

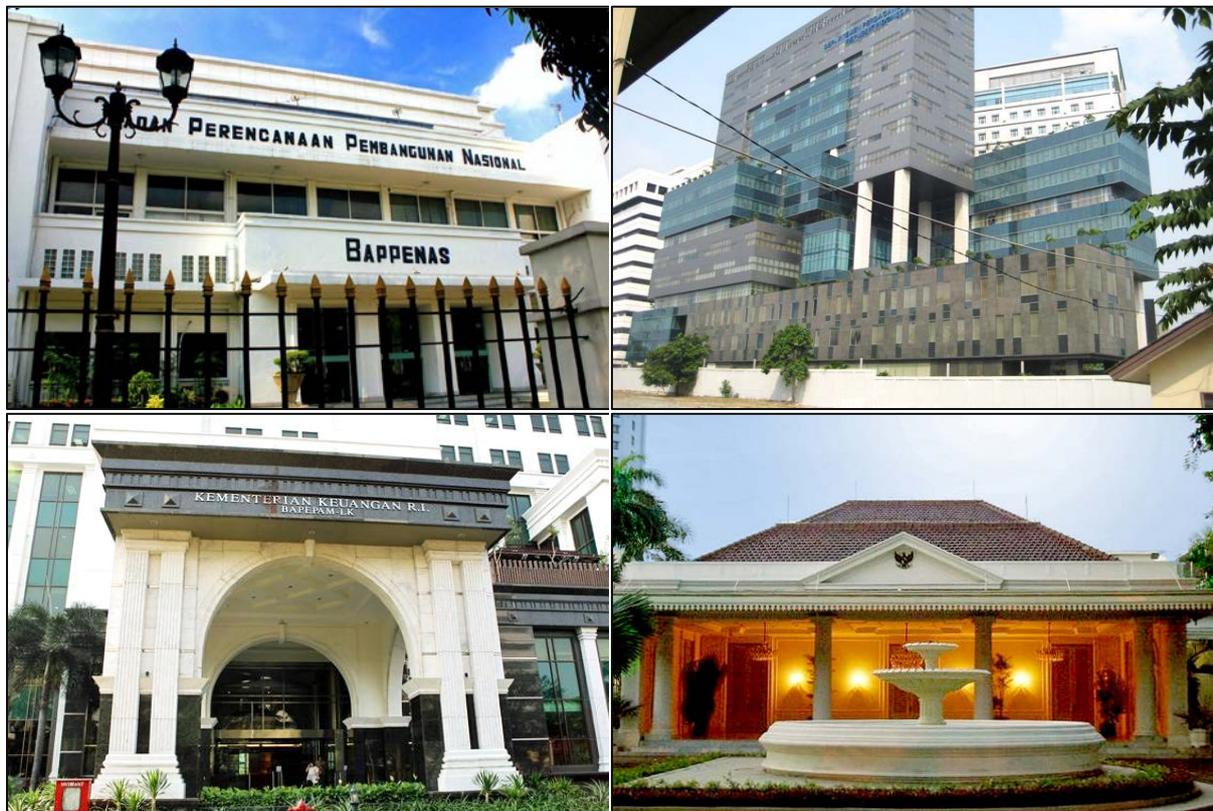


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SEADI Second Annual Report

April 2012–March 2013



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SEADI Second Annual Report

April 2012–March 2013

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Acronyms

ADB	Asian Development Bank
AIPEG	Australia Indonesia Partnership for Economic Governance
APEC	Asia-Pacific Economic Cooperation
APINDO	Asosiasi Pengusaha Indonesia (Indonesian Employers Association)
ASBANDA	Association of Regional Development Banks
ASEAN	Association of Southeast Asian Nations
AusAID	Australian Agency for International Development
BAPEPAM-LK	Badan Pengawas Pasar Modal –Lembaga Keuangan (Indonesian Capital Market and Financial Institutions Supervisory Agency)
BAPPEDA	Badan Perencanaan Pembangunan Daerah (Regional Development Planning Board)
BAPPENAS	Badan Perencanaan dan Pembangunan Nasional (National Development Planning Agency)
BPD	Bank Pembangunan Daerah (Regional Development Bank)
BPR	Bank Perkreditan Rakyat (People Credit Bank)
CGE	Computable General Equilibrium
CMEA	Coordinating Ministry for Economic Affairs
CSR	Corporate social responsibility
DAI	Development Alternatives Inc.
DGDT	Directorate General for Domestic Trade, Ministry of Trade
DGITC	Directorate General for International Trade Cooperation, Ministry of Trade
DPR	Indonesian House of Representatives
EAEA	East Asia Economics Association
ESCAP	United Nations Economic and Social Council for Asia and the Pacific
EU	European Union
FTA	Free trade agreement
GOI	Government of Indonesia
GRP	Good Regulatory Practices
GTAP	Global Trade Analysis Project
InterCAFE	International Center for Applied Finance and Economics
ISPEI	Institute for Social, Political and Economic Issues
IT	Information technology
KADIN	Kamar Dagang dan Industri Indonesia (Indonesian Chamber of Commerce and Industry)
KUD	Koperasi Unit Desa (Village Cooperative Unit)

KPPOD	Komite Pemantauan Pelaksanaan Otonomi Daerah (Committee Monitoring the Implementation of Regional Autonomy)
LPEM	Lembaga Penyelidikan Ekonomi dan Masyarakat (Institute for Economic and Social Research)
LPS	Lembaga Penjamin Simpanan
MAPPI	Masyarakat Profesi Penilai Indonesia (Indonesian Society of Appraisers)
M&E	Monitoring and evaluation
MOT	Ministry of Trade
NAIC	National Association of Insurance Commissioners
NBFI	Nonbank financial institution
NGO	Nongovernmental organizations
OJK	Otoritas Jasa Keuangan (Financial Services Authority)
P2EB-UGM	Institute for Research and Training on Economics and Business, Gadjah Mada University
PAT	Policy Analysis Team
PNPM	Program Nasional Pemberdayaan Masyarakat (National Program for Community Empowerment)
PRESTASI	Program to Extend Scholarships and Training to Achieve Sustainable Development
PSAK	Pernyataan Standar Akuntansi Keuangan (Statement of Financial Accounting Standards)
RCEP	Regional Comprehensive Economic Partnership
REDI	Regional Economic Development Institute
RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Medium-term Development Plan)
SEADI	Support for Economic Analysis Development in Indonesia Project
SMERU	SMERU Research Institute
SMEs	Small and medium enterprises
STIMRA	Sekolah Tinggi Ilmu Manajemen Risiko dan Asuransi (Institute of Risk Management and Insurance)
TBD	To be determined
TKPK-D	Tim Koordinasi Penanggulangan Kemiskinan Daerah (regional and local government poverty reduction teams)
TNP2K	Tim Nasional Percepatan Penanggulangan Kemiskinan (Office of Vice President, Poverty Unit)
TPP	Trans-Pacific Partnership
TRECYDA	Trade Policy Analysis and Development Agency
UGM	Gadjah Mada University
UMS	Muhammadiyah University in Surakarta
UNLAM	Universitas Lambung Mangkurat
UNSDA	Darma Persada University
UPK	Unit Pengelola Keuangan (Financial Management Units)

Introduction

This document reports on the second year of the Support for Economic Analysis Development in Indonesia (SEADI) project. Building on the foundation laid in its first year, SEADI has accelerated its activities dramatically and has delivered significant results on all three pillars of the project. Technical assistance and capacity building have helped the Government of Indonesia to expand its use of evidence-based analysis in decision making either by providing specific recommendations or studies or by providing training to staff.

Important accomplishments in our technical assistance and capacity building programs this year include:

- Drafting of new legislation to regulate nonbank financial institutions and a regulation on private equity to strengthen consumer protection and provide a firm legal basis for supervision.
- Preparation of new accounting guidelines for listed companies that implement global accounting standards that will make Indonesia a more favorable destination for investment.
- A major conference on trade policy, opened by the Minister of Trade and the U.S. Ambassador, that helped to move forward the domestic dialogue and understanding on Indonesia's options in major trade negotiations like the ASEAN Regional Comprehensive Economic Partnership and the Trans Pacific Partnership.
- Raising the level of public discussion on Indonesia's proposed restrictions on the export of mineral ores, which helped to increase awareness and understanding of key players in the sector of the economic ramifications of the law.
- Raising the profile of services trade liberalization issues in public debate and promote services regulatory reform.
- Launching of a new actuary program by the Indonesian Institute for Risk Management and Insurance, STIMRA, using curriculum modules provided by SEADI that will help fill a critical shortage in actuaries in the country.
- Training in computable general equilibrium modeling that has enabled the staff of the Ministry of Trade to analyze the costs and benefits of entering the Trans Pacific Partnership.
- Financial programming training that Bappenas staff are using to prepare the macroeconomic framework for the next medium term plan.
- Trained a group of regional budget officials in developing poverty alleviation programs for their districts.

Our scholarship program sent 17 students to the United States for masters and doctoral studies, though one student has since returned to Indonesia.

Our grant program processed over 100 concept papers and won USAID approval for 30 grants to local institutions totaling over \$1 million. Those grantees are now completing their work, including strong research papers and significant policy outreach efforts.

This report covers SEADI activities from the April 2012 to March 2013. Detailed quarterly reports have been submitted to USAID; this report provides a broader overview of our work. Readers interested in more details about specific activities should look to our website, <http://www.seadiproject.com>, particularly the section on quarterly reports.

This report is organized into four sections. The first section provides an overview of our technical assistance and capacity building activities. The second section summarizes the status of our scholarship program. The third section summarizes the status of our grants program. The final section provides further information on project administration. Appendixes provide references on consultants hired or purchase orders issued, the status of the second annual work plan, all training and conferences held this year, and all substantive reports issued by SEADI to date.

1. Technical Assistance and Capacity Building

In this section of the report, we review the achievements of the past year in implementing technical assistance and capacity building activities as well as our grant program. The section is organized around the objectives set out in our second annual work plan and is designed to give the reader a sense of how SEADI's activities have generated results.

BETTER-INFORMED TRADE AND INVESTMENT POLICY DECISIONS

Indonesia's trade and investment policy regime reflects a decade-long debate over the degree to which the country should embrace globalization and international competition or seek self-sufficiency in order to shelter the domestic economy from competition from abroad. The programs developed in response to the Financial Crisis of 1997/98 have guided Indonesia's economic policy for over a decade through much-needed economic reforms. However, because Indonesia has grown consistently at 6 percent or more in recent years, Indonesia is rethinking its economic development model. Indonesia policymakers now want to move away from supplying the world's insatiable appetite for raw materials and instead add more value to those products within Indonesia.

SEADI's effort to support more informed trade and investment policy decisions has been organized around the following subthemes:

- Analysis of trade policy issues
- Greater integration into regional and world markets
- Greater engagement and better understanding by SMEs of international trade
- Increasing transparency and preparing and implementing trade regulations.

We have also helped with strengthening institutional and analytic capacity to help the staff of the Ministry of Trade understand the potential economic impacts of various policy decisions and specific policy interventions. Our support for capacity building is discussed at the end of this section.

Analysis of Trade Policy Issues

Trade and investment can play a critical role in promoting economic growth. As Indonesia grows economically, the Government of Indonesia is implementing a wide-variety of policies that will affect the trade and investment environment. During the past year, SEADI worked with counterparts to look at the potential impacts of the policies, law, and implementing regulations. In many instances, we have assisted the Government in considering alternative policies. Our support on trade policy has addressed two core issues, trade regulation and food

security, and our grants program has provided support for grantees to provide independent insight and recommendations on related policies.

Trade Regulation

We have supported the staff at the Ministry of Trade in analyzing how trade policy decisions affect the economy. Our work has focused on value chain upgrading—a central objective of



many economic and trade policies that were considered or came into effect during the year. We completed a major study on the economic impact of the government's policy to limit mineral ore exports. The report demonstrated that the broad-brush policy adopted by the government should be more nuanced and take into account differences in processing costs and value added for different minerals. The report

was promoted to many parts of government, academia, and civil society.

SEADI also completed a poultry value chain study that helped the Ministry of Trade understand the challenges that it faces in supporting a more competitive poultry industry. Building on our value chain-related work, SEADI has launched a more general research project to help the Ministry of Trade understand how policy can be effective in encouraging domestic industries to move up the value chain.

Grantees also addressed trade policy issues. Amzul Rifin completed a study on the impact of the cacao export tax on farmers. His study suggests that the tax was borne mostly by middlemen and exporters, not farmers.

We have also been supporting examination of the role that services play in the economy and encouraging services liberalization. Through a grant to the Indonesian Employers Association (Asosiasi Pengusaha Indonesia—APINDO), SEADI is helping to establish the Indonesian Services Dialogue, which seeks to bring together consumers and providers in a dialogue about services reform. This initiative was launched in November at a meeting opened by the Minister of Trade, the Minister of Tourism and the Creative Economy, and the Head of the Investment Coordinating Board. SEADI supplemented this effort through a consultancy by Dr. Sherry Stephenson, who, working with the AusAID program at the Ministry of Trade, spoke at a series of events that brought together representatives of a range of government agencies to talk about services reform. Services will remain a significant focus for the rest of the project.



Food Security and Food Trade Policy

Building on the work completed under the first work plan on food security, SEADI has continued to assist the Ministry of Trade in understanding how laws and regulations affect food security. A major food policy issue this year has been regulations on horticultural imports. A SEADI consultant worked with the staff of TRECZYDA to study the impact of the horticultural import ban. The study predicted many of the current horticultural price

increases, especially the rapid increase in the prices of shallots and garlic being experienced by Indonesia. We also provided informal advice on issues relating to sugar, soybeans, and beef, among other agricultural commodities.

The Ministry of Trade is also concerned with the operation of food markets in Indonesia and how they affect food security. Thus SEADI provided the ministry with a study of best practices in early warning systems for food security to inform its consideration of how to upgrade its systems. We also began a major effort to understand interprovincial trade in rice and sugar. By the end of the year we had hired the Demographic Institute to conduct a survey of interprovincial trade in a pilot activity to help the ministry understand how these markets work in Indonesia.

Agriculture finance is also a major issue. We began a study with KADIN of options for improving farmers' and small rural businesses' access to finance. This will be discussed in further detail below. In addition, Ratmaji Heru, one of SEADI's grantees, looked at the role that rural agricultural cooperatives can play in improving food production and thus food security. That initiative contributed to the effort by officials in Central Java to revitalize the cooperatives and resulted in our grantee becoming a member of the team organizing the effort.



Late in 2012 the DPR passed a new food law. In cooperation with the Ministry of Trade, we initiated a study of the potential economic impacts of implementation of the law on the economy. We held a seminar to discuss the preliminary findings of the report that was attended by over 230 food sector representatives. Government officials speaking at the seminar made it clear that food sovereignty and food self-sufficiency were key government objectives and that they believed that this would improve food security. SEADI's consultant, Prof. Kym Anderson, argued strongly that moving to food self-sufficiency would make food security more difficult as rising food prices would be a burden on the poor.

Greater integration into regional and world markets



History has shown that greater integration into regional and world markets is a critical component of economic development. Foreign markets, and the trade agreements and relationships forged with foreign markets, are needed to sell a wide variety of Indonesia products and services and to promote foreign investment. SEADI has worked on a variety of activities to promote economic integration into regional and world markets. Our work has covered key trade agreements (Trans-Pacific

Partnership [TPP] and ASEAN Regional Comprehensive Economic Partnership [RCEP]), ASEAN and APEC issues, and bilateral trade issues (particularly Indonesia-China trade).

Trade Agreements. We helped Ministry of Trade analyze the impact of existing trade agreements and develop a consistent policy for future negotiations by encouraging greater use of fact-based analysis in trade policymaking.

