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Eighth Quarterly Report: January – March 2013

**Support for Economic Analysis Development
in Indonesia (SEADI)**



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Eighth Quarterly Report: January – March 2013

Support for Economic Analysis Development
in Indonesia (SEADI)

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Acronyms

ACFTA	ASEAN-China Free Trade Agreement
ADB	Asian Development Bank
AIPEG	Australia Indonesia Partnership for Economic Governance
AMCHAM	American Chamber of Commerce
APBN	Anggaran Pendapatan dan Belanja Negara (national budget)
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
AWP	Annual Work Plan
BAPEPAM-LK	Badan Pengawas Pasar Modal –Lembaga Keuangan (Indonesian Capital Market and Financial Institutions Supervisory Agency)
BAPPEDA	Badan Perencana Pembangunan Daerah (Regional Development Planning Board)
BAPPENAS	Badan Perencanaan dan Pembangunan Nasional (National Development Planning Agency)
BIDE	Boston Institute for Developing Economies
BPKM	Badan Koordinasi Penanaman Modal (Indonesian Investment Coordinating Board)
BPD	Bank Pembangunan Daerah (Regional Development Bank)
BPPDAN	Badan Pengelola Pusat Data Asuransi Nasional (Agency For Processing National Insurance Data Center)
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
DGTR	Directorate General for Trade Remedies, Ministry of Trade
DNG	DAI/Nathan Group
EAEA	East Asia Economics Association

ESCAP	United Nations Economic and Social Council for Asia and the Pacific
EU	European Union
FE-USA	Economics Faculty of University of North Sumatera
FTA	Free trade agreement
GOI	Government of Indonesia
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)
MAPPI	Masyarakat Profesi Penilai Indonesia (Indonesian Society of Appraisers)
M&E	Monitoring and evaluation
MBA	Masters in business administration
MOT	Ministry of Trade
MP3EI	Master Plan Percepatan dan Perluasan Pembangunan Ekonomi (Master Plan on Acceleration and Expansion of Indonesia's Economic Development 2011-2025)
MTCE	Minister of Tourism and Creative Economy
NAFTA	North American Free Trade Agreement
NBFI	Non-bank financial institution
NGO	Nongovernmental organizations
NTB	Non-tariff barriers
OJK	Otoritas Jasa Keuangan (Financial Services Authority)
P2EB-UGM	Institute for Research and Training on Economics and Business, Gadjah Mada University
PNPM	Program Nasional Pemberdayaan Masyarakat (National Program of 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
RFP	Request for proposal
RKP	Rencana Kerja Pemerintah (GOI's annual plan)

RPJMN	Rencana Pembangunan Jangka Menengah Nasional (National Medium-term Development Plan)
SEADI	Support for Economic Analysis Development in Indonesia Project
SMERU	Economic research institute in Indonesia
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 Surakarta
UNCTAD	United Nations Conference on Trade and Development
UNLAM	Universitas Lambung Mangkurat
UPK	Unit Pengelola Keuangan (Financial Management Units)
USAID	United States Agency for International Development
WTO	World Trade Organization

Introduction

The Support for Economic Analysis in Indonesia (SEADI) project has now completed its eighth quarter during which we were able to make significant progress in implementing the Second Annual Work Plan. We are now well positioned to ensure that we will complete the work plan before the end of the project in August.

The Second Annual Work Plan, which covers the remaining life of the project, details five core objectives for the project:

- **Objective 1:** More Informed Trade and Investment Policy Decisions
- **Objective 2:** Indonesians Have Greater Access to Well-Regulated Financial Institutions
- **Objective 3:** Indonesia's Medium-term Development Plan 2015–2019 has a Strong Empirical Foundation
- **Objective 4:** The Impact of Economic Policy Decisions on Poverty is Routinely Considered
- **Objective 5:** Indonesian Research Centers, Think Tanks, and Government Capacity Are Strengthened

This quarterly report outlines our achievements under these core objectives during January – March 2013.

The report is organized as follows. The next section will provide a broad overview of the plan implementation as it relates to the objectives above. The three sections following that will provide information on the implementation of Technical Assistance and Capacity Building, Scholarships and Grants. The final section will cover administrative matters.

1. Achieving Core Objectives

The pace of implementation of the objectives under our 2nd Annual Work Plan increased dramatically this quarter. This section provides an overview of SEADI's work this quarter while the details are provided in the following three sections. The appendix to this report summarizes the status of SEADI's implementation of the 2nd Annual Work Plan in tabular form.

ACTIVITY SUMMARY

We sponsored a number of key activities this quarter to promote the objective of *more informed trade and investment policy decisions*. In January we sponsored a major conference on trade policy that was opened by Minister Gita Wirjawan and Ambassador Scot Marciel. The event helped to increase the public understanding of Indonesia's trade policy and particularly how the ASEAN Regional Comprehensive Economic Partnership and the Trans Pacific Partnership negotiations are complementary. We also spent much time this quarter addressing the issue of value chain upgrading. Tyler Biggs came to Jakarta this quarter to report on his work on the economic impact of the government's policy to limit mineral ore exports. He demonstrated that the broad-brush policy of the government should be more nuanced and take into account differences in processing costs and value added for different minerals. Oliver Ryan also completed his work on poultry value chains and helped the Ministry of Trade to better understand the challenges that it faces in supporting a more competitive poultry industry. Building off of the mineral study, SEADI has now launched a more general research project to help the Ministry of Industry understand how policy can be effective in encouraging domestic industries to move up the value chain.

During the quarter, SEADI initiated a strong collaboration with the AusAID funded Australia Indonesia Partnership for Economic Governance (AIPEG) project to promote a greater understanding of the role that services play in the economy and how services reform can improve the competitiveness of all sectors. This was tied to and supported the implementation of our Indonesian Services Dialogue grant to APINDO, which held a research seminar during the quarter.

In the area of food security, our team developing a methodology to measure the interprovincial movement of rice and sugar completed its work and we have just launched a survey using that methodology to measure movements of rice and sugar during March-May 2013. The results of the survey will be presented to the Ministry of Trade in July.

Two major new efforts to increase transparency in implementing trade regulations were launched this month: a legal gap analysis of the Indonesian National Single Window (INSW) and support to upgrade the Indonesian National Trade Repository (INTR). The legal gap analysis will assist the Government of Indonesia to improve the ability of the INSW to act as a single electronic point of contact for clearing goods through customs while the support for

the INTR is designed to increase transparency in all trade regulations by providing easy access over the internet to all trade regulations.

Finally, we have begun working with the Government of Indonesia to improve the investment climate by promoting good regulatory practice and regulatory reform. This work, organized in collaboration with USTR, will also support Indonesia's responsibilities as a host for APEC.

Activities to ensure that *Indonesians have greater access to well-regulated financial institutions* continued to accelerate this quarter. Sheena Thomson came to Indonesia this quarter to work with OJK to develop its communications strategy and provide advice on implementing an improved program of financial education. A follow-on activity to provide further information on international best practices in financial education was launched this quarter and will be completed by mid-year. Also in the area of education, SEADI has continued its work to expand actuarial education.

SEADI's study on financial inclusion and the PNPM program for Bappenas is moving forward and, despite some snags, is on track for completion in early June. We are also working to expand financial inclusion by providing support to USAID's separate effort to promote mobile money and have just initiated a joint activity with KADIN to identify strategies to improve access to finance for the agriculture sector.

In the area of financial market regulation, our consultant team analyzing the ASEAN Capital Market Integration initiative made its final recommendations to OJK this quarter, giving OJK concrete evidence on which to make a decision on how to prepare for future participation in the activity. In the area of financial regulation, we completed our work on both a draft law for the regulation of non-bank financial institutions and a draft regulation for private equity and venture capital. These documents, if implemented, will help to ensure that the general public and financial institutions are better protected.

Our work to *create a strong empirical foundation for Indonesia's medium-term development plan 2015–2019* continued to focus on support for analysis of labor issues, particularly as they relate to labor productivity. Our labor work wound up this quarter with a seminar at Bappenas that presented the results of the labor productivity survey that SEADI implemented at Bappenas' request. The main findings were that labor management systems do not always support increasing productivity and that the size of a firm has a significant impact on its ability to manage its labor force to improve productivity. The final workshop was well attended by Bappenas and other stakeholders. Arrangements have been made to have Dr. Raden Purnagunawan continue working with SEADI for the remainder of the project to follow up on these issues.

A significant activity this quarter was a three week training program to strengthen Bappenas' capability to implement a financial programming model to support the medium-term plan. We will continue to work with Bappenas over the remainder of our project to ensure that they are capable of implementing the financial programming model.

Finally, we are providing basic support for Bappenas as it plans for an academic conference in June. That conference, organized with five universities, will provide significant input to Bappenas as it seeks to understand the major development issues facing the country over the next five years.

