Front Cover Photo Credits

Top left to bottom right:
Musicians enjoy a break (UNFPA); Students at Sorong State High School learn about sexually transmitted diseases (UNICEF Indonesia/2004/Josh Estey); Papuan community gathering (UNDP); Children pose for the camera (UNESCO); renewable energy, micro-hydro plant (UNIDO); Woman and her baby in NTT (UNFPA); Adolescent Schoolgirls in Aceh (UNFPA).
FOREWORDS
It is a sincere pleasure to present the United Nations Partnership for Development Framework 2011-2015 in Indonesia. The result of a strong collaboration between the Government of Indonesia and the United Nations to identify true and strategic ways in which the UN can support national priorities, this framework feels as much a product of the government as it does the UN.

In developing it, we have ensured it is well aligned with the priorities of the government and people of Indonesia: Each outcome has been designed to relate to specific national priorities articulated in the RPJMN 2010 - 2014 – The National Medium Term Development Plan. The programmes implemented to meet the outcomes of the UNPDF will, therefore, also meet the priorities enshrined in the RPJMN 2010 - 2014. The UNPDF is a joint UN-government document and venture, true to the implementation partnership it calls for.

This is excellent news just a year on from the signing of the Jakarta Commitment, when the UN, with other international partners, agreed that Government will articulate, and development partners will support, the achievement of capacity development objectives and targets within sector plans and thematic strategies. The challenge before us now is to ensure that this new and dynamic partnership continues to grow and strengthen along the principles of the Jakarta Commitment as we set our sights to developing programmes and implementing them within the UNPDF. In this regard, there are two important roles for the UN that I would like to highlight.

Remaining mindful that our recent economic strides have not brought equal benefit to all Indonesians, the Government of Indonesia is determined that this should not continue to be the case. In this context, the UN will be an important ally in our cause to redress development disparities between regions and groups across Indonesia. Helping build capacities in all levels of government and attain international standards in all fields as we work towards more equitable development is a role the Government of Indonesia welcomes the UN to undertake. I am happy to note that this is a prime area of support called for in the UNPDF.

Additionally, I believe the UN has a key role to play in promoting South-South cooperation in the Indonesian context. Indonesia’s development path in the last decade alone has yielded many lessons that other countries can benefit from. At the same time, there is much we can learn from our neighbours and beyond, in fields as diverse as industry, finance, social equity and peace consolidation. South-South
cooperation as a strategy and mechanism that brings mutual benefit to participants is the ideal way in which Indonesia can strengthen its role in the region and beyond while maintaining equal partnerships with countries. While there are already many examples of such cooperation taking place between Indonesia and other countries, they can be much expanded. I believe the UN can importantly act as a bridge between Indonesia and other countries. As we plan and implement programmes under the UNPDF, I call on UN agencies to develop programmes with the government that will facilitate and promote South-South cooperation at the national and provincial levels, to the extent possible.

The next few years promise to be exciting and definitive as Indonesia consolidates its place among the Middle Income Countries and expands its role in the global and regional settings. I am confident that the partnerships and programmes of the UNPDF will play a significant part in shaping this process and the outcomes, and look forward for implementation to begin.

Armida S. Alisjahbana

Minister for National Development Planning
Head of National Development Planning Agency
Republic of Indonesia
I warmly welcome this UN Partnership for Development Framework, the primary guide for UN agencies in Indonesia to think, plan and work together in support of specific and strategic national priorities for the period 2011-2015.

The timing of this document is significant and apt, as it coincides with the final five years of the Millennium Development Goals attainment target. The programmes we implement and the partnerships we foster in these five years will be crucial in helping Indonesia achieve the MDGs and live up to the Government’s noble commitment of ‘Development for All’. This moment has therefore presented us with a potent opportunity to assess our progress, focus our energies and accelerate our efforts towards achieving our common development objectives.

In the process of preparing the UNPDF, we have seized upon this opportunity and advanced our collective understanding of the challenges facing Indonesia today. From Good Governance to Gender Equality, Sustainable Livelihoods to Social Services, and Resilience to Climate Change, we have built on national priorities to define the roles and goals of the UN in Indonesia for the next five years. Through consultations with Government and other partners we have developed, agreed upon and articulated the key goals that we must achieve by working together. This is a good beginning.

Working together in an equal partnership of mutual benefit is a key tenet that the UN and Government of Indonesia have agreed to abide by – along with donors - in the Jakarta Commitment of 2009. The UN will honour the spirit and dynamic of this partnership over the next five years and beyond, through ensuring government ownership of programmes within the UNPDF, and making use of national mechanisms and systems wherever possible. Our concerted decision to rename the UNPDF to include the term ‘partnership’, and the many instances of such a partnership already sprouting are, I am confident, just the first steps to a strong and resilient relationship between the global community and the government and people of Indonesia.

The inclusion of ‘partnership’ in the title also reflects the need for UN agencies to work more closely together within the UN system. Individually, UN agencies comprise the confluence of global expertise in their respective specialties. However, agencies’ efforts are commonly criticized for being non-complementary to each other, which reduces effectiveness. In this regard we can and must do better. Disparity in programming and incoherence in delivery are mistakes we do not have the luxury of making even as UN agencies excel individually. Our mandates are inextricably linked and the success of the UNPDF 2011-2015 will be determined in large part by the continued support and coordination among UN agencies to jointly identify and implement programmes. Our strength comes from being greater than the sum of our parts.
I would like to emphasize what this framework is not, and that is a blueprint. I do not believe in blueprints. In a rapidly evolving global and national environment, the UNPDF is a living document that must be adapted and revised as the situation calls for it. Our challenge is to recognize when such changes need to be made, and to have the strength to be flexible as we plan, implement and monitor our collective work. At the same time, it is important to note that we can only hope to make a difference if our individual and collective actions result in better national policies, capacities and programmes. Our efforts to be flexible cannot go so far that we neglect to offer increased choices and options for development for all with a focus on the most vulnerable and disadvantaged without depriving future generations their right to a decent life.

The UNPDF has been developed over a period of two years with numerous stakeholders – too many to name here – providing their valuable time, energies and inputs to make it the needs-responsive and strategic framework it is. To all those who have participated in and informed the development of this framework, I extend a sincere thank you and look forward to our future collaborations.

