

Project Completion Report
(Project for Capacity Building for
Partnership Supervision and
Competition Law Enforcement)
(Indonesia)

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Japan International Cooperation Agency
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TO CR of JICA Indonesia OFFICE

Project Completion Report

Project Title: Project for Capacity Building for Partnership Supervision and Competition Law Enforcement

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Submission Date: 30 September 2019

I. Basic Information of the Project

1. Country:

Republic of Indonesia

2. Title of the Project:

Project for Capacity Building for Partnership Supervision and Competition Law Enforcement

3. Duration of the Project (Planned and Actual):

24 October 2015 – 23 October 2019

4. Background (from Record of Discussions(R/D))

Indonesia competition law, the Law Number 5 Year 1999 on the Prohibition on Monopolistic Practices and Unfair Business Competition (hereinafter referred to as “the Law”), has been a central role in the creation of market-based economy since its promulgation in the year of 1999. The Law has the provisions on Prohibited Agreements, Prohibited Activities, Abuse of Dominant Position, and provides for the Case Handling Procedure, Sanctions, and Exemptions. A Commission namely the Commission for the Supervision of Business Competition (Komisi Pengawas Persaingan Usaha, hereinafter referred to as the “KPPU”) was established in 2000 to become a hallmark on the implementation of competition law in Indonesia. The KPPU has the vision to create a healthy and fair business climate as well as equal business opportunities with the intention to achieve efficient economy and community welfare, while the mission of KPPU is to supervise the implementation of the Law by controlling unlawful business practices and encourage internalization

of competition value in government policy and laws and regulations.

Number of tasks has been conferred upon the KPPU as the national competition agency, including (i) conducting investigation and assessment on the business agreements, business activities, or the existence of abuse of dominant position which may lead to the occurrence of monopolistic practice or unfair business competition; and deciding whether there is an infringement of rule as set forth in the Law; (ii) providing advice and opinion to the government of Indonesia on the issues related to competition policy; and (iii) preparing and establishing guidelines or publications in relation to the Law.

Moreover, KPPU has been given an authority to supervise partnership in terms of business actors dealing with other firms especially MSMEs. This relation (partnership) between big firms and MSMEs tend to be harsh and the interest of MSMEs could be abused due to the disparity of bargaining position. This authority was given by Law Number 20 Year 2008 (Law Number 20/2008) in Government Regulation Number 17 Year 2013 (GR Number 17/2013) concerning the Implementation of Law Number 20 Year 2008 concerning Micro, Small and Medium Enterprises (MSMEs).

Under Article 31 of Government Regulation No. 17 Year 2013, the Commission may conduct supervision on the implementation of partnership and coordinate with relevant agencies. This new authority gives power to the Commission to supervise interaction between big firms and MSMEs in their partnership. The Commission may carry out investigation based on the initiative (ex-officio investigation) and/or report from Reporting Party to the Commission, pursuant to Article 32 of Government Regulation No. 17 Year 2013 that infringement of the law may be subject to administrative sanction.

With regard to the Law, it has never been amended for more than a decade. But in the previous session of the Parliament, the bill to amend the competition law was discussed. Unfortunately, enactment of the bill was given up in this session, but the bill contained various tools to greatly reinforce KPPU's investigative authority such as new power of dawn raid or inspection by KPPU, so-called leniency program which allows KPPU to exempt or reduce fine against offender in return for report of its own infringement, introduction of pre-merger notification system, measures to strengthen its organization and human resource management, and so on. KPPU intends to

further review enforcement framework of competition law which will be included in the amended bill, to be submitted again in the future.

On the other hand, Indonesia is in a massive preparation in welcoming 2015 ASEAN Economic Community which will create a greater and more complex market. In the future, KPPU will deal with cross-border competition, business partnership with MSMEs and international trade barriers. However, KPPU still has obstacles in promoting the competition law and policy. Internally, KPPU still requires tools and qualified human resources, concerning the number of cases reported and the broad business environment to cover under the competition policy and law. Externally, KPPU needs support in promoting public awareness about fair competition.

Therefore, it was necessary for the Commission to propose for assistance from Japan's government to help Indonesia in enhancing the competition law enforcement and implementing an effective competition advocacy that will lead to greater impact on national economic development.

P.S.

In 2015, the current bill to amend the Law was resubmitted to the Parliament. The current bill includes not only provisions to strengthen the authority of KPPU but also provisions on advanced systems such as leniency program. Therefore, it is expected that the amendment of the LAW will promote the fair business environment in Indonesia and the bill is currently being deliberated in the Parliament. But the prospect of the bill being finalized is not clear.

5. Overall Goal and Project Purpose (from Record of Discussions(R/D))

5-1 Overall Goal

Fair business environment is promoted in Indonesia.

5-2 Project Purpose

Role of KPPU to promote fair competition is strengthened.

6. Implementing Agency

Commission for the Supervision of Business Competition (KPPU)

II. Results of the Project

1. Results of the Project

1-1 Input by the Japanese side (Planned and Actual)

(1) Amount of input by Japanese side:

Planned: 142.4 (million Japanese Yen)

Actual: 127.9 (million Japanese Yen)

(2) Expert dispatch:

Planned: Long or short term expert: Based on the needs.

Actual: Total 2 persons: 1 person (Long term Expert (Competition Policy)), 1 person (Long term expert (Project Coordination))

(3) Receipt of training participants:

Planned: Based on the needs.

Actual: Total 595 persons:

Country-focused training: Total 6 times, 73 persons

In-country training: Total 16 times, 542 persons

(4) Equipment Provision:

Planned: Based on the needs.

Actual: N/A

(5) Oversea activities cost:

Planned: 14.0 (million Japanese Yen)

Actual: 13.9 (million Japanese Yen)

1-2 Input by the Indonesian side (Planned and Actual)

(1) Counterpart assignment:

Planned: Based on the needs.

Actual: 7 persons

(2) Provision of offices, etc.:

Planned: Based on the needs.

Actual: KPPU provided office and other facilities

(3) Other items borne by the counterpart government:

Planned: Based on the needs.