During the year, we also worked with the Ministry of Trade to look in detail at the RCEP and TPP agreements, with specific consultancies for each agreement. On TPP, Jeff Schott from the Peterson Institute for International Economics initiated a dialogue with Indonesian government officials to increase understanding of the TPP early in the current project year. We believe our support helped MOT obtain information necessary on the costs of not joining to help move toward a more open stance on TPP (see box). We also worked with MOT staff to strengthen their capacity to analyze the impacts as well as run a GTAP simulation on TPP.

On RCEP, the work by Lance Graef, Titik Anas, and Steve Magiera helped the Ministry of Trade understand its obligations and how they relate to the RCEP negotiations. This gave the ministry the ammunition to press for ambitious targets in the RCEP negotiations.



Warming up to TPP

We believe SEADI's support is helping MOT consider the benefits of joining TPP. The *Jakarta Post* of April 9, 2013, had a front-page article about TPP, including a comment by Minister Gita that "If talks on RCEP and CEPA with Korea go well—apart from similar talks with partners either bilaterally or multilaterally—they will boost our mood to pursue other negotiations. It will not be impossible for us to seek other alternatives, including the TPP." This is a drastically different stance than the minister took last year, when he said at a press conference at the end of the 19th ASEAN Summit and the 6th East Asia Summit, "If I were asked about Indonesia's position, I will say we choose not to be in a hurry to join the TPP."

In January 2013, we sponsored a major conference on trade policy that was opened by Minister Gita Wirjawan and Ambassador Marciel. The event helped to improve public understanding of Indonesia's trade policy and particularly how the RCEP and TPP negotiations are separate but complementary.

Regional Trade (APEC/ASEAN)

During the past year, we assisted the Ministry of Trade in providing leadership on regional trade issues, especially in its chairmanship of APEC in 2013 and in identifying key policy issues. At the APEC Senior Officials Meeting in Jakarta, SEADI helped the Ministry of Trade in various services-related issues and will continue to work with the ministry on APEC leadership throughout the end of the project.

At the ASEAN level, the ASEAN-US Facility supported Indonesia's implementation of self-certification by exporters of certificates of origin by organizing two regional seminars. Beyond the trade arena but still addressing ASEAN integration, Bapepam-LK asked SEADI to prepare a study of the advantages and disadvantages and the benefits and risks of implementing ASEAN's cross-border capital market agreement. SEADI's Indonesian experts mapped and profiled 10 ASEAN capital markets and measured the impact of capital market integration in Indonesia. The study's findings addressed Indonesia's lack of preparedness to allow ASEAN traders to enter its domestic markets and the risks to the domestic market participants. The study is the first quantitative analysis conducted on behalf of OJK.

Indonesia-China Trade

TRECYDA requested assistance in analyzing the actual impact of Indonesia's existing trade agreements on Indonesia's trade balance. We helped MOT look at the extent to which changes in the overall trade balance have been due to changes in trade in commodities where either side gained a significant preference. Analysis of the Indonesia-China Agreement was carried out jointly with the Ministry of Trade.

Greater engagement in international trade and better understanding of international trade by SMEs

An important issue for Indonesia as both chair of ASEAN and host of APEC has been how to expand the benefits of regional integration to SMEs. This past year, SEADI worked with the ASEAN Facility to host a workshop on the benefits of trade within ASEAN for SMEs. The seminar highlighted the opportunities that the ASEAN Economic Community (AEC) can create for SMEs and how SMEs in other countries in the region are taking advantage of the AEC.

SEADI assisted the Ministry in completing three case studies and videos that identified

factors contributing to SMEs' successful export performance. The work also helped MOT formulate policy recommendations to promote SME exports. The three companies used as models were Ikaindo for activated charcoal, Bamboo Media for educational software, and

Mariculture Cluster for seafood production. A large conference, opened by the vice minister of Trade, showcased the videos and case studies of the Indonesian SMEs that export successfully. Work on SMEs will continue through the end of SEADI, including creation of a video incorporating the final conference, the other videos, and a narrative as a stand-alone product that the Ministry of Trade can use to promote exporting to SMEs. Also, in collaboration with the ASEAN Facility, workshops will be held in Surabaya and Bandung to promote this work.



Our technical assistance in this area has been supplemented by grants that have examined the factors that improve the competitiveness of SMEs. Tulus Tambunan completed a study of the barriers faced by SME exporters. That report highlighted the need for the government to adopt a new paradigm in supporting SMEs. This includes better coordination among government support programs, better use of local governments in supporting SME development, and increased focus on the types of support that SME exporters need. Prof. Tambunan presented his report, with support from SEADI, to the Ministry of Cooperatives, the Ministry of Trade, and KADIN.

The Pusat Studi Penelitian dan Pengembangan Manajemen dan Bisnis of Muhammadiyah Surakarta University looked at SME competitiveness in Central Java. The study concluded that sources of SME competitiveness in Indonesia were level of innovation, entrepreneurship, human capital, access to finance, existence of a potential market (i.e., buyer), and business strategy. Level of innovation is the key to SME competitiveness, because it affects an SME's ability to create new product and marketing networks. The results of the study were disseminated through a seminar in Surakarta.



Increasing transparency and preparing and implementing trade regulations

Besides working on the substance of trade policies, SEADI worked on helping counterparts increase transparency in preparing and implementing trade regulations to avoid negatively affecting trade and investment. The horticulture restrictions discussed above are only one example of nontariff measures that have been introduced in recent years. In addition, law and regulations, such as the mineral export ban and the new food law, will have significant trade impacts, though not directly implemented by the Ministry of Trade. SEADI worked with the Ministry of Trade to examine the potential trade impacts of these laws. For the food law, numerous implementing regulations must be developed, and SEADI may be able to help the ministry develop implementing regulations that minimize negative economic consequences.

The ASEAN-US Facility provided support to the Ministry of Trade to collect and classify trade regulations to facilitate posting the regulations on the Internet and create the Indonesian National Trade Repository. SEADI has received funding to help with this initiative, at the Government of Indonesia's request, from the Partnership for Trade Facilitation. This work has just begun and will continue through July.

At the end of the project year SEADI launched a legal gap analysis of Indonesia's national single window (a single electronic point of contact for clearing goods through customs). Its aim is to create a stronger legal foundation for the single window and enable the single window to be integrated into the ASEAN Single Window.

Improved Climate for Investment

Work on the investment climate focused on two issues. First, we provided support to the Ministry of Tourism and Creative Economy in understanding the role of tourism in the economy. SEADI also began working with the Government of Indonesia to improve the investment climate through good regulatory practices (GRP) and regulatory reform. This work, organized in collaboration with USTR, will also support Indonesia in hosting APEC.

Our grant program was also active in this area. Universitas Sumatra Utara examined best practices in estate management as a tool for economic growth and made recommendations with respect to an industrial estate being developed in North Sumatra that have helped to revitalize the development of that industrial estate. The Institute for Social and Political Economic Issues at Universitas Hasanuddin completed a study examining the structure of the

cacao industry in Southern Sulawesi and how the government could support efforts to increase value added.

The Institute for Research and Community Empowerment of Darma Persada University (UNSADA) has initiated a study on how to promote sustainable development at the local level using renewable energy systems. Their first study of a village near Bandung was completed this year and reported to the Bupati. Two more studies and a final report will be completed in the next quarter.



Ernst & Young Indonesia, working with AmCham, UGM, and Paramadina University, are documenting the impact of U.S. foreign investment on the Indonesian economy. That effort was launched late in the project year. Finally, Lembaga Demografi at University of Indonesia is examining public policy issues relating to the taxation of tobacco products.

ACCESS TO WELL-REGULATED FINANCIAL INSTITUTIONS

Access to finance is important in any economy, but access is not useful if financial institutions do not function properly. From its start SEADI has worked with the Government of Indonesia to promote financial inclusion and better supervision of financial institutions. Our work on access to finance continued this year, although the launch on January 1, 2013, of the new Financial Services Authority (OJK) created difficulties because our prior counterpart, BAPEPAM-LK, was merged into the new organization.

Improving Regulation and Supervision of Nonbank Financial Institutions

Upon completion of SEADI's comparative study of NBFIs regulation and supervision in peer countries in the first project year, the Head of the Finance and Guarantee Bureau decided to move Indonesia to a risk-based approach to supervision from the current compliance-based approach. SEADI's resident adviser and international experts developed a model of risk-based supervision for Indonesia and conducted training on how to develop and implement a composite scoring system for nonbank financial lenders. In addition, SEADI's experts provided materials for a risk-based supervision methodology workshop and training session that was held with all the bureau's examination staff.

BAPEPAM-LK's regulatory regime for NBFIs is based generally on presidential decrees instead of laws, which reduces legal certainty. A high priority for BAPEPAM-LK and the industry is a new law that would provide legal certainty and improve lenders' position in the courts. A final draft law was prepared by SEADI in collaboration with BAPEPAM-LK and presented to OJK and the Ministry of Finance in March 2013.



The Ministry of Finance and BAPEPAM-LK asked SEADI to research the regulatory models for supervision of venture capital and private equity. A research paper was presented that concluded that a U.S. model of regulation and

Implementing International Accounting Standards for Listed Companies

Indonesia is converging its accounting standards (PSAK) with International Financial Reporting Standards (IFRS). During year 1, SEADI helped develop accounting standards consistent with the IFRS, this year SEADI and BAPEPAM-LK completed the socialization of the standards.

One change in the new financial reporting rules is the use of fair value in financial statements. The new rule increases the responsibility of the appraisal industry and its role in the valuation of assets carried on companies' financial statements. SEADI provided advisers to address the following valuation activities:



- ***Real estate valuation:*** SEADI worked with the appraisal office in the Accounting Standards and Disclosure Bureau to develop an efficient and effective regulatory framework to improve the quality of appraisal reports and provide in-house training to staff. We led the team in the development of guidelines and rules and trained the bureau staff on valuation review techniques. We also made recommendations for changes to the appraisal standards.
- ***Company valuation:*** SEADI worked with bureau staff to develop an efficient and effective regulatory framework to improve the quality of appraisal reports for companies and other non-real estate assets and provided training to bureau staff. SEADI's advisers held discussions and training sessions to develop guidelines and regulations on the valuation of companies and other non-real estate assets; conducted a research study on best practices in appraisers' and valuers' roles in the determination of fair value in financial statements; provided guidelines and regulations on reporting valuations; and provided guidelines and regulations on appraisal inspection techniques.

These activities completed project work in this area.

Support for Microfinance Institution Development and Access to Finance

At the request of senior Bappenas staff, SEADI launched a major study of financial inclusion policy and practice and the role of financial management units (*Unit Pengelola Keuangan*, or UPK) across Indonesia. UPKs manage community grants to beneficiaries under the antipoverty National Program for Community Empowerment (*Program Nasional Pemberdayaan Masyarakat*, or PNPM). The study is being carried out by InterCAFE (the International Centre for Applied Finance and Economics) from the Institute Pertanian Bogor (Bogor Agricultural University). The first milestone for this study (delivered in December 2012) was a survey of the literature on domestic and international issues affecting financial inclusion policy in Indonesia. Since the beginning of the study, Bappenas staff have consulted regularly with the InterCAFE team on the approaches being taken. In early 2013 InterCAFE submitted a second milestone report on the performance of rural UPK and urban UPK revolving loan funds. Senior Bappenas staff have reported to SEADI that they are pleased with the progress being made.

The primary output of the exercise will be a proposal for a pilot project to evaluate strategies to better utilize UPK for improving financial inclusion. This financial inclusion study is ongoing and is expected to be completed by the second quarter of 2013.

Microinsurance is another area where SEADI is promoting financial inclusion. SEADI is conducting a baseline survey of all stakeholders and their activities in this area to support coordination of the development of the sector. The study will give USAID, other donors, Indonesian ministries, NGOs, and the industry information on activities, progress, potential activities, and potential synergies. The survey will be completed before June 2013.

At a sector level, SEADI is working with KADIN to understand the Indonesian market for agricultural bank finance and crop insurance to see how the market could be expanded to include smallholders and rural MSMEs. The study will focus on the following issues:

- Legal and policy framework for bank finance and insurance for rice, palm oil, and cattle
- Underserved markets for agricultural finance and insurance
- Mechanisms used in other countries to provide agricultural bank finance and insurance.

The ultimate goal of the study is to help KADIN develop recommendations to the government for improving agricultural finance in Indonesia.

One of SEADI's large institutional grants is examining the role of state-owned regional development banks (BPDs) both as financial intermediary institutions and as agents of regional development under the BPD Regional Champion Program launched by Bank Indonesia and Association of BPDs (ASBANDA). Recommendations will be made for an implementation strategy to improve financial inclusion.

One of our small institutional grants is looking at alternative funding schemes for the creative industry in West Java that will provide financing alternatives for a growing industry that is funded outside the banking sector.

Finally, one of our last small institutional grants is reviewing the role of Islamic financing in East Java with a primary focus on lending to women. The grant will be used to develop case studies to be used as training materials that local governments in other districts can use to improve access to finance. The grant will compare the financial performance of Islamic lenders to commercial banks to determine if there are financial advantages to using either.

Development of Mobile Banking

Many people believe that mobile banking—the use of mobile phone-based accounts to conduct financial transactions—may provide an avenue for improving financial inclusion. Nearly every family has a cell phone. Not everyone has a bank account. SEADI worked this year on mobile money in two ways.

First, the project provided a short-term consultant to the Vice President's Poverty Unit (TNP2K) to develop TNP2K's work plan for mobile money that would be implemented by an adviser provided by USAID through a separate mechanism. Second, USAID's subsequent mobile banking project, e-MITRA, being implemented by NetHope, approached SEADI for assistance in launching a pilot mobile banking project with the Ministry of Cooperatives. SEADI provided input related to the financial reporting and supervision of cooperative banks

to ensure that the ministry has a system of offsite supervision to identify financially sound cooperative banks to participate in any pilot.

Improved Public Awareness of Financial Markets and Consumer Education

Bapepam-LK and OJK have ongoing programs promoting market participation and consumer education. SEADI engaged a local firm to conduct a study to measure the effectiveness of the program's outreach activities, which found that there is a relatively low level of understanding of financial instruments in Indonesia and that BAPEPAM-LK's programs are not effective in reaching their target populations.

Following up on the study, SEADI was asked to develop recommendations for implementing a corporate communications strategy for OJK, which was delivered in February 2013. In response, the OJK team working on development of a financial education project requested a desk study of international best practices for financial education. This activity began in late March and will be completed in the next quarter.

This advisory work was complemented by a grant awarded to develop the "Rich Game," an activity completed at the end of Year 1 (<http://apps.facebook.com/richgame>). The game was launched in Year 2 with the participation of Bapepam-LK. The game, on an interactive platform, teaches financial management skills and understanding of financial products.

A grant was also awarded to Definit to develop a financial literacy index for OJK that will allow them to measure the success of their education efforts and track improvement of consumer knowledge in Indonesia.

Consumer Protection and Access to the Financial Sector

Although SEADI had planned significant work in consumer protection, the transition to OJK resulted in cancellation of work in this area. Nevertheless, one of the project's individual grants looked at the regulation of predatory lending, which attracts people who have no fixed income and those from lower-income categories. The study will make recommendations for drafting regulations to discourage predatory lending.

STRONG EMPIRICAL FOUNDATION FOR NEXT MEDIUM-TERM DEVELOPMENT PLAN

Every five years the Government of Indonesia a medium-term national development plan (RPJMN). The next RPJMN will be completed in 2014 for implementation in early 2015. Preparation of a draft RPJMN for 2015–2019 is one of the main institutional goals for Bappenas, and SEADI has supported Bappenas in upgrading the skills needed to implement the RPJMN.