El-Mostafa Benlamlih
UN Resident Coordinator
Indonesia
August 2010
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Full Form</th>
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<tr>
<td>ADB</td>
<td>Asian Development Bank</td>
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<td>AFP</td>
<td>Acute Flaccid Paralysis</td>
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<td>APINDO</td>
<td>Assosiasi Pengusaha Indonesia/ Indonesia Employer Association</td>
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<td>AusAid</td>
<td>The Australian Government’s Overseas Aid Programme</td>
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<td>BAKORNAS</td>
<td>Badan Koordinasi Nasional Penanggulangan Bencana and Penanganan Pengungsi / National Emergencies Coordination Body</td>
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<td>BAPEDAL</td>
<td>Badan Pengendalian Dampak Lingkungan/ Regional Agency for Environmental Impact Assessment</td>
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<td>BAPPENAS</td>
<td>Badan Perencanaan dan Pembangunan Nasional/ National Planning Board</td>
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<td>BFPA</td>
<td>Beijing Platform For Action</td>
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<td>BKKBN</td>
<td>Badan Koordinasi Keluarga Berencana Nasional/ National Family Planning Coordinating Board</td>
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<td>BPS</td>
<td>Biro Pusat Statistik/ Central Bureau of Statistics</td>
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<td>BRR</td>
<td>Badan Rekonstruksi dan Rehabilitasi/ Agency for Reconstruction and Rehabilitation</td>
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<td>CCAP</td>
<td>Common Country Assessment</td>
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<td>CEDAW</td>
<td>Convention on the Elimination of All Forms of Discrimination Against Women</td>
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<td>CGI</td>
<td>Consultative Group for Indonesia</td>
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<td>CSO</td>
<td>Civil Society Organization</td>
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<td>DEPSOS</td>
<td>Departemen Sosial/ Ministry of Social Affairs</td>
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<td>DINKES</td>
<td>Dinas Kesehatan/ Provincial Health Office</td>
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<td>DINSOS</td>
<td>Dinas Sosial/ Provincial Social Affairs’ Office</td>
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<td>DPRD</td>
<td>Dewan Perwakilan Rakyat Daerah/ Regional People’s Representative Council</td>
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<td>DEVINFO</td>
<td>MDG monitoring system developed by UNICEF and UNDGO</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>EFA</td>
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<td>FAO</td>
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<td>GBV</td>
<td>Gender based Violence</td>
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<td>GFATM</td>
<td>Global Fund To Fight AIDS/ Tuberculosis and Malaria</td>
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<td>GOI</td>
<td>Government of Indonesia</td>
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<td>HPI</td>
<td>Human Poverty Index</td>
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<td>Acronym</td>
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<tr>
<td>IBI</td>
<td>Ikatan Bidan Indonesia/ Indonesian Midwife Association</td>
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<td>IDI</td>
<td>Ikatan Dokter Indonesia/ Indonesian Doctor Association</td>
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<td>ICPD</td>
<td>International Conference on Population &amp; Development</td>
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<td>IDU</td>
<td>Injecting Drug Users</td>
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<td>IFAD</td>
<td>International Fund for Agricultural Development</td>
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<td>ILO</td>
<td>International Labour Organization</td>
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<td>MDG</td>
<td>Millennium Development Goal</td>
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<tr>
<td>MEN</td>
<td>KIMPRASWIL Permukiman dan Prasarana Wilayah/ Ministry of Settlements and Regional Infrastructure</td>
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<td>MENEG</td>
<td>Menteri Negara/ State Secretariat</td>
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<td>MENKOKESRA</td>
<td>Menteri Koordinasi Kesejahteraan Rakyat/ Coordinating Ministry of People's Welfare</td>
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<td>MPR</td>
<td>Majelis Permusyawaratan Rakyat</td>
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<tr>
<td>ONE</td>
<td>Ministry of National Education</td>
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<td>MORA</td>
<td>Ministry of Religious Affairs</td>
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<td>MOWE</td>
<td>Ministry of Women's Empowerment</td>
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<td>MSM</td>
<td>Male having sex with Male</td>
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<tr>
<td>NAC</td>
<td>National Aids Commission</td>
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<tr>
<td>MENAKERTRANS</td>
<td>Tenaga Kerja dan Transmigrasi/ Ministry of Manpower and Transmigration</td>
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<tr>
<td>NHDR</td>
<td>National Human Development Report</td>
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<tr>
<td>NTT</td>
<td>Nusa Tenggara Timur/ East Nusa Tenggara Province</td>
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<tr>
<td>OECD</td>
<td>Organization for Economic Cooperation and Development</td>
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<td>OFDA</td>
<td>The Office of US Foreign Disaster Assistance</td>
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<td>OHCHR</td>
<td>Office of The United Nations High Commissioner for Human Rights</td>
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<td>PAC</td>
<td>Provincial Aids Commission</td>
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<tr>
<td>PDAM</td>
<td>Perusahaan Daerah Air Minum/ Regional Drinking Water Company</td>
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<tr>
<td>POLRI</td>
<td>Polisi Republik Indonesia/ Indonesian National Police</td>
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<tr>
<td>PNBAI</td>
<td>Pembangunan Nasional Bagi Anak Indonesia/ National Plan of Action for Children</td>
</tr>
<tr>
<td>PRSP</td>
<td>Poverty Reduction Strategy Programme</td>
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PWHA  Person with HIV/AIDS
SATKORLAK  Satuan Koordinasi Pelaksana/
             Coordination Unit of Natural Disasters Relief Executive
SUSENAS  Survei Sosial Ekonomi Nasional/
          National Socio-Economic Survey
STI  Sexually Transmitted Infection
TUGI  The Urban Governance Initiative
UNAIDs  UN Programme on HIV/AIDS
UNCT  United Nations Country Team
UNDAF  United Nations Development Assistance Framework
UNDP  United Nations Development Programme
UNEP  United Nations Environment Programme
UNESCAP  United Nations Economic and Social Commission for Asia and the Pacific
UNESCO  United Nations Educational, Scientific and Cultural Organization
UNFPA  United Nations Populations Funds
UNGASS  United Nations General Assembly Special Session (on HIV/AIDS)
UNIC  United Nations Information Centre
UNICEF  United Nations Children’s Fund
UNIDO  United Nations Industrial Development Organization
UNIFEM  United Nations Development Fund for Women
UNJAP  United Nations Joint Action Programme
UNODC  United Nations Office on Drugs and Crime
UNOPS  United Nations Office for Project Services
UNPCO  United Nations Project Coordination Office
UNSFIR  United Nations Support Facility for Indonesian Recovery
UNV  United Nations Volunteer
USAID  US Agency for International Development
WB  World Bank
WFFC  World Fit for Children
WFP  World Food Programme
WHO  World Health Organization
YEN  Youth Employment Network
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EXECUTIVE SUMMARY
The Emerging Development Cooperation Context

The past decade has witnessed profound social, political and economic change in Indonesia, a country that has transformed from an authoritarian regime into one of Asia’s most vibrant and decentralized democracies. This transformation is especially remarkable given Indonesia’s high vulnerability to natural disasters, its geographic fragmentation and its large and ethnically diverse population. In a decade, Indonesia achieved relative political and macroeconomic stability, made important progress towards its MDG targets, graduated to a Middle Income Country status and was welcomed to the fold of the G20. However, significant challenges still remain. Regional economic and social disparities persist, poverty rates are high and malnutrition pervasive in remote provinces. Maternal health indicators are alarming and far behind all other targets. This situation is exacerbated by low development management capacity at the sub-national level. Rapid urbanisation will increase demand for health services, education, livelihoods and security. Indonesia’s commitment to reducing greenhouse emissions will require reforms in the economic and social sectors. Addressing these challenges while consolidating democracy, furthering decentralisation and building resilience will be key to advancing human development in Indonesia and avoiding poverty and marginalization.

The overall goal of the Government of Indonesia is ‘Development for All’. The Medium Term Development Plan (RPJMN) 2010-2014 is an inclusive development strategy based on equity, justice and diversity. It emphasizes the development of regional capacities within an integrated national economy. The plan identifies 11 national priority programmes, which fully mainstream Sustainable Development, Good Governance and Gender perspectives.

Although the net flow of funds to Indonesia from overseas development partnerships averages to only five percent of the national annual budget, the amount in absolute terms remains significant, and government is committed to making the best use of these funds with a view to maximizing their added value in support of national priorities. With this objective in mind, the government of Indonesia has redefined its relationship with its bilateral and multilateral partners through the Jakarta Commitment. The recently signed Jakarta Commitment calls for stronger national ownership, equal partnerships, and a strategic and catalytic role in support of national priorities for Indonesia’s overseas development partners.

National Priorities and UN Support

In previous years, the UN has proved to be an important, efficient and reliable development partner in Indonesia. It has made significant contributions to the recovery and reconstruction of Aceh/Nias after the tsunami; the consolidation of democracy; the strengthening of national capacity for disaster recovery and preparedness; the consolidation of peace; the advancement of human rights; and the promotion of MDGs. The UN is well-positioned to continue to serve national priorities. The comparative advantages of the UN include regional and global expertise, support to global norms and standards,
broad partnerships, and extensive presence at all levels in the country. Improved coordination, greater cross-agency synergies (for example through joint programmes), predictable funding levels and strategic positioning will allow the UN to further enhance its impact.