Actual: N/ A

1-3 Activities (Planned and Actual)

Activity 1-1: Conduct country-focused training or in-country training on partnership supervision

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The country-focused trainings on partnership were held 4 times. The in-country training courses on partnership supervision were held 3 times.

Activity1-2: Support PR activities on partnership supervision

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The project has supported PR activities on partnership supervision 3 times in total.

Activity2-1: Support on PR activities for the promotion of improvement of enforcement framework of competition law

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The project has supported PR activities for the improvement of enforcement framework of competition law 12 times in total.

Activity2-2: Provide advice and comments on new regulations to be made by review of competition law

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The project held two workshops to discuss about the contents of bill to amend the competition law and related regulations between parliament members, high-level officials and member of bar associations and made various advices by comparing the LAW and Japanese competition law.

Activity2-3: Conduct training for investigative measures introduced by review of competition law

Planned: This activity was planned to be held appropriately during the project period.

Actual: The project conducted country-focused training on recommended instruments of competition law enforcement involving leniency program.

Activity3-1: Conduct country-focused training or in-country training on market studies and cross-border case handling

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The project conducted country-focused training on market study one time and conducted in-country training courses or seminars on market study 4 times in total.

On the other hand, the project conducted in-country training courses on cross-border case handling 9 times in total.

Activity3-2: Conduct training for the application of competition law

Planned: This activity was planned to be conducted appropriately during the project period. In the original Project Design Matrix before the amendment, it was assumed that the training for judges would be implemented. However, because of the Supreme Court had no prospect of securing the budget, it is no longer possible to expect a sustainable effect of this activity. Therefore, it has been changed to the current activity.

Actual: In-country training on investigation procedure including cross-border case handling was held for 9 times in total.

Activity3-3: Conduct joint-market study with universities on specified topics for establishing network of experts on market studies

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The project implemented the market study on six agricultural commodities. This market study was conducted by taskforce members of KPPU and Bogor Agricultural University with the

cooperation of United Nations Conference on Trade and Development (UNCTAD) and Japan Fair Trade Commission.

Activity3-3: Compile KPPU decisions and related articles

Planned: This activity was planned to be conducted appropriately during the project period.

Actual: The project was supported to establish the KPPU decision database on the KPPU's website. By using this database system, Indonesian people can easily know about the disposition of the cases dealt with KPPU.

2. Achievements of the Project

2-1 Outputs and indicators

In comparison with the indicators reflected in the Project Design Matrix (hereinafter referred to as the "PDM") attached to the Record of Discussions (hereinafter referred to as the "RD"), which was agreed by and signed between KPPU and JICA Indonesia Office on the 27th of July 2015, progress and status of the achievement of each three outputs were reviewed. The review results are shown in the below table.

Table 2-1 Summary of Review Results

Outputs	Achievements and description
Output 1	<p>Even though the law and operational rules on partnership supervision has been put in place, there have been no cases where KPPU made any specific disposal so far. It can be thought that this is due to the interpretation of the related article of the law has not been established and KPPU has not been given enough budget for its efficient implementation. In order to deal with such a situation, the project provided input to the drafting of guidelines for KPPU staffs and general Indonesian people.</p> <p>On the other hand, the project held training courses, seminars and workshops 7 times in total and according to the questionnaire, 84% answered that the participants to the training programs were satisfied. Therefore, the level of achievement in this point can be considered high.</p>

<p>Output 2</p>	<p>The project made several policy recommendations to the members of parliament and government officials in the workshop and meetings. Although numbers of advocacy activities to the stakeholders were made, there are still negative opinions from the business community on the amendment of the Law. In addition, because of the bill to amend the Law is still under deliberation in the Parliament, there is still no case that practicing new investigative methods.</p> <p>But, even if the bill will not be passed, it would be useful for capacity building to learn about global standard of investigative methods such as leniency program and it could leads to the strengthening of enforcement framework. In the other hand, the project has conducted country focused training on recommended instruments of competition law. Therefore, the level of achievement in this point can be considered fair.</p>
<p>Output 3</p>	<p>The project has conducted country-focused training course on market study and conducted in-country seminar 3 times in total. In addition, the project has conducted comprehensive market study on staple food sectors in Indonesia and publicized the result of the market study.</p> <p>On the other hand, the project supported to publicize the English version of the Indonesian competition assessment toolkit which provides a method for identifying unnecessary restraints on market activities. Therefore, the level of achievement in this point can be considered high.</p>

2-1-1 Output 1

Outcome 1 is "KPPU's new authority on partnership supervision is effectively executed". Status of the achievements pertaining to Output 1 is as shown in the table below.

Table 2-1-1 : Output indicators, results and status of achievements (Output 1)

Objectively verifiable	Results	Status of
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indicators		achievements
No. of training courses, seminars and workshops conducted on partnership supervision	<p>Total 7 times.</p> <p>The following training courses were conducted within the project period.</p> <p>1) Training in Japan</p> <p>(1) Training on Partnership for Commissioners (March 2016)</p> <p>(2) Training on Partnership for Investigators (April 2016)</p> <p>(3) High Level Study Visit to Japan Fair Trade Commission (JFTC) on E-Commerce and Partnership (October 2018)</p> <p>(4) Training on Partnership Act, Compliance and Training Module (July 2019)</p> <p>2) In-country training</p> <p>(1) Joint Seminar of Competition Policy and MSME Partnership with Indonesia Ministry of Cooperative, JICA, SME, & KPPU (August 2016)</p> <p>(2) Joint Seminar of Competition Policy and MSME Partnership with Indonesia Ministry of Cooperative, JICA, SME, & KPPU (August 2016)</p> <p>(3) Competition Law & MSME Partnership with KPPU Investigator (August 2016)</p>	A
The trainees are satisfied with the training programs	<p>According to the questionnaire, 84% answered that the participants to the training programs were satisfied. Therefore, the level of achievement can be considered high.</p>	A

Note: Status of achievements is divided into 5 categories: "A" achieved, "B"

largely achieved, “C” partially achieved, “Ongoing” being prepared or in progress and “Pending” not yet started.