In early 2013 Bappenas Minister Armida Alisjahbana established the Policy Analysis Team (PAT) to assist in strengthening policy, especially in relation to work on the draft RPJMN. Dr. Soekarno Wirokartono and Peter McCawley have been meeting with the PAT and preparing briefing papers at the team's request. In addition, SEADI staff visited Makassar with Bappenas staff for a roundtable discussion with stakeholders from South Sulawesi Province about regional development priorities that might be addressed in the RPJMN. Support for the PAT will continue until the end of the SEADI project.

SEADI has also been providing assistance for a major conference in preparation for the RPJMN 2015–2019. Bappenas is arranging the conference, to be held in mid-2013, in cooperation with five Indonesian universities—Padjadjaran University (Bandung), Universitas Nasional Sebelas Maret (Surakarta), Diponegoro University (Semarang), Universitas Airlangga (Surabaya) and Brawijaya University (Malang)—that will provide briefing papers and discussion sessions on selected topics. SEADI has assisted with planning



meetings for the conference and will participate in the selection of papers to be presented and in discussions during the conference.

To be effective as a national planning agency, Bappenas needs strong institutional capacity to prepare economic models for the planning period. In response to a request from Bappenas, SEADI has worked with an international

consultant and a number of Indonesian consultants to strengthen modeling skills in Bappenas. A successful three-week training course, based on the IMF Financial Programming and Policies Model, was arranged in January 2013. Follow-up work will involve the provision of data from consultants to improve inputs to the model that Bappenas staff are building, as well as other training and advice. This activity will strengthen the capacity of Bappenas to provide basic planning data required for the preparation of the RPJMN 2015–2019.

During the past year SEADI also provided significant support to Bappenas to strengthen labor policymaking capacity through the work of Dr. Chris Manning and Dr. Raden Purnagunawan (Padjadjaran University, Bandung). Throughout 2012, Dr. Manning and Dr. Purnagunawan worked with the director of Labor and Employment Promotion in Bappenas, Dra. Rahma Yanti, and her staff on a series of activities focused on minimum wage policy, outsourcing, job creation, youth employment, and the links between labor policy and firm-level productivity.

Much of the analytical work during 2012 addressed three issues in labor market policy in Indonesia: (1) What policies are needed to create jobs and improve productivity? (2) How can rising labor costs be controlled while formal sector workers are given sufficient protection? (3) What policies are needed to create jobs in the unskilled labor-intensive sector?

This activity was capped off by a conference in January 2013 to present the main policy conclusions of the work. The conference was well attended by senior Bappenas policymakers and stakeholders. The results of this work will feed into the preparation of the RPJMN 2015–2019.

SEADI is hiring Dr. Manning and Dr. Purnagunawan to conduct part-time work, including providing training and support for Bappenas, until the completion of the project.



To supplement the Discussion Group series discussed in the Institutional Strengthening section below, SEADI assisted with several other seminars in Bappenas during the past year. One event was a trade and investment seminar organized in cooperation with the Bangkok office of ESCAP. Over 80 Bappenas staff and invitees from other ministries and



organizations took part in the full-day seminar, discussing recent international thinking about planning for trade and investment. The aim of the seminar was to discuss ideas for consideration in drafting the RPJMN 2015–2019. The seminar was opened by the Head of the Investment Coordinating Board, Dr. Chatib Basri, the Vice Minister of Trade Bayu Krisnamurthi, and Dr. Prasetijono Widjojo from Bappenas. Presentations were provided by three researchers from

ESCAP. Bappenas directors gave presentations, which were followed by discussion among participants.

Another policy event in late 2012 was a presentation by Dr. Anwar Nasution, a senior SEADI adviser, on institutions for financial mobilization. Dr. Nasution presented a half-day seminar in Bappenas on a policy proposal to consider the Japanese approach of using financial institutions linked with the national postal system to establish a network of financial institutions across Indonesia. This successful seminar was attended by participants from numerous financial institutions and Bappenas staff. Afterward, the Bappenas minister requested that a larger seminar on the topic be organized for early 2013. The follow-up seminar was held in January 2013 and attended by a wide range of participants from government institutions.

Throughout 2012 and into 2013, at the request of senior Bappenas staff, SEADI provided a weekly two-page briefing note on economic issues. Because of the importance of the RPJMN 2015–2019, the briefs have discussed domestic and international issues that need attention in Indonesia in a medium-term planning framework. Besides providing comment on domestic developments, the briefs have reviewed international reports and surveys of significance for policymaking in Indonesia.

ROUTINE CONSIDERATION OF THE IMPACT OF ECONOMIC POLICY ON POVERTY

During the second project year, SEADI assistance to TNP2K focused on the impact of economic policy decisions on poverty. The links between economic policies and poverty are not well understood in the government. SEADI assistance to TNP2K has therefore focused on identifying the crucial links between enabling-environment reform and poverty reduction.

Highlighting the Impact of Economic Policy on Poverty

Efforts to quantify the effect of policies on poverty using the Computable General Equilibrium (CGE) model policy simulations continued this year. Dr. Arief Anshory has conducted four studies of the impact on poverty in Indonesia of the European economic crisis,

changes in the level of cash transfers, changes in food prices, and changes in commodity export prices.

During the reporting period, SEADI significantly improved the monthly Poverty Policy Briefs for the Poverty Unit by reducing the briefs to two pages and professionally formatting the document. As a result, the brief is now regularly disseminated in English and Bahasa Indonesian, not only within TNP2K, but also to the public. Since September 2012, all policy briefs have been uploaded to the TNP2K website for wider distribution <http://www.tnp2k.go.id/download/index/>. The briefs identify and discuss the macro- and microeconomic factors affecting poverty in Indonesia—from health, education, agriculture, infrastructure, services, food prices and food expenditures, to exports, growth, and social assistance.

SEADI has also commissioned studies on poverty by Indonesian scholars through grants and contracts. SEADI hired one scholarship recipient, Achmad Maulana, to prepare a study on the impact of educational attainment on poverty. An Indonesian researcher working in Australia is now examining the causes of differences in poverty rates among provinces.

Through the grant program, Yolanda Apituley has studied fisheries market integration in the Maluku region and how this could have an impact on poverty. The Regional Economic Development Institute in Surabaya has nearly completed its growth diagnostic for West Nusa Tenggara that examined barriers to more rapid growth and poverty reduction in that region. LPEM has launched a study of how the advent of universal health care has benefited the people of South Sumatra. Finally, the Centre for Economic Development Studies at Padjajaran University is preparing a range of studies on equity that will help to deepen the public debate on this important topic.

We are proud of the body of research that we are sponsoring but want to see it expanded. Thus, SEADI and TNP2K are organizing an academic conference on poverty alleviation in Indonesia June 12–13, 2013. Thirty-nine papers have been selected to be presented at five parallel sessions during the two-day conference. The presenters are diverse—only 13 of 39 are from Jakarta. Others come from Aceh and Papua; five presenters come from outside the country. Conference topics include poverty and job creation, poverty and the enabling environment and poverty reduction programs. The conference is tied to the provincial training discussed below—the best participants from each batch of training will be invited to the June conference to make a presentation on poverty reduction in their region.

At the request of TNP2K, the corporate social responsibility activity and regional studies of poverty were dropped from SEADI's work program.

Mainstreaming Poverty Issues at the District Level

Reducing poverty is not only the obligation of the national government but also of the regions. To ensure that poverty issues are deeply integrated into local planning and budgeting, TNP2K requested assistance in developing and conducting training on poverty issues for regional poverty unit officials. Thus SEADI supported the development of a curriculum for a 10-day training program for local government officials. SEADI has also worked with TNP2K to use the curriculum in a pilot training program. The training was conducted in Jakarta from January 28 to February 8, 2013 for 25 participants from nine provinces. A second batch of training will be conducted in mid-April 2013.

To improve the capacity of local governments to mainstream poverty issues, a grant was awarded to SMERU to prepare an updated poverty toolkit. This toolkit will include information and practical guides to poverty data management, participatory poverty assessment, and how to enhance the effectiveness of development programs in reducing poverty. The new toolkit, building on recent studies by SMERU and others, will address not only poverty but also vulnerability.

More Courses on Poverty Available to University Students

The SEADI team supported the creation of a syllabus and teaching guidelines for a course on the economics of poverty for Indonesian universities. At TNP2K's request, however, the proposed training-of-trainers activity was dropped.

INSTITUTIONAL DEVELOPMENT

Bappenas Strengthened

SEADI has worked extensively with Bappenas to improve its capacity to develop the next medium-term plan. During the past year, SEADI continued support for internal policy-oriented discussion group meetings in Bappenas. A notable feature of the discussion group series has been strong Bappenas ownership of the program, with senior Bappenas staff determining the topics and attending the discussions. Special attention was given to financial inclusion. This approach is consistent with other activities that SEADI has supported in Bappenas, especially the major study on financial inclusion (discussed below). Topics covered in the Bappenas discussion group series during 2012–2013 included financial inclusion and social insurance, the evolution of approaches to microfinance in Indonesia, and the role of some mainstream banking and insurance institutions in Indonesia in promoting microfinance.



The study on financial inclusion that SEADI is supporting also strengthens the capacity of Bappenas staff, especially younger staff, to conduct policy-related research and prepare reports on policy-related issues. The study discussed above has provided an opportunity for a number of the junior staff to visit the field and participate in the process of linking the results of field-based research work with policy-oriented recommendations.

In addition, SEADI supported the attendance of two Bappenas staff and other government staff at the three-week international training course in Turin, Italy in August 2012. The Bappenas staff who attended the course have been closely involved in the study on financial inclusion.

A significant component of SEADI's labor policy support was weekly training sessions to Bappenas staff on the interpretation and use of labor markets statistics.

Finally, SEADI also assisted young Bappenas staff who are seeking opportunities to study overseas. In addition, a number of other young staff have sought and received assistance from

SEADI in seeking opportunities to further their studies overseas at the graduate level through other scholarship programs.

Local Governments Strengthened

SEADI's work in strengthening local governments has been provided through grants. The Komite Pemantauan Pelaksanaan Otonomi Daerah (KPPOD) received a large grant to promote its competitiveness index of regions and to raise awareness of competitiveness issues at the regional level. It held several seminars in Jakarta to promote its activities and conducted a workshop on local government capacity building on legal drafting. The workshop was designed to improve the skills of legal drafters and was attended by 23 representatives of 11 underperforming local governments. They heard recommendations on how regulations could make their regions more competitive.



A grant to LPEM focused on the development of case studies in local finance that will then be used in the ongoing training program that LPEM runs for the Ministry of Finance and local governments. The Center for Corporate Governance at Universitas Nasional Sebelas Maret received a grant to study rent seeking, local governance, and economic growth in Central Java. That study documented the direct linkage between poor governance, rent seeking, and lower economic performance. Finally, the Laboratory for the Advancement of Economic Development at Airlangga University completed its study of the impact of infrastructure expenditures on local economic growth in East Java. They found that infrastructure spending improved local economic growth, although the effectiveness was limited. Furthermore, the ability of infrastructure spending to reduce unemployment and poverty was limited because of an emphasis on connecting communities and remote villages to towns rather than on connecting potential economic centers.

Ministry of Trade Strengthened

SEADI worked over the past year to strengthen the Ministry of Trade by strengthening capacity for officials at all levels to understand key economic principles and apply the principles in analysis of data and formulation of policy recommendations.



Some activities focused on analytical tools. We trained ministry staff in the use of TradeSift software for analyzing trade data and provided annual licenses to the ministry. MOT staff use TradeSift regularly for data analysis and writing memos. Similarly, we organized training in the use of the GTAP macro model that can be used to analyze the impact of a wide variety of trade policy changes. We also worked with staff to use their skills to

analyze issues relating to the implementation of trade agreements. During the year SEADI supported the development of an application on the Ministry of Trade intranet that will give all staff access to the detailed trade data maintained by the ministry. This new tool has enabled staff to instantaneously obtain trade data rather than waiting days or weeks for a request for data to be fulfilled manually.

We also provided general training in economics for Ministry of trade staff to help them understand the economics behind the policies that they are analyzing and organized lecture series to expose them to a wider range of policy issues and choices. This has enabled ministry officials to do their work and analysis more effectively, and we hope will contribute to the implementation of better and more market-oriented policies. For example, SEADI and the ministry cofunded the participation of Taufiq Wargadalam, a young, dynamic official in the Directorate General for International Trade Cooperation (DGITC) in Harvard's Mastering Trade Policy Program: Understanding and Acting in Today's Economy. SEADI also cofunded English training for 129 staff.

Finally, SEADI supported an activity sponsored by the ASEAN-US Facility to help TRECYDA use outside research centers and think tanks. The facility sponsored two study tours to a total of five countries in Southeast Asia where ministries of Trade use such organizations effectively.

Universities and Academics

A major part of SEADI's support for capacity building for universities and academics is our scholarship program. That program is helping seven academics obtain advanced degrees in the United States. Five are seeking masters degrees and two doctoral degrees.

SEADI has also supported opportunities for researchers to present their work to their peers and receive feedback. Late last year SEADI sponsored the participation of 10 Indonesian scholars in the East Asian Economic Association conference. The scholars, along with Dr. Moekti Soejachmoen from SEADI, presented their research and expanded their network of contacts among researchers in the region. SEADI has also provided grants to the Faculty of Economics at the University of Indonesia (Human Development Capabilities Association Conference) and the Faculty of Economics at Lambung Mangkurat University (Indonesian Regional Sciences Association Conference) to organize academic conferences and help local researchers present their work and strengthen research networks. A grant to Universitas Hasanuddin in Makassar is helping to create a network of researchers in Eastern Indonesia.

Finally, SEADI provided a grant to LPEM at University of Indonesia to study the actual impact of mining activities on a local community and how that aligns with the expectations of the local community. This effort ran into start-up difficulty but is now on track to be completed with full and active support from the mine operator, Newmont.

2. Scholarship Program

As reported in our last annual report, SEADI received 47 applications for scholarships, of which 44 met the qualification criteria. Ultimately 23 applicants were offered scholarships conditional on their being accepted to an American degree program. By mid-2012, 18 scholars had been accepted into graduate programs in the United States: nine into Ph.D. programs and nine master's degree programs.

SEADI scholars were guided through the administrative processes to secure their J-1 visas and predeparture preparation and orientation. For their predeparture preparation, SEADI scholars enrolled in 90 hours of English for academic purposes from June 25 to July 13, 2012. The course was designed to prepare scholarship recipients for the American writing and conversation styles. In addition, a predeparture orientation program was organized for scholars on July 10, 2012, to reduce uncertainty and eliminate obstacles to learning by going through program objectives and overview, administrative and policy review, cultural aspects, and methods of learning. The orientation program was facilitated jointly by SEADI, USAID Indonesia Education Unit, and USAID Economic Growth with resource persons from the USAID-PRESTASI alumni association. SEADI scholars were also invited to a reception for 2012 USAID-funded scholars hosted by the U.S. ambassador.



The detailed training implementation plans for the 18 participants were approved and tuition waivers required for graduate programs above the USAID tuition cap for an academic year were granted by end of June 2012. In the midst of securing the scholars' J-1 visas, one student withdrew from the program when she discovered that she was pregnant and decided not to pursue advanced studies at this time. SEADI's first scholar departed for the United States on July 20, and by August 30 all 17 scholars arrived safely at their chosen universities. To facilitate communication among the students and with the support network at SEADI and USAID, SEADI established a blog site for the student's use. It can be viewed at <https://basecamp.com/1927553/projects/798271-seadi-scholarships>.

The scholars adjusted well to the academic culture; they were excited by the opportunity to study directly from renowned experts. They are motivated to excel in their studies due to the competitive study environment. The result of the first semester showed that our scholars are generally doing well, with an average GPA for our eight Ph.D. scholars of 3.66. Our eight master's scholars are also doing well, with an average GPA of 3.44.

