct response, the German Government, through KfW Entwicklungsbank, is cooperating with WWF, WCS and YABI to implement innovative land-use concepts and livelihood development plans. The consortium aims to improve the management and administration of the National Park to ensure its long-term protection.



hoto Credit: Lauren Kana Chan

"Thanks to PEP Online, 6,464 actions were mitigated between 2010 and 2016. The total amount of greenhouse gas emissions that were saved reached 1.4 giga tonnes, amounting to a total CO2 reduction of 13.46%."

- Emod Tri Utomo. SekRAN Waste Liaison



"Thank you to the German Government and KFW for helping us improve our work with the National Park management, local villages, and the Indonesian Government. We can now ensure the long-term protection of the tropical rainforests. home to one of the most endangered mammals in the world, the Sumatran rhino,"

 Widodo Ramono, YABI (Rhino Foundation of Indonesia)

Getting land ownership right

Sustainable Natural Resources | Towards Inclusive Natural Resources Management (TIRAM)

The management of natural resources suffers from overlapping land permits with local governments and the uncomfortable process whereby companies and communities claim the same plot of land. The combined effects of decentralisation, vague regulations, and unclear dispute resolution mechanisms only adds to this complexity. Prakarsa Borneo, together with the University of Balikpapan and the University of Amsterdam, is strengthening the capacity of district and provincial governments, civil society organisations, and indigenous people to improve accountability, participatory law-making, and law enforcement in relation to natural resources management. The project is funded by the Indonesia-Netherlands Rule of Law Fund.



"Through this project, Prakara Borneo can accelerate its intervention with the local government, improving fair and environmentallyfriendly natural resources management. Within the framework of good governance, Prakarsa Borneo's involvement in this project clearly shows that the East Kalimantan government is implementing a responsive policy design."

> - Muhamad Muhdar. Executive Director Prakarsa Borneo.

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The right to a clean environment



Improving Environmental Legal Framework | Making Environmental Regulations Work for the People (MERW) Project

Unregulated industrial activity can negatively impact communities living along rivers. Regional governments have difficulty monitoring industrial water pollution cases since clear accountability mechanisms are absent. Victims of polluted waterways, therefore, must deal with these issues themselves whom, more often than not. settle for low financial compensations, leaving wider environmental challenges unresolved. The Indonesia-Netherlands Rule of Law Fund supported a two-vear project by ICEL and the Van Vollenhoven Institute which aims to improve Indonesia's environmental legal framework and its administration by strengthening the government's regulatory capacity and empowering civil society organisations and scholars to hold their government accountable for its regulatory performance. Various reports and handbooks were published, which demonstrates the success of this intervention.



'ICEL has long assisted the Ministry of Environment and Forestry. Since I was still a staff member at the Ministry, ICEL has been assisting the Ministry. The manual and guidelines for monitoring produced by ICEL is excellent. I hope that in the future ICEL can publish other quidelines."

- Drs. Rasio Ridho Sani, M.Com, MPM, Director General of Law Enforcement for Environment and Forestry, Ministry of Environment and Forestry

Legal access from the ground

to Enhance Access to Justice | Geocap



Fires are one of the biggest threats to Indonesia's forests and peatlands, particularly in areas in which government agencies grant land concessions to plantation companies. Overlapping permits often result in farmers being displaced from their own land, tenure conflicts and the criminalisation or eviction of rural communities. The Indonesia-Netherlands Rule of Law Fund supports the Epistema Institute to legally empower forest and peatland villages in Central Kalimantan, South Sumatra and Riau, where community members are trained to become paralegals and offer legal support. Village heads are the focus of this programme and receive training on how to formulate village regulations and receive support from district courts.



"Working with the community requires creative ways to act and think. Epistema's programme to strengthen access to justice for the community aims to transfer skills and knowledge of law in a way that the whole community can understand. Thanks to this approach, 150 villagers from 75 villages in 6 provinces will become community negotiators and paralegals."



GEOCAP (Geothermal Energy)

Both The Netherlands and Indonesian Governments have ambitious goals for renewable energy in Indonesia. GEOCAP, a bilateral programme between Indonesia and the Netherlands, combines complimentary expertise in geothermal energy by involving universities, think tanks, and research and education firms to produce a number of PhD programmes, joint publications, and capacity building workshops for different stakeholders. By partnering with the Indonesian Ministry of National Development Planning (BAPPENAS), the programme could increase its capacity to accommodate more trainees, improving the skills and expertise available for geothermal production at a larger scale. Numerous stakeholders including university students and staff of geothermal companies throughout the country are now adequately trained on various aspects of geothermal energy.



"I hope there will be more workshops from GEOCAP or other institutions in the near future. These training sessions help us grow and produce more geothermal energy in Indonesia."

Training participant



Economic cooperation continues to be a priority area for the EU and Indonesia. where there is still untapped potential for increasing trade flows and opportunities for reducing poverty through sustainable economic development.

Building on the achievements of previous EU-Indonesia trade support, a new EU flagship programme will continue strengthening economic cooperation. The **ARISE Plus - Indonesia Trade Support Facility (TSF)** is expected to start in 2018 and will focus on Indonesia's exports, promote inclusive and sustainable economic growth, economic integration agenda.

and boost job creation. It will be the first trade-The EU also supports initiatives of civil society related EU bilateral assistance programme organisations for inclusive and equitable local with Indonesia closely linked to the ASEAN economic development through thematic small grant programmes on sustainable cocoa, livestock value chains, community-based ecotourism, youth skills development and other Meanwhile two other EU projects facilitate market access for EU companies in Indonesia and economic areas.



