

USAID/INDONESIA
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March 2002

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Part III Performance Narrative

Challenges

Indonesia faces remarkable challenges as it takes on three major tasks: economic reform, a transition to democracy after 30 years of military authoritarian rule, and a massive decentralization of power to nearly 400 local governments. The task has not been easy, and the country continues to suffer through a period of political and economic uncertainty. The economy remains fragile, saddled by heavy foreign and domestic debt, and new political leadership has only begun to provide some sense of stability to what has been a turbulent ride since the fall of Suharto in May 1998.

The turbulence is reflected in the numbers. More than 1.3 million Indonesians have been displaced by ethnic, religious, and separatist violence. Economic growth dropped from 4.8% to 3.25 percent in 2001, inflation has grown to 12 percent, and the budget deficit is close to four percent of GDP. Rising unemployment has pushed many people below the poverty line -- nearly 60 percent of the population lives in poverty on less than \$2 a day -- increasing the appeal of radical and extremist elements. Indonesia's policy makers continue to be slow in seizing opportunities to implement necessary economic structural reforms such as privatization and fiscal reform. Corruption, exacerbated by a weak justice sector, permeates all levels of society, politics and the economy, seriously undermining reform efforts. Declining government resources for the health system imperils many Indonesians, and HIV/AIDS is spreading at an alarming rate among high-risk populations.

At the same time, the country and its people have demonstrated remarkable resilience. Decentralization has moved forward -- two million government officials and 20,000 government offices have been transferred from central to local control without major breakdowns in governance or service delivery. Special autonomy laws have helped defuse the potential for conflict in Aceh and Papua. In August 2001, the presidency transferred peacefully and constitutionally from Abdurrahman Wahid to Megawati Sukarnoputri, ending a long period of political and economic turmoil that had stymied reform efforts, tainted relations with the IMF and discouraged foreign investment. The parliament has begun to play an increasingly active role, considering more than 100 pieces of legislation including laws on bank secrecy and money laundering. Civil society is flourishing and an independent media has grown exponentially. The reduction of massive energy subsidies is easing pressure on the national budget.

The events of September 11th and subsequent actions to combat terrorism have had special implications for U.S. policy interests in Indonesia. Indonesia's response to the global war on terrorism has been mixed. Small but vocal militant groups were outspoken in their initial reaction. The State Department subsequently declared authorized departure status for Indonesia from September 27 to November 25, 2001. Moderate voices, and the government itself, have increasingly gained footing and are working to restore the image of Indonesia as a country tolerant of diversity and committed to regional stability.

The change in leadership last summer significantly improved the implementation environment for USAID programs. However, the increased security posture assumed in August 2001 and authorized departure status of September-November 2001 severely limited the mission's ability to travel within Indonesia and bring in critical short-term technical assistance for key programs. Despite a slowdown in some programs, all mission strategic objectives met or exceeded planned targets for 2001. Significant results were realized in policy and technical assistance programs supporting Indonesia's efforts to carry out priority economic and energy sector reforms, particularly on meeting IMF targets for corporate and bank debt restructuring and reducing energy subsidies. USAID programs have generated tangible improvements in local government capacity to assume new responsibilities under decentralization. Technical assistance programs produced significant gains in strengthening local management of natural resources. Humanitarian assistance activities responded quickly and effectively to the needs of Indonesia's growing urban poor and internally displaced populations. Grant assistance in support of Indonesia's transition to democracy generated significant results as demonstrated by increased citizen participation in governance through effective NGO advocacy and by helping shape the on-going debate on religion in Indonesia. USAID health programs helped Indonesia maintain its national contraceptive prevalence rate, increase

the proportion of births attended by skilled health personnel, and begin combating the rising spread of HIV/AIDS.

Program Performance

497-007: Democratic Reform

USAID programs met planned targets for 2001, demonstrating significant progress towards increased citizen participation in government, a more vibrant civil society and media, more responsive and effective democratic institutions, and promoting justice sector reform. This program contributed significant results in 2001 under USAID's DCHA (Pillar IV), Objective 3 "The development of politically active civil society promoted"; Objective 4 "More transparent and accountable government institutions encouraged"; and Objective 5 "Conflict".

Citizen Participation and Civil Society Development: USAID secured notable progress and a range of achievements through grant, training, and other capacity-building assistance to nearly 200 NGOs across the country in 2001. These NGOs carried out programs on transparent and participatory governance, conflict prevention and resolution, religious tolerance, human rights, media support and monitoring, and anti-corruption activities. USAID assistance and training enabled 60 NGOs to significantly improve their organizational and financial management capacity and advocacy skills.

