

Chapter 4 Donors' Relations

4-1 Donors' Assistance in Poverty Alleviation and Social Safety Net Programs

4-1-1 Sectoral Distribution of Official Development Assistance

Japan has been the top donor for Indonesia since the Suharto period with Japan assisting the presidency through massive aid cum private investment, which contributed greatly to the nation's industrialization. The collapse of the Suharto administration did not alter Japan's status as a top donor, but the direction of assistance has changed from economic infrastructure to social infrastructure.

As of 2008, Japan's commitment of Official Development Assistance (ODA) to Indonesia totaled USD 1,199.3 million, or roughly one third of all bilateral ODA commitment. The other major donors are listed in Table 4-1. Sector-wise, Japan's biggest destination is the "primary sector" (i.e. agriculture, fishery and forestry) (USD 214.4 million), followed by transportation (USD 208.9 million), and education (USD 157.3 million). This sector distribution clearly contrasts with other major bilateral and multilateral donors, in which the first destination is "education" and other "social infrastructure" sectors such as health and water, which are closely related to social development and poverty alleviation.

Assistance for institutional and legal reforms in such areas as social protection and decentralization is part of social infrastructure (with the "government" column), towards which Australia, United States and the Netherlands extend their largest share of ODA commitments.

As will be discussed below, some small bilateral donors (e.g. Denmark) have contributed to "trust fund" with some specific purposes, such as community empowerment and decentralization, whereas most big donors have preferred to extend ODA through bilateral channels. Since the 1960s, the World Bank has assumed the responsibility of coordinating differing interests of bilateral and multilateral agencies. In the crisis of 1998-99, international donors committed to social safety net programs at the Consultative Group of Indonesia (CGI), coordinated by the World Bank and represented by about 30 international donors. In January 2007, the GOI dissolved the CGI and instead assigned BAPPENAS a coordinating role for donor relations. Unlike in the Suharto period, when BAPPENAS had discretion over donor projects, it now assumes only a coordinating role.

Table 4-1 ODA Commitment by Bilateral Donors (in millions of USD) (2008)

	ODA Commitment	Social Infrastructure					Economic Infrastructure						Production Sector			
	Total	Educ	Health	Water	Gov't	Transp	Comm	Energy	Bankng	Busnss	Sector1	Sector2	Sector3			
Bilateral	2887.8	1212.3	484.6	120.1	173.4	287.5	403.9	276.1	14.1	39.8	55.6	18.1	314.1	281.1	20.8	11.2
1 Japan	1199.3	232.0	157.3	4.0	58.6	3.4	215.2	208.9	1.2	3.5	0.8	0.8	225.9	214.4	9.0	2.1
2 Australia	834.0	571.2	206.2	89.7	14.6	167.3	77.4	56.5	0.2	0.2	19.4	1.1	37.2	32.9	4.3	0.1
3 France	291.2	58.9	3.4	0.0	53.2	0.1	0.0	0.0	0.0	0.0	0.0	0.0	4.1	4.1	0.0	0.0
4 US	185.8	148.0	48.7	15.0	12.2	48.6	15.9	0.0	0.0	1.3	0.0	14.6	9.3	0.1	1.2	7.9
5 Dutch	132.7	87.6	26.6	0.0	27.3	32.9	40.4	6.2	0.0	34.2	0.0	0.0	2.3	2.0	0.2	0.0
6 Germany	120.8	69.9	39.1	7.1	7.3	13.5	9.3	4.3	0.2	0.4	3.0	1.4	13.3	10.0	3.2	0.0
7 Spain	40.7	8.0	0.1	0.7	0.1	7.1	12.5	0.1	12.3	0.1	0.0	0.0	17.5	17.3	0.0	0.0
8 UK	38.0	4.4	1.7	0.0	0.0	2.0	32.9	0.0	0.0	0.1	32.5	0.3	0.0	0.0	0.0	0.0
9 Canada	23.3	21.6	0.0	3.5	0.1	4.1	0.1	0.0	0.1	0.0	0.0	0.0	1.2	0.1	0.3	0.9

Source: OECD Stat Online

Table 4-2 lists proposed donor funded projects in social safety net and poverty alleviation sectors, listed in the so-called BAPPENAS' "greenbook". The greenbook lists only projects that the GoI approves and allocates resources.

Table 4-2 List of Donor Funded Projects in SSN (proposed-in thousand USD)

Project Name	Amount	Donors
1. PNPM		
PNPM Mandiri Rural	168 300	World Bank
PNPM Mandiri Urban	34 880	World Bank
Rural Infrastructure Support (RIS) PNPM Phase 2	90 000	ADB
PNPM Green Kecamatan Development Program (TA)	9 000	Danida
Support to PNPM Mandiri (TA)	14 531	PSF (trust fund)
2. Decentralization		
Decentralization Support Facility (DSF) (TA)	20 000	Ausaid
Support for Local Government Finance and Governance Reform II (TA)	1 000	ADB
3. SME Support		
Assistance for SMEs in Fish and Shrimp Industry (TA)	3,500	JICA
Trade and Support Program II (TA)	20 528	EU
SME Human Resources Development under Economic Crisis (TA)	11 500	JICA
Sustainable SMEs Growth through Improved Services and Competitiveness (TA)	2 520	Germany (GTZ)
Life Skills Education for Employment and Entrepreneurship	93 000	World Bank
Sustainable Economic Supported by Improving Technical and Vocational Education	35 500	Germany (GTZ)
Development of Leather Industries	7 150	Italy
Revitalization of Vocational Training Center	32 500	IDB

Source: BAPPENAS

4-1-2 Donor Coordination Mechanism

Since the dissolution of the CGI in January 2007, the GOI has endorsed a different approach for donor coordination. For policy areas with donors' strong interest for intervention, such as education, policy dialogues have continued to exist. Also, in January 2009, 22 donors (19 bilateral and 3 multilateral agencies) have signed what is called the "Jakarta Commitment" in order to improve effectiveness of aid through harmonization. Alternatively, for a specific area of policy intervention, donors have established multi-donor trust. For poverty alleviation issues, the GOI has appointed BAPPENAS to serve as a manager of the fund's steering committee which sets out specific agenda of intervention and assistance. Currently, there are several types of these trust funds in place; one of which is the PNPM Support Facility (PSF), established in particular to support the PNPM-Mandiri, a community empowerment program.

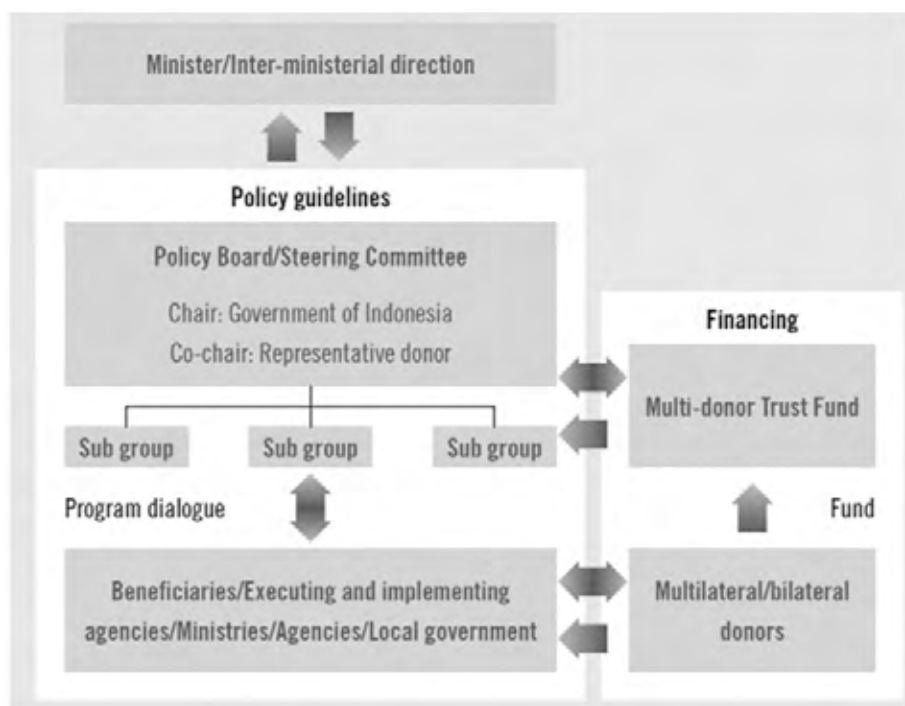


Figure 4-1 New Donor Coordination Mechanism

Source: BAPPENAS

The PNPM Support Facility (or PSF for short) was conceived to support the national flagship project of PNPM-Mandiri with the Steering Committee chaired by Deputy Minister for BAPPENAS in order to coordinate foreign assistance.⁴⁹ The PSF is intended to allow donors to provide a coordinated technical assistance, planning advice and dialogue, as well as targeted financial assistance to the government. The PSF Steering Committee is expected to oversee and monitor the PNPM program and a Poverty Advisory Committee will support implementation by groups including government, donors, and World Bank representatives to ensure harmonization. All PSF policy decisions are in the hands of a Joint Management Committee, which is headed by the representative of the Government of Indonesia and includes as members representatives of contributing countries.

As of November 2009, four donors have contributed to PSF, totaling USD 69.30 million. The Netherlands is the largest contributor with USD 37.30 million, followed by Denmark with USD 16.24 million, Australia with USD 9.31 million, and UK with USD 6.44 million. Other major bilateral donors such as Japan and US have yet to contribute. Funds from donors contributing to PSF are pooled into the PSF Trust Fund, which is registered in the Indonesia's budget in the Ministry of Finance. The PSF is administered by the World Bank under the guidance of the Joint Management Committee and all funds are disbursed according to the World Bank's procurement procedures.

Another important trust fund is the Decentralization Support Facility (DSF), founded in 2004 by UK-DFID initiative to promote donor coordination and harmonization in activities related to decentralization.⁵⁰ The five founding members of the DSF are the World Bank, ADB, UNDP, UK, and the Netherlands, and later three additional members (Canada, Germany and Australia) joined. The DSF is intended to support harmonization and coordination of international development assistance initiatives around decentralization to facilitate more effective and appropriate delivery of public services to Indonesia's people, with a particular focus on the poor.

⁴⁹ Republic of Indonesia, *PNPM SUPPORT FACILITY OPERATIONS MANUAL*, 2009.

⁵⁰ ADB, *From Poverty to Prosperity: A Country Poverty Analysis for Indonesia*, p.131, June 2006

4-1-3 Multilateral Organizations

4-1-3-1 The World Bank

The World Bank's latest country assistance strategy to Indonesia is based upon Country Partnership Strategy (CPS) 2009-12. The CPS, corresponding with the first half of the Indonesia's RPJMN (five-year plan) (2010-2014), proposes the following five areas as "core engagements," or priorities for the Bank's interventions; namely (a) private sector development, (b) infrastructure, (c) community development and social protection, (d) education, and (e) environmental sustainability and disaster mitigation.

Among these five areas, the Bank prioritizes community development and social protection, corresponding to the "cluster 2" of the GOI classification of the new poverty alleviation programs. In fact, since the crisis of 1998-99, the Bank has continued to support the GOI in designing and expanding programs within the framework of social protection and community development. These programs can promote more inclusive growth and social protection. For example, Community-driven development (CDD) projects led by government, such as the Village Infrastructure Project (VIP) and the Kecamatan Development Program (KDP), have played a very important role and have obtained the support of reformers of local government. These programs were successful in channeling funds down to the village level, and these programs are now all under the PNPM program.⁵¹

The Bank is co-financing a portion of PNPM-Mandiri, supporting the program's expansion to an estimated USD 2 billion in annual government investment. The Bank is also providing support to the Indonesia in its efforts to bring supply-side initiatives from health, education, rural development and other sectors under the PNPM umbrella in order to maximize synergies in poverty reduction policy. In addition, through a trust fund such as PSF, other development partners can support a wide range of analytical and advisory services to promote broader institutional reforms⁵². In relation to the Rural PNPM-Mandiri, World Bank has provided USD 1221.3 million in total fund allocation in the form of loans from 1998 to 2008⁵³.

4-1-3-2 Asian Development Bank

Indonesia is a founding member of ADB in 1966 and has been its largest client in loans. The ADB's latest assistance strategy is based on Country Strategy and Program (CSP) 2006–2009, aiming to help the GOI achieve its medium-term development plan 2005–2009. The two strategic pillars of ADB's assistance consists of: (a) Pro-Poor, Sustainable Economic Growth; and (b) social development, which is supported by the following operational priorities:

- (i) improved infrastructure and infrastructure services, including rural infrastructure, with increased public and private sector investment, and improved sector regulation as indicators;
- (ii) deepened financial sector, with improved domestic resource mobilization to meet long-term financing needs as the indicator;
- (iii) improved decentralization, with increased regional spending and enhanced financial reporting as indicators;
- (iv) accelerated MDG achievement, with better water supply and sanitation, health, and education indicators; and
- (v) strengthened environment and natural resources management, with enhanced water and marine resources management and reduced pollution as indicators.⁵⁴

⁵¹ World Bank Group, *Investing in Indonesia's Institutions Country Partnership Strategy FY09-12*, World Bank Group, p.6 para.26, Washington DC, July 2008

⁵² World Bank Group, *ibid*, 2008.

⁵³ World Bank web-site (www.worldbank.org/indonesia).

⁵⁴ ADB (2006), Country Strategy and Program 2006-2009.

Thus, unlike the World Bank approach emphasizing demand-driven poverty alleviation, ADB's approach to poverty alleviation is rather supply-driven and growth-oriented. The ADB's latest assistance strategy is based on the Country Operations Business Plan (COBP) 2010-2012, which was released in September 2009, also provides evidence for this point. For FY 2010, for example, while ADB appropriates the budget of USD 100 million for PNPM-Mandiri (National Community Empowerment Program), which is very much demand-driven community empowerment program, it allocates USD 300 million for Private Sector Management (PSM), USD 180 million for transportation, USD 150 million for agriculture, and USD 100 million for power plant programs.

4-1-3-3 The United Nations Development Program (UNDP)

UNDP's latest country strategy for Indonesia is the UNDP Country Program for Indonesia 2006-2010, released 2005. There are five priorities for UNDP intervention, namely, (a) strengthening human development to achieve the MDGs, (b) promoting sustainable environmental management, (c) improving the governance environment for local development, (d) reducing the risks of crisis, and (e) supporting the reconstruction process in Aceh and North Sumatra.

The UNDP placed the achievement of MDGs as its central goal, and thus promoted the Poverty Reduction Strategy Paper (PRSP), corresponding to the GOI's five year plan 2004-2009. However, the PRSP was never finalized in Indonesia as some donors suggested that the PRSP had no budgetary basis for such and therefore the policies remained unrealizable, while national goals were undermined by the pressure of local parliaments with the project lacking the involvement of civil society.

Given this situation, UNDP has begun since 2006 the "Target MDGs" program (2006-2011), composing of the following sub-programs: (a) improvement of data consistencies and quality at Central Statistical Bureau (BPS); (b) development of national MDGs and campaign focusing on MDGs; and (c) P3BM (Pro-Poor Planning, Budgeting and Monitoring) operation (focusing on 18 districts). The target of this program includes provinces and districts in Indonesia that are currently lagging behind in their achievement of the MDGs and those in very vulnerable regions. On the other hand, P3BM begun at the end of 2006 and is similar to ADB's support of P3B (without monitoring), which was already completed, supporting the improvement of the budgetary process so as to assure that MDGs are compliant on a budgetary basis. Poverty maps were also produced to allocate and target resources for the poor.

Though small in size, the UNDP has its own position in development policy making for Indonesia in international donor community. For example, the P3BM budget for UNDP is only USD 0.5 million (with co-financing arrangement from ex-Japan Bank for International Cooperation or JBIC of USD 0.18 million), but it has had significant impacts on core budgetary process by introducing result-oriented and pro-poor approaches.

4-1-4 Bilateral Donor Agencies

4-1-4-1 Australia

Australia has been the second largest donor for Indonesia, totaling USD 834.0 million of ODA committed in 2008. Its sector focus is largely social infrastructure, in particular health, water supply, and sanitation for poor rural communities and basic education as well as activities to support good governance and institutional capacity building.

The latest business plan for Australian aid is contained in the Australia Indonesia Partnership (AIP) Country Strategy 2008-13, aiming to "strategically support sustainable poverty reduction in Indonesia."⁵⁵ The AIP's goal is to ensure this Country Strategy helps achieve sustainable poverty reduction by

⁵⁵ AUSAID, *Australia Indonesia Partnership Country Strategy 2008-13*, AusAID, 2008.

delivering the development outcomes mentioned in Indonesia's Medium Term Development Plan. The latest AIP contains four strategic pillars: (a) sustainable growth and economic management; (b) investing in people; (c) democracy, justice and good governance; and (d) safety and peace, which basically correspond with the GOI's RPJMN 2004-2009.

Concerning the social protection policy of Indonesia, AUSAID has worked with the World Bank to support the program as a way to efficiently address community poverty alleviation through PNPM. Australia is seeking to more closely align AIP's community based activities to the PNPM-Mandiri. In addition to its financial contribution to PSF, Australia has been consulting with the GOI and international donor community in order to broaden the AIP's contribution to the PNPM-Mandiri for the program in areas such as employment creation, community based economic governance, and community-based water and sanitation⁵⁶.

4-1-4-2 The United States Agency for International Development (USAID)

As of 2008, the USAID is the fourth largest contributor of bilateral ODA, totaling annual commitment of USD 185.8 million, out of which USD 148.0 million go to social infrastructure (education, health, water supply and sanitation, and government and civil society). As in the past, the newly released Country Assistance Strategy 2009-14⁵⁷ emphasizes Result-Oriented policy goals, setting out five "Assistance Objectives" (AOs) attached with "Intermediate Results" (IRs).

The five AOs include: (a) improved capacity of Indonesian institutions to prepare students for learning, work and community; (b) improved management of natural resources; (c) strengthened democratic governance, "Making democratic governance deliver;" (d) improved Indonesian health status and reduced disease threats; and (e) increased employment, all of which are related, in one way or another, to poverty alleviation and social protection as cross-cutting issues.

Among all AOs, the fifth objective of employment generating growth and poverty alleviation has received a special focus as the Indonesian economy has recovered from the past two crises at both macro and micro levels, but without creating enough (at least) formal work. For this reason the Indonesian economy has sometimes been characterized as "job-less growth." In order to arrest this situation, USAID prioritizes industrial as well as agricultural sectors as IRs for this objective, namely: (i) improved economic policies to encourage employment, capital for investment and poverty reduction; and (ii) increased production of selected high-value crops.

4-1-4-3 Dutch Cooperation

The Dutch Cooperation ranks fifth in ODA committed to Indonesia as of 2008. Their assistance strategy is based on Multi-Annual Strategic Plan 2008-11. The Multi-Annual Strategic Plan aims at achieving the following four strategic results: (a) Improved democracy, stability, human rights and governance, resulting in an equitable and secure society; (b) Improved economic governance, resulting in sustainable economic growth and a just distribution of growth to the society, to be able to reduce poverty rapidly; (c) Improved environment and climate policy and implementation, resulting in an increase of renewable energy, sustainable management of natural resources, mitigation and adaptation; and (d) Broad-based bilateral relations through the "Comprehensive Partnership Framework."

Within the framework of these objectives, the Dutch Cooperation supports programs in the fields of good governance, investment climate, education, water management, water supply and sanitation,

⁵⁶ AUSAID, *Ibid*, 2008, p10.

⁵⁷ Released on December 21, 2009. *USAID INDONESIA STRATEGY 2009-2014*

environment (focus on peat lands), and sustainable energy. Also, the Netherlands has been an active member of PSF in order to support PNPM-Mandiri.

4-1-4-4 German Technical Cooperation (GTZ)

Germany is the 6th largest donor for Indonesia, as of 2008. In 2007, German Government and the GoI agreed on the following three priority areas for cooperation: (a) climate change; (b) private sector development; and (c) good governance and decentralization. For German Cooperation, achievement of poverty alleviation and other MDGs is part of the priority area (b) in which “socially balanced economic growth”⁵⁸ plays an important role.

Hence, GTZ has assisted Small and Medium Enterprises (SMEs) through, for example, the Promotion of Small Financial Institutions (PROFI) program (1999-2010). The project provides institutional development and staff training to enable microfinance institutions to provide more accessible financial services for the poor. Trainings are conducted at local levels for legal, regulatory, and supervisory subjects.

GTZ has also been active in policy dialogue in social protection and insurance areas, through its Social Protection Study and Expert Fund, and one of their publications “Options for Social Protection Reform in Indonesia” (joint research with BAPPENAS) has been cited widely. One of the findings of the study is that social protection and insurance schemes in Indonesia are fragmented and are not able to cover the needs of the vulnerable population on a sustainable basis without a comprehensive reform. Health sector (with JAMKESMAS) is one of the few areas in which the GOI has been consistent in extending the coverage to all its citizens. However, the integration of informal workers into the formal protection and insurance mechanism has not been resolved.⁵⁹

The following table summarizes all bilateral and multilateral donors’ directions for poverty alleviation and SSN programs.

Table 4-3 Summary of International Donors’ Assistance

	Assistance Strategy (Years)	Policy Directions	Poverty/ MDG	Coordination
		Market ← → Public		Its Own ← → Aligned
Australia	AIP Country Strategy (2008-13) ○	○ ○
US	Country Assistance Strategy (2009-14)	◎	×	◎
Dutch	Multi-Annual Strategic Plan (2008-14) ○	◎ ◎
Germany	Bilateral Agreement (2007-)	◎	× ○
World Bank	Country Partnership Strategy (2010-14) ○	◎ ◎
ADB	Country Strategy and Program (2005-09)	○	×	○
UNDP	Country Program for Indonesia (2006-10) ◎	◎ ◎

Note: ◎ Strongly related, ○ Related, × Not Strongly Related

Source: JICA Study Team

⁵⁸ GTZ (2009), “Priority Areas in Indonesia” (<http://www.gtz.de/en/weltweit/asien-pazifik/1468.htm>).

⁵⁹ GTZ (2008), “Options or Social Protection Reform in Indonesia”.

4-2 Priority Areas of Japanese Assistance and Modalities

4-2-1 Comparative Advantages for Japanese Cooperation

As reviewed in the previous sections, there are some nuanced differences among donors' approaches and policies towards poverty alleviation and social protection; some of them emphasize market mechanism (e.g. support to SMEs, employment generation, agricultural development), while others emphasize public support (e.g., support to PNPM, health and education sectors). Their positions towards donor coordination are not the same; small donors tend to align with international framework (e.g. PSF), while large donors tend to pursue their own programs of priority.

