



*Empowered lives.  
Resilient nations.*

UNITED NATIONS DEVELOPMENT PROGRAMME INDONESIA

# ANNUAL REPORT 2011/2012





*A woman sorting dried fish in Aceh, home to one of Indonesia's largest fishing communities. Enhancing livelihoods is part of UNDP's work in the country.*



**Annual Report UNDP  
Indonesia  
2011/2012**



*Empowered lives.  
Resilient nations.*



United Nations Development Programme in Indonesia  
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Cover Photo by Priyombodo: Workers from the Angke ecotourism park maintain mangrove seedlings as part of efforts to rehabilitate the mangrove forest in North Jakarta.  
Other photos by UNDP staff.



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*Farmers in tsunami-affected Aceh, seven years after the disaster. UNDP supported the clearance of tsunami debris on coastal farmland in Aceh.*



# FOREWORD FROM the Resident Representative

I am pleased to present UNDP Indonesia's Annual Report for 2011/2012. The report highlights the main contributions of the organization to the achievement of national priorities as identified by National Medium-Term Development Plan (RPJMN) and the United Nations Partnership Development Framework (UNPDF).

Indonesia has made significant strides towards building a **"just, prosperous and democratic"** society. In 2011, unemployment numbers continued to fall, and so too did poverty rates. Again, Indonesia recorded impressive economic growth, which reached its highest level in 12 years. Democracy continued to show signs of maturing 13 years into the democratic reform process (*reformasi*). These advances have further cemented Indonesia's position as a thriving middle-income democratic country set to become one of the world's leading emerging economies and a powerbroker in important regional and global forums such as ASEAN and the G20.

Under the 2010-2014 National Medium-Term Development Plan with its motto "Development for All", the government has identified eleven priority areas that need to be addressed in order to sustain this impressive upward momentum.

The UN system in Indonesia works to support the government in the pursuit of an inclusive, equitable and sustainable development agenda, with the aim

of ensuring that developmental progress benefits the poor and most vulnerable. The UNPDF 2011-2015 is fully aligned with the development and policy priorities outlined in Indonesia's Medium-Term Development Plan. In particular, it focuses on three main objectives, including: i) decreasing inequalities within and across regions by enhancing provincial and local capacities to deliver benefits, services and economic opportunities to all; ii) promoting effective participation and protecting the rights of the poor and vulnerable; and iii) strengthening national and local resilience to exogenous shocks and threats ensuing from climate change and natural disasters. The UNPDF, which was jointly formulated by UN agencies active in Indonesia in close coordination with government, provides a guiding platform for UN agencies in Indonesia to think, plan and deliver as one.

With its broad-based mandate as the development arm of the UN system, UNDP contributes to the implementation of all key pillars of the UNPDF. Aimed at supporting national efforts towards the achievement of the Millennium Development Goals (MDGs) and promoting human development, UNDP's country programme is organized into four components as follows: i) MDGs and Poverty Reduction; ii) Crisis Prevention and Recovery; iii) Democratic Governance and iv) Environment and Energy. The overall approach of UNDP's country programme is based on three strategic elements. They include a broad-based engagement at the policy level to formulate policy solutions to developmental challenges, linking policy formulation with best practice and experiences that are being generated across the archipelago, and focusing

UNDP support on the most disadvantaged regions.

For impact and sustainability, UNDP supports and works within nationally-led processes and programmes.

As part of a widespread network of UNDP operations in over 170 countries in the world, UNDP Indonesia draws on a vast knowledge base and pool of expertise geared to provide globally informed solutions to local challenges and issues.

This annual report summarizes the achievements of UNDP supported programmes in 2011. As outlined in the report, UNDP has made very encouraging progress in all areas of its work, including on issues relating to climate change, disaster risk reduction, and decentralization, among others. The commitment and leadership demonstrated by the government and implementing partners have been critical in this regard, as has the confidence and financial support extended to UNDP's programmes by development partners.

Looking ahead, the UN and UNDP will continue working with our partners to enhance national capacity for a sustainable and equitable development. While progress towards MDGs will continue to drive our efforts over the next few years, we will also support national efforts to define a post-MDG development path based on green growth and greater social equity for lasting benefits to Indonesia and its people.



A handwritten signature in black ink, appearing to read 'El-Mostafa Benlamlih'.

**El-Mostafa Benlamlih**

United Nations Resident Coordinator for Indonesia  
UNDP Resident Representative

*"UNDP has made very encouraging progress in all areas of its work, including on issues relating to climate change, disaster risk reduction, and decentralization, among others."*





*A farmer in South Aceh gathers nutmeg after the seasonal harvest. UNDP supported efforts to promote nutmeg as a bio-trade product for the reintegration of conflict-affected populations, including women.*



# MESSAGE FROM the Country Director

This UNDP 2011/2012 Annual Report comes at a particularly opportune moment, as Indonesia continues to fortify its position as a middle income country and an emerging powerhouse in Asia. The Government of Indonesia has set clear objectives to advance progress towards the Millennium Development Goals (MDGs). It is also seeking to define a new path to development that will ensure greater equity in people's access to opportunities and social services, improved protection of the poor and vulnerable, and better conservation of Indonesia's abundant natural resources.

Indonesia registered a record 6.5 percent GDP growth in 2011 and reduced the proportion of people living below the national poverty line of US \$ 1.25/per day to 12.36 percent in 2010, but critical challenges remain. Growth and poverty reduction remain uneven between and across regions. While there are new laws on decentralization that may partially address the problem of inequality and uneven growth, there are many obstacles to putting these new policies into practice. Indonesia, as an archipelago country, is not only vulnerable to climate change but is also a top emitter of greenhouse gases (GHG). It is also exposed to frequent natural disasters that, at times, have caused severe setbacks to development progress.

This report highlights the efforts that UNDP has made in the past year to support Indonesia in

tackling these challenges. Among other things, it showcases our work on combatting poverty, where UNDP has helped the government to create pro-poor policies to ensure that economic growth benefits the poorest and most marginalized segments of society. It presents the progress made on our programmes that are supporting Indonesia in its vital fight against climate change and to realize the President's commitment to reduce greenhouse gas emission levels by 26 percent in 2020 and to stop further degradation of primary forests and peatlands. In areas such as disaster risk reduction, the report captures some of the work done to strengthen national development plans and policies and to ensure adequate funding for activities that can help to keep people and communities safe. Progress on our democratic governance portfolio is also highlighted, focusing on initiatives being undertaken to improve the decentralization process and to enhance implementation of the National Strategy on Access to Justice.

The achievements highlighted in this report reflect UNDP's firm commitment to put people at the centre of the development agenda - a concern that is enshrined in UNDP's flagship Human Development Report, produced since 1990.

The strong commitment and leadership of the Government of Indonesia has been the cornerstone in delivering the results outlined in

this report.

We also acknowledge that none of this would

have been possible without the support and confidence of our development partners; and I would like to take this opportunity to extend our sincerest appreciation and deepest gratitude to our donors.

Over the coming years UNDP expects Indonesia to continue to grow and develop and to make further inroads to improving the welfare of its people and reducing inequalities. We also recognize that Indonesia is changing and assuming new roles in regional and global development forums. As the roles and priorities of Indonesia change, it will require a different relationship with its partners, along with new forms of development cooperation. UNDP is therefore working closely with the Government of Indonesia to tailor our support to the evolving needs of the country. Building on our strong national and subnational partnerships and leveraging our global networks of knowledge and expertise, we are preparing ourselves to provide the flexible and cutting-edge development solutions that Indonesia will need now and in the future.



**Beate Trankmann**

UNDP Country Director

*"The achievements highlighted in this report reflect UNDP's firm commitment to put people at the centre of the development agenda - a concern that is enshrined in UNDP's flagship Human Development Report, produced since 1990."*





# INDONESIA AT A GLANCE

Indonesia has come a long way. As the world's fourth most populous nation, Indonesia is often cited as a model of success in transitioning to democracy.

Less than 14 years ago, Indonesia was shunned by international investors as the country descended into crisis amid a wave of sectarian violence and political uncertainty.

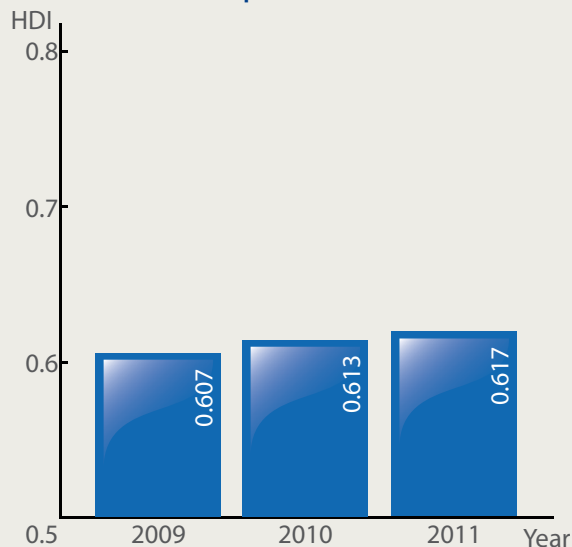
Today, Indonesia is emerging as one of the top destinations for international investors as political stability takes root.

In 2011, Indonesia hit a milestone as it chalked 6.5 percent GDP growth, the highest since 1996.

Indonesia is also ranked as one of the top 10 upward movers in human development over the past 40 years, as measured by the Human Development Index (HDI). Indonesia continued to improve its ranking in 2011.

Despite its remarkable achievements, Indonesia faces challenges related to poverty and inequality. Economic progress is uneven amongst Indonesia's 33 provinces and nearly 30 million people live below the national poverty line. At the same time, climate change poses a threat for the country's development. Indonesia is also facing political and administrative challenges. The fight against corruption and increasing political representation for women are high on the agenda.