The events of September 11th sparked an increased dialogue on democracy and the role of religion in Indonesia. USAID expanded a program working with more than 20 major religious and secular organizations, including Indonesia's two largest Muslim organizations with a combined membership of 50 million, to help shape a more open and informed debate. One activity, with the support of 300 intellectuals and religious leaders, disseminated tolerant Islamic values and human rights principles through the distribution of over 45,000 leaflets each Friday after prayers throughout Indonesia. A formal civic education course introduced values of human rights, gender equity, pluralism and religious tolerance to students in 46 faith-based and secular schools. Muslim women's organizations received assistance to strengthen their capacity to promote messages of peace, particularly among less-educated groups. Public discussions on "Islam and Democracy" have been extended to public affairs television and radio programs.

As Indonesia rapidly decentralizes authority to local governments, USAID-supported NGOs are effectively ensuring that citizen views and desires are being taken into consideration by decision-makers. USAID technical assistance enabled 12 NGOs to develop medium-term (1- to 3-year) programs with local governments and local communities to make decentralization laws and institutions more effective, and to resolve issues of conflict and potential conflict in their communities. USAID-supported associations of city and district parliaments serve as a major new voice in the national dialogue over decentralization.

Civil society's ability to engage government through analysis, advocacy, and monitoring was also significantly enhanced, as evidenced by growing citizen input into a range of new laws. USAID-supported NGOs impacted on legal drafting and lawmaking at the national level and at least 16 NGOs affected policy and the regulatory environment regionally or locally. With USAID assistance, citizens provided input into legislation on: Special Autonomy for Papua and Aceh; Freedom of Information; Legal Advocates; Foundations; Truth and Reconciliation; Whistle Blowers; Broadcasting; Migrant and Child Workers, and revisions Political and Electoral laws. The passing of the Special Autonomy Law for Papua represented a promising breakthrough in seeking a lasting solution to separatist conflict in the province and was initiated by USAID-supported NGOs that drafted their own bill based on extensive research.

USAID helped bring about a meeting of leading corporate philanthropists hosted by The Asia Foundation with Rio Tinto Indonesia in which participants agreed to create a working group to develop concrete ways to promote corporate social responsibility towards Indonesian civil society. USAID also helped establish a "NGO Learning Center" website at www.cbngo.or.id, in collaboration with a network of local NGOs and leading corporations such as Nestle and Coca Cola. The USAID-supported DISCUSS network of local NGOs has successfully secured technical assistance and software from Microsoft.

Independent Media: USAID-supported groups actively contributed to the debate on broadcasting and press freedom laws in 2001. Media watch activities in 6 provinces reported on violence against journalists and lobbied for press freedoms. By the year's end, despite widespread fears that the new Megawati government would reinstate press controls, public pressure was sufficient (boosted largely by USAID grantees) to ensure that media freedoms did not come under threat. USAID also provided training for reporting on conflict situations to enhance the neutrality and professionalism of journalists. USAID trained journalists made a significant contribution to reducing tensions in Central Sulawesi and the Maluku through more objective reporting.

Political Process and Democratic Institutions: USAID assisted both civil society and the parliament's constitutional drafting committee to produce a new constitutional amendment, including "in principle" agreement of direct presidential elections, a key demand of community groups. USAID support also significantly enhanced the transparency of key representative institutions. Assisted by USAID-funded NGOs, parliament conducted fit and proper tests for electoral commissioners and Supreme Court judges, the first time public officials had been subject to public vetting for office. Parliamentary commissions subsequently adopted similar practices. Use of Internet technologies to share information and increase community participation in governance is giving citizens access to critical public information and promoting debate. One website, supported by a USAID grant, posted more than 5,000 rules, regulations and laws.

Rule of Law: Corruption and a weak justice sector continue to block major progress in this sector. Although the indictment of Tommy Suharto for the murder of a Supreme Court judge and the investigation of House of Representatives Speaker Akbar Tandjung have grabbed recent headlines, there has been little progress in actual prosecutions or strengthening judicial institutions. USAID-supported human rights groups and institutions, however, are maintaining the demand for reform. These include the National Human Rights Commission, the Legal Aid Institute, regional legal aid institutes, and human rights networks in Aceh and Papua. USAID assistance has helped shape the new national human rights court law, a new law on truth and reconciliation, and the formation of a new NGO devoted to monitoring the judiciary. Capacity-building and technical support to the recently-formed National Law Commission and to regional NGOs in Aceh, North Sumatra, Central Java, West Java, East Kalimantan, and Papua helped protect the rights of women, workers, farmers and indigenous peoples. A new program launched in 2001 will help Indonesia combat the growing problem of trafficking of persons.

497-008: Health of Women and Children Improved

USAID's health, population and nutrition programs met planned targets for 2001 demonstrating impact at the strategic objective level by helping Indonesia maintain its national contraceptive prevalence rate and increase the proportion of births attended by skilled health personnel. Women and children are the key beneficiaries of the program. This program contributed significant results in 2001 under USAID's Global Health (Pillar III) Objectives 1 through 5.