In the next 5 years, UN agencies will support Indonesia’s efforts of making development policies and programmes work for all with a particular focus on the poor, disadvantaged and vulnerable. Making decentralization work, particularly in the disadvantaged and remote regions to narrow the development gap with other regions through proper policies, regulations and capacities will be the main focus of UN activities. A special effort will be made to move upstream, limit service delivery, and enhance knowledge creation for national and regional policy making processes.

Within this overall framework, the UNPDF identifies three objectives all aimed at making development work for the poor and vulnerable. These are:

**Enhance provincial and local capacity to deliver benefits, services and economic opportunities for improved sustainable, productive and decent livelihoods**

With only five years left to achieve the MDGs on time, the need to ensure that government strategies and mechanisms for MDGs attainment are implemented and successful is pressing. As noted in the RPJMN, a significant factor behind limited availability of MDGs-related benefits, services and economic opportunities for Indonesians is the often-times low capacity of government at sub-national level to deliver them effectively. The UN will therefore work at the decentralized level with provincial and district government to enhance their ability to plan, coordinate, deliver services, and create opportunities for improved sustainable productive livelihoods and wealth creation. In other words, ‘supply capacity’ will be improved, particularly at the subnational level. For social services, the UN will focus on strengthening policy frameworks, improving availability and raising quality, especially in areas where the achievement of MDGs is problematic. At the same time, through high-quality policy advice and direct interventions to reduce regional disparities, the socio-economic status of vulnerable groups and their access to decent work and productive sustainable livelihood opportunities will be improved.

**Promote effective PARTICIPATION and protect the rights of the poor and vulnerable in accessing social services and seizing livelihoods opportunities**

With a view to ensuring effective participation and protection of rights, the UN will seek to empower citizens in exercising their ‘demand capacity’ i.e. their ability to participate, define needs, and access and seize opportunities. This will be done through a multi-pronged approach that includes increasing the proportion of women and youth representatives in public institutions, making these institutions more accountable and better able to provide access to justice, and raising legal and political awareness among vulnerable groups. The net result of these interventions will be that people participate more fully in democratic processes resulting in pro-poor, gender responsive, peaceful, more equitable and accountable resource allocation and better protection of vulnerable groups.

**Strengthen national and local RESILIENCE to climate change, threats, shocks and disasters**

With a view to maintaining its economic growth and sustaining its social and political stability, Indonesia needs to grow more resilient to internal and external shocks and threats such as climate change, natural disasters, conflict and economic crisis. The national resilience strategy includes fostering a stronger and
more effective role of Indonesia in the region and globally through South-South cooperation. Through this approach, Indonesia will be able to more effectively and proactively protect itself in the face of internal and external threats. UN agencies will tap into national, regional and global expertise to enhance national resilience.

Implementation and Oversight

Five outcomes have been identified for the UNPDF, over the next five years. It is estimated that up to US$ 800 Million might be needed for the implementation of the UNPDF activities. Core resources of UN agencies, cost-sharing (national, regional and third party) and public-private partnerships will all contribute to meeting this requirement, drawing on the mechanisms endorsed in the Jakarta Commitment. Programmes developed will be fully integrated into national programmes and mechanisms and will specify how they serve UNPDF outcomes. To ensure cohesion and cooperation, UNPDF thematic working groups – one for each outcome – will work with Government and other partners to develop joint programmes and ensure alignment with national programmes and priorities.
A mother laughs as she holds her baby under a treated bednet (UNICEF Indonesia/2010/Josh Estey)
The Government of Indonesia is committed to build an Indonesia that is prosperous, democratic and just, where development benefits all regions and all people, and where the same rights for future generations are protected.

In the next five years, the partnership between the United Nations and Government of Indonesia will seek to tap into the collective national and global expertise to improve policies, regulatory frameworks and capacities, with a view to making development work for all, including and in particular the poor, vulnerable and disadvantaged. We will do so while ensuring a human rights-based approach to development, and promoting good governance, gender equality, and sustainable use of natural resources.

We are committed to achieving this through a closer collaboration and strengthened coordination among UN organizations, the Government and broader development community. Guided by the needs and priorities of the Indonesian people, the Millennium Development Goals, the Jakarta Commitment and the principles enshrined in the UN charter, the United Nations organizations will work closely together and will be effective and efficient partners to the Government of Indonesia.

Armida S. Alisjahbana
Ministry for National Development Planning
Head of National Development Planning Agency
Republic of Indonesia

El-Mostafa Benlamlih
Resident Coordinator
UNITED NATIONS
Indonesia
Women processing and curing fish fillets for the market, Maluku Economic Recovery Project (UNIDO)
Section 1: Introduction

Achievements and Challenges

Since the collapse of a highly centralized authoritarian regime in 1998, Indonesia has experienced profound social, political and economic changes. Democratic reforms have served to establish direct elections for government executives and legislators at national and local levels, while decentralization has transferred significant responsibilities for managing development and resources to regions and districts. In less than 10 years Indonesia has become one of Asia’s most vibrant and decentralized democracies.

During the process of reform, Indonesia’s government has had to deal with a daunting series of challenges, including natural disasters and economic crises. The December 2004 earthquake and tsunami, which killed 160,000 people and destroyed the homes of some 680,000 - primarily in Aceh - impacted both local communities and the national economy. It was followed a few months later by the Nias earthquake and, during May and July 2006, by two more two devastating earthquakes on the densely populated island of Java. Indonesia’s location on the “Ring of Fire” exposes Indonesian households to over 130 hazards per year and over the past century, Indonesia has ranked fifth among nations most affected by natural disasters.

An archipelago state consisting of more than 17,000 islands with an ethnically diverse population of over 230 million, Indonesia has achieved relative political and macroeconomic stability. It has graduated to the lower Middle Income Country (MIC) status, is a member of the G20, and appears to have weathered the worst effects of the global financial and economic crisis. Unemployment has dropped from a peak of 11 percent in 2005 to just over 8 percent in 2009 and poverty rates, while still high, have gradually decreased. Indonesia ranks 111 out of 177 countries in the 2009 Global Human Development Report. The 2009-10 global competitiveness report ranked Indonesia 54 out of 133 countries, still well behind Singapore, Thailand, Malaysia, India and China, but ahead of Brazil and Mexico.

While Indonesia’s achievements during the first decade of the 21st century have been remarkable, critical development challenges remain.
Reducing inequities and disparities, protecting the environment, further consolidating democratic institutions, making decentralization work better for people – particularly the poor and disadvantaged - and building resilience to natural and external shocks will be essential to maintaining social stability and advancing human development.

Indonesia’s emergence as a low Middle-Income-Country (MIC) has been characterized by uneven growth. Poverty rates remain high in certain regions, with about 31 million people (13% of the total population) still living in abject poverty. Continued disparities between regions in terms of human development and resources are exacerbated by low capacity at provincial and local levels in many areas.

Indonesia has committed to reducing its greenhouse gas (GHG) emissions by a minimum of 26%. This requires protection of forest and peat lands, reforms to agriculture and fisheries regulations and reduction in industrial and urban emissions. At the same time, alternative and environmentally sustainable livelihood opportunities must be secured.

Growing urbanization will lead to an estimated 65% of the population living in urban areas within the next decade. This, coupled with the expectation that 65 million Indonesians will be aged between 15 and 24 in the near future, will present authorities with the enormous challenge of providing education, health services, social and economic security and livelihoods to the young and urban population.
The New Development Cooperation Context

During the last decade, the net flow of overseas funds for development per year averaged only 0.3 percent of Gross National Income (GNI) and five percent of the national annual budget, even with the multiple USD billions received in the wake of the Indian Ocean tsunami. While the relative importance of these overseas funds will likely decrease in the coming years, the amount in absolute terms remains significant and, if properly aligned with national priorities and strategically focused, retains the potential to contribute effectively to the achievement of national development priorities and the MDGs.