But there have been bumps in the road. One scholar had to overcome challenges with cross-cultural living arrangements, although the issue was quickly addressed with support from SEADI. In October 2012, one of our scholars informed us that she was pregnant. We worked with her and USAID to ensure that she is adequately covered for necessary medical care and that she fulfills all USAID, immigration, university, and other requirements related to the upcoming birth of her child. Finally, Rizky Hermanto, attending the economic master's degree program at the University of North Carolina at Chapel Hill, faced significant difficulties in her first semester and ultimately withdrew from the program. Ms. Hermanto arrived in Jakarta on December 30, 2012 and is reintegrating into her life here.

Looking forward, one of our scholars, Grameyru Edward, will receive his master of science in resources law and policy from Sturm College of Law at the University of Denver in May 2013. The rest will continue their studies through at least early 2014. We are coordinating with USAID on the transfer of the continuing scholars to another project.

The following is a list of the 16 scholarship recipients currently enrolled in the United States.

Name	Home Institution	University
P.H.D. PROGRAM PARTICIPANTS		
I Gede Yuddy Hendranata	Ministry of Finance	Claremont Graduate University
Sekar Utami Setiastuti	Gadjah Mada University	North Carolina State University
Gumilang Aryo Sahadewo	Gadjah Mada University	Pittsburg University
Achmad Maulana	Center for Economic and Development Studies, Padjadjaran University	University of California Santa Cruz
Ahmad Gamal	University of Indonesia	University of Illinois at Urbana-Champaign
Nanda Ayu Wijayanti	University of Indonesia	Western Michigan University
Herman Saheruddin	Lembaga Penjamin Simpanan (LPS)	University of South Carolina
Irwanda Wisnu Wardhana	Ministry of Finance	University of Texas Dallas
MASTER'S PROGRAM PARTICIPANTS		
Irma Marlina Hutajulu	Ministry of Finance	University of Illinois at Urbana-Champaign
Anindiaztuti Rachmadani	Indonesian House of Representatives (DPR RI)	Duke University
Grameyru Prabu Edward	Ministry of Finance	University of Denver
Simon Poltak H. Hutabarat	Ministry of Finance	University of Illinois at Urbana-Champaign
Ruth Nikijuluw	Coordinating Ministry of Economic Affairs	University of Illinois at Urbana-Champaign
Wisnu Setiadi Nugroho	Gadjah Mada University	University of Illinois at Urbana-Champaign
Nancy Widjaja	Alliance for Financial Inclusion	Columbia University
Eva Nurwita	Center for Economic and Development Studies, Padjadjaran University	Texas Tech University

3. Grants Program

By the end of this project year, SEADI had issued 30 grants to individuals and institutions. As the substance of our grants has been described in section 1 we will not repeat it in detail here. Instead we will focus on grant administration and a few highlights of the program.

During our second year, the SEADI grants program accelerated the processing of concept papers and applications for individual, small institutional, and large institutional grants. The concept papers for individual research grants and institutional small grants were received on a rolling basis; evaluation was based on technical and financial feasibility of the selected topic. When the grant window closed on March 11, 2013, SEADI had received and processed 63 individual and small grant concept papers. Of these submissions, 27 were approved and resulted in grant applications. Of the 27 applications, SEADI approved and USAID funded 19 grants.

SEADI also received 49 concept papers for large grants through a full and open competition; 31 of those papers were approved, and applications for 20 of those papers were received. SEADI approved and USAID funded 10 large grants. Late in our second year a final large grant request was submitted and was funded, bringing the total large grants to 11.

Grants Awarded

No.	Grant Type	Grantee's Name	Activity/ Research Title	Approved Amount
INDIVIDUAL RESEARCH GRANTS				
1	Individual Research Grant	Yolanda Apituley	Market Efficiency and Poverty Reduction of Fishermen in Ambon and Seram Islands, Maluku.	\$3,526
2	Individual Research Grant	Amzul Rifin	The Impact of Export Tax Policy on Cocoa Farmers' Income and Supply Chain	\$4,758
3	Individual Research Grant	Tulus Tambunan	Identifying Main Constraints Facing Export-Oriented SMEs	\$4,204
4	Individual Research Grant	Salustra Satria	Predicting Banking Liquidity Crisis	\$2,623
5	Individual Research Grant	Ratmaji Heru Cahyono	KUD Revitalization Model for Improving Food Security (Self Rice) in Ctrl. Java	\$3,505
6	Individual Research Grant	Irwan Trinugroho	Unregulated Payday Lending in Indonesia: Should it be Legalized or be Eradicated	\$2,705
INSTITUTIONAL SMALL GRANTS				
7	Institutional Small Grant	PT Indoputra Absolute	Developing an on-line game to promote financial literacy	\$16,484
8	Institutional Small Grant	Economics Faculty, University of Indonesia (FE-UI)	Organize and hold the Human Development Capability Association (HDCA) 2012 International Conference with the theme 'Revisiting Development: Do We Assess It Rightly'	\$18,927

No.	Grant Type	Grantee's Name	Activity/ Research Title	Approved Amount
9	Institutional Small Grant	Center for Corporate Governance, Faculty of Economics, Sebelas Maret University (CCG-UNS)	Local Governance, Rent Seeking and Regional Economies	\$7,239
10	Institutional Small Grant	Pusat Studi Penelitian dan Pengembangan Manajemen dan Bisnis, Muhammadiyah Surakarta University (PPMB-UMS)	Creating SME Competitiveness-Lessons from Indonesia	\$17,296
11	Institutional Small Grant	Laboratory for Advancement of Economic Development, Airlangga University	Analyzing government spending on infrastructure in East Java	\$17,142
12	Institutional Small Grant	Economics Faculty - University of North Sumatera (FE—USU)	The Development of Natural Resources Based Industries In North Sumatera	\$18,886
13	Institutional Small Grant	Institute for Social, Political and Economic Issues (ISPEI)	Cocoa Cluster Performance Appraisal	\$18,827
14	Institutional Small Grant	Yayasan Inovasi Creative Indonesia (I Creative)	Developing Funding Scheme for Creative Industry in West Java	\$17,895
15	Institutional Small Grant	Faculty Economics-University of Hasanuddin (FE-UNHAS)	Academic Networking to Improve Capacity of Researchers in East Indonesia	\$12,000
16	Institutional Small Grant	Institute for Economic and Social Research—University of Indonesia (LPEM-UI)	The Impact of Universal Healthcare	\$18,343
17	Institutional Small Grant	Institute for Economic and Social Research—University of Indonesia (LPEM-UI)	Development of Case Studies for Capacity Building on Local Financial Management	\$17,200
18	Institutional Small Grant	Aisyiyah East Java	Study of Financial and Social Performance of Islamic Finance in East Java	\$18,878
19	Institutional Small Grant	PT DEFINIT	Financial Literacy on Indonesia Financial Market: Developing Financial Literacy Index	\$18,947
INSTITUTIONAL LARGE GRANTS				
20	Institutional Large Grant	APINDO	Institutionalization and Development of the Indonesia Services Dialogue	\$56,126
21	Institutional Large Grant	Lambung Mangkurat University (UNLAM)	IRSA Conference: Development, Environment, and the People of Kalimantan	\$50,189
22	Institutional Large Grant	KPPOD	Enhancing KPPOD Public Expose and Capacity Building	\$93,858
23	Institutional Large Grant	Regional Economic Development Institute (REDI)	Growth Diagnostic: Identifying the Constraints to Inclusive Growth in West Nusa Tenggara Province	\$70,526
24	Institutional Large Grant	Research and Training for Economics and Business, Faculty of Economics and Business, University of Gadjah Mada (P2EB-UGMB)	Examining the Role that BPD (regional development banks) can Play to Support Financial Inclusion and Decentralization	\$94,279
25	Institutional Large Grant	Center for Economics and Development Studies, Padjadjaran University	Strengthening the ability of UNPAD to Contribute to the Public Debate on Poverty and Equity Issues in Economic Development	\$89,842
26	Institutional Large Grant	Institute for Economic and Social Research ,Faculty of Economics University of Indonesia (LPEM-UI)	Understanding How Local Poor People in the Operating Area of Resource Extracting Industries View Extractive Industries	\$42,976
27	Institutional Large Grant	Research institute, Community Empowerment and External Cooperation Dharma Persada University	Modeling Energy Strategies for Selected Villages	\$79,524

No.	Grant Type	Grantee's Name	Activity/ Research Title	Approved Amount
		(UNSADA)		
28	Institutional Large Grant	SMERU Research Institute	Implementation of a Poverty Alleviation Toolkit: Promoting Poverty Mainstreaming Into Practice	\$85,400
29	Institutional Large Grant	Demographic Institute-University of Indonesia (LD-UI)	Impact of Tobacco Taxes Increase on Households and on Government Revenue	\$33,342
30	Institutional Large Grant	Ernst & Young Indonesia	The Impacts of Foreign Direct Investment on Indonesian Economy	\$94,737
			Total	\$1,030,187

Implementation of the grants has proceeded rapidly this year. So far, seven grants have been completed, and 23 remain active. Reports on four of the grants have been edited and finalized. They can be found on SEADI's website at <http://www.seadiproject.com>. Summaries of the dissemination events for the completed grants are set out below.

At a seminar at KADIN on September 18, 2012, *Tulus Tambunan* from the Center for Industry, SME and Business Competition Studies at Trisakti University and an individual grantee, urged the Government of Indonesia to change its approach to supporting SME exporters. Dr. Tambunan recommended that the Government focus its resources on SMEs that are actual or potential exporters rather than SMEs that produce solely for the domestic market. Supporting such SMEs would mean increasing the size of credit programs to better reflect the needs of SME exporters, providing more information on trade finance, and being more active in reaching out and supporting SME exporters and making them aware of avenues of support.



Dr. Amzul Rifin, another individual grantee, held a seminar on October 10, 2012 in the Department of Agribusiness, Faculty of Economics and Management IPB to disseminate the findings of his research. The seminar was attended by faculty members of the department. The report, *Impact of Tax Export Policy on Cocoa Farmers and Supply Chain*, exposed the three marketing channels for the cocoa supply chain in North Luwu Regency, North Sulawesi. The report

found that since the international price transmitted nearly perfectly to the farmer's price, the margin of traders and exporters decreased when the export tax was imposed because of farmers' strong bargaining position.

Pusat Studi Penelitian dan Pengembangan Manajemen dan Bisnis, Muhammadiyah Surakarta University (PPMB-UMS) completed the study *Creating Small and Medium Enterprise Competitiveness: Lesson from Indonesia*. PPMB-UMS completed field surveys and analysis of secondary data to complete its work. The report of the study was disseminated through a seminar at Muhammadiyah University in Surakarta on December 20, 2012. The seminar was attended by not less than 50 people from local offices of the Ministry of Industry

and Trade, Ministry of SMEs and Cooperatives, Planning Agency (BAPPEDA), Bank of Indonesia, as well as from private sectors. Researchers and lecturers in economics, management, and business from UMS also attended the seminar.



The study concluded that sources of SME competitiveness in Indonesia were level of innovation, entrepreneurship, human capital, access to finance, existence of a potential market/buyer, and business strategy. Innovation is the key to SME competitiveness affecting an SME's ability to create new product and marketing networks.

The *Laboratory for Advancement of Economic Development, Airlangga University* completed its small institutional grant activity through a dissemination seminar on Surabaya on December 3, 2012. The seminar presented survey findings and analysis of local government spending on infrastructure and its impact on local economic growth. They found that infrastructure spending did improve local economic growth, although its effectiveness was limited because spending was tied mostly to the budgeting mechanism from system planning to field monitoring.



Furthermore the ability of infrastructure spending to reduce local unemployment and poverty was limited because it emphasized spending on connecting communities and remote villages to towns rather than connecting potential economic centers. The seminar was attended by representatives of local planning agencies, public works offices, and district governments as well as academics from UNAIR.

The *Institute for Social, Political and Economic Issues* (ISPEI) has successfully closed its grant by completing a dissemination activity in Makassar December 13, 2012. ISPEI examined the productivity of three cocoa farming areas considered the most fertile and productive in South and West Sulawesi with in an effort to identify how an integrated cocoa industrial zone could be created in the region in the future. The seminar which was attended by cocoa farmers groups, academic researchers and local government officials was opened by Head of Research and Development Agency at South Sulawesi Governor's Office who supported the result of the study and suggested further research on regional mapping to determine the best location for cocoa industrial zone.



Local Governance, Rent Seeking and Regional Economies was the theme of the dissemination seminar in Solo by the *Center for Corporate Governance, Faculty of Economics, Sebelas Maret University (CCG-UNS)*.

Through an empirical study of approximately 400 regency/district governments complemented by rent-seeking case studies of three district governments, CCG-UNS showed that corruption in regency/district governments was caused by poor local governance. The seminar on



December 19, 2012 was attended by 20 academics and local government officials, including representatives from the local planning and audit agencies.

Yolanda Apituley received an individual grant to examine how market integration can contribute to reducing poverty among fishermen in several Maluku Islands. She completed her paper early this quarter, building on the market integration analysis used by Ravallion. Her research findings were disseminated at a seminar in IPB, Bogor on December 21, 2012 and attended by her professors and colleagues.



Mr. Ratmaji Heru, a young researcher with Satya Wacana University, completed a study of the revitalization of village-based cooperatives in Central Java. The head of the Cooperative Office of Central Java organized a dissemination seminar for the study for village-based cooperatives under his supervision. In the seminar held March 25–26, 2013, Mr. Heru presented his findings to representatives from 72 village-based cooperatives from six districts in Central Java. In addition to presenting his findings, Mr. Ratmaji made recommendations on strategies for revitalizing village-based cooperatives.

The Head of the Cooperative Office of Central Java, Mr. Sujarwanto Dwitmoko, has taken these recommendations seriously, bringing Mr. Ratmaji to meet with the Deputy Cooperatives and SMEs Minister for Institutional Development in Semarang. The Deputy Minister, Mr. Setyo Heriyanto, was impressed with the revitalization model proposed by Ratmaji and he endorsed the establishment of a Village-based Cooperatives Revitalization Task Force organized by Cooperative Office of Central Java. Mr. Ratmaji has been appointed as a member of the task force.

The *Economics Faculty of University of North Sumatera* (FE-USU) completed its study on the Sei Mangke Special Economic Zone Development Strategies. Key findings and recommendation from the study were disseminated in a seminar on February 14, 2013, at Grand Aston Hotel, Medan.

The dissemination seminar, which was attended by government, media and academics,

was a closing activity after a series of field surveys conducted by FE-USU in several industrial or economic zones in Indonesia as well as in Malaysia. The head of the Planning Agency of North Sumatera Province, Mr. Riyadil Akhir, delivered a response during closing session in which he supported the findings and recommendations as complementary to his efforts to develop the economic zone in Sei Mangke. He noted several efforts by his agency to speed up the development process and felt that the findings and recommendations by FE-USU would enable his agency to push more forcefully for the development of the zone. A successful outcome of this grant was the decree of the Mayor of Simalungun appointing PTPN III as official developer and manager of Sei Mangke special economic zone, following recommendations and intense pressure by all stakeholders after signing the commitment in the midterm seminar (September 27-28 2012) in Siantar. This decree had been on hold for some time before the intervention of our grantee.



Grantees held a wide variety of events. A few are reported below and the full list of events is included in Appendix C.

APINDO, one of SEADI's large grantees, held its first public forum in Jakarta on November 30, 2012 with the theme "Indonesia Services Dialogue". The theme which was initiated by APINDO several years ago with World Bank's support and unheard for some time was back in the spotlight of high-level discussion under a USAID funded grant. This event attracted 98 important people, from the public as well as private sectors, to attend



and participate in several discussions. RI's Trade Minister, Tourism and Creative Economy Minister and Head of Investment Coordinating Board were among the very important persons to deliver speeches highlighting the importance of services sector in accelerating Indonesia's economic growth.