Family Planning/Reproductive Health: Contraceptive prevalence has remained stable at 57%, (the 1997 pre-crisis rate), a significant achievement given the impact of five years of economic crisis, rising poverty rates, and 4.2 million potential new acceptors entering their reproductive years each year (in addition to 24 million continuing users). USAID supported the continued use of family planning through training some 31,000 family planning field workers to improve the quality and delivery of family planning services and counseling.

Maternal Health: Indonesia's maternal death ratio is among the highest in the ASEAN region. The majority of women deliver at home and the greatest numbers of deaths occur in the immediate post-partum period. USAID is working to make pregnancy and childbirth safer through increasing the number of births that are attended by a skilled provider and preparing families and communities for delivery. Data from one study in West Java (a USAID program area) suggest that 55% of births were attended by a skilled midwife -- an increase from 31% in 1997 (IDHS). USAID launched a major research initiative in FY

2001 which will document the effect of maternal multiple micronutrient (MMS) supplementation on low birth weight and maternal and infant mortality. This effort will help establish regional and global policy regarding MMS as part of maternal care.

Child Health and Nutrition: Both urban and rural families are struggling to cope with rising poverty as evidenced by the increasing number of urban street children and children suffering micronutrient deficiencies. In Indonesia's four largest cities, 38 indigenous NGOs are using USAID financial and technical assistance to improve the health and welfare of street children, particularly the girl child. With USAID support, 18 million pre-school children receive Vitamin A capsules to prevent childhood blindness and reduce the risk of severe morbidity and mortality. In 2001, it is estimated that the lives of some 35,000 children under 5 were saved by this cost-effective child survival intervention.

HIV/AIDS: HIV/AIDS is now recognized as a "concentrated epidemic" in Indonesia. In 2001, 40% of injecting drug users (IDUs) in selected Jakarta treatment centers tested positive for HIV. Estimated HIV infection rates among selected groups of female sex workers ranged from 8% in Riau, 17% in Jakarta, to 26% in Merauke, Papua. Among this high-risk population group, condom use remained stable at 41% in 2001. Since the potential for the spread of HIV throughout Indonesia and across international borders increased significantly in 2001, USAID reclassified Indonesia as an intensive focus country for HIV/AIDS prevention. Additional resources will allow USAID to scale up HIV prevention activities designed to change high-risk behaviors, promote the use of condoms, strengthen STI treatment, and initiate second generation HIV/AIDS surveillance.

497-009: Impact of Conflicts and Crises Reduced

Overall, this program met planned targets in 2001, contributing significant results under USAID's DCHA (Pillar IV), Objective 5 "Conflict". USAID's P.L.-480 Title II food aid Transitional Activity Program (TAP) is having a direct and significant impact on the health, productivity, and social stability of vulnerable populations in urban slums and rural areas by providing a stable food supply, income generation opportunities, and community improvement. The program is implemented through a consortium of U.S. NGOs, which distributed almost 16,500 MTs of commodities to nearly 200,000 families in 2001.

Improving Food Security: The TAP operates primarily in low-income urban areas where childhood malnutrition rates (wasting in excess of 13%) indicate a chronic food emergency by world standards. The TAP has successfully improved access to food among low-income urban dwellers in Jakarta, Surabaya, and Makassar. USAID's program is the first in the world to link food aid with scientific nutritional monitoring to more accurately gauge impact and refine targeting. USAID partner Helen Keller International (HKI) collected baseline data on beneficiaries and established control groups in five TAP areas of operation to monitor childhood anemia and maternal wasting as primary indicators of nutritional status. Initial data show that the NGO implementers have been extremely successful in targeting the poorest segments of the population and that the nutritional status of children is improving in their target areas. Linking HKI's food monitoring expertise with TAP food aid has allowed USAID to not only scientifically measure the nutritional impact of the TAP interventions, but to capitalize upon natural synergy between health and food programs.

The TAP has also enhanced food security in under-served rural areas of Central Java, East Kalimantan, and East Nusa Tenggara. In Central Java, TAP supplemental feeding programs reduced severe malnutrition rates from nearly 10 percent to 4 percent. In remote areas of East Kalimantan, TAP assistance helped communities devastated by forest fires improve food security and nutritional status through crop diversification, integrated pest management, supplementary feeding, and health and nutritional education programs.

Conflict Prevention: The urban poor in Indonesia can be susceptible to extreme elements in Indonesia, who often recruit from the ranks of the urban poor using cash payments to entice participation in street protests. The TAP has served as an effective entry point or framework for promoting peace-building efforts. Qualitative reports from U.S. NGO partners show that the TAP combats recruitment for radical purposes by providing job opportunities for the unemployed and fostering greater community morale as

living areas are upgraded through food-for-work projects. In Central Java, an area prone to sectarian conflict, TAP-funded inter-faith committees have used joint food-for-work programs to foster community cooperation on projects such as common marketplaces and athletic fields. The mutual “sweat equity” invested in these projects reinforces community bonds between residents of different faiths and reduces the risk of future conflict.