Our work to ensure that the *impact of economic policy decisions is routinely considered* included provision of monthly poverty policy briefs, Computable General Equilibrium (CGE) model simulations of policy changes on poverty, and the further implementation of an international conference on poverty alleviation for June of 2013. A pilot poverty and budgeting training event was organized this quarter and the second session will be organized early next quarter. The pilot training was well received but has led to modifications in the program for the future.

SEADI has also worked to *strengthen the capacity of Indonesian research centers, think tanks, and government agencies*. SEADI advisors at Bappenas work each week with their counterparts to improve the quality of economic analysis of international trends for a regular briefing for the Minister. SEADI's training in labor data analysis concluded this quarter but will be restarted and expanded next quarter. At the Ministry of Trade, SEADI completed the implementation of the DataWeb application that permits Ministry staff to easily access trade data without having to make formal requests to the research office. This will be a boon to the work of all of the staff of the Ministry.

In summary, SEADI has made major strides this quarter in implementing the 2nd Annual Work Plan. In most areas we are on track to completing all of our activities and where we are behind, it is generally due to a lack of movement on the part of counterparts or decisions by USAID to not support work in an area. We believe that we are well placed for a strong finish for the project in August 2013.

CHALLENGES AND OPPORTUNITIES

SEADI's greatest challenge is also its greatest opportunity. Additional funds have been provided to work on the Indonesian National Trade Repository and to support to the government on good regulatory practices. The project's resources are stretched to ensure that our existing work program is completed at the highest level of quality and on time. We can complete this additional work but it will be difficult and require significant managerial oversight.

A further challenge remains the USAID approval process. We often find ourselves waiting a significant amount of time for approvals of activities. As we move toward the end of the project, this becomes an ever more significant issue.

2. Technical Assistance and Capacity Building

MINISTRY OF TRADE

SEADI's approach to working with the Ministry of Trade (MOT) continues to focus on *supporting specific policy interventions* and on *building the analytic capacity of the staff* to understand the economics and potential economic impacts of various policy decisions. We also support additional ad-hoc requests by MOT that we feel contribute to the overall objectives of SEADI. This quarter's activities are summarized here.

Providing Policy Support and Analysis

There are instances when the Ministry has requested assistance to support analysis of specific policies. In these instances, our international and local advisers work directly with MOT staff to help build their capacity to undertake research as well as help to provide international best practices on trade-related policies. For instance, activities this quarter include:

Trade Conference 2013

MOT wanted to help “sensitize” and increase awareness among representatives in the Indonesian public and private sector about the ASEAN Regional Comprehensive Economic Partnership (RCEP) and also the Trans Pacific Partnership (TPP) through a series of public events. SEADI staff spent substantial time this quarter helping MOT to organize the Trade Conference, which was held on January 30th, 2013. SEADI arranged for 6 international experts as well as the IMF Asia Chief Economist, some regional experts and many national experts from government, civil society and academia to speak. Presentations have been submitted to USAID as SEADI-13-R007, R010, R026A, and R029. In all, over 230 people, of whom 65 were women, attended the event, which was opened by US Ambassador Scot Marciel and Trade Minister Gita Wirjawan (see picture) and closed by Vice Minister Bayu Krisnamurthi. There was lively discussion by presenters and participants on RCEP and TPP. There was a significant amount of press coverage in major newspapers and online journals.



Trade Conference 2013 (Related Meetings)

The consultants also held related meetings with various groups in Indonesia to discuss in more detail some of the issues that were raised during the trade conference. Meetings were held with the economics faculty (see picture) at the University of Indonesia (8 professors, 4 of



which were women), ERIA as well as with AmCham at the SEADI office. A total of 18 people of which 7 were women participated in the AmCham meeting. Two of the consultants also had a 3-hour seminar with senior MOT officials (23 people, 8 of which were female) on issues relating to the WTO and Doha impasse (see picture).



Economic Impacts of the Food Law

The Indonesian Parliament (DPR) agreed to a new Food Law (FL) on October 18, 2012. Article 2 of the FL sets out the principles for implementing the food law: including sovereignty, self-sufficiency, security, safety, and sustainability. Its primary objective is to reduce Indonesia's dependence on outside sources of food, irrespective of the implications that this may



have for the price of food to consumers. At the request of MOT/TRECYDA and the interest shown by USAID and the US Embassy, SEADI hired Dr. Kym Anderson to study the economic costs/benefits of Indonesia's new Food Law. On March 20, 2013, Dr. Anderson came to Indonesia to discuss his initial findings. We had originally planned for 70 participants, but due to great interest in the topic, more than 200 participants of whom 96 were women participated in the conference. Speakers included representatives from the DPR, MOT, the Food Security Agency (FSA) from the Ministry of Agriculture, World Bank and Universities. In addition, SEADI organized a small meeting in collaboration with AmCham on March 21st, 2013, with private sector representatives. A total of 20 people, of whom 8 were women, attended the meeting.

In general, it was clear from this work that there is a lot of interest in the possible impacts of the food law, and more work is necessary to help elaborate the implementation regulations.

Poultry Value Chain Study

SEADI was requested to prepare an analysis of the poultry value chain including recommendations on how to make the industry more competitive. In collaboration with TRECYDA, SEADI brought an international expert (Oliver Ryan) and an Indonesian expert (Pius Katarin) to conduct a value chain study of the poultry sector in Indonesia. The study was completed in early January 2013 (SEADI-13-R016 and R017), and the consultant came to Jakarta to present the study at a workshop, which was held at the Hotel Aryaduta on January 29th.

A total of 22 people, of which 3 were female, participated in the workshop. Participants included MOT and Ministry of Agriculture officials as well as representatives from the private sector and poultry associations. The study looked at competitiveness issues



in the poultry meat, poultry egg and day old chick value chains in three cities: Jakarta, Denpasar and Medan. The study provided good data on costs of the various components of the poultry value chain and made recommendations on how to increase competitiveness and reduce costs in the sector.

Inter-Provincial Trade - Rice and Sugar

To make better and effective trade policies related to food security, MOT wants to have a better understand of the movement of food products among regions and provinces (inter-provincial trade). At the request of TRECYDA, SEADI hired Patricia Bonnard, Mohammed Ismet, and Jungkung Handoyo Mulyo to design the methodology for the study, which was completed in February 2013 (SEADI-13-R037 and R038.) In mid-March, the SEADI team then issued a request for proposals (RFP) for follow-on research and collection of data on inter-provincial trade in rice and sugar. Five offerors submitted proposals and the Technical Evaluation Committee selected the Demographic Institute from the University of Indonesia to conduct the survey, which will begin in early April 2013. Dr. Ismet and Dr. Mulyo, along with 2 junior research associates, will continue to supervise the survey, conduct research and write the final report, which is expected to be presented to MOT next quarter.

Economic Impact of Mineral Export Processing Requirements



Last year the government issued a comprehensive set of regulations for the mining industry under the 2009 Mining Act (Law #4/2009) designed to promote domestic processing of certain minerals. At the request of TRECYDA, SEADI hired a team of consultants (Tyler Biggs, Manju Shaw, Marian Radetzki, and Lydia Napitupulu) to conduct a study on the economic effects of export taxes. The report was completed in late February and the principal author (Dr. Biggs) of the report travelled to Indonesia to present the final report. Dr. Biggs first served as a moderator at the 2nd Annual Mining Conference in Bali, where he met numerous industry representatives and distributed the report. He then travelled to Jakarta to present the final report, which he did on March 4th at the Hotel Aryaduta. (Presentation: SEADI-13-R0__; report is being finalized.) A total of 68 participants, of which 12 were women, attended the event.

Dr. Biggs also held a small follow-on meeting with government representatives on March 14th (21 officials participated, including 7 women) to discuss the study's findings in a more informal environment. The study showed that the ban could potentially lead to \$6 billion in economic losses should it be implemented and more if lost tax revenues and public expenditures to realize the investments were counted. Furthermore, the report showed that for copper, building smelters in time for the ban was impossible and excess worldwide capacity for copper smelting would seriously limit the commercial finance necessary to build the smelters.

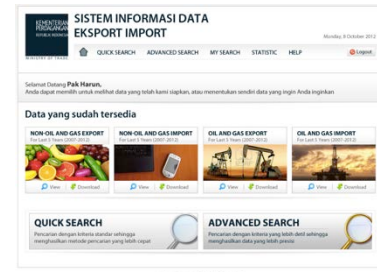


SEADI has been working closely with AmCham to publicize the report. The authors are incorporating comments received during their time in Jakarta and a final report will be distributed widely early next Quarter.

