



## EAST KALIMANTAN

As a major producer of oil and timber, East Kalimantan is the most industrially advanced province of Kalimantan Island. It is also home of the original inhabitants of Kalimantan, Orang Gunung or the Mountain People. The tribes are collectively called Dayak, although this name is not embraced by many tribes-people themselves, who prefer to be known by separate tribal names such as Iban, Punan and Banuaq. Local tribes traditionally live in the communal longhouses called Lamin or Umaq Daru. They are built on wooden piles, about 3 meters high as protection against wild animals and flooding.

source: [www.my-indonesia.info](http://www.my-indonesia.info) , [indonesiatraveling.com](http://indonesiatraveling.com)

## Indonesia Recovery on Track

Indonesia's recovery is on track, and the economy is estimated to expand 5.5 percent this year and accelerate to 7 percent in 2012, Standard Chartered Bank says.

"Growth this year may accelerate further to 5.5 percent," Gerard Lyons,

Standard Chartered's chief economist and group head of global research, said Monday (18/1/2010), adding that Indonesia had been a strong performer amid the global recession last year.

Lyons said domestic demand would be the key driver to growth in Asia

while exports would likely have a "very weak rebound". He warned that a "combination of capital inflow and firm domestic demand could bring inflation to Asia".

Tai Hui, Standard Chartered's head of research for the Southeast Asia region, said ... continue to page 3

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# INDONESIA

## *ULTIMATE IN DIVERSITY*



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**DOMESTIC ISSUES**

**Political Issues**

**President to Issue Decree on Border Management**

Batam - President Susilo Bambang Yudhoyono will issue a Decree on a National Border Management Agency, Home Affairs Minister H Gamawan Fauzi said here Friday (15/1/2010) night.

"God willing, the decree will be issued this week," he said in a general lecture when installing the management of Riau Islands Alumni Association of Andalas University Law Faculty (IKA Unand Kepri).

The agency had been set up by the President because the existing border coordination in Papua, Kalimantan and Timor Leste, the front line with other countries is still inadequate, apparently because the management by 25 ministries and non-departmental institutions lacked coordination.

The National Border Management Agency will be chaired by the Minister of Home Affairs a coordinator also preparing several first and second echelon officials this year.

The Home Minister also said the President will soon also issue a grand strategy standardization regulation until 2025 on the division of Indonesia into several provinces, regencies and cities.

He said that in the last 10 years of post-reforms, Law No 22 of 1999 on Regional Administrations and regional expansion (Law No 32 of 2004), there are new 205 provinces, regencies and cities.

Thus now there are 524 provincial, regency and city administrations, but only 38 disadvantaged regions as the result of expansion, and 183 regencies/cities also with disadvantage status, he said. (ANTARA)

**President Yudhoyono Reminds About Ethics in Democracy**

Jakarta - President Susilo Bambang Yudhoyono has reminded all parties in the country about the need to observe certain ethics in democracy, namely that would reflect respect to dignity, self-esteem and status.

In his speech at the confirmation of collective leadership of the National Council of the Corps of Alumni of the Islamic Student Association (KAHMI) at Hotel Borobudur the head of state said that democracy must not become a mere aim but must be implemented along with ethics and values.

"This means real democracy is not mere rallies, disputes and voting but also about how to express views politely, properly, proportionately and contextually," he said.

At the end democracy must benefit the whole people with regard to improving their welfare and social justice, he said.

The Indonesian nation, he said, is actually a big nation because it could preserve its traditions well namely respecting differences in all aspects of life.

"Let us further maintain and preserve it while making transformations for national progress," he said.

President Yudhoyono hoped Indonesia in the future could implement democracy in its full meaning which is a way, a goal and a value.

"We should not only prioritize its first aspect namely democracy as a way but also implement it in harmony with the second and third aspects," he said.

President Yudhoyono expressed his gratitude that Indonesia had developed into a democracy in the past decade so that freedom of expression was assured.

The press, he said, has also grown well. The head of state however reminded that no freedom was without a limit because there were always responsibility and obligations in an individual right.

On the occasion the head of state also expressed the hope that KAHMI could preserve its critical stance and independence and could become one of the main pillars for the nation's big transformation.

He expressed his appreciation to all HMI alumni spreading and being active in various fields including in his cabinet.

"On this important occasion may I express the wish that all KAHMI members and leaders would always maintain their critical power and independence and with full responsibility continue to contribute with constructive ideas for the progress of Indonesia," he said.

President Yudhoyono on the occasion also witnessed the confirmation of the collective

leadership of KAHMI for 2009-2012 that includes Abidinsyah Siregar, Harry Azhar Aziz, Anas Urbaningrum, Viva Yoga Mauladi, Mubyl Handaling and Tamsil Linrung.

Former president Jusuf Kalla was seen attending the event along with former House Speaker Akbar Tanjung and former chief of the Constitutional Court, Jimly Asshidiqie.(ANTARA)

### **Foreign Minister Opens Indonesia - US Interfaith Dialogue**

Jakarta - Foreign Minister Marty Natalegawa here Monday officially opened the first Indonesia-US interfaith dialogue that will run until January 27, in Jakarta on Monday (25/1/2010).

He said he hoped the dialogue would further enhance bilateral relations between the two countries, especially in the social and cultural sectors.

Themed "Building Collaborative Communities: Enhancing Cooperation among People of Different Faiths", the dialogue is a follow up action from both countries to enhance bilateral relation and understanding between people coming from different backgrounds and religious belief.

The three-day event will have think tanks and academics from both countries discuss possible bilateral cooperation in such things as empowerment of moderate societies and ways to cope with negative images already constructed among people from both countries.

Another issues to be discussed during the interfaith dialogue are steps to promote harmonious life in human civilization, ways to tackle poverty, climate change and enhance cooperation in cultural and governmental sectors.

The result of the discussion is expected to be applicable in the everyday life of people in both countries.

On the same occasion, Minister Natalegawa also launched a book containing comments by prominent US figures about Indonesia. The book entitled "Insight into Indonesia: The Perspectives of Americans", It contains writings from former US Secretary of State Henry Kissinger and several Congressmen.(ANTARA)

### **Indonesia to Help Empower Afghan Government and People**

Foreign Minister Marty Natalegawa left Tuesday (26/1/2010) for London to attend an international meeting on the political deadlock in Afghanistan.

Indonesia said it would share its views with Afghanistan government officials and local civil society groups about democratic governance.

Observers and lawmakers, however, urged Indonesia to play a more active role as the largest Muslim population worldwide, including initiating the Afghan government and Western countries to form dialogue with the Taliban.

"One form of assistance we will offer is capacity building in areas of democracy," Marty said Monday.

"We will also explore the possibility of contributing to the reconciliation of Afghanistan, but in the meantime we will focus on providing technical assistance. The Afghan government expects our aid."

Indonesia will participate at the Afghan conference, co-hosted by British Prime Minister Gordon Brown, Afghanistan President Hamid Karzai and UN Secretary-General Ban Ki-moon, in London on Thursday.

Marty will join more than 60 other foreign ministers at the conference to discuss efforts to help the Afghanistan government find a solution to the prolonged conflict for the next two years under the new terms of the Karzai presidency.

Matthew Rous, British Embassy deputy head of mission in Jakarta, said Indonesia would participate at the Afghan conference for the first time after it began in 2006 in London.

"As well as security, there are two other equally essential elements of \*Karzai's\* second administration. These are supporting economic development to give Afghans a stake in the success of their country; and consolidating improvement in democratic, transparent governance," Rous said.

"Indonesia has vast experience in both areas and so it's entirely fitting that Indonesia has the opportunity to contribute at the conference."