2-1-2 Output 2

Outcome 2 is "Enforcement framework of competition Law is strengthened". Status of the achievements pertaining to Output 2 is as shown in the table below.

Table 2-1-2: Output indicators, results and status of achievements (Output 2)

Objectively verifiable indicators	Results	Status of achievements
No. of supported advocacy activities	Total 2 times. The project made several policy recommendations to the members of parliament and government officials in the workshop and meetings. Although numbers of advocacy activities to the stakeholders were made, there are still negative opinions from the business community on the amendment of the Law.	B
No. of training conducted	4 times. The project has conducted country focused and in-country trainings on investigative methods of competition law. Including leniency program. The following training courses were conducted within the project period. 1) Training in Japan Training Course on Setting-up and Regulation on Recommended Instruments of Competition Law Enforcement (March 2018)	A

	<p>2) In-country training</p> <p>(1) Briefing session on Indonesian competition law for Japanese companies (December 2018)</p> <p>(2) Workshop on new perspective on competition policy in the international transaction (February 2019)</p> <p>(3) Executive forum on competition compliance with Topic "Encouraging the Company Competitiveness through Competition Compliance Program (August 2019)</p>	
No. of cases based on new investigative methods (including leniency program) is increased.	Because of the bill to amend the Law is still under deliberation in the Parliament, there is still no case that practicing new investigative methods	C

Note: Status of achievements is divided into 5 categories: "A" achieved, "B" largely achieved, "C" partially achieved, "Ongoing" being prepared or in progress and "Pending" not yet started.

2-1-3 Output 3

Output 3 is "Capacity on market studies and competition law enforcement is enhanced". Status of the achievements pertaining to Output 3 is as shown in the table below.

Table 2-1-3: Output indicators, results and status of achievements (Output 3)

Objectively verifiable indicators	Results	Status of achievement
No. of training courses and seminars conducted	Total 5 times. The project has conducted country focused training course on market study and conducted in-country seminar total 3 times.	A

	<p>The following training courses were conducted within the project period.</p> <p>1) Training in Japan Training Course on Market Studies (February 2017)</p> <p>2) In-country training (1) Focus Group Discussion for Salt sector (April 2019) (2) Focus Group Discussion for Chili and Shallot sector (April 2017) 3) Focus Group Discussion for Rice, Beef and Sugar sector (May 2017) 4) Workshop on Leniency program & Other Enforcement Tools (April 2019)</p>	
No. of Market Study	<p>1 time.</p> <p>The project has conducted market study on staple food sectors in Indonesia and publicized the result of the market study.</p>	A
No. of publications related to law enforcement	<p>2 times.</p> <p>The project supported to publicize the English version of the Indonesian competition assessment toolkit which provides a method for identifying unnecessary restraints on market activities.</p> <p>On the other hand, the project supported to publicize the KPPU's regulation on investigative procedure.</p>	A

Note: Status of achievements is divided into 5 categories: "A" achieved, "B" largely achieved, "C" partially achieved, "Ongoing" being prepared or in progress and "Pending" not yet started.

2-2 Project Purpose and indicators

2-2-1 Project purpose

(Target values and actual values achieved at completion)

The project purpose is “Role of KPPU to promote fair competition is strengthened”. In consideration of the achievement of the three outputs and based on the five objectively verifiable indicators described in the PDM, the achievement of the project purpose was reviewed. The review results are shown below.

Item	Status of achievement and remarks
Project purpose	Largely achieved

2-2-2 Indicators

2-2-2-1 Indicator - 1

The first objectively verifiable indicator is “Number of PR materials on partnership supervision”.

KPPU publicized 2 PR materials on partnership supervision, including one video and one flyer. But because there is still no practical case, the degree of recognition of the partnership supervision is not high. Therefore, the level of achievement in this point can be considered fair.

2-2-2-2 Indicator - 2

The second indicator is “Number of stakeholders such as business entities, government officials, academics etc. participating in the enlightenment/ dissemination activities for prevention

In the enlightenment / dissemination activities that have been held so far, a total of 960 stakeholders have been participated in the activities. Therefore, the level of achievement in this point can be considered high.

2-2-2-3 Indicator – 3

The third indicator is “Participants’ evaluation for the enlightenment/ dissemination activities for prevention”.

92% of the participants evaluated that the dissemination activities were highly effective and useful, and 8% of the participants evaluated that the dissemination activities were moderately effective. Therefore, the level of achievement in this point can be considered high.

2-2-2-4 Indicator - 4

The fourth indicator is “Degree of utilization of market studies for advocacy or investigation”.

All of the data of market studies were utilized as material for advocacy activities, and approximately 50% of them were utilized for ex-officio investigation. Therefore, the level of achievement in this point can be considered high.

2-2-2-5 Indicator – 5

The fifth indicator is “The number of policy recommendation to government agencies and business entities by KPPU”.

There were 51 policy recommendations issued to government agencies and business entities by KPPU so far. Therefore, the level of achievement in this point can be considered high.

3. History of PDM Modification

Because of the promotion of fair business environment and increased awareness are not necessarily related, the indicators for Overall Goal have been revised as follows

Overall Goal	Indicators	
	Prior	Revised
Fair business environment is promoted in Indonesia	<ol style="list-style-type: none"> 1. The level of awareness for fair competition in the society increases 2. The level of businesses' awareness on the partnership supervision law increases 	<ol style="list-style-type: none"> 1. Number of new entrants in the specific market examined by market study. 2. Diversity and easiness of price comparison in the specific market examined by market study. 3. Number of suppliers in the specific market examined by market study. 4. Percentage of the adoption of KPPU recommendation.

On the other hand, because enlightenment activities will lead to the understanding of the public opinion to strengthen the organization of KPPU, the indicators of Project Purpose have been revised as follows.