Trade Data Portal

Work was completed this quarter on the online system for Ministry staff to access international trade statistics and Indonesia tariff data at any time without having to rely on the IT staff to extract the information for them. The application has been deployed on MOT's server

and integrated with their user database. MOT officials are happy with the new portal for accessing trade data for MOT officials. MOT has requested a few additional features outside the scope of the original terms of reference be added and we are in discussions with MOT and the web developer about these additions to see if they can be accommodated by SEADI.



Value Chain Upgrading

Indonesia is seeking to increase economic development by shifting from widespread employment in agriculture into fast-growing, jobs-intensive manufacturing employment, including agro-processing and down streaming of the resources sector, and services. The shift in the export-product makeup from traditional, labor-intensive products to high-valued and technology-intensive products is an implicitly stated goal of the current government. Indonesia is making a concerted effort to promote additional value added and processing in country with the aim of climbing up the value chain and increasing the percentage of value added in manufacturing – through some questionable measures, such as the mineral export ban in 2014, through prohibiting imports in certain products (e.g. cell phones), non-automatic import licensing for horticulture (through port restrictions) and more universally accepted measures such as increased focus on infrastructure and connectivity, intensified support to specific research centers e.g. cocoa. The Ministry of Trade has requested SEADI support for a study to assess the economic and policy ramifications of moving up the value chain. Dr. Tyler Biggs began working on this activity in mid-March. Dr. Manju Shaw and Dr. Julia Tijaja will work on the study with Dr. Biggs, which is expected to be completed during next Quarter.

Trade in Services - RCEP

With the objective of familiarizing and training Indonesian government officials from ministries dealing with services on the various issues regarding services trade, Ibu Sondang Anggraini, head of the Directorate for Services at the Ministry of Trade and her team requested SEADI support to have Dr. Sherry Stephenson conduct a Dialogue Series on Services. These



three sessions were carried out with the joint support of the SEADI Project and the Australian AIPEG Project. The seminars took place on February 14th, 18th and 21st, and were attended by an average of 70 government officials, of which 30 were women from various Ministries on each occasion, including officials from the Ministry of Trade. The topics of the seminars were: Recent

Developments in Trade in Services; RCEP and Services; and Logistics and Transportation. Dr. Stephenson also worked with MOT to prepare a strategy for addressing services trade issues in the Regional Comprehensive Economic Partnership (RCEP) in ASEAN as well as various other issues, such as the International Services Agreement. Dr. Stephenson also participated in the APINDO Indonesian Services Dialogue (ISD) as a key speaker and assisted MOT in its preparations for hosting of various APEC meetings. (SEADI-13-R026A-R026M)

MoT Workshop Support

SEADI provided support for organizing various MoT workshops on topics including:

- (i) Evaluating the effectiveness of the campaign for food diversification on January 10, 2013. The workshop was opened by the Vice Minister and attended by gov-

ernment officers from related ministries, experts, and private sectors representatives.

- (ii) Writing Effective Policy Memos – workshop for MoT staff on February 7, 2013. Besides providing support to organize the workshop, SEADI local consultant was also provided a presentation in the workshop
- (iii) Safeguard Mechanisms – workshop for MOT staff on March 19, 2013. The workshop was attended by 22 MoT staff.

Preparations for Activity Next Quarter

SEADI staff has been working to prepare activities for the next (and last) quarter. The activities currently in the pipeline include:

- ***Insurance Regulation Best Practices.*** The importance of the insurance sector in promoting economic growth, combined with the lack of a robust insurance sector in Indonesia today, warrants attention. Indonesia’s role as the 2013 APEC Chair can help highlight the importance of insurance services and facilitate cooperation, coordination and information exchange amongst regulators and private insurers throughout the APEC economies. In addition, Indonesia is involved in the ASEAN Regional Comprehensive Economic Partnership (RCEP) negotiations - which will likely include a Trade in Services Agreement that aims to liberalize a range of service sectors. Insurance is expected to be one of the service sectors to be covered. The objective of this study is to identify best regulatory practices in ASEAN, Indonesia and other developed economies. MOT has requested assistance to look into insurance as a possible deliverable under APEC. SEADI has submitted an approval request this quarter to hire Ray Willing to undertake the study. It is anticipated the work will start next Quarter.
- ***APEC Support and Services Trade.*** Indonesia is hosting the Asia-Pacific Economic Cooperation (APEC) in 2013. The Ministry of Trade (the Office of Services and the APEC Office in the DG for International Trade Cooperation) has requested SEADI assistance to find an expert to speak in public private dialogue on services for the ABAC meeting that will be held on services trade at the APEC senior officials to be held on April 17, 2013 in Surabaya, Indonesia. SEADI has hired Dr. Sherry Stephenson to participate in these meetings and present on “new trends for services in the global economy”. Senior officials from each of the 21 APEC economies would be in attendance, plus members of other APEC bodies, including the APEC Group on Services, currently headed by Indonesia as convener.
- ***Services Research Paper.*** Both MOT and ISD (co-chairs of the ISD) have asked SEADI for assistance in the preparation of a study on “emerging role of services in the global economy and global value chains: policy implications and recommendations for Indonesia”. SEADI has hired Dr. Sherry Stephenson to prepare this research paper. Dr. Stephenson will return to Indonesia next quarter to deliver the final report and make related presentations.
- ***Food Law*** – we expect Dr. Anderson to return to Jakarta (no cost to SEADI for his travel to/from Jakarta) and organize a small workshop so Dr. Anderson can present the findings of his report. We expect this to take place sometime on/about June 17th, 2013.

- **Interprovincial Trade** – work on conducting the survey of interprovincial trade of rice and sugar, and the elaboration of a final report and presentation, will occur during the next Quarter.

Building Analytic Capacity

At the most basic level, SEADI is working to build capacity for officials, at all levels, to understand key economic principals, and then be able to apply these principals to analyze data and formulate policy recommendations. This quarter we completed the following activities:

- **TOEFL Training.** To equip the Ministry of Trade staff to work in the demanding world of international trade, Minister of Trade Gita Wirjawan has mandated that key staff of the Ministry must obtain a minimum TOEFL score of 600. Using its own resources the Ministry of Trade has conducted an in house TOEFL preparation course at the Education and Training Center for 26 staff that had a TOEFL score between 550 and 599 in order to raise their scores to 600. The Ministry requested SEADI's assistance to provide TOEFL preparation for 129 staff.

From December 17, 2012 to February 9, 2013, SEADI conducted six 50-hour TOEFL courses for the Ministry. During each course three tests were conducted to monitor the progress of the participants. The results of the courses are as follow:

- 111 participants scored above 600 in their final test, the highest score achieved is 660,
- 14 participants scored below 600 but increased their TOEFL score from the placement test score, and
- 2 participants scored below 600 with a decrease in their TOEFL score.

Based on the success of our first course and the need to increase the TOEFL scores of 102 additional staff, the Ministry of Trade has requested that SEADI implement a TOEFL preparation course for 102 staff from May to June 2013.

A key factor in the success of the first program was that the participants lived at the MOT Training Center for the duration of the training program. By living at the Center, participants were able to focus on the course and study for as much as 12 hours per day. We will follow the same approach for the second training group. It should be noted that the Ministry is sharing the cost of the training by covering the costs of transportation and accommodation while SEADI is covering the cost of the TOEFL Preparation Course and meals.

- **Donor-Coordination for Trade-related Training.** SEADI staff worked closely with the AusAID AIPEG project to co-sponsor the Dialogue Series on Services with the Ministry of Trade. Three seminars were held and were equally co-funded by SEADI and AIPEG. We also held various other coordination meetings with AIPEG during the quarter.
- **On the job training.** A SEADI local consultant provided intensive support in planning, implementing, and evaluating various studies conducted by TREC YDA. In addition, SEADI was involved in editing various document published by TREC YDA

such as the Monthly Food Market Review and the Trade Bulletin published every six months (June and December).

The increased capacity from these and other planned activities will help key Ministry Officials to be able to do their work and analyses more effectively and will hopefully contribute to the implementation of better and more market-oriented policies. SEADI will be assisting the staff in utilizing the training that they received.

Significant Outcome(s)

- Successfully helped MOT organize the Trade Conference 2013 in which the US Ambassador and Trade Minister opened and in which more than 250 participants attended.
- Successfully helped MOT organize a conference on the Food Law, with participants from the DPR, Ministry of Agriculture, Ministry of Trade, World Bank, KADIN and Universities in which more than 230 people attended.
- Continued closely working with AmCham, including organizing several small meetings on trade and on the food law.
- Organized 3 trade in services seminars jointly with AusAID AIPEG project in which numerous different line ministries participated.
- Finalized the study on the mineral export and raised awareness on the bans possible consequences.

BAPPENAS

SEADI continues to work with Bappenas with an emphasis on strategic policy analysis and capacity building to strengthen its ability to prepare Indonesia's medium-term development plan. Key technical focus areas during the past quarter were: financial inclusion, labor markets, and macroeconomic modeling.