- Asep Firdaus. Director of Epistema Foundation

promote favourable foreign investment policies. The collaboration with the **European Chamber** of Commerce in Indonesia (Eurocham) focuses on proactive advocacy with the Government of Indonesia and has provided business insights relevant for the Comprehensive Economic Partnership Agreement. The EU-Indonesia Business Network (EIBN) 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.



Supporting small businesses

Strong CSOs for Inclusive Livestock Value Chain Development (SCILD)

The SCILD Project is an EU funded youth empowerment proiect that provides technical and financial assistance to local CSOs, which develop the livestock value chain in Nusa Tenggara Timur. The project has been a driving force for young women's enhanced equal participation geared towards economic development in the livestock sector. Approximately 2,000 young women and men living in the province have joined sustainable livestock training and mentoring classes, and have also been provided with cattle. Thanks to these efforts, many young women have secured decent incomes and have become new role models in their villages. The project has also received both recognition and support from the local government - for example, one of the target districts, Timor Tengah Selatan, has provided additional funds for training 400 young people in ten villages.

Power to the youth



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

Although Indonesia's youthful population provides an economic advantage for the nation's economy, the rate of youth unemployment is still too high. Over three years the EU has supported the CREATIVE project, also referred to as Strengthening Civil Society and Inclusive and Empowered Youth in West Java. The activities have directly improved the support and trust from key stakeholders through the delivery of youth access, employment, and entrepreneurship opportunities. These opportunities have been delivered to Garut and Sukabumi Districts. published in a formal decree, which established a working group comprised of young people and the private sector. Private companies are now incentivised to facilitate internships for young people that are at risk of dropping-out of the formal education system. Communities then encourage young people to become self-reliant and productive.



"I am happy to be involved in this project. I now have strong understanding of how to be an entrepreneur and even got a cow to be reared. I have since sold the cow for IDR 9.5 million. I then used the profit to buy a breeder cattle, which allows me to run a profitable business."

- Anita Tamonob, youth member of SCILD project from Tesiayofanu Village, TTS District, NTT



"Now, whenever there is community activity ran by the local government, at least one young person should represent each neighbourhood. Their voice is important to ensure that young people aren't left behind."

- Nurhasannah, Community Based Organisation in Haurpanggung Village Garut District

Everyone loves cocoa

Sustainable Cocoa Development Programme (SCDP)

Since March 2016, GPEI East Java and ICCRI, supported by the EU, ran pilot projects that support the sustainable production of cocoa in five districts in East Java. Key activities include capacity building programmes aimed at cocoa task forces (Satgas) at both provincial and district level and strengthening collaboration between relevant Local Authorities and CSOs. A series of training seminars on good agricultural practices, post-harvest processes, intermediate cocoa product processing and training of facilitators were delivered to key stakeholders such as farmers, farmer groups and field workers. SCDP also constructed demonstration plots (demplots) on 50 hectares of land fitted with high quality cocoa seeds and plants.



"Establishing networks comprised of farmers, young people, women-groups and cocoataskforces in the districts is indispensable so that participants can integrate the programme into their daily lives."

- Isdarmawan Asrikan. Chairman of GPEI

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Supporting business in Indonesia



The EU-Indonesia Business Network (EIBN)



East Java

The EU-Indonesia Business Network (EIBN) is a partnership between European chambers of commerce in Indonesia and Europe. It is co-funded by the EU with €2.6 million and aims to assist EU SMEs in discovering and accessing Indonesian market opportunities. Operating since 2014, it has been able to assist over 1.300 European companies with business enquiries, while supporting over 155 companies and organisations individually with concrete market access business services. It furthermore contributed to several missions coming from different EU Member States, establishing itself as a valuable focal point for business support in Indonesia.



"The professionalism of EIBN, their high-quality business services and network led to new synergies for Greek Maritime Manufacturers in Indonesia."

> - Helen Polychronopoulou, Chairman, HEMEXPO, Greece

Keeping the digital economy fair 🦰

Competition Policy Law | Fair Play - Fair Prices -Fair Choice

Competition policy is vital to encourage innovation among companies and provide more choices for consumers. Between 1999 and 2009, Germany assisted the Commission for the Supervision of Business Competition (KPPU) and the Supreme Court of Indonesia by introducing legislation on competition law in relation to telecommunications. In 2007 KPPU sanctioned six mobile telecommunications operators for engaging in a price-fixing cartel. Following the KPPU's decision, charges for mobile messaging services declined significantly and consumers benefited with a total savings of approximately €100 million. This experience has allowed KPPU to evolve from a recipient to a provider of technical assistance for emerging and evolving competition legislation in other ASEAN countries.



"I've been using a mobile phone for over ten vears now and it has now become a lot cheaper to use. I used to get cut off a lot because I had run out of credit. This was frustrating and negatively impacted my work. Now a top-up of IDR 100,000 is enough for me and I have lots of providers and options to choose from."