## Human Development Index Indonesia



The Human Development Index measures development by combining indicators of life expectancy, educational attainment and income. The index can take a value between 0 and 1. Countries with an index over 0.800 are part of the High Human Development group. Between 0.500 and 0.800, countries are part of the Medium Human Development group and below 0.500 they are part of the Low Human Development group. Indonesia is in the Medium Human Development group.





## POPULATION

237,641,326 people  
 Female: 49.66 percent  
 Male: 50.34 percent  
 Life expectancy at birth: 69.4 yrs\*



## LAND

Total area: 1,904,589 km<sup>2</sup>  
 Islands: 13,487  
 Density: 124 people per km<sup>2</sup>



## ADMINISTRATION

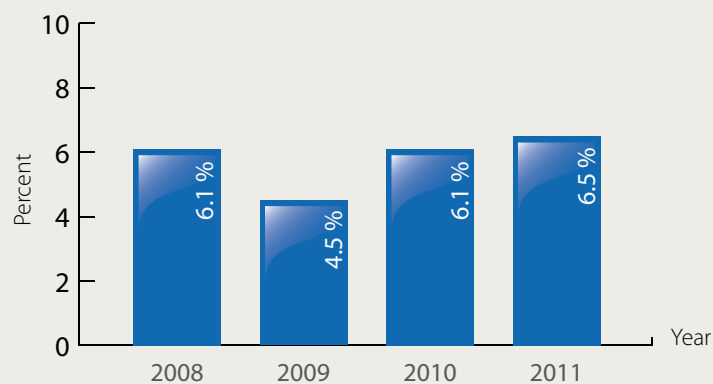
Provinces: 33  
 Special Autonomy: 3 (Papua, West  
 Papua, Aceh)  
 Districts: 399



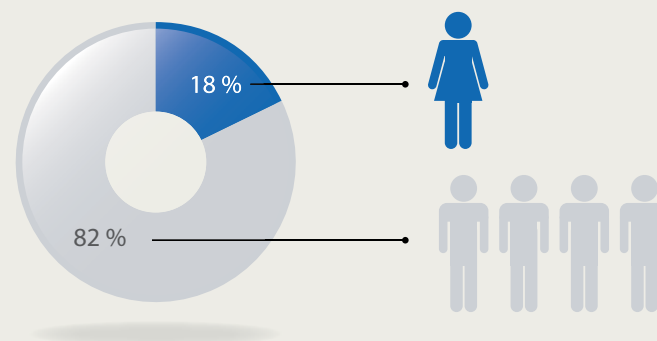
## POLITICS

Political Parties in 2009: 38  
 Eligible Voters: 176,411,434  
 Voter Turn Out: 127,983,655

## GDP GROWTH



## WOMEN IN PARLIAMENT



Source: Central Statistics Agency (BPS)

\*Human Development Index 2011





# HOW WE WORK

The United Nations Development Programme (UNDP) is one of 22 UN agencies, funds and programmes currently operating in Indonesia. UNDP has been present in Indonesia for over 35 years, supporting the government to advance human development in the country. As one of many UN entities, UNDP implements activities under the broad umbrella of the UN Partnership for Development Framework (UNPDF), which defines the scope of engagement of the UN system in Indonesia for the period 2011-2015. Similar to the UNPDF, UNDP's country programme is furthermore fully aligned with Indonesia's national development goals as set out in the National Medium-Term Development Plan 2010-2014 (RPJMN). By ensuring that programmes are in line with national development priorities as well as with the outcomes of the UNPDF, UNDP aims to foster national ownership and needs responsiveness, while at the same time supporting coherence and synergies of the UN system partnership with Indonesia.

UNDP Indonesia focuses programmatic attention on four major areas: promoting democratic governance; reducing poverty; promoting disaster awareness and reducing disaster risks; and protecting the environment, which includes the development of sustainable energy.

In implementing these programmes, UNDP engages closely with a range of partners, including the Government of Indonesia, non-governmental organizations, civil society organizations, community-based organizations, multilateral agencies, bilateral donors and private firms.

UNDP believes that the people of Indonesia should have ownership over the programmes

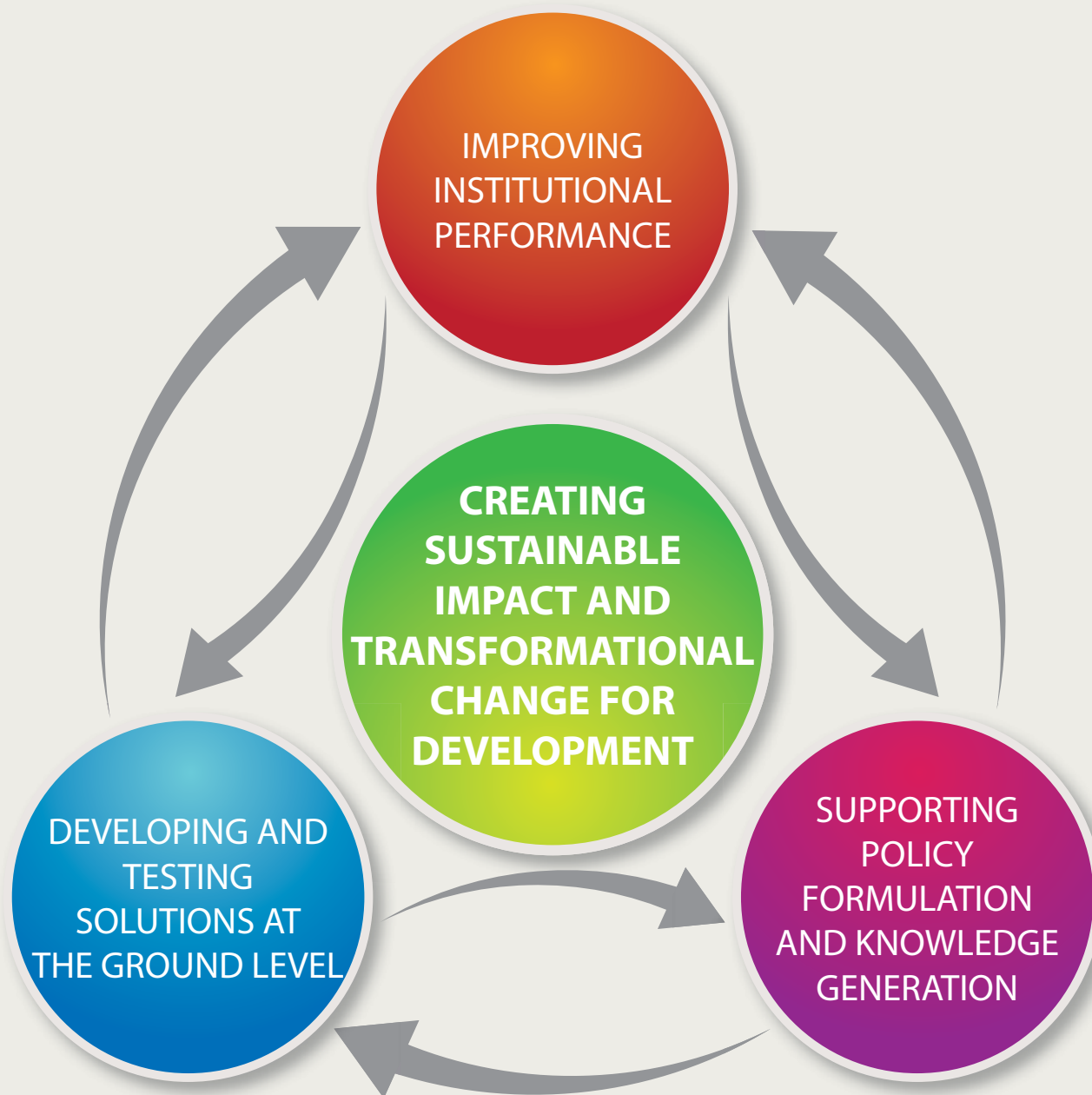
and projects we support. All UNDP programmes therefore actively promote the spirit of mutual respect, support and accountability and subscribe to the principle of national ownership as enshrined in the Jakarta Commitment – a declaration put forward by the government and its development partners in 2009 to strengthen aid effectiveness in Indonesia. In the true spirit of national ownership, all of UNDP's assistance in Indonesia is implemented by national entities, including line ministries and the Ministry of National Planning and Development, and at the subnational level by line departments, provincial and district authorities as well as community groups.

While each programme supported by UNDP has specific and varied objectives, capacity development is one aim that all UNDP programmes – in Indonesia and worldwide – have in common. This takes on many forms including institutional reform, leadership development, education, and training for members of the public such as journalists, and women's communities. In line with this logic, UNDP advisers work side by side with Indonesian counterparts to strengthen capacities in technical matters, policy formulation and budget planning, amongst others.

## Creating impact through results

As articulated in our global tagline, "Empowered Lives. Resilient Nations." UNDP prides itself on promoting transformational change in developing nations by working both at grass-root levels with communities, while at the same time building institutional capacities and providing policy advice to our partner governments. By linking policy with practice, we believe, we can create real impact for the people of Indonesia.