The TAP activities represent one component of USAID’s effort to promote conflict prevention and mitigation under this strategic Special Objective. The Office of Transition Initiatives (OTI) supports conflict resolution efforts such as improving communication of accurate information in and supporting resettlement and reconciliation in “hot spot” areas and among IDP populations. Democracy programs focus on transforming conflict situations into new, productive and sustainable relationships by promoting inter-ethnic and inter-faith dialogue. Decentralization programs help resolve community-level conflicts over resource allocations through the use of participatory and non-violent planning mechanisms. The Natural Resources Management program recognizes the potential for conflict surrounding control of natural resources and is promoting dialogue and community involvement in decisions regarding natural resources.

Humanitarian Assistance: The TAP’s U.S. NGO partners also served as effective partners for the rapid delivery and implementation of over \$6.2 million in USAID Office of Foreign Disaster Assistance emergency assistance in 2001, benefiting nearly 475,000 people. Beneficiaries included hundreds of thousands of internally displaced persons who were victims of ethnic or sectarian strife and of natural disasters (earthquakes, landslides and flooding). In February 2001, the existence of on-going TAP operations in Surabaya allowed NGO partner World Vision to respond rapidly with life-saving assistance to 100,000 Madurese who fled ethnic violence in Central Kalimantan.

497-010: Strengthening Local Government

On January 1, 2001, Indonesia launched a rapid and deep devolution of authority to local government, many of which lack the skills needed to manage functions, services, and resources in an effective, transparent, and participatory manner. Successful decentralization is a key factor in maintaining Indonesia’s territorial integrity by responding to local demand for more equitable political and fiscal relations between the center and the regions.

Overall, this program exceeded planned targets for 2001. Decentralization has moved forward smoothly with over 2 million civil servants transferred to local government payrolls. A recent USAID-funded assessment through The Asia Foundation found that decentralization is promoting democracy and more responsive government. Funds are being transferred from central to local government in a transparent manner. Parliament, local government associations, and local NGOs are engaged in active public debate on revising the two major laws governing decentralization. Special autonomy laws reflect major steps in defusing potential conflict in Aceh and Papua. This program contributed significant results in 2001 under USAID’s DCHA (Pillar IV), Objective 4 “More transparent and accountable government institutions encouraged”.

Through technical assistance and training, USAID programs are building the capacity of more than 60 Indonesian local governments to carry out their new responsibilities. USAID programs are leading to the adoption of improved local budget and planning processes which reflect community priorities in areas such as basic education, health, water services, and natural resource management. USAID is helping associations of local governments, representing city, county and provincial officials, advocate effectively for better local governance.

Policy Reform: USAID policy assistance has played a critical role in assisting the Government of Indonesia (GOI) to develop national revenue-sharing formulas, revise local tax policy, and adopt regulations that clarify the roles and functions of local government. USAID is the only donor with substantial programs at both the local and central levels of government; accordingly, its policy advice is valued by the GOI because it is informed by the realities of local situations. In line with the Global

Development Alliance, USAID's program generates opportunities for public-private sector cooperation by encouraging transparency in local planning and decision-making, and fostering community participation in identifying local development priorities. USAID programs complement and leverage the resources other donors such as the World Bank and Asian Development Bank are investing in decentralization and regional economic development in Indonesia.

Local Government Capacity Building: USAID technical assistance and training assistance directly reaches more than 60 local governments (15 percent of all local governments). All these local governments have committed financial and tangible resources to cooperate with USAID. USAID's local government participatory planning model, being implemented in 35 of the 60 local governments, offers Indonesians their first real opportunity to have a voice in local government decision-making.

After receiving USAID training in performance budgeting, the city of Samarinda, East Kalimantan committed to adopting performance budgeting principles two years ahead of the central government's schedule and has agreed to share costs for additional training for local officials. Twelve local governments are successfully restructuring water enterprises to increase profitability and improve service delivery. USAID assistance to local water utilities in 2001 expanded access to piped water for 370,000 people and led to \$5 million in subsidy reductions. Seven local governments and three associations are now partnered with U.S. cities and associations in Oregon, California, Texas and Georgia through the Resource Cities program, which promotes technical and informational exchanges on how to improve local government performance. USAID-assisted associations of local government are emerging as the voice of local government. Their role in the current debate on revising the two foundation laws governing decentralization helps ensure that views of local government and the public, particularly from outlying regions, are channeled to decision-makers in Parliament and GOI ministries.