Project Purpose	Indictors	
	Prior	Revised
Role of KPPU to promote fair competition is strengthened.	<ol style="list-style-type: none"> 1. No. of cases or written warning on partnership supervision increases. 2. The revised competition law is enacted. 3. No. of investigated cases increases 4. Improvement in the utilization of market studies for advocacy or investigation. 	<ol style="list-style-type: none"> 1.Number of PR materials on partnership supervision. 2.Number of stakeholders such as business entities, government officials, academics etc. participating in the enlightenment / dissemination activities for prevention. 3.Participants' evaluation for the enlightenment / dissemination activities for prevention. 4.Degree of utilization of market studies for advocacy or investigation. 5. The number of policy recommendations to government agencies and business entities by KPPU

4. Others

4-1 Results of Environmental and Social Considerations (if applicable)

N/A

4-2 Results of Considerations on Gender/Peace Building/Poverty Reduction (if applicable)

N/A

III. Results of Joint Review

1. Results of Review based on DAC Evaluation Criteria

1-1 Relevance

1-1-1 Consistency with development policy

It is the Indonesian government's policy to create a healthy and fair business climate as well as equal business opportunities with the intention to achieve efficient economy and community welfare. This Indonesian government's policy is consistent with the purposes and activities of the project and such Indonesian government's policy has not been changed from the beginning of the project. The policy to protect the interest of micro, small, and medium enterprises from the abuse that due to the disparity of bargaining position is consistent with the purposes and activities of the project and such Indonesian government's policy has not been changed either.

Under the ASEAN Economic Community Blueprint 2015, promoting the development of regional frameworks in competition policy was one of key pillar. Under the ASEAN Economic Community Blueprint 2025, competition policy is also a key pillar under the thrust to create a competitive, innovative, and dynamic ASEAN.

Therefore, there were consistency between the project purpose and the development policy, and the level of relevance can be considered high.

1-1-2 Consistency with development needs

The Indonesian government needs the support to advocacy activities and the capacity building of the KPPU staffs to utilize the newly introduced investigative methods. The project's activities regarding the enforcement framework of the Law are consistent with such Indonesian government's needs and such needs of the Indonesian government have not been changed.

In relation to the partnership supervision, the Indonesian government needs the support to the dissemination activities and capacity building of the KPPU staffs to enforce the partnership supervision. The project's activities regarding the partnership supervision are consistent with such Indonesian government's needs and such needs of the Indonesian government have not been changed.

In relation to the capacity on market studies and competition law enforcement, the Indonesian government needs the technical assistance to implement market study and the capacity building of judges on competition law. Among them, there were no activities for judges but the project's activities regarding

the market study are consistent with such Indonesian government's needs and there was no change in the Indonesian government's needs.

Therefore, there were consistency between the project purpose and the needs and the level of relevance can be considered high.

1-1-3 Appropriateness of project plan and approach

The target group of this project is the KPPU. But, in the original project matrix design, there was activity to strengthening the capacity of judges. Therefore, it was needed to coordinate with the organization other than the counterpart who has not exchanged minutes. Because of this activity should be specifically targeted to the most relevant implementing authorities of competition law such as counterpart of the project, rather than widening its scope to the judges, the activity was amended as follows.

Before	Amended Version
Conduct training for the application of competition law including those for judges	Conduct training for the application of competition law

1-2 Effectiveness

1-2-1 Degree of the achievement of the project

Considering the number of stakeholders participating in the enlightenment / dissemination activities and the degree of evaluation from participants, the degree of achievement of these activities can be considered high. And considering the degree of utilization of market studies for advocacy or investigation and number of policy recommendation to government agencies and business entities by KPPU, the degree of achievement of the project activities can be also considered high.

On the other hand, the bill to amend the Law that strengthens KPPU's authorities is still under deliberation, and there were still no case on the enforcement of partnership supervision.

Regarding the bill to amend the Law, the deliberation was preceded in a relatively smooth manner and an agreement was reached between the parliament and the government, but because the general election has been held before the final proceedings, the bill was not passed by the Parliament

during the project period.

And regarding the enforcement of the partnership supervision, operational guideline on the partnership supervision is being drafted with inputs from the project.

Therefore, the degree of the achievement of the project purpose can be considered high.

1-3 Efficiency

1-3-1 Project cost

The planned project cost was 142.4 million yen and actual project cost was 127.9 million Japanese Yen. Because the actual project cost was within the planned cost, the degree of efficiency can be considered high.

1-3-2 Project period

The project period was extended one year, because it was considered that to ensure the achievement of the project purpose, adding more activities and inputs would 1) accelerate the amendment of the competition law and 2) develop the capacity of implementation of the expected new law to prepare for the smooth transition.

1-4 Impact

1-4-1 Prospects to achieve the overall goal

It is not easy to expect the overall goals to be achieved. Certainly, there is no doubt that the project contributed to the improvement of the capacity of KPPU staffs through many trainings and seminars. It is also no doubt that the project contributed to making Indonesian people to aware of the importance of competition policy by supporting advocacy activities and PR activities. But, to promote fair business environment, large-scale structural reform is necessary at various points, and it is difficult to realize the structural reform with the project activities alone.

If the overall goals will achieve, it will probably have some impact on the Indonesian development plan, but it is unpredictable what kind of impact will happen on the Indonesian development plan. It is apparent that there are many regulations that impede the competitive fair business environment in Indonesia. To eliminate such regulations, it is needed to confer strong authorities to KPPU, but there is no such authority in KPPU under current

competition law. In addition, the inability of KPPU to commit directly to the drafting of competition law as a competition authority is one of critical problem. If there is no strengthening of KPPU's authority by amendment of competition law, the degree of impact is predicted to be limited and it can be considered fair.

1-4-2 Causal relationship

It is apparent that the fair business environment will be promoted if the role of KPPU to promote fair competition is strengthened. Therefore, there is causal relationship between the project purpose and overall goal.

On the other hand, the external conditions from the project purpose to the overall goal are appropriate even at this stage.

1-4-3 Ripple effect

By achieving the promotion of fair business environment in Indonesia, it is assumed that consumers can receive low-cost and high-quality goods and services and it will lead to substantial income improvement.