# UNDP INDONESIA PROJECTS







● Crisis Prevention and Recovery

● Democratic Governance

● Environment and Energy

● Millennium Development Goals and Poverty Reduction

#### Aceh



North Sumatera



West Sumatera



Riau



Jambi



South Sumatera



Bengkulu



Lampung



Bangka Belitung Islands



Riau Islands



DKI Jakarta



West Java



Banten



Central Java



Yogyakarta



East Java



Bali



West Nusa Tenggara



#### East Nusa Tenggara



West Kalimantan



Central Kalimantan



South Kalimantan



East Kalimantan



North Sulawesi



Central Sulawesi



South Sulawesi



South East Sulawesi



Gorontalo



West Sulawesi



Maluku



North Maluku



#### West Papua



#### Papua







A teacher at a community-run school in Indonesia's Papua region. UNDP and the provincial governments of Papua and West Papua work together with community-based organizations to provide basic services to communities in remote and difficult to reach areas in Tanah Papua.



## MDG GOALS



### Goal 1

Eradicate extreme poverty and hunger



### Goal 2

Achieve universal primary education



### Goal 3

Promote gender equality and empower women



### Goal 4

Reduce child mortality



### Goal 5

Improve maternal health



### Goal 6

Combat HIV/AIDS, malaria and other diseases



### Goal 7

Ensure environmental sustainability



### Goal 8

Develop a global partnership for development

## MILLENNIUM DEVELOPMENT GOALS AND POVERTY REDUCTION

2011 marked the 11th anniversary of the Millennium Declaration, when countries around the world approved eight Millennium Development Goals (MDGs). Although Indonesia is largely on-track to achieve many of the MDGs by the 2015 deadline, progress towards the MDGs has been uneven.

Poverty (MDG 1) is a challenge in Indonesia despite impressive economic growth in recent decades. According to the Central Statistics Agency, almost 30 million people, or 12.36 percent, in Indonesia live below the national poverty line. Certain regions of Indonesia are also poorer than others; with poverty rates in regions like Papua, and West Papua more than double that of the national average.<sup>1</sup>

In the area of maternal health (MDG 5), skilled healthcare providers attend almost all births in Jakarta compared to less than half in five other Indonesian provinces. In terms of access to safe drinking water (MDG 7), Jakarta, Bali and Jogjakarta far surpass Nusa Tenggara Timur (NTT), Papua and Central Kalimantan, with more than 70 percent of people with access to safe drinking water in the former, compared to less than 30 percent in the latter.

UNDP, in partnership with the Indonesian Government, is working towards MDGs achievement and poverty reduction by drawing on its wealth of knowledge and vast networks of other experienced UNDP offices throughout the world. UNDP seeks to build stronger pro-poor government policy making, planning and budgeting processes, to improve service delivery, and to accelerate MDGs achievement. Due to uneven progress towards MDG achievements

and poverty reduction, UNDP concentrates its resources on three of Indonesia's most challenged and underdeveloped regions, including Tanah Papua (Papua and West Papua provinces), Aceh, and NTT.

### Building a better institutional framework for poverty reduction

*By 2015, UNDP seeks to increase national and subnational government effectiveness, and the effectiveness of key stakeholders, in reducing poverty and vulnerability. UNDP prioritizes poverty reduction efforts in Tanah Papua, Aceh and Nusa Tenggara Timur.*

Government-driven poverty reduction efforts must be underwritten by sound policy, planning and budgeting. If these three components are not in place, these efforts to reduce poverty are likely to be ineffective.

With this in mind, UNDP supported the Presidential Regulation No's 65/2011 and 66/2011 on the 'Acceleration of Development in Papua and West Papua' and the 'Unit for the Acceleration of Development in Papua and West Papua (UP4B)' in 2011. Accelerated development policies and programmes by national and subnational governments for Tanah Papua are now coordinated through a single body under the Office of the Vice President, rather than several government bodies, in order to increase effectiveness and pooling of resources.

At the subnational levels, UNDP supported provincial and district governments including



those of Papua and West Papua, to begin integrating the **Human Development Index (HDI)**, **MDG targets** and **pro-poor planning**, budgeting and monitoring (P3BM) tools into Medium-Term Development Plans. Previous development plans had utilized economic growth as the primary metric for measuring development progress. By providing subnational governments with more accurate tools to measure and monitor poverty levels, it is expected that they will be better equipped to formulate targeted policy responses addressing the most urgent development needs and effectively reduce poverty. Preliminary indicators are positive; in West Papua, poverty declined from 34.88 percent (2010) to 31.92 percent; while in Papua, poverty declined from 36.80 percent (2010) to 31.98 percent (2011).

As a result of extensive lobbying from development programmes including the Netherlands and New Zealand Governments-funded UNDP 'People's Centred Development Programme' (PCDP), the subnational governments of Papua and West Papua have boosted their **annual budget on education and health** from two (2006) to **12.3 percent** (2011). District governments including Timika, Yapen and Sarmi have begun replicating elements of the PCDP programme and are contracting local CSOs as service providers for people living in isolated areas with funds sourced from within their own budgets.

### Extending access to social protection and essential services

*During 2011 to 2015, UNDP works towards increasing access to and quality of social protection and other essential services.*

In remote and rural regions, the delivery of social protection and other essential services

to poor and vulnerable groups are even more challenging due to poor infrastructure like roads, and because of Indonesia's unique geography. UNDP is working with the Village Community Empowerment and Family Welfare Agency (BPMK&KK) in Papua and West Papua to ensure the **adoption of standardized health and education systems and procedures by CSOs**, and sound oversight over the provision of such services through joint-monitoring. During July-December 2011, CSOs provided education and health services to approximately 37,135 people, including 17,584 men, 14,675 women, 4,877 children, and 5,068 people unidentified by sex or age. In 2012, it is projected that two percent of the Tanah Papua population will receive health and education services from UNDP and BPMK supported CSOs. Of this figure, approximately 90 percent of those targeted will be native Papuans and West Papuans.

### Accelerating MDG achievement

*During 2011-15, UNDP efforts are geared towards the accelerated achievement of social development priorities, MDG targets, and improved human development.*

UNDP assisted the Government of Indonesia to launch the **MDGs Road Map**, a national plan designed to accelerate progress towards achieving MDGs including in underperforming regions. The MDGs Secretariat housed in BAPPENAS is now charged with overseeing the implementation of this road map. In 2011, **subnational MDGs plans (RADs)** were also developed and legislated in **33 provinces** through Governor Regulations with support from the MDGs Secretariat, and provincial MDG teams were established in every province to oversee the implementation of the RADs. The intention of RAD is to empower subnational governments to identify areas in which MDG acceleration is needed, and to develop and budget for locally

appropriate strategies to secure sustainable development. At the end of 2011, regional government agencies (SKPDs) had prepared **MDGs-appropriate budgets** for approval by the regional legislative.

With UNDP's support, the Ministry of Health (MoH) received increased funding from the Global Fund for its tuberculosis (TB) programme (MDG 6) implemented at the national and subnational levels. Principal Recipients like MoH receive funding based on a sophisticated set of performance indicators. UNDP provided technical assistance to MoH designed to ensure its performance rating increased over time. Before UNDP support was extended in 2007, this TB programme was rated B2 (inadequate but potential demonstrated) by the Global Fund. In 2008-09, when UNDP started priority support in areas like human resource development, financial management, monitoring and evaluation, and procurement and supply management, its performance rating increased to B1 (moderate). In 2010-11, its performance rating peaked at A2 (meets expectations) for its Global Fund Round 5 funded programme, and A1 (exceeds expectations) for its Global Fund Round 8 funded programme.

Another Principal Recipient to receive UNDP support, Aisiyah, was recognized by the national government for its outstanding performance in the area of TB alleviation in 2011, and was presented with an **MDGs award** in early 2012. Significantly, Aisiyah was not the only UNDP-supported institution to be recognized by the Indonesian Government for its excellence in the area of the MDGs. A education-focused CSO supported by PCDP known as the 'Institute of Community Development and Empowerment' (*Institut Pengembangan dan Pemberdayaan Masyarakat - IPPM*) also received a **MDGs runner-up award** for its 'Village Schools for Early Childhood Development' (*Sekolah Kampung-Anak Usia Dini - SK-AUD*) programme in the Sarmi district of Papua in 2011.



## SUCCESS STORY

# Fighting Illiteracy in Indonesia's Papua region

Seated in a circle, some children from the coastal village of Sarmi, Papua, throw betel nuts to its centre. Others weave colored ropes into shapes as they learn simple math from their teacher.

These children are enrolled in an early education programme that blends the national curriculum with more traditional subjects. The initiative is part of community efforts to combat low literacy levels in Sarmi, some 120 kilometres from the provincial capital of Jayapura.

"Students who attended the pre-school more actively participated in primary school classes compared to their peers," said Absalom Abuere, a primary school teacher in Sarmi.

The pre-school, which is supported by UNDP's People-Centred Development Programme (PCDP), is run by the Institute of Community Development and Empowerment (IPPM). In 2011, the school received a Millennium Development Goal runner-up award, a national recognition organized by the Government of Indonesia.

Even though Indonesia is on-track to achieve universal primary education by 2015 (MDG 2), progress has been uneven. According to the Central Statistics Agency (BPS), 32 percent of Papuan children under 15 years of age were illiterate in 2010. This is the highest illiteracy rate in the country.

PCDP, with funding from the governments of the Netherlands and New Zealand, is working with civil society organizations (CDOs) like IPPM to increase access to basic education and health services, particularly to communities in rural and remote areas. Many local governments are now replicating this initiative with funds sourced from the local government budget (APBD).



PCDP is also working in partnerships with the local governments to develop pro-poor policies with use of MDGs and human development data. Among other things, the project is supporting the development of provincial Human Development Reports, as well as training district government authorities in pro-poor planning and budgeting (P3BM). In other provinces where the P3BM methodology has been adopted, APBD allocations grew by 17-20 percent overall for services targeting the poor.