497-011: Promoting Economic Growth

Overall, this program met planned targets for 2001 for helping accelerate Indonesia's economic recovery and strengthen the capacity of key institutions and policy-makers to undertake economic reforms necessary for long-term equitable growth. This program contributed significant results in 2001 under USAID's EGAT (Pillar II), Objective 1 "Critical private markets expanded"; Objective 2 More rapid and enhanced agricultural development and food security encouraged"; and Objective 3 "Access to economic opportunity for the rural and urban poor expanded and made more equitable". Key institutional beneficiaries include Bank Indonesia, The National Development Planning Board, the Indonesian Bank Restructuring Agency (bank asset sales), the Jakarta Initiative Task Force (corporate debt restructuring), the Ministry of Finance (budget and tax) and the Ministry of Trade and Industry (WTO, trade issues). Micro-lending programs target low-income families.

Economic Policy and Reform: USAID assistance contributed significantly to meeting IMF targets for asset recovery and corporate debt restructuring in 2001. The Jakarta Initiative Task Force (JITF), with USAID support, has now restructured \$14.2 billion in corporate debt. The Indonesia Bank Restructuring Agency (IBRA) returned \$2.8 billion to the state budget, moved to a "fair market value" concept, increased sales of un-restructured debts, and enhanced oversight functions to accelerate the final approval of deals. USAID is helping maintain momentum for trade policy reforms, despite political pressure to reverse the process. Tariffs have been reduced by nearly 50% over the past 6 years and most non-tariff barriers have been eliminated. With USAID encouragement, Bank Indonesia adopted a market friendly small credit promotion policy and abandoned lending quotas, as required by the IMF Letter of Intent. Analysis by USAID experts on rice production in five regions of Indonesia led the GOI to better understand the impact of rice price on poverty and the need to revise rice policy.

Legal and Regulatory Reform: USAID helped with the drafting, passage and implementation of key economic reform laws, with increased emphasis on laws related to the fight against terrorism, such as bank secrecy and money laundering, in the post-September 11th environment. Assistance in drafting the

Warehouse Receipts Law, crucial to the operation of the Commodities Exchange, will allow farmers to receive higher prices. The Companies Law currently under revision will help open Indonesia's market and attract foreign investment. Draft implementing regulations for the Secured Transactions Law will lower the cost of credit. USAID helped shape the framework of banking regulation and supervision and the standards for financial disclosure by publicly listed companies. USAID technical assistance helped establish the guidelines for Indonesia's first independent regulatory commission, the Business Competition Commission. A working alliance between USAID and the American Chamber of Commerce helped Indonesia adopt a pro-competition regulatory framework for telecommunications.

Close working ties were established with 20 regional universities. More than 20 influential reports, draft laws, and draft regulations were provided to local governments and parliaments on issues ranging from decentralization to corporate restructuring. Training centers at three regional universities helped to improve the quality of legislative drafting and analysis by local parliamentarians and their staff, university faculty, and government officials.

Open Access to Opportunities: USAID micro-lending programs have generated 2.8 million commercial term loans since 1995 with over 98 percent repayment. In the under-developed province of Papua, over 3,100 small business owners were assisted. An USAID-supported network of SME owners successfully advocated changes to local tax collection practices in the silver industry in Central Java and negotiated more efficient handling of products sent through regional ports in Sulawesi. USAID catalyzed collaboration between the public and private sectors in the information communications technology sector (ICT) that led to the development of ICT national guidelines and an Action Plan that was issued in a Presidential Decree in 2001.

497-012: Natural Resources Management

This program exceeded targets in 2001 as local management of Indonesia's forests, protected areas, coastal zones, and mineral resources demonstrated clear improvement. The achievements in this area are a significant result under the Agency's EGAT Objective 5 "World's environment protected". USAID-supported site management plans are encouraging more participatory and transparent decision-making on natural resource management in a context of rapid decentralization. In 2001, USAID helped implement 51 site-specific plans that placed 700,000 hectares of forest and coastline under better management and protection -- exceeding USAID's target of 42 plans and 410,000 hectares. Significant progress on the clarification of roles and responsibilities for natural resource management led to more than 180 policy decisions made by the GOI in a participatory and transparent manner with local communities.

In North Sulawesi fishing villages where USAID has funded community-based coastal zone management plans, fish abundance has more than doubled, fish diversity has increased significantly (from 56 to 95 species recorded), and more than 72 percent of the coral reefs have stabilized or improved (44 percent of sites experienced a 10 to 20 percent increase in hard coral over the period of 1997 to 2001). In Bunaken National Marine Park, home to world-renowned coral reefs, USAID helped establish a multi-stakeholder advisory board subsequently authorized by the national and local government to charge entrance fees and manage the proceeds for park operations. In the first 7 months, regular joint park ranger and villager patrols have been instituted, fish bombing incidents have decreased significantly, and there has been a corresponding 5% increase in hard coral cover.

