

**USAID/Indonesia**  
**Operational Plan**

**FY 2006**

June 12, 2006

## **Please Note:**

The attached RESULTS INFORMATION is from the FY 2006 Operational Plan and was assembled and analyzed by the country or USAID operating unit identified on the cover page.

The Operational Plan is a "pre-decisional" USAID document and does not reflect results stemming from formal USAID review(s) of this document.

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**Program Performance Summary FY 2005:** The devastating earthquake and tsunami that hit the Indian Ocean region on December 26, 2004 wreaked its greatest havoc and caused the most significant damage and loss of life in Aceh Province of Indonesia. The response of USAID/Indonesia staff and our partners to the unprecedented humanitarian emergency, and the subsequent herculean reconstruction requirements, has been heroic. Despite these major and unexpected requirements, USAID/Indonesia moved ahead this year with the full roll-out and implementation of all new programs developed under the new FY 2004-2008 country strategy.

The USAID program in Indonesia is both “Helping Indonesia to Succeed” and supporting high priority USG policy objectives. The program works with the Government of Indonesia (GOI), local governments and private partners, including civil society, to (a) improve the quality of basic education; (b) improve the delivery of essential public services at the community level, including health services and clean water; (c) create a better business, trade and investment environment that will support economic growth that generates new and better jobs; (d) promote more accountable and transparent governance at the national and local levels; and (e) promote biodiversity and environmental protection.

In the past year, these programs have allowed USAID and its partners to lay the foundation for a better future for the people of Indonesia. Flexible implementation mechanisms and constant assessments of needs and opportunities allowed USAID to respond rapidly to more immediate requirements as varied as response to the Indian Ocean tsunami disaster; implementation of the Aceh peace accord; avian influenza and polio outbreaks; and an HIV/AIDS epidemic that risks breaking out into the general public. Anti-corruption support includes a focus on governance issues in all USAID sectors, as well as specific institutional support for justice sector reform. Corruption is one of the most difficult economic and democratic development issues faced by Indonesia today, and one of the highest priorities of the Yudhoyono government. With USAID and other assistance, continued progress in the fight against corruption and better results in delivering basic services to its people will help Indonesia to qualify for full support from the Millennium Challenge Corporation. Indonesia was just approved for MCC “threshold status.”

**Challenges:** With an estimated 240 million citizens, Indonesia is the fourth largest country in the world. As the largest Muslim-majority country in the world, Indonesia can continue to be a model for the compatibility between a democratic political system and moderate Islamic thought and practice. Both the population size and the country's area present challenges. Indonesia consists of an archipelago of 17,000 islands, spreading in an arc that would link Seattle to Key West. Every imaginable development challenge exists from economic growth to education, from health to governance. Indonesia's rich biodiversity is, unfortunately, threatened.

After the 2004 election of President Susilo Bambang Yudhoyono (in the largest one-day direct democratic election in history), his Administration began actively pursuing its fight against corruption. Under his leadership, Indonesia has become an even stronger partner of the United States in the global war on terrorism. Indonesia is working hard to provide good jobs and a better future for its people, but requires assistance to address each of these critical challenges. Indonesia is also on the front lines of the worldwide fight against avian influenza and HIV/AIDS while dealing with the re-emergence of the wild polio virus. A country this large and diverse, with such extensive borders, requires constant vigilance and often direct USAID assistance to address such global health threats. The devastating impact of the Indian Ocean tsunami disaster on Aceh province, and the subsequent Aceh peace accord between the Government of Indonesia and the Free Aceh Movement, offer both monumental challenges and historic opportunities to help Indonesia succeed and, at the same time, to pursue critically important U.S. national interests.

**Key Achievements:**

**Education:** USAID education programs, part of President Bush's Education Initiative for Indonesia, showed important progress in FY2005. Training and technical assistance have tangibly improved education management, classroom teaching practices, and student achievement. Students are more actively engaged in the learning process, working together and using problem-solving skills rather than

rote learning. Parents are satisfied with their increased involvement in schools, while teachers, now feeling more accountable to parents, are preparing better lesson plans and improving the classroom environment. Student achievement from 2004 to 2005 in USAID-supported schools improved significantly in key subjects: grade 4 reading (18%), grade 5 science (14%), grade 4 math (7%), and grade 1 reading (5%). In one sub-district, four USAID-supported schools at the bottom of the 2003 rankings for overall 6th grade achievement, now rank in the top five (of 48 schools). USAID-supported districts have developed progressive education plans that better target resources for school operations and teacher deployment. Nine districts are using a needs-based funding approach to make education budgeting more rational and transparent. School budgets, developed with community participation, are now displayed publicly to promote transparency and accountability. Student achievement among girls has improved in key curriculum subjects such as math, writing and reading. School officials and teachers from newly participating districts have visited communities and schools where USAID education pilot programs have been active. These study tours have been highly effective. Other districts have adopted USAID-promoted best practices, using their own resources, thus benefiting an additional 2,100 schools and 650,000 students. Such best practices in education will be further expanded in FY 2006 and 2007. By program completion, local governments will be managing education more effectively; private schools will be performing better in key subject areas such as math, science and reading; teachers will be more qualified to teach the national curriculum and youth will have more relevant skills to compete for jobs.