Providing Policy Support and Analysis

Financial Inclusion Study

Pursuant to a tender released in June 2012, SEADI entered into a purchase order with InterCAFE (International Center for Applied Finance and Economics) from the Bogor Agricultural University to conduct a study, prepare policies, and plan for a pilot project to test improved modes of delivery of financial services for the poor in Indonesia. The study is examining the role of Unit Pengelola Keuangan (UPK, or Financial Management Units) across Indonesia. UPK are the local financial management units that manage community grants to beneficiaries under the national PNPM (National Program for Community Empowerment) program.

The first major milestone for the study (due end-December 2012) was a survey of the literature about both domestic and international issues affecting financial inclusion policy in Indonesia. This survey was received on time and was satisfactory. During the past quarter, Bappenas staff have met regularly with the InterCAFE team working on the financial inclusion study to consult with them on the approaches being taken. InterCAFE has now submitted a second milestone report on *Performances of rural UPK RLFs [revolving loan funds] and ur-*

ban UPK that SEADI is evaluating. Bappenas staff has reported to SEADI that they are pleased with the progress being made.

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

Labor Market Analysis

Chris Manning and Raden Purnagunawan meet on a weekly basis with Dr. Iryanti to provide advice and analysis on current labor market policy issues of public concern during the last quarter of 2012 and into January 2013. The meetings focused on minimum wage policy, outsourcing, job creation, and youth unemployment.

SEADI also undertook a study the last quarter of 2012 measuring the levels and trends in labor productivity. During a detailed survey of 28 firms in the Bandung area, a questionnaire was administered during extended interviews. The survey gathered data on two main issues identified in the policy briefs prepared for Bappenas during 2012: (1) why productivity growth has slowed, and (2) why manufacturing employment has stagnated. The results of the survey were presented in Labor Productivity Policy Brief 4, January 2013. In brief, the two main conclusions were:

- Labor management systems often do not support productivity. Because of tight regulations of labor standards by the government, firms have tended to adopt labor management systems which maximize labor market flexibility rather than improvements in human capital and skill upgrading.
- There are significant variations between industries and to a lesser extent between different-sized firms in labor management systems that impact on labor productivity and employment.

Two main policy conclusions were drawn.

- A **medium term strategy** would be to encourage an environment that guarantees firms greater flexibility in setting the wages of blue-collar workers.
- A **short-term minimum wages strategy** to promote productivity and employment could focus on distinguishing between labor-intensive industries on one hand, and resource and capital-intensive industries on the other. As is the case in India, provision could be made for different treatment of small firms in relation to labor regulations to allow small firms greater flexibility.

Workshop on productivity and employment

The studies and policy briefs prepared on labor market issues during 2012 and 2013 were drawn together and presented in a half-day workshop in Bappenas held on Monday, 28 January. The main overall findings of the work on labor and productivity issues during 2012 were summarized for discussion in the workshop as follows:

1. Job growth has been slow in manufacturing in Indonesia in recent years.
2. Productivity growth in manufacturing has been relatively high compared with other lower income countries. However, this rapid productivity growth has not contributed much to job growth.

3. There has been a notable range of experiences across industries. In footloose, capital intensive industries, productivity and employment has been rising. But in unskilled labor-intensive industries, productivity and employment has been declining.
4. Wages have not been historically high compared with many other developing countries at similar stages of development. However, within the manufacturing sector, there has been considerable variation.
5. Data from the field survey suggest that low productivity in unskilled labor-intensive firms may be partly the result of the labor management systems adopted by firms to cope with potentially high 'quasi fixed' costs of labor.

Discussion during the workshop focused on three policy issues. First, what policies are needed to create more jobs and promote higher productivity? Second, how rising labor costs can be controlled while, at the same time, providing sufficient protection for formal sector workers? Third, what policies are needed to create jobs in the unskilled, labor-intensive sector?

The workshop was well-attended by senior Bappenas staff and by external stakeholders. Following upon the formal completion of their respective one-year contracts, SEADI has arranged for the two consultants (Manning and Purnagunawan) to undertake selected, agreed part-time work for SEADI until the closure of the project.

Weekly Economic Briefs

Peter McCawley continues to prepare weekly briefs on current macroeconomic policy issues, both at home and abroad, for use in internal briefing papers. Chris Manning will prepare several weekly economic briefs as part of his agreed work in the period to end-July 2013. In addition, from time to time McCawley provides other economic advisory services such as the provision of comments on draft Bappenas policy papers.

Policy Analysis Team

Soekarno Wirokartono and Peter McCawley have been working with senior Bappenas staff to plan for the activities of the Policy Analysis Team that was established by Minister Armida Alisjahbana in early 2011. Activities have included preparing several planning documents and notes for use in plans for drawing up a draft of the next National Medium Term Development Plan 2015-2019 (*Rencana Pembangunan Jangka Menengah Nasional 2015-2019 or RPJMN*). During the quarter, Peter McCawley visited Surakarta with Bappenas staff to attend a seminar given by Bappenas Minister Dr. Armida Alisjahbana on infrastructure issues that need to be addressed in preparing the RPJMN.

Development Policy Conference

Peter McCawley has been working with a small team of senior officials in Bappenas on arrangements for a Development Policy Conference to be held in mid-June in Jakarta. Arrangements for the conference, which will focus on a range of topics to support drafting of the RPJMN 2015-2019, involve cooperation with five universities: Padjadjaran University (Bandung), Sebelas Maret University (Surakarta), Diponegoro University (Semarang), Airlangga University (Surabaya) and Brawijaya University (Malang). Peter McCawley visited Surakarta during the quarter to participate in a planning meeting with the five universities which included discussions about both arrangements for papers as well as the detailed logistics of management of the event.

Building Analytic Capacity

Labor Data Analysis Training

During 2012, Raden Purnagunawan assisted by Chris Manning held regular half-day training events on a weekly basis for Bappenas staff in the Directorate of Manpower and Job Creation. It has been agreed with him that he will provide additional training during the period to end-July 2013. In particular, Purnagunawan will prepare training materials for Bappenas staff on pension and labor-related issues.

Bappenas Discussion Series

Following a visit to Japan, Dr. Anwar Nasution initiated major interest within Bappenas and other Indonesian government agencies by presenting a half-day seminar 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. As a result of the discussion, Bappenas Minister Armida Alisjahbana requested that a larger seminar be held to consider the issues. This was held on 23 January with the topic *Financing for development: Lessons from Japan's postal savings system and fiscal investment loan program*. More recently Bappenas has requested that three more Discussion Group seminars be organized in the period to mid-2013. Arrangements for these meetings are currently being organized by SEADI staff.

Training in Writing for Policy Analysis

SEADI has been asked by Bappenas to provide training in writing for policy analysis to mid-level staff. Proposed topics to be covered include the design of briefings for senior government executives, managing information flows, preparation of briefing memos and papers, effective writing and use of statistics, and the finalization of effective briefing products for senior officials and ministers. Presentation of this course is currently on hold pending the delivery of the Macro-modeling training that Bappenas is giving priority (see below).

Financial Programming Training

At Bappenas' request, SEADI is providing technical assistance to improve Bappenas' approach to modeling for the medium-term plan. SEADI recruited a short-term consultant (Dr. Semblat) to provide training and support for the updating of the financial programming model used within Bappenas to ensure macroeconomic consistency in the medium-term plan.

Dr. Semblat visited Jakarta for three weeks in January 2013 to deliver a course to Bappenas on financial programming. Around 20 Bappenas staff as well as two participants from BPS (Central Statistical Bureau) attended the training. The course was very well received by both participants and their supervisors. Follow-up activities will involve, first, the estimation of econometric equations (and delivery of associated training) to be used in upgrading the basic model which Dr. Semblat presented, and second, three additional visits by Dr. Semblat to assist Bappenas staff to operationalize the model for use in preparing the RPJMN 2015-2019.

International Program for Development Evaluation Training

Last year Bappenas requested that SEADI sponsor two of its staff to attend the month-long training program in monitoring and evaluation offered by the International Program for Development Evaluation Training (IPDET) in Ottawa, Canada. This training exposes participants to both the theoretical and practical aspects of monitoring and evaluation in develop-

ment countries. USAID has approved this training and we are preparing to send the two participants to Ottawa in June.

Significant Outcome(s)

- Furthered work on the microfinance/UPK study to promote financial inclusion with active Bappenas involvement and provision of a second report on *Performances of Rural UPK RLFs [revolving loan funds] and urban UPK*.
- Completed the work on labor productivity including the conduct of a Workshop in January 2013.
- Support for the Policy Analysis Team as preparation for work on the draft Medium Term National Development Plan in 2013.
- Delivery of a three-week modeling training course in January 2013, and prepared for follow-up activities in the second quarter of 2013.
- Support for the implementation of a Development Policy Conference in mid-2013.