Back to school



From Farmer to Agripreneur

Many small-scale farmers pay a lot of attention to growing their crops but pay less attention to decisions that go beyond production. This disproportion is what spurred the development of the Farmer Business Schools (FBS), which equip farmers with the practical know-how to boost their income. This is achieved by training farmers on how to optimise their resources, seizing new business opportunities, and enhancing their entrepreneurial mindset. Although the FBS operates worldwide thanks to the support of the German Government, with the support of the ASEAN-German Cooperation Project, "Standards in the South East Asian Food Trade" (SAFT). an adaptation has been created specifically for Indonesia, which draws on the experiences of fruit, vegetable, pepper and rubber farmers. FBS supports farmers who make the decision to strengthen their independence and reduce the amount of risk that is prevalent in volatile markets.



"Small-scale farmers are the backbone of the agriculture sector. Without them, we cannot improve the quality or safety of our food. We have a responsibility to help them overcome the many uncertainties in today's market."

- Leo Ruben. President Director of Saribhakti Bumi Agri Farm



Fish Cultivation Training

More than 30% of households in Sei Gohong Lewu, Central Kalimantan depend on fishing as their main source of income. Unfortunately, natural fish production has decreased significantly over the years, which has had a direct effect on people's income. Irish Aid. overseen by Yavasan Tambuhak Sinta (YTS), started a training programme for the village, which improves the technical skills and practical knowledge of aquaculture among members of the Dayak Community. Participants are trained and coached on fish breeding, raising fingerlings and how to market their fish to nearby villages. A secondary benefit generated by the programme is that participants create stronger and more lasting relationships through regular meetings and discussions among other members.



"15 women in the Dayak village of Sei Gohong Lewu have enthusiastically taken up learning how to breed and raise fish for profit in their own backyard ponds. Once successful, they will be able to boost their household economy significantly and will be an example for others to learn from."

- Bardolf Paul. Executive Director of Yayasan Tambuhak Sinta

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There's an app for that



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Digital Information for Vegetable Farmers (MyAgri)



Small vegetable farmers in Indonesia lack access to the practical information needed to manage their crops. With the rapid development of communication technology and smartphone ownership, new information channels are easily within reach of smallholder farmers. The programme vegIMPACT collaborated with the Indonesian Vegetable Crops Research Institute (BALITSA) to develop MvAgri. The app. available for free on the Google Play Store, contains different kinds of information including fertiliser recommendations, pest and disease diagnostics, a pesticide selection tool and updated prices on a range of vegetables across major markets in Indonesia. More than 10,000 farmers have already downloaded MyAgri and now have access to updated information that helps them make better decisions.



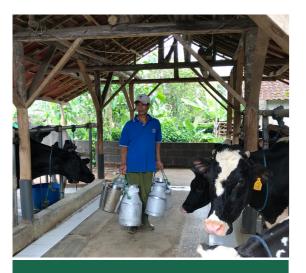
"We can now identify the symptoms of diseases using MyAgri in the field and take the proper measures to prevent them from occurring."

- Vegetable farmer and MyAgri user

Move on up

MCP for Dairy Farmer

In collaboration with PT Frisian Flag Indonesia, the Netherlands continues its commitment to empowering Indonesian dairy farmers by building a digital Milk Collection Point (MCP) in Pengalengan. The digital barcoding system in the MCP helps dairy farmers get a valid assessment for a fairer milk pricing, avoiding human error and reducing paper waste. Milk can be brought directly to the MCP, where the Total Plate Count (TPC) and bacteria is calculated. The goal is to have a low TPC number, which signals high quality and fresh milk, resulting in a higher price of the milk. Since 2015, FFI, in collaboration with KPBS Pengalengan, established multiple MCPs. which caters to 806 dairy farmers.



"The MCP initiative has helped us produce high quality milk. My milk is now getting the highest price I've ever seen and the quality and productivity of fresh milk I'm producing is steadily improving."

- Jajang, dairy farmer

THE EU & INDONESIA ECONOMIC COOPERATION

Supporting Sustainable Ecotourism Development in Flores island nhancing the economic capacity of indigenous village communities, business actors and local authorities.

The EU-Indonesia **Business Network**

and ASEAN.







Since 2013, EIBN has offered professional and accessible business services: • 20 trade fair visits • 33 information events • 389 enquiries handled in 2016

A consortium of **seven** European

The EU provides **€2.6 million** and aims

to assist EU SMEs in discovering

market opportunities in Indonesia and

to facilitate business support services

for European companies in Indonesia

chambers of commerce.

European Chamber of Commerce in Indonesia



Improving policy dialogue for market access by EU companies with a contribution of €2.5 million



Provides support to the Comprehensive Economic Partnership Agreement

In the future: ARISE Plus-Indonesia Trade Related Assistance (2018-2023)

(CEPA) negotiations.

Education

Education is high on the agendas of both the EU In addition, in 2017, the Analytical Capacity and Indonesia. Indonesia continues to improve Development Partnership was completed with the availability and guality of its universal basic significant achievements. It has successfully education, with a key focus to provide nine years launched studies and provided capacity building to ensure higher quality and equitable basic of basic education and reduce both primary and secondary school drop-out rates. education in Indonesia.

The EU provided substantial support to Indonesia through the 'Education Sector Support Programme' - a budget support programme, which finalised activities in 2017. The programme encouraged the Ministry of Education and Culture to allocate more funds to schools, a pre-requisite for improving minimum service standards (MSS).