**Basic Human Services and Healthy Ecosystems:** These two programs work in a fully integrated fashion, focusing on the interdependence of human health and the environment. They link “upstream” and “downstream” service delivery. For example, watershed management and biodiversity conservation activities work to stabilize and improve the supply of water to urban and peri-urban population centers through the promotion of sustainable land use practices, thereby benefiting downstream water, sanitation and health service providers.

A total of 56,400 people in previously unserved areas received access to clean water, and 15,275 people in previously unserved areas received access to sanitation services. HIV/AIDS programs have reached over 1,300,000 people in the past year. These results have led to an increase in condom use, reductions in sexual partners (faithfulness), and increased use of clinic services. The national TB Case Detection Rate increased from 52% in 2004 to 60% in 2005; over 4,000 medical professionals have been trained to better diagnosis and treat tuberculosis. Advocacy initiatives included eight water-for-life and handwashing outreach campaigns resulting in over 114 media stories, as well as the establishment of eight multi-stakeholder water forums which mobilized local governments, community organizations and the private sector to advocate for higher quality services. Eleven thousand vulnerable people received non-emergency P.L. 480 Title II food assistance in 4 provinces. Over \$38 million in government, donor and private resources was leveraged to advance program objectives in HIV/AIDS prevention, water and sanitation services delivery and watershed/forest rehabilitation.

In the environment sector, two projects under the Presidential Initiative Against Illegal Logging (PIAIL) which promote forest certification, legality verification, and combating illegal logging continued from the previous year into FY 2005, maintaining their focus in the existing project areas. They improved the quality of forest management and deepened impact in areas comprising 970,000 hectares. In these hectares, USAID has successfully influenced two giant pulp and paper companies, to delineate High Conservation Value Forests in their concessions in Riau so far resulting in over 150,000 hectares of forests being protected rather than cleared or exploited.

USAID continued its efforts to protect endangered orangutans and their habitat through community and local government participation. USAID has been working in East Kalimantan covering approximately 350,000 hectares cumulatively over FY 2004 and FY 2005. Progress included: a) signing an agreement with a concessionaire through the Tropical Forest Trust for timber certification harvested from sustainably managed forest; b) signing a memorandum of understanding between a concessionaire with local communities on a community designated conservation area covering 4,000 hectares not to be logged; and c) assisting two multi-stakeholder management councils to start planning two new protected areas. USAID also facilitated short courses for district officials in land use and conservation planning, conflict resolution methods, and the use of Geographic Information Systems (GIS). In forest dependent villages,

the project provided direct benefits to six communities through a health and clean water program, created alternative livelihoods by establishing a rattan cooperative, and carried out village mapping and community land use planning to identify culturally or ecologically important areas to be conserved. In return, these communities have signed Community Conservation Agreements that commit them to keep their village areas free of illegal logging and to not hunt orangutans, covering approximately 120,000 hectares. World Education (WE) continued efforts to reduce pressure on globally significant orangutan populations in Tanjung Puting National Park by protecting their habitat and through an integrated conservation and development approach focusing on community livelihood development, especially agriculture. In the park, the quality of the guard posts has improved and the number of patrol systems has increased from twelve in FY 2004 to sixteen in FY 2005.

**Democracy and Decentralized Governance:** In light of the historic Aceh peace accord, USAID supported public information campaigns on the peace agreement and provided swift technical assistance to the Government of Indonesia and the Free Aceh Movement on implementing the peace. As a result of USAID's efforts with local governments and civil society organizations, corrupt officials are being prosecuted or voted out of office. Over 2,300 municipal leaders received USAID training in improved service delivery and transparent management of community assets. In the judicial sector, the Supreme Court with USAID assistance has taken important steps. For the first time, the Court has opened its case records to public scrutiny and is allowing input into the Judicial selection process. The Attorney General's Office issued its "Roadmap" for reform to address transparency, accountability and public confidence concerns. This Roadmap was seen as a bold step towards reform for an institution traditionally regarded as highly corrupt. The National Parliament in an unprecedented step began drafting and submitting legislation to the Executive Branch rather than the reverse procedure as is the practice in Indonesia. At the end of the program, USAID will have advanced the growth of democracy and good governance, including civil society, the rule of law, respect for human rights, and religious freedom. With regards to gender issues, USAID continued to support efforts to increase women's participation and representation in politics and assisted local organizations in the drafting, monitoring and implementing of laws and policies which promoted the rights of women.