OJK (Formerly BAPEPAM-LK)

January 1, 2013, BAPEPAM-LK was merged into the new Financial Services Authority (OJK). Briefings on SEADI's activities were provided to Board of Commissioners as well as the Chairman of OJK in January 2013.

Since the beginning of the project, SEADI has focused on supporting OJK/BAPEPAM-LK in four areas. First, we supported BAPEPAM-LK as it worked to conform Indonesia's accounting standards to the International Financial Reporting System. This work has been completed. Second, we are helping OJK/BAPEPAM-LK to strengthen its regime for regulating and supervising non-bank financial institutions. Third, we are helping OJK/BAPEPAM-LK to improve its programs to increase public understanding of financial markets and instruments. Fourth, at BAPEPAM-LK's request we are working with STIMRA to develop an actuary curriculum to help train more Indonesian actuaries. The following recaps the main activities in these areas during the seventh quarter.

Providing Policy Support and Analysis

Communications Strategy

SEADI previously worked with Bapepam-LK's Public Relations Department to study how to improve its public outreach and education. Through a contract with a local firm, a survey was conducted in January 2012, and delivered in June 2012, with recommendations on areas of improvement. Bapepam-LK has agreed to use the information from the survey to develop a communications strategy for both internal and external communications.

During the reporting period, SEADI advisors prepared and delivered recommendations for implementing a corporate communications strategy for OJK and for OJK's financial education project (SEADI-13-R033 through R036). SEADI has been asked follow up this work with a desk study of international best practices for financial education. This activity began in late March and will be completed in the next quarter.

Micro Insurance

Micro insurance in Indonesia has become a hot topic in recent years with a wide variety of stakeholders such as donors, NGOs, insurance companies and government ministries all working towards implementation of programs. While there are numerous activities ongoing, there is no coordinated effort to understand who is doing what. Therefore there are no opportunities for developing synergies or realizing the potential benefits of teaming or partnering. In order to provide an inventory of who is doing what related to micro insurance, SEADI is currently carrying out a “baseline survey” of all stakeholders and their activities. The baseline information will provide information for USAID, other donors, Indonesian ministries, NGOs and the industry on the activities, their progress, potential activities and if there are potential synergies that can be created. During the reporting period the advisor working on the survey conducted stakeholder surveys and has drafted the report. The first draft of the report will be delivered the first week of April.

ASEAN Capital Market Integration

Bapepam-LK asked SEADI to prepare a study examining the benefits and costs of implementing ASEAN’s cross border capital market agreement. In the past, Indonesia has been reluctant to sign the agreement and is the only holdout among the major ASEAN countries. Indonesia’s reluctance stems from the fact that it has been more focused on the domestic market and that there would be little advantage for Indonesian investors investing in other countries. The Chairman of Bapepam-LK wanted to complete this study before year-end so it can be discussed by the OJK board prior to OJK formally assuming its responsibilities for OJK operations in January 2013. SEADI recruited a team of Indonesian experts who were tasked with mapping and profiling ten ASEAN Capital Markets and measuring the impact of capital market integration in Indonesia. A presentation to the Chairman of Bapepam-LK was made in December 2012, on the initial findings, which was well received.

The final report was delivered in January 2013, and has gone through several edits. The report is basically complete. The continued editing has been required as the organization would like to publish the non-confidential information. In addition, the full OJK Board may require a final presentation of the report in the next quarter.

Regulation and Supervision of Non-bank Financial Institutions

SEADI has been working since its inception with BAPEPAM-LK to improve its regulation and supervision of non-bank financial institutions (NBFIs.) Given the 100% growth in NBFIs over the last five years and continued expected growth, the Bureau would like to enhance its capacity as a regulator and supervisor through gaining a better understanding of best practices of peer regulators and supervisors. SEADI is working to improve the Bureau’s implementation of regulations and supervision of the market participants.

- **Legal Drafting.** BAPEPAM-LK’s regulatory regime for NBFIs is generally based on Presidential decrees and not laws. This reduces legal certainty. A priority for BAPEPAM-LK and the industry is to draft and pass a law that would provide legal certainty and improve their position in the courts. After final reviews by Mr. Had-iwidjojo and Jack Biggs, the final draft of a law was presented to OJK and the Ministry of Finance in March 2013. (SEADI-13-R022)
- **Regulation and Supervision of Venture Capital and Private Equity.** Bapepam-LK asked SEADI to research the regulatory models for supervision of venture capital and private equity. A research paper was presented in the previous quarter to the Bureau

and the Minister of Finance who concluded that a U.S. model was more appropriate for Indonesia and has asked that SEADI draft the regulation. SEADI drafted the regulation and presented it to OJK and the Ministry of Finance in March 2013. (SEADI-13-R041)

Building Capacity

Actuarial Development

Given the new demand for trained actuaries in Indonesia, the insurance industry and BAPEPAM-LK need to develop a plan to ensure that the demand is met. Development of interest in actuarial science with high school and university students, improvements in math instruction at the high school level, development of instructors at the university level and other stakeholder support is needed to meet the objective of creating 500 actuaries. Last quarter SEADI has presented a “road map” to BAPEPAM-LK and STIMRA addressing the development of a longer-term plan. Due to the transition of BAPEPAM-LK to OJK, this activity was suspended. Discussions during the quarter with OJK’s Commissioner responsible for Insurance did not express any interest for continued SEADI support and we have planned no future activities in this area.

NAIC Training

SEADI sponsored three Bapepam-LK staff to participate in the International Fellows Program from the National Association of Insurance Commissioners (NAIC) last year. The International Fellows Program is an intensive 6-week program in which the fellows spent 5 weeks at a state insurance department for on-the-job training in areas of their specialization. The Fellows also participated in a roundtable meeting with representatives of key U.S. insurance trade associations to discuss the best means for regulator – industry interaction at the end of the program.

Two candidates were accepted to participate in the Spring 2013 program but due to delays in visa processing they were not able to travel in time to participate. NAIC has agreed to let them participate in the Fall 2013 program and SEADI has been working with USAID to transfer the candidates to the PRESTASI program.

Significant Outcome(s)

- Drafted a study on ASEAN Capital Market Integration that was delivered to and discussed with OJK’s Chairman.
- Submitted a law on non-bank lending and a regulation on private equity to OJK and the Ministry of Finance.
- Provided OJK with a professional strategy on how to improve its communications and outreach.

OFFICE OF THE VICE PRESIDENT, POVERTY UNIT (TNP2K)

Activities at TNP2K continue to evolve in response to the changing needs of the office.

Providing Policy Support and Analysis

Monthly Poverty Policy Briefs

During the reporting period, SEADI continued its preparation of monthly Poverty Policy Briefs for the Poverty Unit. SEADI has now produced seventeen monthly Poverty Briefs that have been well received by the staff at the Poverty Unit and are widely disseminated not only within TNP2K but also for the public. The briefs identify and discuss the macro- and the micro-economic factors that impact poverty in Indonesia. This quarter, the policy issues raised by the briefs include: growth and income distribution, international commodity prices and inequality and the services sector. SEADI modified the policy briefs into 2 page briefs and provided in two versions: English and Bahasa Indonesia. The policy briefs are now regularly uploaded to TNP2K website for a wider distribution. They can be found at <http://www.tnp2k.go.id/download/index/>.

Macroeconomic Modeling Results

Efforts to quantify the macroeconomics effects on poverty using the Computable General Equilibrium (CGE) model policy simulations continue to support efforts to better understand effective policy interventions to alleviate poverty. Dr. Arief Yusuf provided one study on the extent to which increases in Indonesia's main export commodities (estate crops and mining) could have contributed to the increase in inequality in Indonesia. In this study, he used the model to simulate increases in the prices of 8 main Indonesian export commodities with the magnitude observed during the period of 2009-2011. The results suggest that export price increases indeed increase inequality, yet with a magnitude of only a quarter of the increase in Gini coefficient observed during the 2009 to 2011 period.

The model indicates that the increases in the price of mining commodities have a much larger impact on inequality than increases in prices of estate crops. The effect of increases in the world prices of rubber, palm oil, coffee, and tea on inequality is negligible and poverty-reducing in rural areas. On the other hand, the effect of the increase in the world price of coal, oil, gas, and metal increases inequality. These findings suggest that from the perspective of equality, restricting export of estate crops commodities can be counter-productive in the midst of the commodity booms, but taxing revenue from mining sectors for use in poverty reduction programs can be a sensible policy response.