PT Indoputra Absolute launched the Rich Game, an online game, on the social network platform Facebook in July 2012. Available to the public free of charge, the game educates players on the types of financial products available in Indonesia and on setting personal financial goals. The ultimate objective of the game is to help improve financial literacy in



Indonesia. The launch event was attended by representatives from USAID, SEADI, BAPEPAM-LK, the game designers, students and journalists. Because the game is intended to support government planning in financial inclusion, it was officially adopted by BAPEPAM-LK as the tool to help reduce financial market illiteracy and to provide basic technical knowledge for newcomers to access markets with more developed applications. (Follow this link to the game: http://apps.facebook.com/richgame/?fb_source=search&ref=ts).



SEADI also provided a grant to the **Economics Faculty of the University of Indonesia** to organize the Human Development Capabilities Conference in Jakarta. The conference brought together the public and academics September 5–7, 2012, to discuss the theme “Revisiting Development: Do We Assess It

Correctly?” Keynote speakers were eminent scientists and economists, including Dr. Eric Maskin, a Nobel laureate from Harvard University. Involvement of high-profile Indonesian government officers, Minister of Planning and Vice Minister of Agriculture, in delivering opening and keynote speeches is evidence that human development has been a focus of Indonesian development strategy in accordance with current trends in international development. The conference was well received and provided great exposure to new ideas for academics and public alike.

4. Project Administration

Project activities this year were focused on finalizing and implementing the second annual work plan. At the request of USAID, SEADI held up finalizing the work plan until after the midterm project review, which was held in June and completed in July 2012. The review recommendations were incorporated into the second work plan, which was submitted to USAID and approved in August 2012. SEADI also completed a move out of the main MOT building into MOT annexes (on Jl. Jambu in Menteng). This section reports on other project administration issues.

TECHNICAL PERSONNEL

Early in year 2, SEADI filled the last of its key personnel positions, hiring Moekti Soejachmoen as senior economist. We also had one departure of local technical staff this year. Rizal Adi Prima, who worked at TNP2K, left SEADI so that he could complete his PhD.

In the middle of 2012, SEADI, the Government of Indonesia, and USAID reviewed the project's overall activities and the allocation of resources for the final year of SEADI's activities. As part of that effort, it was decided that USAID would eliminate the key position at TNP2K and our resident advisor in that position left Indonesia on October 15, 2012. TNP2K has continued to receive SEADI support, provided by Dr. Moekti Soejachmoen, as well as by Titaningtyas Subekti, who joined SEADI as a poverty research assistant on a part-time basis.

ADMINISTRATIVE AND SUPPORT PERSONNEL

SEADI continues to be supported by a local team of the highest caliber but there has been turnover. In early April 2012, Galuh Wulan joined SEADI as training manager, replacing Tutiek Rahaju, who left in February 2012. Ms. Diah Safitri joined the project on October 8, 2012, to replace Ibu Christina, who departed in September 2012. Ms. Deborah Tomasowa joined the project on March 4, 2013, to replace Edwin Shri Bimo as SEADI's communications specialist. Mr. Tomo Hermoko has tendered his resignation from his full-time position effective May 1. He will continue to work part time for SEADI.

Project Staff	Staff Position	Start Date
Poppy Martoyo	Office manager	May 12, 2011
Sampurna Arzeta	Driver	May 16, 2011
Marina Sitepu	Project secretary	May 18, 2011
Mia Zenitha R.	Project accountant	June 6, 2011
Tomo Hermoko	IT specialist	June 27, 2011
Hery Kameswara	Grants manager/M&E specialist	July 25, 2011

Project Staff	Staff Position	Start Date
Nur Apriyatno	Office assistant	September 5, 2011
Deden Zainuddin	Driver	January 16, 2012
Filma Aprilia	Administrative grants officer	February 20, 2012
Sri Purwanti	Assistant training manager	March 15, 2012
Galuh Wulan	Training manager	April 9, 2012
Suryanto	Driver	June 6, 2012
Diah Safitri	Senior project secretary	October 8, 2012
Deborah Tomasowa	Communications specialist	March 4, 2013

SHORT-TERM CONSULTANCIES AND PURCHASE ORDERS

During year 2, SEADI engaged a number of short-term consultants for activities identified in the first and second annual work plans, as well as other activities requested by our counterparts. SEADI continued to employ several individuals and organizations under purchase orders. Appendix A provides a table summarizing these short-term consultancies and purchase orders. The activities that they completed are reported in Section 1.

PROJECT ADMINISTRATION ACTIVITIES

Project administration activities conducted during the reporting period include (1) the purchase of project vehicles in May 2012 and (2) development of a project website, now fully operational at www.seadiproject.com.

INDICATORS

The table below sets out SEADI's Program Planning and Review indicators for 2012 with a target for 2013.

Indicator Name	FY2012 Result	FY2013 Target	FY2013 Q1 & Q2 Results
Number of days of technical assistance trade and investment environment provided to counterparts or stakeholders	3067	2700	1769
Number of policy papers submitted to GOI entities for official consideration	26	30	17
Number of technical assistance/research assignments performed each producing a package of proposed reform actions	26	30	26
Number of internal workshops and seminars conducted for policy reform	35	35	21
Number of advocacy and implementation events for reform	8	12	15
Number of individuals with capacities strengthened—in-country workshops	1,125	950	1639

Appendix A. Short-term Advisers and Purchase Orders

Name	Purpose of Consultancies/Purchase Orders	Date
MINISTRY OF TRADE		
Peter Minor	Instructor on a 3-instructor team to deliver GTAP training for Ministry of Trade and other government officials	May 29–June 16, 2012
Anna Strutt	Instructor on a 3-instructors team to deliver GTAP training for Ministry of Trade and other Government officials	June 9–16, 2012
Pooja Pokhrel	Instructor on a 3-instructors team to deliver GTAP training for Ministry of Trade and other Government officials	June 3–19, 2012
Steve Marks	Prepare an agricultural imports study and provide introductory economics training for the Ministry of Trade	June 1–September 1, 2012
Phil Rourk	SME Case Studies, Ministry of Trade - Developing case studies that identify the key factors that have made certain Indonesian SMEs successful exporters.	March 21–April 19, 2012
Tri Wismiarsi	SME Adviser, Ministry of Trade - Serving as a short-term SME and export expert for the Ministry of Trade, working with Phil Rourk to develop case studies that identify the key factors that have made certain Indonesian SMEs successful exporters.	February 29–August 31, 2012
Jeffrey Schott	Outline issues involving TPP and its possible impact on Indonesia and ASEAN in a public workshop	June 10–16, 2012
Anne Swindale	Prepare a survey paper comparing international, regional, and domestic initiatives to monitor food security to support the development of an early warning system	June 15–July 15, 2012
Lance Graef	Trade Policy Expert, MOT—Led a team of experts studying the ASEAN Framework for a Regional Comprehensive Economic Partnership (RCEP) and the importance of FTAs for the Ministry of Trade	June 25–August 11, 2012
Common Sense [PO]	Continued production of SME case videos in coordination with Tri Wismiarsi and Phil Rourk	June 25–November 30, 2012
Patricia Bonnard	Inter-Provincial Trade Case Study MOT	November 26–December 12, 2012
Mohammad Ismet	Local rice market consultant for the interprovincial trade study	November 1–December 15, 2012
Jangkung Handoyo Mulyo	Local sugar market consultant for the interprovincial trade study	November 1–December 31, 2012
Marian Radetzki	Natural Resource Sector Expert, MOT	October 5–27, 2012
Krisno Wisnuadi, Muh. Zulcham Priyambodo, Muhadkly S. Kom	IT Software and Web Design Specialist, MOT—Activity to implement online Interactive Tariff and Trade DataWeb (DataWeb) for the Ministry of Trade	September 1–December 31, 2012
Jeffery Schott [PO]	Purchase Order: To participate in and present at the Trade Outlook Forum	January 15–February 15, 2013
Michael Plummer, Deborah Elms	Participate in and present at the Trade Outlook Forum	January 28–February 1, 2013
Peter Petri	Participate in the Trade Outlook Forum—Cost- benefit analysis of TPP in Indonesia	January 15–February 15, 2013
Dr. Sherry Stephenson	Participate in Trade Outlook Forum and support APINDO Service Dialogue	November 7, 2012–February 15, 2013
Tyler Biggs	Led team of experts assessing the economic effects on the Indonesian economy of the mineral processing requirement for MOT	September 15, 2012–February 25, 2013

Name	Purpose of Consultancies/Purchase Orders	Date
Manju Shah	Support for the mineral export processing study	March 2–June 16, 2013
Lydia Napitupulu	Work with team for mineral export processing study for MOT	September 15, 2012–February 23, 2013
Oliver Ryan	Work with MOT to analyze poultry value chains in Indonesia	November 15, 2012–February 15, 2013
Pius Kataren	Work with MOT to analyze poultry value chains in Indonesia	November 15, 2012–February 15, 2013
Dr. Patricia Bonnard	Work on designing a methodology for an interprovincial study on rice and sugar for MOT	February 15–March 31, 2013
Dr. Mohammad Ismet	Work on designing a methodology for an interprovincial study on rice and sugar for MOT	January 21–February 28, 2013
Jangkung Mulyo	Work on designing a methodology for an interprovincial study on rice and sugar for MOT	January 21–February 28, 2013
Tyler Biggs	Conduct a study on moving up the value chain for MOT	March 2–July 16, 2013
Julia Tijaja	Contribute to the study on moving up the value-chain for the MOT	March 4–July 15, 2013
Manju Shah	Conduct study on moving up the value-chain for the MOT	March 2–June 16, 2013
Kym Anderson	Lead a team to study the potential economic effects of new food law	January 15–April 15, 2013
Wayan Susila	Continue to support MOT as local economic development specialist	March 11–July 26, 2013
BAPPENAS		
InterCAFE [PO]	Fixed price purchase order to conduct a study on financial inclusion	September 3, 2012–June 3, 2013
Dr. Romuald Semblat	Financial Program Modeling, Bappenas: offer training and technical assistance on financial programming	October 14–November 15, 2012
Pipit Pitriyan, Umar Rubiansyah, Firman Kabul Febriansyah, Lutfi Purnama, and Widi Jantiko PO	Labor productivity in manufacturing field study: five fixed price purchase orders and miscellaneous expenses to conduct a field survey that will inform ongoing efforts at Bappenas and TNP2K to analyze patterns and trends in labor productivity	October 23–November 30, 2012
Haryo Aswicahyono	Support a study of job creation and labor productivity in manufacturing for Bappenas and TNP2K	October 8, 2012–January 31, 2013
Iya Hakim	Research Assistant, SEADI Office. Quit to take a full-time position with BKPM.	September 1, 2012–January 31, 2013
Ekki Syarnsulhakim	Support the labor productivity study. Replacing Pak Hakim.	December 10, 2012–January 25, 2013
Dr. Romuald Semblat	Teach a modeling course in Bappenas and associated technical assistance	December 3, 2012–March 31, 2013
R. Purnagunawan	Labor market expert to Bappenas	March 15–July 26, 2013
OJK/BAPEPAM-LK		
Mark Bates	Support the Accounting Standards Bureau in development of accounting standards that comply with International Financial Reporting standards related to the use of fair value	April 3–May 16, 2012
Bryan Fleming	Work in the appraisal office of the Bapepam-LK to develop efficient and effective regulatory framework to improve the quality of appraisal reports and provide in-house training to staff	June 9–July 21, 2012
Sarah Hargrove	Develop a composite scoring system for nonbank financial lenders and to develop training materials for the introduction of a risk based supervision methodology	June 22–July 14, 2012

Name	Purpose of Consultancies/Purchase Orders	Date
Edward (Jed) Frees	Actuarial, risk management and insurance expert, Bapepam-LK—development of four courses included in STIMRA's (the Institute of Risk Management and Insurance) actuarial curriculum	March 30–April 6, 2012
Martin Halek	Actuarial, risk management and insurance expert, Bapepam-LK—development of four courses included in STIMRA's (the Institute of Risk Management and Insurance) actuarial curriculum	January 23–August 31, 2012
Prisma Purelindo [PO]	Evaluation of BAPEPAM-LK's communication strategy	January 18–May 31, 2012
John Carter Biggs	Nonbank financial expert, BAPEPAM-LK—Supported the drafting of a law for regulating entities under supervision of BAPEPAM-LK's Bureau of Finance and Guarantee as a continuation of the work done in April and May 2012. Also responsible for leading a workshop in the bureau on the law.	August 15–September 8, 2012
John Carter Biggs	Nonbank financial expert, BAPEPAM-LK—Supported the implementation of the SEADI work plan for the BAPEPAM-LK Bureau of Finance and Guarantee	October 8–November 15, 2012
Kukuh Hadiwidjojo	Legal expert to review the Bureau of Finance and Guarantee Law	November 15, 2012–April 5, 2013
Dr. Irwan Ekaputra Dr. Telisa Failyanty Mochammad Yasin Wardah Adawiyah Husodo Zaafri Arief Lubis	Team for the ASEAN Capital Markets Integration Study	November 7, 2012–January 15, 2013
Sheena Thompson	Drafting of a full communications strategy for BAPEPAM-LK	January 13–February 8, 2013
Nunung Nuryartono [PO]	Purchased order on microinsurance	October 15, 2012–January 31, 2013
Sheena Thompson	Conduct desk study of international best practices for financial education conducted by government agencies	March 25–April 20, 2013
TNP2K		
Gus Papanek	Work with/for the Poverty Unit, Vice President's Office, TNP2K, taking over some of the work previously done by Dr. Richard Adams and contributing to new initiatives requested by TNP2K	October 23, 2012–January 23, 2013
Arief A. Yusuf [PO]	Conducted CGE modeling of the impact of four policy scenarios on poverty in Indonesia	January 16, 2012–March 31, 2013
Jordan Weinstock	Mobile banking expert, TNP2K—Drafted mobile banking strategy for financial inclusion	July 9–27, 2012
Geoffrey Hewings	CGE modeling expert, TNP2K—Collaborated with Professor Arief A. Yusuf to sharpen CGE simulations regarding the effects of different policy scenarios and reforms on the poor in Indonesia.	July 26, 2012–August 9, 2012
Geoffrey Hewings	Review and advise on modeling work for TNP2K	February 25–June 30, 2013
Riyana Miranti	Write a paper on correlates of provincial variations in poverty for TNP2K	December 1, 2012–May 31, 2013
Titaningtyas Subekti	Project research assistant, TNP2K: Works primarily for the Poverty Unit in the Vice President's Office supporting TNP2K to meet the monthly requirement related to the Poverty Policy Brief	October 10, 2012–July 31, 2013
OTHER		
Profescipta Wahanatehnik [PO]	Development of the SEADI project website	January 19, 2012–August 31, 2013

Name	Purpose of Consultancies/Purchase Orders	Date
Institute for Economic and Research—Faculty of Economic University of Indonesia (LPEM-FEUI) [PO]	Poverty training courses: Fixed price purchase order for pilot training for regional poverty officials. LPEM-FEUI is assisting TNP2K in preparing training modules and conducting pilot training for regional poverty officials.	November 6, 2012–April 30, 2013
Stephen Magiera	Implement Partnership for Trade Facilitation Activity Supporting the Indonesian Trade Repository	March 11–July 26, 2013
Ernawati Munadi	Implement Partnership for Trade Facilitation Activity Supporting the Indonesian Trade Repository	February 18–August 31, 2013
Fitria Chairani	Implement the Partnership for Trade Facilitation Activity Supporting the Indonesian Trade Repository	February 25–August 31, 2013
Makarim and Taira Councilors [PO]	Perform legal gap analysis of the Indonesian National Single Window	March–July 2013
Christopher Manning	To assist with the preparation of two conferences and provide other services	March 18–July 26, 2013