The Japanese position regarding its assistance to Indonesia is based upon the Country Assistance Program for the Republic of Indonesia (2004), which outlines priorities of intervention as follows: (a) assistance to realize sustainable growth driven by private sector; (b) assistance to create a democratic and fair society; and (c) assistance for peace and stability. Poverty alleviation efforts by the GOI have been assisted under (b), with the emphasis given to priority areas of agriculture and fishing, as well as basic services in education, health and medicine.

Priority areas for JICA assistance, as will be discussed in the next chapter should take into account of the following comparative advantages.

1. Impacts – Japan has been and is expected to be a top donor for Indonesia. Large scale projects and programs could have nation-wide impacts. Currently, annual USD 500-600 million for program loan, and USD 700-800 million for project loan have been committed by Japan, and this allocation could be shifted in order to impact the core policy areas of SSN and poverty alleviation.
2. Synergy of Loan, Grant and Technical Assistance – It is important to seek ways to maximize the “synergy effects” of the merger of JICA and JBIC of October 2008.
3. High quality infrastructure and high standards of technology – JICA has to select and concentrate. There are several typical good projects we need to continue to assist, such as regional electrification, telecommunication and transportation projects, which will serve as narrowing the regional gaps.
4. Public and Private Cooperation – Japanese ODA has stimulated and promoted private investments and trades between the two countries, and there has been a good collaborative relationship between public and private sectors in ODA business.

4-2-2 History of the Social Security System

After the 1990s, especially since 2000, the unemployment rate in Japan entered a distressing level to the extent that Japan was unable to maintain the minimum standards of their social living, and the so-called “working poor,” has increased rapidly. Together with criticism towards the result of structural reform that the Koizumi administration carried through, the expansion of domestic wealth disparity has been at the top of the current political and societal agenda. The institutional fatigue and failure of policy regarding labor issues and social safety nets are pointed to as the causes mainly by mass media. Yet, the vision of how to remove the causes and where to go is still being sought.

The safety net in Japan originated in the institutions of social welfare and social security, which had been established to address the situation of wide-spread poverty all over the nation following World War II (See Case Study 4). The underlying concept has not been changed to present, even though there have been some minor adjustments according to each of Japan's economic development stages starting with high economic growth, stable growth, the economic bubble and its burst down, to low growth. To observe

the transition and characteristics, institutions and policies will bring out the changes of Japan's economic and social situation and the difficulties in managing safety net.

There are currently debates in Japan regarding the social safety net policies, in particular concerning the employment adjustment subsidy and minimum wage. The Employment Adjustment Subsidy was established when Japan's employment policy changed its direction from unemployment compensation to affirmative unemployment prevention after the first oil shock of 1972. An annual amount of around JPY 20 billion on average is being disbursed, with a peak around JPY 65 billion. Its purpose is to maintain employment by letting employees stop working (lay-offs, etc.) through sharing a part of the leave allowance cost with the government to help employers who face difficulties in maintaining employment due to recessions; this is a high-impact subsidy program for the employers.

This subsidy program, however, has been subject to criticisms since its establishment. The persuasive argument is that this subsidy prevents human resource from mobilizing to profitable sectors. The criticism claims that if the targeted industry has a tendency of declining in scale, the repeated subsidizing of the industry results only in letting excess employment to further remain within a company as it is less probable for employment demand to expand even when the better economic conditions return.

Democratic Party of Japan (DPJ), which has achieved a complete rise to power for the first time in the postwar era in Japan, has promised minimum wage increases in its election manifesto. In Japan, minimum wages are set so that they reflect wage disparities among regions. There have recently been active discussions whether the minimum wages are too low. In the new Minimum Wages Act implemented since 2008, there are provisions for consistency in policies regarding public assistance. This article was included because there have been problematic cases wherein the income of those who work for a certain period for minimum wage are lower than those who receive public assistance.

Research on the distribution of wages has demonstrated that in Japan minimum wages play a certain policy role. The recent empirical analysis of whether minimum wage is desirable as poverty reduction, however, implies that minimum wage may not be appropriate for targeting the poor because it is not necessarily the poor but rather often spouses and children of middle or higher income households who benefit.

The alternatives based on this research include a substantial wage subsidy through the effective designing of earned income tax credits, which would enable the government to stimulate workers' incentives for employment by increasing wage rates.

Case Study 4: History of Social Security System in Japan

Establishment of the Institutions of Social Welfare and Social Security after World War II

The basic concept of Japanese social security system in the post-war era is reflected in the Article 25 of Japan's constitution, the draft of which was prepared at the General Headquarters of the Allied Forces, overseen by General MacArthur:

All people shall have the right to maintain the minimum standards of wholesome and cultured living. In all spheres of life, the State shall use its endeavors for the promotion and extension of social welfare and security, and of public health.

On this authority, the Public Assistance Act was established in 1946, which started general assistance to those who fell into poor or needy situations including the unemployed and repatriates as well as the aged, infants, and the disabled. The Act evolved into the new Public Assistance Act in 1950, which was improved in various ways including the establishment of a system for the motion of complaints. The budget for the public assistance in fiscal 1951 amounted to about JPY 20 billion, 2.7% of the general account budget, and around JPY 2 million people received assistance.

In the following 1947, the Child Welfare Act was established to address the problems of homeless waifs caused by the war. The existence of a large number of disabled people, which had also been caused by the war, was one of the important social welfare issues, along with the welfare for the needy persons and children. In this regard, the Act on Welfare of Physically Disabled Persons was enacted in 1949. Then in 1951, the Act on Social Welfare Services, which later evolved into the Social Welfare Act in 2000, was established to arrange fundamental issues common to all these three acts on social welfare. The Act was promoted to establish the administrative institutions for the implementation of the three acts on social welfare and the transformation of the organizations involved in social welfare services into authorized corporation.

Additionally, immediately after the end of the war, there was a large segment of the population unemployed due to the disruption of war industries and the population inflow caused by demobilization of veterans and an inflow of repatriates from overseas. In 1947, three acts in this regard were enacted: the Unemployment Insurance Act, which adopted a national compulsory insurance system; the Labor Standards Act, which regulated the minimum standards of working conditions; and the Workers' Accident Compensation Insurance Act, which substantiated the accident compensation indicated in Labor Standards Act.

Social insurance systems including health insurance and employees' pension insurance, many of which had been established in the war era, were brought into a fateful crisis in the chaos of postwar, especially due to inflation. The Government attempted to reconstruct the system by implementing various measures including increasing government subsidies, but the financial condition of insurance was only finally restored after the progress of economic rehabilitation owing to a war-time "special procurements" boom from the Korean War, which helped the promotion of employment, increased income, which was the basis of premiums, and improved the rate of collection of premiums.

Expansion and Improvement of Social Security System during the High Economic Growth Era

Japan got out of the era of the postwar chaos and rehabilitation in the mid-1950s and then experienced the high economic growth era for about 20 years until the mid-1970s. Until 1974 when Japan's economic growth rate became negative, due to the oil shock, for the first time since the end of the war, Japan achieved rapid growth with an annual real economic growth rate average of 9.2%. In this process, the industrial structure drastically shifted its center from the primary industries to the secondary and tertiary, as well as from light to the heavy chemicals. The high economic growth centered on the heavy chemical

industries created enormous employment opportunities in industries such as manufacturing, especially in the urban areas, causing a large inflow of population from the rural areas.

To address the rapid changes in many areas resulting from economic growth, such as urban congestion, depopulation of rural areas, increased prevalence of nuclear families, and widening disparities, the expansion and improvement of the social security system was initiated. The establishment of universal health insurance and pension coverage characterized the expansion of the system during this period. Other reforms included: the improvement of the standards of public assistance; establishment of the Act for the Welfare of the Mentally Retarded, Act for the Welfare of the Aged, and Act on Welfare of Mothers with Dependents and Widows; launching of the child allowance system; improvement of benefits of medical insurance and pensions; and creation of the employment insurance system, which included workers' capacity development services as well as the benefits from unemployment insurance.

Gap between the Concept and Reality

Although the social welfare and security system was rapidly established as a national institution through the post-war era and high economic growth, it has been pointed out since then that the vision of the system has not been substantially implemented. The administrative litigation in which the plaintiff claimed that the benefit standard of the public assistance was too low and won at the first trial (but lost at the second and died during the third which ended the case without any judgment for the claim) has been sometimes indicated as a typical example of the real situation of "reformulation of low standards of welfare". Such perspectives have been backed by the fact that the working model of individuals and standard of living of households that the social security institutions have targeted has not matched reality and there have been double mismatches: the existence of a large number of unmatched cases; and the system unmatched to changes with the times.

For example, even in 1990s, a childcare policy with the necessity of the child-care for children under three years of age was still denied and emphasis was put on care inside the home, which was an unrealistic vision for a mass employment generation and households of rural exodus since it necessitated the re-organization into a traditional family community, which had already collapsed. Since the end of the war, the family, local community, and companies can be seen to have bridged each gap between the concept and the reality of the system. Along with the migration of the workforce, however, families have changed their shape to nuclear ones and traditional local communities have gradually collapsed. In this process, companies have increased their roles in sustaining a part of social welfare and security system that the administrative institutions have not directly supported. Yet, in the structure of Japanese style capitalism, such social security systems through companies resulted in the maintaining of severe disparities of social welfare and safety nets in terms of coverage and quality.

Structure of Japanese Style Capitalism and Disparities in Social Security

The structure of Japanese style capitalism refers to the hierarchical market established in the beginning of 1970s and explained below. One of the competitive advantages of Japanese style capitalism that sustained the high economic growth has been thought to be its flexibility, which has been realized by the divided and hierarchical labor market wherein regular employees accept flexible human resource allocation in large enterprises with the regular employees in SMEs operating as external buffers allowing for the productivity increase effect, and irregular employees working in micro companies or homes. The hierarchical relationships of companies, which are linked in the form of the value chain in scale order from large size to mid/small or micro level, also contributed to maintaining this flexibility.

The flexible allocation of employees has been realized by the compromises between labor and management wherein the labor union admits the flexible allocation for the employer and, in turn, the employer provides lifelong employment. Furthermore, it was the bank-dependent corporate finance, in other words the "main-bank" system, backed by the convoy system of the financial sector, that allowed

the compromise mentioned above within the modern capitalist economy. Since exports continue to expand the whole economy as long as the country has cost advantage, Japanese companies have adapted flexibly to changes in market demand through developing “generalists” or multi-skill engineers and changing their position from declining into expanding sectors within one company. This means that the Japanese-style labor-management relationship was superior, at least at that time, to the Western one, in which labor unions were fragmented based on functions that made reallocation difficult.

Such a hierarchical market in the high economic growth era brought about severe competition at the lower layers, leading to a decline in the supply price of products. As a result, business management in the lower layers has been obliged to have preferences for reductions in labor costs; meaning lower wages. In addition, as measures of the reduction of labor cost other than wage and salary, SMEs have targeted retirement benefits, education costs, and non-legal welfare expenses such as rent subsidies, because legal welfare expense such as social insurance contributions of employers have limited effects on cost reduction for them. Thus, the formulation of the hierarchical market has expanded the disparities of intra-company welfare between large and mid/small companies.

Also in the 1980s, married women increasingly entered the labor market, leading to the diversification of employment formats such as part-time, temporary, or day workers. This caused a rapid increase in cases in which people who lived in a situation that the original systems incorporated were excluded from the safety net, including the case of unemployed persons not being eligible for unemployment benefits. In addition, these types of workers were often positioned in the lower layers of the hierarchical market mentioned above, so they have suffered from the double-separation from the original concept of the social security and welfare system.

Before these problems could be completely resolved, Japanese companies encountered the economic crisis of 1990s and began to downsize their core segments in order to increase their external flexibility. Along with this move, the expansion of irregular employment and shakeout of SMEs, which were previously labor absorbers, rapidly progressed including the transition to offshore procurement. Financial institutions reforms then dismantled the financial compromise, which made the compromise between labor and management lose its backing, and accordingly restructuring even in large corporations advanced rapidly.

The poverty in working households or the needy situation of irregular employees mentioned at the beginning of this section can be seen as the result of the gap between the concepts included in the institutions and reality of the situation, which has remained throughout in changing shapes and scales. It is thought that at the time of the establishment of the social security and welfare system, or at a time when the scale and extent of poverty was not as large as today, the social security system centered on companies (lifelong employment, intra-company welfare, the intervention by parent companies and banks in the subcontracted SMEs, SMEs as labor absorbers, husband’s work as the salaried businessman and wife’s par-time work) existed and it provided a certain sense of stability. The national social security system as the governmental institution can be considered to have been built and operated in order to complement a non-governmental social security system. This social security system centered on companies, however, became nonfunctional and people have been obliged to live in the competitive world without a social safety net for working households. The current poverty situation in Japan emerged from this process.

Current Arguments Regarding the Safety Net

The overview of Japan’s experience and related discussion implies that one of the major causes of the high poverty rate in Japan is a shortage in income redistribution through tax and social security, such as child allowances, unemployment benefits and public assistance. Another cause may be the wage disparity between regular and irregular employees. Both of them have resulted from the remaining hierarchical structure in Japanese-style capitalism, such as the disparities of intra-company welfares between large-

size and small-/mid-size enterprises. However, the corporate-dependent social welfare system can no longer be maintained due to the upsurge of irregular employees since the 1990s. Hence, it is likely necessary to seek a new style of social safety nets by reforming pension or tax system (negative income taxes for example).

In other words, the weakened cost advantage caused by wage increases reduces the potential growth rate and then, as mentioned above, it is no longer possible to guarantee stable employment through flexible allocation of workers within a company. This is especially true in the manufacturing sector, which cannot escape from the pressure of cost reductions under a situation where in they are forced to face tough competition mainly from other Asian countries.

In fact, by facing such situations, companies have withdrawn by the superficial means of the introduction of a performance-based pay system; the wage and welfare system on the premise of life-time employment and fulfillment of intra-company welfare.

Recently in Japan, political pressure aiming to forbid worker layoffs in manufacturing sectors has arisen based on the perspective that one of the major causes of poverty in Japan is the bad working conditions of irregular employees, especially laid-off workers. Despite this, it cannot be highly expected that forbidding lay-offs will give an incentive for enterprises to employ regular workers instead, if considering, current economic recession with rapid decrease of labor demand, many Japanese still support the idea of eliminating disparities by achieving the closer treatments between irregular and regular employees.

There are two parties suggesting how to address the current situation of expanding poverty. The idea that the safety net based on the structure of the Japanese-style capitalism cannot endure has finally lead to the assertion that it is necessary and only acceptable to enhance the flexibility of the labor market and development a re-education system to enable workers to remobilize easily. The counterargument, which is raised from the viewpoint that the response towards the poor who keep suffering until the realization of the positive effect of the slow-acting reform, is that it is unavoidable to create a new safety net that addresses irregular employee needs immediately and directly.

Chapter 5 Recommendations

5-1 Recommendations for Social Protection and Safety Net Policies in Indonesia

Poverty alleviation must be seen as part of the social empowerment of the people. As such, the poverty alleviation efforts must always be kept within the wider social security system. GOI needs to understand that poverty is a vulnerability problem. A great deal of the latter arises from the fact that the poor cannot shield themselves from the social and, primarily, economic risks they are facing in daily life.

It is necessary that GOI start implementing the National Social Protection System as stipulated in Law No. 40/2004, which should be used as a benchmark for the alignment of the other preceding laws with more operational regulatory frameworks needing to be formulated. At this moment, the Government has established the National Social Security Council (Dewan Jaminan Sosial Nasional-DJSN) though the council has not made any significant policy breakthroughs towards the implementing of the law. It is important that GOI continues to implement social security frameworks, which will widen the social protections of the all Indonesians.

Nevertheless, the social protection has been strategically designed to cover poor households. The previous versions of RASKIN, BOS, or JAMKESMAS programs had been in place as parts of the social safety net program during the end-1990s crisis. Improvements to the implementation of these programs have been continued, and GOI has recently put together these programs under the PERPRES No. 13/2009 on Poverty Alleviation and GOI needs to follow up the implementation of the PERPRES No. 13/2009. The TKPK must be encouraged to take a center stage in the multifaceted and multi-sectoral programs claiming poverty-alleviation characteristics. For efficiency purposes, it is mandatory that the team be strict in the types of intervention that should be under the national poverty alleviation program, and, hence, shortening and easing the potential coordination problems and costs.

It is important that the poverty alleviation programs should be more and more connected with the productivity issues with the *productivity-enhancing poverty alleviation program* should be the backbone of Indonesia's poverty alleviation program. Any approach towards poverty alleviation, which is not linked to enhancing the productivity will bound to a prolonged dependency on government intervention.

As such, clusters stipulated in PERPRES No. 13/2009 should not be seen as three separate groups as moving from clusters 1 to 2 would require productivity, just as the case of moving from clusters 2 to 3. Therefore, cluster 1 should introduce the need for the recipient to enhance their productivity, potentially through engagement in the workforce. Exceptions can always be made for the most vulnerable who require social assistances, but built into the cluster 1 programs should be activities linking the social assistance with productivity. Cluster 2 should also address the productivity issue to allow its recipients to graduate and move on to the cluster 3. In other words, graduation to cluster 3 should be a matter of productivity.

The issue of bankability is necessary to address once one is in cluster 2. There are important issues here. First is that of collateral formation. It is important that GOI helps the poor with collateral formation to allow them to have access to the banking system. Second is management capability. Bankability is closely associated with proper business management meeting banking standards. This is where the collective approach may be of significance. Easier access to the banks may be obtained when collective actions are in place. One potential in this matter is the role of cooperatives with cooperatives playing an important role in bridging PNPM programs in cluster 2 to bankability programs of cluster 3.

GOI should realize that informal sectors (or the informal economy) play an important role in the *productivity-enhancing poverty alleviation program*. Poverty alleviation should be carried out through the workforce. By all means, it would be through the informal sector. As such, it is important for GOI to contain interventions for the informal sectors since education (especially vocational education) and

training are two drivers of productivity improvement in the informal sectors. It would help boost productivity if existing informal sectors could take advantage of the public Training Center (Balai Latihan Kerja or BLK). BLK, which is always being directed to produce highly skilled workers, may also have a more-social function as a place where existing informal sectors can improve their knowledge. BLK can offer various short-term, non-certified, courses on different skills.

It is necessary for GOI to have concerted and systematic efforts to shift informal activities into formal work as informal activities are associated with greater insecurity and uncertainty. They should be encouraged to shift to formal establishments. What is necessitated here is the easier procedure in obtaining licenses and permits. Another important element is the pro-jobs labor market regulations. The pro-jobs should not be mixed up with protectionist, as the latter would only hurt rather than protect labor.

5-2 Possible Areas for JICA's Assistance for Indonesia

5-2-1 JICA's Comparative Advantage and Issues for Assistance

As a top donor, JICA has contributed to Indonesia in assisting economic infrastructure, and helped achieve the country's economic growth, while it has also contributed to rural development through improvement of rural infrastructure and to other social development areas. Since the economic crisis in the late 1990s, Indonesia has overcome two major economic crises and has become a core South Eastern country and also a member of G20. There is a continued need for improving economic infrastructure with an increasing need for policy intervention for the worsening economic gap between urban and rural area as well as urban formal and informal areas, which could potentially trigger social unrest.

Since the previous crisis, other donors such as the World Bank, ADB, and DFID have also shifted their focus of assistance to poverty alleviation and other social development areas as well as to capacity building. Such areas as physical infrastructure, where Japan has kept a comparative advantage, have decreased relative needs for direct public intervention, because these are often the subject of Public-Private Partnership (PPP). Also, newly industrialized countries such as China have increased their presence in private investments. Clearly, Japan has lost its presence in Indonesia, as compared to the 1990s.

It is very important for both Japan to reexamine priorities in its development assistance and to take on new responsibilities in social development. Equipped with both financial (loan and grant) and technical assistance schemes, Japan is expected to make more comprehensive and substantive contributions to this area.

There are three pillars of Japanese assistance, namely: (1) rural development (as there are many challenges in infrastructure, as well as social development and empowerment); (2) institutional capacity building (in light of the lack of coverage of public insurance and vulnerable local governments); and (3) micro, small, and medium enterprises (with severe conditions for workers). (See the figure below)

The following sub-sections discuss the possible areas for JICA's assistance in each pillar.