The EU's budget support ensured strong synergies with another EU education programme, the Minimum Service Standards - Capacity **Development Programme** and established a strong policy dialogue with the Ministry. For instance, the **policy dialogue** led to the integration of the MSS strategy into the national education policy as a key tool to ensure education guality and mitigate regional disparities. With its assistance. 70% of schools in more than 100 districts of Indonesia are now much closer to meeting the minimum service standards in basic education.



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From 2008 to 2015, as a result of the implementation of the education sector strategy, Indonesia's gross enrolment rates remained stable at about 100% for Primary Education, and increased from 70% to 85% and from 21% to 24% for Secondary and Higher Education levels. respectively and in particular female participation in education has increased. The PISA scores of 2015 in comparison to 2009 demonstrate progress in educational quality and learning outcomes: mathematic 371 - 386 (significant), reading 402 - 397, science 383 - 403 (highly significant).

The EU also provides opportunities for Indonesian graduates to study in Europe through the Erasmus+ programme. Every year, around 1,600 scholarships are provided to Indonesian students and scholars through Erasmus+ and EU Member States' scholarships. In 2017 alone, 200 Indonesian students received EU Erasmus+ scholarships.



Getting the best start in life



Showcasing European universities

EU Budget Support

European Higher Education Fair

EU budget support, the back-bone of the EU's support to the Government's Education Policy since 2007 achieved impressive results in 2017. Out of the 10,317 schools covered by the 2015 status quo assessment, 72% or 7,428 schools have increased their Minimum Service Standards (MSS) indicators. The capacity development programme for MSS (MSS-CDP) successfully supported 54.729 schools and 7 million students located in 108 districts across 16 provinces. Over 200,000 education stakeholders have benefited from capacity building training seminars. In addition, around 60% of districts have integrated an MSS roadmap in their strategic plans.



"The EU appreciated the strong commitment of the Indonesian Government in reducing education disparity and ensuring that no child is left behind in receiving quality basic education services."

> - Vincent Guerend, Ambassador of the European Union for Indonesia and Brunei Darussalam

The European Higher Education Fair (EHEF) was organised for the 9th consecutive year in 2017. This annual event was organised jointly by the European Union and its Member States. In 2017, it promoted more than 130 European Higher Education Institutions and Embassies, and attracted 17,000 people in Yogyakarta, Jakarta, and Palembang. The idea to organise EHEF arose as a response to the rising number of Indonesian students studying in Europe. In 2016, more than 6,000 Indonesian students chose Europe as a destination for their undergraduate and postgraduate degrees and around 9,600 Indonesian students are currently studying in Europe. Europe is thus one of the most preferred destinations for Indonesian students.



"Many Indonesian students are interested to study in Europe but they lack information. Through the EHEF, we can obtain relevant information directly from the European universities or institutions."

- Arman, visitor of EHEF

Enhancing education policies

Analytical Capacity Development Programme (ACDP)

After 6 $\frac{1}{2}$ years of programme implementation, the Analytical Capacity Development Programme (ACDP) concluded its activities on 25 July 2017. Since 2010, the programme funded by the EU and managed by the Asian Development Bank (ADB), completed a total of 63 studies and supported translating evidence into well-targeted policy and programmes in the education sector. It engaged a diverse set of actors - policymakers, interest groups, the media, and the public and its studies were widely referenced in media articles. ACDP also supported modern teaching methods in religious education as well as mother-tongue based teaching and learning on the provincial level in Papua, as well as on a national policy level. The supported reform of religious teaching in general schools can be replicated as a key strategy to address radicalisation of students and promote peace and tolerance.



"ACDP initiated a number of pilot programmes in Aceh. Papua and Sumba (Nusa Tenggara Timur). They've even initiated national reforms on curriculum and educational assessments and teaching practices of Islamic teachers throughout Indonesia."

- Ir. Hendarman, M.Sc., Ph.D, Head of Centre for Policy Research of Education and Culture/Manager of ACDP Programme

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Building university networks



Supporting Research Networks - Subject-Related Partnerships with Institutions of Higher Education in Developing Countries

Through the Subject-Related Partnership Programme, the German Academic Exchange Service (DAAD) supports partnership projects between universities in Germany and developing countries. Funded by the German Federal Ministry for Economic Cooperation and Development, the programme aims to strengthen capacities for education by setting up sustainable networks and modernising teaching content at partner universities in developing countries. Eleven such cooperation projects from diverse fields of research have been supported in Indonesia since 2009, for instance on coral reef biodiversity.



'The marine biodiversity in North Sulawesi is enormous. Thanks to the collaboration with our German partners, we have come to a better understanding of coral reef biodiversity, how to publish our work in high impact journals, and create new teaching materials for our International Master's course on Coral Reef Biodiversity and Conservation."

- Dr. Robert A. Bara, S.Pi., M.Sc., Researcher and lecturer at the Faculty of Fisheries and Marine Sciences of University Sam Ratulangi, Manado, North Sulawesi

Take the shot

World class seaports

Permata Photojournalist Grant - Exchanging knowledge: Permata Photojournalist Grant

The Permata Photojournalist Grant is a multiyear programme in collaboration with Permata Bank, dedicated to the professional training of Indonesian photojournalists. Photojournalists who passed a selection process were taught how to practice professional photo journalism by local and Dutch mentors. The project also included a training programme for future mentors, a portfolio review, workshops and a lecture for photography enthusiasts. The photos from the training were exhibited at the Erasmus Huis and the Bintaro Jaya Xchange Mall. One of the participants was even selected for an Erasmus Huis Fellowship Programme in the Netherlands and nine alumni from past programmes won photojournalism awards last year. This project also provides work opportunities for participating Dutch mentors and strengthens cooperation with the Indonesian media.