Meanwhile, experts and legislators said Indonesia could play a more active diplomatic role as Jakarta had the leverage.

Indonesia is home to the largest Muslim population and the third largest democracy worldwide.

It has been touted as an example where Islam is compatible with democracy.

"Indonesia can exercise its diplomatic muscle with Pakistan and Iran to halt the flow of weapons to Afghanistan," said Fahmi Salsabila of the Indonesian Society for Middle East Studies at the Indonesian Institute of Sciences.

Al Muzzammil Yusuf, lawmaker from the Prosperous Justice Party (PKS), said the Indonesian government should take a different approach to the US in the Afghan conflict.

"The US government takes a military approach, resulting in deadly backlashes that claim civilians' lives. Indonesia can form dialogue with Taliban militants and the Afghan government for a domestic reconciliation," he said. (The Jakarta Post)

## Economic Issues

### Indonesia Economic Recovery on Track

Indonesia's recovery is on track, and the economy is estimated to expand 5.5 percent this year and accelerate to 7 percent in 2012, Standard Chartered Bank says.

"Growth this year may accelerate further to 5.5 percent," Gerard Lyons, Standard Chartered's chief economist and group head of global research, said Monday (18/1/2010), adding that Indonesia had been a strong performer amid the global recession last year.

Lyons said domestic demand would be the key driver to growth in Asia while exports would likely have a "very weak rebound". He warned that a "combination of capital inflow and firm domestic demand could bring inflation to Asia".

Tai Hui, Standard Chartered's head or research for the Southeast Asia region, said Indonesia's central bank might hike rates earlier than its peers because of accelerating inflation. (The Jakarta Post)

### Fitch Ups Indonesia Ratings As Economy Strengthens

Fitch Ratings on Monday (25/1/2010) upgraded Indonesia's long-term foreign and local currency ratings to BB+ from BB, one level below investment grade, citing the country's resilience to the global financial crisis. The ratings' outlook is stable.

"The rating action reflects Indonesia's relative resilience to the severe global financial stress test of 2008 and 2009, which has been underpinned by continued improvements in the country's public finances, a fundamental sovereign rating strength and a material easing of external financing constraints," Ai Ling Ngiam, Fitch's director of Asian sovereign ratings, said in a statement.

Moody's Investors Service on Jan. 21 maintained its Ba2 rating for Indonesia, while Standard & Poor's raised the outlook on its BB- rating for the country to BB+ on Oct. 23, Bloomberg reported.

S&P's rating is three levels below investment grade, while Moody's is two levels below investment grade.

"With the upgrades, the costs of borrowing are expected to be more efficient; and they also push investment to Indonesia because the country's risks have declined," said Rahmat Waluyanto, the Finance Ministry's director general of debt management.

Bank Indonesia said the upgrades were a result of Indonesia's sound macroeconomic management.

Indonesia's foreign exchange reserves continued to increase to almost US\$70 billion last week from \$66.11 billion as of Dec. 31, said BI Deputy Governor Hartadi Sarwono.

"The budget deficit and financing were also quite healthy, particularly compared to other countries in the peer group," he said.

"If we continue to manage the macro economy consistently and carefully, the country's economic prospects will be better."

BI expects GDP to expand 5.2 percent this year, up from an estimated 4.3 percent in 2009, on the back of the global economic recovery.

Indonesia was one of 15 Fitch-rated sovereigns that recorded a year-on-year decline in the government's debt position to the gross domestic product (GDP) in 2009, Fitch said.

The current macroeconomic path and fiscal policy framework may push Indonesia's debt-to-GDP ratio down during Fitch's forecast period.

"There is fiscal flexibility for the authorities to embark on an ambitious agenda to tackle longer-term developmental issues, such as addressing infrastructure constraints and investment promotion, as well as raising industrial and export competitiveness, which are central to further alleviating Fitch's concerns on risks surrounding Indonesia's external finances," Ngiam said.

Fitch warned long-term development priorities might get sidelined if "fiscal expenditure inefficiencies remain unresolved", as the government delays hiking the electricity rate and subsidized fuel prices.

Sudden investor risk aversion and capital outflows may arise from more severe or abrupt administrative price hikes in 2011, it added.

The government is revising the draft 2010 state budget to adjust for the increase in commodity prices, particularly oil, said Finance Minister Sri Mulyani Indrawati.

Crude oil for March delivery traded at \$74.51 per barrel in after-hours electronic trading on the New York Mercantile Exchange at 3.44 p.m. in Singapore, Bloomberg reported.(the Jakarta Post)

### **Indonesia Upgraded Rating A Result of Good Macro Management: BI**

The central bank says Indonesia's upgraded credit rating is a result of good macroeconomic management, which has allowed the economy to remain resilient amid the global financial crisis.

Global credit rating agency Fitch upgraded its

assessment of Indonesia to BB plus on Monday (25/1/2010), one notch below investment grade. The rating's outlook is stable.

Bank Indonesia (BI) deputy governor Hartadi A. Sarwono said Indonesia's foreign exchange reserves continued to increase to nearly US\$70 billion, up from \$66.1 billion at the end of December. He also said last year's budget deficit and financing were healthy compared to Indonesia's peers.

"If we continue to manage the macro economy consistently and carefully, Indonesia's economic prospects will improve," he said.

BI estimated that the economy would expand at a rate of 5.2 percent this year, up from about 4.3 percent in 2009.(the Jakarta Post)

### **Korean Company to Run Gold Mine in Southeast Sulawesi**

Kendari, Southeast Sulawesi - A Korean company, Future Green Human (FGH Group), signed a cooperation deal with the Southeast Sulawesi provincial administration on natural resources management, especially in the mining sector.

The cooperation has been signed by Southeast Sulawesi Governor Nur Alam, president director of PT FGH Group Indonesia Park Soon Up, and Chairman of FGH Grup Korea, Oh Myung Suk, in Kendari Tuesday (19/1/2010) night.

Nur Alam told the media he welcomed the Korean investors in natural resources management, especially in the gold mine in Bombana regency.

The company would be able to assess the value of the project after conducting a research of the gold mines in Bombana.

The governor said the Korean company will not only run the gold mine, but will also build a factory, and even a power plant with a capacity of 50-100 megawatts to supply electricity for the local population and the factory.(ANTARA)

### **Korean Investor to Build PLTA in Mamuju**

Mamuju, West Sulawesi - A Korean investor has expressed readiness to make an

investment in a hydro-power plant (PLTA) in the Karama river basin in Mamuju, West Sulawesi province.

The remark was made by West Sulawesi Governor Anwar Adnan Saleh after visiting Ummi Darmiati, a young boy suffering from a strange disease being treated at a hospital here Sunday (24/1/2010).

Anwar said the foreign investors conducting an inspection of the Karama river basin along with a group of Chairman of the Capital Investment Agency (BKPPM) Gita Wirjawan last week have reached good results as one of them has expressed interest in investing in PLTA Karama.

"A proposal sent to Jakarta was directly responded to by the Korean investor by way of his embassy in Jakarta. Right now we are only awaiting the follow up for PLTA Karama," he said.

He said the building of the 1,800 megawatts (MW) PLTA Karama may cost Rp 6 trillion.

Anwar said PLTA Karama will supply enough electricity to various parts of West Sulawesi, especially that PLTA Bakaru currently operating there could not fully satisfy the power needs of the population.(ANTARA)

### **Chinese Investor Interested in Building South Sumatra Power Plant**

Palembang, S Sumatra - A Chinese investor is interested in building a coal-fired power plant (PLTU) in cooperation with PT Tambang Batubara Bukit Asam (PTBA) and the South Sumatra provincial government, a local official said.