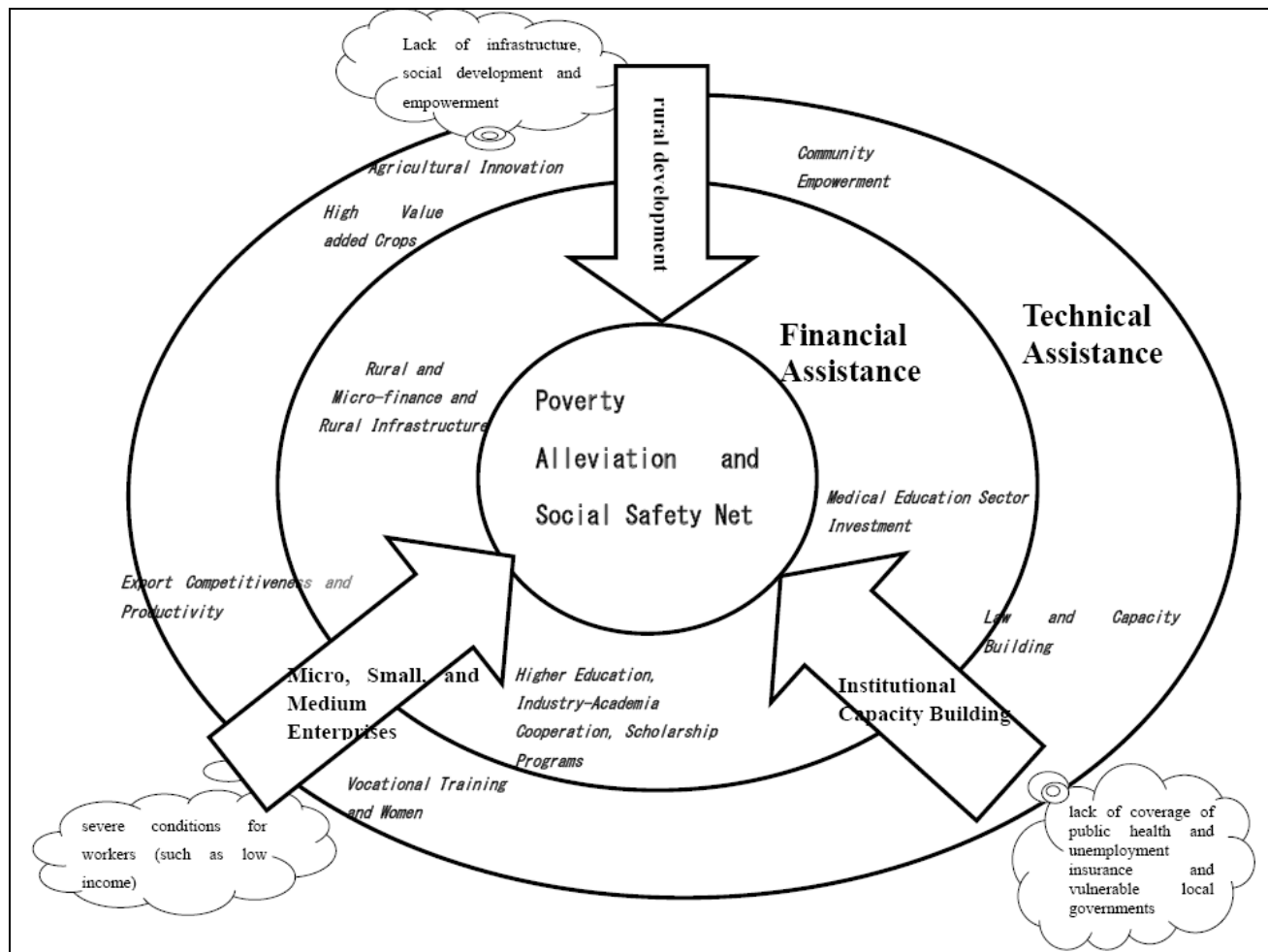


Figure 5-1 Three Pillars of Japanese Assistance

Source: JICA Study Team

5-2-2 Rural Development

A majority of poor population in Indonesia are rural with various public support programs have been effective in alleviating rural poverty, but not specifically targeting the rural areas. It is important to assist agricultural sector, especially for improvement in its productivity, in order to address rural poverty. The qualitative evaluation has provided a rationale for support in PNPM as well as other rural specific infrastructure projects, namely, road, electricity and water resources. Also, the quantitative evaluation has suggested the need for income support for poor households to cover food and health service costs that have significant impacts on their welfare and poverty status. In the long run, it is important to assist them in being self-sustainable.

5-2-3 Institutional Capacity Building in Social Protection

In social protection and insurance areas, technical assistance combined with policy-based lending would be beneficial. Law No. 40/2004 has already given directions for social security reforms through GOI. However, it is important for them to conduct simulations on various demographic dynamics and public finance scenarios in order to establish and expand the formal social security system in Indonesia. It may be helpful to collaborate with Germany, which has experience in this area.

Additionally, legal assistance regarding labor market is urgently needed. Currently, Indonesian labor law has been the most inflexible in Southeast Asian countries, creating an obstacle for entry by foreign investors. Workers in informal sector have not benefited from minimum wage, which is not binding for them. Thus the reform is necessary not only for legal area in order to establish a sound worker-employer relationship but also for institutional area beneficial for poor individuals and micro entrepreneurs largely in informal sector.

5-2-4 Micro, Small and Medium Enterprises

Support for micro, small and medium enterprises (MSMEs) increases productivity in informal sector, thus benefiting the poor. This is also to “formalize” informal sector by the following two channels:

- (1) Scale Economy: expansion from micro to small, then to medium enterprises; and
- (2) Network Economy: expansion of linkage among production, distribution and consumption.

In order to promote this goal, it is important to provide technical assistance (such as professional and vocational training, sending experts for managerial advice) or financial support (microcredit or policy lending). Also, in order to develop entrepreneurial spirit and creativity, it would also be helpful to assist the young generation, rural residents or women, where Japanese experience could be beneficial.

Support to MSMEs also benefits the Bottom of the Pyramid (BOP). Incidence of poverty if measured by caloric poverty line has improved to about 15%, but is as large as 60% if measured by 2 dollar per day poverty line. Also, the minimum wage in Jakarta, which is supposedly the highest in the nation is monthly about IDR 1 million (or about JPY 10,000), so the real purchasing power by the poor is less than what the official poverty incidence can depict. It is important for alleviating poverty, therefore, to improve the purchasing power of the BOP and to establish a business model targeted the BOP market, which is another reason why the support for MSMEs is necessary and useful.

5-2-5 New Trends in Aid Harmonization

The dissolution of Consultative Group on Indonesia (CGI) in January 2007 has left Indonesia with a lack of “donor coordination” mechanisms except for DSF and PSF, where Japan is NOT represented. For Japan to show a presence as a top donor, it may be conceivable for the country to join PSF or to propose an alternative framework. However, the GOI is not particularly keen on establishing new frameworks.

Hence, it is important for Japan to coordinate with the GOI and relevant donors (the World Bank and ADB in particular) for a new coordination mechanism, while at the same time seeking a membership in PSF.

In this context, the so-called “Jakarta Commitment,” as signed by 22 organizations (19 bilateral and 3 multilateral ones), is worth emphasized. This is an Indonesian version of the 2003 Paris Declaration on Aid Effectiveness, and aims to achieve the following policy goals by 2014, the terminal year of 5 year plan starting 2010: (1) strengthening country ownership; (2) establishment of effective and comprehensive development partnership; and (3) strengthening monitoring and evaluation about aid effectiveness.

Japan is expected to exercise its leadership role as a top donor in this new trend of donor coordination.

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Minutes of Meetings

Date	Time	Place (Person)
9/7 (Mon)	8:30-9:00	JICA (Mr. Ogawa)
	9:30-10:30	Min of Econ (Mr. Bayu)
	12:00-13:30	Min of Health (Mr. Kamaruzzaman)
	14:00-15:30	UNDP (Mr. Syebubkar)
9/8 (Tue)	9:00-10:00	SMERU (Mr. Asep / Ms. Anty)
	11:00-12:30	BAPPENAS (Mr. Pasetijono)
	13:00-14:00	ADB (Mr. Kubitzki)
	14:30-16:00	Emb of Japan (Mr. Maeda/Iyori)
	18:30-19:30	Min of Labor (Ms. Myra)
9/9 (Wed)	9:00-10:00	BPS (Mr. Wynandin/Wien)
	10:30-12:00	BAPPENAS (Ms. Endah/PNPM)
	12:00-13:00	BAPPENAS (Mr. Hanafi/Edu)
	12:30-14:00	AUSAID (Mr. Guggenheim)
	15:00-16:00	WB (Ms. Vivi)
9/10 (Thu)	9:30-11:00	BAPPENAS (Mr. Pungki/SSN)
	10:00-11:00	UNICEF (Mr. Corsi/Kojima)
	11:00-12:00	BAPPENAS (Mr. Nono/Food)
	13:00-14:30	Min of Welfare (Mr. Sujana)
	17:00-18:00	LD (Mr. Sonny)
9/11 (Fri)	10:00-11:00	BULOG (Ms. Putri etc)
	13:00-14:00	MICRA (Mr. Fadri/Ms Rita)
	15:00-16:00	YIPD (Mr. Kabul/Ms Novi)
9/12 (Sat)	12:00-16:00	Local village / S. Sulawesi
9/13 (Sun)	-	Report Writing
9/14(Mon)	10:00-11:00	JICA Massakar (Mr. Yamashita)
	10:40-12:00	DFID
9/15 (Tue)	10:00-11:00	USAID
	14:15-14:45	Ministry of Backward Areas
	15:30-17:30	BAPPENAS (Mr. Bambang/Monev)
9/16 (Wed)	09:30-11:30	BAPPEDA / Bandung
	11:30-15:00	Local Village / Bandung
9/17 (Thu)	9:00-13:00	YIPD (Mr. Kabul/Ms Novi)

	12:00-13:00	ILO (Mr. Chatani)
	17:00-18:00	Ministry of Finance (Mr. Eko)
9/18 (Fri)		Internal Meeting (UI)
9/19 (Sat)		(Lebaran Holiday) Report Writing
9/20 (Sun)		(Lebaran Holiday) Report Writing
9/21 (Mon)		(Lebaran Holiday) Report Writing
9/22 (Tue)		(Lebaran Holiday) Internal Meeting
9/23 (Wed)		(Lebaran Holiday)
9/24 (Thu)		
9/25 (Fri)		
9/26 (Sat)		
9/27 (Sun)		
9/28 (Mon)		JICA Seminar (Tokyo)
9/29 (Tue)		JICA Seminar (Tokyo)
9/30 (Wed)		PPA field survey / Legal Issues
10/1 (Thu)		PPA field survey / Budget Issues
10/2 (Fri)		PPA field survey / RMPJ Plan
	14:00-16:00	Ministry of Cooperative and SME
10/3 (Sat)		PPA field survey
10/4 (Sun)		PPA field survey
10/5 (Mon)		PPA field survey
10/6 (Tue)		PPA field survey
	15:00-15:30	YLBHI
10/7 (Wed)		PPA field survey
10/8 (Thu)		PPA field survey
	14:00-15:00	GTZ (Ms. Johanna)
10/9 (Fri)		PPA field survey
	10:00-11:00	Director of Fiscal Balance MoF
10/10 (Sat)		PPA field survey
10/11 (Sun)		PPA field survey
10/12 (Mon)		PPA field survey
10/13 (Tue)	11:00-12:00	FEUI (Mr. Firmanzah)
	14:00-15:00	LPEM FEUI (Mr. Wydiono)
		MONE (primary and higher edu)
10/14 (Wed)	10:00-12:30	YIPD workshop (mid-term)

	15:00-16:00	JICA Reporting / Progress Report
		Ministry of Cooperatives and SME
10/15 (Thu)		PPA field survey
10/16 (Fri)		PPA field survey
10/20 (Mon)		WFP
10/22 (Wed)		Dutch Embassy
11/4 (Wed)	9:00-14:00	Workshop (All Agencies)
11/5 (Thu)		Univ of Indonesia (workshop)
11/9 (Mon)		Univ of Indonesia (workshop)
11/10 (Tue)		Univ of Indonesia (internal meeting)

Date / Time	Mon, Sept 7 / 8:30-9:00
Organization	JICA Jakarta Office
Person / Position	Mr. Ogawa Shigenori / Deputy Chief Representative
	<ul style="list-style-type: none"> ● Briefing of Inception Report (ICR) & Courtesy Visit ● At the end of the first mission (by Oct. 15), the team will report back to JICA Jakarta Office about the main findings and submit the “progress report” (in Japanese)

Date / Time	Mon, Sept 7 / 9:30-10:30
Organization	Coordinating Ministry for Economic Affairs
Person / Position	Mr. Bayu Krisnamurthi / Deputy Minister, Agriculture and Marine
	<ul style="list-style-type: none"> ● In the last two years, government programs for poverty reduction at the micro level can be categorized into 3 clusters. The first one is the social safety net which consists of four interventions with households as the target: unconditional cash transfer, subsidized rice for the poor, health insurance, conditional cash transfer, in addition to school operational assistance (BOS) which has schools as the target of intervention. In the second cluster, community is the target for program so called PNPM Mandiri which is the national program for society empowerment. In the third cluster, government support entrepreneur to subsidize to credit. ● At the macro level, all programs run by the government should be pro-poor, pro-job and pro-growth. After the climate change conference in Bali, there is another principle which is pro-environment. ● National Poverty Reduction effort is coordinated under the Coordinating Ministry for People’s Welfare and consists of all related ministry. ● The three clusters of programs at the micro level are being seen as the most complete programs to reduce poverty because it reach all aspects. Nevertheless, the implementation should be improved.

	<ul style="list-style-type: none"> ● Despite the fact that now Indonesia is in decentralization era, all national program for poverty alleviation are targeted directly to the beneficiaries and sometimes this effort is financially supported by local government. ● Outside the poverty reduction, there are two faces of decentralization. On one side, decentralization brings new ideas and local content when the leader has a good leadership. On the other side, for some region, decentralization make the region become slow because of lack of leadership even though national government has provided some guidelines. Hence, decentralization open opportunity but also create problem. ● Local initiative on poverty alleviation program is on top of national government program.
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Date / Time	Mon, Sept 7 / 12:00-13:30
Organization	Department of Health
Person/Position	Mr. Drg. M. Kamaruzzaman / Chief of Planning and Human Resources, on behalf of Dr. Usman Sumantri
Main Points	<ul style="list-style-type: none"> ● There are 76.4 million people who are categorized as poor by the government. Out of 76.4 million poor people, 67 million are covered by health insurance through the government SSN using registrations to identify them. The remaining 9 million are those who cannot be identified using registrations (name and address), such as homeless and beggars. They can still be covered by SSN health insurance if a local government issues some documentation to endorse their poorness. ● The government plans to introduce universal coverage of health insurance, starting in 2014. Currently, the poor, civil servants, and formal-sector workers are eligible for social health insurance, and the rich can buy private health insurance, so roughly 45% of 230 million Indonesian citizens are covered by some type of health insurance. ● To achieve universal coverage, the next main job of the government is to cover the near-poor. The central

	<p>government thinks to mobilize local governments to perform this task. The near-poor may not be fully covered (i.e. users' contributions as well as copayments). For the currently uninsured who are not categorized as poor or near-poor, health care would be subsidized but not free.</p> <ul style="list-style-type: none"> ● To contain health-care costs claimed by health-care providers under the scheme of SSN health insurance, the government initiated two actions. i) require health-care providers to use a more detailed list of treatments when health-care providers claim for payments, and ii) set up a unit for examining medical bills claimed by health-care providers and assigned 1600 independent reviewers of medical bills. ● To avoid a source of corruption or to be more efficient, Department of Health is not involved in money transactions to health-care providers. Ministry of Finance directly pays money to health-care providers. ● There are three principles of JAMKESMAS, 1) comprehensiveness; JAMKESMAS cover all treatment as long as the beneficiaries follow the rule and referral system ii) portability; the database was sent to all hospital so that the beneficiaries with card from one place can be treated in the other places iii) not for profit; if there is profit, it will be use to increase service.
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Date / Time	Mon, Sept 7 / 14:00-15:30
Organization	United Nation Development Program (UNDP) Indonesia Office
Person/Position	Mr. Abdurrahman Syebubkar / Team Leader, MDG & Human Development, Poverty Reduction Unit
Main Points	<ul style="list-style-type: none"> ● Government released an improved poverty data a few days before the election in 2009. The poverty was improved because of conditional cash transfer, implemented just a few days before BPS survey. ● Indonesia poverty rate is low and has already achieved an MDG goal (of halving the poor since 1990), if used \$1/day or \$1.5/day poverty line, but (as the country is a middle income now), \$2/day poverty line should be used to reflect the reality

	<p>of the poor people in the country. More than 100 mil people are still under poverty using this poverty line.</p> <ul style="list-style-type: none"> ● One of the problems of poverty programs in Indonesia is lack of coordination between overlapping (in terms of program and geographical location) programs. Coordinating ministry does everything except for coordination! ● National strategy of poverty now is threefold (PNPM, SSN, and support to SMEs). TKPK (national team for poverty reduction) (where Mr. Sujana Royat is also represented) local TKPK is dormant, because of “multi-responsibilities” – making unclear who is responsible for what. For PKH (conditional cash transfer), ask Mr. Pukai Sulai (BAPPENAS). For the impact of global crisis on poverty, ask Mr. Bambang Widianto (BAPPENAS). ● UNDP has been supporting poverty programs since 1997/8 crisis, starting from CRP (country recovery program) when 27 nation-wide NGO networks have been mobilized (2200 NGOs in total) to support CBOs (community based organization). 250 thousand households were benefited. UNDP has also managed trust fund (\$28 mil). Both CRP and trust fund were closed in 2006. ● UNDP has also supported PRS but there are lots of problems. PRS had no budgetary basis and therefore policies were unrealizable. National goals were undermined by the pressures of local parliaments. Involvement of civil society was missing. Now PRS in Indonesia has become invisible. ● Given this situation, UNDP has started since 2006 “Target MDG” program (2006-2011) (with Mr. Endah/Bappenas), composing of the following sub-programs: <ul style="list-style-type: none"> ○ (With JBIC support) improvement of data consistency and quality at BPS, ○ Development of national MDG (see brochure), and campaign of focusing on MDG, ○ P3BM (Pro-Poor Planning, Budgeting and Monitoring) operation (focusing on 18 districts). ● P3BM stated at the end of 2006, is like ADB’s support of P3B
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	<p>(without monitoring) (for 11 districts / Task Manager, Mr. Allen Pauntis) which was completed. It is a support to improve budgetary process, to make sure MDGs are basis of budget. Poverty maps were produced to allocate and target resources for the poor. One of the model village is “Wakatobi” village in South Sulawesi.</p> <ul style="list-style-type: none"> ● The budget of P3BM is 500,000 \$/year (UNDP) and 180,000\$ (JBIC).
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Date / Time	Tue, Sept 8 / 9:00-10:00
Organization	SMERU Research Institute
Person/Position	Mr. Asep Suryahadi / Director Ms. Widjajanti Isdijoso (Anty) / Deputy Director
Main Points	<ul style="list-style-type: none"> ● Qualitative assessment on poverty is a relatively new and an ongoing efforts ● There is tripartite cooperation on assessment of poverty: Smeru for qualitative assessment, BPS quantitative survey, and Bappenas as the coordinator, BPS is doing a special survey, using the sample based on Sakernas. ● On the impact of the current crisis, SMERU did small qualitative study in collaboration with IDS Sussex University with a sample of two villages (one urban, and one in a small plantation area). Currently, SMERU is doing qualitative study in six communities (six villages) Lombok (pottery industry) Bandung (textile) Jepara (wood industry) East Java (international migrant workers-TKI?) and Riau (palm oil plantation). Focus on the perception of people about the crisis both that directly and indirectly affected. In addition, SMERU is also studying the secondary data at the districts level. ● Another important study is the effectiveness of social protection program in reducing crisis impact; general but focusing physical efforts on PNPM program ● SMERU also do media monitoring efforts at the national and local level. ● About the request to do PPA for JICA study, it is not feasible

	<p>in the near future; at least we need to wait up to next year.</p> <ul style="list-style-type: none"> ● In NTB and NTT many people familiar on FGD, so we can easily find facilitator for FGD, in other regions we need to train more people ● Pradipta : focusing Participatory approach, 3-4 people ● Full PPA package : 6-8 months , 7 days in the village followed by consultation to district level ● Not possible to outsource; a problem in controlling the quality. ● (Called Pradipta Paramitha later, but they are not available to meet JICA team until later).
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Date / Time	Tue, Sept. 8 / 11:00-12:30
Organization	National Development Planning Agency (Bappenas)
Person/Position	Prasetijono W. Malang Joedo / Deputy Minister for Poverty Alleviation, Manpower and Small Medium Enterprise Pungky Sumadi / Director of Social Welfare and Protection Endah Murniningtyas / Director of Poverty Alleviation
Main Points	<ul style="list-style-type: none"> ● The grand strategy of poverty alleviation efforts in Indonesia is the three clusters of the program. This new strategy also include the intuitional change in term of coordination among ministries that result in better planning, better data, and better capacity also better complain mechanism. ● The plan is to match bottom up approach with top down approach. ● Government has Rencana Pembangunan Jangka Menengah Nasional (RPJMN)-<i>National Medium Development Plan</i> 2004-2009 and annual Rencana Kerja Pemerintah-<i>Government work plan</i> where the three clusters of programs is mentioned. In addition to that, government has budget plan. ● There are some challenges for the three clusters program. The first challenge is the coordination program. In order to increase coordination, the government form Tim Koordinasi Penanggulangan Kemiskinan Nasional (TKPKN) <i>National Coordination Team for Poverty Reduction</i> and in each region,

	<p>local government form TKPKD which is the coordination team in the local region, both at provincial and district level.</p> <ul style="list-style-type: none"> ● Then, the government also has the national planning consultation forum in which they discuss with the local government about activities and general budget issue. ● The second challenge is to make the program sustainable at the local level. This includes the challenge of low local capacity. ● There are changes also in the government-donor relation in the poverty reduction effort in Indonesia. In line with the Paris Declaration, Indonesia has Jakarta Commitment which mentions that donor will support the program that is planned by the government.
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Date / Time	Tue, Sept. 8 / 13:00-14:00
Organization	Asian Development Bank (ADB)
Person/Position	Wolfgang Kubitzki (Portfolio Management Specialist)
Main Points	<ul style="list-style-type: none"> ● Before we talk about what policy that really works, we need to define poverty itself first. In terms of policy we need to know what is the intervention we need, either it is an income generating purposes or providing more action in social services. Poverty income based measurements might also need to be extended into better health and better education. However it will be difficult to measure it in monetary terms. ● Basically all the work what ADB have done are addressing on poverty alleviation. Including the water and sanitation project, slum neighborhood upgrading, and education projects ● ADB Program approximately spends \$US1 billion per year. Basically ADB policies are dedicated to community driven development approach. ● ADB main office is focusing on programs intended to boost the private sector. 40 % of ADB intervention in Indonesia is dedicated to budget support; which is targeted for investment climate, and support for good governance and better public management structure.