1-5 Sustainability

1-5-1 Policy and institutional aspects

It is difficult to consider that the back-up from the policy and institutional aspects required for the continuation of the project effect are established sufficiently. Certainly, the contents of the project meet the development needs of the society and most of project activities have prospect to be continued and developed on the continuous basis. But if the bill to amend the competition law is discarded in the parliament, project activities on the investigative methods that were expected to be introduced by the amendment will not be realized and it is difficult for the effect of the project to be continued.

Therefore, the degree of sustainability in this point can be considered fair.

1-5-2 Structure of the implementing agency

Because KPPU has implemented its organizational reform this year and succeeded to enhance its function, it can be expected that KPPU has the necessary organization and structure required for continuation of the project effect.

On the other hand, it can be considered that the project ownership of KPPU

secured sufficiently.

Therefore, the degree of sustainability at this point can be considered high.

1-5-3 Skill of the implementing agency

It can be considered that KPPU sufficiently possesses the skill required for continuation of the project effect.

Therefore, the degree of sustainability at this point can be considered high.

1-5-4 Finance of the implementing agency

If KPPU is formally recognized as a government agency by the amendment of competition law, it can be considered that there are high prospects to secure the necessary financial resources required for continuation of the project effect. But if the bill is discarded in the parliament, the prospects to secure the necessary financial resources for continuation of the project effect cannot consider high from the perspective of the financial balance of KPPU.

Therefore, the degree of sustainability at this point can be considered fair.

2. Key Factors Affecting Implementation and Outcomes

There were two key factors negatively affecting implementation and outcomes of the project. One of key factor was the delay of the deliberation of the bill to amend Indonesian competition law. Although the deliberation in the parliament has progressed step by step, the amendment of law has not been enacted yet.

Although the parliamentary election has implemented, the term of the current parliament members is still left until October. But the schedule of the deliberation of amendment law is not decided yet. Moreover, one of key person who drafted the amendment of competition law was defeated in the parliamentary election. Therefore, there is a high possibility that the bill will be discarded and if the bill is confirmed to be discarded, it is hard to expect efficient project effect of related activities written in the PDM.

The other key factor is the change of the member of KPPU commissioners. Because it took a long time to decide new member of KPPU commissioners, it caused the delay of KPPU's decision and stagnation of project activities. In addition, because of the most of KPPU commissioners have replaced and there were many members who didn't have enough knowledge about the competition law, it caused the change and turmoil of the KPPU's policy and

stagnation of the activities of the project.

3. Evaluation on the results of the Project Risk Management

3-1 Risk management results

Regarding the amendment of the Indonesian competition law, the project implemented advocacy activities to the parliament members of Commission VI who are in charge of drafting the amendment of competition law and some key persons in the Ministry of trade.

Regarding the stagnancy, it was caused by the change of the KPPU's commissioners. In the other hand, the project has implemented country-focused training for new commissioners on the competition law.

3-2 Results of the use of lessons

N/A

4. Lessons Learnt

The target group of the project should not be widened but focused on the scope that can be controlled. As mentioned above, even though the target group of this project is the KPPU, in the original project matrix design, there was activity to strengthening the capacity of judges. Therefore, it was needed to coordinate with the organization other than the counterpart who has not exchanged minutes and it caused the stagnant of related project activity.

IV. For the Achievement of Overall Goals after the Project Completion

1. Prospects to achieve Overall Goal

1-1 Overall Goal and Indicators

1-1-1 Number of new entrants in the specific market examined by market study

It was found through the market study in food sectors that the competition in the retail market is active. But oligopoly in the wholesale market was found and the competition in the wholesale market is not active. Since there are no published statistics on the number of new entrants to the food sector markets, it is difficult to judge exactly but according to the market study in the project, it was found that there were two new entrants to the wholesale market in the sugar sector. In other words, we could see signs of market that are going to

activate gradually.

Therefore, it can be considered that the prospects to achieve the overall goal in this point is fair.

1-1-2 Diversity and easiness of price comparison in the specific market examined by market study

Regarding the price of commodities, the Indonesian Ministry of Trade issue reference price for several foods, such as shallot, sugar, chili, rice, beef, salt. For that reason, in the traditional market, it is hard to see the diversity and easiness of price comparison. However, in the modern market, relatively various products are lined up at various quality and prices. And as the modernization of distribution progresses, it is expected that the diversity and easiness of price comparison in the commodity market will progress in the future.

Therefore, it can be considered that the prospects to achieve the overall goal at this point is fair.

1-1-3 Number of suppliers in the specific market examined by market study

Regarding the number of suppliers of commodities, according to the market study, there are 20 suppliers in the sugar market, 34 in the shallot market, 37 in the beef market and 19 in the salt market in Indonesia. Therefore, it can be expected that competition in each market are functioning in certain extent.

Therefore, it can be considered that the prospects to achieve the overall goal in this point is fair.

1-1-4 Percentage of the adoption of KPPU recommendation

Regarding the percentage of the adoption of KPPU recommendation, 24 out of 51 policy recommendations issued by KPPU have been adopted by the government. It is necessary to consider why over half of the policy recommendations are not adopted, but it cannot always say that the percentage of the adoption of policy recommendation is low.

Therefore, it can be considered that the prospects to achieve the overall goal in this point is fair.

2. Plan of Operation and Implementation Structure of the Indonesian side to achieve Overall Goal

To realize the overall goals, KPPU will continue to carry out advocacy activities to stakeholders to gain comprehensive understanding of Indonesian people on the competition policy.

On the other hand, KPPU will continue to establish the organizational training system to build up the capacity of staffs and passed down the knowledge acquired through the project activities to the next generation

3. Recommendations for the Indonesian side

The good relationship between parliament members that has been established so far is predicted to reset by changing member of the parliament. To realize the overall goals, it is essential to rebuilt relationships with parliament members. Particularly, it is considered urgent to build a good relationship with a partisan or government officers with a negative opinion to the competition policy.

On the other hand, in relation to KPPU's organization, it is necessary to change the organizational system that takes time to make decisions, especially, it should be clear how far the commissioner should decide.

And human resources exchange with other ministries and industries in Indonesia should be carried out, and efforts should be made to improve the staff's capacity and foster good relationship among organizations.