With USAID assistance, Balikpapan -- a key port city in East Kalimantan and home to several endangered species including river dolphins, sun bears, and orangutans -- prepared a comprehensive and participatory watershed management plan, and then backed the plan with a budget of over \$300,000 for 2002. In the Bird's Head Peninsula area of Papua, USAID is protecting endangered sea turtles by working with local communities to establish land tenure and resolve conflicts over natural resource rights. As a result of village patrols and public awareness activities, the number of turtles landing to nest in this area has increased by 50% since 1999.

USAID-supported advisory boards, representing government, business, and community perspectives, are proving to be an effective mechanism for achieving tangible progress in sustainable and transparent forest management. In East Kalimantan, a USAID-supported advisory board facilitated the establishment of the West Kutai District Forest Management Plan, covering 1.6 million hectares. The West Kutai district government allocated matching funds and the Ministry of Forestry is considering ways to replicate this approach in other protected forest areas.

497-013: Energy Sector Reform

This program exceeded targets in 2001. USAID policy assistance helped the Government of Indonesia (GOI) take major steps toward critical energy sector reform by reducing energy subsidies and passing a pro-competition oil and gas law. This program contributed significant results in 2001 under USAID's EGAT (Pillar II), Objective 1 "Critical, private markets expanded and strengthened".

Reducing Fuel Subsidies: The energy sector is a major component of the Indonesian economy, generating 35% of total GOI revenues and significant foreign exchange. However, massive energy subsidies siphon off half of the sector's \$10 billion in annual revenues. In 2001, the GOI demonstrated its resolve to address this issue by increasing prices of electricity by 17.5% and petroleum products by 29%. The fuel price increase in 2001 reduced the GOI subsidy amount by \$1.13 billion. The Center for Energy Information, established through USAID support to the Ministry of Energy and Mineral Resources, produced policy analysis on pricing and subsidy removal that led to the enactment of a new law eliminating all petroleum subsidies by 2004, except kerosene. Kerosene, and electricity subsidies, will be eliminated by 2005. The Indonesian Parliament approved a 2002 government budget that includes a 30% reduction in energy subsidies, as recommended by USAID experts. USAID assisted a coalition of local NGOs to build public support for subsidy elimination and increase citizen understanding about why prices were increasing. These NGOs conducted public hearings on energy subsidies, helped the GOI develop an impact mitigation strategy, and expressed their views in testimony before the Parliament.

Policy Reform: USAID technical assistance with legal drafting led to the enactment of a new oil and gas law in October 2001 that increases competition and efficiency by ending the monopoly of the State Oil and Gas Company (Pertamina). Implementation of the law will upgrade product quality for consumers, increase government revenues, and improve air quality. Similar work is underway to encourage the GOI to enact a new law governing electricity to increase efficiency, introduce independent regulation, and open the power market to competition.

USAID technical assistance played a key role in Indonesia's decision this year to phase out leaded gasoline by 2003.

**Table 1: Annual Report Selected Performance Measures
INDONESIA**

March 21, 2002

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Pillar I: Global Development Alliance: GDA serves as a catalyst to mobilize the ideas, efforts, and resources of the public sector, corporate America and non-governmental organizations in support of shared objectives						
1	Did your operating unit achieve a significant result working in alliance with the private sector or NGOs?	Yes X	No	N/A	DA&ESF	SO11: Economic Growth and SO9: Conflicts and Crises
2	a. How many alliances did you implement in 2001? (list partners)	2 in FY 2001			DA&ESF	American Chamber of Commerce -- SO11 and SO9
	b. How many alliances do you plan to implement in FY 2002?	TBD				
3	What amount of funds has been leveraged by the alliances in relationship to USAID's contribution?	N/A				Data Not Yet Available
Pillar II: Economic Growth, Agriculture and Trade: USAID works to improve country economic performance using five approaches: (1) liberalizing markets, (2) improving agriculture, (3) supporting microenterprise, (4) ensuring primary education, and (5) protecting the environment and improving energy efficiency.						
4	If you have a Strategic Objective or Objectives linked to the EGAT pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met	Not Met		
4a	SO-11: Economic Growth	Exceed	Met X	Not Met	DA&ESF	Central Board of Statistics, Indonesian Bank Restructuring Agency, Bank Rakyat Indonesia, and USAID contractor implementation reports.
4b	SO-12: Natural Resource Management	Exceed X	Met	Not Met	DA&ESF	USAID implementer field survey data and reports.
4c	So-13: Energy Sector Reform	Exceed X	Met	Not Met	DA	GOI State Budget and Central Board of Statistics. USAID implementer reports.
USAID Objective 1: Critical, private markets expanded and strengthened						
5	Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO11: Economic Growth; SO13: Energy	Yes X	No	N/A	DA&ESF	Central Board of Statistics, Indonesian Bank Restructuring Agency, Bank Rakyat Indonesia, and USAID contractor implementation reports.