	<ul style="list-style-type: none"> ● PNPM program increase the livelihood of the people, by improving access public services for the poor and save transaction cost through infrastructure loans, ADB contribute US\$ 50 million in this project. ● Issues on PNPM: (1) the problem on PNPM targeting mechanism, the PNPM will be highly beneficial if all the villagers are poor, because PNPM is targeting the community (not individually) and improving the village infrastructure. In cases where the village is a mix of poor and non poor residents, the poor will most likely the least advantaged from the projects; these poor people live far away from the village town center and kept excluded from the benefit of the program. (2) list of poor villages comes from the coordinating ministry of people's welfare, however the list lacks in detail of poor people. Which villages are poor, super poor or near poor? (3) Even though PNPM provides better livelihood, in order to have larger impact on the poor, creating more access to trade and public services are not enough, we need to support more program focusing in empowerment of the most disadvantaged and women to engage in production process and furthermore increasing their productivity. Internal rate of return approach in analyzing the impact of PNPM might be misleading because even though the poor get more access to trade, or more time to spend, they are most likely basically unproductive, increasing their spare time will not automatically increase time in productive activities. ● Nowadays the most important stakeholder in poverty alleviation program is not the central government or the Bappenas, but on the district level: the Bupati and Walikota.
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Date / Time	Tue, Sept 8 / 14:30-16:00
Organization	Embassy of Japan in Indonesia
Person/Position	Mr. MAEDA Toru/ Minister Mr. IYORI Makoto/Counselor
Main Points	<ul style="list-style-type: none"> ● Indonesia has become one of the most democratic nations in Southeast Asia, and has become middle income countries

	<p>(with per capita income of \$2,000). Japanese assistance will be mostly Yen loan, and we need to have a “symbolic” project such as MRT subway system.</p> <ul style="list-style-type: none"> ● Indonesia has grown based on the solid domestic demand, depending less on external sector. This explains the less impact of global crisis since the last year. However, the growth is not based on manufacturing sector ● Unlike in 1997, the year 2008 turned out to be very productive in agricultural sector as well. ● In South Sulawesi, JICA team could meet JVC (kyoryokutai) volunteers who have been active in many areas. ● Decentralization has been progressed but local capacity remains low. Japanese ODA must do projects with nation-wide impacts, rather than pilot-type small projects. Japan should also focus on the area of comparative advantage, such as environment, infrastructure, urbanization, vocational training, SME support.
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Date / Time	Tue, Sept 8 / 18:30-19:30
Organization	Ministry of Manpower and Transmigration
Person/Position	Ms. Myra M. Hanartani / Director General for Industrial Relations and Social Security)
Main Points	<ul style="list-style-type: none"> ● The newest Manpower Law in Indonesia is the Law No. 13 Year 2003. In this law, the minimum wage is determined based on the need for decent live (kebutuhan hidup layak). In the previous law, the minimum wage was determined by the minimum physical need. ● The minimum wage cover every enterprise both formal and informal sector also in the micro sector. Nevertheless, in the informal micro sector, the minimum wage cannot be delivered by the entrepreneur because they do not able to pay at that wage. The dilemma is if the government forces them to pay the minimum wage, then the business will collapse. ● Currently, at the national level, there are 90 labor unions and there are many labor unions in the provincial level. ● Each province has provincial minimum wage which

	<p>determined annually. To determine the minimum wage, there are discussions between labor union, entrepreneurs and government every year which may be lasting for 4 months. After it is decided, then it is last for one year then they start to discuss again. Because of this long process, entrepreneur has suggested that the minimum wage level should be determined for two years. The minimum wage is on average three times of the poverty line.</p> <ul style="list-style-type: none"> ● In term of social security for the poor, there is program called Jaminan Sosial Tenaga Kerja (JAMSOSTEK)- <i>Manpower Social Insurance</i> where 2% of the premium is covered by worker. This program covers 4 events: old-age, sick, accident, and death. ● The rate of compliance of this program is still low with the active members are 8 million out of 28 million members. ● The government plan to expand this insurance system to the informal worker. In this plan, worker should pay for themselves. Hence, the participation rate for this program is still low, only 250 thousand members.
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Date / Time	Wed, Sept 9 / 9:00-10:00
Organization	Badan Pusat Statistik (Statistics Indonesia)
Person/Position	Mr. Wynandin Imawan / Director of Social Resilience Statistics Mr. Wien Kusdiatmono / Chairman of Sub-Directorate of Social Vulnerability
Main Points	<ul style="list-style-type: none"> ● BPS work for providing both macro and micro level data. For the micro level, BPS collects data on targeted households who are eligible for cash transfers both conditional and unconditional. ● In the last 5 years, BPS has started to collect panel data in order to have measure about vulnerability of poverty. Each round of panel consists of three years. The first panel consists year 2005, 2006 and 2007. The number of observations for this periods were around 10 000. Especially for 2007, number of observation was around 70 000, but the 10000 households from the previous years was there as well. The second round

	<p>of panel consists year 2008, 2009 and 2010 with the number of households being interviewed are around 68 000.</p> <ul style="list-style-type: none"> ● BPS also collects regular SUSENAS (National Social and Economic Survey) which is conducted in July each year. ● BPS and Worldbank also collected data for measuring impact of BLT in July 2008 with 70000 households as observations. ● BPS also has survey for monitoring impact of crisis. This survey will be conducted in 4 times on August 2009, November 2009, February 2010 and May 2010 with the sample is the sub-sample of SAKERNAS (National Labor Force Survey). ● In 2008, to determine the target of unconditional cash transfer program, BPS updated the data collected on 2005/2006 which consist of 19 100 905 targeted household, by verification by BPS and local leader. This verification reduce number of targeted household became 19 018 057. ● In order to measure the impact of PNPM, it would be better if data from PODES (Village Potency) is being used as PNPM is targeted for community. Unfortunately, there was no question related to PNPM in the last PODES of 2008. BPS will incorporate this question in the next survey in 2011.
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Date/Time	Wed, Sept 9 / 10:30-12:00
Organization	National Development Planning Agency (BAPPENAS)
Person/Position	Ms. Endah Murniningtyas / Director of Poverty Alleviation
Main Points	<ul style="list-style-type: none"> ● The first characteristic's component of PNPM is that PNPM is a program with a focus on the empowerment of the community. Because of the need of facilitators and consultant in the empowerment program, in a way PNPM also expands indirectly the labor force both for the blue color and white color. The PNPM employed 18.000 of facilitators and 3000 consultants as the prime movers of this program. Many of them are PhD and master and the rest are undergraduates. The second component for PNPM is the block grant, consisting of block grants intended for (1) infrastructure, (2)

	<p>social activities, (3) economic activities (small business). The PNPM is classified into two large groups. (a) Core and (b) Support. The core group consisting five kinds of PNPM (PNPM urban, PNPM rural, PNPM backward regions, PNPM social economic, and PNPM rural infrastructure). While the PNPM support consisting cooperation with other ministries. Such as the marine and fisheries department ministry of agriculture.</p> <ul style="list-style-type: none"> ● There are 4 corridors that donors can use in order to participate in PNPM Mandiri project. (1) co-financing (2) supervision and coordination (3) participation of NGO, and (4) technical assistance ● Some keys of PNPM success: (1) the importance of cooperation and coordination of central government and the local authorities as well as with the media. Using the media the beneficiaries can reveal and talk about their experience (success stories) with PNPM. This might inspires other beneficiaries and as a medium of learning one and another. (2) The training of facilitators, Facilitators are the prime movers of PNPM in the field. In PNPM the facilitators are not only trained initially before the project started, but also being trained during the ongoing project as the process of updating to fulfill the community need. (3) PNPM support facility (PSF), the PSF consists of multi donors supporting the PNPM. ● Plans for the future: Bappenas wants to be less dependent to foreign money, nowadays the budget for poverty alleviation program consists of 60 % foreign loans, and 40 % government, and 20% of the government share contributed by the local government. If the fiscal capacity of local government increased, then the share of local government can be increased up to 40 %. In some regions there are cases where the people contributes more than what they receive as block grant. ● Another important issue is the high variation of poverty across regions therefore the need of effective coordination
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	<p>among local authority and furthermore more emphasis on increasing the capacity of the local government in implementing the poverty alleviation policy in the regions.</p> <ul style="list-style-type: none"> ● The need of center of excellence on poverty alleviation in all regions, nowadays the utilization of SUSENAS data is very low. We can enrich the poverty analysis taking into account the local content. We need to establish cooperation with local universities and now Bappenas and the World Bank is building a module that is simple enough so the local authorities could develop and use in order to analyze states of poverty even in the smallest government level.
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Date / Time	Wed, Sept 9 / 12:00-13:00
Organization	National Development Planning Agency (BAPPENAS)
Person/Position	Mr. Taufik Hanafi / Director of Religion and Education
Main Points	<ul style="list-style-type: none"> ● The linkage of education to poverty alleviation is clear. Education has reduced poverty both directly and indirectly from the positive externality of education to society. ● Nevertheless, the access of the poor to education is still limited, and still they are not able to finish compulsory education. ● Hence, now, the notion is to bring more students to enroll in vocational education as this will make them fit to labor market right after they finish the study at senior high school. ● There are three pillars of good education: (1). access and equity (2). Quality and relevance (3). Good government. ● Education system in Indonesia is one of the most decentralize in the world as the school directly receive fund from government and they should manage that fund in consultation with all stakeholders including the parents. ● The role of scholarship is crucial o increase the access of the poor to education. Nevertheless, how to implement the scholarship and the impact need to be examine. ● In Indonesia, there are two ministries who are dealing with education: Ministry of Education and Ministry of Religion Affairs. Ministry of Education deals with private and public

	<p>schools, while Ministry of Religion Affairs deals with Islamic schools.</p> <ul style="list-style-type: none"> ● Currently, government gives BOS (school operational assistance) for every school that applies. Nevertheless, this is not a good incentive. Hence in the future, the BOS fund should be based on the performance indicator of the school.
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Date/Time	Wed, Sept 9 / 12:30-14:00
Organization	Australian Government Overseas Aid Program (AUSAID)
Person/Position	Mr. Scott Guggenheim / Social Policy Advisor
Main Points	<ul style="list-style-type: none"> ● Donor is usually has its own agenda. Donor is usually at a 'leverage' business. As such, the government would have to set up a mechanism to which the donor must subscribe. Mr. Guggenheim also noted that the amount of money that donor may pour into the poverty alleviation program is relatively small compared to that of the GoI. Because of that, he thinks that GoI actually has greater bargaining position, i.e., ability to ask what actually the GoI needs from donor. ● The establishment of PSF (PNPM Support Facility) is actually one way to do that. PSF serves as a focal point where issues related to donor's participation in the PNPM activities can be discussed. With PSF, it is expected that the potential overlaps of what one donor and the other do can be minimized. But in his view, this initiative will only work if there is closer cooperation among different agencies in the GoI, primarily Bappenas and Coordinating Minister for Welfare. Mr Guggenheim also noted that the current period of transition would later be reflected in changes in the Ministers. Therefore, many things on the GoI side are waiting for the definitive new Ministers in their positions. ● The poverty alleviation program would have to pay attention to the poverty-productivity link. The 3-cluster approach for the Anti-Poverty Program, according to Mr. Guggenheim, is not yet paying attention to such link. Indeed, there may be impact on productivity, but more indirectly. The

	poverty-productivity link would involve a workfare program as part of the poverty alleviation efforts.
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Date / Time	Wed, Sept 9 / 15:00-16:00
Organization	World Bank
Person/Position	Ms. Vivi Alatas / Senior Economist/Poverty Team Leader PREM
	<ul style="list-style-type: none"> ● There are three reasons why poverty rate reduced even when there is a global crisis. First, the Indonesian growth rate is still positive. Second, unlike the previous crisis, the rice price is still stable while rice is 25% of consumption bundle. Third, BLT (unconditional cash transfer) is still operated and this BLT constitutes 15% of poverty line. Even this, at the time of survey, only 5% of BLT had been delivered. If all the BLT was distributed then the poverty rate may be much lower. ● Worldbank and Government of Indonesia have established crisis monitoring system and collect more real time data as if using Sakernas and Susenas it will be too late to detect the impact. ● The crisis monitoring system aim to provide real time estimate of what happen in Kabupaten? What to do and Where? What coping mechanism the poor choose when crisis come? Which districts are categorized as red or green district? Do people lose their jobs? What happen with the labor force? Is there any reverse labor force back to agriculture sector, etc. ● Actually, even though there is no crisis, the monitoring is very important. ● There are two things that can be learned from the unconditional cash transfer that was delivered in 2005. First, UCT has served its purpose to provide coping mechanism for the shock and second, we knew that improvement is needed for the target as there was exclusion and inclusion error. ● There is debate in the media and also parliament whether UCT is the right program as this might make people do not productive. Nevertheless, previous study has found that it is not the case.

	<ul style="list-style-type: none"> ● UCT is least costly intervention compare to <i>raskin</i> and <i>padat karya</i> program. But there are some issues that should be noticed such as the high vulnerability of the transient poor, the density function of poor people, and inequality. ● Indonesian government has many good programs, but UCT and PNPM might be not enough to increase the productivity of the people. Then it is needed to increase the human capital and also local capacity.
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Date / Time	Thu, Sept 10 / 9:30-11:00
Organization	National Development Planning Agency (BAPPENAS)
Person/Position	Mr. Pungky Sumadi / Director of Social Welfare and Protection
	<p>(Using the PPT file, compared the two crisis 97-8 and 08-9)</p> <ul style="list-style-type: none"> ● Rigorous evaluation showed that social safety net programs are effective. ● Community participation improves: <ul style="list-style-type: none"> ○ Quality of social capital (gotong royong/mutual help concept.) ○ Efficiency and effectiveness (e.g., better targeting) of development activities. ○ Democratic / political maturity of society. ○ Gender equity, governance, accountability and transparency. ○ Local government attitudes in performing its functions. ● Most ad-hoc social safety net programs have been internalized into regular programs. ● 2005: <ul style="list-style-type: none"> ○ Oil price increased from USD 40/barrel (2004) to over USD 60/barrel (Aug 2005.) ○ If no action taken, oil subsidy could have reached 34% of government budget. ○ Reduce oil subsidy and use the fund for pro-poor compensation programs. ○ Unconditional cash transfer to cover 19.1 million households (budget: USD 2.6 billion.) ● 2007:

	<ul style="list-style-type: none"> ○ UPP and KDP become National Program on Community Empowerment (PNPM) → to cover all 6408 urban and rural sub-districts by 2009. ○ Conditional cash transfer (Program Keluarga Harapan) started with 388.000 HH (the poorest). ○ Piloting community-based conditional cash transfer (PNPM Generasi.)
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Date / Time	Thu, Sept 10 / 10:00-11:00
Organization	The United Nations Children's Fund (UNICEF)
Person/Position	Mr. Marcoluigi Corsi (Deputy Representative) Mr. Michio Kojima (Program Officer, Education)
Main Points	<ul style="list-style-type: none"> ● UNICEF and JICA have close collaboration globally but there is not that much collaboration in Indonesia. The two institutions worked together in the response of tsunami 2004. ● Indonesia has succeeded graduating to middle income country. But still there are disparities among regions. So, decentralization has very important role as now the local government has political, administration, financial power and also making decision. ● Indonesia has very good regulatory framework and programs for poverty reduction at the national level. But, the implementation will depends on local capacity. ● The biggest challenge for the implementation is the local capacity in term of human resources. The budget for poverty is 15 billions US \$ but the utilization rate is not optimal. So, there is immediate need to increase the local capacity in order to make sure that the good plan well implemented. ● Indonesia need civil servant reform, and hopefully the continuation of the power at national level will make the reform happen. ● UNICEF work at specific issues on children, especially justice for children and children trafficking. UNICEF only work at certain area as it has no resource to make the program everywhere in Indonesia. UNICEF will try some model then hoping that the government will scale up the good

	<p>program.</p> <ul style="list-style-type: none"> ● One of the examples of good models by UNICEF is birth registration, and the government has committed that by 2011, each child born in Indonesia will have birth certificate.
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Date / Time	Thu, Sept 10 / 11:00-12:00
Organization	National Development Planning Agency (BAPPENAS)
Person/Position	Mr. Ir. Nono Rusono / Sub-Director of Food BAPPENAS
Main Points	<ul style="list-style-type: none"> ● Since 60% of household expenditure by the poor is on rice, RASKIN plays an important role in the whole social safety net system in Indonesia. ● RASKIN started in response to the 1997-1998 crisis but its operation was similar to OPK (special market operation) which existed before the 1997-1998 crisis. ● The purpose of the OPK was to reduce variation in rice price across seasons and years and also to help maintain national security in terms of foods. ● In 2009, a total of 3.3 trillions of rice was and will be distributed to 18.5 million poor households under the RASKIN program. (The monthly allocation of rice under the RASKIN is 15kg per household per month regardless of family size.) ● These 18.5 million poor households constitute approximately 20% of the total number of households in Indonesia. 3.3 trillions of rice distributed under the RASKIN program is less than 10% of total rice consumed annually in Indonesia, thus, the effect of the RASKIN program on the market price of rice is minimal. ● RASKIN will continue in 2010 as well. ● The market price of rice is 5000Rp/kg; The government buy-in price of rice from farmers is 5750Rp/kg; The RASKIN price to the poor is 2000Rp/kg in 2009 and 1600Rp/kg in 2008 and before. ● The national government is responsible for delivering RASKIN rice to the village governments, and the village governments are responsible for allocating RASKIN rice to

	poor households. The eligible criteria for RASKIN rice are practically set by the village governments.
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Date / Time	Thu, Sept 10 / 13:00-14:30
Organization	Coordinating Ministry for People's Welfare
Person/Position	Mr. Sujana Royat / Deputy to the Minister for Poverty Alleviation
Main Points	<ul style="list-style-type: none"> ● There was a continuation of ongoing programs when the new government was formed at 2004, and there is effort to link the programs aim at poverty reduction. ● There are some significant progress in the effort for poverty reduction: 1). There is national strategy for poverty reduction and there was change in paradigm from project base and recipient only to basic need accomplishment. 2) There has been a good coordination among the agencies and ministries after the tsunami 2004. ● There are 3 principles of the good coordination: 1) integration of planning process 2) synchronization in the implementation, and 3) synergy among the actors. ● Since 2005, all agencies work for poverty alleviation using the same database of targeted recipient. The coordination of 52 previous programs within 22 ministries and agencies has formed the PNPM Mandiri program which leads by Minister of People Welfare. ● In relation with the decentralization, the local government will become the executor of the programs. Because of that the local government should have a pro poor budget and monitoring. There will be incentive for the local government who implement and disincentive who do not implement. ● Indonesia has started cooperation with other Southeast Asia countries. There are some countries that will adapt the PNPM model such as Cambodia, Laos and Myanmar. ● Each year, two millions of the poor find their way out of poverty as the impact of the poverty alleviation programs in Indonesia and the government will try to reduce it even more. Currently, the rate of poverty reduces by 1.5% per year.

- For PNPM, there are CORE and additional program. PNPM rural and urban is included in CORE. So, if there are other PNPM programs, it is mean that it will become on top of the PNPM CORE, not a replacement.
- The financial support for communities under PNPM is limited until 3 years. After that, communities will receive technical support only. By 2013, there will be no more financial support from national government budget. Nevertheless, the PNPM will still alive possibly with different setting. There is an intention to make local government become the “owner” of PNPM.
- To monitor PNPM, there will be some monitoring layer. The first one is the communities themselves. Communities are the one who plan, implement and monitor the program. If they find problem, they will as support from the village level, and then to the sub-districts and so on. Donors such as WB and IFAD also make their own monitoring.
- Each community that receives PNPM should have at least two facilitators, 1 man and 1 woman. These facilitators will help the community in each step of the program. Nevertheless, there is lack of number of facilitators as not many capable people are willing to stay in the rural area for at least 6 months that make rapid turnover of the facilitators. There is a need to increase the number of facilitators. For this reason, some universities have course in facilitating communities.
- To increase woman participation in the community and to increase their economic activities, 25% to 30% of PNPM rural funding for each community should be allocated for forming microcredit for woman.
- The important of community driven development (CDD) is the feeling of ownership by the community that make they are willing to contribute what they have to get what community want. For example, people are willing to scarify their land for village road. There is 12 000 hectares of land has been released to the community without any payment.

	<ul style="list-style-type: none"> ● The recommendation for JICA is investment in human resources to build the local capacity is urgently required, and if JICA are willing to build infrastructure, then it should be done to connect one community to another or to the market as now PNPM Mandiri only cover the infrastructure within community.
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Date / Time	Thu, Sept 10 / 17:00-18:00
Organization	University of Indonesia
Person/Position	Mr. Sonny Harry B. Harmadi / Director of Demographic Institute
Main Points	<p>(Explained the objectives and TOR of PPA)</p> <ul style="list-style-type: none"> ● Demographic Institute has done a lot of PPA projects with international donors in the past, and is ready to submit a financial proposal.

Date / Time	Fri, Sept 11 / 10:00-11:00
Organization	BULOG (Badan Urusan Logistik)
Person/Position	Ms. Putri Lenggo Geni / Expert Staff Mr. Djoni Djunarsa / Price and Market Analysis Staff
Main Points	<p>(Presentation on RASKIN by BULOG staff by PPT)</p> <ul style="list-style-type: none"> ● RASKIN contribute in reducing poverty levels. Without RASKIN program, the poverty gap is higher ie 20%. ● Multiplier effect is estimated to reach Rp. 1.3 trillion / year because of transfer income, which affects the increase in expenditure RTS - PM for goods and services mainly comes from domestic production and is produced by the SME sector. ● The total increase in aggregate demand (fiscal subsidies and coupled with the multiplier effect) from RASKIN estimated USD 4.5 trillion / year. ● RASKIN bring positive impact difficult to assess in the form of money: (i) as an instrument of public policy, RASKIN has helped the government in compensation programs increase in fuel prices and (ii) a protective RASKIN RTM from the negative effects of rice price protection in the country. ● The creation of networks that connects government with

	<p>46,000 poor households through the distribution point. Networks can be built in RASKIN utilized a variety of public assistance for other commodities, so the poor more access to it.</p> <ul style="list-style-type: none"> ● Distribution of high RASKIN, approximately 10% of the monthly national consumption, the rice prices are relatively stable. ● The government does not need to intervene the market. → RASKIN as a replacement instrument OP. ● Poor households have RASKIN, do not enter the market, demand for rice to be reduced, so the speculation is also reduced prices
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Date / Time	Fri, Sept 11 /13:00-14:00
Organization	Microfinance Innovation Center for Resources and Alternatives- Poverty Action Center (MICRA-PAC)
Person/Position	Fadri Effendy (MICRA) Rita Juwita (MICRA) Erlya Shukmadewi (MICRA-PAC) Ani Winarti (MICRA-PAC)
Main Points	<ul style="list-style-type: none"> ● MICRA has been established as the exit strategy of Mercy Corps. MICRA is supported by many donors based on the projects such as GTZ, IFC, WB, Bill and Melinda Gates Foundation. ● MICRA conducts three main activities: rating assessment, training unit and research unit. In addition to that, MICRA has established Poverty Action Center as unit that concern to development and poverty reduction. ● MICRA will be replicated in all over the world. ● The challenge of MICRA is the conflict of interest among the activities for example if the rating of one MFI is not good then this MFI will need the training that will be provided as the second activity. Because of this relationship, to maintain the independences, MICRA has separated office of the first activity with other offices. ● Poverty Action Centre (PAC) of MICRA has a mission to

	<p>support pro-poor MFIs in Indonesia and increase their capacity. Currently, PAC is working with 171 pro-poor microfinance institutions in Java and Bali.</p> <ul style="list-style-type: none"> ● PAC also provides social rating as the mini rating for pro-poor MFIs and the benchmark. ● MICRA and PAC believe that microfinance is tool for poverty alleviation. Hence, microfinance institutions should be sustainable, has innovative product and able to mobilize saving.
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Date / Time	Fri, Sept 11 / 15:00-16:00
Organization	Yayasan Inovasi Pemerintahan Daerah (YIPD)
Person/Position	Mr. Kabul Sarwato / Program Manager Ms. Novi Anggriani / Program Developmnet
Main Points	<p>http://www.yipd.or.id/index.php?act=tentang#english</p> <ul style="list-style-type: none"> ● YPID is an independent non profit organization that focuses its efforts on strengthening the managerial capacity of local governments in Indonesia, especially in the fields of administrative management, financial management, policy analysis, and training. In addition, it provides a clearinghouse function for information about local government innovations and best practices throughout Indonesia. The operating unit responsible for implementing the vision and mission of YIPD is the Center for Local Government Innovation (CLGI). YIPD/CLGI works in partnership with local governments and their associations, community organizations, institutions of higher learning, donors, and the private sector to achieve good governance in Indonesia. YIPD/CLGI began as an initiative of USAID Indonesia and has now become an independent Indonesian foundation, with funding from various sources. ● They are interested in submitting a financial proposal to JICA team on PPA.

