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# Australia Indonesia Partnership

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## Kemitraan Australia Indonesia



## Indonesia Update April 2007

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### 1. **Allison Sudradjat: message of thanks to our Indonesian partners**

The staff of the Australian Agency for International Development would like to extend their sincere gratitude to our Indonesian partners who sent condolence messages following the death of our most senior and much-loved colleague, Allison Sudradjat. Allison's family and her colleagues in Jakarta were uplifted by the many messages of support that were received from the Government of Indonesia and the international donor community. She will continue to be an inspiration to us all.

### 2. **Australian program to boost the rural sector in Eastern Indonesia**

The Australian Ambassador to Indonesia, Bill Farmer, visited Makassar this month to launch an Australian program designed to increase rural growth and lift household incomes in Eastern Indonesia.

The A\$38 million (Rp 266 billion) Smallholder Agribusiness Development Initiative (SADI) will concentrate on improving farmer productivity, establishing better access to markets and adding value to products both on and off the farm. The initial phase of the program will focus on four provinces of South Sulawesi, Southeast Sulawesi, West Nusa Tenggara and East Nusa Tenggara.

Eastern Indonesia is a region with significant potential, and the rural sector plays an important role in the regional economy. Yet despite past efforts, productivity and incomes here remain low.

SADI contains three sub-programs: enhancing smallholder production and marketing; strengthening private sector agribusiness and developing small to medium enterprise; and supporting market-driven adaptive research and development.



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Every development project Australia undertakes in Indonesia is a partnership. In this case, SADI is a partnership between Australia's international aid agency, AusAID, and Indonesia's National Development Planning Agency, BAPPENAS.

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### 3. Infrastructure projects completed in Aceh

Australia handed over completed infrastructure projects worth more than A\$1.5 million to the Acehese community last month.

The projects included 44 new village halls and a school in Meulaboh, and the new Ministry of Religious Affairs district office in Aceh Barat.

In total 178 halls are being rebuilt with Australian assistance across the districts of Aceh Barat, Aceh Jaya and Aceh Besar, an activity under Australia's \$40 million Local Governance and Infrastructure for Communities in Aceh (LOGICA) Project.

Overall, Australia has allocated more than A\$250 million to relief and reconstruction in Aceh and North Sumatra.

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### 4. Future leaders from Aceh receive awards under Australian Scholarships

A reception to congratulate 15 public servants from different government agencies in Aceh who were awarded Fellowships under the Australian Leadership Awards was held in Aceh last month.

Under the scheme, Australian organisations with existing links with the Asia-Pacific region can apply for grant funding to provide short-term study, research and professional development activities in Australia for current or future leaders from the Asia-Pacific region.

The awardees, identified as potential future leaders in Aceh, are expected to strengthen their organisations by introducing and applying new skills on return from their Australian organisation.

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### 5. 380 schools currently under construction across Indonesia

Australian and Indonesian efforts to build or expand around 2000 junior secondary schools are gaining momentum, with 380 schools currently under construction. More than 300 are expected to be completed by June 2007.

The \$355 million Australia Indonesia Partnership's Basic Education Program will fund the construction or expansion of schools in 19 Indonesian provinces. The construction program will create more than 330,000 new junior secondary school places for 13 to 15 year olds, targeting



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children from poor and remote areas. It is hoped that up to 1000 schools will be completed by the end of 2007.

In March, the Australian Foreign Minister The Hon. Alexander Downer MP opened the first of these schools near Bekasi, West Jakarta. This month, Australian Ambassador Bill Farmer opened another school in Gowa, South Sulawesi. There are fifty-five junior secondary schools being constructed in South Sulawesi in 2006-2007, making it a key target province under the program.

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#### **6. New HIV/AIDS design process nearly complete**

The new design for a long-term program of Australian assistance in the HIV/AIDS sector in Indonesia is nearly complete.

It is anticipated that the new program will commence in February 2008 and be framed within a new partnership, called the Australia-Indonesia Partnership for HIV (AIPH).

The partnership will support the Government of Indonesia's implementation of its new National HIV/AIDS Strategy 2007-2010. The goal of the strategy is to prevent and limit the spread of HIV, improve the quality of life of people living with HIV and to alleviate socio-economic impacts of HIV/AIDS. It is planned that the new partnership will also support Indonesia to achieve the Millennium Development Goal target of halting and reversing the spread of HIV by 2015.

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#### **7. Australian assistance to victims of floods in north-eastern Sumatra and Jakarta**

Australia provided \$450,000 to help relief agencies respond to severe flooding in North Sumatra and Jakarta.

On 22 December 2006 flooding displaced more than 420,000 people in North Sumatra and on 31 January, the Ciliwung River in Jakarta overflowed causing 50 deaths and the displacement of more than 400,000 people.

Australia provided \$200,000 for emergency medical supplies and household kits to respond to the Sumatra floods and \$250,000 for emergency food parcels, hygiene kits and food supplements for infants and pregnant women in response to the Jakarta floods.

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#### **8. Single point for government services in Aceh Besar**

Australia has assisted the Aceh Provincial Government to install a 'Single Window' system for government services in Aceh Besar, the first of its kind in the province.