Indonesia's most eastern province, faces a unique and complex set of challenges. Impoverished and underdeveloped, the Sarmi district in many ways reflects the overall picture of Papua, a vast and scarcely-populated province where 31.98 percent of the population live below the national poverty line.

Sarmi is a traditional community of subsistence farmers. "Not in the modern sense as in they have fields that they harvest and take to market," said the Head of IPPM, John Rahail. "They're farmers in that they go the forests and collect fruit, food. Sometimes they receive money from the government, sometimes they don't. But mostly they live off the land and the sea."

The community has limited access to financial institutions that will lend them money to start up micro-enterprises.

PCDP is gearing up to provide financial resources and support services to micro entrepreneurs. This will be delivered through a joint UNDP-International Labour Organization (ILO) initiative in partnership with local governments, CSOs, and commercial banks.

*Parts of this story originally appeared in an article from Tempo English Magazine, May 2012.*







# THE STORY BEHIND THE NUMBERS

---

29.9

million people in Indonesia live below the national poverty line, as of September 2011.

36.4

percent of people in Papua province live below the national poverty line, almost three times the national average. UNDP prioritizes poverty reduction efforts in Tanah Papua, Aceh and Nusa Tenggara Timur.

228

per 100,000 live births in Indonesia result in maternal death in Indonesia. The maternal death rate is one of the highest in South-East Asia.





*A woman casting her vote during the recent local elections in Aceh. UNDP supported the distribution of manuals for poll officials in Aceh.*





# DEMOCRATIC GOVERNANCE

The Government of Indonesia and its development partners agree that good governance is one of the keys to achieving equal progress and combating poverty. The realization of a democratic society based on the rule of law, the consolidation of democratic institutions and the strengthening of decentralized and regional autonomy, as well as civil society organizations and political parties are all included in the national development goals and the 2010-2014 National Medium-Term Development Plan. As a young and vibrant democracy, Indonesia has achieved much, and is continuously striving to ensure that democracy benefits its citizens. Democracy in Indonesia is constantly evolving and improving, as can be seen in the Indonesian Democracy Index<sup>1</sup>, which increased in rating from 60.4 percent to 67.3 percent in 2009 (2010 data is currently being analysed).

UNDP focuses on supporting the Government of Indonesia in its efforts to achieve effective decentralized governance by clarifying and strengthening the role of provincial governments, while simultaneously creating conducive legal frameworks for the appropriate authorities. Building on its successful support to the National Strategy on Access to Justice, UNDP is also working to build the capacities of national and local institutions to improve the access to and delivery of justice, particularly for the poor and marginalized, including women. Promoting the representation and participation of communities, including civil society groups and women in political and government institutions is another key objective of UNDP.

## Representation and participation in politics and government

*UNDP's objective is to assist Indonesia to ensure that, by 2015, representation and participation in political and government institutions, particularly among women and vulnerable groups, has significantly increased.*

The percentage of female legislators in Indonesia's parliament has reached 18 percent - its highest level in history - though still below the national target of 30 percent. Voter turnout and participation in democratic processes is varied, but the **Indonesia Democracy Index** shows that political participation has been increasing in the country, including wider citizen engagement in policy and decision-making processes.

UNDP Indonesia is working with a wide range of government institutions, as well as with CSOs and other parties including media and universities, to build awareness and strengthen the ability of citizens to engage in both political and governmental processes. The Civic Education Centres currently being developed in partnership with the Ministry of Home Affairs and the University of Indonesia are one example of this effort, and UNDP's new "Strengthening Women's Participation in Politics and Government in Indonesia" project supports representatives and civil servants at the local, regional and national levels to ensure that women's rights are taken into account in policy-making through networking and capacity development. Working with CSOs

<sup>1</sup> The Indonesian Democracy Index (IDI) project is a joint effort between the National Planning and Development Agency (BAPPENAS) and UNDP to measure Indonesia's progress in various aspects of democratic governance. The Central Statistics Agency (BPS) and Regional Planning and Development Agencies (BAPPEDA) are also collaborating on the project.



at the grass-roots level to raise the awareness of women about their political and civic rights, women are also encouraged to run as political candidates. Support has also been provided through the Elections Multi-Donor Programme (with funding support in 2011 from AusAID), which was extended upon the request of the Government of Indonesia to further strengthen the capacities of **electoral management bodies** for the local elections in **Aceh**. Support to the preparation of the elections in Aceh has also included equipping civil society groups with skills to monitor election related processes.

## Decentralized governance

*For 2011-2015 UNDP aims to support provincial governments to strengthen their institutional capacities to perform their functions, achieve their goals, and enhance their accountability and responsiveness.*

Strengthening the capacity of provincial government remains a challenge, particularly since the role of the provincial government within the context of decentralization is not supported with clear and sufficient regulations and policies, despite the disbursement of between 30 to 40 percent of the national budget to the provincial level. UNDP contributes to efforts to enhance policy and regulatory frameworks that clarify and strengthen the roles and functions of provincial governments and parliaments. The draft revision for **Law No. 32/2004 on Local Government** is now ready for parliamentary review, and mandates the provincial government to coordinate and monitor local development at the district/municipal level. With budget allocations for local development at district and municipal levels having increased in the recent past, the provinces have an important role to play, for example, in creating more opportunities for people to benefit from regional economic development, and providing greater access to

public services. One example of UNDP's work relates to programmes in Aceh and Nias, where, in 2011, UNDP supported the strengthening and **certification** of the **Aceh Human Resources Training Agency**, and also assisted both areas and their districts to improve their asset and financial management systems. These initiatives are aimed at both ensuring that the provinces have more effective institutions as well as at increasing the quality of services provided to the public by government institutions.

UNDP has also supported provincial governments in using the **Provincial Human Development Report** (and the related indices) as a tool to improve planning and budgeting processes. The acceleration of the Millennium Development Goals (MDG) in the provinces continues to be supported through the integration of Pro-Poor Planning, Budgeting and Monitoring (P3BM) tools and the MDGs into local planning processes, which are owned and overseen by provincial and district authorities.

## Expanding access to justice and human rights in Indonesia

*By 2015 UNDP's support should help justice providers and institutions to become more effective in protecting human rights, and ensuring that citizens enjoy improved access to justice*

Legal awareness remains low in the country, mainly on account of poverty and limited literacy. Access to justice is crucial in combating poverty, and must therefore focus on the poor and disadvantaged. In responding to this challenge, UNDP works both at the grass-roots level and with the relevant government institutions to increase citizen's awareness of their legal and constitutional rights, while helping the government to effectively deliver their legal and constitutional duties. In this way UNDP works to drive real-life changes from the community level,

while at the same time ensuring government ownership of access to justice initiatives.

UNDP supported the drafting of the **National Strategy on Access to Justice**, which has been integrated into the National Medium-Term Development Plan (2010-2014). A National Access to Justice Secretariat established in BAPPENAS with support from UNDP facilitates and oversees the implementation of the National Strategy on Access to Justice through mainstreaming key components of the strategy into the annual work plans and budgets of relevant government ministries and agencies.

At the grass-roots level, UNDP has supported the provision of **legal aid** and **advocacy services** to over **450,000 poor** and disadvantaged people to help address legal issues related to land disputes, discrimination, domestic violence and corruption. This support was provided through its flagship Legal Access for the Disadvantaged project (see Success Story box 3), funded by the governments of Sweden, Norway and the Netherlands. Building on the success of this initiative, UNDP is continuing the project under the Strengthening Access To Justice initiative, which will begin in 2012. The government has recently passed a new legal aid bill, the implementation of which UNDP also plans to support to ensure that citizens fully benefit from legal aid services, targeted specifically to the poor.

This work has been particularly successful in Aceh, where with UNDP support, **guidelines on adat (customary) justice** have been developed, and *adat* leaders and institutions have been provided with clearer jurisdiction and the tools required to operate more transparently and accountably. District governments in Aceh have integrated *adat* justice services into their administration's activities and provided funding for *adat* justice initiatives.



## SUCCESS STORY

# Fighting for social justice in Indonesia

Three years ago, Indonesian housewife Ibu Odah had little knowledge of legal affairs. Now, the mother of two is at the forefront of a legal fight against domestic violence in the remote island of Ternate, in the North Moluccas province of Indonesia.

With the knowledge and expertise that she has acquired, Ibu Odah is now able to provide free legal advice to victims of domestic violence in Tobololo village. As a trained paralegal, Ibu Odah has so far handled three cases of domestic violence and succeeded in bringing them to the local judicial court.

To an outsider this may not be considered very significant but within her community, where domestic violence is viewed as a private affair and where many victims tend not to speak up for fear of retaliation, this is seen as a remarkable achievement and a positive beginning. Not long ago, domestic violence was usually handled within the family according to adat laws (social customs), not by official legal channels.

Ibu Odah is one of hundreds of thousands of people who have benefited from a legal empowerment and assistance project supported by the Government of Indonesia and UNDP. It seeks to expand access to justice for all Indonesians but particularly for the poor and marginalized.

The project, which was funded by the Governments of the Netherlands, Norway and Sweden, helps to increase the poor's awareness of their legal rights, as well as developing the capacity of government and non-governmental actors to better serve and protect the rights and interests of the poor.

With the backing of her husband, Ibu Odah signed up for paralegal training after learning about the importance of social justice at a community meeting organized in her village by one of UNDP's programme partners.

Indonesia has recently graduated to become a lower middle income country, but 46 percent of the country's 237 million people live on less than US \$2 per day, and women make up the bulk of the vulnerable population. Legal awareness remains low in the country, mainly on account of poverty and illiteracy. An assessment of legal awareness in five provinces by UNDP and the Government of Indonesia recognized the importance of access to justice in combating poverty and the need to focus on the poor and disadvantaged and their access to justice. This has in turn informed the National Strategy on Access to Justice, which is included in the ongoing national development plan.