**Economic Growth Strengthened and Employment Created:** Indonesia's economy grew 5.7% in 2005 due to increased investment. Non-oil exports edged higher to 25% of GDP. Fuel prices were hiked 126% on October 1 and arrested the budgetary hemorrhage/fiscal instability caused by costly subsidies. USAID technical assistance on the importance of fuel subsidy reductions contributed to the energy policy dialogue. With USAID anti-financial crime assistance, GOI and other donor collaboration, Indonesia was removed from the international money-laundering black-list in February 2005. Banks and non-bank financial institutions filed an increasing number of currency and suspicious transaction reports, surpassing expectations. Prosecutions and convictions also increased. In July, the first money laundering conviction was handed down with an 8-year jail sentence. In September 2005, the Deposit Insurance Agency came into being with USAID support, and as a result international rating agencies increased Indonesia's sovereign debt rating to BB-, which reduced the cost of borrowing. USAID established 15 one-stop service centers for improved business registration, slashing time to register a business from 32 days to thirteen and cut costs by two-thirds. Economic growth programming is sensitive to gender issues in job creation and household income-related activities. Gender balance is taken into consideration for all training activities.

**Global Development Alliance and Partnerships:** In FY 2005, USAID/Indonesia leveraged \$75 million from Global Development Alliances (GDAs) and partnerships with non-traditional partners, primarily from the private sector. A GDA with the World Wildlife Fund (WWF) and The Nature Conservancy (TNC) continued to promote the reduction of illegal logging through a certification program which has been successful in identifying legal and illegal logging supplies. USAID has developed a new GDA in fiscal year 2005 with WWF devoted to rebuilding homes in Aceh with responsibly-harvested forest products. The SUCCESS alliance devoted to improving cocoa yields leveraged \$65 million in partner resources in FY 2005. Finally, the Alliance for Indonesia Insurance continued to develop training programs for Indonesian insurance professionals.

**Presidential Initiatives:** In FY05, four Presidential Initiatives were implemented in Indonesia. The

Education Initiative for Indonesia is supporting activities that improve the quality of teaching and learning; improve capacity of local governments to provide and effectively manage basic education services and develop programs for youth to gain more relevant life and work skills to better compete for jobs in the future. The AIDS Relief Initiative is supporting activities in Indonesia that promote safe sexual behavior and prevents HIV transmission among injecting drug users. HIV/STI services, GOI HIV/STI surveillance systems and HIV prevention capacities of local organizations and private sector partners are all addressed under the initiative. Core transmitter groups are targeted to curb the epidemic before it gains a critical mass and spreads to the general population. The Digital Freedom Initiative is supporting activities in Indonesia that increase access to information technologies. Small and medium enterprises (SMEs), primary school students and rural populations all benefit from the initiative. The Water for the Poor Initiative is already improving the quality of water for thousands of Indonesians. Assistance targets improvements at both the district and household levels.

**FY 2006 Program****SO: 497-018 Improved Quality of Decentralized Basic Education****Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education (\$20,916,000 DA; \$7,000,000 ESF). To strengthen the management and governance of education, USAID is working directly with local governments, communities, and schools struggling to assume new responsibilities for education service delivery in a decentralized Indonesia. Through technical assistance and training, USAID is providing skills for accountable and transparent planning, budgeting, and management of education services; increasing parental participation; and fostering quality-oriented school and community relations.

To improve the quality of teaching and learning, USAID is providing in-service teacher training in partnership with local teacher training universities, upgraded teaching and learning materials emphasizing active learning methodologies, and professional development opportunities. Training and materials are being provided to teachers of grades one to nine (Indonesia's definition of basic education) in order for them to master key subjects such as math, science, and basic literacy. Activities are resulting in improved teaching of the competency-based national curriculum as well as better student and school performance. To improve early childhood education, USAID is funding the development and production of an Indonesian version of Sesame Street. USAID will fund a new program to improve education quality for visually-disabled children and promote inclusion in schools. In addition, USAID will initiate a new program to establish a partnership between the University of Kentucky and three Indonesian universities.

To assist junior high youth who are out of school or at risk of dropping out, USAID is strengthening formal and non-formal education opportunities to enable youth to gain more relevant life and work skills, including instruction in computers, English, and civics. As a result, these vulnerable youth will be able to better compete for jobs in the future and contribute to Indonesia's long-term development.

The USAID education program currently works in forty-six districts in Java, North Sumatra, and South Sulawesi with 23,900 education administrators and teachers directly serving 301,500 students in 990 public and private schools. In FY 2006, USAID will expand the education program to improve the quality of education in post-tsunami and post-conflict Aceh.

Principal Implementers: Research Triangle Institute, Education Development Center, Save the Children-U.S., Sesame Workshop, Helen Keller International, Academy for Educational Development, The Asia Foundation, International Relief and Development, University of Massachusetts, Florida State University, University of Pittsburgh, and University of Kentucky.