Appendix B. Status of the Second Work Plan

Legend:

<i>To be implemented</i>	<i>In progress</i>	<i>Completed</i>	<i>Dropped</i>
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Work Plan Organized by Objectives and Themes

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
1. MORE INFORMED TRADE AND INVESTMENT POLICY DECISIONS					
A. ANALYSIS OF TRADE POLICY ISSUES					
i. Mineral export processing—economic effects and other considerations for achieving domestic value added, investment and competitiveness	1.3.6	Study to inform policy decisions; capacity building on study methodology	MOT TRECYDA	Bachrul Chairi, Kasan	Completed, being edited
i.a. Value Chain Upgrading	New	The Ministry of Trade will have a strategy for supporting value chain upgrading in an economically efficient manner	MOT TRECYDA	Bachrul Chairi, Kasan	Ongoing
Grant		Impact of Export Tax Policy on Cocoa Farmer's Income and on the Supply Chain	Amzul Rifin, Bogor Agricultural Institute		Completed SEADI-13-R008
Grant		Institutionalization and Development of the Indonesian Services Dialogue	Indonesian Employers Association (APINDO)		Ongoing; final event April 2013
ii. Impact of agricultural imports on the Indonesian economy	1.3.7	Study of the impact of horticultural restrictions on the consumers and farmers	MOT TRECYDA	Bachrul Chairi/Kasan	Completed SEADI-12-R058, R058A, R078
iii. Study of interprovincial trade	1.3.12	A comprehensive methodology for a survey of interprovincial commodity flows will be prepared	MOT TRECYDA	Bachrul Chairi, Tjayha Widayanti	Methodology completed
iii.a. Implementation of the first survey—Rice and Sugar	1.3.12	More informed officials on interprovincial trade for food security	MOT TRECYDA	Bachrul Chairi, Tjayha Widayanti	Ongoing; to be completed July
iv. Early warning system for food security	1.3.13	More informed officials on interprovincial trade for food security	MOT TRECYDA	Bachrul Chairi, Tjayha Widayanti	Complete, reports SEADI-12-R038

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
vi. Poultry value chain study	1.3.14	A value chain study of the poultry sector to identify bottlenecks to increased competitiveness of the sector	MOT TRECZYDA	Bachrul Chairi, Tjayha Widayanti	Completed SEADI-13-R016, R017
Grant		Revitalization of KUD as a model for improving food security in Central Java	Ratmadji Heru, University Kristian Satya Wacana		Ongoing
B. GREATER INTEGRATION INTO REGIONAL AND WORLD MARKETS					
i. Study of the costs and benefits of participation and nonparticipation in Trans-Pacific Partnership (TPP) by Indonesia	1.3.11	Report on implications of Indonesia joining or not joining TPP—reconsideration of policy decision; capacity building on FTAs	MOT TRECZYDA	Bachrul Chairi	Completed, SEADI-12-R047A
a. Sensitization events on TPP	1.3.11	A series of public seminars to help sensitize the public on the pros and cons of TPP (September/December)	MOT TRECZYDA	Bachrul Chairi, Nuryati Lagoda	Completed, Trade Conference January 30, 2013—SEADI-13-R007, R010, R026A, R029
b. GTAP analysis on TPP	1.3.11	GTAP Analysis of TPP	MOT TRECZYDA	Bachrul Chairi, Nuryati Lagoda	Completed by MOT staff
ii. Analysis of policy options for the implementation on bilateral and regional trade agreements	1.3.10	Report on moving the RCEP forward in ASEAN, capacity building on FTAs	MOT/DGITC	Iman Pambagyo	Completed, SEADI-12-R060
iv. Evaluating the use and impact of FTAs, including ASEAN-China FTA	1.3.3.A	Supporting MOT staff in analyzing other FTAs	MOT TRECZYDA	Bachrul Chairi, Nuryati Lagoda	Steve Marks paper complete, SEADI-12-R059; Initial analysis prepared by SEADI staff submitted. More work contemplated.
v. Self-certification of origin for ASEAN	1.3.9	Seminar to build awareness on meeting ASEAN goals to self-certify origin for SMEs—SMEs obtain origin certificates more quickly	MOT/DGITC	Iman Pambagyo	Completed ASEAN-US Facility
vi. Consumer protection and ASEAN	2.3.11	Assist in international best practices for consumer protection	MOT	Ganef Yudawat	
vii. Examination of the advantages and disadvantages of the ASEAN cross-border capital market agreement	1.2.12	Prepare a study of the advantages and disadvantages of Indonesia participating in ASEAN's capital market integration project	BAPEPAM-LK	Etty Wulandari / Djoni Eri	Completed— Final editing in progress
viii. APEC chairmanship	1.3.15	Support to MOT to assist MOT successfully prepare for and chair APEC	MOT/DGITC	Iman Pambagyo	Supporting APEC meeting in Surabaya with a services expert—April; Support on insurance services.

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
ix. APEC Economic Agenda Conference	1.3.20	Support Indonesian academic groups organizing a conference in advance of the APEC Leaders Meeting in 2013 similar to the one organized in 1994	APEC Advisory Team	Sri Adiningsih	Dropped
C. GREATER ENGAGEMENT AND BETTER UNDERSTANDING BY SMEs OF INTERNATIONAL TRADE AND ITS BENEFITS					
i. Development of SME case studies	1.3.2A	Case studies and videos to help encourage more SMEs to export; build support for free trade among SME community	MOT/DGDT	Gunaryo, Suhanto	Completed. Conference held. Videos completed. Will submit final case studies to USAID early next quarter.
ii. SME Case Studies Conference	1.3.19	SME case studies are presented at a conference in Jakarta along with lessons learned in promoting SME exports as a platform for launching the SME outreach program	MOT/DGDT	Gunaryo, Suhanto	Completed.
iii. Assisting MOT in reaching out to SMEs about the benefits of regional trade	1.3.2.B	MOT implements a series of seminars for SMEs around Indonesia to promote international trade without additional assistance from SEADI	MOT/DGDT	Gunaryo, Suhanto	In planning phase—to be implemented in May by the ASEAN-US Facility
Grant		Lessons on SME Competiveness from Indonesia	PPMB Economics Faculty UMS		Completed—being edited
Grant		Identifying barriers to SME exports	Tulus Tambunan, University of Trisakti		Completed—SEADI-13-R012
D. INCREASING TRANSPARENCY AND IN PREPARING AND IMPLEMENTING TRADE REGULATIONS					
i. Development of NTM review procedures	1.3.8	Ministry of Trade staff apply a SEADI-developed methodology for reviewing new NTMs for consistency with international obligations.	MOT/DGITC	Iman Pambagyo	Dropped
ii. Preparing a legal gap analysis for the Indonesian national single window	1.5.5	Comprehensive analysis with recommendations for changes in laws and regulations needed to implement the Indonesian national single window fully	Coordinating Ministry for Economic Affairs (CMEA), Customs	Eddy Putra Irawady	Contract Awarded—To be completed in July
ii.a. Support for the implementation of the Indonesian National Trade Repository	PTF separate funding	Supporting Internet publication of trade regulations	CMEA, Customs	Eddy Putra Irawady	Funded through separate USAID Washington funding. TOR approved by CMEA and USAID. Initial staff hired, work has commenced. To be completed by July.

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
iii. Review of MOT institutions involved in trade remedies and a recommendation for establishment of a DG for Trade Remedies based on best practices	1.3.17	A multiyear plan is available to the Ministry of Trade for establishing an effective trade remedies organization			Dropped. USAID, USTR and US Embassy decided not to support activity—limited resources could be used in other priority MOT areas.
a. Institutional assessment				Bachrul Chairi	Dropped. Will see if AusAID can pick up some of the work.
b. Training needs assessment				Bachrul Chairi	Dropped: To be implemented by the EU
c. Workshop on reviewing and drafting bilateral, multilateral, and regional trade treaties (Facility)	2.3.4	MoT's legal department is more effective in drafting trade agreements	MoT/Legal	Herliza	
d. Workshop on ASEAN and other dispute settlement procedures (Facility)	2.3.5	MoT's legal department is able to bring a dispute under ASEAN's procedures	MoT/Legal	Herliza	
e. Legal Department staff skill upgrading (Facility)	2.3.6	MoT's legal department's staff is better able to do their day-to-day work	MoT/Legal	Herliza	
f. Assistance in responding to allegations of dumping, CVDs, aggregate measure of support and technical barriers to trade	2.3.10	Assist MOT with various activities to build capacity to respond to allegations of unfair trade practices	MOT/Planning	Ernawati	Dropped: To be implemented by the EU
E. IMPROVED CLIMATE FOR INVESTMENT					
i. Support to improve Indonesia's standing in the World Bank Ease of Doing Business survey	1.5.1	TBD	CMEA	Huda Bahweres	Dropped: Support on GRP substituted.
i.a. Support for Implementation of Good Regulatory Practices (GRP)	GRP Separate Funding				USAID/Indonesia has received support through USAID/Washington and USTR to offer APEC-related support on GRP
• Support for GoI Participation in the APEC GRP Meeting in Medan		Support participation by 20 additional senior GOI officials in the APEC GRP meeting in Medan on June 25-26	Badan Standardisasi Nasional (BSN)	Teungku Hanafiah	Medan meeting jointly organized between the GOI and USG
• Support for a Conference on GRP in Jakarta		A wider range of GOI officials have a greater understanding of the importance of GRP and how it can be implemented in Indonesia.	Badan Standardisasi Nasional (BSN), CMEA	Teungku Hanafiah Huda Bahweres	Agenda being developed in cooperation with USTR
• Support for Seminars on Including Good Regulatory Practices in the 2014-2019 Medium Term Plan		Bappenas includes regulatory reform issues in the first book of the next medium term plan.	Bappenas	Diani Sadia Wati	A series of outreach seminars will be organized with Bappenas

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
• Support for Public Outreach on Public Consultation		GOI officials have a plan in place and are implementing it to expand public consultation	CMEA	Huda Bahweres	This expands on a grant that the GOI has received from APEC
ii. Support to Indonesia's Investment Coordination Board	1.5.2	TBD	BKPM	TBD	No response to offers. Dropped.
iii. Comprehensive study of laws and regulations on entrepreneurship	1.5.3	TBD	MoYS	TBD	Dropped due to lack of response from counterpart.
iv. Support on economic indicators related to tourism and creative economy	1.5.4	Prepare report on the impact of tourism on the broader economy	Ministry of Tourism and Creative Economy	H.E. Mari Pangestu	Ongoing
Grant		Impact of foreign investment on the Indonesian economy	Ernst & Young Indonesia		Ongoing
Grant		Best practices in the development of industrial estates in North Sumatra	Faculty of Economics, University of Northern Sumatra (USU)		Completed—being edited
Grant		Impact of tobacco taxes on the economy	Lembaga Demografi University of Indonesia		Ongoing.
Grant		Role of sustainable energy in local economic growth	Darma Persada University, Institute for Research and Community Empowerment		Ongoing
Grant		Cocoa Cluster Performance Appraisal	Institute for Social and Political Economic Issues, Universitas Hasanuddin		Completed—being edited
2. INDONESIANS HAVE GREATER ACCESS TO WELL REGULATED FINANCIAL INSTITUTIONS					
A. IMPROVING THE REGULATION AND SUPERVISION OF NONBANK FINANCIAL INSTITUTIONS					
i. Development of law for nonbank lenders	1.2.2A	BAPEPAM-LK promulgates new law for nonbank lenders that provides legal certainty for lenders and borrowers	BAPEPAM-LK	Mulabasa Hutabarat, Naomi Triyuliani	Completed—SEADI-13-R022; SEADI-12-R077
ii. Support for implementing risk-based supervision	2.2.2.A	BAPEPAM-LK implements risk based supervision as recommended by the Comparative Study	BAPEPAM-LK	Mulabasa Hutabarat, Naomi Triyuliani	Completed
iii. National Association of Insurance Commissioners international fellowship program	2.2.6.A	Eight regulators trained in internship program using upgraded skills at BAPEPAM-LK	BAPEPAM-LK	Isa Rachmatwata	Completed; Second round cancelled.
iv. Actuarial sciences curriculum development	2.2.7	New actuarial curriculum used by STIMRA in training students	STIMRA	Isa Rachmatwata and Munir Sjamsoeddin	Completed—SEADI-13-R015

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
vi. STIMRA Risk Management Curriculum	2.2.8	Develop a risk management curriculum for STIMRA	STIMRA		Ongoing
Grant		Can liquidity crises be predicted?	S. Satria		Completed
Grant		Should predatory lending in Indonesia be regulated?	Irwan Trinugroho, Universitas Nasional Sebelas Maret		Ongoing
v. Study of Microinsurance Activities	1.2.14	A survey of ongoing activities to improve understanding of the activities in the market place and identify operational synergies.	BAPEPAM-LK		Ongoing
vi. Support to Improve Reporting of Cooperative Banks	N/A (no funding required)	Providing best practice suggestions to the Ministry of Cooperatives for its monitoring of cooperative banks	Ministry of Cooperatives		Ongoing (support from resident adviser only) Based on a late request from the Ministry of Cooperatives.
B. IMPLEMENTING INTERNATIONAL ACCOUNTING STANDARDS FOR LISTED COMPANIES					
i. Fair value regulations are prepared and staff can implement them	2.2.4	Fair value regulations for real estate appraisal and business valuation are prepared and staff can implement them.	BAPEPAM-LK	Etty Wulandari	Completed—SEADI-12-R020, R021, R022, R023, R024
C. SUPPORT FOR MICROFINANCE INSTITUTION DEVELOPMENT AND ACCESS TO FINANCE					
i. Financial inclusion study	1.1.6	Pilot project for upgrading PNPM UPK	Bappenas	Pungky Sumadi	Ongoing—To be completed May 31
ii. Microfinance training in Turin, Italy	2.1.6	Training of Bappenas, Bank of Indonesia, and MoF Staff in microfinance	Bappenas	Pungky Sumadi	Completed
Grant		Role of BPD and BPR in expanding financial inclusion	Research and Training for Economics and Business, Faculty of Economics and Business, University of Gadjah Mada (P2EB-UGMB)		Ongoing
iii. Study on Private Equity	1.2.2.B	Examination of best practices in regulating and reporting on private equity investments	BAPEPEM-LK	Mulabasa Hutabarat	Completed—SEADI-12-R068, R069A
Grant		Examination of appropriate mechanisms for financing creative industries	i-Creative		Ongoing—To be completed in April
Grant		Islamic Finance Institutions in East Java	Aisyiyah		Ongoing

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
iv. Study of Options for Agricultural Finance	New	KADIN is makes recommendations to the GOI on improving access to finance by farmers and small businessmen in the food sector	KADIN	Harry Hanawi	At the request of USAID, providing support to KADIN on agriculture finance
D. DEVELOPMENT OF MOBILE MONEY/BANKING IN INDONESIA					
i. Development of mobile money/banking in Indonesia	1.4.6	TNP2K work plan for promoting mobile money use by the poor	TNP2K	Suahasil Nazara	Complete, SEADI-12-R048, R049, R050, R053
ii. Support for development of mobile money through cooperative banks	N/A (no funding required)	Follow-up assistance by resident adviser in identifying ways to promote mobile money through cooperative banks	Ministry of Cooperatives		Ongoing (resident adviser assistance only) Follow up on late request from the Ministry of Cooperatives
E. IMPROVED PUBLIC AWARENESS OF FINANCIAL MARKETS AND FINANCIAL MARKET REGULATION					
ii. Development of a new communications strategy for OJK	1.2.10		OJK		Completed
iii. Support for implementing the new communications strategy	2.2.9	Focusing on benchmarking financial education programs with recommendations for Indonesia	OJK		Ongoing—April
Grant		Online financial literacy game—Rich Game	Indoputera Absolute		Completed
Grant	1.2.13	Establishing a financial literacy index	DEFINIT		Ongoing—To be completed in July
F. CONSUMER PROTECTION AND PUBLIC PROTECTION FOR FINANCIAL INSTITUTIONS					
i. Study of best practices in consumer protection for financial institutions under OJK	1.2.11		OJK	Djoni Eri	Likely to be dropped
ii. Development of a consumer protection plan and training of staff	2.2.10		OJK	Djoni Eri	Likely to be dropped
iii. Study tour to Korea on Consumer protection and complaint resolution in security markets	2.2.6A		OJK	Djoni Eri	Likely to be dropped
3. INDONESIA'S MEDIUM-TERM DEVELOPMENT PLAN 2014-2019 HAS A STRONG EMPIRICAL FOUNDATION					
i. Establishment of a policy analysis team at Bappenas	1.1.1.A	Studies of key cross cutting policy issues for the medium-term plan 2014-2019	Bappenas	Dedi Masykur	Discussions ongoing with the head of the PAT; Proposal for support submitted.
ii. Supporting the development of the 2014–2019 medium-term development plan					
a. Financial programming capacity building	1.1.7	Bappenas staff use a revised financial programming model in drafting the next medium-term plan.	Bappenas	Pungky Sumadi	Initial training completed. Subsequent rounds planned.