Over 450,000 poor and disadvantaged people facing legal problems such as land disputes, discrimination, domestic violence and corruption have benefited from the programme.

In a recent statement, the programme's director, Diani Sadiawati, said that adequate legal services and training can help disadvantaged communities, women and citizens with low education levels take "control over their lives."

The national strategy focuses on several themes so that the benefits of legal empowerment go beyond personal legal disputes. These include legal and judicial reform, legal aid, local governance, land and natural resources and the rights of women. While supporting access to legal services, the strategy recognizes that justice for the poor involves ensuring fair and equal access to all public services.

In Central Sulawesi Province, people from Tangkumaho village and surrounding areas have been able to defend their land and mangroves from destruction by a private company that plans to build commercial fish ponds. Armed with the knowledge of their legal rights, the community was very pro-active in demanding legal proof of the company's permissions. As it turned out, the company had been operating illegally. The community managed not only to preserve their way of life but they also protected their land from destruction.

Meanwhile, in Ternate, Ibu Odah's domestic violence campaign has resulted in a breakthrough for women's rights on the island. One of the cases she handled involved an unmarried couple and she was able to push for a legal conviction from the judicial local court despite the fact that the country's Anti-Domestic Violence Law had previously been applied only to married couples.

Ibu Oda hopes that other women in her community will follow in her footsteps, and that in the future there will be many more people like her working for social justice.

*This story originally appeared in UNDP's Development Advocate in January, 2012.*







# THE STORY BEHIND THE NUMBERS

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# 450,000

people have received legal assistance and advocacy services through UNDP's Legal Access for the Disadvantaged (LEAD) project. Building on the success of LEAD, in 2011 UNDP launched the second phase of the project named Strengthening Access to Justice (SAJI).

# 3.2

million people in Aceh were registered to vote in the 2012 election. This was the second direct election to be held following the 2005 Helsinki Peace Agreement which marked an end to three decades of conflict. UNDP supported the drafting and the distribution of vote counting manuals for poll officers and CSO monitoring.

# 18

percent of Indonesia's parliamentarians are women – the highest proportion in history, but still below the national target of 30 percent.



**Saat terjadi gempa ?**

Tetap tenang  
Bersembunyi di bawah meja  
Jauhi tembok dan kaca.



**Lindungi kepalamu**

di luar ruangan carilah  
tempat yang lapang.







# CRISIS PREVENTION AND RECOVERY

Indonesia has seen a noticeable decline in violent communal clashes in recent years, but over 4,000 violent incidents took place across the country between 2008 and 2010 (*Institut Titian Perdamaian/Peace Building Institute*, 2011). Conflicts not only cause loss of life, but also result in damage to critical infrastructure and private assets, which affects social, economic and political development. Indonesia is also one of the most disaster-prone countries in the world, susceptible to tsunamis, volcanic eruptions, floods, landslides, droughts and forest fires. According to the National Disaster Management Agency (BNPB), 644 disasters occurred in 2010; claiming the lives of 1,711 people, while 1,398,923 people were injured or reported missing. A total of 14,639 houses were irreparably damaged, while 2,839 houses were moderately damaged and 25,030 houses slightly damaged. Effective mitigation of the economic and social impacts of disasters remains a challenge. According to the Natural Hazards Risk Atlas (2011), out of 196 countries, Indonesia has the ninth highest economic risk from natural disasters.

In 2011, UNDP, in close partnership with the Government of Indonesia, worked to ensure policy and regulatory frameworks were in place to increase Indonesia's resilience to crisis and external shocks. UNDP has also continued to strengthen the capacity of national and subnational institutions, and that of multi-stakeholder forums, in conflict prevention, post-crisis recovery, and risk reduction. Assistance to these institutions and forums has included support to the development and application of appropriate crisis management tools and mechanisms.

## Strengthening conflict prevention

*UNDP's conflict prevention programmes work towards strengthening government and civil society capacity to identify and manage conflict and their wider social, economic, and political impacts. The objective is to ensure that, by 2015, a robust policy framework is in place, matched with a coordinated institutional arrangement, and funds for on-the-ground initiatives that can help to prevent future conflicts.*

Effective conflict identification and management is dependent upon sound policy and institutional frameworks to guide government and wider community efforts. Policy frameworks must also help to shift emphasis from a reactive, security-driven response to conflict towards a proactive approach of conflict prevention, which seeks to improve social welfare and promote the development of communities over the medium- to long-term in order to preempt conflict and community discontent.

Since 2006, UNDP has worked to strengthen conflict-related policy and institutional frameworks, through the Peace Through Development (PTD) project jointly funded by the governments of the Netherlands, New Zealand, United Kingdom, and Sweden. In 2011, this project helped facilitate the drafting of a **national bill on social conflict management**, which extends greater powers to subnational governments in conflict management. The bill also prioritizes social welfare efforts over security approaches to conflict management.



The bill, which is expected to be passed in 2012, incorporates international standards and best practices on conflict management. At the subnational level, the project helped facilitate the drafting of a number of regulations on conflict prevention and management.

During the late 1990s to the early 2000s, sectarian conflict in Maluku, Central Sulawesi and North Maluku impacted social welfare and development in communities. Mainstreaming conflict-sensitive approaches into development planning is considered an important tool for conflict prevention and management. For this reason, in 2011, PTD supported eight districts in Central Sulawesi, Maluku and North Maluku to pass **local regulations on conflict-sensitive planning**. These interventions are expected to provide the foundation for longer-term peace through ensuring greater participation of disenfranchised communities in development planning processes and more equitable development for all.

## Improving post-crisis recovery responsiveness

*The aim of UNDP's support in this area is to ensure that by 2015, both government and civil society organizations can demonstrate a stronger, faster and more effective response to disasters and conflict.*

In 2011, UNDP worked with the Government of Indonesia and civil society to develop effective institutional frameworks and tools that strengthen and improve efficiency of response.

The 2004 tsunami in Aceh and 2005 earthquake in Nias sparked the first government-led, large-scale recovery effort and exposed important weaknesses in Indonesia's institutional and regulatory framework including the lack of a dedicated disaster management agency to

effectively respond to disasters. Since then, a pivotal process of institutional reform has begun.

UNDP supports the new National Agency for Disaster Management (BNPB), established in 2008, to strengthen its ability to manage post-disaster recovery efforts. During 2009-2011, UNDP worked in close collaboration with BNPB to refine concepts, methodologies and instruments to assess recovery needs.

Through the Disaster Risk Reduction-based Rehabilitation and Reconstruction (DR4) project, UNDP has been working with partners to develop an **Indonesia-specific Post Disaster Needs Assessment (I-PDNA)** methodology and tools, based on the global PDNA framework jointly developed by the World Bank, European Union and United Nations Development Group (UNDG). The methodology and tools serve as important references for the development of post-disaster action plans for rehabilitation and reconstruction. The I-PDNA not only captures the physical damage and losses, but also incorporates an assessment of human recovery needs.

BNPB has improved its capacity to apply evidence-based approaches to recovery planning, and the application of the I-PDNA will help to reduce recovery response time and improve recovery coordination. A strengthened recovery framework is contributing to the mainstreaming of recovery into national planning and budgeting, and to the recognition of the need to prioritize disaster risk reduction (DRR) initiatives in rehabilitation and reconstruction. BNPB has led the process of developing a legal framework for the I-PDNA, which resulted in the enactment of a Ministerial Decree in late 2011 ensuring that the guidelines will form the basis for all future post-disaster rehabilitation and reconstruction efforts.

At the subnational level, UNDP, with funding from the Multi Donor Fund for Aceh and Nias,

continued to support **recovery efforts** in **Aceh** and **Nias** in the fields of governance, livelihoods, infrastructure, environment, risk reduction and social cohesion, while also assisting rehabilitation and recovery in **Mentawai, Yogyakarta** and **Central Java**. Partnerships between the national and provincial governments have been strengthened, while subnational government agencies have enhanced capacity to take up leading roles in coordinating on-going recovery efforts and aligning these with longer-term provincial development plans.

## Moving towards disaster risk reduction

*Over the course of 2012-2015, UNDP is supporting the Government of Indonesia and communities to substantially reduce and minimize the adverse impact of disasters through the application of disaster risk reduction policies, regulations and practices.*

Changes to the national and subnational policy and regulatory framework have seen a shift from a more reactive approach to disaster relief and response to a disaster management approach, which focuses on longer-term risk reduction. UNDP is working in partnership with the Indonesian Government to promote the integration of risk reduction into development processes, and the government has included disaster risk reduction as one of its key development priorities in the National Medium-Term Development Plan (2010-14). Two additional strategic plans have also been formulated: the **National Disaster Management Plan (2010-2014)**; and the **National Action Plan for Disaster Risk Reduction (2010-2012)**. These plans serve as the basis for implementing disaster management and risk reduction measures at the national and subnational levels.

In line with its global commitment to allocate one per cent of its national development budget



## SUCCESS STORY

# Reclaiming land, reclaiming livelihoods

The small village of Kareung Ateuh nestled at the foot of a staggering lush green mountainside in Aceh Jaya district, was one of the areas affected by the 2004 tsunami which killed more than 120,000 people and displaced around half a million others in Aceh alone.

Cut Awi says she's been a farmer since she was born. She wouldn't tell her age, but this sturdy woman, with her hard hands and weathered face, has seen a lot of life in the last few years.