Date / Time	Sat, Sept 12 / 12:00-16:00
Organization	LEPPSEM and Local Community, South Sulawesi
Person/Position	Mr. Pintawara / Chairman of LEPPSEM Mr. Syamsudin / LEPPSEM Local Leader
Main Points	<ul style="list-style-type: none"> ● In Makassar, we visited LEPPSEM, one of the NGOs in Makassar that received funded from JICA through the Community Empowerment Program. ● LEPPSEM facilitated the community especially the Water User Association to make irrigation from the dam to the field. ● We visited one village in Maros District, a district one hour driving from Makassar. In the village, we meet the local leaders. ● The village has received PNPM and community has built the village road from the PNPM. Nevertheless, they haven't utilized the microfinance part of PNPM for the woman enterprise. ● There are some households in the village who receive RASKIN, but these households are really the poor and targeted. Even though the area is rice field, people still receive RASKIN as they are only the farmer labor not the land owner. The land owner and farmer labor agree on share cropping. ● The challenge is to have water support for the palawija "second crop". This is the crop that farmer grow between two subsequent rice harvest which usually consists of nuts and tubers. The problem is that this kind of plant cannot be watered from irrigation, it is need ground water. Then the community tries to use the artesian well, but it is not enough to cover all the fallow land between two subsequent rice plant. ● The school in this village also receives BOS school operational assistance.

Date / Time	Mon, Sept 14 / 10:00-11:00
Organization	JICA Makassar Field Office
Person/Position	Mr. NAKAGAWA Kazuo / Representative of Makassar Field Office Mr. YAMASHITA Chigiru / Project Formulation Officer
Main Points	<p>(Explanation of ICR report and purpose of visit, as well as PPA study)</p> <ul style="list-style-type: none"> ● One of the important areas for JICA would be support to SME. ● We should be careful not to interfere with “local” politics too much. ● Harmonized assistance using various tools (yen loan, TA, and grants) would be vital. Program loans or two-step loans maybe worth considering.

Date / Time	Mon, Sept 14 / 10:40-12:00
Organization	Department For International Development (DFID) Indonesia
Person/Position	Mr. Gerald Howe / Deputy Representative
Main Points	<ul style="list-style-type: none"> ● DFID is working with Government of Indonesia and other donors to provide effective assistance to poor people and to contribute to achieving MDGs. ● Her decentralized democracy is thriving, but the ability of provincial and district governments to deliver services are often weak and many people remain in danger of falling back into absolute poverty. ● DFID’s program aims to prevent this by strengthening decentralized governance and service delivery, addressing health issues such as HIV/AIDS and maternal mortality, tackling deforestation and supporting disaster risk reduction and relief. ● Three pillars of DFID’s objective are 1) Institution Building, 2) poverty reduction, focusing on achievement of off-track MDGs, 3) climate change. ● DFID's program in Indonesia has grown from 16.6 million pounds in 2001-02 to 34.4 million (51 million dollars) in 2007-08. The total amount that we plan to spend in 2008-2011 is 75 million pounds.

- In term of social protection, the government has program so called PNPM Support Facility (PSF). PNPM is the government of Indonesia's prime national-level plan to reduce poverty in the communities in which 110 million Indonesians live in need. With a budget of \$1 billion, it is the largest social protection program in the world. DFID is providing 4 million of pounds (2008-2010).
- The PSF provides high quality responsive coordinated technical assistance, planning advice and dialogue, financing for monitoring and evaluation and support to civil society engagement, as well as targeted financial assistance to the Government in supporting and increasing the effectiveness of PNPM. Personally we are thinking that PNPM is most effective policy among others. PNPM is much more than social protection policy. PSF is the unique occasion in which bilateral and multilateral donors and recipient can talk together and coordinate their policy. So that PSF is very efficient. PSF is quarterly taking place. Sometimes they are organizing the retreat session in the Hotel which is very useful. The problem of PSF is the capacity building of local government, that of BPS and the coordination in this implementation phase.
- DFID hope that Japan, particular JICA will join PSF from next fiscal year. Because, JICA has a sufficient knowledge and a lot of experiences in this area.
- The Indonesian government's decentralization program aims to create a broad-based democratic framework of governance so that public services are more responsive and accountable within an environment conducive to the rapid socio-economic development of all regions. To support this major reform, DFID has created a multi-donor office, called the Decentralisation Support Facility (DSF) to which DFID are contributing 25 million pounds (2006-09). This will test new ways of coordinating international development assistance for decentralization, to make aid more effective.
- The Initiative for Local Governance Reform (ILGR), to which

	<p>DFID is giving 6.2 million (2005-09), aims to strengthen the ability of district governments to reform public finances, deliver public services, develop 'pro-poor' policies and make policy-making more transparent and with more public participation. Currently 14 districts are taking part in this initiative. They have passed by-laws on transparency and participation, with some districts having already established a Transparency and Participation Commission and developed poverty reduction strategies.</p>
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Date / Time	Tue, Sept 15 / 10:00-11:00
Organization	United States Aid for International Development (USAID)
Person/Position	Mr. Robert C. Simpson / Strategy Development Advisor Mr. Paul R. Deuster / Senior Economic Policy Advisor
Main Points	<ul style="list-style-type: none"> ● USAID Country Strategy 2009-14 sets out priority areas for US assistance for Indonesia (28% for strengthening the quality and relevance of education; 21% for sustainable management of natural resources; 25% for making governance deliver; 19% for improved Indonesian health status and reduced disease threats; and 10% for increased employment) ● Employment creation is the key for poverty alleviation; and to this end, USAID focuses on 1) policy advice, 2) long-term capital, and 3) agriculture. Maybe important for JICA to form a “strategic sense” in assisting Indonesia. ● In assisting poverty, the following four areas are important: 1) inclusive growth (focusing on “left out” areas, people, and ethnic groups), 2) technology (IT, broadband, etc), 3) agriculture (from “protected” to “open” sector), 4) social safety net and social security. ● Indonesia may not be “decentralized enough” in order to generate capacity at local level.

Date/Time	Tue, Sept 15 / 14:15-14:45
Organization	Kementerian Negara Pembangunan Daerah Tertinggal (Ministry of Development of Backward Region)
Person/Position	Mr. Lucky Korah / Secretary to the Minister
Main Points	<ul style="list-style-type: none"> ● The work of this ministry is much related with poverty as this ministry is working with the backward regions that have high correlation with the high incidence of poverty. ● The backward region is the district which the residents are relatively underdeveloped compare to other district. ● Causes of backwardness of the region: (1). Geography (remote area) (2). Limited natural resources (3). Limited human resources (4). Lack of infrastructure (5). Region with potential disaster and conflict (6). Improper policies. ● Criteria for determining the backward region: (a). economic activities (b). human resource (c). infrastructure (d). local fiscal capacity (e). accessibility and characteristic of the region (f). regions in the border with other countries and regions with high potency of disaster and conflict. Data from PODES 2003, SUSENAS 2002, and District Budget 2004 were used to determine the backward regions. Based on those data, there are 199 backward districts. ● The medium targets of development of backward region on 2009 are: (1). Reducing the number of backward regions (2). Reducing the poverty index in the backward regions through increasing in community participation in utilization of local resources (3). Significantly reducing physical barrier of some regions especially in transportation and communication (4). Increasing the income growth in backward regions more than that in the developed regions (5). Achieve the rehabilitation of development in the post-conflict and post-disaster area. ● The policies to achieve the target are categorized in to three general policies: (1). Alignments (2). Acceleration (3). Empowerment. ● The operational policies are: (1). Increasing human resources through the fulfillment of basic needs of the people (2). Increasing economic infrastructure (3). Increasing access to

	<p>finance, market, information and technology (4). Mitigating and reducing the risk of safety and disaster by providing the early detection system (5). Rehabilitating of disaster destruction (6). Changing to economic orientation for the area in the border with other countries (7). Empowerment of traditional community through increasing access to social service, economic, and politic. (8). Increasing cooperation among regions in order to accelerate the development of backward region.</p>
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Date / Time	Tue, Sept 15 / 15:30-17:30
Organization	National Development Planning Agency (BAPPENAS)
Person/Position	Mr. Bambang Widianto / Deputy Minister for the Evaluation and Development Performance
Main Points	<ul style="list-style-type: none"> ● The evaluation section of BAPPENAS is a new section aim to evaluate the 5 year development plan and also the annual plan of the government. The output of the evaluation will be used as an input for subsequent planning. ● The government has three development agendas. First, to realize Indonesia safe and peace. Second, to realize Indonesia fair and democratic. Third, to realize Indonesia prosperity. ● The challenge is that in the previous years, the plan is the political document hence it is not mentioned clearly the indicators for evaluation purpose. In addition, the terminology used in the planning process is different from budget document. Hence, there is effort to make the same terminology across the documents. ● Talking about poverty, we should talk also about unemployment. But, the notion of poverty is not same with the notion of unemployment. ● The labor market of Indonesia is divided in to two broad categories: formal and informal with the share of labor in formal sector is 30%. Most of the labor in Indonesia is low skill labor that only has primary education background. Only

	<p>2.5% of the labor force graduate from the university.</p> <ul style="list-style-type: none"> ● Indonesia is labor surplus country with unemployment is seen as the urban phenomena. ● There are also some skilled labors being unemployed as people tend to wait for a right job. ● For the planner point of view, the government aims to have investors who are build labor intensive industries that can provide decent work for the people. ● Nevertheless, the new law of manpower No. 13 year 2003 has induced inflexibility in the labor market. ● The sources of inflexibility are: (1). Company is not allowed to hire contract worker (2). Company is not allowed to outsource (3). High severance payment (4). Binding minimum wage. Hence, it is very expensive to hire permanent worker. ● There are some ways to reduce poverty: (1) to have quality growth (2) higher access to health and education (3) community driven development (4) improve social security.
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Date/Time	Wed, Sept 16 / 09:30-11:30
Organization	Regional Development Planning Agency (BAPPEDA) Kabupaten Bandung
Person/Position	Mr. Tatang Rustandar W. / Chairman Ms. Anita Emmayanti Mr. Irfan
Main Points	<ul style="list-style-type: none"> ● The definition of poverty is still debatable and in fact, the number of poor based on criteria from BKKBN and BPS is different with the reality in the village level as criteria of poverty may be different from one village to other villages. So that, one concept for all over Indonesia may not fit in the local level. ● There are five categories of poor: (1). labor on the agriculture sector (2). Labor on plantation firm such as tea and rubber (3). People live in the surrounding forest (4). People work in informal sector and (5). Other poor. ● The cause of the poor in Kabupaten Bandung is the mentality of dependency of the people as they hope that the government

	<p>will support them without doing anything. So, the unconditional cash transfer is not suit for this community as this may dis-encourage people from doing productive activity.</p> <ul style="list-style-type: none"> ● Then the crucial program is the one that can help people to change their mind and poor mentality. ● With the PNPM program, the poorest might not be empowered as the one who get involved and has voice is the one in the middle of distribution. In term of facilitator for PNPM, the Bappeda suggest that voluntary worker that has worked for long time with the community become the facilitator instead of people from outside the region that may have limited understanding about the situation in the village. ● BAPPEDA Kabupaten Bandung has many activities in term of facilitation for the village and has sent many social workers to work with the community, also to organize pilot project for some small scale business. In addition, BAPPEDA Kabupaten Bandung plan to facilitate business with forward and backward linkage such as the cow that may provide milk, meat, and also for the cow dung can be use as natural fertilizer. So then, there will be some industries that can be operated.
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Date/Time	Wed, Sept 16 / 11:30-15:00
Organization	Soreang Village and Jelegong Village in Bandung District
Person/Position	The Committee of Badan Keswadayaan Masyarakat (BKM) - <i>community self-reliant agency</i>
Main Points	<p>SOREANG VILLAGE</p> <ul style="list-style-type: none"> ● The population of this village is 16 000 persons with the poor consist of 857 households. ● There are 5 activities in the physical infrastructure that are carried out by the BKM Soreang Village. The activities are: rehabilitation of poor housing condition, build concrete road, sewers, sanitation facilities and clean water. ● In the area of social, there are 4 activities: scholarship for poor student, village health clinic, giving out sewing machine

	<p>and early education facilities for children.</p> <ul style="list-style-type: none"> ● This village has 53 Kelompok Swadaya Masyarakat (KSM)-<i>self-reliant group</i>. ● In 2007-2008, this village receive fund as much as 700 million rupiah in which 70% was allocated to build physical infrastructure as required by national government. The road that has been built has good quality as it is based on the standard from Ministry of Public Work. ● In this village, we have visited the physical infrastructure that built by community with support from PNPM. <p>JELEGONG VILLAGE</p> <ul style="list-style-type: none"> ● The population of this village is 12 860 persons with the poor consist of 7 000 persons. ● This village has received 500 million rupiah from the government for community empowerment (PNPM). ● Based on guideline from the national government, the community allocates 70% of the fund for environment and physical infrastructure, 20% for economic activities, and 10% for social activities. ● In term of social activities, the community allocates 20 million rupiah for sewing training for 51 persons of community members. Some of the participants have got a formal job in textile factory. The other 30 million rupiah is allocated for scholarship for student. ● In term of economic activity, the community give credit to 35 groups which each of the group consists of 6-7 members. Each of the members is entitled a loan as much as 500 thousands rupiah after they pay compulsory deposit as much as 50 thousands rupiah. ● In this village, we have visited two small scale businesses that received loan from PNPM fund.
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Date / Time	Thu, Sept 17 / 9:00-10:30
Organization	Yayasan Inovasi Pemerintahan Daerah (YIPD)
Person/Position	Mr. Kabul Sarwato / Program Manager Ms. Novi Anggriani / Program Development
Main Points	<ul style="list-style-type: none"> ● Among two institutions submitted for PPA study, YIPD was selected because they submitted the least costly estimates of costs. ● During the contract negotiations, it was noted that a new addition of terms of reference (TOR) was agreed among two sides: addition of “peer review” by the third party (such as SMERU), and for this purpose the contract amount was increased by about 25 mil Rp. to cover additional expenses.

Date / Time	Thu, Sept 17 /12:00-13:00
Organization	International Labour Organization (ILO)
Person/Position	Mr. Kazutoshi Chatani / Technical Officer
Main Points	<ul style="list-style-type: none"> ● Possible areas of cooperation with JICA include child labor (ILO has projects in Indonesia), vocational training, etc. ILO also conducts research on poverty, focusing on “quality of employment.” ● Since the Asian crisis, the Indonesian manufacturing sector has been weakened and the recent growth is not based on the labor intensive sector. Unskilled workers have been migrated to neighboring countries for higher pay. ● The fundamental problems are 1) lack of international competitiveness in manufacturing (labor intensive) sector, and 2) lack of law enforcement in social safety and labor policy. ● Informal sector has limited access to financing. Indonesia has micro financing system, but unlike in India or Bangladesh, it is NOT targeted at the poor. ● Given this situation, it is difficult to achieve poverty alleviation through employment creation in Indonesia.

Date / Time	Thu, Sept 17 / 17:00-18:00
Organization	Ministry of Finance
Person/Position	Mr. Eko Nugroho Mardi Saputro / Head of Section, International Cooperation, Fiscal Policy Office
Main Points	<ul style="list-style-type: none"> ● Parallel with Japan, in response to current financial crisis Indonesia also has implementing fiscal stimulus starting at the end of 2008 and continue at the early 2009. For the first stimulus, the Indonesian government allocated 12.5 trillion IDR (Indonesian Rupiah) to support real sector in order to avoid massive collapse and layoff (Asmoro, 2008). The stimulus was launched following the 30% cut on government expenditures of 2008. Furthermore, on 24th February 2009, the Indonesian parliament approved second fiscal stimulus proposed by the government amounting about 73.3 trillion IDR (Legislative Assembly of Republic of Indonesia, 2009). In more details, about 43 trillion IDR was projected for tax-saving for individual, employee, and corporate; 13.3 trillion IDR was delivered through import duty-subsidy/tax subsidy for business; and 17 trillion IDR was in form of non-tax subsidy for business/job opportunity and household. The 2009 Indonesian fiscal stimulus is equal to about 1.4% of total GDP. Beside the possible drop in revenue, the fiscal stimulus 2009 also contributed to increase to 2009 budget deficit to reach 2.5% to total GDP. To deal with budget deficit, the government would utilize the three major sources that are (i) 2008 budget cash surplus amounting 51.3 trillion IDR; (ii) contingent loans from international financial institutions as well as bilateral donors amounting 44 trillion IDR; and (iii) additional loans program amounting 1.1 trillion IDR from 2008 that had not been dispersed (Indonesian Finance Minister, 2009). ● The stimulus was projected to achievement three objectives: the first is to accelerate job creation and foster growth of small scale business; the second is to boost the household purchasing power; and the third is to stimulate trade and promote entrepreneurship (Indonesian Finance Minister,

	<p>2009). For the first objective, it is expected that the latest fiscal stimulus might absorb more than 3 million workers amid the large scale layoff (Suharmoko, 2009). In this connection, the government mainly focuses on infrastructure and national programs, including expansion of program for poverty alleviation and credit program for small business, reduction in tax rate for small business, and additional infrastructure projects. For the second objective, the government planned to give subsidies on medicine, cooking oil, education, and health sectors; cash transfer for low-income household; and tax rate reductions on individual household incomes. Furthermore, in order to achieve the third objective, some facilities on import duty, trade finance and electricity charges are imposed by the government.</p>
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Date / Time	Fri, Oct 2 / 14:00-16:00
Organization	Ministry of Cooperative and Small Medium Enterprise
Person/Position	Mr. Agus Muharram / Deputy Minister for Cooperatives and SME
Main Points	<ul style="list-style-type: none"> ● The major statistics are the following (from 2006 Economic Census). The number of micro and small enterprises in Indonesia is considerably large, around 22.5 million establishments. The medium and large enterprises are about 143 thousand establishments. The micro and small establishment is very strong as they continue to exist even during the economic hardship. This is different from the large establishment which has to close down if any crisis happens. ● The micro and small enterprises are vehicles for poverty alleviation since they are very close to the poor people. These enterprises house the large number of Indonesian workers. There are about 44 million workers in the micro and small enterprises. But among these 44 million, only about 12.7 million are paid workers (almost 30%), while the rest is unpaid workers. Another important feature is that 8.8 million establishments are headed by female. That is about 32% of all micro and small enterprises.