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
b. Reports on key topics for the new plan	1.1.8		Bappenas	Various	This may include support for a Bappenas conference on the new plan in June. Currently Peter McCawley is supporting this directly
c. Staff training in econometrics, modeling, and other subjects	2.1.4	Bappenas staff have upgraded skills in econometrics and modeling that are used in their day-to-day work.	Bappenas	Pungky Sumadi	Discussions ongoing with UI faculty to support Bappenas in this area.
ii. Policy advising on labor and youth employment	1.1.9	Bappenas is better able to advocate for improved labor and youth employment policies with other ministries.	Bappenas	Rahma Iryanti	Completed
	1.1.9.a	Bappenas skills in labor analysis are further upgraded	Bappenas	Rahma Iryanti	Ongoing—Raden Purnagunawan has been hired to continue supporting Ibu Yanti through July 2013
iii. Labor productivity study	1.1.10	Bappenas can respond to the vice president's request to understand changes in Indonesian labor productivity.	Bappenas	Rahma Iryanti	Completed
iv. Training in labor data analysis	2.1.7	Bappenas staff are trained in the use of STATA to analyze labor data	Bappenas	Rahma Iryanti	Completed
v. Trade and investment conference	2.1.8	Cosponsoring with ESCAP a conference on the role of trade in promoting investment	Bappenas	Amelia Widyasanti	Completed
4. THE IMPACT OF ECONOMIC POLICY DECISIONS ON POVERTY IS ROUTINELY CONSIDERED					
A. HIGHLIGHTING THE IMPACT OF ECONOMIC POLICIES ON POVERTY					
i. Further modeling the impact of economic shocks and policy changes on poverty	1.4.1.A	TNP2K continues to use the CGE model at a university to determine the impact of various shocks and policy changes on poverty	TNP2K	Suahasil Nazara	SEADI-12-R044, R056
ii. Further targeted studies on poverty in Indonesia	1.4.3.A	Additional poverty studies are prepared by Indonesian researchers on poverty	TNP2K	Suahasil Nazara	SEADI-12-R040 Junior Secondary Education;
	1.4.3.A	Study of interprovincial poverty differences ongoing	TNP2K	Suahasil Nazara	Ongoing—June 2013
	1.4.3.A	International Conference on Poverty Alleviation in Indonesia—June 2013	TNP2K	Suahasil Nazara	38 papers commissioned.
iii. Poverty briefs	1.4.2.A	TNP2K receives a brief every 1-2 months highlighting key economic issues and their impact on poverty	TNP2K	Suahasil Nazara	Seventeen completed. Ongoing activity

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
iv. Corporate social responsibility (CSR)	1.4.7	Assistance on developing a policy on CSR and a menu of possible CSR projects	TNP2K	Suahasil Nazara	Dropped
v. Regional studies of poverty	1.4.5	Examination of regional issues in poverty alleviation	TNP2K	Suahasil Nazara	Dropped
Grant		Poverty Reduction in Maluku through Fisheries Market Integration	Yolanda Apituley, Pattimura University		Completed—SEADI-13-R013
Grant		Growth diagnostic for West Nusa Tenggara	Regional Economic Development Inst.		Ongoing
Grant		Impact of universal healthcare	Institute for Economic and Social Research (LPEM), University of Indonesia		Ongoing
Grant		Improving the public debate on equity aspects of development	Centre for Economic Development Studies, Padjajaran University		Ongoing
B. MAINSTREAMING POVERTY ISSUES AT THE DISTRICT LEVEL					
i. Pilot Training of district level poverty officials	2.4.4	District poverty monitoring offices (TKPK-D) implement best practices in integrating poverty issues into their planning.	TNP2K	Suahasil Nazara	First round complete; Second training Apr 2013
Grant		Poverty Alleviation Toolkit: Promoting Poverty Mainstreaming into Practice	SMERU		Ongoing
C. INDONESIAN UNIVERSITY STUDENTS HAVE GREATER ACCESS TO COURSES ON POVERTY AND POVERTY ISSUES					
ii. Academic seminar to promote the poverty curriculum	2.4.5	More university economics departments offer at least one course on poverty	TNP2K	Suahasil Nazara	Dropped at request of client
5. INSTITUTIONAL DEVELOPMENT					
A. BAPPENAS STRENGTHENED					
i. Weekly macroeconomic report	1.1.11	Bappenas uses the information provided to develop its weekly report to the Minister and capacity is created to transfer responsibility by end of SEADI	Bappenas	Pungky Sumadi	Submitted weekly; ongoing
ii. Bappenas discussion group	2.1.5	Bappenas staff have a deeper understanding of key macroeconomic issues	Bappenas	Pungky Sumadi	Ongoing
iii. Staff training in memo writing and presentation skills	2.1.1.A	Staff are better able to prepare and present short memoranda and presentations	Bappenas	Pungky Sumadi	Planning underway

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
B. LOCAL GOVERNMENTS STRENGTHENED					
i. Development of a curriculum on local budget execution	2.1.2	District and provincial staff execute budget and expenditure duties better	Bappenas, MoF		Superseded by grant to LPEM
Grant		Enhancing the impact of subnational competitiveness rankings	KPPOD		Third seminar held; ongoing
Grant		Case Studies in Local Finance	LPEM University of Indonesia		Ongoing
Grant		Local governance, rent seeking, and local economies	Center for Corporate Governance		Completed—being edited
Grant		Analyzing expenditure on infrastructure in Eastern Java	Universitas Airlangga		Completed—being edited
C. MINISTRY OF TRADE STRENGTHENED					
i. Developing a trade data / data web for the Ministry of Trade	1.3.16	More transparent and easier to access trade data so officials can perform trade analysis more quickly	MOT TRECIDA	Bachrul Chairi, Marthin	Completed
ii. Economics training - senior and junior MOT officials	2.3.9	More informed trade officials on economics and trade issues to help with policy analysis	MOT TRECIDA	Bachrul Chairi, Nuryati Lagoda	Completed
iii. MoT lecture series	2.3.7	More informed trade officials on economics and trade issues to help with policy analysis	MOT TRECIDA	Bachrul Chairi	Ongoing
iv. Study Tour of ASEAN think tanks	2.3.3	Better use of Indonesian think tanks in providing input into trade policy decisions	MOT TRECIDA	Bachrul Chairi	Completed. ASEAN Facility
v. Trade outlook conference	1.3.18	A public event at which the Ministry of Trade presents its estimates of exports and imports for 2012			Completed
a. Support in developing projections for exports and imports	2.3.8		MOT TRECIDA	Kasan	Ongoing
b. Participation by experts in the conference	2.3.8		MOT TRECIDA	Bachrul Chairi	Completed
D. UNIVERSITIES AND ACADEMICS					
i. Support for Individual researchers to participate in the East Asia Economics Association Conference	1.5.6	Grants for up to five Indonesian academics to travel to present papers at the EAEA Conference in Singapore	Various		Completed
Grant		Support for the Human Development Capabilities Conference.	Faculty of Economics - University of Indonesia		Completed

Activities	Work Plan Ref.	Deliverables	Institution	Counter-part	Status
Grant		Support for the Indonesian Regional Sciences Association Conference	Lambung Mangkurat University (UNLAM)		Conference completed July; other activities ongoing
Grant		Attitudes of the poor in operations areas toward extractive industries	LPEM University of Indonesia		Ongoing—Scope may need to be adjusted
Grant		Recovery of the fishing communities in Aceh after the 2004 tsunami	LPEM University of Indonesia		Dropped
Grant		Academic networking to improve the capacity of researchers in Eastern Indonesia	Universitas Hasanuddin		Ongoing

Appendix C. Trainings, Workshops, Seminars, and Conferences

No	Institutions	Type and Title of Event	Date and Place
MARCH 2013			
1	American Chamber of Commerce (AmCham)	AmCham members meeting on Food Law 2012	Menara Allianz, Jakarta March 21, 2013
2	Ministry of Trade	The Food Law 2012 Seminar: Economic Cost-Benefit Analysis and other Considerations	Hotel Borobudur, Jakarta March 20, 2013
3	Ministry of Trade	Closed discussion to follow up the Mineral Processing Requirement seminar	Bidakara Hotel, Jakarta March 14, 2013
4	Economic Faculty-Hasanuddin University (FE-UNHAS)	MOU Signing: Establishment of East Indonesia Economic Researchers Network	Singgasana Hotel, Makassar March 6, 2013
5	Ministry of Trade	Seminar on The Economic Effects of Mineral Processing Requirements—Final Report	Aryaduta Hotel, Jakarta March 4, 2013
FEBRUARY 2013			
6	Ministry of Trade and AIPEG	Trade in Services Workshop: Meeting AFAS 2013 in Logistics and Transportation	Aryaduta Hotel, Jakarta February 21, 2013
7	Ministry of Trade and AIPEG	Trade in Services Workshop: RCEP and Services	Morrissey Hotel, Jakarta February 18, 2013
8	KPPOD	Public Discussion: Synchronization of Wage- and Nonwage-related Local Policies for Improvement of Labor Welfare	KPPOD Conference Room February 18, 2013
9	Ministry of Trade and AIPEG	Trade in Services Workshop: Recent Development in Trade in Services	Four Seasons Hotel, Jakarta February 14, 2013
10	Economic Faculty-University of North Sumatera (FE-USU)	Dissemination Seminar: Sei Mangke Special Economic Zone Development	Grand Aston Hotel, Medan February 14, 2013
11	Research institute, Community Empowerment and External Cooperation Dharma Persada University (LPPM-UNSADA)	Midterm Seminar: Development of Renewable Energy Based Self Sufficient Villages, Gunung Halu Case	Pine Mason Hotel, Bandung February 12, 2013
12	American Chamber of Commerce	Briefing of members by speakers from trade conference	Menara Allianz, Jakarta February 1, 2013
JANUARY 2013			
13	Ministry of Trade	Trade Conference 2013	Borobudur Hotel, Jakarta January 30, 2013
14	KPPOD	Training Seminar on Drafting of Regional Regulation	Hotel Cemara, Jakarta January 29-31, 2013

No	Institutions	Type and Title of Event	Date and Place
15	Ministry of Trade	Poultry Value Chain Seminar	Aryaduta Hotel, Jakarta January 29, 2013
16	Bappenas	Workshop on Labour Productivity and Employment in Manufacturing in Indonesia	Bappenas, Jakarta January 28, 2013
17	TNP2K	Poverty Alleviation Training for Local Government—Batch 1	LPEM UI, Jakarta January 28 to February 8, 2013
18	Bappenas	Training on Financial Policies and Programming	Bumi Tapos, Bogor January 21–23, 2013 January 14–16, 2013 January 7–9, 2013
DECEMBER 2012			
19	Yolanda Apituley	Dissemination Seminar: Fisheries Market Integration for Poverty Reduction in Maluku	Fisheries Department Conference Room, IPB Bogor December 21, 2012
20	Centre for Research and Development on Management Business, Muhammadiyah University of Surakarta (PPMB-UMS)	Dissemination Seminar: Indonesian SMEs Competitiveness Model	Economic Faculty Hall-UMS, Surakarta December 20, 2012
21	Center for Corporate Governance, Faculty of Economics, Sebelas Maret University (CCG-UNS)	Dissemination Seminar: Local Governance, Rent Seeking and Regional Economies	Economic Faculty Hall, Sebelas Maret University, Surakarta December 19, 2012
22	Universitas Sebelas Maret Solo	Lecture on Bank Failures and the Role of Deposit Insurance	Universitas Sebelas Maret Solo December 17, 2012
23	Ministry of Trade	TOEFL Preparation Course	Pusdiklat Perdagangan, Bogor December 17, 2012 to February 9, 2013
24	Institute for Social, Political and Economic Issues (ISPEI)	Dissemination Seminar: Cocoa Cluster Performance Appraisal in South and West Sulawesi	Conference Hall, R&D Agency South Sulawesi Province, Makassar December 13, 2012
25	Ministry of Trade	Seminar on SME Export Success Factors: Presentation of Case Studies and Lessons Learned from Indonesian SME Exporters	Crowne Plaza Hotel, Jakarta December 11, 2012
26	Laboratory for Advancement of Economic Development, Airlangga University	Dissemination Seminar: Impact of Infrastructure Spending on Local Economic Growth in East Java	MM Hall, Airlangga University Surabaya December 3, 2012
NOVEMBER 2012			
27	Indonesian Employers Association	Public Discussion: Indonesia Services Dialogue	Financial Club, Jakarta November 30, 2012
28	KPPOD	Public Discussion: Impact of Local Policies on Fisheries Business	KPPOD Conference Room November 26, 2012
29	STIMRA	Meeting to discuss graduate program curricula for STIMRA	Menara Allianz, Jakarta November 20, 2012
30	Economic Faculty, Lambung Mangkurat University	Workshop: IRSA Expert Workshop on Development, Environment and The People of Kalimantan	Mercure Hotel, Banjarmasin November 13-14, 2012
31	STIMRA	Seminar on risk management to Insurance executives	Swiss-Bel Hotel, Jakarta Nov 22, 2012
32	University of Padjajaran	Brown Bag Seminar Program for Applied Economics PhD Program	University of Padjajaran, Bandung November 9, 2012
33	Ministry of Cooperatives and Small Medium Enterprise	Roundtable Discussion on: Strategies for Strengthening Small Micro and Small Medium Enterprise Products Competitiveness	Sari Pan Pacific Hotel, Jakarta November 9, 2012