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
USAID Objective 2: More rapid and enhanced agricultural development and food security encouraged					
6 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO11: Economic Growth	Yes X	No	N/A	DA&ESF	USAID contractor implementation reports.
USAID Objective 3: Access to economic opportunity for the rural and urban poor expanded and made more equitable					
7 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO11: Economic Growth	Yes X	No	N/A	DA	Bank Rakyat Indonesia (microlending data) and USAID contractor implementation reports.
USAID Objective 4: Access to quality basic education for under-served populations, especially for girls and women, expanded					
8 Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A X		
9 a. Number of children enrolled in primary schools affected by USAID basic education programs (2001 actual) b. Number of children enrolled in primary schools affected by USAID basic education programs (2002 target)	Male	Female	Total		
USAID Objective 5: World's environment protected					
10 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO12: Natural Resource Management	Yes X	No	N/A	DA&ESF	USAID implementer field survey data and reports.
11 a. Hectares under Approved Management Plans (2001 actual) b. Hectares under Approved Management Plans (2002 target)	700,000			DA&ESF	USAID implementer field survey data and reports.
	TBD			DA&ESF	USAID implementer field survey data and reports.

Indicator (all data should pertain to FY or CY 01)	OU Response			Fund Account	Data Quality Factors
Pillar III: Global Health: USAID works to: (1) stabilize population, (2) improve child health, (3) improve maternal health, (4) address the HIV/AIDS epidemic, and (5) reduce the threat of other infectious diseases.					
12 If you have a Strategic Objective or Objectives linked to the Global Health pillar, did it/they exceed, meet, or not meet its/their targets? SO-08: Health	Exceed	Met X	Not Met	CSH	2001 Ministry of Health statistics on contraceptive prevalence. USAID implementer reports. Next DHS scheduled for 2002.
USAID Objective 1: Reducing the number of unintended pregnancies					
13 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-08: Health	Yes X	No	N/A	CSH	2001 Ministry of Health statistics on contraceptive prevalence. USAID implementer reports. Next DHS scheduled for 2002.
USAID Objective 2: Reducing infant and child mortality					
14 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-08: Health	Yes X	No	N/A	CSH	Helen Keller International quarterly survey data on Vitamin A coverage.
USAID Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth					
15 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-08: Health	Yes X	No	N/A	CSH	Population-based survey in West Java (USAID implementation area).
USAID Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries					
16 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-08: Health	Yes X	No	N/A	CSH	USAID 2001 implementing partner reports. Indonesia recategorized as "concentrated epidemic" country in 2001 - program being revised and expanded.
USAID Objective 5: Reducing the threat of infectious diseases of major public health importance					
17 Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-08: Health	Yes X	No	N/A	CSH	USAID implementer reports. New malaria and TB activities launched in FY2001.

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
Pillar IV: Democracy, Conflict and Humanitarian Assistance						
18	If you have a Strategic Objective or Objectives linked to the Democracy, Conflict and Humanitarian Assistance Pillar, did it/they exceed, meet, or not meet its/their targets?	Exceed	Met	Not Met		
18a	SO-07: Democratic Reforms	Exceed	Met X	Not Met	DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
18b	SO--09: Impact of Conflict and Crises Reduced	Exceed	Met X	Not Met	DA&IDA	Nutritional surveillance data (biannual) through Helen Keller International. USAID NGO partner data and reports.
18c	SO-10: Decentralization	Exceed X	Met	Not Met	DA&ESF	Indonesia Rapid Decentralization Assessment data for 2001. USAID implementer data and reports.
USAID Objective 1: Rule of law and respect for human rights of women as well as men strengthened						
19	Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-07: Democratic Reforms	Yes	No X	N/A	DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
USAID Objective 2: Credible and competitive political processes encouraged						
20	Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-07: Democratic Reforms	Yes	No X	N/A	DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
USAID Objective 3: The development of politically active civil society promoted						
21	Did your program achieve a significant result in the past year that is likely to contribute to this objective? SO-07: Democratic Reforms	Yes X	No	N/A	DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
USAID Objective 4: More transparent and accountable government institutions encouraged						
22	Did your program achieve a significant result in the past year that is likely to contribute to this objective?	Yes	No	N/A		
22a	SO-07: Democratic Reforms	Yes X	No	N/A	DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
22b	SO-10: Decentralization	Yes X	No	N/A	DA&ESF	Indonesia Rapid Decentralization Assessment data for 2001. USAID implementer data and reports.