Cut and her neighbours lost almost everything in 2004 when a 20-metre high wall of water swept away their loved ones, their livelihoods, and their belongings. The entire west coast of Aceh was submerged and the bits of road visible through the high water were reduced to rubble.

"There was nothing left," she says. "Everything was destroyed."

Approximately 26,000 hectares of Aceh's agricultural land near the coast lay under a thick layer of ocean sediment and debris. Farmers who survived the disaster were forced to abandon their fields in the immediate aftermath in order to contribute to the recovery and reconstruction effort and provide for their families.

In response to this need, the Tsunami Recovery Waste Management Programme (TRWMP) helped farmers by clearing their land of its sediment, returning over 1,000 hectares of land to fertile ground for future crops. TRWMP has made sure that it's an effort ignited at the heart of the community. Farmers are the key players in returning the land to normal. They have been involved in the process from the very beginning.



Idrus is the head of the farmers association In Kareung Ateuh says, "We're committed to reactivating these fields."

"As soon as we can, we'll get back to work," Nahon, another farmer, calls out.

The heavy equipment does the dense work and farmers follow behind with shovels and hoes in hand for more intricate excavation. It was such a system that enabled the farmers to find sixteen bodies, buried under layers of silt since 2004.

While reminders of their loss are everywhere, the farmers have their goals in sight. With the field restored, the community of 135 households can restart their livelihoods and improve their standards of living.

"This project has made a big contribution to our lives," says Ilyas, 30, a community leader. "There was no way for us to provide for our families. Now that we can grow crops again, we can improve our economy."

*This story originally appeared in the Multi Donor Fund Progress Report, December 2011.*

to disaster risk reduction, the Government of Indonesia has increased resource allocations from the **national budget** to over US \$ one billion in 2011, a **two-fold increase** from 2010. Currently, 11 of the 25 line ministries have special working units devoted to disaster-related issues, and 12 percent of the provinces have formulated disaster management regulations. With UNDP's support, four provinces and one municipality have prepared and endorsed disaster management regulations.

There have also been significant changes to the institutional landscape, with all **33 provinces** establishing **disaster management agencies**. UNDP has also facilitated the establishment of DRR forums including one national, nine provincial and one municipal level forum. These platforms, which bring together various stakeholders from government, civil society and the private sector to support the national and local governments in their risk reduction initiatives, have been critical in ensuring **disaster risk reduction becomes 'everybody's business'**. Risk maps have also been developed in five provinces, which in turn

informed the formulation of a standardized national risk assessment methodology and guideline adopted by BNPB.

DRR tools have been adopted and applied by communities. Greater community awareness about DRR is linked to strong community preparedness and resilience in responding to disasters. Information and strategies on DRR have been integrated into **school curricula** and 40 villages across six provinces have developed plans to increase their preparedness.







# THE STORY BEHIND THE NUMBERS

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1

billion US \$ has been allocated from the annual national budget for disaster risk reduction in 2011. This represents a two-fold increase from the previous year.

15/2011

on the application of the Indonesia Post Disaster Needs Assessment (I-PDNA) is the Ministerial Decree issued by the National Disaster Management Agency. The I-PDNA provides clear guidance to local governments in conducting comprehensive post-disaster assessments that capture both physical damage and losses, as well as human recovery needs.

85

CSOs were involved in the drafting of a national bill on social conflict management, which will provide the legal framework for Indonesia.





*A mangrove forest in Pantai Indah Kapuk, North Jakarta. UNDP supports initiatives to protect Indonesia's coastline through the replanting of mangrove trees.*





# ENVIRONMENT AND ENERGY

As an archipelago country, Indonesia is vulnerable to the multiple threats of climate change. Rising sea levels, temperatures and acidity can potentially affect marine ecosystems, impact fresh water supplies and food security of millions of people, and threaten the livelihoods and force the displacement of significant coastal populations. Temperature extremes, shifting of seasons and extreme weather events affect agriculture, infrastructure, the economy, health and the quality of life. The degradation of forests and marine environments directly strain ecosystem services, and impact Indonesia's unique biodiversity, which ranks among the richest in the world. Indonesia is also a top emitter of greenhouse gases (GHG), which contribute to climate change. A large proportion of these emissions originate from deforestation and land-use changes. With the third largest cover of tropical forest in the world, it will therefore be critical for Indonesia to sustainably manage its natural resource base while simultaneously pursuing economic growth, advancing overall development and continuing to reduce poverty. As one of the first countries to commit to a significant reduction in its GHG emissions, the Government of Indonesia is leading the way towards a greener future. Indonesia aims to reduce emission levels by 26 percent by 2020 below the business-as-usual trajectory, and by 41 percent with adequate international support. However, Indonesia relies more heavily on fossil fuels than it does on renewable energy, and there are still a number of barriers to adopting renewable energy, despite a growing demand and clear economic benefits. With an increased demand and rising costs of energy this is a

problem Indonesia must address in order to ensure that citizens have access to clean and reliable sources of energy that are produced efficiently.

In 2011, UNDP made significant progress in supporting the Government of Indonesia in meeting its goals of ensuring sustainable natural resource management, increasing the use of renewable and efficient energy, and stimulating climate change adaptation and mitigation. UNDP's Environment, Energy and Poverty and MDG portfolios are increasingly being synergized as the office seeks to support Indonesia in defining a 'greener' path to development, which sustains economic growth while ensuring equity and protection of the country's natural resources.

## Sustainable natural resource management

*The objective of UNDP's work on natural resource management is to help ensure that by 2015, national and subnational capacities to effectively manage natural resources and address environmental pollution are strengthened. Special attention is given to forest and watershed management as well as coastal and marine ecosystems.*

The effects of climate change (such as droughts, floods, landslides) most severely impact the poor and vulnerable, who lack coping mechanisms to deal with external shocks. As such, climate change tends to aggravate poverty. It is therefore crucial to strengthen both the capacities of the



government and local communities to manage natural resources (e.g. mangroves, forests, coral reefs) in an efficient and equitable manner in order not only to shield poor and marginalized populations against the most severe effects of climate change, but also to protect their livelihoods.

Reforestation and watershed management can support communities in sustainably managing these natural resources. A lack of coordination between government institutions/agencies and the continuation of a 'top-down' approach to reforestation and watershed management initiatives have limited the potential positive impact of these programmes while constraining community involvement and closing opportunities to generate greater environmental benefits. Through the Global Environment Facility (GEF), UNDP addressed this issue by acting as a catalyst and facilitator to ensure that benefits actually reach the intended recipients, such as Community-based Organizations (CBOs) and their associated member households. This initiative also bridged national and district level activities to reinforce vertical coordination across the various levels of government agencies.

In 2011, UNDP provided grants amounting to US \$ 221,000 to CBOs in order to support government programmes to effectively manage natural resources and address environmental pollution in **223,000 hectares of critical watershed** areas in six provinces and eight districts. This initiative falls within and supports broader government efforts to rehabilitate and protect 108 critical watersheds across the country. UNDP capacity building programmes for government staff resulted in the development of draft **Community-Based Forest and Water Management Plans** and CBO annual work plans on participatory watershed rehabilitation. In line with these priorities, draft government regulations on watershed

management have also been developed, as have provincial regulations on incentive mechanisms for environmental services. UNDP's intervention has also inspired a number of state-owned companies in the banking and energy sectors (including Bank Mandiri, Indonesia Power, Geodipa and the state-owned electricity firm - PLN) to align their Corporate Social Responsibility programmes to meet the government target of enabling local communities to replant 500,000 hectares of degraded land annually.

As a coastal nation, environmental issues related to marine ecosystems are also crucial, and UNDP completed a baseline study to identify the underlying causes of marine pollution, which will be used to support the development of the Marine National Action Plan. Through the Arafura and Timor Seas Action (ATSEA) programme, UNDP produced a **scientific tool** (Trans-boundary Diagnostic Analysis – TDA) to examine the state of the **marine environment** and the root causes for its degradation, including governance and socio-economic factors. The analysis provides a reliable reference and is expected to inform the formulation of a Regional Strategic Action Programme and National Action Plans by the Governments of Indonesia and Timor-Leste to address trans-boundary challenges such as illegal and unregulated fishing and marine pollution.

In line with the ongoing National Implementation Plan on the **elimination of Persistent Organic Pollutants (POPs)**, which are toxic chemicals used for pest control and crop production, a report monitoring POPs residues in water, soil, river sediment, biota and fish was completed. Thanks to UNDP's efforts supported by the Global Environment Facility, **nine of the 21 POPs chemicals**, determined by the UN Convention of Stockholm, have been included in Indonesia's regulations.

## Renewable and efficient energy

*UNDP's efforts are geared towards developing policies and strengthening national institutions to better promote, adopt and manage renewable energy and energy efficiency by 2015.*

Increasing access to clean, affordable and renewable energy in Indonesia is important for both climate change mitigation and adaptation. Barriers to the commercialization of renewable energy and energy efficient technologies include the lack of policy incentives and financing facilities, as well as limited technical and institutional capacity to develop, manufacture, operate and manage renewable energy/energy efficient operations. The low level of societal awareness of the benefits of utilizing renewable energy and ensuring energy efficiency also poses a challenge.