	<ul style="list-style-type: none"> ● Micro and small enterprises development is very important for poverty alleviation because to the large extent, these enterprises provide goods and services consumed by the lower economic group including the poor. The PNPM provides an opportunity to enlarge the number of micro and small enterprises, enhance their role in the development. ● It is important for the micro and small enterprises to receive support in the beginning of their life. That is why the link between clusters I and II in the Perpres 13/2009 is important. The link provides a possibility for the establishments to approach the banking institutions, after proofing themselves that they are able to conduct business. ● While KUR itself is still a government program, where the recipient still receives some assistance, it is expected that later the recipients can continue on with the regular banking system. Further, it is important that when the micro and small enterprises have to deal directly with the regular banking system, they are equipped with collateral that is acceptable to the regulation. This is an important homework for the overall micro and small enterprise development. One area where this is possible is actually the land titling. ● The Ministry of Cooperatives and SME sees the PNPM as the business incubator and entrepreneurship program. That is important for creating establishment, while at the same time addressing poverty problem.
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Date / Time	Tue, Oct 6 / 15:00-15:30
Organization	Yayasan Lembaga Bantuan Hukum Indonesia (YLBHI)- Indonesia Legal Aid Foundation
Person/Position	A Patra M Zen / Chairperson
Main Points	<ul style="list-style-type: none"> ● The poor is not only economically poor, but also poor access to the justice. The poor may have some asset but the problem is uncertainty in the legal aspect. ● The aim of YLBHI is create legal awareness among the poor. There are three main activities of YLBHI: counseling and legal training, creating the model of advocating, and

	<p>paralegal training. YLBHI has 15 offices in Indonesia.</p> <ul style="list-style-type: none">● YLBHI also work on Judicial Review of some Laws such as Laws of Water Resource, Laws on Investment, Government Regulation on Forestry.● Currently, there are government budget for police, prosecutor, and judge, but there is no advocating budget from government. No support for legal aid from the government for the poor like in other countries.● Another concern is that there is government institution that provides legal aid for the officer even though legal aid is actually for the poor.● Recently, Indonesian government through the Legal Ministry has started to be more concern about the legal access for the poor. Now they are working on the Draft of Law of Legal Aid that will be discussed in the new parliament. In this draft of law of Legal Aid, there are four substances: the recipient of legal aid, the donor of legal aid, the role of government and the budget allocation.● The effort put by some local government regarding legal aid for the poor are extraordinary. The South Sumatra province for example, has granted budget for legal aid for the poor as much as 3000USD per case for the first stage of court, 2000 USD for the second stage and 3000 USD for the cassation. Bappenas has chosen this province as the prototype for the legal aid for the poor program,● Donors have paid big attention on this topic. UNDP has project called Legal Empowerment and Assistance for the Disadvantage (LEAD) with the funding as much as 8.85 million USD, excluding the Access to Justice in Aceh together with the Worldbank that has fund as much as 7,9 million USD.● To increase the welfare and reduce for poverty, it is important to increase the access to the justice and fairness and quality in legal issue so that poor people's right on legal aid can be fulfilled.
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Date / Time	Thu, Oct 8 / 14:00-15:00
Organization	German Technical Cooperation (GTZ)
Person/Position	Ms. Johanna Knoess / Policy Advisor
Main Points	<ul style="list-style-type: none"> ● GTZ has worked in Indonesia for many years and has many projects and programs with 4 priority areas: Climate Change, Private Sector Development, Good Governance / Decentralization and Social Protection. The later is the new area in Indonesia. ● GTZ is funded by the German's Ministry of Development Cooperation, but GTZ also receive fund from other donors. ● In term of social protection area in Indonesia, GTZ are working together with the National Development Planning Agency (Bappenas) to try to create the system to implement the Law No 40/2004 concerning National Social Security System. The main task of GTZ Social Protection and Expert Fund section is policy advice on technical issue and institutional reform including build technical capacity of the implementer through training, workshop and exchange program. ● GTZ and Bappenas have published a study on Options for Social Protection in Indonesia that consist of several model of Social Protection that can be implemented in Indonesia. ● The challenges of social protection reform in Indonesia are how to incorporate the informal sector and how to build the coordination among institutions that will implement the system. ● There is much work to be done for the social protection such as where to get the money, whether the government should increase tax, how much, etc. Also, for a good system of social protection, each citizen should have single identity number that need equipments and IT to be install in all over the place that issue identity card. JICA may help on providing these equipments. ● In addition to this, GTZ is strengthening Social Department of Republic of Indonesia as this institution will be the implementer of the scale up of the conditional cash transfer

	(PKH). The main challenge is that this institution has low capacity so that the first thing that is done is to build the capacity. JICA also may help here to strengthen the Social Department by giving technical expertise, teaching facility, improving the teaching syllabus, and training of trainers.
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Date / Time	Fri, Oct 9 / 10:00-11:00
Organization	Ministry of Finance, Directorate General of Fiscal Balance
Person/Position	Prof. Heru Subiyantoro / Secretary to Director General
Main Points	<ul style="list-style-type: none"> ● Directorate General of Fiscal Balance is responsible with allocating the budget to local governments. Indonesia holds expenditure-side decentralization. That is, the Central Government allocates money to Local Government which the latter may decide their own spending patterns. ● The fiscal balance comprises the General Allocation Fund (DAU), Specific Allocation Fund (DAK), and Revenue Sharing of Natural Resource (DBH). DAU is designed to address the vertical and horizontal inequality. Vertical inequality pertains to that between the central and local government, and horizontal inequality pertains to the inequality among local government in Indonesia. DAU is block grant, and the majority of them nowadays are used to pay for wages and salaries. DAK is designed to finance the local activities which are in line with national priorities. There are about 13 areas of development that receive priorities. DBH is set to acknowledge the natural resources own by particular local economy. Revenues from those natural resources are shared between national and local governments. ● In the future, Ministry of Finance expects to continue to reduce the above to inequalities. Although the majority of local budget comes from the transfer, but Ministry of Finance expects that local government can employ the local budget for an efficient development financing. Part of that can be achieved if there is an effective local expenditure cycle and process. It is also important that there is a harmonized

	<p>central-local development expenditures.</p> <ul style="list-style-type: none">● The DG for Fiscal Balance at Ministry of Finance does not conduct sectoral allocation of transfers to local governments. Thus, Ministry of Finance does not have direct business with poverty alleviation programs.● However, the Ministry of Finance is in full support for the implementation of the Minimum Service Standards (SPM). In principle, the DAU should be used by the local government to finance the achievement of SPM. SPM serves as the standards that all citizens should be able to access no matter where the citizen decides to live, in Aceh or in Papua. As such, the DAU should be computed according to the need of SPM financing for each local economy. But that is not directly doable since by laws DAU is computed according to the fiscal needs and fiscal ability for each local govt. Also, if DAU is computed according to the SPM needs, then DAU may become a kind of specific grant, which is not in agreement to its initial intention as a block grant.● At this moment, several government functions have had its SPM. For example, there are SPM for health, social, and environmental. More and more sectors (central line ministries) are formulating their own SPM. For that, Ministry of Finance welcomes the effort to calculate the SPM financing needs for the local governments.● The computation SPM financing will have to be in line with the Standard Spending Assessment (ASB). The ASB should be used in the local government planning and budgeting process. The problem is that the ASB is very hard to formulate for a country as diverse as Indonesia. At this moment, the DG for Fiscal Balance conducts studies to compute the ASB for health and education sectors. Ministry of Finance understands that such efforts also exist in other line ministries, and at some time in the future will have to be synchronized.
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Date / Time	Wed, Oct 14 / 13:00-14:30
Organization	Yayasan Inovasi Pemerintahan Daerah (YIPD)
Person/Position	Mr. Kabul Sarwato / Program Manager Ms. Novi Anggriani / Program Development
Main Points	<ul style="list-style-type: none"> ● YIPD presents the progress report of Participatory Poverty Assessment and present some pictures of activities in the field. The YIPD team and JICA team discuss the content of the progress report. ● JICA team accepts the progress report and promise to send the second payment. ● JICA team promises to contact the external reviewer and then YIPD will arrange the review process with the external reviewer. ● The draft of final report will be presented on the first week of November when the JICA team will be in Jakarta. Then, the final report will be submitted some days later to incorporate the comment on the presentation.

Date / Time	Wed, Oct 14 / 15:00-16:00
Organization	Ministry of National Education
Person/Position	Mr. Didik Suhardi/ Director of Junior High School Development
Main Points	<ul style="list-style-type: none"> ● Since 1998 to 2004, government of Indonesia provided social assistance on education to prevent students drop out as the result of financial crisis. This program was funded by some international organizations, including ADB, and the trust fund. ● In 2005, new program called Bantuan Operational Sekolah (BOS)—<i>School Operational Assistance</i> was established to provide free basic education for all students. The budget for this program is 1.8 trillion rupiahs (1.8 billion US \$). The support was channeled from central government to provincial government and from provincial government directly to the school. In 2008, the Worldbank support 20-30% of the BOS budget. At this time, BOS is reshaped become BOS-KITA

	<p>(School Operational Assistance-Knowledge Improvement for Transparency and Accountability Project).</p> <ul style="list-style-type: none"> ● Every school is able to apply for BOS support, and the amount for each school is based on number of student in the school. The budget for each primary school student is around Rp 400.000,00 and for junior secondary school is around Rp 570.000,00. In addition to fund for BOS, the central government also provide special allocation fund for education that is allocated based on district financial gap, size of area and technical and infrastructure. ● To ensure good implementation of BOS, Ministry of National Education has published guidance on implementation of BOS. ● In addition to BOS, there is program to provide scholarship for poor student. This program covers 15% of total students. This scholarship aim to cover some personal education related expense such as stationeries and school uniform. <p>In addition to scholarship for poor student, government also provides scholarship based on performance such as students who win in the international competition will get scholarship until doctorate level wherever they wish.</p> <ul style="list-style-type: none"> ● Based on Law No 20 Year 2003 concerning National Education system, there several types of school: international standard school, potential international standard school, national standard school. In order to be a international school, a school should be nominated by the district government and verified by the Ministry of National Education.
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Date / Time	Mon, Oct 20/11:00-11:45
Organization	The United Nations World Food Programme (WFP)
Person/Position	Melania Gondomartoyo / Program Officer
Main Points	<ul style="list-style-type: none"> ● World Food Programme in Indonesia works to support government program. This is in line with the policy of new Executive Director of WFP who aim to get involve more than only food aid but to food assistance that include capacity

	<p>building in agriculture sector.</p> <ul style="list-style-type: none"> ● WFP has helped the government to build the Sistem Kewaspadaan Pangan dan Gizi (SKPG), a system that is used for mapping food situation in each sub-district in Indonesia. ● Other programs include improving maternal and child nutrition and school feeding program. To achieve the goal, WFP has integrated programs from giving fortified food to both mother and children, monitoring the utilization of health service and, promoting healthy behavior to mother and children, giving deworming tablet, providing clean water, and sanitation. In addition, WFP also has food for work (FFW) program that give food after people work for community, such as build village road etc. ● WFP focuses on some specifics area such as NTT, NTB and Sabang (Aceh). Currently, WFP is analyzing to start operation in Papua. ● For its operation, WFP only receive cash, instead of in-kind, so that WFP can buy in the local market to help the farmer. In addition, currently, WFP is analyzing the opportunity to purchase food directly from the local farmer. ● There are some challenges for successfulness of programs such as the commitment of local government and community involvement. In addition, it is now more difficult for fund raising for Indonesia as this country has climbed to middle income country.
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Date / Time	Wed, Oct 22 /14:00-14:45
Organization	Royal Danish Embassy
Person/Position	Yuniearti Setyaningsih / Programme Officer
Main Points	<ul style="list-style-type: none"> ● For international cooperation, Royal Danish Embassy categorizes countries into Program Country and Non-Program Country. In a Program Country, which is usually the least developed country, Danish Embassy has broader program while in a Non-Program Country, which is usually developing country that start to climb to middle

	<p>income country, such as Indonesia, the program is more focus on some specific areas.</p> <ul style="list-style-type: none">● In Indonesia, Royal Danish Embassy has two main programmes namely human rights and good government, and green environment. The recent human right and good government program was established for two years, 2008 and 2009 and now, it is discussed to be extended for period of 2010-2013. Since 2008, the environmental support program has started in the second phase.● For implementation of the programs, Danish Embassy is working together with other institutions both government and non-government organization.● Danish Embassy support Asia Foundation, Kemitraan (Partnership), Jakarta Center for Law Enforcement Cooperation, Corruption Eradication Commission and Transparency International for the programs of human rights and good governance, including anti- corruption.● As a part of environmental support program, Danish Embassy support the PNPM Green program in Indonesia. Danish Embassy work closely with Ministry of Natural Resources, Ministry of Environmental, Bappenas, and Ministry of Home Affairs.● The budget for Human Right and Good Governance Program for 2008-2009 is 22,1 Million Danish Kroner (DKK) or around 4,4 million USD, while for the second phase of environmental support program for 2008-2012, the budget is 220 million DKK.● Toward the end of program, Copenhagen will send a review mission to evaluate the program, and then the same team in addition to a country staff will formulate the program for the next period.
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Appendix. A. Number of Poor by Province (000)

PROVINCE	URBAN										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	104.70	102.30	112.10	201.10	223.90	198.40	222.89	226.90	218.80	195.82	182.19
SUMATRA UTARA	968.40	613.64	364.18	698.83	686.30	633.40	732.26	863.60	833.50	761.75	688.04
SUMATRA BARAT	237.40	136.82	112.87	173.65	184.80	167.80	189.28	189.80	149.20	127.28	115.78
RIAU	142.70	115.60	85.71	178.78	178.70	160.50	199.88	226.30	246.40	245.06	225.60
JAMBI	176.90	148.62	103.80	138.40	134.60	130.80	143.71	142.50	137.20	120.10	117.29
SUMATERA SELATAN	566.30	520.69	179.67	573.46	459.80	455.10	557.76	599.50	545.90	514.70	470.03
BENGKULU	97.70	49.30	43.25	129.51	110.60	112.80	142.38	134.50	135.60	131.76	117.60
LAMPUNG	307.20	381.19	244.45	345.14	318.70	317.30	405.56	398.60	366.00	365.56	349.31
BANGKA-BELITUNG	-	-	81.58	38.87	37.00	33.00	37.66	46.60	38.60	36.54	28.78
KEPULAUAN RIAU	-	-	-	-	-	-	70.09	82.70	76.80	69.22	62.58
JAKARTA	379.60	416.10	247.50	286.88	294.10	277.10	316.16	407.10	405.70	379.62	323.17
JAWA BARAT	4,279.00	3,157.20	1,657.81	2,647.05	2,445.30	2,243.20	2,444.75	2,777.10	2,654.60	2,617.43	2,531.37
JAWA TENGAH	3,032.20	2,444.75	1,440.99	2,762.28	2,520.30	2,346.50	2,671.24	2,958.10	2,687.30	2,556.48	2,420.94
YOGYAKARTA	482.70	436.61	266.77	303.75	303.30	301.40	340.28	346.00	335.30	324.16	311.47
JAWA TIMUR	3,047.50	2,271.51	1,829.71	2,859.00	2,474.60	2,230.60	2,716.41	2,836.30	2,575.70	2,310.64	2,148.51
BANTEN	-	-	570.68	305.84	309.40	279.90	370.17	417.10	399.40	371.04	348.74
BALI	114.50	80.07	67.14	98.88	99.70	87.00	105.93	127.40	119.80	115.05	92.06
NUSA TENGGARA BARAT	249.30	340.40	312.19	537.38	486.00	492.50	575.28	573.30	570.90	560.42	557.54
NUSA TENGGARA TIMUR	146.30	130.23	77.93	135.24	126.00	122.70	133.47	148.00	124.90	119.26	109.41
KALIMANTAN BARAT	95.70	114.37	111.56	185.49	165.80	143.80	171.61	151.00	144.10	127.49	93.98
KALIMANTAN TENGAH	26.50	25.23	21.17	42.33	41.30	33.00	48.47	52.90	51.20	45.35	35.78
KALIMANTAN SELATAN	99.50	42.43	51.90	77.60	76.00	63.50	82.42	102.60	83.10	81.15	68.76
KALIMANTAN TIMUR	127.90	92.27	122.38	75.73	94.80	84.30	105.98	127.30	136.10	110.36	77.06
SULAWESI UTARA	102.90	77.29	67.49	36.59	36.50	35.90	46.44	66.20	79.00	72.68	79.25
SULAWESI TENGAH	125.70	59.19	58.20	89.17	79.10	70.50	73.21	71.50	67.10	60.93	54.67
SULAWESI SELATAN	447.20	341.42	177.26	176.95	173.40	152.20	182.03	167.80	152.80	150.82	124.50
SULAWESI TENGGARA	68.70	39.01	33.72	43.53	39.40	38.00	37.18	29.90	31.30	27.16	26.19
GORONTALO	-	-	43.24	52.92	44.60	43.70	47.34	41.20	30.70	27.53	22.19
SULAWESI BARAT	-	-	-	-	-	-	-	57.50	55.10	48.33	43.51
MALUKU	166.60	126.20	41.08	40.20	41.90	41.10	45.14	46.20	49.10	44.66	38.77
MALUKU UTARA	-	-	21.71	34.80	27.20	23.90	29.26	20.70	11.70	9.03	8.72
IRIAN JAYA BARAT	-	-	-	-	-	-	-	13.30	11.00	9.48	8.55
PAPUA	49.60	49.97	51.37	49.30	50.60	49.10	53.00	39.40	35.40	31.65	28.19
INDONESIA	15,642.70	12,312.40	8,599.40	13,318.70	12,263.70	11,369.00	13,297.38	14,489.00	13,559.30	12,768.48	11,910.53

PROVINCE	RURAL										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	497.40	492.80	646.50	998.80	1,030.30	958.80	943.50	922.80	864.90	763.88	710.68
SUMATRA UTARA	1,004.30	878.16	995.52	1,185.07	1,197.30	1,166.70	1,107.94	1,033.50	935.00	852.08	811.64
SUMATRA BARAT	364.10	345.68	530.43	322.71	316.30	304.60	293.52	389.00	380.00	349.94	313.48
RIAU	447.00	370.00	405.89	543.63	572.60	583.90	400.49	338.60	328.10	321.61	301.89
JAMBI	500.10	356.28	376.60	188.51	192.70	194.30	174.13	162.10	144.70	140.18	132.41
SUMATERA SELATAN	1,247.40	817.31	934.13	1,027.14	937.30	924.20	871.23	847.40	785.90	734.91	697.85
BENGKULU	204.60	199.70	265.25	242.91	233.60	232.30	218.82	225.50	235.00	220.21	206.53
LAMPUNG	1,730.00	1,636.61	1,429.66	1,305.55	1,249.30	1,244.40	1,167.03	1,239.40	1,295.70	1,226.03	1,208.97
BANGKA-BELITUNG	-	-	46.33	67.32	61.20	58.80	57.55	70.80	56.50	50.18	47.85
KEPULAUAN RIAU	-	-	-	-	-	-	77.91	80.30	71.60	67.14	65.63
JAKARTA	-	-	-	-	-	-	-	-	-	-	-
JAWA BARAT	4,114.50	3,501.20	3,874.49	2,291.16	2,453.70	2,411.00	2,692.91	2,935.40	2,803.30	2,705.01	2,452.20
JAWA TENGAH	5,723.20	4,068.86	5,415.71	4,546.05	4,459.70	4,497.30	3,862.26	4,142.50	3,869.90	3,633.15	3,304.75
YOGYAKARTA	306.40	599.19	500.83	331.91	333.50	314.80	285.53	302.70	298.20	292.12	274.31
JAWA TIMUR	7,238.80	5,573.89	5,678.59	4,842.15	5,103.80	5,081.90	4,423.48	4,841.80	4,579.60	4,340.64	3,874.07
BANTEN	-	-	853.32	480.85	546.40	499.30	460.34	487.10	486.80	445.71	439.33
BALI	143.30	96.73	181.26	122.88	146.40	144.90	122.47	116.00	109.30	100.65	89.66
NUSA TENGGARA BARAT	1,027.60	730.10	863.32	608.43	568.80	539.10	561.18	582.80	547.70	520.20	493.41
NUSA TENGGARA TIMUR	1,632.70	1,295.67	1,239.57	1,071.26	1,040.00	1,029.40	1,037.73	1,125.90	1,038.70	979.07	903.74
KALIMANTAN BARAT	920.60	980.63	616.94	458.71	417.90	414.40	458.25	475.70	440.20	381.29	340.79
KALIMANTAN TENGAH	235.30	188.47	194.23	189.06	166.40	161.10	182.36	159.90	159.10	154.65	130.08
KALIMANTAN SELATAN	340.70	342.87	305.61	182.20	183.00	167.50	153.27	175.80	150.40	137.75	107.21
KALIMANTAN TIMUR	381.30	301.33	227.32	237.31	233.80	233.90	193.15	208.10	188.70	176.08	162.16
SULAWESI UTARA	401.80	288.61	145.71	192.72	155.10	156.30	155.02	183.20	171.10	150.86	140.31
SULAWESI TENGAH	473.70	444.01	472.31	475.43	430.00	415.80	454.31	482.00	490.30	463.77	435.17
SULAWESI SELATAN	1,014.80	856.58	1,119.04	1,132.28	1,128.50	1,089.30	1,098.62	944.20	930.60	880.93	839.06
SULAWESI TENGGARA	436.20	380.19	423.78	420.30	389.00	380.40	413.28	436.80	434.10	408.73	408.15
GORONTALO	-	-	209.76	221.75	213.10	215.40	207.72	232.60	211.20	194.09	202.43
SULAWESI BARAT	-	-	-	-	-	-	-	147.70	134.80	122.75	114.72
MALUKU	847.30	765.50	377.72	378.60	358.00	356.50	366.39	372.40	355.60	346.66	341.24
MALUKU UTARA	-	-	88.39	75.30	91.60	83.90	89.30	96.10	98.20	96.02	89.27
IRIAN JAYA BARAT	-	-	-	-	-	-	-	270.80	255.80	237.02	248.29
PAPUA	1,099.10	920.93	849.43	935.40	866.40	917.70	975.20	777.30	758.00	701.50	732.16
INDONESIA	32,332.20	26,431.30	29,267.60	25,075.30	25,075.70	24,777.90	23,504.68	24,806.30	23,609.00	22,194.78	20,619.44

PROVINCE	TOTAL										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	602.10	595.10	758.60	1,199.90	1,254.20	1,157.20	1,166.38	1,149.70	1,083.70	959.70	892.86
SUMATRA UTARA	1,972.70	1,491.80	1,359.70	1,883.89	1,883.60	1,800.10	1,840.19	1,897.10	1,768.50	1,613.83	1,499.68
SUMATRA BARAT	601.50	482.50	643.30	496.36	501.10	472.40	482.81	578.70	529.20	477.21	429.25
RIAU	589.70	485.60	491.60	722.41	751.30	744.40	600.37	564.90	574.50	566.67	527.49
JAMBI	677.00	504.90	480.40	326.91	327.30	325.10	317.84	304.60	281.90	260.28	249.69
SUMATERA SELATAN	1,813.70	1,338.00	1,113.80	1,600.60	1,397.10	1,379.30	1,429.03	1,446.90	1,331.80	1,249.61	1,167.87
BENGKULU	302.30	249.00	308.50	372.42	344.20	345.10	361.20	360.00	370.60	351.97	324.13
LAMPUNG	2,037.20	2,017.80	1,674.10	1,650.69	1,568.00	1,561.70	1,572.57	1,638.00	1,661.70	1,591.58	1,558.28
BANGKA-BELITUNG	-	-	127.90	106.19	98.20	91.80	95.32	117.40	95.10	86.73	76.63
KEPULAUAN RIAU	-	-	-	-	-	-	148.00	163.00	148.40	136.36	128.21
JAKARTA	379.60	416.10	247.50	286.88	294.10	277.10	316.16	407.10	405.70	379.62	323.17
JAWA BARAT	8,393.50	6,658.40	5,532.30	4,938.20	4,899.00	4,654.20	5,137.57	5,712.50	5,457.90	5,322.44	4,983.57
JAWA TENGAH	8,755.40	6,513.60	6,856.70	7,308.33	6,980.00	6,843.80	6,533.50	7,100.60	6,557.20	6,189.63	5,725.69
YOGYAKARTA	789.10	1,035.80	767.60	635.66	636.80	616.20	625.81	648.70	633.50	616.28	585.78
JAWA TIMUR	10,286.30	7,845.40	7,508.30	7,701.15	7,578.40	7,312.50	7,139.92	7,678.10	7,155.30	6,651.28	6,022.59
BANTEN	-	-	1,424.00	786.69	855.80	779.20	830.49	904.30	886.20	816.74	788.07
BALI	257.80	176.80	248.40	221.76	246.10	231.90	228.40	243.50	229.10	215.70	181.72
NUSA TENGGARA BARAT	1,276.90	1,070.50	1,175.50	1,145.81	1,054.80	1,031.60	1,136.47	1,156.10	1,118.60	1,080.61	1,050.95
NUSA TENGGARA TIMUR	1,779.00	1,425.90	1,317.50	1,206.49	1,166.00	1,152.10	1,171.20	1,273.90	1,163.60	1,098.33	1,013.15
KALIMANTAN BARAT	1,016.30	1,095.00	728.50	644.20	583.70	558.20	629.82	626.70	584.30	508.78	434.77
KALIMANTAN TENGAH	261.80	213.70	215.40	231.39	207.70	194.10	230.86	212.80	210.30	199.99	165.85
KALIMANTAN SELATAN	440.20	385.30	357.50	259.80	259.00	231.00	235.69	278.50	233.50	218.90	175.98
KALIMANTAN TIMUR	509.20	393.60	349.70	313.04	328.60	318.20	299.13	335.50	324.80	286.44	239.22
SULAWESI UTARA	504.70	365.90	213.20	229.32	191.60	192.20	201.42	249.40	250.10	223.55	219.57
SULAWESI TENGAH	599.40	503.20	530.50	564.60	509.10	486.30	527.52	553.50	557.40	524.70	489.84
SULAWESI SELATAN	1,462.00	1,198.00	1,296.30	1,309.23	1,301.80	1,241.50	1,280.61	1,112.00	1,083.40	1,031.75	963.57
SULAWESI TENGGARA	504.90	419.20	457.50	463.84	428.40	418.40	450.46	466.80	465.40	435.89	434.34
GORONTALO	-	-	253.00	274.68	257.70	259.10	255.03	273.80	241.90	221.62	224.62
SULAWESI BARAT	-	-	-	-	-	-	-	205.20	189.90	171.08	158.23
MALUKU	1,013.90	891.70	418.80	418.80	399.90	397.60	411.53	418.60	404.70	391.32	380.01
MALUKU UTARA	-	-	110.10	110.10	118.80	107.80	118.56	116.80	109.90	105.05	98.00
IRIAN JAYA BARAT	-	-	-	-	-	-	-	284.10	266.80	246.50	256.84
PAPUA	1,148.70	970.90	900.80	984.70	917.00	966.80	1,028.20	816.70	793.40	733.15	760.35
INDONESIA	47,974.90	38,743.70	37,867.00	38,394.00	37,339.40	36,146.90	36,802.09	39,295.30	37,168.30	34,963.26	32,529.97