The Chinese investor had expressed its interest at a meeting with South Sumatra Governor H Alex Nurdin and PTBA representatives here on Thursday (21/1/2010), the provincial government's chief information officer, Thontowi HEP, said.

The projected power plant, named Mulut Tambang, would be located at Central Banko, Muara Enim District, and have a capacity of 4X600 Mega Watt (MW), he said.

At the meeting with Governor H. Alex Noerdin, PTBA was represented by the company's development director, Heri Supraptro, and the Chinese investor by Yedejie, he said.

Thontowi further said the results of an analysis of a sample of the coal to be used in

fueling the projected power plant would be known and discussed later this month.

Further discussions on the project would be held in February by the stakeholders. Talks on the sale of the power plant's output to state electricity company PLN would take place in March.

Thursday's meeting with the South Sumatra governor was a follow up of the result of Noerdin's recent visit to China to explore the possibility cooperating in the exploration of energy sources.

Meanwhile, Noerdin said the provincial government, its work partners and the Chinese investor were eager to carry out the power plant project as soon as possible.(ANTARA)

### **China Investment to Indonesia Rose US\$ 50 Million per Year**

Realization investment from China to Indonesia after the signing of the Free Trade Area/AC-FTA tends to increase, an average of US\$ 50 million per year (2005-2009).

This was conveyed by Minister of Industry, MS Hidayat in a joint working meeting Minister of Trade, Minister of State of Enterprises, the State Minister for Cooperatives and SMEs, the Minister of Finance to the House of Representatives Commission VI, today (20/1/2010).

Hidayat said the investment rate was increased US\$ 16 million per year (2000-2004), compared with before signing the AC-FTA.

According to the Ministry of Industry data, the investment flows from China into the manufacturing sector achieved the highest rate in 2008 of US\$ 132.4 million and with total permits 13 investment licenses.

Hidayat admitted to obtain data on Indonesia's investment profile in China, he had tried to contact the Embassy of Indonesia in Beijing and BKPM on January 15, but there is no answer yet.

Decisions of AC-FTA is made by the heads of state / government of ASEAN and China to form a "framework of economic cooperation and the establishment of an ASEAN free trade area, China" at the ASEAN summit in Brunei

and China, November 6, 2001. The initiative was later confirmed as a "framework agreement on comprehensive economic cooperation between member countries of Asean and China" which was signed in Cambodia, 4 November 2002.

Protocol amendments signed by economic ministers on October 6, 2003. Furthermore, Indonesia ratified the AC-FTA framework through a presidential decree No. 48/2004, signed June 4, 2004. (*unofficial translation*, Bisnis Indonesia)

### **Dublin Port Starts Realizing Investment in Sabang**

Banda Aceh - Dublin Port Company of Ireland has started realizing its investment in the Sabang free port and trade area in the Indonesian province of Aceh.

"Dublin Port through its subsidiary, HD Asia Maritime, is now renovating warehouses as an initial step of its investment cooperation in Sabang," the head of the Sabang Concession Area Agency (BPKS), Teuku Syaiful Achmad, said here on Friday (15/1/2010).

BPKS and Dublic Port Company have signed a memorandum of understanding as a follow-up to an operational management cooperation between HD Asia Maritime which is headquartered in Jakarta.

"The Dublin Port has also prepared capital for development and training on how to manage an international port. The training itself will be carried out in Ireland," he said.

The Indonesian government declared Sabang as a free trade area and port in Law Number 37 of 2000, covering some areas in the district of Aceh Besar and the entire Sabang.

"Through the determination of us all Sabang will progress and become a locomotive for the economy of not only Aceh but also other provinces in Sumatra," he said.

Using the funds mostly from the national budget BPKS would develop various important infrastructure to attract investment to the region, he said.

"We are seeking to realize an international-scale freeport. Sabang is a strategic place for ships to call at as it is located at the tip of the Mallaca Strait," he said.

The development of Sabang port is carried out in stages with the first covering extension of three cargo tiers from currently 180 meter long and 25 meter wide to 423 meter long and 50 meter wide.

Syaiful said the first phase of the project would cost around Rp1 trillion which would come from the national budget allocated for 2006-2012.

If the tiers are ready and operational in 2012 ships weighing up to 4,000 TEUs could anchor at the Sabang port and they would also be able to accommodate around 4,000 containers, he said.

The Sabang port is a natural port and has a depth of 22 meters. "That means if it is all finished large cargo ships will easily be able to anchor at the port," he said.(ANTARA)

### **Minister: New Investors to Build Sugar Mills**

Jakarta - A total of 32 investors have expressed a commitment to build new sugar mills in order to meet the need for sugar which is estimated to reach 5.7 million tons in 2014, a minister said.

"There are 32 new investors who have expressed a commitment to construct new sugar mills," Industry MS Hidayat said after a seminar on the revitalization of sugar in industry here on Monday (25/1/2010).

He said that in order to support the revitalization of sugar industry in the country, the Forestry Ministry would provide 500 thousand hectares of land in Lampung, South Sumatra and Sulawesi.

"Actually we only need 300,000 hectares, but it seems that the forestry ministry will provide 500,000 hectares, of which about 400,000 hectares are already available," he said.

But the minister admitted he could not yet make an estimate on the amount of funds the 32 investors would need to set up sugar cane plantations on the 500,000 hectares of land.

The government through the Ministry of Agriculture has set a participation funding post in the state budget for a sugar cane revitalization program but several state-owned firms (BUMNs) have proposed other funding options beyond the participation funding scheme.

According to Hidayat, at present there are 51 sugar mills in the country, of which 41 are owned by BUMNs and 10 by private companies.

In the meantime, chairman of the Indonesian Food and Beverage Industries Association (Gapmmi) Thomas Darmawan said the construction of sugar mills will need at least 40,000 hectares of land. "Except for refined sugar factory, it will need a smaller size of land," he said.

The growth of food and drink industries continues to experience an upward trend every year. In 2008, these industries grew by 27 percent while the value of their investment in 2009 reached Rp530 trillion.(ANTARA)

### **West Sulawesi Produces 150,000 Tons of Cocoa per Year**

Mamuju, West Sulawesi - Cacao estates in West Sulawesi province are now producing more than 150 thousand tons of cocoa per year.

"With a total of 180,835 ha in five regencies in West Sulawesi, the cacao growers will produce more than 150,000 tons of cocoa per year," West Sulawesi Governor Anwar Adnan Saleh said here Sunday (24/1/2010).

He said the biggest cocoa producer among the five regencies is Mamuju regency covering 65,448 ha producing 53,457.9 tons per year.

The second biggest producer is Polewali Mandar regency with 45,724 ha producing 37,347.4 tons per year.

In the meantime, North Mamuju produces 33,758.9 tons per year from 38,000 ha of cacao estates in northern part of West Sulawesi.

Anwar said that Mamasa regency managed to increase its cocoa production to 16,800.9 tons per year from 20,569 ha.

"The smallest cocoa producer is Majene regency with 9,061.6 tons from 11,094 ha," he said.(ANTARA)

### **Indonesia and China to Explore Cooperation in Defense Industry**

Jakarta - The Indonesian and Chinese governments are exploring the possibility of forging bilateral cooperation in the field of security and defense industries to strengthen their relations.

"The two countries have agreed to strengthen their already good relations through cooperation in the field of security and defense industries," vice presidential spokesman Yopie Hidayat said here on Friday (22/1/2010).

Hidayat made the statement after Vice President Boediono had received Chinese Coordinating Minister for Political, Legal and Security Affairs Dai Bingghuo.

The vice president on the occasion was accompanied by Coordinating Minister for Political, Legal and Security Affairs Djoko Suyanto and Foreign Affairs Minister Marty Natalegawa.