In 2005, the Government of Indonesia (GoI) asserted its leadership and ownership of development cooperation processes and operations in line with the Paris Declaration. In 2009, 21 partners - including all major donors - signed the Jakarta Commitment, which redefines the relationships between GoI and development partners. Under the “Jakarta Commitment: Indonesia’s Road Map for Development Effectiveness”, GoI has called for: (i) stronger national ownership in defining and planning development with external partners; (ii) a shift from donor-recipient relationships to those of equal partnerships of mutual benefit; (iii) moving from financial assistance to a more strategic and catalytic role of aid; (iv) transition from scattered project-based partnerships to a more programmatic approach; (v) stronger focus on capacity development and results-orientation embedded in national programmes; and (vi) greater mutual accountability and alignment between the government and international partners.

The Jakarta Commitment calls for greater mutual accountability and alignment between the government and international partners.

Men carrying their catch on Jumiang Beach, Madura (UNDP)
National Priorities

The new Medium-Term Development Plan (RPJMN) 2010-2014 focuses on equity. The President has characterized the goal of the RPJMN as ‘development for all’, with no groups left behind, as Indonesia moves along the path to high-level MIC status and consolidates its democratic political system. The RPJMN is an inclusive development strategy for wealth creation at all levels of society, based on equity, justice and diversity. It has a strong territorial dimension, placing emphasis on the development of regional capacities within an integrated national economy. The plan also promotes the development of human resources, talents and skills by focusing on improvements in access to and quality of education, health, social protection and living conditions for the most vulnerable. Special attention is given to South-South learning and knowledge exchange.

The RPJMN identifies 11 priorities and three cross cutting principles. The priorities are: 1) bureaucracy and governance reform; 2) education; 3) health; 4) poverty reduction; 5) food resilience; 6) infrastructure; 7) investment and business climate; 8) energy; 9) environment and disaster management; 10) least developed, frontier, outer and post-conflict areas; and 11) culture, creativity, and technological innovation. The three cross cutting principles are: 1) politics law and security; 2) economy; and 3) people’s welfare. The RPJMN also calls for three mainstreaming perspectives as the operational foundations of overall development implementation, namely: 1) sustainable development mainstreaming; 2) good governance mainstreaming; and 3) gender mainstreaming.

UN Support to National Priorities

While UN financial contribution is limited, the UN has proved to be an important, efficient and reliable partner in development through its support to post tsunami recovery and reconstruction, disaster risk reduction, peace consolidation and conflict prevention, the advancement of human rights and democratic processes and the promotion of MDGs. UNPDF consultation processes have indicated that the most appreciated comparative advantages of the UN are its (i) support to global norms and standards, (ii) human development and MDG focus, (iii) broad-based partnerships with civil society and the private sector, (iv) respect for national ownership, (v) presence at local and decentralized levels, (vi) access to regional and global expertise, and (vii) support to capacity building.

UN agencies, in close consultation with local and central Government, have in the past established several Joint Programmes in order to explore synergies and provide more efficient support to partners. These efforts have yielded important lessons learnt, which will help to improve similar efforts in the future. Most importantly, past efforts in Joint Programmes have shown that a stronger focus on substantive areas is needed where complementarity between the expertise of UN agencies leads to improved effectiveness and better results.
Areas identified for improvement for the UN in enhancing its impact include increased coordination in funding, greater cross-agency synergies, stronger focus on policy and up-streaming rather than on service delivery, more predictable funding levels, and less dependence on project level resource mobilization strategies. In alignment with the Jakarta Commitment and UN reform, the UN will further sharpen its focus on the poor, vulnerable and disadvantaged.

Based on the emerging development context, national priorities and the mandate and comparative advantages of the UN and its agencies in Indonesia, the UNPDF defines three strategic areas of focus that will be foundational to the work of the UN:

- **Policy Focus** - Partnerships with the UN should lead to the improvement of policy frameworks, regulations and capacity at national, provincial and local levels. This is an essential condition for sustainable impact. A stronger focus on policy advice rather than service delivery should however be informed by cohesive action and programmes at the decentralised level.

- **Geographic Focus** - For the UN to be effective, UN funds and agencies should endeavour to work together in specific geographic areas among the most disadvantaged ones for higher synergy and impact. Empirical lessons and knowledge generated through the regional focus which is at the closest level to the people, should feed into national knowledge making processes and policies, which should in turn lead to enhanced capacity at the local levels and more effective decentralization.

- **Equity Focus** - Indonesia has opted for an inclusive and sustainable development strategy for wealth creation at all levels of society, based on equity, justice and respect for diversity. Within this context, the UN and its agencies and funds in Indonesia will have a specific added value: making national policies and programmes work for the poor, vulnerable and disadvantaged. The selection of the geographic focus areas from among the seven least developed, frontier, outer and post-conflict areas identified in the RPJMN has been dictated by the principle of equity: closing the gap between the richest and the poorest provinces of Indonesia.
In light of the three foundational areas of focus, UN agencies will endeavour to meet the following objectives, which link directly to the 11 national priorities of the RPJMN.

a. Enhance EQUITY in access to benefits, services and economic opportunities for improved sustainable, productive and decent livelihoods
b. Promote effective PARTICIPATION and protect the rights of the poor and vulnerable
c. Strengthen national and local RESILIENCE to climate change, threats, shocks and disasters

Making use of its global network of best practices and expertise, the UN will assist Indonesia in deepening its engagement in South-South dialogue and technical cooperation, especially with other MICs. Indonesia has much to contribute to and gain from South-South technical cooperation, especially in the areas of disaster response, democratic reform and decentralization. South-South cooperation will be a key strategy in enhancing Indonesia’s role in the global and regional settings.

The UN commits itself to strengthening Indonesia’s efforts to ensure that women and men have equal access to and are able to benefit from basic services and development. Gender equality promotion is therefore mainstreamed in the UNPDF, with specific attention given in each priority and outcome to enhancing the knowledge base on gender dimensions, and enhancing national and provincial capacity in monitoring and evaluating gender results.

Section 2: UNPDF Results

The UNPDF was formulated over a period of two years in close coordination with BAPPENAS (National Development Planning Agency) as the national counterpart. This helped ensure that the emerging national priorities of the RPJMN were reflected in the UNPDF. Parallel to this process, several UN agencies were engaged in formulating their own country programmes with their national partners, which resulted in a close integration of their perspectives into the UNPDF. Further formal consultation with Government partners, civil society and donors helped sharpen the focus of the UNPDF and reflect views and comments from a wide range of national and international stakeholders.

In light of the three objectives described above, 5 outcomes and 11 sub-outcomes have been identified as targets for UN support (please refer to the results matrices for details including the sub-outcomes). The UN will contribute to achieving these goals using both geographic and thematic approaches.
Objective 1
Enhance EQUITY in access to benefits, services, and economic opportunities for improved, sustainable, productive and decent livelihoods.

This objective has a strategic capacity building component, and focuses on enhancing supply capacity which is the ability of institutions to plan, coordinate, deliver services, and create opportunities for improved sustainable productive livelihoods and wealth creation.

Outcome 1: Social Services
Poor and most vulnerable people are better able to access quality social services and protection as per the millennium declaration

The UN will focus on strengthening policy frameworks at the national level and on improving models for service delivery in health, education and social protection, especially at the subnational level. Priority will be given to areas where progress towards achieving the MDGs is problematic, for example regarding Maternal Mortality and HIV/AIDS. UN agencies will furthermore support the Government’s Education for All targets, focusing on improving availability particularly in disadvantaged regions and on quality. This will go beyond formal schooling and will incorporate knowledge and skills needed for sustainable and equitable development. Advocacy activities to improve the situation of vulnerable groups and reduce discrimination will be another cornerstone of the UN’s engagement 2011 – 2015.