No	Institutions	Type and Title of Event	Date and Place
OCTOBER 2012			
34	Bapepam-LK	International Fellows Program with the National Association of Insurance Commissioners (NAIC)	Kansas City, U.S October 13 to November 21, 2012
35	Indonesian Project - Australian National University	Forum Kajian Pembangunan: Globalization and The Electronics Industry: Is Indonesia Missing Out	Menara Allianz, Jakarta October 24, 2012
36	Ministry of Trade	Seminar on the "Preliminary Findings from the Assessment of the Economic Effects of the Mineral Processing Requirements"	Sari Pan Pacific, Jakarta October 24, 2012
37	Indonesian Project— Australian National University	Forum Kajian Pembangunan: Current Trade Issues in Indonesia Policy	Menara Allianz, Jakarta October 17, 2012
38	Ministry of Trade	Lecture Series: External Shocks and the Indonesian Economy—Impact of Commodity Price Fluctuation and Economic Crisis in EU, Japan and China	Ministry of Trade, Jakarta October 15, 2012
39	Multiple	Annual East Asian Economic Association Conference 2012	Grand Copthorne, Singapore October 19—20, 2012
40	Dr. Amzul Rifin	Dissemination Seminar: The Impact of Tax Export Policy on Cocoa Farmers and Supply Chain	Department of Agribusiness, IPB October 10, 2012
SEPTEMBER 2012			
41	Economics Faculty - University of North Sumatera (FE—USU)	Midterm Seminar: Industrialization Coalition for North Sumatra	Sapadia Hotel, Pematang Siantar September 27-28, 2012
42	Bappenas	Policy Discussion Group: Inclusivity Strategy for Banking Services	Bappenas, Jakarta September 19, 2012
43	Bappenas	Policy Discussion Group: Inclusive Finance by PT. PNM	Bappenas, Jakarta September 19, 2012
44	Dr. Tulus Tambunan	Dissemination Seminar: Identifying Main Constraints Facing Export-Oriented SMEs	KADIN Office September 18, 2012
45	KPPOD	Public Discussion: Government Expenditure, Corruption and Infrastructure Quality in the Regions	KPPOD Conference Room September 17, 2012
46	Economics Faculty, University of Indonesia (FE-UI)	International Conference: 2012 HDCA Conference	Balai Kartini, Jakarta September 5-7, 2012
AUGUST 2012			
47	Bappenas	Seminar on Linkages of Trade and Investment Policy	Bappenas, Jakarta August 30, 2012
48	Ministry of Trade	Lecture on Agricultural Economic Impact	MOT, Jakarta August 30, 2012
49	Ministry of Trade	Three-session course on Economic Principles and their Application to Trade and Trade Policies	Aryaduta Hotel, Jakarta August 1, 7, and 28, 2012
50	Ministry of Trade	Training on Mastering Trade Policy: Understanding and Acting in Today's Economy	Cambridge, U.S. August 24 to September 8, 2012
51	Ministry of Trade	Lecture on ASEAN Regional Comprehensive Economic Framework and the Importance of FTAs for Indonesia	MOT, Jakarta August 3 and 10, 2012
JULY 2012			
52	STIMRA	Sharing experiences and good practices in actuarial teaching for use in Indonesia's higher education	SEADI Office, Jakarta July 23 - 26, 2012

No	Institutions	Type and Title of Event	Date and Place
53	Ministry of Trade	Executive Economics Short Course: International Macroeconomics and its Relationship to Trade	Aryaduta Hotel, Jakarta July 18, 2012
54	Bappenas	Mentoring for Bappenas staff on Labor Analysis and Data Management using Stata	SEADI Office, Jakarta July 18, 25 and August 1, 8, 13, 2012
55	Bapepam-LK	Knowledge Sharing Workshop on Best Valuation Practices and the U.S. Experience	Jakarta July 17, 2012
56	Bappenas, Bapepam-LK and Bank of Indonesia	Microfinance Training for Bappenas, Bapepam-LK and Bank of Indonesia Staff	Turin, Italy July 15 to August 4, 2012
57	PT Indoputra Absolute	Dissemination seminar: Launch of the on-line Rich Game	@America, Jakarta July 18, 2012
58	Bapepam-LK	Socialization of draft Bapepam-LK Rule No. VIII.G.7	Mulia Hotel, Jakarta July 3 and 4, 2012 JW Marriot Hotel, Surabaya July 10, 2012
59	Economic Faculty-Lambung Mangkurat University	International Conference: 2012 IRSA Conference	A Hotel By Horison, Banjarmasin July 9-11, 2012
JUNE 2012			
60	Bapepam-LK (grant)	Rich Game Kick-off	@America, Jakarta June 18, 2012
61	Bappenas	Policy Discussion Group: Financial Inclusion and Social Inclusion	Bappenas, Jakarta June 15, 2012
62	Ministry of Trade	Group Discussion on Trans Pacific Partnership	Aryaduta Hotel, Jakarta June 14, 2012
63	Ministry of Trade	Global Trade Analysis Project Training (GTAP)	Aryaduta Hotel, Jakarta June 11 - 15, 2012
64	Bapepam-LK	Training on Introduction of a Risk Based Supervision Methodology	Aryaduta Hotel, Jakarta June 8, 2012
65	Bapepam-LK	Workshop on the Development of a Composite Scoring System for Nonbank Financial Lenders	Aryaduta Hotel, Jakarta June 6—7, 2012
MAY 2012			
66	Bapepam-LK	Knowledge Sharing Workshop on Best Real Estate Appraisal Practices and the U.S. Experience	Swiss-Bel Hotel, Jakarta May 8—10, 2012
APRIL 2012			
67	Bappenas	Policy Discussion Group: Banking for the Poor	Bappenas, Jakarta April 25, 2012
68	MOT and ASEAN	Seminar on SME Outreach for ASEAN Integration	Aryaduta Hotel, Jakarta April 24, 2012
69	Bapepam-LK	AmCham meeting introducing new financial reporting rules	Intercontinental Hotel, Jakarta April 22, 2012
70	Bapepam-LK	Discussion on Actuary Issues in Indonesia	Bapepam-LK, Borobudur Hotel and SEADI, Jakarta April 2—5, 2012
71	Bappenas	Policy Discussion Group: Reduction of Energy Subsidy and Its Effect on Poverty	Bappenas, Jakarta April 2, 2012

Appendix D. Reports

Date	Author	Title
2012		
Jan. 3	Samuel Morley	Report on Quantitative Models
Jan. 2	Mark Krysl	Diagnostic Review of Bapepam-LK Supervisory Activity
Jan. 4	Geoffrey Hewings	Macroeconomic Models
Jan. 4	Julianne Bowler	Report on New Insurance Product Registration Regulation
Jan. 4	Gus Papanek	First Poverty Policy Brief
Jan. 8	Jaime Mezzera	Report on Poverty
Jan. 8	Jaime Mezzera	Brief Note on Impact of Ramadan on the Poor
Jan. 13	SEADI	SEADI and Indonesia's Economic Challenges—Retreat Report
Jan. 24	TNP2K	Second Poverty Policy Brief
Feb. 23	TNP2K	Third Poverty Policy Brief
Mar. 19	TNP2K	Fourth Poverty Policy Brief
Mar. 22	Lex Rieffel	Final Report—Advancing Indonesia's Interests through International Forums
Apr 23	TNP2K	Fifth Poverty Brief
May 1	Lynn Salinger	Food Security Paper on Agribusiness and Trade
May 16	TNP2K	Sixth Poverty Brief
May 16	Jack Biggs	Presentation on NBFi Legislation
May 16	Mark Bates	Final Best Practices in Real Estate Appraisal Presentation to BAPEPAM
May 16	Mark Bates	Final Best Practices in Real Estate Appraisal Presentation to MAPPI
May 16	Mark Bates	Report to BAPEPAM-LK on Fair Value in Appraising Assets
May 16	Mark Bates	Real Estate Appraisal Principles and Procedures Presentation to Bapepam-LK
May 16	Mark Bates	Guidelines for Reviewing Appraisal Reports
May 16	Prisma Communications	Presentation on the Results of the Communications Survey and Focus Groups
Jun. 16	Mazars	Comparative Study on Regulation and Supervision of Nonbank Lenders
Jun. 17	Sarah Hargrove	Presentation—Risk Rating Workshop to Bapepam-LK
Jun. 17	Sarah Hargrove	Presentation- Risk Based Supervision to Bapepam-LK
Jun. 17	Nasir Whaind	Final Report on Sharia Pensions
Jun. 17	Prisma Communications	Second Presentation to Bapepam-LK on their communications program
Jun. 22	TNP2K	Seventh Poverty Brief
Jul. 18	TNP2K	Eighth Poverty Brief
Aug. 4	Anne Swindale, Alla Asmara	Food Security Monitoring and Early Warning Systems
Aug. 4	Achmad Maulana	Return to Junior Secondary Education
Aug. 5	Arief Yusuf	External Shocks and Poverty: The Impact of Reduced Growth in Europe and Other Countries on Poverty in Indonesia
Aug. 20	Jordan Weinstock	Mobil Money Adviser Work Plan

Date	Author	Title
Aug. 21	GTAP	CTAP Training Presentation and Exit Report
Aug. 23	TNP2K	Ninth Poverty Policy Brief
Sep. 6	Jordan Weinstock	Mobile Money Report
Sep. 11	Jordan Weinstock	Mobile Money Presentation
Sept. 14	Jeff Schott	Indonesia and TPP
Sep. 18	Peter Timmer	Food Security and the Changing Role of Rice in Indonesia
Sep. 18	Arief Yusuf	Doubling Pro-Poor Spending with Cash Transfers
Sep. 18	Richard Adams, Moekti Soejachmoen	Tenth Poverty Policy Brief
Oct. 14	Kiki Siregar	CPI for the Poor
Oct. 23	TNP2K	Eleventh Poverty Policy Brief—Poverty and the Economy
Nov. 10	Steve Marks	Indonesian Horticultural Imports and Policy Responses—An Assessment
Nov. 10	Steve Marks	Impact on Indonesia of the ASEAN-China Free Trade Agreement
Nov. 10	Lance Graef, Titik Anas	Indonesia and the ASEAN Framework for Regional Economic Cooperation
Nov. 10	Christopher Manning, Raden Purnagunawan	Labor Productivity and Employment in Indonesia in the 2000s with Special Reference to Manufacturing
Nov. 11	Jack Biggs	Private Equity Country Survey
Nov. 11	Jack Biggs	Regulation of Private Equity: Overview and Comparison of EU and US Systems
Nov. 11	Jack Biggs	Presentation on Private Equity—Bapepam-LK Regulation of Private Equity
Nov. 12	Phil Rourk, Tri Wismiarsih	Case Study in SME Export Success: Bamboomedia
Nov. 12	Phil Rourk, Tri Wismiarsih	Case Study in SME Export Success: PT. Ikaindo Industri Karbonik Indonesia
Nov. 12	Phil Rourk, Tri Wismiarsih	Case Study in SME Export Success: Singaraja Mariculture Cluster
Nov. 12	Phil Rourk, Tri Wismiarsih	Case Study in SME Export Success: Comparative Analysis and Lessons Learned
Nov. 12	Jack Biggs	Draft Law on Multifinance Institutions
Nov. 23	Steve Marks	Presentation on Indonesia's Horticulture Import Restrictions
Dec. 26	TNP2K	Twelfth Poverty Policy Brief
Dec. 31	Dr. Haryo, Dr. Purnagunawan	Labor Demand in Manufacturing
2013		
Jan. 3	Iya Yaumil Hakim	Report on Labor Productivity
Jan. 4	Betha Gitaharie	Academic Syllabus on Poverty
Jan. 4	Betha Gitaharie	District Official Poverty Curricula
Jan. 4	Betha Gitaharie	Presentation to TNP2K on Poverty Curriculum
Feb. 3	Amzul Rifin	Grant Discussion Series 1—Impact of the Cocoa Export Tax on Farmers in Sulawesi
Feb. 3	Michael Plummer	Trade Conference 2013 Presentation
Feb. 4	Peter Petri	Trade Conference 2013 Presentation
Feb. 4	Tulus Tambunan	Constraints on SMEs in Indonesia
Feb. 6	Yol, a Apituley	Fisheries Market Integration and Poverty Reduction Analysis of Fisheries' Products Market Integration in Ambon and Seram Islands
Feb. 14	STIMRA	Calculus I and II Curriculum—licenses purchased from University of Wisconsin for STIMRA actuarial sciences curriculum
Feb. 14	Oliver Ryan	Presentation—Conference with the Ministry and Poultry Industry
Feb. 15	Oliver Ryan	Indonesia's Poultry Value Chain—Costs, Margins, Prices, and Other Issues
Feb. 20	LPEP UNAIR	Impact of Infrastructure in East Java
Feb. 21	TNP2K	Thirteenth Poverty Policy Brief—January 2013

Date	Author	Title
Feb. 26	TNP2K	Fourteenth Poverty Policy Brief—February 2013
Feb. 28	SEADI	Draft SEADI Closeout Plan
Mar. 1	Jack Biggs, Kukul Hadiwidjojo	Draft Law on Multifinance
Mar. 14	Sherry Stephenson	Presentation: ASEAN RCEP—Services and Investment
Mar. 12	Sherry Stephenson	Talks on ASEAN 6 Trade Block to Kick off in May—Jakarta Post
Mar. 12	Sherry Stephenson	Trade Conference Agenda
Mar. 12	Sherry Stephenson	MOT Trade in Services Dialogue Series
Mar. 14	Sherry Stephenson	Emerging Issues in Global Services Trade
Mar. 12	Sherry Stephenson	RCEP Issues and Indonesian MOT Presentation
Mar. 12	Sherry Stephenson	Logistics Barriers to Trade—MOT Series 3rd Presentation
Mar. 12	Sherry Stephenson	ISA Negotiations and Indonesia—Consideration and Benefits
Mar. 12	Sherry Stephenson	Indonesia Service Dialogue
Mar. 12	Sherry Stephenson	APINDO—Situation Services Strategically for Indonesia
Mar. 12	Sherry Stephenson	ISD Policy and Research Workshop
Mar. 12	Sherry Stephenson	Services and Global Value Chains—Feb. 2013
Mar. 12	Sherry Stephenson	APEC SOM Public Policy Dialogue
Mar. 15	Jeffrey Schott	Key Observations on Meetings in Jakarta
Mar. 15	Jeffrey Schott	Trade Conference Presentation
Apr. 5	Sheena Thompson	Recommendations for Implementing and OJK National Financial Literacy Strategy
Apr. 5	Sheena Thompson	OJK Communications Roadmap Proposal
Apr. 5	Sheena Thompson	Key Messages Workshop Presentation
Apr. 7	Dr. M. Ismet, Dr. Jangkung	Proposed Methodology: Study of Rice and Sugar Marketing Systems in Indonesia
Apr. 7	Dr. M. Ismet, Dr. Jangkung	Rencana Penelitian Tentang Sistem Pemasaran Beras and Gula
Apr. 8	Dr. M. Ismet, Dr. Jangkung	Presentation—Draft TOR Study on the Rice Marketing System in Indonesia
Apr. 8	Jack Biggs	Regulation on Reporting of Qualifying Investments
Apr. 11	Tyler Biggs	Presentation—Seminar on Mineral Processing
Apr. 12	Anne Swindale, Alla Asmara	Presentation—Food Security Early Warning Systems
Apr. 12	Mark Krysl	Proposed Report Outline—Nonbank Financial Institution Regulation Best Practices
Apr. 12	Phil Rourke	Presentation—SME Competitiveness
Apr. 12	Tri Wisniarsih	Presentation—Lessons Learned from SME Case Studies
Apr. 12	Deborah Elms	Trade Conference 2013 Presentation—TPP
Apr. 15	Christopher Manning, Raden Purnagunawan, Haryo Aswicahyono	Opening Presentation—Labor Productivity Seminar
Apr. 15	Haryo Aswicahyono	Labor Productivity Seminar—Presentation on International Comparison of Unit Labor Costs
Apr. 15	Gus Papanek, M. Chatib Basri	Presentation on the impact of Enabling Environment Factors on Poverty
Apr. 15	Christopher Manning, Raden Purnagunawan	Labor Productivity Seminar—Presentation on the Bandung Survey
Apr. 15	Raden Purnagunawan	Presentation on Labor Demand and Unit Costs in Indonesia
Apr. 16	Christopher Manning, Raden Purnagunawan	Labor Demand, Productivity and Unit Labor Costs in Manufacturing
Apr. 16	Christopher Manning, Raden Purnagunawan	Presentation on Labor Productivity to Bappenas