Source: BPS. various publications

Appendix B. Percentage of Poor by Province (%)

PROVINCE	URBAN										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	10.15	10.45	13.03	20.09	19.47	17.58	19.04	19.22	18.68	16.67	15.44
SUMATRA UTARA	18.28	12.59	7.22	13.6	13.41	12.02	12.67	14.73	14.21	12.85	11.45
SUMATRA BARAT	18.22	11.74	9.36	13.34	14.1	12.28	12.45	11.87	9.78	8.30	7.50
RIAU	9.06	5.84	4.19	7.4	7.47	6.44	8.26	9.37	9.53	9.12	8.04
JAMBI	22.35	22.14	14.89	19.04	18.53	17.34	16.58	16.3	15.42	13.28	12.71
SUMATERA SELATAN	23.99	19.2	7.42	22.62	21.05	20.13	21.19	22.32	20.30	18.87	16.93
BENGKULU	22.01	12.53	10.44	25.6	26.11	25.43	24.84	24.24	23.00	21.95	19.16
LAMPUNG	24.03	27.71	16.69	22.42	21.36	20.17	20.46	20.35	18.11	17.85	16.78
BANGKA-BELITUNG	-	-	20.23	9.98	8.94	7.73	8.05	9.01	8.09	7.57	5.86
KEPULAUAN RIAU	-	-	-	-	-	-	9.83	11.61	10.08	8.81	7.63
JAKARTA	3.99	4.96	2.95	3.42	3.42	3.18	3.61	4.57	4.61	4.29	3.62
JAWA BARAT	21.15	14.54	8.92	13.62	12.71	11.21	10.57	11.9	11.21	10.88	10.33
JAWA TENGAH	27.80	20.23	11.41	20.5	19.66	17.52	17.24	18.9	17.23	16.34	15.41
YOGYAKARTA	23.81	24.58	14.56	16.17	16.44	15.96	16.02	17.85	15.63	14.99	14.25
JAWA TIMUR	24.69	16.29	12.56	18.9	16.84	14.62	15.52	15.85	14.71	13.15	12.17
BANTEN	-	-	12.84	6.47	6.62	5.69	6.56	7.47	6.79	6.15	5.62
BALI	9.42	5.49	4.3	5.72	6.14	5.05	5.40	6.4	6.01	5.70	4.50
NUSA TENGGARA BARAT	31.93	26.01	21.94	34.1	34.64	32.66	31.31	31.95	30.44	29.47	28.84
NUSA TENGGARA TIMUR	29.20	21.58	12.25	21.49	19.33	18.11	17.85	18.77	16.41	15.50	14.01
KALIMANTAN BARAT	10.79	11.6	10.83	17.47	15.81	13.29	13.95	13.1	11.45	9.98	7.23
KALIMANTAN TENGAH	5.64	5.11	3.99	7.45	8.1	6.13	6.62	7.97	6.72	5.81	4.45
KALIMANTAN SELATAN	10.41	4.09	4.81	6.76	6.54	5.28	6.09	7.35	6.01	5.79	4.82
KALIMANTAN TIMUR	9.96	6.72	8.66	5.17	6.4	5.63	6.02	6.93	7.44	5.89	4.00
SULAWESI UTARA	12.88	8.31	8.88	4.66	4.62	4.37	4.96	7.01	8.31	7.56	8.14
SULAWESI TENGAH	23.05	14.29	13.75	20.04	17.61	15.33	14.41	14.4	12.86	11.47	10.09
SULAWESI SELATAN	18.26	15.09	7.65	7.16	7.15	6.11	6.61	6.83	6.18	6.05	4.94
SULAWESI TENGGARA	15.73	10.6	8.7	10.69	9.86	9.21	7.70	6.46	6.24	5.29	4.96
GORONTALO	-	-	19.82	22.94	19.98	18.63	17.23	13.9	11.08	9.87	7.89
SULAWESI BARAT	-	-	-	-	-	-	-	17.26	16.53	14.14	12.59
MALUKU	27.20	27.2	12.76	12.76	12.53	11.99	13.57	13.86	14.49	12.97	11.03
MALUKU UTARA	-	-	13.17	13.17	13.25	10.5	10.99	7.53	4.29	3.27	3.10
IRIAN JAYA BARAT	-	-	-	-	-	-	-	8.42	7.14	5.93	5.22
PAPUA	9.03	9.01	9.23	9.76	8.32	7.71	9.23	8.71	7.97	7.02	6.10
INDONESIA	19.41	14.6	9.79	14.46	13.57	12.13	12.48	13.47	12.52	11.65	10.72

PROVINCE	RURAL										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	16.30	16.78	20.92	33.06	33.63	32.66	32.60	31.98	29.87	26.30	24.37
SUMATRA UTARA	15.49	13.39	15.21	17.55	17.77	17.19	16.40	15.25	13.63	12.29	11.56
SUMATRA BARAT	11.24	11.32	17.47	10.80	10.06	9.67	10.08	12.85	13.01	11.91	10.60
RIAU	16.95	13.71	14.30	18.79	18.08	18.36	16.82	14.40	12.90	12.16	10.93
JAMBI	28.59	20.77	21.65	10.76	10.46	10.46	9.63	8.98	7.81	7.43	6.88
SUMATERA SELATAN	23.32	16.38	20.71	22.16	21.79	21.33	20.90	20.14	18.43	17.01	15.87
BENGKULU	18.88	19.90	26.23	21.41	21.36	21.16	20.74	22.32	21.66	19.93	18.28
LAMPUNG	30.24	31.14	27.20	24.53	22.98	22.81	21.78	23.67	23.70	22.14	21.49
BANGKA-BELITUNG	-	-	8.27	12.84	10.89	10.06	11.28	12.67	10.87	9.52	8.93
KEPULAUAN RIAU	-	-	-	-	-	-	12.26	12.79	10.54	9.60	8.98
JAKARTA	-	-	-	-	-	-	-	-	-	-	-
JAWA BARAT	18.53	16.26	22.17	13.10	13.09	13.08	16.62	18.16	16.88	16.05	14.28
JAWA TENGAH	28.82	21.77	29.38	24.96	23.19	23.64	23.57	25.28	23.45	21.96	19.89
YOGYAKARTA	30.79	45.17	38.65	25.96	24.48	23.65	24.23	27.64	25.03	24.32	22.60
JAWA TIMUR	32.10	27.17	28.20	24.18	23.74	24.02	24.19	26.11	25.02	23.64	21.00
BANTEN	-	-	22.38	12.64	12.76	11.99	12.34	13.34	12.52	11.18	10.70
BALI	7.94	5.85	11.35	8.25	8.48	8.71	8.51	8.03	7.47	6.81	5.98
NUSA TENGGARA BARAT	33.21	29.24	35.38	23.84	21.86	21.09	22.03	23.69	21.06	19.73	18.40
NUSA TENGGARA TIMUR	49.39	39.25	36.95	32.51	30.40	29.77	30.46	31.68	29.95	27.88	25.35
KALIMANTAN BARAT	30.72	35.85	22.36	14.77	14.42	14.15	14.35	16.07	13.47	11.49	10.09
KALIMANTAN TENGAH	18.54	14.59	14.86	13.71	12.64	12.20	12.84	12.57	10.76	10.20	8.34
KALIMANTAN SELATAN	16.16	17.86	15.92	9.56	9.09	8.33	8.03	9.03	7.72	6.97	5.33
KALIMANTAN TIMUR	30.74	28.94	21.11	21.58	19.11	18.68	18.06	18.85	16.98	15.47	13.86
SULAWESI UTARA	20.33	15.36	11.76	15.31	11.60	11.76	12.70	15.05	13.80	12.04	11.05
SULAWESI TENGAH	30.68	27.09	28.20	26.08	24.42	23.33	23.76	26.10	24.97	23.22	21.35
SULAWESI SELATAN	18.35	15.59	20.21	19.61	19.49	18.65	18.95	18.25	17.87	16.79	15.81
SULAWESI TENGGARA	34.23	27.40	29.68	27.87	26.36	25.39	25.56	28.47	25.84	23.78	23.11
GORONTALO	-	-	33.16	35.52	32.39	32.70	34.43	36.14	34.76	31.72	32.82
SULAWESI BARAT	-	-	-	-	-	-	-	22.50	20.29	18.03	16.65
MALUKU	53.47	53.47	42.83	42.83	40.56	39.86	38.89	39.87	37.02	35.56	34.30
MALUKU UTARA	-	-	14.25	14.25	14.13	13.10	14.17	14.95	15.22	14.67	13.42
IRIAN JAYA BARAT	-	-	-	-	-	-	-	51.17	48.82	43.74	44.71
PAPUA	70.95	59.78	53.14	51.21	49.75	49.28	50.16	51.31	50.47	45.96	46.81
INDONESIA	26.03	22.38	24.84	21.10	20.23	20.11	20.63	21.81	20.37	18.93	17.35

PROVINCE	TOTAL										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	14.75	15.20	19.20	29.83	29.76	28.47	28.69	28.28	26.65	23.53	21.80
SUMATRA UTARA	16.74	13.05	11.73	15.84	15.89	14.93	14.68	15.01	13.90	12.55	11.51
SUMATRA BARAT	13.24	11.43	15.16	11.57	11.24	10.46	10.89	12.51	11.90	10.67	9.54
RIAU	14.00	10.38	10.06	13.61	13.52	13.12	12.51	11.85	11.20	10.63	9.48
JAMBI	26.64	21.15	19.71	13.18	12.74	12.45	11.88	11.37	10.27	9.32	8.77
SUMATERA SELATAN	23.53	17.37	16.07	22.32	21.54	20.92	21.01	20.99	19.15	17.73	16.28
BENGKULU	19.79	17.83	21.65	22.70	22.69	22.39	22.18	23.00	22.13	20.64	18.59
LAMPUNG	29.11	30.43	24.91	24.05	22.63	22.22	21.42	22.77	22.19	20.98	20.22
BANGKA-BELITUNG	-	-	13.28	11.62	10.06	9.07	9.74	10.91	9.54	8.58	7.46
KEPULAUAN RIAU	-	-	-	-	-	-	10.97	12.16	10.30	9.18	8.27
JAKARTA	3.99	4.96	3.14	3.42	3.42	3.18	3.61	4.57	4.61	4.29	3.62
JAWA BARAT	19.78	15.40	15.34	13.38	12.90	12.10	13.06	14.49	13.55	13.01	11.96
JAWA TENGAH	28.46	21.16	22.07	23.06	21.78	21.11	20.49	22.19	20.43	19.23	17.72
YOGYAKARTA	26.10	33.39	24.53	20.14	19.86	19.14	18.95	19.15	18.99	18.32	17.23
JAWA TIMUR	29.47	22.77	21.64	21.91	20.93	20.08	19.95	21.09	19.98	18.51	16.68
BANTEN		-	17.24	9.22	9.56	8.58	8.86	9.79	9.07	8.15	7.64
BALI	8.53	5.68	7.87	6.89	7.34	6.85	6.72	7.08	6.63	6.17	5.13
NUSA TENGGARA BARAT	32.96	28.13	30.43	27.76	26.34	25.38	25.92	27.17	24.99	23.81	22.78
NUSA TENGGARA TIMUR	46.73	36.52	33.01	30.74	28.63	27.86	28.19	29.34	27.51	25.65	23.31
KALIMANTAN BARAT	26.17	29.42	19.23	15.46	14.79	13.91	14.24	15.24	12.91	11.07	9.30
KALIMANTAN TENGAH	15.06	11.97	11.72	11.88	11.37	10.44	10.73	11.00	9.38	8.71	7.02
KALIMANTAN SELATAN	14.37	13.03	11.92	8.51	8.16	7.19	7.23	8.32	7.01	6.48	5.12
KALIMANTAN TIMUR	20.16	16.30	14.04	12.20	12.15	11.57	10.57	11.41	11.04	9.51	7.73
SULAWESI UTARA	18.19	13.03	10.67	11.22	9.01	8.94	9.34	11.54	11.42	10.10	9.79
SULAWESI TENGAH	28.69	24.51	25.29	24.89	23.04	21.69	21.80	23.63	22.42	20.75	18.98
SULAWESI SELATAN	18.32	15.44	16.50	15.88	15.85	14.90	14.98	14.57	14.11	13.34	12.31
SULAWESI TENGGARA	29.51	23.88	25.20	24.22	22.84	21.90	21.45	23.37	21.33	19.53	18.93
GORONTALO	-	-	29.74	32.12	29.25	29.01	29.05	29.13	27.35	24.88	25.01
SULAWESI BARAT	-	-	-	-	-	-	-	20.74	19.03	16.73	15.29
MALUKU	46.14	46.14	34.79	34.78	32.85	32.13	32.28	33.03	31.14	29.66	28.23
MALUKU UTARA	-	-	14.03	14.03	13.92	12.42	13.23	12.73	11.97	11.28	10.36
IRIAN JAYA BARAT	-	-	-	-	-	-	-	41.34	39.31	35.12	35.71
PAPUA	54.75	46.35	41.80	41.80	39.03	38.69	40.83	41.52	40.78	37.08	37.53
INDONESIA	23.43	19.14	18.41	18.20	17.42	16.66	16.69	17.75	16.58	15.42	14.15

Source: BPS. various publications

PROVINCE	TOTAL										
	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
ACEH	1.26	1.54	2.00	3.13	3.36	3.20	3.17	2.93	2.92	2.74	2.74
SUMATRA UTARA	4.11	3.85	3.59	4.91	5.04	4.98	5.00	4.83	4.76	4.62	4.61
SUMATRA BARAT	1.25	1.25	1.70	1.29	1.34	1.31	1.31	1.47	1.42	1.36	1.32
RIAU	1.23	1.25	1.30	1.88	2.01	2.06	1.63	1.44	1.55	1.62	1.62
JAMBI	1.41	1.30	1.27	0.85	0.88	0.90	0.86	0.78	0.76	0.74	0.77
SUMATERA SELATAN	3.78	3.45	2.94	4.17	3.74	3.82	3.88	3.68	3.58	3.57	3.59
BENGKULU	0.63	0.64	0.81	0.97	0.92	0.95	0.98	0.92	1.00	1.01	1.00
LAMPUNG	4.25	5.21	4.42	4.30	4.20	4.32	4.27	4.17	4.47	4.55	4.79
BANGKA-BELITUNG	-	-	0.34	0.28	0.26	0.25	0.26	0.30	0.26	0.25	0.24
KEPULAUAN RIAU	-	-	-	-	-	-	0.40	0.41	0.40	0.39	0.39
JAKARTA	0.79	1.07	0.65	0.75	0.79	0.77	0.86	1.04	1.09	1.09	0.99
JAWA BARAT	17.50	17.19	14.61	12.86	13.12	12.88	13.96	14.54	14.68	15.22	15.32
JAWA TENGAH	18.25	16.81	18.11	19.04	18.69	18.93	17.75	18.07	17.64	17.70	17.60
YOGYAKARTA	1.64	2.67	2.03	1.66	1.71	1.70	1.70	1.65	1.70	1.76	1.80
JAWA TIMUR	21.44	20.25	19.83	20.06	20.30	20.23	19.40	19.54	19.25	19.02	18.51
BANTEN	-	-	3.76	2.05	2.29	2.16	2.26	2.30	2.38	2.34	2.42
BALI	0.54	0.46	0.66	0.58	0.66	0.64	0.62	0.62	0.62	0.62	0.56
NUSA TENGGARA BARAT	2.66	2.76	3.10	2.98	2.82	2.85	3.09	2.94	3.01	3.09	3.23
NUSA TENGGARA TIMUR	3.71	3.68	3.48	3.14	3.12	3.19	3.18	3.24	3.13	3.14	3.11
KALIMANTAN BARAT	2.12	2.83	1.92	1.68	1.56	1.54	1.71	1.59	1.57	1.46	1.34
KALIMANTAN TENGAH	0.55	0.55	0.57	0.60	0.56	0.54	0.63	0.54	0.57	0.57	0.51
KALIMANTAN SELATAN	0.92	0.99	0.94	0.68	0.69	0.64	0.64	0.71	0.63	0.63	0.54
KALIMANTAN TIMUR	1.06	1.02	0.92	0.82	0.88	0.88	0.81	0.85	0.87	0.82	0.74
SULAWESI UTARA	1.05	0.94	0.56	0.60	0.51	0.53	0.55	0.63	0.67	0.64	0.67
SULAWESI TENGAH	1.25	1.30	1.40	1.47	1.36	1.35	1.43	1.41	1.50	1.50	1.51
SULAWESI SELATAN	3.05	3.09	3.42	3.41	3.49	3.43	3.48	2.83	2.91	2.95	2.96
SULAWESI TENGGARA	1.05	1.08	1.21	1.21	1.15	1.16	1.22	1.19	1.25	1.25	1.34
GORONTALO	-	-	0.67	0.72	0.69	0.72	0.69	0.70	0.65	0.63	0.69
SULAWESI BARAT	-	-	-	-	-	-	-	0.52	0.51	0.49	0.49
MALUKU	2.11	2.30	1.11	1.09	1.07	1.10	1.12	1.07	1.09	1.12	1.17
MALUKU UTARA	-	-	0.29	0.29	0.32	0.30	0.32	0.30	0.30	0.30	0.30
IRIAN JAYA BARAT	-	-	-	-	-	-	-	0.72	0.72	0.71	0.79
PAPUA	2.39	2.51	2.38	2.56	2.46	2.67	2.79	2.08	2.13	2.10	2.34
INDONESIA	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00

Source: BPS. various publications

Appendix D. Indicators of Non Income Poverty by Province (%)

Indicator	Less than Primary School (Head of Household)			Illiterate (Head of Household)			Ground Floor			Low Quality Floor		
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
PROVINCE												
ACEH	23.02	22.72	21.34	7.16	8.75	6.62	24.12	18.98	20.28	11.86	13.91	11.38
SUMATRA UTARA	23.02	20.49	20.56	4.78	3.66	2.73	21.42	18.33	19.27	5.23	5.19	4.93
SUMATRA BARAT	32.72	28.51	30.33	5.46	4.87	3.86	18.51	18.05	16.91	2.7	2.75	3.58
RIAU	20.96	22.21	20.73	3.47	3.41	1.85	18.41	18.14	17.13	4.53	1.96	2.96
JAMBI	25.46	25.26	25.17	5.62	6.01	4.33	14.72	9.54	11.46	3.84	7.24	4.06
SUMATERA SELATAN	26.77	27.14	27.69	4.36	3.4	3.36	26.87	20.6	22.36	11.26	7.96	7.87
BENGKULU	32.08	29.84	26.29	7.47	6.26	5.08	22.11	20.16	18.55	9.26	8.24	7.46
LAMPUNG	35.65	32.96	32.14	8.72	7.75	6.34	8.48	8.47	8.07	19.72	19.08	18.4
BANGKA-BELITUNG	34.62	32.93	29.88	7.25	5.71	4.53	11.45	11.17	11.19	1.65	1.4	1.13
KEPULAUAN RIAU	15.93	17.17	16.1	4.28	3.41	2.96	21.93	18.64	18.64	3.74	3.41	2.7
JAKARTA	12.39	8.14	9.35	2.32	1.41	1.63	35.17	35.91	35.23	4.3	2.71	1.29
JAWA BARAT	25.53	25.36	25.36	6.6	5.49	4.94	16.46	16.43	16.04	6.84	5.92	6
JAWA TENGAH	32.08	31.07	30.22	14.12	13.36	11.34	4.23	3.8	3.88	28.44	27.56	26.17
YOGYAKARTA	18.69	16.92	17.48	11.65	11.82	11.82	4.58	5.69	5.02	13.48	9.78	10.04
JAWA TIMUR	30.33	30.06	29.38	14.88	14.81	14.49	6.82	7.26	6.57	22.06	20.56	19.91
BANTEN	28.92	23.27	23.05	7.67	5.75	5.09	15.13	15.98	15.59	12.15	8.54	7.19
BALI	21.25	17.67	19.29	11.29	11.09	10.21	18.9	15.95	17.3	6.07	4.75	4.87
NUSA TENGGARA BARAT	34.13	32.21	31.24	23.04	24.86	22.09	30.18	27.71	25.23	12.59	11.61	11.02
NUSA TENGGARA TIMUR	38.41	32.97	29.7	13.29	14.43	13.98	39.8	33.45	33.09	43.29	40.4	40.26
KALIMANTAN BARAT	35.23	36.95	34.25	13.51	10.69	10.41	25.01	20.21	23.33	3.04	5.53	2.03
KALIMANTAN TENGAH	28.04	18.45	16.53	4.8	3.63	3.29	20.72	17.32	16.61	3.08	2.63	3.11
KALIMANTAN SELATAN	31.13	30.75	29.78	7.32	7.75	5.85	14.86	13.39	14.71	2.25	2.51	2.27
KALIMANTAN TIMUR	18.73	14.37	15	4.98	4.77	4.83	16.9	17.99	19.67	4.04	3.69	3.07
SULAWESI UTARA	26.53	21.26	21.87	1.63	0.8	0.71	23.62	22.12	25.93	8.87	6.37	6.39
SULAWESI TENGAH	23.84	21.57	20.51	7.68	5.48	4.37	20.57	16.71	19.93	8.59	9.7	9.09
SULAWESI SELATAN	29.7	31.47	29.45	17.15	17.39	17.43	16.4	12.65	11.18	3.3	2.67	2.9
SULAWESI TENGGARA	21.8	24.18	22.3	10.01	11.52	10.11	19.02	20.46	19.13	11.74	9.86	10.47
GORONTALO	44.99	39.08	40.92	10.89	6.65	6.13	32.56	30.05	28.63	7.65	9.46	8.12
SULAWESI BARAT	35.05	33.27	32.57	14.7	17.09	16.25	30.11	29.86	23.5	11.29	8.27	6.54
MALUKU	20.59	17.17	16.64	3.52	2.93	2.68	29.36	30.93	28.82	13.4	18.4	17.69
MALUKU UTARA	25.7	23.96	23.67	6.98	4.66	3.92	21.56	17.81	23.53	25.26	15.18	14.12
IRIAN JAYA BARAT	18.11	16.58	19.5	6.19	7.69	6.07	34.29	32.45	30.33	15.48	10.34	14.23
PAPUA	24.08	20.53	16.76	19.84	25.65	26.17	51.58	47.11	52.14	27.37	18.56	26.27
INDONESIA	27.4	25.78	25.21	9.91	9.52	8.63	17.54	16.23	16.27	13.16	12.09	11.58