Transfer to U.S. State Department Programs (\$4,000,000 ESF). Funds will be transferred to the State Department for education activities, such as scholarships and exchanges, higher education partnerships with U.S. universities, book translation/distribution, and English training for teachers.

**FY 2007 Program****SO: 497-018 Improved Quality of Decentralized Basic Education****Achieve Equitable Access to Quality Basic Education**

Achieve Equitable Access to Quality Basic Education (\$15,000,000 DA; \$11,000,000 ESF). USAID will continue providing technical assistance and training to improve skills for accountable and transparent planning, budgeting, and management of education services, increased parental participation, and effective community-school relations. In-service teacher training will expand with an ongoing emphasis on active learning methodologies. Training and materials will continue to be provided to grade one to nine teachers, as well as to kindergarten teachers. The first season of Sesame Street programming will be broadcast. USAID will continue to strengthen formal and non-formal education opportunities to enable youth to develop relevant and practical life and work skills for their future, including instruction in English, computers, and civics. Activities to improve education quality for visually-disabled children and promote

inclusion in schools and the partnership between the University of Kentucky and three Indonesian universities will continue.

In FY 2007, the USAID program will expand to 72 districts, including in Aceh, to work with 32,400 education administrators and teachers directly serving 457,500 students in 1,675 public and private schools.

Through at least two public-private alliances in FY 2006 and FY 2007, USAID will mobilize private sector resources for education to expand the impact of the USAID program in both target provinces as well as more isolated and underserved areas of Indonesia. Information technology tools, such as wireless connectivity, will be applied to enhance impact throughout the education program. Dissemination of sustainable models and best practices will continue, building the foundation for program sustainability.

Principal Implementers: Research Triangle Institute, Education Development Center, Save the Children-U.S., Sesame Workshop, Helen Keller International, Academy for Educational Development, The Asia Foundation, International Relief and Development, University of Massachusetts, Florida State University, University of Pittsburgh, and University of Kentucky.

Transfer to U.S. State Department Programs (\$4,000,000 ESF). Funds will be transferred to the State Department for additional education activities.

#### **FY 2006 Program**

#### **SO: 497-019 Higher Quality Basic Human Services Utilized**

##### **Improve Access To Clean Water & Sanitation**

Improve Access to Clean Water and Sanitation (\$1,980,000 CSH; \$4,364,000 DA). USAID is providing technical assistance to water and sanitation utilities and partnering with the private sector to provide home chlorination technology to increase access to safe water for low-income families. A total of \$1 million will be transferred to Development Credit Authority (DCA) for a guarantee for water utilities to expand service delivery to a greater numbers of poor people. Principal Implementers: Development Alternatives Inc. (DAI), Johns Hopkins University (JHU), and CARE International.

##### **Improve Child Survival, Health & Nutrition**

Improve Child Survival Health and Nutrition (\$4,257,000 CSH). USAID is providing technical assistance and training to service providers and community members to reduce diarrheal diseases, increase skilled personnel at birth, and increase the modern contraceptive rate. Principal Implementers: JHU and John Snow International (JSI).

##### **Improve Maternal Health & Nutrition**

Improve Maternal Health and Nutrition (\$3,465,000 CSH; \$220,000 CSH Prior Year Unobligated). USAID is providing technical assistance to health care providers to reduce maternal, neonatal, and child mortality and morbidity. Funds are supporting a DCA guarantee to expand financial loans to midwives to increase access and quality of maternal and newborn health services. Principal Implementer: JSI.

##### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent and Control Infectious Diseases of Major Importance (\$5,445,000 CSH). USAID is providing technical assistance and training to expand malaria prevention in eastern Indonesia, supporting and expanding the Direct Observed Treatment Short-course for TB in nine priority provinces, and supporting polio surveillance and vaccination. The program is also supporting AI prevention by expanding

surveillance and funding a communications campaign to increase public awareness of how AI is transmitted. Principal Implementers: Academy for Educational Development (AED), World Health Organization, JSI, and Royal Netherlands Tuberculosis.

### **Protect and Increase Food Security of Vulnerable Populations**

Protect and Increase Food Security of Vulnerable Populations (\$990,000 DA; \$1,980,000 CSH). USAID is providing training to service providers and community members to complement the P.L. 480 Title II resources to support maternal-child feeding and food-for-work activities. Principal Implementers: CARE International, Mercy Corps International (MCI), Save the Children, and World Vision.

### **Reduce Transmission & Impact Of HIV/AIDS**

Reduce Transmission and Impact of HIV/AIDS (\$7,920,000 CSH). Through technical assistance to the Government of Indonesia and local non-governmental organizations, USAID is scaling up HIV/AIDS prevention, care, and support interventions in high-risk populations and increasing HIV/AIDS prevention efforts in seven provinces. Principal Implementers: Family Health International (FHI) and Project Concern International (PCI).

### **Support Family Planning**

Support Family Planning (\$2,970,000 CSH). USAID is providing technical assistance to the Ministry of Health at the central and district level to ensure quality family planning services in order to improve mother and child health. Principal Implementer: JSI.

