



USAID | INDONESIA

COUNTRY PROFILE

2009



Photo: USAID/ HSP

A volunteer weighs a child during a Posyandu (health gathering) activity in Surabaya. One of the main goals of the Health Services Project is to improve access to quality health services in both the public and private sectors.

INDONESIA SNAPSHOT

Date of independence:
1945

Population:
240 million (2009 est.)

GDP – per capita:
\$3,900 (2008)

OVERVIEW

Indonesia, the country with the world’s largest Muslim majority, serves as a model in blending a democratic political system with moderate Islamic thought and practice. The Government of Indonesia actively pursues the fight against corruption, is a partner in the global war on terrorism and works hard to provide a better future for its people. As the world’s fourth most populous country, with abundant natural resources and access to key shipping lanes, Indonesia is a potentially important trading partner. USAID and its predecessors have worked in Indonesia since 1950. Today, USAID assistance programs focus on basic education, democratic governance, economic growth, health, water, food and the environment. Through targeted technical assistance, USAID programs also support implementation of the Aceh peace accord, which ended 30 years of conflict in Aceh province.

PROGRAMS

BETTER STUDENT AND SCHOOL PERFORMANCE

In 2003, President Bush announced a \$157 million, five-year Presidential Education Initiative to energize and improve the quality of education in Indonesia’s state-run religious and public schools. The approach has emphasized critical thinking and reasoning skills, lively lessons, engaged teachers, and interested parents to promote tolerance, employment readiness, and student centered learning for a participatory democracy. Since the start of the Presidential Initiative, more than 1,272 schools, 21,069 educators, and 345,983 students have benefitted directly from USG assistance to improve teaching and learning, better school management, and community participation. At both national and local levels this Presidential Initiative has ignited donor and Indonesian interest in joint coordination and cooperation to extend USAID practices across the far-flung archipelago. The initiative has leveraged \$555,000 from non-USG sources where activities are being implemented in 3,200 new schools and thereby laying the base for a more widely established and enduring legacy. By 2010, the program is expected to reach 9000 schools with the promotion of ownership and dissemination of new methods for delivering basic education assistance directly to the local level where it can be more effectively and accountably targeted.

PROMOTING DEMOCRATIC GOVERNANCE AND POLITICAL STABILITY

By consolidating democratic reforms in Indonesia, USAID builds effective and accountable governance and enhances Indonesian capacity to mitigate conflict. USAID initiatives enhance the capacities of 57 local governments, together with civil society and the media, in the areas of integrated planning and budgeting, local government management, citizen-focused service delivery, resource management and mobilization and participatory governance. USAID also supports peace-building in conflict-affected areas, promotes judicial reform, supports electoral processes, encourages community dialogue, strengthens the capacity of the national parliament, advances national democratic reforms, supports sustainable peace in Aceh and helps Indonesia reduce trafficking of women and children.

INDONESIA STRENGTHENS ITS ECONOMY

For years, corruption has hampered Indonesia’s economy, but recent efforts to combat corruption, enhance financial sector soundness and build a better business climate have paid off. With USAID’s assistance, Indonesia was removed from the Financial Action Task Force’s “money laundering” monitoring list in 2006. Increased investment in 2008 also spurred the economy, which grew by 6.1 percent, while foreign direct investment in Indonesia rose to \$14.8 billion in 2008 – a 44 percent increase from the previous year. USAID supported the establishment of 33 one-stop service centers for business registration, slashing the time to register a business from 32 days to 13 and cutting costs by two-thirds.



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TSUNAMI RECOVERY AND RECONSTRUCTION MOVES AHEAD

Tsunami recovery and reconstruction efforts are finished and Aceh province is clearly focusing on its future. USAID continues to be engaged in education, including teacher training, more effective management and governance of schools, and the establishment of higher education linkages; democratic governance to develop the capacity of local leadership and improve the service delivery capabilities of government institutions; peace building activities between communities; and economic development. The later supports the Governor's "Aceh Green Policy" which protects the environment while creating new jobs and livelihoods. Significant progress has been made on the Banda Aceh to Calang west coast highway and economic linkages and opportunities will continue to expand as these infrastructural efforts continue into CY 2010.

IMPROVE HEALTH AND REDUCE DISEASE THREATS

The maternal mortality rate in Indonesia remain one of the highest in East Asia, and still approximately 225,000 newborns and children under five die each year from preventable, poverty-related diseases, like diarrhea. With decentralization, the responsibility for health is now at the local level. USAID has stepped in to help local district governments through a district team problem solving approach to provide assistance on their planning and budgeting to support Maternal, Neonatal and Child Health (MNCH) programs. Technical support at the national level is provided to improve service delivery standards and guidelines in order to address quality of maternal and newborn care. USAID also supports national efforts to control avian and pandemic influenza (API) in Indonesia. To date, USAID has established animal health surveillance and disease control network across 324 districts in Indonesia, trained more than 27,000 village volunteers and 2,151 animal health officers, and disseminated hundred of thousands of education and information materials. With the emergence of Influenza A (H1N1) or 'swine flu' USAID will continue AI efforts and also help Indonesia to prepare for H1N1. Preventing HIV/AIDS in at risk populations also continues to be a high priority, as does strengthening the National Tuberculosis Program response.

IMPROVE MANAGEMENT OF NATURAL RESOURCES

Natural resource depletion would result in severe local hardship, in the loss of wildlife, in political unrest, and in increased greenhouse gasses that affect climate worldwide. USAID assistance helped protect 2 million hectares of forest in areas with wild orangutan populations. Activities support the implementation of the National Action Plan for Orangutan Conservation in five key provinces. Strengthening law enforcement information networks led to the release of three orangutans from captivity and two successfully prosecuted wildlife crime cases. USAID partners signed agreements with carbon brokers and the Government of Indonesia to reduce carbon emissions and mitigate climate impacts through forest protection.

USAID watershed protection assistance resulted in almost 200,000 hectares of high conservation value forest under improved local management. With a 'ridges to reef' approach, partners improve water resource management from watershed sources along rivers and through cities to coastal reefs. USAID supports the government's commitments to significantly increase access to safe water and reduce diarrhea prevalence through sanitation and hygiene improvements. USAID assistance resulted in 205,114 households with improved water access; 138,237 people benefiting from improved sanitation and 702 million liters of water treated by a point-of-use method.