Port Operation Training

With support from the Dutch Embassy in Indonesia, STC International and IPC Corporate University initiated a joint project to improve the way in which staff at some of Indonesia's largest seaports is trained, thereby supporting the nation's social and economic goals as a maritime nation. The training programme targeted several experienced operators who were then trained to become instructors using port equipment simulators. The activities under the scope of this programme improved the capacity of future trainers who are now enabling the transfer of knowledge between operators, technicians, and service staff.



"The Permata Photojournalist Grant shows how to take a photo story in a professional way. The Erasmus Huis Fellowship to Amsterdam has broadened my horizons and given me a new perspective on visual storytelling. Today I see my role as a photojournalist in a completely new light."





"The programme helped us develop modules and trained others on the core aspect of port operation. This will direcly allow IPC to achieve its goals to become a world class port operator, thereby significantly improving the sustainable development of Indonesia's Maritime Sector."

- Amri Yusuf. Director PT PMLI

Getting the best start

Water Accessibility – A well and water system for kindergarden in Kanti, West Timor

Access to safe drinking water remains a challenge for people living in various rural districts in eastern Indonesia. The quality and access to pre-school education also poses a challenge for families, which further adds to the complications of living in this remote area. The Embassy of Poland addressed both areas by building a water system for a planned boarding house and kindergarden in a village in one of the least developed parts of the country. The facilities will be operated by the order of Claretians, who will help raise the literacy abilities of children of all faiths and backgrounds.



"Children here will be studying the basics of writing and preparing for further education while their parents are working. The water system funded by the Polish Embassy makes this undertaking possible. As modest of a project as it was, it's made a big impact on the local community."

Sister Joanna Dresler

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THE EU & INDONESIA **TOGETHER FOR EDUCATION**

Together for Education

EU budget support of €320 million for education reforms in Indonesia.

The EU-ADB Minimum Service Standards **Capacity Development Programme**



Improving Minimum Service Standards

Improving primary education by increasing teacher's presence and qualification and reaching out to remote areas.

EU Grant: €37.3 million

Knowledge to policy through studies in the education sector

Coverina:







🔝 7 million students 🛛 🚓 16 provinces



76,490 stakeholders

The Education Sector Analytical and **Capacity Development Partnership**

EU and Australian Grants: €37.5 million



Completed 53 studies to support national education policies on school curriculum, education guality, vocational education and many other areas.

Good Governance, Human Rights, and Gender Equality

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

Regarding good governance, the EU and Indonesia have committed to a long-term partnership to promote reforms in public finance management, the rule of law and the judiciary. For instance, the Public Finance Management Trust Fund, supported by the EU, works on improving the efficiency of public financial management and increasing the transparency and accountability on the use of the government budget. Another EU funded programme supports reform in the justice sector of Indonesia (SUSTAIN) and aims to improve transparency, integrity and accountability of the judiciary, as well as the quality of justice service deliverv.

On the basis of the EU Country Strategy for Human Rights and Democracy in Indonesia, the EU and Indonesia hold an **annual human rights dialogue.** In addition, the EU provides **support to civil society** in Indonesia through the European Instrument for Democracy and Human Rights (EIDHR). In 2017. EU and Member States' projects addressed a wide range of human rights issues including the promotion of religious tolerance and pluralism, the abolishment of the death penalty, the rights of vulnerable groups such as women and people with disability, as well as



the promotion of responsible and human-rights based business practices.

Following the EU Gender Action Plan 2016-2020, the EU supports Indonesia in establishing a more enabling environment for the fulfilment of the rights of women and girls in line with Sustainable Development Goal 5. Gender mainstreaming is included in all EU programmes and the EU and Member States support initiatives that, for example, increase the participation of women in local decision-making processes, develop gender-sensitive budgets, and enhance the capacity of young rural women to improve their farming skills and earn and save monev sustainably.

It all adds up

Public Finance Management Multi Donors Trust Fund Phase II

The "Public Finance Management Multi Donors Trust Fund Phase II", co-financed by the EU, Switzerland and Canada and managed by the World Bank, yielded many significant achievements in 2017. Among them are the roll-out of the Automated Treasury Payment and Budget Preparation Information System (SPAN), the Government's Primary Financial Management Information System (FMIS) for budget preparation and treasury administration, which strengthens cash management and its architecture. The ultimate goal of the public finance management reform agenda is to improve service delivery at all levels of the government, in particular where citizens start appreciating the results of the reforms. In addition, in 2017, a "Student Essav & Photo Competition" was organised in partnership with the University of Indonesia to promote the interest and understanding of vouth in Indonesia.



"The Government has four priorities: first, expand revenue collection. Second, make the budget as efficient as possible. Third, ensure that regional governments are working effectively. And fourth, support effective management across the whole ministry, through the office of the Secretary General."