4. Monitoring Plan from the end of the Project to Ex-post Evaluation

It is necessary to continue to monitor the status of the deliberation of the amendment of the competition law and if the current competition law is amended and new investigative methods are introduced, it is necessary to be follow up after the completion of the project.

ANNEX 1: Results of the Project

(List of Dispatched Experts, List of Counterparts, List of Trainings, etc.)

ANNEX 2: List of Products (Report, Manuals, Handbooks, etc.) Produced by the Project

ANNEX 3: PDM (All versions of PDM)

ANNEX 4: R/D, M/M, Minutes of JCC (copy) (*)

ANNEX 5: Monitoring Sheet (copy) (*)

(Remarks: ANNEX 4 and 5 are internal reference only.)

Results of the Project

(List of Dispatched Experts, List of Counterparts, List of Trainings, etc.)

1. Summary of the Results

1-1 List of Dispatched Experts

Item of Input	Planned	Actual
(a) Dispatch of Experts - Long-term Expert(s)	Upon necessity	1 Expert (Competition Policy), 1 Expert (Training / Project Coordination)
- Short-term expert(s)	Upon necessity	1 time, 2 experts in total* <u>*See Table 1-1 - List of Experts and Works below</u>
(b) Training - Training in Japan	6 times	4 times (Output 1) 1 time (Output 2) 1 time (Output 3) <u>*See Table 1-2 - List of Training in Japan below</u>
- In-Country Training	16 times	3 times (Output 1) 1 time (Output 2) 12 times (Output 3) <u>*See Table 1-3 - List of Training in Japan below</u>

1-2 List of Counterparts (As of June 2019)

Name of Division, Position	Name of Person
Secretary General of KPPU	Mr. Charles Pandji Dewanto
Head of Public Relations and Cooperation Bureau, KPPU	Mr. Deswin Nur
Head of Cooperation Division, KPPU	Ms. Retno Wiranti
Technical officer of Cooperation Division, KPPU	Ms. Messy Merista Suzana
Technical officer of Cooperation Division, KPPU	Ms. Ina Purwati
Technical officer of Cooperation Division,	Ms. Febi Nugraheni

KPPU	
Technical officer of Cooperation Division, KPPU	Ms. Inez Koerniawati

Table 1-1 - List of Experts and Works

No.	Month, Year	Name	Works
1	August 2016	Iwakazu TAKAHASHI, Meiji University	Lecturer on Subcontract law
2	August 2016	Masaaki SUZUKI, Bunkyo University	Lecturer on Industrial Structure Theory

Table 1-2 - Table of Training in Japan

No.	Month, Year (Training Course No.)	Name of the Training	Number of Participants
1	March 2016 (J1522376)	Training on Partnership for Commissioners	12
2	April 2016 (J1621526)	Training on Partnership for investigators	20
3	February 2017 (J1622383)	Training Course on Market Studies	10
4	March 2018 (J1722564)	Training Course on Setting-up and Regulation on Recommended Instruments of Competition Law Enforcement	10
5	October 2018 (J182204)	High Level Study Visit to Japan Fair Trade Commission (JFTC) on E-Commerce and Partnership	10
6	July 2019 (201500584-J044)	Training on Partnership Act, Compliance and Training Module	12

Table 1-3 Table of in-country training

No.	Month, Year	Name of the Training	Number of Participants
1	August 2016	Joint Seminar of Competition Policy and MSME Partnership with Indonesia	100

		Ministry of Cooperative, JICA, SME, & KPPU	
2	August 2016	Joint Seminar of Competition Policy and MSME Partnership with Indonesia Ministry of Cooperative, JICA, SME, & KPPU	100
3	August 2016	Competition Law & MSME Partnership with KPPU Investigator	45
4	April 2017	Expert Lecture of the Basic Knowledge on Investigation Procedure in Competition Law	30
5	April 2017	Expert Lecture of the Basic Knowledge on Investigation Procedure in Competition Law	30
6	May 2017	Expert Lecture of the Basic Knowledge on Investigation Procedure in Competition Law	30
7	May 2017	Expert Lecture of the Basic Knowledge on Investigation Procedure in Competition Law	40
8	July 2017	Expert Lecture for Staff of Regional Office on Antimonopoly Act (Medan)	15
9	August 2017	Expert Lecture for Staff of Regional Office on Antimonopoly Act (Batam)	10
10	August 2017	Expert Lecture for Staff of Regional Office on Antimonopoly Act (Balikpapan)	20
11	September 2017	Expert Lecture for Staff of Regional Office on Antimonopoly Act (Surabaya)	15
12	September 2017	Expert Lecture for Staff of Regional Office on Antimonopoly Act (Makassar)	20
13	January 2018	Expert lecture for Internship Students on Competition Law	22
14	August 2018	Expert lecture for Internship Students on Competition Law	15
15	March 2019	Expert lecture for Internship Students on Competition Law	15
16	April 2019	Workshop on Leniency Program & Other Enforcement Tools	35

List of Products (Report, Manuals, Handbook)

No.	Name of Products	Relevant Project Output	Month, Year
1	Printed and Translated Version of Guideline on Competition Policy Assessment Checklist	Output 2	November, 2016
2	Final Report: Market Study on Food Sector in Indonesia	Output 3	March, 2018
3	Printed Version of Regulation of Business Competition Supervisory Commission Number 1 of 2019 on Procedure for Handling Monopolistic Practices and Unfair Business Competition Cases	Output 3	September, 2019

ANNEX I

Project Design Matrix

Version 0
 Dated: 05/June/2015

Project Title: Project for Capacity Building for Partnership Supervision and Compellion Law Enforcement
Implementing Agency: Commission for the Supervision of Business Competition (KPPU)
Period of Project: September 2015- August 2018 (3 years)
Project Site: Jakarta, Indonesia