### **FY 2007 Program**

#### **SO: 497-019 Higher Quality Basic Human Services Utilized**

### **Improve Access To Clean Water & Sanitation**

Improve Access to Clean Water and Sanitation (\$2,000,000 CSH; \$4,212,000 DA). USAID will expand technical assistance and training to 30 local governments and continue to promote integration of health, water, and sanitation activities. Principal Implementers: DAI, JHU, and CARE International.

### **Improve Child Survival, Health & Nutrition**

Improve Child Survival, Health and Nutrition (\$4,191,000 CSH). USAID will expand assistance from 13 to a total of 30 districts. Principal Implementers: JSI and JHU.

### **Improve Maternal Health & Nutrition**

Improve Maternal Health and Nutrition (\$4,000,000 CSH). Through the continued use of technical assistance and training to health care providers, USAID will scale up an integrated package of interventions within each project site to expand results. Principal Implementer: JSI.

### **Prevent & Control Infectious Diseases Of Major Importance**

Prevent and Control Infectious Diseases of Major Importance (\$5,500,000 CSH). USAID will continue to support avian influenza control, malaria control, TB diagnosis, and polio eradication activities. Principal Implementer: AED, WHO, JSI, and Royal Netherlands Tuberculosis.

### **Protect and Increase Food Security of Vulnerable Populations**

Protect and Increase Food Security of Vulnerable Populations (\$2,000,000 CSH; \$1,000,000 DA). USAID will expand technical assistance and training to 30 local governments and promote integration of health, water, and sanitation activities. Principal Implementers: Save the Children, World Vision, CARE International, and MCI.

### **Reduce Transmission & Impact Of HIV/AIDS**

Reduce Transmission and Impact of HIV/AIDS (\$8,316,000 CSH). USAID will continue to provide targeted technical assistance and training to health workers and community members to reduce high-risk behavior, expand quality services, and improve surveillance activities. Principal Implementers: FHI and PCI.

### **Support Family Planning**

Support Family Planning (\$1,500,000 CSH). USAID will integrate quality reproductive health services at district level sites and ensure availability of contraceptives especially for the poor and most vulnerable. Principal Implementer: JSI.

### **FY 2006 Program**

#### **SO: 497-020 Effective Democratic and Decentralized Governance**

### **Mitigate Conflict and Support Peace**

Mitigate Conflict and Support Peace (\$3,500,000 ESF; \$4,000,000 ESF Prior Year Unobligated). USAID is providing technical assistance and training to government officials, the Free Aceh Movement, and civil society groups contributing to the advancement of the Aceh peace process, the mitigation of conflict in other communities at risk, and increased civilian oversight of the military. Principal Implementers: Development Associates, Inc. (DAI).

### **Reduce Trafficking In Persons**

Reduce Trafficking In Persons (\$1,422,333 ESF; \$175,000 ESF Prior Year Unobligated). USAID estimates that 1,262 government officials and members of civil society will benefit from technical assistance and training that is raising awareness of the Trafficking In Persons issue in Indonesia. USAID's assistance is also aiding victims of trafficking in their efforts to reintegrate into society and pass the draft law on anti-trafficking that will protect victims and allow police and prosecutors to prosecute criminal traffickers. Principal Implementers: The Asia Foundation (TAF), American Center for International Labor Solidarity (ACILS), and International Catholic Migration Commission (ICMC).

### **Strengthen Civil Society**

Strengthen Civil Society (\$3,467,981 ESF). USAID is providing technical assistance and training that will broaden civic education courses at Islamic schools, universities, and education centers; strengthen the capacity of the media and advocacy institutions to serve as vehicles for promoting democratization; and increase public information and advocacy for human rights, gender equality, and democratization. Principal Implementers: TAF, Internews, and ICMC.

### **Strengthen the Justice Sector**

Strengthen the Justice Sector (\$5,233,333 ESF). USAID is providing technical assistance and training to 1,000 judges and staff members at the Supreme Court, the Constitutional Court, the Anti-Corruption Commission, and the Attorney General's Office. This assistance is supporting their efforts to reduce corruption and increase the public's confidence in these institutions. Principal Implementers: Research Triangle Institute (RTI), TAF, and others To Be Determined (TBD).

### **Strengthen the Legislative Function/Legal Framework**

Strengthen the Legislative Function/Legal Framework (\$7,093,020 ESF). USAID is providing technical assistance and training that strengthens the legislative and legal drafting skills of Parliamentarians. This program also provides institutional assistance to the National Parliament and select provincial and local legislative bodies, benefiting 1,000 Members of Parliament and legislative staff. Principal Implementers: National Democratic Institute (NDI), International Foundation for Election Systems (IFES), International Republican Institute (IRI), TAF, and RTI.

### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government and Decentralization (\$14,633,333 ESF). USAID is providing technical assistance and training to municipal officials and council members in planning and priority use of municipal resources, citizen outreach, local service delivery, and civil service reform in an additional 30 municipalities for a total of 60. Principal Implementer: RTI.

### **Support Populations at Risk**

Support Populations at Risk (\$1,000,000 ESF; \$5,000,000 ESF Prior Year Unobligated). USAID is providing technical assistance and training to government officials and civil society groups contributing to the reintegration of those affected by the Aceh conflict and other conflicts. This assistance also includes implementation of community based recovery projects, allowing for the return and reintegration of those affected by the Tsunami and conflict. Principal Implementers: DAI and International Organization for Migration.

### **FY 2007 Program**

#### **SO: 497-020 Effective Democratic and Decentralized Governance**

### **Mitigate Conflict and Support Peace**

Mitigate Conflict and Support Peace (\$20,000,000 ESF). USAID will provide technical assistance to government officials and civil society groups contributing to the advancement of the Aceh peace process, the mitigation of conflict in other communities at risk, and increased civilian oversight of the military. Principal Implementers: TBD.

### **Reduce Trafficking In Persons**

Reduce Trafficking In Persons (\$386,000 ESF). USAID will provide technical assistance to the Ministry of Women's Empowerment, civil society, and religious organizations in their efforts to raise awareness and aid victims of trafficking. Principal Implementers: TAF, ACILS, and ICMC.

### **Strengthen Civil Society**

Strengthen Civil Society (\$3,700,000 ESF). USAID will provide civic education training through moderate Muslim organizations and the media to promote civic dialogue on pluralism and tolerance. Principal Implementers: TAF and others TBD.

### **Strengthen the Justice Sector**

Strengthen the Justice Sector (\$1,975,000 ESF). USAID will provide institutional assistance to the Supreme Court, the Constitutional Court and the Attorney General's Office benefiting 500 judges, lawyers, and staff members. Principal Implementers: RTI and others TBD.

### **Strengthen the Legislative Function/Legal Framework**

Strengthen the Legislative Function/Legal Framework (\$3,464,000 ESF). USAID will provide technical assistance that strengthens the legislative and legal drafting skills of Parliamentarians as well as provide institutional assistance to the National Parliament and select provincial and local legislative bodies. This assistance will benefit approximately 1,000 Members of Parliament and legislative staff. Principal Implementers: NDI, IFES, IRI, TAF, and RTI.

### **Support Democratic Local Government & Decentralization**

Support Democratic Local Government and Decentralization (\$10,475,000 ESF). USAID will continue to provide technical assistance and training to municipal officials and council members in additional districts throughout Indonesia. Principal Implementer: RTI.

### **FY 2006 Program**

#### **SO: 497-021 Economic Growth Strengthened and Employment Created**

### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$5,081,250 ESF). USAID is providing technical assistance to the Ministry of Finance to support financial sector stability, sound debt management, and effective fiscal planning. USAID is providing training and information technology (IT) equipment to government agencies engaged in the detection and prosecution of corruption and financial crimes. While the principal counterpart is the GOI's Financial Intelligence Unit, USAID works with all major anti-corruption agencies. USAID is providing technical assistance, training, caseload management advice, and IT assistance to the Commercial and Anti-Corruption Courts. USAID is also providing technical and advisory assistance to the Ministry of Finance to enhance the effectiveness of its Directorate General offices. Principal Implementers: Booz, Allen, and Hamilton and Chemonics.

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$5,656,250 ESF). USAID is delivering technical and commodity assistance to establish a half-dozen one-stop service centers to streamline business registration. The one-stop service center can reduce new business registration costs and time by two-thirds. USAID is training local and regional officials in regulatory impact assessment to curb fast-multiplying local taxes and fees that deter domestic trade and business. The program is also working with the GOI to forge a national "Competitiveness Strategy" and provide high-caliber financial, production, and marketing advisors to firms in key sector clusters. Sector clusters may include furniture, information and communications technology, transportation parts, or other possible choices based on a public-private dialogue. The program is improving the ability of firms to compete in global markets by strengthening operations and management and promoting market access. Principal Implementers: The Asia Foundation (TAF) and Development Alternatives, Inc. (DAI).

### **Increase Agricultural Sector Productivity**

Increase Agricultural Sector Productivity (\$2,481,250 ESF). USAID is delivering production, processing, and marketing technical assistance to farmers, wholesalers, retailers, and exporters of high value tropical crops in order to drive revenues, trade, and household (farmer/producer) incomes higher. Principal Implementers: To Be Determined (TBD).

### **Increase Trade and Investment**

Increase Trade and Investment (\$4,231,250 ESF). USAID is providing technical assistance in policy, legal, and data analysis, coupled with training and commodity support to the Ministry of Trade and to other interested Ministries in order to build trade-related analysis capacity. This assistance is improving implementation of World Trade Organization, Association of Southeast Asian Nations, multilateral, and bilateral trade agreements. Principal Implementer: Chemonics.