International Academic Conference on Poverty Alleviation in Indonesia

SEADI together with TNP2K is organizing an international academic conference to be held in Jakarta on 12-13 June 2013. 75 abstracts were submitted in response to a call for papers for the conference. The selection committee, consisting of representatives from TNP2K and SEADI, selected 39 papers to be presented at 5 parallel sessions during a two-day conference. The selected presenters are diverse; only 13 out of 39 presenters are from Jakarta, most of the other presenters come from around the archipelago, from Aceh to Papua, and five presenters are from outside Indonesia. The topics to be discussed at the conference include: Poverty and Job Creation; Poverty and the Enabling Environment; and Poverty Reduction Programs. Final papers are expected to be received on May 15, 2013.

Building Capacity

Poverty Training

TNP2K is seeking to broaden and deepen its training of provincial TKPK-D teams and a much larger number of these kabupaten/kota poverty reduction teams in order to better identify and analyze poverty indicators, to better relate provincial and local government budgets to poverty reduction, and to more effectively monitor and evaluate results. SEADI had previously supported the development of a curriculum for a 10-day training program for local government officials for TNP2K. The objectives of the training are to: increase the capacity of technical teams in the region; increase the capacity to coordinate and govern the implementation of poverty reduction program at the kabupaten/kota; emphasize poverty reduction in programs /activities and regional budget; and make poverty reduction effective at regional level.

This quarter, SEADI supported TNP2K as it used the curriculum in a pilot training program. The 10-day training was conducted in Jakarta on 28 January – 8 February 2013. There were 25 participants from 9 different provinces. A second training course will be conducted in mid April 2013. However, in response to comments from participants in the first training event, the second one will cover the same material in one week rather than two by holding classes for more hours each day. This will allow the trainees to only be away from their jobs and their families for one week.

Significant Outcome(s)

- Provided three poverty policy briefs (both in English and Bahasa Indonesia version) to TNP2K in the new two page format and published them in a special section on the TNP2K web site.
- Submitted a draft of study to TNP2K on the impact of an increase in prices of Indonesia's main export commodities (estate crops and mining) on inequality in Indonesia through the use of a macro model.
- Selected 39 abstract papers to be presented at the International Academic Conference on Poverty Alleviation on 12 – 13 June 2013, in Jakarta.
- Conducted a pilot training in Jakarta on Poverty for 25 regional officials from 9 different provinces.

RESEARCH INSTITUTES AND THINK TANKS AND OTHER INSTITUTIONS

During this reporting period, SEADI worked closely with research institutes and think tanks in finalizing and implementing our grant program. As more fully described in section 4 below, by the end of the quarter SEADI had issued grants to 30 individuals and institutions.

We also began a series of activities, mostly from our 2nd Annual Work Plan that provide assistance to organizations other than our four core counterparts.

Legal Gap Analysis of the Indonesian National Single Window

Indonesia is establishing the Indonesian National Single Window (INSW) as a single electronic point of contact for obtaining necessary approvals for clearing goods at the border. This is part of a larger effort by ASEAN to establish the ASEAN Single Window that will permit the national single windows from all ten ASEAN Member States to communicate and

exchange information about regional trade shipments. The implementation office for the INSW requested assistance from SEADI to implement a legal gap analysis of the INSW similar to those implemented in the Philippines and Vietnam. SEADI issued an RFP to Indonesian law firms this quarter and selected Makarim & Taira S. to implement the study. The study was initiated at the end of the quarter and will be completed in July.

Upgrading of the Indonesian National Trade Repository (PTF)

Through an USAID Washington program entitled Partnership for Trade Facilitation (PTF), the Office of the Coordinating Minister for Economic Affairs requested assistance to upgrade Indonesia's implementation of an online source of trade regulations, referred to as the Indonesian National Trade Repository. This work will focus on three areas: 1) Developing a complete mapping of regulations to categories to be registered in the INTR; 2) Developing business processes for the ongoing process of uploading old and new regulations to the INTR; and 3) Making recommendations on improvements to the software interface of the INTR. The work began in March and will continue through July.

Good Regulatory Practices Support

During the quarter, SEADI was approached by USAID and USTR to provide support to Indonesia as host of APEC in 2013 on issues relating to good regulatory practices. SEADI has worked with USAID, USTR, the Badan Standardisasi Nasional, Bappenas, and the Office of the Coordinating Ministry for Economic Affairs to develop a scope of work for four broad activities in this area to be implemented in the final five months of the project. These activities include: 1) Support for Indonesian government officials to attend a conference on Good Regulatory Practices (GRP) being organized by Indonesia and the United States in Medan in June as part of the APEC process; 2) Support for a separate GRP conference to be held in Jakarta for a wider range of Indonesian government officials; 3) Support for Bappenas in promoting regulatory reform as a topic for the next medium term plan; and 4) Support to the Office of the Coordinating Minister for a conference on best practices in public consultation.

KADIN

Agriculture in Indonesia is underfinanced. While employing 40% of labor and producing approximately 14% of GDP, crops, livestock, fisheries and forestry combined have received only 8% of bank loans. In East Java, 95% of farmers have never taken out a loan. Of those who have taken out a loan, only 14% received it from a bank. Loans from other sources can often be prohibitively expensive with rates running 40% or more per year. Indonesia has tried a number of approaches to addressing these problems. Banks, borrowers, insurers, and government in other countries have found ways to pool and mitigate risks that can make lending less risky, but often at significant fiscal cost. KADIN is interested in developing a greater understanding of the Indonesian market for agricultural bank finance and insurance and how that market could be expanded to enable greater access to finance to small holders and rural MSMEs. SEADI has prepared a TOR, secured resources and will begin its activity in the next quarter to develop a study focused on the following issues:

1. The current legal and policy framework for bank finance and insurance for rice, palm oil and cattle in Indonesia.
2. Markets for agricultural finance and insurance that are underserved in Indonesia today.

3. Mechanisms used in the other countries, including but not limited to countries in Southeast Asia, to provide agricultural bank finance and insurance.

Mobile Banking

USAID's mobile banking project, e-MITRA, being implemented by NetHope, has approached SEADI for assistance in launching a pilot mobile banking project. The Ministry of Cooperatives has been discussed as a potential counterpart for developing the pilot. SEADI was asked to provide input related to the financial reporting and supervision of cooperative banks to ensure that the Ministry of Cooperatives has a system of offsite supervision to identify financially sound cooperative banks to participate in any pilot. We delivered sample reporting formats and recommendations on the establishment of a risk rating system to e-MITRA.

Actuarial Recruitment

STIMRA's first class of actuarial students will begin their studies in October 2012 with approximately 16 students. Due to the low number of students and unused scholarships, SEADI is working with STIMRA to build a pipeline of students. The USAID Program to Extend Scholarships and Training to Achieve Sustainable Development (PRESTASI) Junior (Jr. Achievement) is working with a number of high schools supported by US and Indonesian companies and is a source for recruiting students who will not be able to attend university without scholarships. STIMRA tested 3 recent high school graduates recommended by teachers who did not have the required math background to attend the actuarial program at STIMRA. There were approximately 30 high school juniors and seniors that have been recommended by their teachers that require further screening.

SEADI attempted to procure a math aptitude assessment tool that will be given to the students to identify scholarship candidates but was unable to find an appropriate tool. We will continue to provide ad hoc support to STIRMA to help support actuarial development.

Insurance Risk Management Course Development

As a follow-on to our actuarial work with STIMRA, SEADI was asked to provide the following:

1. Lesson plans for the Principles of Risk Management Course
2. Lesson plans for the Property of Risk Management Course
3. Teaching guides for the Principles of Risk Management and Property Risk Management Courses
4. One abbreviated case studies for Principles of Risk Management and Property Risk Management courses
5. Train the trainers workshops to cover the lesson plans, teaching guides and case studies

A purchase order for the above was developed and submitted to USAID for approval during the quarter and delivery of these materials and training is expected to be finalized in the next quarter.

Significant Outcome(s)

As these activities are relatively new, no significant outcomes beyond launching the activity can be reported this quarter.

3. Scholarship Program

This quarter marked the end of the first semester for our scholars' program. Our scholars are generally doing very well, with an average GPA for our 8 PhD scholars of 3.66. Achmad Gamal, who is pursuing a PhD in Urban Regional Planning at the University of Illinois at Urbana-Champaign, completed his 1st semester with a 4.0/4.0 GPA. While generally successful, a number of PhD students need to strengthen their math preparation for the upcoming advanced courses in macro and microeconomics and are taking steps to do so.

Our eight master scholars are also doing well with an average GPA of 3.44. Eva Nurwita has achieved the highest GPA at 4.0/4.0 at Texas Tech University under the Master of Arts degree in Economics. As with some of our PhD students, mathematics preparation was an issue and our students have worked hard to address any deficiencies in this area.