UNDP, through the Global Environment Facility, works with the government to remove the various barriers to the commercialization of renewable energy and energy efficient technologies. UNDP's integrated microhydro and pro-poor biogas initiatives are examples of the kind of pilot activities aimed at removing barriers to facilitate the more broad-based utilization of renewable sources of energy. In the early phase, these initiatives supported the development and implementation of **Ministerial Regulation No. 31/2009 on pricing policies** for small and medium renewable energy projects. Later stages have focused on technical capacity building and access to financing through collaboration with Green PNPM (a national programme on rural infrastructure). Through this partnership, more than **200 microhydro operators** were certified and **300 community-based RE systems** were installed across Java, Sumatera and Sulawesi. UNDP also established demonstration sites across seven provinces in Indonesia, and shared



## SUCCESS STORY

# Biogas energy as a catalyst for environmentally friendly businesses

Sitting outside his barn, 45-year old Sukaningoyo a farmer from the East Javanese town of Lumajang, proudly tells the story how cow manure has changed his life for the better.

With support from the United Nations Development Programme (UNDP) and Korean Energy Management Corporation (KEMCO), Sukaningoyo has turned manure into biogas, which not only provides for an unlikely source of income but also constitutes a renewable and clean energy source for cooking while covering his (and the neighboring houses') electricity consumption needs.

"Before we had biogas, every two or three days I had to look for firewood in our farmland, and it was difficult to cook when there was no firewood," said Sukaningoyo, smiling to the nod of his wife, Suliamsi. "Now, all we have to do is turn the knob and we're ready to cook," said the father of one son, adding biogas also powers light bulbs inside his barn, located behind his house.

The project has also stimulated the local economy with fish-feed and organic fertilizer cultivation. This community-based business model makes use of the entire cycle of waste management, ensuring there is little residue left from dairy farming.

Sukaningoyo was able to increase his household income with the sales of dry biogas waste to industrial companies that further process it into commercial fish feed and organic fertilizer. Since the start of the initiative his income has gone up by almost 14 percent from previously US \$ 88 per month to now US \$ 100 per month.

Under UNDP's 'Switch to Biogas' project, Sukaningoyo and his wife have not only increased their income, but have also succeeded in limiting the environmental impact of their animal husbandry activities. Like most dairy farmers in Lumajang, he used to discard the untreated cow manure into nearby ravines thus causing water and soil pollution.

"The manure used to flow to our land and other people's lands," said Sikaningoyo,

whose family is one 38 households in his village participating in the project.

Furthermore, cow manure is known to release large amounts of methane gas – a greenhouse gas contributing to climate change. The biogas project provides one answer to this challenge.

"We are starting to see the real impact of this project to the farmer households thanks to the reduced pollution of soil and water from livestock," said Verania Andria, the project manager.

Biogas initiatives like this one can also help easing the limited access to electricity nationwide. According to Indonesia's Energy Ministry, 42 million households across the archipelago lack access to electricity. Furthermore the International Energy Agency estimates in 2009 around 124 million people in Indonesia have no access to clean cooking facilities.

In this project, dairy farmers are not only taught the meticulous process of turning cow manure into biogas, but are given access to micro-credit loans. This helps them in paying back the loan installments received to set up the biogas facility.

Looking ahead, UNDP plans to scale up the project targeting around 400 households in Java, and 200 households each in Sulawesi and Sumatera. The scale-up will also include working with the Ministry of Energy and the Department for Industry, Trade, Cooperatives and Small- and Medium-Enterprises on the required policy changes to ensure the linkage between access to energy and economic growth, and to facilitate the provision of micro-loans by commercial banks to low income households in order to finance biogas facilities. The success of the project has prompted interest from the private sector to replicate the project in other dairy farming communities as part of their corporate social responsibility programmes.



best practices for the microhydro and biogas sectors to facilitate increased access to energy and to improve household incomes in these provinces.

UNDP also made progress in promoting energy efficiency through the implementation of microturbine cogeneration technology and energy efficiency labeling initiatives. The latter resulted in the development of six draft ministerial regulations on standardization and

**labeling for home appliances.** To facilitate the implementation of these ministerial regulations, UNDP has supported the Ministry of Energy and Mineral Resources in working with testing laboratories and certification agencies, and facilitated coordination among ministries, the Association of Electronic Manufacturers and the Japan International Cooperation Agency (JICA).

**Microturbine cogeneration technologies,** which are expected to reduce energy use by

approximately 35 percent, have been installed in four commercial sites in Java and Sumatra. They will be used as learning centres aimed at further promoting energy efficient technologies. UNDP also worked with high school teachers, industry and commercial sectors to launch consumer education programmes on energy efficient labelling and cogeneration technology.

These initiatives are also expected to contribute to reducing greenhouse gas emissions.



## Climate change adaptation and mitigation

*UNDP's objective is to support Indonesia to establish a coordinated and sound climate change policy framework by 2015. This is with a longer-term view of helping to reduce emissions from deforestation and land degradation and to better protect the country's precious natural resources.*

Approximately 70 percent of Indonesia's GHG emissions are related to land degradation and land use/conversion. The government has taken important steps to address these emissions and broader climate change concerns through the establishment of a special Presidential Task Force on REDD+, which has been tasked to develop the institutional and financing architecture for REDD+ in Indonesia.

In 2010, the governments of Indonesia and Norway signed a Letter of Intent to establish a **partnership for REDD+** to tackle greenhouse gas emissions from deforestation and forest and peatland degradation. Norway agreed to provide up to US \$ one billion to Indonesia's REDD+ efforts. **UNDP was appointed to support the Government of Indonesia** and the Presidential REDD+ Task Force in the implementation of the initial phase marked by the Letter of Intent, worth US \$ 30 million.

Substantial progress was made on REDD+ in 2011, including the release of a Presidential Instruction for a **two-year moratorium** on the issuance of forest licenses to stop the clearance of primary forests and peatlands. In addition, a **national REDD+ strategy** was developed,

and basic arrangements and guidelines were formulated for the future **REDD+ Agency, a Monitoring, Reporting and Verification (MRV) institution** and a **REDD+ fund channeling mechanism**. These institutions are expected to be officially established in 2012.

Indonesia is a pilot country of the UN's global Reducing Emissions from Deforestation and Forest Degradation (REDD) programme, which is hosted by three UN Agencies- FAO, UNDP and UNEP. This programme has been operational in Indonesia since 2009 with the Ministry of Forestry as the implementing partner. In 2011, UN-REDD continued to pioneer the use of **Free, Prior and Informed Consent (FPIC)** tools in Central Sulawesi, which targets forest-dependent communities to ensure that they will be involved in decision-making processes related to land use. UN-REDD initiated the process of establishing **REDD+ compliant payment mechanisms**, defining how payments are distributed to local communities based on their performance of reducing emissions from deforestation and forest degradation. Payment mechanisms also include benefit distribution systems, which determine the eligibility of communities (or individuals) to receive benefits (including cash, technical assistance or equipment, etc.). Strong emphasis is put on anti-corruption measures guaranteeing a transparent, efficient, and equitable system in decision making and distribution.

UNDP has been promoting information sharing and best practices on REDD+ across these two initiatives and beyond. Furthermore, to promote a comprehensive approach by the UN system towards REDD+, a **UN Office for the Coordination of REDD+ in Indonesia**

(**UNORCID**) was established under the auspices of the UN Secretary General. The Secretary General launched the branch office of UNORCID in Indonesia's REDD+ pilot province of Central Kalimantan during his visit to Palangkaraya in November 2011.

UNDP has also supported the operational and institutional development of the **Indonesia Climate Change Trust Fund (ICCTF)**, which was endorsed in 2011 by key government institutions, including the National Climate Change Council and the Ministry of Environment, to become Indonesia's first National Implementing Entity for the UNFCCC Adaptation Fund. This is significant as it paves the way for ICCTF to become a major platform for key climate change initiatives in Indonesia. ICCTF funded three pilot projects under its thematic windows – land-based mitigation, resilience and adaptation, and energy; all of which directly contribute to the President's commitment to reduce GHG emissions.





*A forest in Berau, Kalimantan. Indonesia has the third largest forest area in the world, and UNDP supports efforts to protect Indonesia's forests, particularly those in Kalimantan.*







# THE STORY BEHIND THE NUMBERS

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## 26

percent is the greenhouse gas emission reduction target that the Government of Indonesia has committed to by 2020.

## 54,716

kilometers is the length of the Indonesian coastline. UNDP empowers local communities living along the world's second longest coastline to restore and manage coastal and marine ecosystems.

## 300

soccer pitches is the estimated forest area being destroyed in Indonesia every hour. UNDP supports the establishment of a national agency and financing mechanisms for the reduction of emission from deforestation and degradation.





# FINANCIAL OVERVIEW

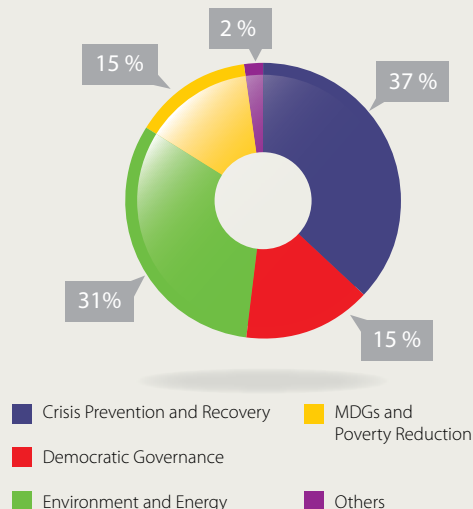
## Expenditure

UNDP Indonesia's total programme expenditure in 2011 was US \$ 42.4 million. The largest programme amounting to 37 percent of the total came from Crisis Prevention and Recovery at US \$ 15.6 million. Environment and Energy occupies the second largest position with a delivery of

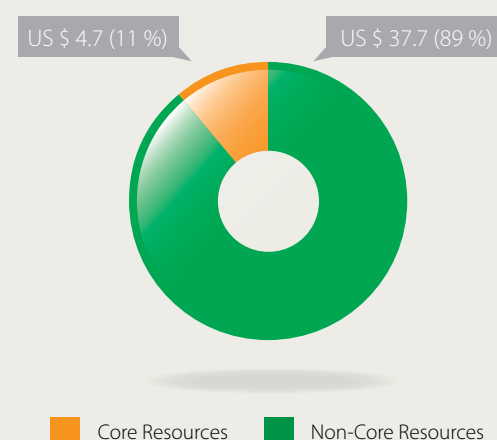
US \$13.4 million, equivalent to 31 percent to the total. Expenditure in the Democratic Governance area was US \$ 6.3 million, representing 15 percent of the total. The expenditure in the field of MDGs and Poverty Reduction was US \$ 6.3 million and 15 percent of the total.