Outcome 2: Sustainable Livelihoods
The socio-economic status of vulnerable groups and their access to decent work and productive sustainable livelihood opportunities are improved within a coherent policy framework of reduction of regional disparities

UN agencies will provide high-quality strategic policy advice and will support national partners through the implementation of innovative and replicable models for generating decent jobs and sustainable economic growth in priority regions and sectors. Specific emphasis will be placed on youth employment and on enhancing agricultural and industrial productivity for the creation of ‘green’ jobs and for raising competitiveness. Food Security will be another important priority for the UN. Interventions such as improvements in agricultural value chains, strengthening the capacity of Government and providing direct support for affected vulnerable groups will address the complex root causes for hunger.
This objective has a strategic capacity building component, and focuses on building demand capacity, which is the ability of the people to participate, define needs, and access and seize opportunities.

**Outcome 3: Governance**

People participate more fully in democratic processes resulting in pro-poor, gender responsive, peaceful, more equitable and accountable resource allocation and better protection of vulnerable groups.

The UN will aim to support a deepening engagement between the state and society and will strengthen the capacity of representative institutions with special attention given to youth and women representatives. Policy Frameworks in order to improve protection for vulnerable groups, to support the implementation of commitments to human rights, to increase access to justice, and to improve accountability will be strengthened. These efforts will go hand in hand with advocacy activities in order to raise the legal and political awareness among vulnerable groups.
Objective 3
Strengthen National and Local RESILIENCE to Climate Change, Threats, Shocks and Disasters.

This objective has a strategic capacity building component and focuses on enhancing resilience capacity, which is the ability of stakeholders from both, the supply and demand side, to anticipate, prevent and respond to shocks.

**Outcome 4: DRR / Resilience**

Increased national resilience to disasters, crisis and external shocks by 2015

The focus of UN interventions will be on strengthening local capacities to minimize the risk of disaster, to sustain peace and to mainstream conflict sensitivity into the development planning process. Specific policy initiatives such as, for example, the Conflict Management Bill, will be supported on the national level using experiences and lessons learnt from the ground. A special focus will be on ensuring that sectoral standards for risk reduction, response and recovery are put in place and are aligned with human rights standards, are promoting transparency and accountability and involve the local communities. The UN will furthermore strengthen the government’s capacity to analyze the impact of external shocks and domestic constraints and to formulate appropriate policies and interventions to protect the poor and vulnerable. To the extent possible, these interventions will promote South-South cooperation, especially with other MICs.

**Outcome 5: Climate Change and Environment**

Strengthened climate change mitigation and adaptation and environmental sustainability measures in targeted vulnerable provinces, sectors and communities

In alignment with the Government’s plans, UN agencies will work with the central government to guide policies and actions on climate change, environmental security, and disaster management, while promoting the South-South cooperation modality. This will be complemented by partnerships with local governments and communities in selected high-priority regions to ensure that vulnerable groups are aware of and engaged in environmental issues. In order to promote green economic development, UN agencies will furthermore support innovative and replicable approaches in the areas of waste management, cleaner and resource efficient technologies, energy efficiency and renewable energy.
Section 3: Estimated Resource Requirements

The total resources required to contribute to the 5 outcomes identified in this document may amount to up to US$ 800 Million over five years. The UN will contribute to this based on core resources of UN agencies and externally mobilized funds (see Annex). The gap between available and required resources will be jointly closed with government through national/regional cost sharing and third party cost sharing. Given Indonesia’s MIC status, new partnership arrangements with the private sector will also be explored. The funding and partnership mechanisms of the Jakarta Commitment will be used as a framework for resource mobilization.

Section 4: Implementation and Coordination

In line with the Jakarta Commitment, the UNPDF programmes will fully support the capacity of government to design and manage multisectoral programmes involving stakeholders at national, provincial and local levels. Moreover, UNPDF programmes will support progress in the use of national systems and mechanisms for implementation, management and monitoring based on internationally recognized norms, standards and good practices. Further, UN agencies will seek every opportunity to maximize synergies by undertaking joint programmes and will promote volunteer modalities to actively engage local communities.

Overall oversight of the UNPDF will be jointly carried out by the Government of Indonesia supported by Bappenas, and the UN. Bappenas has designated a specific unit to coordinate with the UN family in Indonesia for this purpose. With a view to ensuring progress in the implementation, continued relevance and impact, regular six-monthly reviews will be held between Bappenas, the UN family and other public and private stakeholders on the basis of the comprehensive results framework jointly developed between the UN and government.

Section 5: Monitoring and Evaluation

To the extent possible and in keeping with the Jakarta Commitment, the indicators used in the RPJMN will be used to monitor UNPDF outcome progress, supplemented where necessary by additional information, to reduce parallel efforts at monitoring national development targets. The indicators, baselines and targets for each of the UNPDF Outcomes and Outputs are provided in the results framework. To refine baselines and programme strategies, the United Nations will support the undertaking of several critical studies and surveys during the UNPDF cycle, including a review of baseline and targets in early 2011. Annual Reviews will validate conclusions, including lessons learnt and best practices, which will feed into policy advocacy and preparation of Annual Work Plans.
ESTIMATED RESOURCE REQUIREMENTS FOR UNPDF IMPLEMENTATION

SELECTED UN CONVENTIONS AND INTERNATIONAL AGREEMENTS
## ESTIMATED RESOURCE REQUIREMENTS FOR UNPDF IMPLEMENTATION

<table>
<thead>
<tr>
<th>UNPDF Outcome</th>
<th>Estimated Resource Requirements (in US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Outcome 1: Social Services</strong>&lt;br&gt;Poor and most vulnerable people are better able to access quality social services and protection as per millennium declaration. <em>(UNPDF Sub-outcomes: 1, 2)</em></td>
<td><strong>165,600,000</strong></td>
</tr>
<tr>
<td><strong>Outcome 2: Sustainable Livelihoods</strong>&lt;br&gt;The socio-economic status of vulnerable groups and their access to decent work and productive sustainable livelihood opportunities are improved within a coherent policy framework of reduction of regional disparities. <em>(UNPDF Sub-outcome: 3 and 4)</em></td>
<td><strong>254,171,000</strong></td>
</tr>
<tr>
<td><strong>Outcome 3: Governance</strong>&lt;br&gt;People participate more fully in democratic processes resulting in pro-poor, gender responsive, peaceful, more equitable and accountable resource allocation and better protection of vulnerable groups. <em>(UNPDF Sub-outcomes: 5, 6 and 7)</em></td>
<td><strong>106,200,000</strong></td>
</tr>
<tr>
<td><strong>Outcome 4: DRR / Resilience</strong>&lt;br&gt;Increased national resilience to disasters, crisis and external shocks by 2015. <em>(UNPDF Sub-Outcome: 8, 9 and 10)</em></td>
<td><strong>79,250,000</strong></td>
</tr>
<tr>
<td><strong>Outcome 5: Climate Change and Environment</strong>&lt;br&gt;Strengthened climate change mitigation and adaptation and environmental sustainability measures in targeted vulnerable provinces, sectors and communities. <em>(UNPDF Sub-Outcome 11)</em></td>
<td><strong>196,640,000</strong></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>801,861,000</strong></td>
</tr>
</tbody>
</table>

Comprehensive results matrix and detailed resource requirements are available on the CD attached.
The following is a list of selected conventions and international agreements that form the basis of the work of the United Nations:

- Bali Declaration against trafficking and sexual exploitation
- Convention against Discrimination in Education
- Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment
- Convention concerning the Protection of the World Cultural and Natural Heritage
- Convention of the Rights of the child
- Convention on Biological Diversity
- Convention on Elimination of Discrimination against Women
- Convention on Protection and Promotion of Diversity of Cultural Expression
- Convention on the Means of Prohibiting and Preventing the Illicit Import, Export and Transfer of Ownership of Cultural Property
- Convention on the Prevention and Punishment of the Crime of Genocide
- Convention on the Protection of the Underwater Cultural Heritage
- Convention on Technical and Vocational Education
- Convention on the Rights of Persons with Disabilities
- Convention Relating to the Status of Refugees and Protocol Relating to the Status of Refugees
- Covenant Economic, Social and Cultural rights
- Covenant on Civil and Political Rights
- Convention on the Elimination of all forms of Discrimination against Women
- Convention on Wetlands of International Importance especially as Waterfowl Habitat
- Declaration on Fundamental Principles and Rights at Work
- Declaration on the Rights of Indigenous Peoples (UN, 2007)
- ILO Convention No. 29: Forced Labor Convention, 1930
- ILO Convention No. 81: Labor Inspection Convention, 194
- ILO Convention No. 87: Freedom of Association and Protection of the Right to Organize, 1948
- ILO Convention No. 97: Migration for Employment Convention, 194
- ILO Convention No. 98: Right to Organize and Collective Bargaining Convention, 1949
- ILO Convention No. 100: Equal Remuneration Convention, 1951
- ILO Convention No. 102: Social Security (Minimum Standards) Convention, 1952
- ILO Convention No. 105: Abolition of Forced Labor Convention, 1957
- ILO Convention No. 111: Discrimination (Employment and Occupation) Convention, 1958
- ILO Convention No. 122: Employment Policy Convention, 1964
- ILO Convention No. 138: Minimum Age Convention, 1973
- ILO Convention No. 14: Migrant Workers (Supplementary Provisions). 1975
• ILO Convention No. 158: Termination of Employment Convention. 1982
• ILO Convention No. 161: Occupational Health Services Convention, 1985
• ILO Convention No. 182: Worst Forms of Child Labor Convention, 1999
• ILO Declaration of Philadelphia on Freedom of Association and Expression
• ILO Declaration on Fundamental Principles and Rights at Work, 1998
• ILO Declaration on Social Justice for a Fair Globalization
• Indigenous and Tribal Peoples Convention, 1989 (ILO 169)
• International Convention on the Elimination of All Form of Racial Discrimination
• International Convention for the Protection of All Persons from Enforced Disappearance
• International Convention on the Suppression and Punishment of the Crime of Apartheid (ICSPCA)
• Kyoto Protocol to the United Nations Framework Convention on Climate Change
• Maritime Labor Convention (2006)
• Montreal Protocol for Ozone Depleting Substances
• Stockholm Convention on Persistent Organic Pollutants (2001)
• The World Heritage Convention
• The 1951 Refugee Convention, Protocol Relating to the Status of Refugees
• United Nation Convention on Biological Diversity
• United Nation Framework Convention on Climate Change
• United Nation Convention against Torture
• United Nation Convention on the Protection of the Rights of all Migrants Workers and Members of their families
• UN Security Council Resolution 1325 for the Protection of Women and Girls from Gender-based Violence in situation of Armed Conflict
• UN Decade of Education for Sustainable Development
• Universal Copyright Convention, with Appendix Declaration relating to Articles XVII and Resolution concerning Article XI
• Universal Declaration on Cultural Diversity (2001)
• Worst Forms of Child Labor Convention (1999)
Amir Faisal drops staining agent onto a slide as part of a UNICEF-supported blood-testing programme that aims to eliminate malaria in the Indonesian district of Sabang. Any positive cases will receive free treatment within 24 hours (UNICEF Indonesia/2010/Josh Estey)
Priority 1: Reform of the Bureaucracy and Governance

Improving good governance is to be attained through efforts to enhance work performance in an integrated way, which ensures integrity, accountability, compliance with the law, credibility, and transparency. Increasing the quality of public services is supported by government structure that is efficient at the central and regional levels, by adequate capacity of government personnel, and by reliable population data.

Therefore, the core substance of reform of the bureaucracy and governance is the following:

1. Structure: Consolidation of the structure and enhancement of the capacity of ministries and government agencies that handle the state apparatus, namely the Ministry for Utilization of the State Apparatus (PAN), the State Personnel Agency (BKN), and the State Administration Institution (LAN) in 2010; restructuring of other government institutions, which handle the empowerment of micro, small, and medium enterprises, energy management, utilization of marine resources, restructuring of State Owned Enterprises, that handles the utilization of land and spatial planning for the general public, by no later than 2014.

2. Regional autonomy: Reforming regional autonomy through the: (1) halting/moratorium of regional multiplication; (2) increasing efficiency and effectiveness in the use of the regional balancing fund; and (3) improving the implementation of elections of regional heads.

3. Human resources: improving the management of civil servants (PNS), covering the system of recruitment, education, placement, promotion, and transfer of civil servants in a centralized manner, no later than by the year 2011.

4. Regulations: accelerating the harmonization and synchronization of laws and regulations at the central and regional levels in order to attain a common direction in implementing development activities, including completing the assessment of 12,000 regional regulations not later than by the year 2011.

5. Synergy between the central and regional governments: determining and applying the system of Main Indicators on Public Services, that ensures synchronization between the central and regional governments.

6. Law enforcement: increasing the integration and integrity of applying and enforcing the laws by all institutions and the law apparatus.

7. Population Data: Determination of Population ID Number (NIK) and development of the Population Information and Administration System (SIAK) with the first application on the population ID card not later than by the year 2011.

Priority 2: Education

Increasing access to education that is of sound quality, that is affordable, relevant, and efficient, towards the enhancement of welfare of the people, self-reliance, upholding noble ethics, and attaining a strong national character. Development of education is directed at attaining economic growth that is supported
by harmony between the availability of skilled manpower and competence; (1) creating employment opportunities or entrepreneurship, and (2) responding to challenges in the need for manpower.

Thereby, the core substance of the action program in education comprise is the following:

1. Access to elementary-high school education: increasing the Net Enrolment Rate of primary education from 95% in 2009 to 96% in 2014, increasing the Net Enrolment Rate of junior high education from 73% to 76%, increasing the Gross Enrolment Rate of senior high education from 69% to 85%, consolidating/rationalizing of the implementation of the BOS program, reducing the standard price of school books of elementary and high schools by 30-50% by not later than by the year 2012 and providing internet connection with education content to high schools by no later than the year 2012, which plans to continue expansion to elementary schools.

2. Access to university education: increasing the Gross Enrolment Rate of university education from 18% in 2009 to 25% in 2014.

3. Methodology: applying education methodology that is no longer in the form of education for the sake of passing (‘teaching to the test’), but is oriented to a comprehensive education that takes into account social capability, character, morals, and appreciation for Indonesia’s culture and language, through the adjustment of the National Final Exam system in 2011 and through improving the curriculum of elementary and high schools before 2011 that is set at 25% of schools by the year 2012 and at 100% by the year 2014.

4. Management: empowering the role of school masters as managers of the education system, revitalizing the role of school supervisors as a quality assurance entity, encouraging the active role of the School Committee for ensuring the involvement of stakeholders in the teaching process, and increasing the role of the Education Council at the district level.

5. Curriculum: Reforming the school curriculum that is classified into the national, regional curricula, so that it can induce the creation of students who are capable of responding to the need for human resources for supporting national and regional economic growths by including entrepreneurial education (among others by developing the ‘link and match’ model).