Quoting Bingghuo, Hidayat said China regarded Indonesia as an important and strategic partner, and thus it wanted to help Indonesia develop its security and defense industries.

"China also asked that all the cooperative relations so far established between the two countries would continue to be stepped up for mutual benefit," Hidayat said.

He said this year would mark the 60th anniversary of Indonesia-China's bilateral relations and therefore there would be no more freezing of diplomatic relations.

"As we all know, Indonesia-China diplomatic relations once soured but they hope there will be no low tide in the 60th year of bilateral relations," Hidayat said.

Asked if China had offered its weapons to Indonesia to buy, Hidayat said it was not discussed at the meeting of Vice President Boediono and Bingghuo.

"The vice president and his guest only discussed political and security matters besides other issues related to the improvement of cooperation in various fields," Hidayat said, adding that Bingghuo also invited Boediono to make an official visit to China later.(ANTARA)

### **Indonesia May Scrap Cost Recovery Payment in CBM Projects**

The government may offer coal bed methane (CBM) contractors a new production-split scheme in which the latter's cost recovery will be phased out in a bid to accelerate gas commercialization.

CBM is a form of natural gas extracted from coal beds, and can be used in electricity

generation by burning it to run a gas turbine or to heat a steam boiler.

Evita H. Legowo, director general for oil and gas at the Energy and Mineral Resources Ministry, said Tuesday the ministry had finished the revised draft of the CBM contract terms and conditions.

“For CBM, the [production] split between the contractors and the government will not be calculated from the net [production], but from the gross [production],” she said.

Edy Hermantoro, the ministry’s upstream oil and gas director, said under the gross production-sharing contract, the CBM output would be divided directly between the government and the contractors without any reduction for the cost recovery payment.

“This means that the contractors’ costs will not be charged to the government,” he said.

Indonesia’s oil and gas production-sharing contract (PSC) allows contractors to be reimbursed for expenses incurred in the exploration stage of a project, within the scope of the cost recovery payment rules.

The money is paid up after the contractors enter the production stage.

At present, the regulations for CBM are largely the same as those that apply for oil and gas blocks, meaning the output can only be sold after a block’s plan of development (POD) is approved by the government.

The approval, meanwhile, is only granted once the block reaches the production stage.

However, the government points out CBM gas is of a different nature than conventional gas, as it can be flared even during the exploration stage.

As such, the government plans to propose the gross production sharing scheme, which it believes will help accelerate the commercialization of CBM.

“The new scheme will help accelerate CBM commercialization because the gas utilization can commence before the POD stage,” Edy said.

“In this way, the contractors can control their costs, and the government’s non-tax revenue is also secured.”

Sammy Hamzah, president director of CBM contractor PT Ephindo, said contractors

were waiting for more details from the government about the new production scheme.

“We appreciate the government’s efforts to simplify the CBM development procedure,” he said.

“But in this matter, we want to see the details of the government’s proposal. What’s important is that the new scheme doesn’t turn into a disincentive that may worsen CBM commercialization.”

Indonesia has 11 basins with estimated CBM reserves of 453.3 trillion cubic feet (TCF).

The government began awarding CBM contracts in 2008, following increasing domestic demand for gas.

To date, the government has awarded 20 CBM contracts, and now expects some of the CBM blocks to enter the production stage in 2011. (the Jakarta Post)

### **Indonesia Opens ‘Fast-Track’ Door to Private Energy Producers**

A presidential decree signed on Friday has formalized a plan for private-sector power producers to supply power under the second phase of the government’s “fast-track” generating program, a senior Energy Ministry official said on Wednesday (13/1/2010).

A copy of the decree was still unavailable, but Jacobus Purwono, the ministry’s director general of electricity and energy utilization, said it would permit state utility company PT Perusahaan Listrik Negara to develop coal, geothermal and hydropower generating plants in cooperation with independent producers.

“The president signed it [the decree] on January 8,” he said.

PLN is already buying electricity from independent power producers to address its production shortfalls.

The first phase of the “fast-track” generating program, aimed at meeting the country’s increasing energy needs, will see an extra 10,000 megawatts of capacity added by 2013, mostly through coal-fired plants. The second phase, which will shift away from coal, is intended to add a second 10,000 MW of capacity by 2013 or 2014.

The presidential decree will strengthen a number of other regulations intended to involve independent producers in the program,

Jacobus said. The government plans to subsidize the cost of power purchased by PLN from independent producers, he said.

A number of public-private electricity deals have stalled because of PLN's unwillingness to meet the producers' asking prices. Prices differ from one project to another, depending on a variety of factors such as location, capacity and the type of power plant.

In December, the government released a ministerial decree on the benchmarking of the price of geothermal electricity sold to PLN. But Jacobus did not explain whether such a plan had been expanded in last week's decree or in other regulations.

In the second phase of the fast-track project, PLN will build power plants with capacity totaling 6,415 MW, while another 4,262 MW will be supplied by independent power producers.

PLN has said it needs \$7.6 billion through 2014 to add 6,415 MW of capacity.

Natal Argawan Pardede, corporate secretary of state-owned infrastructure firm PT Wijaya Karya (Wika), said the biggest obstacles to private sector participation in the fast-track program were financing and the price at which independent producers can sell electricity to PLN.

"I see a strong commitment by the government to stimulate the private sector to join the scheme," Natal told the Jakarta Globe. "If somehow the government offers a scheme that can give IPPs [independent power producers] better prices, of course their project feasibility improves."

Wika is working on a \$100 million project to build geothermal power plants with a total capacity of 40 MW.

Jacobus said the government is finalizing the necessary regulations and PLN is preparing the required documents so tenders for the second phase of the fast track program can be realized by February. (Jakarta Globe)

### **News Focus: One-Stop Services System for Investors Draws Favorable Reactions by Bustanuddin**

Jakarta - A policy to apply the one-stop services system in Indonesia's investment sector has drawn positive reactions from related parties amid the government's

endeavors to achieve its economic growth target of 6 percent to 6.8 percent per year.

The policy was aimed to make it easier for investors to meet existing bureaucratic requirements and improve the Investment Negative List as part of efforts to achieve the economic growth target, Capital Investment Coordinating Board or BKPM Chief Gita Wirjawan has said.

Wirjawan during a visit in Pekanbaru, Riau province, on Monday (18/1/2010) said the government had set its investment target for 2010 at US\$ 25 billion - US\$ 35 billion.

On November 2009 or a month after his installation, Wirjawan stated he would give priority to efforts to create an integrated one-stop services system to improve the process of obtaining investment approvals in Indonesia.

The policy was adopted in line with the government's commitment to make it easier for local and foreign investors to operate in Indonesia.

A couple of days after Wirjawan made the statement in Riau, Australian Ambassador to Indonesia, Bill Farmer told Antara in an interview in Jakarta on Thursday (Jan 21) that the policy to apply the one-stop services system is expected to encourage more Australian investors to sink their capital in the country.

"We are very encouraged by the commitment of the chief of Indonesia's Capital Investment Coordinating Board (BKPM), Gita Wirjawan, to apply the one-stop services system for investors, he said.

Farmer also expressed hope that the new policy would make it much easier for Australian investors to put their money in several industrial sectors in Indonesia.

According to Farmer, Australian investment in the mining sector in Indonesia had decreased over the past few years for several reasons, namely security conditions in Indonesia which some investors considered to be not conducive.

"Some investors in the mining sector have complained about difficulties in obtaining approvals from local and national government officials because the latter adhere to different policies," he said.

The envoy said further that up till now, there were 400 Australian companies engaged in several sectors in Indonesia, namely mining,

finance, banking, transportation and food and beverages.