> - extracted from the speech of the Secretary General, Ministry of Finance of Indonesia

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Weaving prosperity



Hivos Weaving Prosperity

The traditional hand-woven textile industry in Indonesia is dominated by small local enterprises. which usually employ poor women. The desire for more sustainably produced, hand-woven textiles culminated in the launch of a project for female entrepreneurship in Indonesia and the Philippines, which reduces poverty by developing a sustainable hand-woven eco-textile value chain along with an enabling policy environment. The project is supported by the EU with a financial contribution of €2.5 million over four years and implemented by HIVOS and three partner associations. So far it has helped 5,039 micro and small entrepreneurs improve their technical, management, and business capacities by producing and marketing high-guality, eco-friendly, and hand-woven textile products. Another key success includes the establishment of an Indonesian national competency standard and an eco-label for naturally dyed, hand-woven textiles.



"My life has been transformed by this project. It's shown me how to produce natural dyes, weaving techniques and beautifully crafted designs. We now enjoy easier access to working capital and we've been linked to retailers, designers, galleries and relevant government bodies who can support our activities. We've even established a small shop to showcase our products."

- Wiwin Suharti, Leader of a women's weaving group, Pringgasela, Lombok

Together for inclusive development

Inclusive Planning in Yogyakarta

Plembutan Village in Gunung Kidul, Yogyakarta has recently issued a village regulation on the participation of vulnerable groups on village development processes including people with disabilities. Thanks to the excellent contribution of the EU-funded project "Building local capacities and alliances for participatory, inclusive and open public finance management processes in Indonesia", implemented by Handicap International and its partners, CIQAL, Perkumpulan IDEA, and the Organisasi Sosial Peyandang Disabilitas, Plembutan Village is now considered a "disability-friendly" village. The village funds are set up to benefit people with disabilities by inviting them to participate in the village development planning deliberations, thus ensuring that their voices are heard.



"In the past, people with disabilities were considered weak and useless. However, after we were involved in an EU-funded project implemented by Handicap International and partners, we began to realise that people with disabilities also have the potential and the same rights as other people. They need not to be pitied but need guidance, motivation and empowerment to participate in the village development planning process."

> - Edi Supriyanti, Head of Plembutan Village, Gunung Kidul, Yogyakarta

Land rights for local communities



Advancing Sustainable Business and Ancestral Land Recognition towards Peaceful Arbitration in Communal Territories

Addressing the overlapping land ownership in the Kampar Peninsula in Riau province, the EU provided support to the ICCO Cooperation together with Indonesian organisations HUMA and Scale Up. to implement the "Advancing Sustainable Business and Ancestral Land Recognition towards Peaceful Arbitration in Communal Territories" project. More than €500,000 were allocated to support the Riau Peatland Community Network (JMGR) by submitting land ownership claims from the local community to the Riau provincial land agencies. In 2017, the project assisted in the submission of 25 social forestry proposals, covering an area of 43.500 hectares of peatlands in Kampar Peninsula. to the Ministry of Environment and Forestry.



"We are now aware of our rights to the land that was taken away from us. Legal ownership and acknowledgement from the government is important. The project encouraged us to begin collecting documents that were required to submit applications to the Ministry of Environment and Forestry Affairs. If we are successful with these applications, it means that we have the right to manage the forests in the area for our livelihoods."

> - Sumarian, community member of the Bagan Melibur Village of Kepulauan Meranti distric in Kampar Peninsula

Holding the judiciary accountable

SUSTAIN: Technology to Enhance Judiciary Accountability

Support to the Justice Sector Reform (SUSTAIN) Project is a five-year project worth €10 million funded by the European Union and implemented by UNDP. The project provides technical assistance to the Supreme Court in four sectors: oversight. training, human resources management and case management. The electronic whistleblowing application, SIWAS, was launched in 2016 with the support of SUSTAIN to enable the public and court personnel to report any violation of codes of conduct and codes of ethics such as corruption and gratification online. Such reports will be sent directly to the Supreme Court's Oversight Body or BAWAS and the identity of the person who lodges the complaint will be kept confidential. In 2017 the application was developed further to improve identity protection of complainants. SUSTAIN also equipped BAWAS with internal policies and procedures when handling complaints.



"SIWAS is key for the Supreme Court's reform process. SIWAS can eliminate all forms of gratification and corruption in the judiciary system. It also speeds up our ability to handle complaints."

> - Ridwan Mansyur, Deputy Head of Bangka Belitung High Court

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Plenty of fish in the sea



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SUSTAIN: Ensuring More Fish in the Sea

As a maritime country, Indonesia considers the sea and its resources a key economic priority. However, challenges remain when Illegal, unreported and unregulated fishing (IUUF) are unchecked in Indonesian waters. According to reports a from the Ministry of Marine Affairs and Fisheries in 2014, illegal fishing activities cost Indonesia an estimated IDR 101 trillion a year. EU-UNDP Support to the Justice Sector Reform (SUSTAIN) project, a five-year justice sector reform project funded by the EU, conducted joint training exercises to fight fishery crimes, attended by law enforcement officials such as judges, prosecutors, and naval, police and government officers. The training applied a multi-door legal approach with a focus on stronger coordination among state institutions and responsible fishing. SUSTAIN also supported the certification of fishery judges in cooperation with the Supreme Court Training Centre. SUSTAIN is currently working with five pilot courts for fishery cases in the seaport areas of Pontianak, Jakarta, Bitung, Sorong and Ambon.



"The training has helped us build one vision and one legal approach to fishery crimes. The training was very helpful because of its simple yet detailed insight into fishing regulations."