Indicator (all data should pertain to FY or CY 01)		OU Response			Fund Account	Data Quality Factors
USAID Objective 5: Conflict						
23 Did your program in a pre-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?		Yes	No	N/A		
23a SO-07: Democratic Reforms		X			DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
23b SO-09: Impact of Conflict and Crises Reduced		X			DA&ESF	Nutritional surveillance data (biannual) through Helen Keller International. USAID NGO partner data and reports.
24 Did your program in a post-conflict situation achieve a significant result in the past year that is likely to contribute to this objective?		Yes	No	N/A		
24a SO-07: Democratic Reforms		X			DA&ESF	USAID implementer data and reports. USAID Civil Society Strengthening Program collects impact data for SO activities and trains local NGO partners on results reporting.
24b SO-09: Impact of Conflict and Crises Reduced		X			DA&ESF	Nutritional surveillance data (biannual) through Helen Keller International. USAID NGO partner data and reports.
25 Number of refugees and internally displaced persons assisted by USAID		Male 220,000	Female 252,000	Total 472,000	IDA&ESF& CSH	NGO partner data and reports. Includes IDP victims of natural disasters.
USAID Objective 6: Humanitarian assistance following natural or other disasters						
26 Did your program achieve a significant result in the past year that is likely to contribute to this objective?		Yes X	No	N/A		NGO partner data and reports.
27 Number of beneficiaries		18,800			IDA	NGO partner data and reports.

Table 2: Selected Performance Measures for Other Reporting Purposes

The information in this table will be used to provide data for standard USAID reporting requirements

INDONESIA

Indicator (all data should pertain to FY or CY 01)	OU Response	Fund Account	Data Quality Factors
Child Survival Report			
Global Health Objective 1: Reducing the number of unintended pregnancies			
1 Percentage of in-union women age 15-49 using, or whose partner is using, a modern method of contraception at the time of the survey. (DHS/RHS)	57%	CSH	Estimate based on 2001 Ministry of Health statistics on contraceptive prevalence. USAID implementer data and reports. Next DHS scheduled for 2002.
Global Health Objective 2: Reducing infant and child mortality			
2 Percentage of children age 12 months or less who have received their third dose of DPT (DHS/RHS)	Male Female Total		n/a
3 Percentage of children age 6-59 months who had a case of diarrhea in the last two weeks and received ORT (DHS/RHS)	Male Female Total		n/a
4 Percentage of children age 6-59 months receiving a vitamin A supplement during the last six months (DHS/RHS)	Male Female Total	72%	CSH Helen Keller International quarterly survey on Vitamin A coverage.
5 Were there any confirmed cases of wild-strain polio transmission in your country?	No		
Global Health Objective 3: Reducing deaths and adverse health outcomes to women as a result of pregnancy and childbirth			
6 Percentage of births attended by medically-trained personnel (DHS/RHS)	55%	CSH	Population-based survey in West Java (USAID implementation area).
Global Health Objective 5: Reducing the threat of infectious diseases of major public health importance			
7 a. Number of insecticide impregnated bed-nets sold (Malaria) (2001 actual) b. Number of insecticide impregnated bed-nets sold (Malaria) (2002 target)			n/a n/a
8 Proportion of districts implementing the DOTS Tuberculosis strategy			n/a

HIV/AIDS Report

Global Health Objective 4: Reducing the HIV transmission rate and the impact of HIV/AIDS pandemic in developing countries

<p>a. Total condom sales (2001 actual)</p> <p>9</p> <p>b. Total condom sales (2002 target)</p>					<p>n/a</p> <p>n/a</p>
<p>a. Number of individuals treated in STI programs (2001 actual)</p> <p>10</p> <p>b. Number of individuals treated in STI programs (2002 target)</p>	Male	Female	Total		<p>n/a</p> <p>n/a</p>
<p>11 Is your operating unit supporting an MTCT program?</p>					<p>n/a</p>
<p>a. Number of individuals reached by community and home based care programs (2001 actual)</p> <p>12</p> <p>b. Number of individuals reached by community and home based care programs (2002 target)</p>	Male	Female	Total		<p>n/a</p> <p>n/a</p>
<p>a. Number of orphans and vulnerable children reached (2001 actual)</p> <p>13</p> <p>b. Number of orphans and vulnerable children reached (2002 target)</p>	Male	Female	Total		<p>n/a</p> <p>n/a</p>
<p>a. Number of individuals reached by antiretroviral (ARV) treatment programs (2001 actual)</p> <p>14</p> <p>b. Number of individuals reached by antiretroviral (ARV) treatment programs (2002 target)</p>	Male	Female	Total		<p>n/a</p> <p>n/a</p>

Victims of Torture Report

Democracy, Conflict, and Humanitarian Assistance Objective 7: Providing support to victims of torture

15 Did you provide support to torture survivors this year, even as part of a larger effort?	n/a				
16 Number of beneficiaries (adults age 15 and over)	Male	Female	Total		
17 Number of beneficiaries (children under age 15)	Male	Female	Total		

Global Climate Change

USAID Objective 5: World's environment protected

18 Global Climate Change: See GCC Appendix			
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