Apart from that, some 200 businessmen from countries grouped in the Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT) will attend a meeting in Pekanbaru, Riau Province, February 5-7, 2010 to discuss investment.

In the 28th Joint Business Council Meeting (JBCM) 2010 of IMT-GT, the businessmen would discuss investment cooperation in the fields of among other things, infrastructures, tourism, human resources, agriculture, and plantation.

M Herwan, Executive Director of the Riau chapter of the Indonesian Chamber of Commerce and Industry (Kadin), made the statement on Thursday, adding that most of the businessmen who will join the IMT-GT meeting are members of respective countries' chambers of commerce and industry.

In addition, on January 18, Wirjawan said that a total of 15 ministries and technical institutions have delegated their authority to the Capital Investment Coordinating Board or BKPM on the implementation of the One-Door Integrated Services system for investors.

"At least 15 ministers and high ranking officials have signed a statement delegating authority to BKPM on the related investment process of the One-Door Integrated Services system," he said.

The 15 ministries are among others industry ministry, trade ministry, home affairs ministry, finance ministry, justice and human rights ministry and the national police, he said.

According to him, through the delegation of authority, all permits related to foreign investments or domestic investment will only be processed at BKPM in accordance with the PTSP program in effort to start their investment.

He reiterated that the government made such progress in the economic field in effort to ease investing and improve the Investment Negative List in order to achieve the economic growth target of 6 to 6.8 percent per year as set by the government.

"Thus, an investor will no longer necessary to go back and forth to each ministry for instance in a bid to provide an immigration permit to foreign workers, it can be obtained at the BKPM through the immigration technical equipment," he said.

In 2009, the realization of domestic investment in the country ranging from US\$ 13 to 14 billion, while foreign investors contributed ten percent of the amount.

Investment in the country may reach Rp2,000 trillion so that the average economic growth target of 7 percent in the coming five years is achievable, the investment chief said.

"It is not easy to attract an investment of Rp2,000 trillion but it is neither impossible. We will work hard to attract foreign and domestic investors," Gita Wirjawan said.

He said that Indonesia now had good assets to attract private investment which was targeted at 55 percent of the total investment need.

The BKPM chief said that one of the good assets was the well-preserved macro economic stability. Regardless of it however, the government still had to do various homeworks, apart from improvement of regulations and bureaucratic reforms that had been carried out so far.

"There are homeworks that have to be done in order to improve the investment climate," he said.

Apart from macroeconomic stability, the establishment of special economic zones would also help attract foreign investors to do business in Indonesia, he added.

In the meantime, Hiramasyah Sambudi Thaib, president director of Bakrieland Development, said that the biggest foreign investment was usually made in the infrastructure sector.

Therefore, the government should be able to attract foreign investors to do business in the country not only in the capital market but also in other sectors.

"Infrastructure is needed. The government should soon issue policies that attract foreign direct investment (FDI), not only capital market investors, but also long-term ones," he added.(ANTARA)

### **Indonesia's One-Stop Services Policy Expected to Boost Australian Investment**

Jakarta - The policy to apply the one-stop services system in Indonesia's investment sector is expected to encourage more Australian investors to sink their capital in the country, Australia's top diplomat here said.

Australia's Ambassador to Indonesia, Bill Farmer, said in an interview here on Thursday (21/1/2010).

"We are very encouraged by the commitment of the chief of Indonesia's Capital Investment Coordinating Board (BKPM), Gita Wirjawan, to apply the one-stop services system for investors. The new policy is expected to make much easier for Australian investors to put their money in several industrial sectors in Indonesia," Farmer said.

Citing an example, Farmer said, Australian investment in the mining sector in Indonesia had decreased over the past few years for several reasons, namely security conditions in Indonesia which some investors considered to be not conducive.

"Some investors in the mining sector have complained about difficulties in obtaining approvals from local and national government officials because the latter adhere to different policies," he said.

Up till now, there were 400 Australian companies engaged in several sectors in Indonesia, namely mining, finance, banking, transportation and food and beverages.

BKPM chief Gita Wirjawan, on November 2009 or a month after his installation, stated he would give priority to efforts to create an integrated one-stop services system to improve the process of investment approvals in Indonesia.

The policy was adopted in line with the government's commitment to make it easier for local and foreign investors to operate in Indonesia.(ANTARA)

### **Indonesia Now Only One Notch from Investment Grade**

Jakarta - Bank Indonesia (BI or central bank) said Monday (25/1/2010) Indonesia was only one notch away from an investment grade after global rating agency Fitch had upgraded the country's credit rating to BB+ earlier in the day.

"Given the upgraded rating, we only need to go up one more notch to reach an investment grade," Bank Indonesia (BI) Deputy Governor Hartadi A Sarwono said in a short text message to journalists.

Among the positive factors pushing up

Indonesia's rating was the Indonesian economy's resilience amid external upheavals, he said.

The other factor was Indonesia's balance of payments which had tended to continuously record a surplus in terms of current account and capital account, he said.

Hartadi said Indonesia's foreign exchange reserves had continued to increase and now totaled nearly US\$70 billion, up from US\$69 billion at the end of last year.

Indonesia's state budget deficit was still sound compared to those of other countries belonging to the same group and this was another factor considered to upgrade its credit rating, he said.

If Indonesia continued to manage its macro economy consistently and carefully, its economic prospects would become even better, he said.

Fitch upgraded Indonesia's credit rating to BB+ on Monday, one notch below the investment grade. The rating's outlook is stable.

The upgraded rating is for Indonesia's long-term debts. Fitch also upgraded the rating of Indonesia's country ceiling from BB+ to BBB and maintained the rating of its short-term debt at B.

Ai Ling, a director in Fitch's Sovereign Ratings team, said in a statement the rating reflected Indonesia's relative resilience to the 2008-2009 severe global financial stress test, underpinned by continued improvements in the country's public finances, a fundamental sovereign rating strength, and a material easing of external financing constraints.

Fitch also noted that Indonesia's public debt ratio continued to fall to only 30 percent of gross domestic product (GDP) in 2009. Foreign exchange reserves, including gold also rose by 28 percent to US\$66 billion and economic growth increased to 4.6 percent last year.

But Fitch added the priority risk of long-term development would overshadow the

performance if inefficient fiscal spending remained unsolved in line with deferred increase in electricity tariffs and fuel oil prices.(ANTARA)

### Socio-Cultural Issues

#### **Indonesia Dispatches Humanitarian Team to Haiti**

Padang - Indonesia has sent a team to Haiti to help in humanitarian activities for victims of a 7.0 earthquake that had hit that country.

"Today we sent a team of 60 people including from the Indonesian Red Cross (PMI) to Haiti," PMI Chairman Jusuf Kalla said here on Friday (15/1/2010).

He said the sending of PMI members to Haiti also reflected the country's readiness to deal with disasters at home and abroad.

"PMI must always be ready to help in any disaster anywhere, home or abroad," he said.

The sending of the team was also a form of international cooperation, he said adding Indonesia must not only be willing to receive but also give help.

He said under the international cooperation framework the PMI had previously also sent humanitarian teams to Iran and Pakistan when earthquakes had hit those countries.

PMI must always be ready to help people affected by disasters caused by natural factors, human mistakes or conflicts, he said.(ANTARA)

#### **Indonesian Aid for Haiti Arrives in Dominican Republic**

Indonesia's aid for Haiti and a delegation of 81 people have arrived in neighboring Dominican Republic on Wednesday (20/1/2010) evening after leaving from Honolulu.

"The aid will likely be distributed by the UN to Haiti from the Dominican Republic if the ongoing negotiation, which will last until 1 a.m. [Thursday morning], fails to allow us direct entry to Haiti," said Priyadi Kardono, head of information and data for the National Disaster Management Body.