- Aser Sumombo, Water Police Officer

Digital courts



SUSTAIN: Digital Case Management for A Better Court Service

In 2017, more than 5.5 million cases were handled by Indonesian courts. The large volume of information generated requires a more efficient and transparent case management system. To achieve this. EU-UNDP Support to the Justice Sector Reform (SUSTAIN) project provided technical assistance to the Supreme Court to improve the existing digital case management systems by integrating data from all four court chambers. Through the Sistem Informasi Penelusuran Perkara (SIPP) application, court registrars can record new cases directly through the system and update cases online. Members of the public who need to track their case now can do so from their own computer from the moment a case is drafted to its final verdict.



"Before, we had many challenges. Documents were only available in hard copies and the discovery process was time-consuming. But now, this new enhancement reduces the amount of time and effort needed to obtain each document."

- Julius Ibrani, Indonesian Legal Aid and Human Rights Association (PBHI) Coordinator



Walking the Talk Project

Addressing the overlapping land ownership in the Kampar Peninsula in Riau province, the EU provided support to the ICCO Cooperation together with Indonesian organisations HUMA and Scale Up, to implement the "Advancing Sustainable Business and Ancestral Land Recognition towards Peaceful Arbitration in Communal Territories" project. More than €500.000 were allocated to support the Riau Peatland Community Network (JMGR) by submitting land ownership claims from the local community to the Riau provincial land agencies. In 2017, the project assisted in the submission of 25 social forestry proposals, covering an area of 43,500 hectares of peatlands in Kampar Peninsula, to the Ministry of Environment and Forestry.



"As part of the international community, Indonesia closely observes global developments and trends. Indonesia must prepare itself and anticipate global developments on human rights as it relates to business activities. The Ministry of Foreign Affairs will continue to disseminate the UNGPs as a reference - that is not binding to all stakeholders including authorities, business people, the media, civil society, local governments and the public to prepare them for such developments."

- Dicky Komar, Director for Human Rights and Humanitarian Affairs, Ministry of Foreign Affairs, Republic of Indonesia



Assistance to Prevent and Combat Corruption (APCC) JAGA mobile app

The Indonesian Corruption Eradication Commission (KPK), together with the APCC project, funded by the German Government, supported local government administrations by improving the transparency of government services. The JAGA mobile app provides a variety of data on the provision of services including public schools and health centres. Data on licensing across several pilot regions is being collected, consolidated, and made available to the public online. Currently, JAGA collects and shares information on 33,800 senior high schools, 684 government hospitals, 10,051 health centres and 121 different types of licensing.



"Now it is easier for us to report frauds, misappropriation and dissatisfaction of the public facilities and services. for example in schools and hospitals. We can use our smartphone or open the website to report it."

- Putri Artika Resyakasih, JAGA-app public user

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A hub for innovation



TRANSFORMASI - Innovation Hub

The Indonesian Government is increasing the level of access to information on good practices in public service delivery. The government is demonstrating its commitment by supporting citizen advocacy and social accountability. The Transformasi project, funded by the German Government, has supported the East Java Provincial Government by establishing an ICTbased knowledge hub called JIPPJATIM, a joint platform for public service knowledge exchange in East Java. This knowledge hub is an effective way to draw attention to innovation from both within and outside the province. In 2016's shortlist of best national innovations, one third of the top 99 innovations originated from East Java.



"The hub has increased in innovation within the public sector. Through the hub, local government staff can learn and observe public service innovations from other local government within the province."

- **Ketut Arva Winangun**. senior staff of East Java Provincial Government

Strengthening the court system

Judicial Sector Support Programme (JSSP) implemented by CILC (Center for International Legal Cooperation

The JSSP aims to contribute to justice reform efforts in Indonesia. The first area of support is the quality and efficiency of the training of judges. Results include the application of blended learning, the integration of ICT, and the development of new training modules tailored to the specific needs of judges and legal staff. A second area is the implementation of the chamber system and a reduction of the inflow of cases at Mahkamah Agung. New systems were designed to reduce case-flow, including the simplification of decision formats and the establishment of a case selection working group. Thirdly, through the assistance of the Netherlands Council for the Judiciary, the secretariat of the MA has adopted performance-based budgeting with a focus on the direct operational costs of cases. This model is being applied for criminal courts, industrial courts, and labour courts.

Connecting expertise with entrepreneurs

PUM Netherlands Senior Experts

PUM Netherlands Senior Experts is a publicprivate partnership funded by the Government of the Netherlands and the Dutch private sector. PUM connected entrepreneurs in developing countries with experienced senior experts from the Netherlands. These experts voluntarily devoted their knowledge to executing short-term consultancy projects. They helped entrepreneurs build enough knowledge to grow their businesses to the next level. This benefits the local business as well as the surrounding community. Between 2015 and 2017, 429 Indonesian entrepreneurs have benefited from this partnership in almost every field imaginable, from logistics to production techniques, and from the hotel and catering trade to carpentry.



"I've developed a lot of new skills over just one week of training. I can now share the knowledge of expertise that I've gained with court spokespersons, justices and other legal advocates."



"PUM support arrived just in time to advise us on new way to break through the barrier of our sales team. The programme has evolved from an aid programme to a memorable experience that brings us a lot value."

- Owner of a family business producing classic butter cookies in Bandung, West Java.