6. Quality: increasing the quality of teachers, school management, and services, through: (1) programs for remediation of capability to teach the teachers; (2) applying the professional performance evaluation of teachers; (3) certification of ISO 9001:2008 at 100% of state universities, 50% of private universities; 100% of vocational high schools before 2014; (4) widely opening up cooperation of state universities and international education institutions; (5) encouraging 11 universities to enter the Top 500 THES in 2014; (6) ascertaining that the teacher-student ratio at each elementary school is 1:32 and 1:40 at each junior high school is, and (7) ascertaining the attainment of the National Standard Education for Religious and Religion Education by not later than the year 2013.

Priority 3: Health

This placed the emphasis of health development on the prevention of illness. Not only on curative health, through increasing community and environmental health, but also by expanding the availability of clean water, reducing slum areas, to lead to an increase of a life expectancy rate from 70.7 years in 2009 to 72.0 in 2014, and attaining all of the targets of the Millennium Development Goals (MDGs) in 2015.

Therefore, the core substance of the action program on health comprises the following:

1. Program on public health: the implementation of the Integrated Preventive Health Program, that encompasses the provision of basic immunization to 90% of infants in 2014; providing access to clean water sources that can reach 75% of the population in 2014; reducing the maternal mortality rate from
307 per 100,000 births in 2008 to 118 in 2014, and the decline of the infant mortality rate from 34 per 1,000 births in 2008 to 24 in 2014.

2. Program on Family Planning: increasing the quality and service scope of Family Planning through 23,500 government and private clinics in 2010-2014.

3. Health facilities: the availability and enhancement of the quality of internationally accredited hospitals in at least 5 large cities in Indonesia with the target of 3 cities in 2012 and 5 cities in 2014.

4. Medicines: the application of the National List of Essential Medicines as the basis for procurement of medicines throughout Indonesia and the limitation of prices of branded generic medicines in 2010.

5. National Health Insurance: the National Health Insurance for all poor communities with 100% coverage in 2011 and gradually expanded for other Indonesian families in the period 2012-2014.

Priority 4: Reducing Poverty

This priority aims at reducing absolute poverty from 14.1% in 2009 to 8-10% in 2014 and improving income distribution through social protection that is based on the family, community empowerment and expansion of economic opportunities of the low income population.

Therefore, the core substance of this action program on poverty reduction comprises the following:

1. Integrated Social Assistance: The family based integrated social protection program covers the program on Direct Cash Transfers (BLT), that is of an incidental nature as well as for marginal groups, food assistance, social security on health, scholarships for low income families, early age children education (PAUD), and Parenting Education starting from 2010 and the expansion of the family hope program (PKH) into a national program starting from 2011-2012.

2. PNPM Mandiri (Mandiri National Community Empowerment Program): increasing the budget allocation for PNPM Mandiri from Rp 10.3 trillion in 2009 to Rp 12.1 trillion in 2010, meeting the Community Direct Assistance (BLM) of Rp 3 billion per sub-district (kecamatan) for at least 30% of the poorest kecamatans in rural areas, and the selective integration of the supporting PNPM.

3. KUR (Smallholders Business Credit): improving the mechanism for allocating the KUR starting from 2010 and expanding the coverage of KUR starting from 2011.

4. Team for Reducing Poverty: revitalization of the National Committee for Reducing Poverty under the coordination of the Vice President, the use of the unified database for determining the program target starting from 2009-2010, and applying the accurate monitoring and evaluation system as the basis for decision making and for budget allocation.

Priority 5: Food Security

This priority pertains to efforts to increase food security and continuation of the revitalization of agriculture for realizing self-reliance in food, increasing the competitiveness of agricultural products, increasing the income level of farmers, and conserving the environment and natural resources. Increasing the growth rate of the agricultural sector in the GDP to 3.7% and increasing the Farmers Terms of Trade to 115-120 in 2014.

Therefore, the core substance of the action program on food security comprises the following:

1. Land, Development of Agricultural Zones and Agricultural Spatial Planning: reforming regulations for ensuring legal certainty of agricultural lands, developing new agricultural areas of 2 million hectares, optimizing the use of neglected lands.
2. Infrastructure: construction and maintenance of infrastructure in transportation, irrigation, electricity networks, communication technology, and the national information system that serves regions that are agricultural products centers, to increase the quantity and quality of production and increase the ability to market the products.

3. Research and Development: increasing research and development activities in agriculture that can create superior seeds and other research outputs towards the enhanced quality and productivity of national agricultural products.

4. Investment, Financing, and Subsidies: encouraging investment in food, agriculture, and rural industries that are local products based on business entities and the government, providing financing that can be reached, and subsidies that can ensure the availability of tested superior seeds, fertilizers, appropriate technology and post-harvest facilities on a timely basis and in the right quantity, and which are affordable.

5. Food and Nutrition: increasing the quality of nutrition and food diversity through the enhancement of the hope food approach.

6. Adaptation to Climate Change: taking concrete steps that are related to adaptation and anticipation of the food and agricultural system to climate change.

**Priority 6: Infrastructure**

A developed national infrastructure has a facilitating capacity and can induce greater economic growth and a just social development that emphasizes the interest of the general public throughout the Republic of Indonesia, by encouraging the participation of the people.

Therefore, the core substance of the action program on infrastructure development comprises the following:

1. Land and spatial planning: consolidation of policies for handling and utilization of lands for the public in a comprehensive way under one roof and management of spatial planning in an integrated way.

2. Roads: completion of the construction of the Trans Sumatra, Java, Bali, Kalimantan, Sulawesi, West Nusa Tenggara, East Nusa Tenggara, and Papua, with a total length of 19,370 km in 2014.

3. Communications: construction of integrated inter-mode and inter-islands transportation infrastructure networks in accordance with the Multimode Transportation Blueprint of the national Transportation System and the reduction of transportation accidents of less than 50% of the current situation by the year 2014.

4. Housing for the general public: construction of 685,000 subsidized simple and healthy house units, 180 units of owned apartment units and 650 twin blocks including the housing premises supporting facilities that can accommodate 836,000 low income families in 2012.


6. Telecommunications: completion of the construction of the optic fiber network in the eastern part of Indonesia before 2013 and maximizing the availability of data and audio communication access for all of the Indonesian public.

7. Urban transportation: enhancement of transportation system and network in 4 large cities (Jakarta, Bandung, Surabaya, and Medan) in accordance with the Blueprint on Urban Transportation, including the completion of construction of the electric railway transportation (MRT and Monorail) by not later than the year 2014.
Priority 7: Investment Climate and Business Climate

Increase investment through improvements in legal certainty, simplification of procedures, improving information systems, and the development of Special Economic Zones (KEK).

Therefore, the core substance of the action program on the development of the investment climate and business climate comprises the following:

1. Legal certainty: the gradual reform of regulations at the national and regional levels in order to achieve harmonization of laws and regulations that will avert ambiguities and inconsistencies in their implementation.
2. Procedure simplification: application of the electronic information and licensing investment services (SPSIE) at the One Roof Integrated Service Centre (PTSP) in several cities starting in Batam, cancellation of problematical regional government regulations and the reduction of costs for starting a business, such as the TDP (Company Registration Proof) and the SIUP (Trade Permit Document);
3. National logistics: development and application of the National Logistics System that ensures the speedy flow of goods and can reduce transaction costs/ high cost economy.
4. Information system: the full operation of the National Single Window (NSW) for imports (before January 2010) and for exports. Speeding up the realization of the process for settling import duties outside the port through the first phase implementation of the Customs Advanced Trade System (CATS) at the Cikarang dry port.
5. Special Economic Zones: development of five (5) Special Economic Zones through the Public Private Partnership (PPP) scheme before 2012.
6. Manpower policies: synchronization of policies on manpower and business climate in the context of expanding the creation of employment opportunities.