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The program involves the streamlining of local government services, where, in a single visit, citizens can access several services in the one place, including identity cards, birth, death and marriage certificates, some licenses and change of address documentation. This initiative is aligned with the intention of the recently elected Governor of Aceh to establish an integrated public service delivery model across all government offices to increase convenience and efficiency and reduce unnecessary bureaucracy.

Australia's LOGICA Program is in the process of replicating this model to twelve other sub districts.

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### 9. Governance in Aceh

A Donor Working Group on Governance has been established in Aceh and Australia is one of its active members. The Group is developing a joint donor paper to offer insights and recommendations on the Governor's governance reform strategy.

The paper focuses on:

- *A good governance program* that seeks to foster a rules-based, accountable and transparent governance structure in the province;
- *A practical and sound regulatory framework* that is critical to ensure clarity, transparency and practicality in the application of Law on Governing Aceh and the drafting, adoption and implementation of *Qanun* (Local Laws) at the provincial and kabupaten / kota level;
- *A public expenditure system* that should seek to ensure that management of public funds is applied with accountability, transparency and efficiency to further the province's development policies;
- *Economic development* that should be based on sustainable and equitable growth for the province, and ensure decent work for the people of Aceh.

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### 10. Nias water and sanitation project nears completion

A project to restore clear water and sanitation facilities to the remote island of Nias, North Sumatra is expected to be completed by the end of this month.

The water supply project is providing clean water and sanitation facilities for more than 2,000 people in the village. The project is progressing well, and water is available at several distribution points around the village.

It is just over two years after a massive earthquake occurred off the island of Nias, North Sumatra, on 28 March 2005, and the subsequent crash of an Australian Navy Sea King Helicopter, which was delivering aid to the island.



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A small ceremony marking the second anniversary of the Sea King crash took place in the village Tuindrau on 2 April 2007, with Australian Defence Force, AusAID and village representatives attending.

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### 11. Aceh elections audit

The first ever direct elections for gubernatorial and district heads were held in Aceh on 11 December 2006. This was an important political event for the Acehnese, after the passage of the Law on Governing Aceh allowed the province to be the first in Indonesia where independent candidates could be nominated.

Australia's contribution to this historic event was to jointly fund, with USAID, a voter registration audit. The audit showed that 86.9% of eligible voters in Aceh were registered, demonstrating success in the registering of voters prior to the election. The National Democratic Institute for International Affairs (NDI) in partnership with Jurdil Aceh, an independent election observation network, deployed 479 volunteers to 384 sample villages in Aceh and interviewed 6,834 respondents using a two way test (list to people and people to list) to audit the voter list.

Through the Asia Foundation, Australia supported the People's Voter Education Network (JPPR), which deployed 1,969 volunteers and 3,384 coordinators to monitor the elections at 5,203 polling stations.

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### 12. Highlights of Australia's Government Partnerships Fund in Indonesia

The Government Partnerships Fund, part of the \$1 billion five-year Australia Indonesia Partnership for Reconstruction and Development, will soon move into its third year of operation. Thirteen Australian Government agencies are now engaged in partnerships with fifteen Indonesian agencies to support the Indonesian Government's economic and public sector reform agenda.

Highlights include:

- *January* - Deputy Auditor General Stephen Chapman visited Indonesia to speak at the Supreme Audit Board of the Republic of Indonesia's 60th Anniversary celebrations;
- *February* – Senior level officials from Australian Department of Finance conducted a scoping visit to Indonesian Ministry of Finance, where they also spoke at technical workshops on budget reform;
- *March* - Public Service Commissioner Lynelle Briggs spoke at a civil service reform workshop in Jakarta, organised by Australian Public Service Commission, and also visited regional governments in Yogyakarta and Balikpapan.

Several new proposals are under consideration, including a comprehensive Australian Department of Finance partnership with the Indonesian Ministry of Finance on budget reform and



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a multiyear Department of Prime Minister and Cabinet partnership with the Indonesian State Secretariat and Cabinet Secretariat on cabinet and policy coordination.

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### **13. Release of Transparency International Indonesia's 2006 Corruption Perception Index Survey**

On 27 February 2007 Transparency International Indonesia launched the results of its second national Corruption Perception Index Survey, which was funded by the Indonesia Australia Legal Development Facility (LDF). The research was conducted and data collected from over 1700 respondents in 32 locations across Indonesia.

The survey focused on the incidence of bribery in transactions between private businesses and public institutions and the commitment of local governments to the eradication of corruption.

The survey has found public institutions perceived as taking the most bribes were the police, judicial institutions and the military, with more than 50% of respondents saying they had interactions involving bribes with each. Interestingly, the survey found increasing awareness among local politicians of the need to combat corruption. Three local government bodies scored 8 or more out of 10, and 16 of the 32 local governments were rated at 6 or more out of 10, for their commitment to eradicating corruption.

The survey complements other anti-corruption initiatives funded by LDF by providing a more thorough baseline of information about the types and extent of corrupt practices experienced by businesses in Indonesia.