Indicator	Low Quality Wall			None or Shared Toilet			Low Quality of Drinking Water Source			No Electricity		
	2007	2008	2009	2007	2008	2009	2007	2008	2009	2007	2008	2009
PROVINCE												
ACEH	3.87	3.38	2.59	48.87	50.23	44.13	35.82	32.23	32.95	15.52	11.36	9.98
SUMATRA UTARA	7.3	6.97	6.78	30.37	25.13	24.51	33.53	29.73	28.71	8.57	8.96	7.1
SUMATRA BARAT	2.18	1.6	1.48	53.62	52.26	49.15	39.14	36.68	32.24	17.7	12.09	10.27
RIAU	0.99	1.11	1.23	21.14	23.51	20.33	47.61	47.48	48.18	14.38	18.4	15.03
JAMBI	0.71	0.88	0.9	36.22	29.68	26.9	43.53	48.85	48.1	15.7	15.64	12
SUMATERA SELATAN	3.28	1.96	2.53	37.1	38.37	36.78	40.44	35.31	34.58	18.21	17.2	14.43
BENGKULU	2.99	4.77	4.77	46.02	38.23	38.96	52.79	57.99	62.49	29.78	16.88	16.27
LAMPUNG	16.02	14.94	14.73	42.09	32.4	26.79	40.05	39.87	38.67	20.14	14.37	10.7
BANGKA-BELITUNG	1.4	1.02	0.88	41.73	37.94	35.6	35.62	34.14	23.02	5.09	8.5	8.68
KEPULAUAN RIAU	1.34	0.66	1.8	22.46	17.59	16.2	20.32	23.75	24.81	6.15	5.25	5.66
JAKARTA	1.71	1.21	1.63	24.42	25.23	23.8	1.28	0.47	0.27	0.37	0.07	0.07
JAWA BARAT	23.27	21.49	20.95	39.11	38.78	36.92	23.74	27.47	26.32	2.65	2.03	1.7
JAWA TENGAH	10.18	9.66	9.19	42.29	41.63	38.17	26.23	27.12	25.98	2.04	1.89	1.58
YOGYAKARTA	10.81	7.82	8	31.45	33.64	29.96	17.75	18.36	19.11	1.96	1.42	0.93
JAWA TIMUR	12.29	12.23	11.36	42.58	43.65	40.43	21.99	21.69	20.32	2.27	1.94	1.62
BANTEN	17.47	17.72	16.33	43.63	38.92	37.69	21.42	18.99	18.74	6.13	4.38	3.1
BALI	4.79	4.23	4.39	38.34	37.24	39.1	25.99	30.48	28.94	1.86	3.22	2.7
NUSA TENGGARA BARAT	21.22	22.67	21.81	62.69	60.63	58.91	31.3	30.83	28.71	15.07	13.67	12.24
NUSA TENGGARA TIMUR	62.49	58.09	58.48	42.47	39.19	33.87	64.21	64.98	63.5	59.76	54.83	51.97
KALIMANTAN BARAT	7.27	5	4.16	43.57	39.04	39.19	80.41	80.69	81.21	22.68	23.3	22.05
KALIMANTAN TENGAH	0.63	0.73	0.53	55.57	44.42	46.45	53.67	56.94	58.26	27.78	27.38	24.07
KALIMANTAN SELATAN	0.58	1.2	0.62	38.54	41.25	39.86	40.61	41.14	38.27	7.03	6.21	5.51
KALIMANTAN TIMUR	0.85	0.9	0.35	24.13	23.38	23.71	32.21	24.01	24.76	9.48	2.97	2.99
SULAWESI UTARA	7.6	5.4	4.17	31.67	36.28	30.73	35.84	29.91	32.59	2.9	3.81	3.2
SULAWESI TENGAH	3.93	3.41	3.58	57.31	52.02	48.51	43.6	42.68	43.79	24.86	20.84	20.45
SULAWESI SELATAN	23	22.48	20.58	44.2	39.13	36.09	31.6	30.93	26.39	13.85	8.5	6.89
SULAWESI TENGGARA	6.28	4.52	4.01	39.58	40.46	38.8	44.77	44.42	39.07	25.66	23.32	19.49
GORONTALO	24.64	20.97	21.7	73.41	69.57	66.84	25.94	25.7	25.83	25.55	20.46	16.38
SULAWESI BARAT	14.87	15.65	12.19	65.59	63.49	62.54	53.94	58.09	52.83	41.58	32.01	31.27
MALUKU	7.58	8.13	6.97	54.94	55.6	52.95	41.14	45.33	41.02	33.96	28.13	26.14
MALUKU UTARA	9.45	6.68	4.9	59.14	65.79	60.59	42.09	45.14	33.53	28.13	24.49	19.02
IRIAN JAYA BARAT	6.19	7.93	5.44	41.19	43.99	40.79	53.1	48.56	56.9	33.1	27.4	28.66
PAPUA	11.39	8.68	6.72	53.81	56.69	52.04	74.26	71.96	74.64	60.43	56.69	54.99
INDONESIA	11.62	10.93	10.42	41.39	40.13	37.61	32.67	32.77	31.7	11.67	10.17	9.03

Source: SUSENAS Panel Data 2007-2009 (unweighted)

Appendix E. Indicators of Non Income Poverty by Province by Status 2009

INDOCATOR	Less than Primary School (Head of Household)			Less than 8 m.sq per person			None or Shared Toilet			No Electricity		
	NON POOR	POOR	TOTAL	NON POOR	POOR	TOTAL	NON POOR	POOR	TOTAL	NON POOR	POOR	TOTAL
ACEH	20.04	27.36	21.34	15.51	42.07	20.28	40.35	61.38	44.13	8.58	16.43	9.98
SUMATRA UTARA	19.58	31.30	20.56	15.91	54.88	19.27	22.53	45.53	24.51	6.20	16.67	7.10
SUMATRA BARAT	29.07	47.06	30.33	14.16	51.15	16.91	46.6	80.92	49.15	8.58	31.30	10.27
RIAU	19.74	33.94	20.73	14.43	51.26	17.13	19.08	36.13	20.33	13.10	39.50	15.03
JAMBI	24.38	37.70	25.17	9.87	33.33	11.46	26.04	38.67	26.9	10.75	29.33	12.00
SUMATERA SELATAN	26.78	33.94	27.69	18.92	46.09	22.36	35.18	47.83	36.78	12.99	24.35	14.43
BENGKULU	23.18	43.26	26.29	14.88	38.16	18.55	34.69	61.84	38.96	12.30	37.50	16.27
LAMPUNG	30.05	42.03	32.14	5.6	19.47	8.07	24.96	35.26	26.79	8.34	21.58	10.70
BANGKA-BELITUNG	29.42	38.89	29.88	8.58	51.02	11.19	33.24	71.43	35.6	6.97	34.69	8.68
KEPULAUAN RIAU	15.12	29.41	16.1	16.97	41.51	18.64	15.17	30.19	16.2	5.10	13.21	5.66
JAKARTA	8.98	23.08	9.35	33.8	85.54	35.23	22.57	67.47	23.8	0.03	1.20	0.07
JAWA BARAT	23.74	40.63	25.36	13.06	43.88	16.04	34.01	64.14	36.92	1.31	5.39	1.70
JAWA TENGAH	27.85	45.12	30.22	3.06	8.56	3.88	35.61	52.91	38.17	1.18	3.83	1.58
YOGYAKARTA	14.76	35.74	17.48	4.7	6.82	5.02	28.54	37.98	29.96	0.58	2.97	0.93
JAWA TIMUR	27.17	44.37	29.38	5.37	13.64	6.57	36.73	62.36	40.43	1.29	3.59	1.62
BANTEN	21.36	52.08	23.05	14.18	36.36	15.59	35.59	68.6	37.69	2.41	13.22	3.10
BALI	18.63	35.29	19.29	16.16	42.17	17.3	19.29	66.27	39.1	2.32	10.84	2.70
NUSA TENGGARA BARAT	29.21	40.53	31.24	18.95	51.08	25.23	53.18	82.49	58.91	9.45	23.74	12.24
NUSA TENGGARA TIMUR	27.26	40.74	29.7	26.59	60.19	33.09	31.41	44.14	33.87	45.70	78.09	51.97
KALIMANTAN BARAT	32.57	58.49	34.25	20.49	61.07	23.33	36.68	72.52	39.19	20.26	45.80	22.05
KALIMANTAN TENGAH	16.12	23.33	16.53	14.96	44.44	16.61	45.16	68.25	46.45	22.30	53.97	24.07
KALIMANTAN SELATAN	29.17	44.12	29.78	13.56	41.67	14.71	38.6	69.44	39.86	5.27	11.11	5.51
KALIMANTAN TIMUR	13.35	39.71	15	17.15	56.94	19.67	21.93	50	23.71	2.44	11.11	2.99
SULAWESI UTARA	20.83	34.09	21.87	22.54	65.91	25.93	28.42	57.95	30.73	2.60	10.23	3.20
SULAWESI TENGAH	19.44	26.71	20.51	14.14	52	19.93	43.03	78.86	48.51	16.51	42.29	20.45
SULAWESI SELATAN	27.76	47.33	29.45	9.37	27.05	11.18	33.39	59.9	36.09	5.37	20.29	6.89
SULAWESI TENGGARA	21.31	28.26	22.3	15.04	40.8	19.13	34.63	60.92	38.8	15.80	39.08	19.49
GORONTALO	36.52	56.44	40.92	21.38	53.22	28.63	59.14	92.98	66.84	9.31	40.35	16.38
SULAWESI BARAT	30.30	52.00	32.57	17.78	63.38	23.5	58.59	90.14	62.54	26.67	63.38	31.27
MALUKU	14.51	24.36	16.64	22.7	49.7	28.82	48.87	66.86	52.95	20.62	44.97	26.14
MALUKU UTARA	22.57	36.84	23.67	20.43	60	23.53	58.51	85	60.59	15.74	57.50	19.02
IRIAN JAYA BARAT	18.34	23.47	19.5	25	45.9	30.33	33.43	62.3	40.79	21.07	50.82	28.66
PAPUA	14.53	22.22	16.76	35.94	80.62	52.14	37.38	77.81	52.04	35.78	88.76	54.99
Total	23.48	39.19	25.21	13.58	35.92	16.27	34.52	60.15	37.61	7.16	22.64	9.03

Source: SUSENAS Panel Data 2007-2009 (unweighted)

Appendix F. MDGs and Achievements

INDICATOR		1990	PRESENT	TARGET	REMARKS	STATUS	
GOAL 1. ERADICATE EXTREME POVERTY AND HUNGER							
Target1. Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day							
1	Population below \$ 1 a day	20.6%	7.5%	10 %	Standard is too low	Already achieved	●
1a	Poverty head count ratio (population below national poverty line)	15.1%	16.6%	7.5%	High but coming down	Needs improvement	▼
1b	Population below \$ 2 a day (%)		49 %		High		
2	Poverty gap ratio (incidence x depth of poverty)	2.7%	2.99%		Stagnant		
2a	Poverty Depth Index		0.84		Stagnant		
3	Share of poorest quintile in national consumption	9.3%	9.7%		Stagnant		
Target2. Halve, between 1990 and 2016, the proportion of people who suffer from hunger							
4a	Prevalence of severe underweight children (under 5 years)	6.3%	8.8%	3.3%	Increasing	Needs improvement	▼
4b	Prevalence of underweight/undernourished children (under 5 years)	35.5%	28.0%	18 %	Increasing	Needs improvement	▼
5	Proportion of population below minimum level of dietary energy consumption	9.0%	6.0%	5 %	Decreasing slowly	Likely to achieve	

GOAL 2. ACHIEVING UNIVERSAL BASIC EDUCATION							
Target3. Ensure that by 2015, boys and girls alike will be able to complete a full course of primary schooling							
6	Net enrolment rate in primary education (SD)	88.7%	94.7%	100 %	Increasing	Likely to achieve	►
6a	Net enrolment rate in junior high education level (SMP)	41.9%	66.5%	100 %	Increasing slowly	Likely to achieve	►
7a	Proportion of pupils starting grade 1 who reach grade 5	75.6%	81.0%	100 %	Increasing slowly	Likely to achieve	►
7b	Proportion of pupils starting grade one who complete primary school	62.0%	75.0%	100 %	Increasing slowly	Likely to achieve	►
8	Literacy rate of the population aged 15-24 years	96.6%	99.4%	100 %	Increasing	Likely to achieve	►

GOAL 3. PROMOTE GENDER EQUALITY AND EMPOWER WOMEN							
Target04. Eliminate gender disparity in primary and secondary education, preferably by 2005, and to all levels of education no later than 2015							
9a	Ratio of girls to boys primary school	100.6%	100.0%	100 %	Increasing	Already achieved	●
9b	Ratio of girls to boys secondary school	101.3%	99.4%	100 %	Increasing	Likely to achieve	►
9c	Ratio of girls to boys tertiary school	98.0%	100.0%	100 %	Increasing	Already achieved	●
9d	Ratio of girls to boys higher education	85.1%	102.5%	100 %	Increasing rapidly	Already achieved	●
10	Ratio of literate women to men ages 15 to 24	97.9%	99.9%	100 %	Increasing	Likely to achieve	►
10a	Participation rate of women's labor		49.5%		Increasing slowly		
10b	Unemployment rate of women		11.8%		Increasing slowly		
11	Share of women in wage employment in the non-agricultural sector	29.2%	33 %	50 %	Stagnant	Needs improvement	▼
11a	Purchasing power of women (USD)		2.257		Stagnant		
11b	Wage gap		74.8%		Increasing slowly		
12	Proportion of seats held by women in national parliament	12.5%	11.3%		Decreasing		

INDICATOR		1990	PRESENT	TARGET	REMARKS	STATUS	
GOAL4.REDUCE CHILD MORTALITY							
Target5.Reduce by two thirds.between 1990 and 2015.the under-five mortality rate							
13	Under-five mortality rate(per 1.000 live births)	97	40	32	Decreasing	Likely to achieve	►
14	Infant mortality rate(per 1.000 live births)	57	32	19	Decreasing	Likely to achieve	►
15	Proportion of one-year-old children immunized ageinst measles a	44.5%	72 %		Increasing slowly		
15a	Proportion of children aged 12-23 months who have been immunized against measles	57.5%	82 %		Increasing slowly		

GOAL5.IMPROVED MATERNAL HEALTH							
Target06.Reduce by three quarters.between 1990 and 2015.the maternal mortality ratio							
16	Maternal mortality ratio(per 100.000 live births)	390	307	110	No updated data	Needs improvement	▼
17	Proportion of births attended by skilled health personnel	40.7%	72.4%		Increasing		
17a	Contraceptive use among married women aged 15-49	50.5%	57.9%		No updated data		

GOAL6.COMBAT HIV/AIDS.MALARIA.AND OTHER DISEASES							
Target07.Have halted by 2015 and begun to reverse the spread of HIV/AIDS							
18	HIV/AIDS prevalence		0.1%	Reverse		Needs improvement	▼
19	Condom use rate of contraceptive prevalence rate among women aged 15-49	1.3%	0.9%		No updated data		
19a	Condom use in high risk sex groups		59.7%				
19b	Percentage of 15 to 24 years old with comprehensive correct knowledge of HIV/AIDS						
	Male		79.4%		No updated data		
	Female		65.8%		No updated data		
Target08.Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases							
21	Prevalence of malaria(per 1.000)	8.5			Decreasing.slowly		
21a	Java and Bali(per 1.000)-AMI	28.06	18.9		Decreasing.slowly		
21b	Outside java and Bali(per 1.000)-API	0.21	0.15%		Decreasing.slowly		
23	Prevalence of tuberculosis per 100.000	786	262		Needs hard work		
23a	Proportion of tuberculosis cases detected under DOTS		76.0%		No updated data		
24	Proportion of tuberculosis cases cured under DOTS	90.0%	91.0%				

INDICATOR		1990	PRESENT	TARGET	REMARKS	STATUS	
GOAL7.ENSURE ENVIRONMENTAL SUSTAINABILITY							
Target09.Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources							
25	Proportion of land area covered by forest	60.0%	49.9%		Deforestation increased		
26	Ratio of area protected to maintain biological diversity to surface area	26.4%	29.5%		Increasing		
26a	Ratio of aquatic area protected to total aquatic area		11 %		Increasing		
27	Energy use (kilograms of oil equivalent)	1.5	95.3kg oil-eq/1.000\$		Increasing		
28a	Carbon dioxide amission(per capita)	2.536kg	1.34metric ton	Reduce	Increasing slowly		
28b	Consumption of ozone-depleting chiorofluorocarbons(ODP tons)	7 815	2 736	Reduce	Decreasing slowly		
29	Proportion of population using solid fuels	70.2%	47.5%		Decreasing slowly		
Target10.Halve by 2015 the proportion of people without sustainable access to safe drinking water							
30	Proportion of population with sustainable access to an improved water source.urban and rural	38.2%	52.1%	67 %	Increasing	Likely to achive	►
30a	Coverage of Pipelins water-urban		30.8%	67.7%	Decreasing	Needs improvement	▼
30b	Coverage of Pipeline water-rural		9.0%	52.8%	Progressing slowly	Needs improvement	▼
30c	Protected water source-urban		87.6%	76.1%		Already Achieved	●
30d	Protected water source-rural		52.1%	65.5%	Progressing	Likely to achive	►
31	Proportion of population with sustainable access to an improved water source.urban and rural	30.9%	68.0%	65.5%		Already Achieved	●
31a	Urban		81.8%	78.8%	Lack of quality	Already Achieved	●
31b	Rural		60.0%	59.6%	Lack of quality	Already Achieved	●
Target11.By 2015 to have achieved a significant improvement in the lives of at least 100 million slum dwellers							
32	Proportion of households with house owner or house rent status/access to secure tenure	87.7%	84.0%		Increasing slowly	Likely to achive	►
GOAL8.DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT							
Target12.Develop further an open.rule-based.predictable.non-discriminatory trading and financial system.							
33	Ratio of Export-Import and PDB		44.4%				
34a	Ratio of Loan and Saving-in commercial bank		61.6%				
34b	Ratio of Loan and Saving-Rural Banks		87.4%				
Target15.Deal comprehensively with debt problems of developing countries through international and national measures in order to make debt sustainable							
44	Ratio of International Debt to GDP		44.9%		Decreasing		
44b	Ratio of debt to National Budget		26.0%		Decreasing		
Target16.In cooperation with developing countries.develop and implement strategies for decent and productive work for youth							
45	Unemployment rate young people aged 15-24 years		25.4%		Rising		
Target18.In cooperation with private sector.make available the benefits of new technologies.especially information and telecommunication							
47a	Proportion of households with telephone line		11.2%		Increasing slowly		
47b	Proportion of households with cellular phones		24.6%		Increasing slowly		
48a	Proportion of households with personal computers		4.4%		Increasing slowly		
48b	Proportion of households with access to internet		4.2%		Increasing slowly		

Appendix G. Regression Estimation Separately by Island

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Model	Model (1)					Model (2)				
Island	Sumatra	Java+Bali	Kalimantan	Sulawesi	Other	Sumatra	Java+Bali	Kalimantan	Sulawesi	Other
raskin08	0.014	0.012**	0.000	0.002	-0.048**	0.025***	0.025***	0.010**	0.012**	-0.007
	(0.009)	(0.006)	(0.014)	(0.013)	(0.021)	(0.005)	(0.003)	(0.004)	(0.006)	(0.015)
medical08	0.024**	-0.020***	0.013	0.014	-0.020	0.009	0.009***	0.007	0.008	-0.003
	(0.011)	(0.007)	(0.017)	(0.016)	(0.023)	(0.005)	(0.003)	(0.005)	(0.007)	(0.016)
govcredit08	-0.020	-0.061***	-0.065	-0.043	-0.239**	-0.022	0.001	0.001	0.037	0.103
	(0.042)	(0.018)	(0.061)	(0.044)	(0.120)	(0.016)	(0.008)	(0.018)	(0.027)	(0.129)
Observations	15,218	35,290	5,738	6,516	2,477	15,218	35,290	5,738	6,516	2,477
Adjusted R-squared	0.018	0.016	0.015	0.026	0.070					

Standard errors in parentheses

*** p<0.01, ** p<0.05, * p<0.1

The same set of control variables as in Column A in Tables 3-4 (Model 1) and 3-5 (Model 2) is used although the coefficient estimates are not reported in this table.