Priority 8: Energy

Attain national energy security that ensures the continuity of national growth through institutional restructuring and optimizing the widest possible utilization of alternative energy.

Therefore the core substance of the action program on energy comprises the following:

1. Policies: placing the authority on energy policies to the Presidential Office for ascertaining that the national energy handling is integrated in accordance with the National Energy Master Plan.
2. Restructuring of State-Owned Enterprises (BUMNs): transformation and consolidation of BUMNs in energy, starting from the PLN (State Electricity Company) and Pertamina (Oil State Company) that will be completed no later than by the year 2010 and will be followed by other BUMNs.
3. Supply capacity of energy: increasing the capacity of electricity generation by an average of 3,000 MW per year starting from 2010 with an electrification ratio of 62% in 2010 and 80% in 2014; and increased crude oil production to over 1.01 million barrels per day starting from 2014.
4. Alternative energy: increasing the utilization of renewable energy, including alternative energy of geothermal, to reach 2,000 MW in 2012 and 5,000 MW in 2014 and the start of the production of coal bed methane for generating electricity in 2011 accompanied by the utilization of the potential of solar power, micro-hydro, and nuclear power, in a phased way.
5. By-products and derivatives of crude oil and gas: revitalization of the industry for processing by-products and derivatives of crude oil and natural gas as raw material for textile, fertilizer, and other downstream industries.
6. Conversion towards the use of gas: expansion of the program for converting crude oil to gas so that it can reach 42 Households in 2010; the use of natural gas as fuel material for urban public transportation in Palembang, Surabaya, and Denpasar.

**Priority 9: Environment and Management of Natural Disasters**

Conservation and utilization of the natural environment that supports sustainable economic growth and increased welfare of the people, accompanied by the control and management of disaster risks, for anticipating the impacts of climate change.

Therefore, the core substance of the action program on the environment and management of natural disasters comprises the following:

1. Climate change: increasing the management capacity in managing peat lands, increasing rehabilitation results to 500,000 hectares per year, and increasing the intensity of efforts for reducing the deforestation rate, by enhancing cooperation among the related ministries and by optimizing funding sources, like the IHPH (Forest Utilization Right Fee), the PSDH (Forest Resources Fee), and the Reforestation Fund.

2. Controlling Degradation of the Environment: reducing pollution of the environment through the supervision of controlling pollution from waste water and emissions in 680 industrial and service activities in 2010 and continued henceforth; reducing the total number of forest fire hotspots by 20% per year and reducing the overall pollution rate by 50% in 2014; halting environmental degradation in eleven River Basin Areas that are vulnerable to causing natural disasters starting from 2010 and continued henceforth.

3. Early Warning System: ensuring the operation of the Tsunami Early Warning System (TEWS) and the Weather Early Warning System (MEWS) starting from 2010 and continued henceforth; and the Climate Early Warning System (CEWS) in 2013.

4. Overcoming disasters: increasing the capacity to overcome natural disasters, through: (1) capacity building of the government apparatus and of the community in the efforts to mitigate risks and to handle forest fire disasters and hazards in 33 provinces, and (2) forming the rapid action team for handling natural disasters by providing adequate equipment and transportation means, based in two strategic locations (Jakarta and Malang) that can reach all areas of Indonesia.

**Priority 10: Left-Behind, Frontier, Outermost, and Post-Conflict Areas**

The action program for left-behind, frontier, outermost, and post-conflict areas is aimed to ensure growth in the left-behind, frontier, outermost areas and to maintain a peaceful life in post-conflict areas, with the core substance comprising the following:

1. Policies: implementing special policies in the field of infrastructure and in other fields that support the efforts to increase the welfare of the people, which can stimulate growth in left-behind, frontier, outermost, and post-conflict areas, started not later than 2011.

2. International cooperation: establishment of cooperation with neighboring nations in the context of maintaining security of the region and of security of marine resources.

3. Territorial integrity: completing the mapping of border areas of the Republic of Indonesia with Malaysia, Papua New Guinea, Timor Leste, and the Philippines in 2010.

4. Left-behind areas: fully resolving the left-behind regions, covering at least 50 districts by not later than 2014.
Priority 11: Culture, Creativity, and Technological Innovation

The development and protection of cultural diversity, art works, science, its appreciation for enriching artistic and intellectual capability for the consolidation of identity and adaptive and competitive capability of the nation that is accompanied by the development of innovation, science and technology, that is based on Indonesia’s competitive advantage as a maritime and archipelago nation.

Therefore, the core substance of this action program on culture, creativity, and technological innovation comprises the following:

1. Preservation: determination and formation of the integrated management for managing cultural preservation objects, revitalization of museums and libraries throughout Indonesia, targeted before October, 2011.
2. Facilities and infrastructure: providing adequate facilities and means for the development, assessing in depth the exhibition of cultural arts in large cities and capital cities of districts by not later than October 2012.
3. Creation: development of the national capacity for conducting research, creation and innovation and facilitating access and its utilization by the public at large.
4. Policies: increasing the attention and participation of the government in culture and arts programs that have been initiated by the community and appreciation to cultural diversity is induced.
5. Technological innovation: increasing comparative advantage into competitive advantage, encompassing management of maritime resources towards security in energy, food, and anticipation of climate change impacts. This also includes enhancing skills related to technology and creativity of the youth.

These National Priorities aim for the following:


Second: Improving Soft Infrastructure (Priority 1 on Reform of the Bureaucracy and Governance, and Priority 7 on Investment Climate and Business Climate).


Fourth: Development of Creativity (Priority 11 on Culture, Creativity, and Technological Innovation).

Other Priorities

In addition to the above eleven national priorities, the realization of the Vision and Mission of National Development are also to be endeavored through other national priorities in the political field, legislation, security, in the economic field, and in the field of enhancement of welfare.

In the political, law, and security field, the priorities cover: (a) implementation of coordination in the mechanism for handling terrorism; (b) implementing the program for the de-radicalization of counter-terrorism; (c) increasing the role of the Republic of Indonesia in the efforts to realize world peace; (d)
increasing services to and protection of Indonesian migrant workers abroad; (e) strengthening and consolidating relations among institutions in the prevention and the eradication of corruption; (f) implementing the protection of witnesses and informants; (g) recovery of state assets; (h) increasing legal certainty; (i) strengthening protection of basic human rights; and (j) empowering of strategic defense industries.

In the economic field, the priorities cover: (a) implementation of the development of industries in accordance with Presidential Regulation Number 28 of 2008 on National Industrial Policy; (b) increasing the role and capability of the Republic of Indonesia in international trade diplomacy; (c) increasing services to and protection of Indonesian migrant workers abroad during the process of their preparation, departure, and return to Indonesia; and (d) increasing the efforts to serve and protect Indonesian migrant workers abroad.

In the field of the welfare of the people, the priorities cover: (a) implementation of the hajj pilgrimage in a orderly and uninterrupted way by not later than 2010; (b) increasing harmony among religious adherents through the formation and effective enhancement of the Forum for Harmony Among Religious Followers (FKUB); (c) increasing the total number of international and domestic tourists gradually by 20% over the five years; (d) promotion of ten (10) Indonesian tourist destinations through creative and effective marketing and advertisements; (e) improving and enhancing the quality of tourism supporting network facilities; (f) increasing the capacity of the government and stakeholders of local tourism for attaining the quality of services and hospitality management that are competitive in the Asian region; (g) formulating policies and guidelines for applying the mainstreaming of gender and children’s issues by ministries and government agencies; (h) attaining an upper position at the South East Asian Games in 2011, increasing the attainment of medals at the Asian Games of 2010 and in the 2012 Olympics; (i) enhancing character building through enhanced youth movements, revitalization, and consolidation, and (j) revitalization of the scout movement.