Overall Goal	Objectively Verifiable Indicators	Means of Verification	Important Assumption
<p>Narrative Summary Fair business environment is promoted in Indonesia.</p>	<ol style="list-style-type: none"> The level of awareness for fair compellion in the society in creases. The level of business' awareness on the partnership supervision law increases. 	<ol style="list-style-type: none"> KPPU Internal references KPPU/Project reference 	
<p>Project Purpose Role of KPPU to promote fair competition is strengthened.</p>	<ol style="list-style-type: none"> No. of cases or written warning on partnership supervision increases. The revised compellion law is enacted. No. of investigated cases increases. Improvement in the utilization of market studies for advocacy or investigation 	<ol style="list-style-type: none"> KPPU Internal references KPPU Internal references KPPU Internal references KPPU Internal references 	<ul style="list-style-type: none"> The public supports the activities of compellion policy The independence of KPPU is maintained.
<p>Outputs</p> <ol style="list-style-type: none"> KPPU's new authority on partnership supervision is effectively executed. Enforcement framework of compellion law is strengthened. Capacity on market studies and compellion law enforcement is enhanced. 	<ol style="list-style-type: none"> 1-1. No. of training courses, seminars and workshops conducted on partnership supervision. 1-2. The trainees are satisfied with the training programs. 2-1. No. of supported advocacy activities. 2-2. No. of training conducted. 2-3. No. of cases based on new investigative methods (including leniency program) is increased. 3-1. No. of training courses and seminars conducted 3-2. No. of market studies. 3-3. No. of publication related in the law enforcement. 	<ol style="list-style-type: none"> 1-1. Project reference 1-2. Project reference 2-1. Project reference 2-2. Project reference 2-3. Project reference 3-1. Project reference 3-2. Project reference 	<ul style="list-style-type: none"> Sufficient budget and staff is allocated for KPPU

Activities	Inputs	Important Assumption
<p>1-1 Conduct country-focused training or in-country training on partnership supervision</p> <p>1-2 Support PR activities on partnership supervision</p> <p>2-1 Support on PR activities for the promotion of improvement of enforcement framework of competition law</p> <p>2-2 Provide advice and comments on new regulations to be made by review of competition law.</p> <p>2-3 Conduct training for new investigative measures introduced by review of competition law.</p> <p>3-1 Conduct country-focused training or in-country training on market studies and cross-border case handling</p> <p>3-2 Conduct training for the application of competition law including those for judges</p> <p>3-3 Conduct joint-market study with universities on specified topics for establishing network of experts on market studies.</p> <p>3-4 Compile KPPU decisions and competition related articles.</p>	<p><u>Indonesian Side</u> The Indonesian Side will provide resources as follows.</p> <p>a. Human resources that may consist of (i) Project Director (Secretary General); (ii) Project Manager (Head of Legal, Public Relations and Cooperation Bureau); (iii) Technical Counterpart (Head of Foreign Cooperation Division). b. Expertise in competition law and policy in Indonesia c. Office space for resident advisor and project coordinator if necessary d. Supporting fund to assist the project implementation (based on needs) e. Contact with Indonesian government and foreign counterparts</p> <p><u>Japanese Side</u> The Japanese side will provide resources as follows.</p> <p>a. Long or Short Term Expert: Based on the needs b. Training: ditto c. Seminars/ WAs: ditto d. Equipment: ditto e. Translator: (one) interpreter, when needed</p>	<p>- The trained counterpart staff play an active role in the office.</p> <p><Pre-conditions> - The direction of competition policy in Indonesia does not change - The organization of KPPU is not reformed/rearranged that may affect the project activities.</p>

Project Design Matrix

ANNEX 2

Project Title: Project for Capacity Building for Partnership Supervision and Competition Law Enforcement

Version 1

Implementing Agency: Commission for the Supervision of Business Competition (KPPU)

Dated 29 November, 2017

Period of Project: 27 October 2015 - 26 October 2019

Project Site: Jakarta, Indonesia

Narrative Summary		Objectively Verifiable Indicators	Means of Verification	Important Assumption
Overall Goal Fair business environment is promoted in Indonesia.	<ol style="list-style-type: none"> 1. Number of new entrants in the specific market examined by market study 2. Diversity and easiness of price comparison in the specific market examined by market study. 3. Number of supplier in the specific market examined by market study. 4. Percentage of the adoption of KPPU recommendation. 	<ol style="list-style-type: none"> 1. KPPU internal references 2. KPPU internal references 3. KPPU internal references 4. KPPU internal references 		
Project Purpose Role of KPPU to promote fair competition is strengthened.	<ol style="list-style-type: none"> 1. Number of PR materials on partnership supervision 2. Number of stakeholders such as business entities, government officials, academics etc. participating in the enlightenment / dissemination activities for prevention 3. Participants' evaluation for the enlightenment/ dissemination activities for prevention 4. Degree of utilization of market studies for advocacy or investigation 5. The number of policy recommendations to government agencies and business entities by KPPU 	<ol style="list-style-type: none"> 1. KPPU internal references 2. KPPU internal references 3. KPPU internal references 4. KPPU internal references 5. KPPU internal references 	<ul style="list-style-type: none"> - The public supports the activities of competition policy - The independence of KPPU is maintained. 	