Unit	Programme Area	Delivery (in US \$ million)	Delivery by Programme Area
CPRU	Crisis Prevention and Recovery	15.6	37%
DGU	Democratic Governance	6.3	15%
EU	Environment and Energy	13.4	31%
PRU	MDGs and Poverty Reduction	6.3	15%
Others	Non-programme	0.8	2%
		<b>42.4</b>	<b>100%</b>

### EXPENDITURE BY PROGRAMME AREA



### EXPENDITURE BY SOURCE OF FUNDS (in millions of US \$)





## FUNDS RECEIVED IN 2011

### Core Funding

The core funding received by UNDP Indonesia from headquarters was US \$ 5.3 million in 2011.

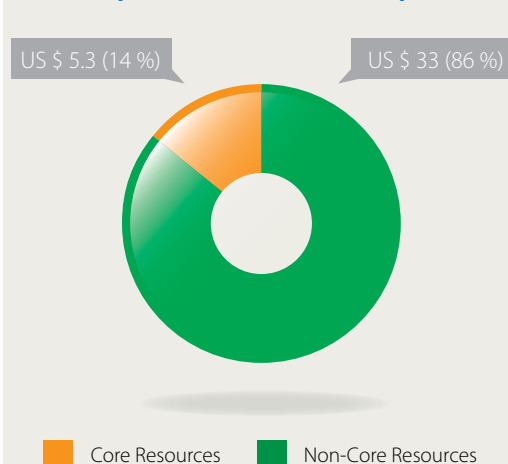
### Non-core Funding

Funding received by UNDP Indonesia from development partners, including bilateral and multilateral funders and the private sector, totalled US \$ 33.093 million in 2011. The top ten contributors to UNDP Indonesia in 2011 include the following:

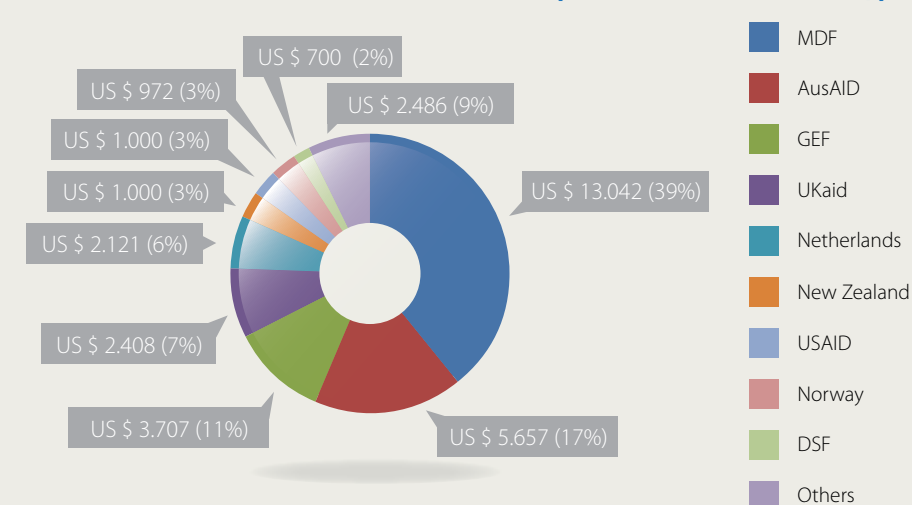
No	Contributor	Contributions (in US \$)	Contributions in Currency of Origin	Currency of Origin	%
1	Multi Donor Fund for Aceh and Nias (MDF)*	13,042,161	13,042,161	US \$	39%
2	Government of Australia/ Australian Agency for International Development (AusAID)	5,657,354	5,250,000	AU \$	17%
3	Global Environment Facility (GEF)	3,706,599	3,706,599	US \$	11%
4	Government of the United Kingdom/ UKaid	2,407,705	1,500,000	GB £	7%
5	Government of the Netherlands	2,121,400	2,121,400	US \$	6%
6	Government of New Zealand/ New Zealand Aid Programme	1,000,000	1,000,000	US \$	3%
7	Government of the United States of America/ United States Agency for International Development (USAID)	1,000,000	1,000,000	US \$	3%
8	Government of Norway	971,560	5,500,000	kr	3%
9	Decentralization Support Facility (DSF)*	700,000	700,000	US \$	2%
10	Others	2,485,698			9%
		<b>33,092,477</b>			<b>100%</b>

\* Funds administered by the World Bank

### CORE/NON-CORE CONTRIBUTIONS (in millions of US \$)



### TOP 10 NON-CORE CONTRIBUTORS (in thousands of US \$)





# ACRONYMS

<b>ASEAN</b>	Association of Southeast Asian Nations	<b>IPPM</b>	<i>Institut Pengembangan dan Pemberdayaan Masyarakat</i> (Institute of Community Development and Empowerment)
<b>ASTEA</b>	Arafura and Timor Seas Ecosystem Action	<b>JICA</b>	Japan International Cooperation Agency
<b>AusAID</b>	Australian Agency for International Development	<b>KEMCO</b>	Korea Energy Management Corporation
<b>BAPPEDA</b>	<i>Badan Perencanaan dan Pembangunan Daerah</i> (Regional Planning and Development Agency)	<b>LEAD</b>	Leadership Development Programme
<b>BAPPENAS</b>	<i>Badan Perencanaan dan Pembangunan Nasional</i> (National Planning and Development Agency)	<b>MDGs</b>	Millennium Development Goals
<b>BPMK&amp;KK</b>	<i>Badan Pemberdayaan Masyarakat Kampung dan Kesejahteraan Keluarga</i> (Village Community Empowerment and Family Welfare Agency)	<b>MoH</b>	Ministry of Health
<b>BNPB</b>	<i>Badan Nasional Penanggulangan Bencana</i> (National Disaster Management Agency)	<b>P3BM</b>	Pro-Poor Planning Budgeting and Monitoring-Evaluation
<b>BPS</b>	<i>Badan Pusat Statistik</i> (Central Statistics Agency)	<b>PCDP</b>	People-Centred Development Programme
<b>CBO</b>	Community-Based Organization	<b>PLN</b>	<i>Perusahaan Listrik Negara</i> (State Electricity Company)
<b>CSO</b>	Civil Society Organization	<b>PNPM</b>	<i>Program Nasional Pemberdayaan Masyarakat</i> (National Community Empowerment Programme)
<b>CSR</b>	Corporate Social Responsibility	<b>POP</b>	Persistent Organic Pollutant
<b>DR4</b>	Disaster Risk Reduction-based Rehabilitation and Reconstruction	<b>PTD</b>	Peace Through Development
<b>DRR</b>	Disaster Risk Reduction	<b>RAD</b>	<i>Rencana Aksi Daerah</i> (Regional Action Plan)
<b>FAO</b>	Food and Agriculture Organization	<b>REDD</b>	Reducing Emissions from Deforestation and Forest Degradation
<b>FPIC</b>	Free, Prior and Informed Consent	<b>RPJMN</b>	<i>Rencana Pembangunan Jangka Menengah Nasional</i> (National Medium-Term Development Plan)
<b>G20</b>	Group of 20	<b>SKPD</b>	<i>Satuan Kerja Perangkat Daerah</i> (provincial/district government office)
<b>GEF</b>	Global Environment Facility	<b>TB</b>	Tuberculosis
<b>GHG</b>	Greenhouse Gas	<b>TDA</b>	Trans-boundary Diagnostic Analysis
<b>HDI</b>	Human Development Index	<b>UNDG</b>	United Nations Development Group
<b>ICCTF</b>	Indonesia Climate Change Trust Fund	<b>UNDP</b>	United Nations Development Programme
<b>IDI</b>	Indonesian Democracy Index	<b>UNEP</b>	United Nations Environment Programme
<b>ILO</b>	International Labour Organization	<b>UNPDF</b>	United Nations Partnership for Development Framework
<b>I-PDNA</b>	Indonesia Post-Disaster Needs Assessment	<b>UNORCID</b>	United Nations Office for REDD+ Coordination in Indonesia



### UNDP staff in Indonesia

Currently the Country Office employs 49 staff members, 28 female and 21 male, with diverse professional background from both public and private sectors. With 3 international and 46 national core staff, UNDP is well grounded to deliver its mandate in Indonesia.



*UNDP Administrator, Helen Clark, with UNDP staff during her visit to Indonesia in April 2011.*



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our work on the ground in Indonesia.

*Empowered lives.  
Resilient nations.*





### **Building Empowered Lives and Resilient Nations.**

UNDP is the UN's global development network, an organization advocating for change and connecting countries to knowledge, experience and resources to help people build better lives. We are on the ground in more than 170 countries and territories, including Indonesia, working to find solutions to global and national development challenges.





*Primary school children in Lumajang, East Java, learn about disaster risk reduction. UNDP supports efforts to make disaster risk reduction “everybody’s business” in Indonesia.*



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Resilient nations.*