### **Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen the Financial Services Sector and Increase Access to Capital (\$4,500,000 ESF). USAID is continuing to train Deposit Insurance Agency staff to manage future bank resolutions and the deposit insurance fund. USAID is supporting specialized training and capacity building in selected institutions to strengthen the financial sector. Using the Development Credit Authority (DCA), USAID is continuing the implementation of a micro and small enterprise credit facility that will disburse up to \$16 million in loans. Principal Implementers: Bearing Point and Financial Sector Volunteer Corps.

### **FY 2007 Program**

**SO: 497-021 Economic Growth Strengthened and Employment Created**

### **Improve Economic Policy and the Business Environment**

Improve Economic Policy and the Business Environment (\$7,896,373 ESF). USAID will provide technical assistance to the Ministry of Finance to support financial sector stability, sound debt management, and effective fiscal planning. Technical support for the GOI's Financial Intelligence Unit and other key agencies combating corruption and financial crime will continue. USAID will provide training and technical assistance on such topics as improved investigative/prosecutorial procedures and minor support for information technology. USAID will provide technical assistance to the Ministry of Finance to enhance the effectiveness of its Directorate General offices. USAID will continue providing technical assistance and capacity building to the commercial and anti-corruption courts. Principal Implementers: Booz, Allen, and Hamilton and Chemonics.

### **Improve Private Sector Competitiveness**

Improve Private Sector Competitiveness (\$5,816,608 ESF). USAID will provide technical assistance, training, marketing expertise, and other activities for the public and private sectors. Six additional one-stop service centers will be created to improve business registration. New enterprise or agricultural sector clusters will target improved operations, management, and market access. Principal Implementers: TAF and DAI.

### **Increase Agricultural Sector Productivity**

Increase Agricultural Sector Productivity (\$4,712,000 ESF). USAID will refine production-related technical

assistance and expand export marketing of high-value tropical crops (e.g. coffee, cocoa, and vanilla). Technical and policy assistance will be introduced to strengthen the value chain for horticultural crop production for sale to large domestic consumers. Principal Implementers: TBD.

### **Increase Trade and Investment**

Increase Trade and Investment (\$4,363,019 ESF). USAID will continue to support trade capacity building through ongoing technical and commodity assistance. GOI ministries and agencies will be trained. Principal Implementer: Chemonics.

### **Strengthen The Financial Services Sector & Increase Access to Capital**

Strengthen the Financial Services Sector and Increase Access to Capital (\$2,212,000 ESF). USAID will expand and enhance credit markets, including possible development of new DCA guarantee facilities. USAID will support specialized training and capacity building in selected institutions to strengthen the financial sector. Principal Implementers: Bearing Point and Financial Sector Volunteer Corps.

### **FY 2006 Program**

#### **SO: 497-022 Maintaining Healthy Ecosystems**

### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$6,942,000 DA). USAID is providing technical assistance to local governments and relevant agencies such as the Ministries of Forestry, Planning, and Environment in order to strengthen their ability to develop and implement watershed management. Technical assistance is being provided to communities to promote agro-forestry in areas where watersheds are badly degraded due to deforestation. Technical assistance is also supporting resolution of community land tenure and access conflicts that provide disincentives for community-level reforestation and agro-forestry investments. Principal Implementer: Development Alternatives, Inc. (DAI).

USAID is providing technical assistance for forest conservation practices and training in capacity building to develop community nurseries in support of agro-forestry. USAID takes into account the underlying issues contributing to loss of habitat and poaching, such as food insecurity and lack of alternative income. Recognizing that most activities to date have targeted orangutan habitat areas in Kalimantan, USAID is placing particular emphasis on identifying new areas in Sumatra, including Aceh province, where conservation efforts could positively impact the survival of viable populations of wild Sumatran orangutans. Principal Implementers: The Nature Conservancy, World Education, Orangutan Foundation International, Conservation International, and The International Center for Research on Agro-Forestry.

USAID is continuing to provide technical assistance to the private sector to promote systems for certifying the legality of timber and wood products from Kalimantan, Sumatra, and Java. Principal Implementers: The Nature Conservancy and World Wildlife Foundation.

### **FY 2007 Program**

#### **SO: 497-022 Maintaining Healthy Ecosystems**

### **Improve Sustainable Management Of Natural Resources & Biodiversity**

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$6,512,000 DA). USAID will continue providing technical assistance and training to local governments, relevant agencies, and communities to strengthen their ability to develop and implement watershed management. The project will expand its watershed management activities to protected areas in 30 watersheds in the provinces of Sumatra, Java, and Kalimantan. Principal Implementer: DAI.

USAID will continue to provide technical assistance and training to local communities to conserve orangutan habitats through implementation of multi-stakeholder management plans. Underlying issues contributing to the loss of orangutans will continue to be addressed, such as food insecurity and lack of alternative income. The program will also address new issues related to poaching, regional trafficking, and land use policy.

