

Data Sheet

USAID Mission:	Indonesia
Program Title:	Promoting Economic Growth
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	497-011
Proposed FY 2004 Obligation:	\$5,100,000 DA; \$6,800,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2005 Obligation:	\$13,800,000 ESF
Year of Initial Obligation:	FY 1999
Year of Final Obligation:	FY 2005

Summary: USAID's economic growth program is helping Indonesia meet broad-based medium-term growth as outlined in the Government of Indonesia's (GOI) post-IMF Economic Policy Package. Priority is placed on strengthening key GOI economic governance institutions in partnership with the private sector and civil society. USAID targets investment in technical assistance, training, information communications technology and commodities. Emphasis is placed on capacity building of key economic institutions and financial safety nets (deposit insurance) to encourage a demand driven policy environment led by the private sector and supported by civil society organizations.

Inputs, Outputs, Activities:

FY 2004 Program:

Economic governance (\$335,000 DA; \$5,070,000 ESF). USAID will provide assistance for selected independent regulatory commissions (competition, energy, and telecommunications) and the Financial Transaction and Report Analysis Center. This assistance will enable Indonesia to begin putting in place a legal and regulatory framework that is transparent, effective and enforceable. Assistance aimed at counter terrorism-finance will help the GOI draft, implement and enforce its laws addressing money laundering, cyber-crime and terrorism on a jurisdiction-wide basis. USAID will fund technical assistance and training to strengthen national and local legal institutions in partnership with other U.S. agencies including the U.S. State Department, Department of Justice and the U.S. Federal Trade Commission.

Economic policy (\$1,730,000 ESF). New activities will build on past capacity building and public outreach efforts with the Secretariat of the National Parliament including its Trade and Industry and Finance sections. USAID assistance will work with private sector associations and civil society organizations to increase their active participation in economic discussions and decision-making. Innovative programs using video-conferencing and e-learning mechanisms will continue at regional universities and may be incorporated by other education initiatives. Principal contractors and grantees include Nathan Associates (prime) with the Boston Institute for Development Economics (sub), and Georgia State University.

Trade and investment (\$4,765,000 DA). USAID technical advisors will provide direct technical assistance and training to key economic ministries such as Industry and Trade, Finance, Agriculture, and National Development. Private sector and civil society organizations will be brought into demand driven policy reform dialogues on improving the trade and the investment climate, competition policy, and labor and tax policies. Policy-related activities will improve the regulatory environment for micro, small and medium enterprises. Technical assistance will increase the capacity of business development services in selected non-farm industries, and expand access to Development Credit Authority-partner financial institutions that use international best practices. Principal contractors and grantees include The Asia Foundation (prime); Nathan Associates (prime) with the Boston Institute for Development Economics (sub); Development Alternatives, Inc. (prime); Bearing Point (prime); CARE; Opportunity International; and Financial Services Volunteer Corps.

FY 2005 Program:

Economic governance (\$5,100,000 ESF). USAID will continue programs to improve Indonesia's economic laws, regulations, and institutions, particularly those related to counterterrorism-finance on a jurisdiction wide basis.

Economic policy (\$3,100,000 ESF). Assistance may be used to increase the ability of the private sector and civil society to monitor the effect of existing policies, identify weaknesses, develop positions on needed reforms, and advocate for those positions. Work in each policy area may include a mix of business and consumer associations, "think tanks," universities, and civic groups to advocate for positive reforms. Work with the private sector may also include selected interventions and partnerships that can provide "ground-truthing" for policy reforms underway.

Trade and investment (\$5,600,000 ESF). USAID technical advisors will continue to provide direct technical assistance and training to key economic ministries such as Industry and Trade, Finance, Agriculture, and National Development. Private sector and civil society organizations will be brought into demand driven policy reform dialogues on improving the trade and the investment climate, competition policy, and labor and tax policies. USAID plans to expand financial services efforts to promote non-farm economic development in partnership with the private sector by leveraging an existing Public-Private Alliance activity in Sulawesi. USAID may expand activities to stimulate private sector development through agricultural policy and technology and trade and investment assistance linked to the GOI's post-IMF program.

Performance and Results: USAID key results in 2003 helped Indonesia to do the following:

- Meet 2003 targets for asset recovery and corporate debt restructuring;
- Put into place critical amendments to laws, policies, and decrees on anti-money laundering, asset freezing, counter-terrorism, and mutual legal assistance;
- Take the important step towards getting Indonesia off the Financial Action Task Force blacklist by assisting the Financial Transaction Report and Analysis Center to enforce the law on a jurisdiction wide basis;
- Establish the Indonesian Deposit Insurance Agency;
- Assist the private sector in engaging "Team Tariff," an inter-ministerial coordinating body critical to preventing resurgent protectionism;
- Reinvigorate the Business Service Center with the Ministry of Industry and Trade for the benefit of small and medium enterprises; and
- Facilitate the legislative process that supported economic development through the Parliament's specialized commissions.

US Financing in Thousands of Dollars

Indonesia

497-011 Promoting Economic Growth	DA	ESF
Through September 30, 2002		
Obligations	66,142	34,125
Expenditures	58,450	19,307
Unliquidated	7,692	14,818
Fiscal Year 2003		
Obligations	7,000	7,968
Expenditures	8,706	12,964
Through September 30, 2003		
Obligations	73,142	42,093
Expenditures	67,156	32,271
Unliquidated	5,986	9,822
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2004 NOA		
Obligations	5,100	6,800
Total Planned Fiscal Year 2004		
Obligations	5,100	6,800
Proposed Fiscal Year 2005 NOA		
Obligations	0	13,800
Future Obligations	0	0
Est. Total Cost	78,242	62,693