Also of note, Gumilang Aryo Sahadewo, who attends the University of Pittsburgh recently was selected as an outstanding presenter for his paper on "Eliminating the Fuel Subsidy in Indonesia: Designing Alternative Policies and A Behavioral Approach of Assessing Households Preferences Among Them." See, <http://www.pitt.edu/~gradexpo/>

Some of our students have university scholarships that are dependent on their maintaining a specific grade point average. So far all are on track to maintain their scholarships from the university for the next year.

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. Nanda Wijayanti is doing well in her PhD program while at the same time preparing to give birth to her second child in April 2013. She has made arrangements to cover the insurance and other costs related to her new child. We are \ working with her to seek approval from USAID for her husband and son to join her and her new baby in the United States.

During this quarter SEADI has begun to field requests students to return to Jakarta or undertake internships during their summer semester breaks. These requests, which impose no cost on the project, are generally being approved by USAID. We expect a number of more requests over the next two months. In anticipation of undertaking an internship during the summer, Nancy Widjaja was permitted to travel to India over spring break to meet the organization that she will be working with later this year.

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

Name(s)	Institution	University	Fall 2012 Cumulative GPA
Ph.D. Program Participants			
1. I Gede Yuddy Hendranata	Ministry of Finance	Claremont Graduate University	3.5/4.0
2. Sekar Utami Setiastuti	Gadjah Mada University	North Carolina State University	3.3/4.0
3. Gumilang Aryo Sahadewo	Gadjah Mada University	Pittsburg University	3.375/4.0
4. Achmad Maulana	Center for Economic and Development Studies (CEDS)	University of California Santa Cruz	3.62/4.0
5. Ahmad Gamal	University of Indonesia	University of Illinois at Urbana-Champaign	4.0/4.0
6. Nanda Ayu Wijayanti	University of Indonesia	Western Michigan University	3.83/4.0
7. Herman Saheruddin	Lembaga Penjamin Simpanan (LPS)	University of South Carolina	3.75/4.0
8. Irwanda Wisnu Wardhana	Ministry of Finance	University of Texas Dallas	3.89/4.0
Masters Program Participants			
9. Irma Marlina Hutajulu	Ministry of Finance	University of Illinois at Urbana-Champaign	3.66/4.0
10. Anindiaztuti Rachmadani	Commission IX of the Indonesian House of Representative (DPR RI)	Duke University	3.5/4.0
11. Grameyru Prabu Edward	Ministry of Finance	University of Denver	3.35/4.0
12. Simon Poltak H. Hutabarat	Ministry of Finance	University of Illinois at Urbana-Champaign	3.1/4.0
13. Ruth Nikijuluw	Coordinating Ministry of Economic Affairs	University of Illinois at Urbana-Champaign	3.8/4.0
14. Wisnu Setiadi Nugroho	Gadjah Mada University	University of Illinois at Urbana-Champaign	3.0/4.0
15. Nancy Widjaja	Alliance for Financial Inclusion	Columbia University	3.2/4.0
16. Eva Nurwita	Center for Economic and Development Studies (CEDS)	Texas Tech University	4.0/4.0

4. Grants Program

SEADI has now issued 30 grants and the grant program is closed to new applications. Seven grants have been completed and twenty-three are ongoing. Three of the thirty grants were initiated this quarter. The focus of the grant program is now on monitoring the performance of our grantees, providing assistance where necessary.

COMPLETED GRANTS



Mr. Ratmaji Heru, a young researcher with Satya Wacana University, has completed his study of the ‘Revitalization of Village-based Cooperatives in Central Java.’ After initial meeting to present his findings, the Head of Cooperative Office of Central Java decided to organize dissemination seminars for all village-based cooperatives under his supervision. In the seminar on March 25-26,

2013, Mr. Ratmaji Heru presented his findings to representatives from 72 village-based cooperatives from 6 districts in Central Java. In addition to presenting his key findings, Mr. Ratmaji provided recommendations to the Government on the 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.

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 ongoing 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 mid-term seminar (27-28 September 2012) in Siantar. This decree had been on hold for some time prior to the intervention of our grantee.



SELECTED ONGOING GRANTS

Regional Economic Development Institute (REDI), a Surabaya based-independent think tank conducted a series of Focus Group Discussions (FGDs) and in-depth interviews with private sector players in West Nusa Tenggara (NTB) Province from January 16-19, 2013. The two FGDs were held in Mataram and Sumbawa Besar. In-depth interviews were conducted afterwards covering districts of Dompu and Bima in the eastern part of Sumbawa Island. The main focus of the FGDs and in-depth interviews was to better understand constraints faced by private sector players in all districts of NTB. These activities are part of REDI's large grant project to prepare a growth diagnostic for NTB.



On January 29, 2013, **Yayasan Inovasi Creative Indonesia (I Creative)**, one of SEADI's small grantees, conducted its 2nd Focus Group Discussion. Participants were from the financial industry, including venture capital companies, co-operatives, and angel investors. The discussion focused on the

possibility of developing alternative financial schemes for the creative industry.



On January 29-31, 2013, the **Committee for Regional Autonomy Implementation Monitoring (KPPOD)** organized and held workshop on “Local Government Capacity Building on Legal Drafting”. The workshop which was designed to improve the skills of legal drafters was attended by 23 representatives of 11 underperforming-local govern-

ments. The trainers came from KPPOD and the Asia Foundation, as well as from government institutions such as Regional Tax and Retribution Directorate (Ministry of Finance), Regional Income and Investment Directorate (Ministry of Home Affairs) and Legal Bureau (Ministry of Home Affairs).

The **Research Institute, Darma Persada University (LPPM-UNSADA)** conducted a seminar in Bandung on February 12, 2012 to present key findings and analysis on the operational



efficiency and effectiveness of Renewable Energy-Small Processing Center (RE-SPC) in Gunung Halu village, West Bandung. The study conducted by UNSADA has come at the right time as the West Bandung District Government is seeking to include renewable energy development as part of its district development planning. As such, the Head of District Planning Agency, Mr. Asep Sodikin, responded very well to UNSADA’s

findings and recommendations and requested that UNSADA develop its recommendations further for integration with the planning strategy of his agency.

APINDO organized the first Policy Research Workshop as part of Indonesia Services Dialogue (ISD) activity on February 25th, 2013. A total of 45 people participated. Presentations by Dr. Sherry Stephenson followed by Dr. Sjamsu Rahardja and Ms. Titik Anas were given during the workshop. Prof. Christopher Findley provided critical comments on



each presentation moderated by Dr. Jose Rizal from CSIS. The workshop built off a series of services seminars that SEADI had sponsored jointly with the AIPEG project earlier in the month. The discussion highlighted the importance of services trade for Indonesia's economy and presented strategies for moving the services trade agenda forward. It was evident that more research was needed on various service-trade topics. APINDO provide information on two of the studies it commissioned on services trade. The discussion also focused on organizing an ISD event with the APEC Business Advisory Council during the next APEC SOM meeting in Surabaya next Quarter.



Receiving small grant from USAID-SEADI has enabled the **Economic Faculty of Hasanuddin University (FE-UNHAS)** to unite 16 universities in the eastern part of Indonesia through a Memorandum of Understanding on the establishment of East Indonesia Economic Researchers Network (JAPEIT) on March 6, 2013. The deans and key representatives from economic departments of the 16 Universities from east Ka-

limantan to Maluku have pledged to support the establishment of the network which is aimed at building the capacity of researchers and providing a forum for the exchange of economic knowledge. A website, which can be viewed at www.voxei.org, has been created and will contain research reports and discussion by the members.

NEW GRANT AWARDS

During the quarter, USAID approved one new large grant and two new small grants with a total value of US\$ 132,562.

Approved Small Institutional Grants: Two small grants were issued this quarter. The first was awarded to the **Aisyiyah East Java** to analyze utilization of Islamic Financial Institutions in comparison to conventional financial institutions in East Java. The study is strategic in light of financial inclusion theme which has been embraced by the Government as means to reduce poverty. As Moslems are the largest part of poor in Indonesia, Islamic Financial Institutions may provide critical access to finance.

The second small institutional grant was made to **PT Definit** to pilot a questionnaire and methodology for the development of a financial literacy index through in-depth interviews in three big cities (Medan, Jakarta and Surabaya). The index is expected to help the government to develop a complete index through a broader survey that OJK will organize.

Approved Large Institutional Grants: SEADI also awarded one large grant this quarter. The grant was awarded to **Ernst and Young Indonesia** to quantify the impact of US foreign direct investment (FDI) on the Indonesian economy and provide the Government of Indonesia with policy recommendations to improve the investment environment.