Fighting religious intolerance

Victim Voices

This project piloted a new approach against religious intolerance, radicalisation and religiously motivated violence. It achieved this by empowering victims of terrorism to speak out against radicalisation and violence and by reducing the susceptibility of high school students to intolerant views and actions. With support from the Government of The Netherlands, reconciliation between victims and perpetrators of terrorism was initiated. The initiative reached 94 high schools in fourteen different districts in Indonesia. The project significantly reduced support for violent methods amongst students, especially given the relatively short interventions of only four hours at each school



"Before I attended this dialogue, I was of the opinion that terrorist bombers are in their right to act violently because they commit their actions *in response to the trampling of the human rights* of their brothers in other nations. But after participating in this dialogue I have come to realise that such bombings are the result of a narrow mind. They resort to bombing because they don't know how to solve their own problems."

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THE EU & INDONESIA **GOOD GOVERNANCE**

The SUSTAIN Programme



5-year programme, funded by the EU with €10 million, aims to help build an exemplary judiciary and judicial apparatus that increases public trust.

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16 courts in 11 provinces country-wide have been selected to be pilot courts for facilitating peer learning.



3500 judiciary officials increased their skills through training programmes.

The Public Finance Management Multi-Donor Trust Fund Programme



The EU has provided €10 million towards the **€21 million** Public Finance Management Multi-Donor Trust Fund Programme Phase 2, which aims to **improve** the efficiency of Indonesia's public financial management.



Highlights: **SPAN**, a financial management information system designed to handle national treasury payments and budget preparations. SPAN manages the financial transactions of over 24,000 spending units.

Health

Basic health is a human right and it is essential to assure the health of all citizens especially those in rural and less developed regions. In the past decade, poverty levels in Indonesia have dramatically dropped and the overall public health system has improved. However HIV, TB and Malaria are still among the biggest health threats in the country. The Global Fund to Fight AIDS. Tuberculosis and Malaria (GFATM) has in particular contributed to reduce infection rates of these three diseases. The GFATM was created in 2002 as an independent and non-profit foundation to attract and disburse additional resources to fight AIDS. Tuberculosis and Malaria. Supported by the EU, the GFATM creates partnerships between governments, civil society, the private sector, and people affected by the diseases. The GFATM has to date committed over \$800 million to this cause in Indonesia. Furthermore, projects supported by the EU and its Member States have been successful in improving healthcare coverage. sanitation and emergency response services.

Over the past years, overall health indicators in Indonesia have improved significantly. According to the World Health Organization, life expectancy has dramatically risen in Indonesia from the average age of 64.6 for men and 68.0 for women in 2010, to 67.1 years for males and 71.2 for females in 2015. The risk of dying prematurely, between the ages of 30 and 70. from one of four main non-communicable diseases - cardiovascular disease, cancer, diabetes or chronic respiratory disease - fell from 23% to 19% between 2000 and 2015, but progress is not rapid enough to meet the 2030 target.



Global fight against communicable diseases

Global Fund to Fight AIDS, Tuberculosis, and Malaria

Since its establishment in 2001, the GETAM raised and invested nearly \$4 billion a year to support programmes in countries that are most in need. For the period between 2001 to 2016, the European Union and the European Member States contributed more than 44% of GFTAM's total spending which adds up to \$18 billion. For Indonesia, the total investment amounts to approximately \$800 million with around \$350 million granted by the European Union alone. Indonesia is among one of the top five most burdened countries and has one of the highest rates of multidrug-resistant tuberculosis. The HIV epidemic is concentrated among certain populations such as homosexuals, prisoners, and people who inject drugs. Around the country there are around 152 million people living in malaria transmission areas and, as an archipelago, Indonesia's geography presents exceptional logistical challenges.



"Thanks to the GTFAM we are able to provide more vaccines and medication to our patients."

- Doctor at beneficiary hospital

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Expanding healthcare coverage



Social Protection Programme (SPP) - Health Insurance for all



The challenges of managing a single health insurance system is enormous and it's about to get even more complicated as the government tries to provide health coverage for the entire population - an estimated 260 million people - by 2019. The SPP project, funded by the German Government, supports the National Social Security Council and the National Social Security Carrier for Health to expand national health insurance coverage. In 2017, the new insurance scheme, known as the Jaminan Kesehatan Nasional (JKN), already covered 67.8% of the population for various types of physical diseases but it also covers Indonesians for mental health disorders including schizophrenia.



"Beforehand mental health was given little to no priority in the health system and patients often did not come forward because of the stigma attached. Now with JKN people with schizophrenia can get all the medical support they need."

- Administration officer at Puskesmas Gondomanan, Yogyakarta

Cleaning up the streets

Government ownership driving sanitation development

In December 2017, the district of Pringsewu in Lampung province was declared open defecation free. Three years before, all of Pringsewu's 131 villages were affected by open defecation and only 40% of its 379,190 inhabitants had access to quality sanitation facilities. Through SNV's "Supporting STBM in Lampung" programme, implemented between 2014 to 2017 in partnership with the Embassy of the Netherlands in Indonesia, capacity building and contextualised technical, financial and behaviour change solutions were provided to government authorities, entrepreneurs and local CSOs. Six months after the project's completion, the local government independently sustained and scaled up its results, providing 100% public access to sanitation across the district.



"Our aim is to become open defecation free. We want all government stakeholders to understand the importance of public sanitation. By doing so, we'll be able to ensure safe and clean public zones for the entire district."

- H. Sujadi Saddad, Bupati of Pringsewu



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