"There is no information yet on when the aid can be brought to Haiti if the UN has to

take over the delivery but we will try to bring it directly to Haiti," he said.

Indonesia has sent 30 ton of aid worth US\$22 million to Haiti but cannot reach the country sooner than Feb. 7, the date of entry permit, because the local airport is already swamped with other flights carrying aid. The delegation then opted for sending the relief first to the Dominican Republic.

Delegation head Lt. Col. Eko Margiyono said there was a possibility that only 10 people from the 81-strong delegation that could get into Haiti as access to the quake-devastated country was restricted.

"The rest of the team members may have to leave here and go back to Indonesia if they cannot get access to Haiti," he said.

Access to Haiti has been difficult due to the limited capacity of the local airport, at a time when many people are reportedly dying in hospitals due to the lack of medical supplies.

Reuters reported a new earthquake shook the devastated Haitian capital on Wednesday morning, creating panic among survivors of last week's devastating quake camped out in the streets but apparently causing no new destruction.

The powerful 6.1 magnitude aftershock at daybreak sent shrieking Haitians running away from buildings and walls in the shattered city fearing a repeat of the magnitude 7 earthquake that killed tens of thousands of people eight days ago.

"It felt really strong. Each aftershock is frightening. We feel it right here [pointing at his stomach] because after last Tuesday you never know how strong it is going to be," said Lenis Batiste, camped out on some grass with two children.

The US Geological Survey said Wednesday's tremor was centered 60 km west-southwest of Port-au-Prince.

Desperate and hungry residents of Port-au-Prince have been sleeping outdoors since the Jan. 12 earthquake because their homes were destroyed, or from fear of aftershocks. (The Jakarta Post)

#### **Foreign Tourists To Be Able To Extend Visa-On-Arrival**

Foreign tourists visiting Indonesia can now extend their visas-on-arrival for another 30 days, as of Jan. 26, the Indonesian

immigration office announced Monday (25/1/2010).

Prior to this, foreign tourists were not allowed to extend their visas-on-arrival. They had to leave the country to get a new visa.

In the new ruling, the immigration office has decided to scrap the seven-day visa-on-arrival. The office will now only issue visas for a 30-day stay at the rate of US\$25, extendable for another 30 days. (The Jakarta Post)

### **Immigration to Introduce VoA Single Tariff**

Jakarta - The Directorate General of Immigration of the Law and Human Rights Ministry will introduce a single tariff system to Visa on Arrival (VOA) management.

"The single tariff is aimed at facilitating supervision," Director General of Immigration Muhammad Indra said in Jakarta Tuesday (26/1/2010).

The Immigration will introduce a 25 US dollar single tariff to VOA applicants to stay in Indonesia for 30 days as of January 26, 2010.

Two VOA tariffs had been charged earlier, namely 10 US dollars for a seven days stay and 25 US dollars for 30 days stay.

Indra explained that the single tariff rate would not affect the VOA sector income too much, which caused an extension of the single tariff system.

Indra also emphasized that the single tariff is aimed to simplify the visa management and therefore, VOA manipulation will not be repeated in the future.

As reported earlier, some local immigration officials were involved in VOA management at the Ngurah Rai airport, Bali.

The Ministry of Law and Human Rights had reported the matter to the State Audit Board (BPK) and punished the guilty immigration officers involved in the case.(ANTARA)

### **Indonesia Intends to Host New Seven Wonders Selection Meeting**

Jakarta - Indonesia intends to host an international meeting to select the New Seven Wonders in 2011, a senior tourism official said.

"We want to be the host country of the meeting to select `new seven wonders`," Sapt

Nirwandar, the tourism and culture ministry's director general, said here on Saturday (23/1/2010).

Indonesia had an interest in the event as one of the country's tourist destinations, Komodo Dragon National Park, was a finalist in the new Seven Wonders of nature selection process, he said.

"Indonesia would be automatically promoted through the event," he said.

The ministry also planned to relaunch the promotion of `Vote Komodo for New Seven Wonders of Nature` in various places, he said.

Up to now, the Komodo National Park is among the top 28 finalists in the new Seven Wonders selection.

"The Komodo rating is fluctuating but still in the green area or safe area," he said.

The 28 finalists will be divided into 7 categories. Among competitors of the Komodo Dragon national park is Sunburn in China, Blackforest in Europe, and Amazon in Argentine, Paraguay, and Brazil.

The new seven Wonders will be officially announced in 2011.(ANTARA)

### **Another 1000 Year-Old Heritage**



This is a very good news for everyone. Archaeologists in Indonesia have uncovered a 1,000-year-old temple that could shed light on the country's Hindu past.

The temple was found on the grounds of Yogyakarta's Islamic University as workers probed the ground to lay foundations for a new library, and they realised the earth beneath their feet was not stable.

Digging soon revealed still-standing temple walls three metres underground.

Heavy rains then exposed the top of a statue of the Hindu god Ganesha in pristine condition. A few weeks into the excavation, archaeologists are declaring the temple and its rare and beautiful statues an important discovery that could provide insights into Indonesia's pre-Islamic culture.

This temple is a quite significant and very valuable because no one has ever found a temple as whole and intact as this one. For example, looking at where the statues are placed in this temple, they are in their original positions, unlike the other temples. This temple is important for understanding the culture of Indonesians ancestors.

A volcanic eruption is thought most likely to have covered the temple around the 10th century, about 100 years after it was built.

The eruption preserved its statues and reliefs in better condition than almost everything else discovered in Indonesia from that period, including the Borobodur and Prambanan temple complexes.

GNFI believes that this site was established during the ancient Mataram Kingdom era, which abandoned the area due to devastating Merapi volcano eruption. They then marched to the east to settle in the deep midland of East Java. Hey, this site is only a walk-distance to my house.

Yogyakarta's Islamic University wants to open the site to the public once the dig is complete.(GNFI)

### **Indonesian Tourism Industry Remains Competitive in 2010**

Jakarta - Indonesia's tourism industry remained able to compete with such countries as Singapore, Malaysia, and Thailand amid the world's declining tourist visits, an official said.

"The world's tourism generally declines. Instead, ours could still gain positive growth last year," said Sapta Nirwandar, the tourism and culture ministry's director general for marketing, said.

With the positive growth, he remained optimistic on Indonesia's ability to compete in attracting foreign tourists in the region despite the fact that its last year's growth was only 0.4 percent.

"With 0.4 percent growth, Indonesia is luckier than countries, like Australia, Singapore, and Thailand which get negative growth. We can maintain our target amid the global financial crisis," he said.

Nirwandar said the global crisis and "internal factors" of Indonesia's competitors, such as Malaysia, Thailand, and Singapore, partly contributed to the decreasing flows of coming tourists.

"In Indonesia's case, its positive growth is not triggered by declining Thailand or other factors. It is much more likely caused by the value for money in Indonesia," he said.

Despite this favourable condition, he admitted that Indonesia faced a lot of internal challenges that could hamper its tourism industry development.

The regional governments' minor efforts to develop and maintain their tourist objects and destinations were one of the serious threats, he said.

A part from the existing challenges, he was confident that Indonesia's tourism sector would still enjoy a positive growth this year.

The ministry of culture and tourism has targeted seven million foreign tourists entering Indonesia in 2010 with a total income of 6.75 billion US dollars, he said.

The ministry also expected to gain an income of 138 trillion rupiah from 230 million domestic travelers along this year, he said.