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### **14. Australia's Financial Intelligence Chief visits Jakarta**

The Chief Executive Officer of the Australian Transaction Reports and Analysis Centre (AUSTRAC), Neil Jensen visited Indonesia on 17 April 2007 to address a national seminar entitled *Building an Effective Anti-Money Laundering Regime to Support Law Enforcement*.

The seminar marked the fifth anniversary of the establishment of Indonesia's Financial Intelligence Unit, PPATK.

Australia, through AUSTRAC and AusAID, has been assisting the Government of Indonesia to create an effective anti-money laundering regime.

Australian support has included technical assistance to the Government of Indonesia to draft legal documents and in the preparation of financial regulations and guidelines, which has aided the establishment of new anti-money laundering legislation in Indonesia.



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Other joint efforts include raising awareness of anti-money laundering regulations designed to increase reporting from regional banks, commercial banks and non-bank financial institutions of suspicious financial transactions.

Australian and other international donor support in the area of anti-money laundering has been highly coordinated and is yielding results.

The work Australia and other international donors have done with the Government of Indonesia has been instrumental in the removal of Indonesia from the Financial Action Task Forces' Non-Cooperative Countries List – a major achievement given there was no anti-money laundering legislation just six years ago.

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#### **15. Announcement on Australian Leadership Awards (Australian Scholarships)**

Applications for Australian Leadership Awards (ALA) for the 2008 academic year will open on 1 May 2007.

The Awards, a component of the Australian Government's \$1.4 billion, five-year *Australian Scholarships* initiative, aim to develop partnerships and create lasting linkages with the Asia-Pacific region. The Awards are intended for current and future leaders who will contribute to social and economic policy reform and development outcomes, both in their own countries and throughout the Asia-Pacific region.

The ALA program includes both Scholarships and Fellowships.

ALA Scholarships are prestigious awards offered to high achievers from the Asia-Pacific region each year to undertake postgraduate study (Masters or Doctorate) and a Leadership Development Program in Australia.

Up to 150 ALA Scholarships will be offered to students from countries across the Asia-Pacific region to study at Australian universities in 2008, including candidates from Indonesia. Scholars will be selected from a highly competitive regional pool on the basis of demonstrated leadership qualities and academic achievement. Twenty one scholars were selected from Indonesia in 2007.

ALA Fellowships are for short term study, research and professional attachment programs in Australia delivered by Australian organisations. ALA Fellowships complement the longer term ALA Scholarships, providing opportunities to senior officials who cannot leave their positions for extended periods. Australian organisations are able to leverage their links within the Asia-Pacific region to apply. In 2007, 64 Indonesian fellows will be hosted by Australian organisations. Applications for round two will open 1 May 2007.

Applications for the 2008 round of ALA Scholarships will close on 31 July 2007 while applications for Round 2 of the Fellowships will close 29 June 2007.

For further information or to apply for an award, visit: [www.australianscholarships.gov.au](http://www.australianscholarships.gov.au).



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### **New Global Initiative on Forests and Climate**

The Australian Government recently announced a new *Global Initiative on Forests and Climate*. The Australian Government has committed \$200 million to kickstart this initiative that will reduce significantly global greenhouse gas emissions.

Working with both developed and developing countries, the Australian Government's investment will:

- support new forest planting;
- limit destruction of the world's remaining forests;
- promote sustainable forest management; and
- encourage contributions from other countries.

This funding will be used to support projects in selected development countries including Indonesia.

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### **WEBSITE LINKS**

#### **General**

[www.indo.ausaid.gov.au](http://www.indo.ausaid.gov.au)

#### **Australian Embassy**

[www.indonesia.embassy.gov.au](http://www.indonesia.embassy.gov.au)

#### **Health**

[www.harap.com.au](http://www.harap.com.au)

#### **Education and Training**

[www.indo.ausaid.gov.au/sectors/educationandtraining.html](http://www.indo.ausaid.gov.au/sectors/educationandtraining.html)

#### **Economic and Civil Governance**

[www.indo.ausaid.gov.au/sectors/governance.html](http://www.indo.ausaid.gov.au/sectors/governance.html)

#### **Security and Stability**

[www.indo.ausaid.gov.au/sectors/security.html](http://www.indo.ausaid.gov.au/sectors/security.html)

#### **Humanitarian Assistance**

[www.indo.ausaid.gov.au/sectors/emergencyhumanitarianassistance.html](http://www.indo.ausaid.gov.au/sectors/emergencyhumanitarianassistance.html)

#### **Eastern Indonesia**

[www.indo.ausaid.gov.au/projects.html](http://www.indo.ausaid.gov.au/projects.html)

#### **Australian Partnership Scholarships**

[www.apsprogram.or.id](http://www.apsprogram.or.id)

#### **Australian Development Scholarship**



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[www.adsjakarta.or.id](http://www.adsjakarta.or.id)

**Learning Assistance Program for Islamic Schools**

<http://www.indonesia.gov.au/projects/lapis.html>

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Note that this April update does not provide detailed information on the implementation of agreed programs. This information will be provided on a monthly basis. In the interim, any questions about program implementation or regarding this Update should be directed to Minister Counsellor Paul Lehmann on 3924322 x 501.