Outputs		1-1. No. of training courses, seminars and workshops conducted on partnership supervision. 1-2. The trainees are satisfied with the training programs. 2-1. No. of supported advocacy activities. 2-2. No. of training conducted. 2-3. No. of cases based on new investigative methods (including leniency program) is increased. 3-1. No. of training courses and seminars conducted 3-2. No. of market studies 3-3. No. of publication related to law enforcement.	1-1. Project reference 1-2. Project reference 2-1. Project reference 2-2. Project reference 2-3. Project reference 3-1. Project reference 3-2. Project reference	- Sufficient budget and staff is allocated for KPPU
<p>Activities</p> <p>1-1 Conduct country- focused training or in-country training on partnership supervision</p> <p>1-2 Support PR activities on partnership supervision</p> <p>2-1 Support on PR activities for the promotion of improvement of enforcement framework of competition law</p> <p>2-2 Provide advice and comments on new regulations to be made by review of competition law.</p> <p>2-3 Conduct training for new investigative measures introduced by review of competition law.</p> <p>3-1 Conduct country-focused training or in-country training on market studies and cross-border case handling</p> <p>3-2 Conduct training for the application of competition law including those for judges</p> <p>3-3 Conduct joint-market study with universities on specified topics for establishing network of experts on market studies</p> <p>3-4 Compile KPPU decisions and competition related articles.</p>	<p>Inputs</p> <p>Indonesian Side The Indonesian Side will provide resources as follows.</p> <p>a. Human resources that may consist of (i) Project Director (Secretary General); (ii) Project Manager (Head of Legal, Public Relations, and Cooperation Bureau); (iii) Technical Counterpart (Head of Foreign Cooperation Division).</p> <p>b. Expertise in competition law and policy in Indonesia</p> <p>c. Office space for resident advisor and Project Coordinator, if necessary</p> <p>d. Supporting fund to assist the project implementation (based on needs)</p> <p>e. Contact with Indonesian government and foreign counterparts</p> <p>Japanese Side The Japanese side will provide resources as follows.</p> <p>a. Long or Short Term Expert: Based on the needs</p> <p>b. Training: ditto</p> <p>c. Seminars/ WA: ditto</p> <p>d. Equipment: ditto</p> <p>e. Translator: 1(one) interpreter, when needed</p>			<p>Important Assumption</p> <p>- The trained counterpart staff play an active role in the office.</p>
				<p><Pre-conditions></p> <p>- The direction of competition policy in Indonesia does not change</p> <p>- The organization of KPPU is not reformed/ rearranged that may affect the project activities.</p>

Project Design Matrix

Version 1
Dated 13 November, 2018

Project Title: Project for Capacity Building for Partnership Supervision and Competition Law Enforcement

Implementing Agency: Commission for the Supervision of Business Competition (KPPU)

Period of Project: 24 October 2015 - 23 October 2019

Project Site: Jakarta, Indonesia

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption
<p>Overall Goal Fair business environment is promoted in Indonesia.</p>	<ol style="list-style-type: none"> 1. Number of new entrants in the specific market examined by market study. 2. Diversity and easiness of price comparison in the specific market examined by market study. 3. Number of supplier in the specific market examined by market study. 4. Percentage of the adoption of KPPU recommendation. 	<ol style="list-style-type: none"> 1. KPPU internal references 2. KPPU internal references 3. KPPU internal references 4. KPPU internal references 	
<p>Project Purpose Role of KPPU to promote fair competition is strengthened.</p>	<ol style="list-style-type: none"> 1. Number of PR materials on partnership supervision 2. Number of stakeholders such as business entities, government officials, academics etc. participating in the enlightenment/ dissemination activities for prevention 3. Participants' evaluation for the enlightenment/ dissemination activities for prevention 4. Degree of utilization of market studies for advocacy or investigation 5. The number of policy recommendations to government agencies and business entities by KPPU 	<ol style="list-style-type: none"> 1. KPPU internal references 2. KPPU internal references 3. KPPU internal references 4. KPPU internal references 5. KPPU internal references 	<ul style="list-style-type: none"> - The public supports the activities of competition policy - The independence of KPPU is maintained.

<p>Outputs</p> <p>1. KPPU's new authority on partnership supervision is effectively executed.</p> <p>2 Enforcement framework of competition law is strengthened</p> <p>3 Capacity on market studies and competition law enforcement is enhanced</p>	<p>1-1. No. of training courses, seminars and workshops conducted on partnership supervision.</p> <p>1-2. The trainees are satisfied with the training programs.</p> <p>2-1. No. of supported advocacy activities.</p> <p>2-2. No. of training conducted.</p> <p>2-3. No. of cases based on new investigative methods (including leniency program) is increased.</p> <p>3-1. No. of training courses and seminars conducted</p> <p>3-2. No. of market studies</p> <p>3-3. No. of publication related to law enforcement.</p>	<p>1-1. Project reference</p> <p>1-2. Project reference</p> <p>2-1. Project reference</p> <p>2-2. Project reference</p> <p>2-3. Project reference</p> <p>3-1. Project reference</p> <p>3-2. Project reference</p>	<p>- Sufficient budget and staff is allocated for KPPU</p>
Activities			
<p>1-1 Conduct country- focused training or in-country training on partnership supervision</p> <p>1-2 Support PR activities on partnership supervision</p> <p>2-1 Support on PR activities for the promotion of improvement of enforcement framework of competition law</p> <p>2-2 Provide advice and comments on new regulations to be made by review of competition law.</p> <p>2-3 Conduct training for new investigative measures introduced by review of competition law.</p> <p>3-1 Conduct country-focused training or in-country training on market studies and cross-border case handling</p> <p>3-2 Conduct training for the application of competition law including those for judges</p> <p>3-3 Conduct joint-market study with universities on specified topics for establishing network of experts on market studies</p>	<p style="text-align: center;">Inputs</p> <p><u>Indonesian Side</u> The Indonesian Side will provide resources as follows.</p> <p>a. Human resources that may consist of</p> <p>(i) Project Director (Secretary General);</p> <p>(ii) Project Manager (Head of Legal, Public Relations, and Cooperation Bureau);</p> <p>(iii) Technical Counterpart (Head of Foreign Cooperation Division).</p> <p>b. Expertise in competition law and policy in Indonesia</p> <p>c. Office space for resident advisor and Project Coordinator, if necessary</p> <p>d. Supporting fund to assist the project implementation (based on needs)</p> <p>e. Contact with Indonesian government and foreign counterparts</p> <p><u>Japanese Side</u> The Japanese side will provide resources as follows.</p> <p>a. Long or Short Term Expert: Based on the needs</p> <p>b. Training: ditto</p> <p>c. Seminars/ WA: ditto</p> <p>d. Equipment: ditto</p> <p>e. Translator: 1(one) interpreter, when needed</p>	<p>Important Assumption</p> <p>- The trained counterpart staff play an active role in the office.</p> <p><Pre-conditions></p> <p>- The direction of competition policy in Indonesia does not change</p> <p>- The organization of KPPU is not reformed/ rearranged that may affect the project activities.</p>	