Compared to last year, Indonesia could only receive 6.459 million foreign visitors. This number increased about 0.4 percent from that of 2008 despite the global crisis as well as hotel bombing and swine flu cases, he added.(ANTARA)

### **Most "Sail Banda" Activities to Take Place in Ambon**

Ambon - Most of the activities in the international marine event "Sail Banda" in July-August 2010 will take place in Ambon city, Maluku's provincial capital, Ambon Mayor Jopi Papilaya said here on Saturday (15/1/2010).

"I attended a meeting with Sail Banda national committee chairman Fadel Muhammad in Jakarta on January 12, 2010 and it was explained that most of the Sail Banda activities will be conducted in Ambon," Papilaya said.

President Susilo Bambang Yudhoyono on December 14, 2009 appointed Marine Affairs and Fisheries Minister Fadel Muhammad as chairman of the Sail Banda national committee.

"Thus the basic principle of Sail Banda 2010 is part of a central government breakthrough to promote Maluku's tourism and other outstanding sectors to attract the

attention of the international community," Papilaya said.

In addition, the Ambon mayor said, Sail Banda would be a momentum to show to the international community that peace prevails in Maluku and that the different components of its population are now coexisting in perfect harmony after a three-year communal conflict which erupted on January 19, 1999 in Ambon city.

Therefore, Papilaya said, it was necessary to draw up the schedule of the activities and provide for the supporting facilities as soon as possible.

"I have taken data on a number of hotel rooms and other accommodations, transportation and other supporting facilities because we have only five months left to organize the international marine event," Papilaya said.

For the implementation of Sail Banda 2010, the central government had allocated funds and the Maluku provincial administration itself had also earmarked Rp12 billion for the event.

The Marine Affairs and Fisheries Ministry had undertaken the organization of Sail Banda 2010 which was the brainchild of former marine affairs and fisheries minister Freddy Numberi and former director general of coastal area and small island affairs Alex Retraubun. They evolved the idea after the success of Sail Bunaken 2009 in Manado, North Sulawesi. (ANTARA)

### **ASITA Urges Introduction of Tax Refund System for Tourists**

Jakarta, - The Association of Indonesian Tour and Travel Agencies (ASITA) has called on the government to immediately implement a tax refund scheme for foreign tourists to stimulate their spending in the country.

"To boost foreign tourist spendings we must apply a Value Added Tax (VAT) refund system for international tourists who shop in Indonesia," Jongki Adiyasa, vice chairman of ASITA's Jakarta chapter, said here on Saturday (16/1/2010).

The government is planning to implement a Value Added Tax (VAT) refund scheme for foreign tourists for the first time in April 2010, and two of Indonesia's international airports, namely Jakarta's Soekarno-Hatta and

Bali's Ngurah Rai, will be the location of the system's pilot projects.

Later, the system would also be set up in all international airports in Indonesia.

The VAT refund facility would only be available to foreign passport holders who have spent money buying things in Indonesia. When they leave the country again, all the money they have paid for VAT in buying things in the country will be returned to them.

The system has already been applied for a long time in such countries as Japan, Singapore, China, Australia, and Malaysia, Yongki said.

"If we consistently apply the system, it will stimulate foreign tourists to come to and shop in Indonesia," he said.

Through the consistent application of the VAT refund system, the tourism sector could then significantly increase its contribution to the country's GDP (gross domestic product), according to Yonkie.

He said ASITA was also requesting that travel agencies be given full freedom to become a player in the inbound or domestic tourism segment.

Moreover, by working on the inbound pillar, the potential to boost the number of incoming tourists and increase their spending in Indonesia would also grow.

"The government should also be willing to give tax holidays to inbound travel agencies," he said.

In 2010, Indonesia hopes to attract some 7 million foreign tourists with the amount of their spending in the country projected at 6.75 billion dollars. The number of domestic tourist trips is projected at 230 million trips and their spendings at Rp138 trillion.

Last year, Indonesia was visited by 6.459 million foreign tourists, an increase of 0.4 percent compared to 2008. Domestic tourists made 226 million trips, up from 225.4 million trips in 2008.(ANTARA)

### **Twenty Indonesians Receive 2010 Australian Endeavor Awards**

Jakarta - Australian Ambassador to Indonesia Bill Farmer on Thursday (21/1/2010) night honored 20 high-achieving Indonesian recipients of the Australian Government Endeavor Awards for 2010.

According to Australian Embassy media release, the recipients included two winners of The Prime Minister's Australia Asia Endeavor Award, a prestigious scholarship newly announced by Prime Minister Kevin Rudd.

"Australia is very proud of these high-achieving Endeavor Awardees," Farmer said, adding that the recipients of these prestigious Awards would continue to strengthen research and professional linkages between Australia and Indonesia and enhance their professional careers in their chosen field.

A recipient of the Prime Minister's Australia Asia Endeavor Award, Agustian Sutrisno, National Program Officer for UNESCO, said that furthering studies at a PhD level in Australia will refine his educational management skills by conducting research based on actual educational management practices.

"Qualified researchers in the field of education are very rare in Indonesia and, by completing my PhD, I will be a researcher and an academic who is able to provide evidence-based inputs and advice on the development of our educational sector," Sutrisno said.

Ms Agnes Sumargi, a senior lecturer at Widya Mandala Catholic University in Surabaya, is also a recipient of The Prime Minister's Australia Asia Endeavour Award and plans to research the effect of parenting education programs on parenting skills in Indonesia.

Australia has been providing scholarships to Indonesia for almost 60 years.

The Endeavor Awards are an internationally competitive, merit-based scholarship program providing opportunities for leading researchers and professionals to undertake short or long term study, research and professional development in a broad range of disciplines.

This year six Australians also won Endeavor Awards to conduct research in Indonesia.

For more information on the Endeavour Awards, please visit: [www.endeavour.deewr.gov.au](http://www.endeavour.deewr.gov.au) or [www.australianscholarships.gov.au](http://www.australianscholarships.gov.au). (ANTARA)

## Indonesia by province: East Kalimantan



As a major producer of oil and timber, East Kalimantan is the most industrially advanced province of Kalimantan Island. It is also home of the original inhabitants of Kalimantan, Orang Gunung or the Mountain People. The tribes are collectively called Dayak, although this name is not embraced by many tribes-people themselves, who prefer to be known by separate tribal names such as Iban, Punan and Banuaq. Local tribes traditionally live in the communal longhouses called Lamin or Umaq Daru. They are built on wooden piles, about 3 meters high as protection against wild animals and flooding. The Punan people are nomadic hunter-gatherers, and only use the longhouse at the height of rainy season. Steeped in tradition, the interior of the longhouse is typically divided into separate family quarters with communal areas connecting each of the families. The communal areas are also place for villager to hold meetings and ceremonies performed. Guardian statues are normally placed in front of longhouses to protect them against evil's spirits who bring disease and bad fortune. The more remote and traditional tribes-people have pierced earlobes, which over the year have become stretched by the weight of heavy gold or brass rings, and beautifully elaborated tattoos.

Traveling along the Mahakam river mainstream is a fascinating adventure. River boats slide unobtrusively through heavily silt-laden waters, wild orchids drip off trees. Proboscis monkeys signal your arrival to the crocodiles and legendary hornbills. A 5,000 acre Orchid Reservation close to the village of Kersik Luwai cultivates 27 different species of orchid including the very rare "Cologenia pandura" the Black Orchid.

### Tourist Office:

Jl. Kusuma Bangsa Balaikota Samarinda  
75123

Phone (0541) 741669, 731447 Fax. (0541) 736866

Getting there:

Balikpapan is the gateway to East Kalimantan, Garuda Indonesia Airlines fly from Kuala Lumpur to Balikpapan via Jakarta. Balikpapan can be reach by flight directly from Jakarta, Manado and Surabaya as well as from Tarakan.