List of Awarded Grants

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
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 (LPEP-UNAIR)	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

No.	Grant Type	Grantee's Name	Activity/Research Title	Approved Amount
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	Indonesian Employers Association (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	Komite Pemantauan Pelaksanaan Otonomi Daerah (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 (CEDS-UNPAD)	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 (UNSADA)	Modeling Energy Strategies for Selected Villages	\$79,524
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

5. Project Administration

ADMINISTRATIVE AND SUPPORT PERSONNEL

SEADI continues to be supported by a local team of the highest caliber but there have been some changes. 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 1 May. 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
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

SEADI implements its activities through a combination of individual consultant contracts and purchase orders with individuals and corporations. The table below summarizes the short-term consultancies and purchase orders from this quarter.

Name	Purpose of Consultancies/Purchase Orders	Date
Ministry of Trade		
Jeffery Schott [PO]	Purchase Order: To participate/present at the Trade Outlook Forum	15 Jan – 15 Feb 2013
Michael Plummer Deborah Elms	Trade Outlook Forum: Participate/present at the Trade Outlook Forum	28 Jan – 1 Feb 2013
Peter Petri	Trade Outlook Forum: Participate in the Trade Outlook Forum – Cost & Benefit Analysis of TPP in Indonesia	15 Jan – 15 Feb 2013
Dr. Sherry Stephenson	Trade Outlook Forum: Participate in the Trade Outlook Forum and support an APINDO Service Dialogue	7 Nov 2012 – 15 Feb 2013
Tyler Biggs	Mineral Export Processing Study to lead a team of experts to assess for the MoT the economic effects on the Indonesian economy of the mineral processing requirement.	15 Sept 2012 – 25 Feb 2013

Name	Purpose of Consultancies/Purchase Orders	Date
Manju Shah	Support for the Mineral Export Processing Study	2 March – 16 June 2013
Lydia Napitupulu	Work with team for Mineral Export Processing Study for MOT	15 Sept 2012 – 23 Feb 2013
Oliver Ryan	To work with MOT to analyze poultry value chains in Indonesia	15 Nov 2012 – 15 Feb 2013
Pius Kataren	To work with MOT to analyze poultry value chains in Indonesia	15 Nov 2012 – 15 Feb 2013
Dr. Patricia Bonnard	Work on designing a methodology for an interprovincial study on rice and sugar for the Ministry of Trade.	15 Feb – 31 Mar 2013
Dr. Mohammad Ismet	Work on designing a methodology for an interprovincial study on rice and sugar for the Ministry of Trade.	21 Jan – 28 Feb 2013
Jangkung Mulyo	Work on designing a methodology for an interprovincial study on rice and sugar for the Ministry of Trade.	21 Jan – 28 Feb 2013
Tyler Biggs	To conduct a study on moving up the value chain for the MOT	2 Mar – 16 Jul 2013
Julia Tijaja	Contribute to the study on moving up the value-chain for the MOT	4 Mar – 15 Jul, 2013
Manju Shah	To undertake a study on moving up the value-chain for the MOT	2 Mar – 16 Jun 2013
Kym Anderson	To lead a team to study the potential economic effects of the new Food Law.	15 Jan – 15 Apr 2013
Wayan Susila	To continue to support the MoT as Local Economic Development Specialist	11 Mar – 26 Jul 2013
BAPPENAS		
InterCAFE (International Center for Applied Finance and Economics, Bogor Agricultural University) [PO]	Fixed Price Purchase Order with InterCAFE to conduct a study into issues of financial inclusion.	3 Sep 2012 – 3 Jun 2013
Dr. Romuald Semblat	To teach a Modeling Course in Bappenas and Associated Technical Assistance	3 Dec 2012 – 31 Mar 2013
Ekki Syarnsulhakim	Support the labor productivity study. Replacing Pak Hakim.	10 Dec 2012 – 25 Jan 2013
Haryo Aswicahyono	To support a study of job creation and labor productivity in manufacturing for Bappenas and TNP2K	8 Oct 2012 – 31 Jan 2013
R. Purnagunawan	To serve as labor market expert to Bappenas	15 Mar – 26 Jul 2013
OJK/BAPEPAM-LK		
Dr. Irwan Ekaputra Dr. Telisa Failyanty Mochammad Yasin Wardah Adawiyah Husodo Zaafrri Arief Lubis	Team for the ASEAN Capital Markets Integration Study	7 Nov 2012 – 15 Jan 2013
Sheena Thompson	Drafting of a full communications strategy for BAPEPAM-LK	13 Jan – 8 Feb, 2013
Nunung Nuryartono [PO]	Purchased order on micro-insurance	15 Oct 2012 – 31 Jan 2013
Sheena Thompson	To conduct desk study of international best practices for financial education conducted by government agencies	25 Mar – 20 Apr 2013
TNP2K		

Name	Purpose of Consultancies/Purchase Orders	Date
Gus Papanek	To 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	23 Oct 2012 – 23 Jan 2013
Arief A. Yusuf [PO]	Conducted CGE modeling of the impact of four policy scenarios on poverty in Indonesia	16 Jan 2012 – 31 Mar 2013
Geoffrey Hewings	To review and advise on modeling work for TNP2K	25 Feb – 30 Jun 2013
Riyana Miranti	To write a paper on correlates of Provincial variations in poverty for TNP2K	1 Dec 2012- 31 May 2013
Titaningtyas Subekti	Project Research Assistant, TNP2K: Primarily works for the Poverty Unit in the Vice-President's Office supporting TNP2K to meet the monthly requirement related to the Poverty Policy Brief.	10 Oct 2012 – 31 Jul 2013
Other		
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 to prepare training modules and conducting pilot trainings for regional poverty officials.	6 Nov 2012 – 30 Apr 2013
Stephen Magiera	To Implement the Partnership for Trade Facilitation Activity Supporting the Indonesian Trade Repository	11 Mar – 26 Jul 2013
Ernawati Munadi	To Implement the Partnership for Trade Facilitation Activity Supporting the Indonesian Trade Repository	18 Feb – 31 Aug 2013
Fitria Chairani	To Implement the Partnership for Trade Facilitation Activity Supporting the Indonesian Trade Repository	25 Feb – 31 Aug 2013
Makarim & Taira Councilors [PO]	Purchase Order to perform a Legal Gap Analysis of the Indonesian National Single Window- INSW	March – July 2013
Christopher Manning	To assist with the preparation of two conferences and provide other services	18 Mar – 26 Jul 2013

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 Results	FY2013 Q2 Results
Number of days of technical assistance trade and investment environment provided to counterparts or stakeholders	3067	2700	764	1005
Number of policy papers submitted to GOI entities for official consideration	26	30	9	8
Number of technical assistance/research assignments performed each producing a package of proposed reform actions	26	30	16	10
Number of internal workshops and seminars conducted for policy reform	35	35	9	12
Number of advocacy and implementation events for reform	8	12	9	6
Number of individuals with capacities strengthened—in-country workshops	1,125	950	673	966

Status of Second Annual Work Plan Activities

Legend:

To be implemented

In progress

Completed

Dropped

Work Plan Organized by Objectives and Themes

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	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 – Report 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	MOT TRECYDA	Bachrul Chairi /	Complete, reports SEADI-12-R038

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
		for food security		Tjayha Widayanti	
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 Chairri / 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 Chairri	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 Chairri / 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 Chairri / 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 Chairri / 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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
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.
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	The 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 the Ministry of Trade in reaching out to SMEs about the benefits of regional trade	1.3.2.B	The Ministry of Trade 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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
ii.a. Support for the implementation of the Indonesian National Trade Repository	PTF separate funding	Supporting internet publication of trade regulations	Coordinating Ministry for Economic Affairs (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
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		Support participation by 20 additional senior GOI officials in the APEC GRP meeting in Medan on	Badan Standardisasi Nasional	Teungku Hanafiah	Medan meeting jointly organized between

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
APEC GRP Meeting in Medan		June 25-26	al (BSN)		the GOI and USG
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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
<ul style="list-style-type: none"> 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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
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 Rachmatarwata	Completed; Second round cancelled.
iv. Actuarial sciences curriculum development	2.2.7	New actuarial curriculum used by STIMRA in training students	STIMRA	Isa Rachmatarwata and Munir Sjamsoeddin	Completed – SEADI-13-R015
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 Micro-Insurance 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 advisor 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					

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
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
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 advisor in identifying ways to promote mobile money through cooperative banks	Ministry of Cooperatives		Ongoing (resident advisor 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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
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.
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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
	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 Widayanti	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
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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
Grant		Poverty Reduction in Maluku through Fisheries Market Integration	Yolanda Apituley, Pattiumura 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

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
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
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 TRECYDA	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 TRECYDA	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 TRECYDA	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 TRECYDA	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 TRECYDA	Kasan	Ongoing

Activities	Work Plan Reference	Deliverables	Institution	Counterpart	Status
b. Participation by experts in the conference	2.3.8		MOT TRECYDA	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
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