## **Results Framework**

### **497-007 Democratic Reforms Sustained and Deepened**

#### **Program Title: Democracy Reform**

- 7.1: Key National and Local Level Government Institutions Made More Responsive and Effective
  - 7.1.1: National Policy Making Processes Made More Responsive and Effective
  - 7.1.2: Local Legislatures in Selected Areas Made More Responsive and Effective
  - 7.1.3: Political Parties at National Level and in Selected Localities Made More Responsive and Effective
- 7.2: Increased Citizen Participation in Governance
  - 7.2.1: Civil Society Organizations' Impact on Policy Making and Implementation Increased
  - 7.2.2: Civil Society Organizations' Ability to Increase Citizen Participation in Governance Increased
  - 7.2.3: Increase Capacity of the Media to Inform Citizens About Key National and Local Issues
- 7.3: Capacity and Support for Justice Sector Reform Increased
  - 7.3.1: Constituencies for Justice Sector Reform Expanded and Strengthened
  - 7.3.2: Use of Legal Mechanisms to Redress Abuses of Power Increased

### **497-008 Health of Women and Children Improved**

#### **Program Title: Health, Population and Nutrition**

- 8.1: Policy Environment for Reproductive and Child Health Improved
- 8.2: Health Service Strengthened to Improve Access, Quality and Sustainability
- 8.3: Women, Families and Communities Empowered to Take Responsibility for Improving Health

### **497-009 Impact of Conflicts and Crises Reduced**

#### **Program Title: Crisis Mitigation**

- 9.1: Improved Welfare of Populations Affected by Natural or Man-made Disasters
- 9.2: Food Security for Vulnerable Populations Improved
- 9.3: Indigenous Efforts and Capacity to Resolve Conflict and Promote Reconciliation Strengthened

### **497-010 Decentralized and Participatory Local Government**

#### **Program Title: Strengthening Local Government**

- 10.1: Appropriate Environment Established to Enable Effective Local Government
- 10.2: Local Government Capacity Strengthened to Deliver Effective Services
- 10.3: Participation Increased in Local Government Decision-making
- 10.4: Associations of Local Government and Officials Established as Advocates

### **497-011 Foundation Set for Rapid, Sustainable, and Equitable Economic Growth**

#### **Program Title: Promoting Economic Growth**

- 11.1: Sound Economic Policy and Institutions
- 11.2: A Conducive Legal and Regulatory Framework
- 11.3: Open Access to Economic Opportunity
- 11.4: Knowledgeable Public Participation in Economic Decision-making

### **497-012 Strengthened and Decentralized Natural Resources Management**

#### **Program Title: Natural Resource Management**

- 12.1: Roles and Responsibilities of Stakeholders for Natural Resource Decision-making and Management Clarified
- 12.2: Capacity of Local Stakeholders to Manage Natural Resource Improved
- 12.3: Broader and More Knowledgeable Public Demand for Sustainable Natural Resource Management Formed

**497-013 Energy Sector Governance Strengthened**

**Program Title: Energy Sector Reform**

13.1: Energy Sector Reform Implemented

13.2: Broader and More Knowledgeable Participation in Energy Sector Reform

13.3: Environmentally Friendly Investment in Management of the Energy Sector Increased

**497-018 Improved Quality of Decentralized Basic Education**

**Program Title: Basic Education**

18.1: More Effective Decentralized Management and Governance of Schools

18.2: Improved Quality of Teaching and Learning

18.3: Increased Education Relevance and Workforce Skills for Youth

**497-019 Higher Quality Basic Human Services Utilized**

**Program Title: Basic Human Services**

19.1: Governments, Community Organizations and the Private Sector Mobilized to Advocate for Higher Quality Basic Health Services

19.2: Basic Human Services Delivered Effectively at the Local Level

19.3: Improved Practices and Behaviors Adopted at the Community and Household Levels

**497-020 Effective Democratic and Decentralized Governance**

**Program Title: Democratic and Decentralized Governance**

20.1: Consolidating the Reform Agenda

20.2: Expanding Participatory, Effective and Accountable Local Governance

20.3: Addressing Conflict and Encouraging Pluralism

**497-021 Economic Growth Strengthened and Employment Created**

**Program Title: Economic Growth**

21.1: Financial Sector Safety and Soundness Improved and Institutions Strengthened

21.2: Business Climate Improved for Enterprise Development, Trade and Job Creation

**497-022 Maintaining Healthy Ecosystems**

**Program Title: Healthy Ecosystems**

22.1: Governments, Community Organizations and the Private Sector Mobilized to Advocate for Maintaining Healthy Ecosystems

22.2: Healthy Ecosystems Are Maintained Effectively at the Local Level

22.3: Improved Practices and Behaviors in Maintaining Healthy Ecosystems Adopted at the Community Level