Places of Interest:

**Samarinda**

Samarinda is a capital of East Kalimantan province known for its fine sarong. The Garden of Mulawarman University has the education forest with 62.4 ha arboretum, about 12 km north of Samarinda. The city provides a number of modest but comfortable hotels for tourists.

**Balikpapan**

Balikpapan, the center of Kalimantan's oil industry, is also the gateway to East Kalimantan with air and sea connections to Jakarta and other major points in Indonesia. Balikpapan has a major number of good hotels, including one of the international standard, as well as recreation facilities. It has the second-busiest airport in the nation after Jakarta.

**Tanah Merah Indah-Lempake**

This is a recreational park called Tanah Merah Indah-Lempake where water fall situated 16 km from downtown Samarinda. It can be reached by car or public transportation.

**Tenggarong**

Tenggarong is the capital of Kutai regency and was once the seat of the Kutai sultanate. The Sultan's palace at the riverside of Mahakam river is now a museum where the old royal paraphernalia are kept, as well as an excellent collection of antique Chinese ceramics. Dayak statues can be admired in the yard. A curious thing about the royal paraphernalia is that they display a strong resemblance with Java's court traditions. Every 24th of September, the former palace becomes a stage of dance and music performances given to celebrate the town's anniversary.

**Berau**

The remains of Keraton (palace) Gunung Tambur and the Keraton Sambaling can be found in Berau.

**Tanjung Isuy**

Tanjung Isuy has a traditional Dayak longhouse which has been turned into lodges for visitors that located nearby Lake Jempang. Visitors are usually given a welcome ceremony and dance performed by Dayak Benuaq tribe. Dressed in skirt of leaves, cures his patients at night by performing the rites prescribed by ancestors to the frenzied accompaniment of gongs and drums. To get Tanjung Isuy, visitors will pass across the Mahakam River and enjoying the floating village and forest scenery.

**Derawan and Sangalaki Islands**

Derawan and Sangalaki Islands can be reached within 3 hours driven boat from Tanjung Redep in the north. There are many rare animals such as the green turtle, the scarlet turtle, star fruit turtle and sea cow. Derawan and Sangalaki islands hold an amazing marine environment, including fabulous coral formations, canary crabs, green turtles and pearls.

**Muara Ancalong**

A small ox-bow lake is about 1 km upstream on the right bank of the Sungai Telen. The lake has not been visited because according to local information, it houses a large colony of Fruit Bats *Pteropus vampyrus*. On April 14 1985, the compiler estimated a total of some 17,000 bats flying S.W. over the village at dusk. If bats were also flying in other directions out from the roots, the total colony must number tens of thousands.

(source: [www.my-indonesia.info](http://www.my-indonesia.info)  
[www.extremeborneo.com](http://www.extremeborneo.com) )

**ENVIRONMENT ISSUES**

**Indonesia Supports Copenhagen Accord**

Jakarta - Indonesia will soon express support to the Copenhagen Accord reached at the 15th UN climate change talks in Copenhagen, Denmark, in December 2009.

"Indonesia will be associating with the Copenhagen Accord with several provisions," expert staff of the Environment Minister for global environment and international cooperation Liana Bratasida told a seminar on socialization of the Copenhagen Accord in Jakarta Tuesday (26/1/2010).

Liana, who is also chairwoman of the Extra Agency for Implementing the World Body for Climate Change 2008-2009 said Indonesia has asked the United Nations Framework Convention on Climate Change (UNFCCC) for a more detailed explanation on the emission reduction target of Annex-2 countries, action mitigation program and others.

Besides associating with the Copenhagen Accord, Indonesia will also make a submission the greenhouse gas emission 26 percent cut target in 2020, climate change mitigation program to be introduced to the UNFCCC.

The statement called Namas (National Appropriate Mitigation Actions) will contain the names of the countries and their action on January 31, 2010, according to the soft deadline of the UNFCCC to all countries.(ANTARA)

Under the Copenhagen Accord, every country is required to submit a NAMA to the developing countries, and the projected GRK emission to the advanced countries with a soft deadline set on January 31, 2010, and not later than at the 16 climate change summit in Mexico in December 2010.

In the meantime, deputy to the Environment Minister for Increasing Natural Resources Conservation and Environmental Damage Control Masnellyarti Hilman said since the soft deadline of the UNFCCC for submission from all countries is merely a soft deadline, Indonesia will give only a broadline of the NAMA program.

"The submission does not necessarily have to be in detail, as we still have to set together to discuss inter-sectoral policies," she said.

Masnellyarti also said that the scenario of Indonesia's 26 percent cut emission is not yet final, because the GRK emission target of the agricultural sector is not yet final.

The agricultural sector which will contribute 60 percent (48 percent from the change of land and 12 percent of peatland) to the national emission cut target, she added, does not clearly mention the deforestation rate

and clear program of climate change mitigation.

On the same occasion, expert staff of the Forestry Minister for partnership Wandojo Siswanto said the deforestation rate needs to be calculated along with the Ministry of Forestry with other sides like the Ministry of Agriculture, the Ministry of Energy and Mineral Resources and the Ministry of Environment.

"As the deforestation rate is related to the use of land for agriculture, mining and other sectors," Wandojo said.

Meanwhile, member of the Presidential Advisory Council Emil Salim said the Ministry of Forestry needs to follow the projected scenario on the 26 percent emission cut of the National Development Planning Agency (Bappenas).

"Forestry needs adjustment to the scenario of Bappenas," he said.(ANTARA)

### **Indonesia Signs Bilateral Funding Agreements**

While the pledges for huge amounts made at multilateral talks remain to be seen, Indonesia has signed a number of bilateral agreements with richer nations to get climate funding — mostly in forest-related areas.

State Environment Minister Gusti Muhammad Hatta argued that the bilateral deals were currently the faster way to get climate funding.

"But, even without their money Indonesia will go ahead to protect the planet," Hatta told The Jakarta Post on Wednesday.

"It is our moral responsibility to tackle climate change for the sake of our people."

He also insisted that bilateral agreements would not ruin ongoing multilateral talks on climate change after the Copenhagen conference failed to hammer out a binding agreement on emissions cuts and climate funding.

After the Copenhagen meeting Indonesia signed MoUs on climate change issues with the governments of Australia, England, Germany, the Netherlands, Japan, Norway, New Zealand and the United States.

The Australian government has provided A\$30 million (US\$27.74 million) to fund a Reducing Emissions from Deforestation

and Forest Degradation (REDD) project in Jambi, which is scheduled to begin in January.

Jambi's forests are estimated to cover around 2.1 million hectares.

It also channeled A\$40 million to another REDD project in Central Kalimantan in 2009.

It is not clear how much funding has been promised from other countries but most of the money will be used to cut emissions from the forestry sector.

Indonesia is the world's third-largest forest nation, with around 120 million hectares of rainforest.

The Indonesian Forum for Environment (Walhi) earlier said Australia's REDD projects in Indonesia were used to offset emissions cuts down under.

The Copenhagen Accord recognizes the role of forests in reducing emissions through the REDD plus scheme, by rewarding companies or forest owners for keeping their forests intact.

Planting new trees could also be counted toward financial incentives under the carbon trading scheme. Indonesia plans to plant 1 billion trees this year.

Hatta said the money from bilateral deals would be used to reduce Indonesia's greenhouse gas emissions by 15 percent as promised by Indonesia.

President Susilo Bambang Yudhoyono has promised to cut Indonesia's emissions by 26 percent by 2020 with the state budget, and another 15 percent if rich nations provide financial aid. (the Jakarta Post)

### **Indonesia Ready for Binding Targets on Emissions Reduction**

State Environment Minister Gusti Muhammad Hatta has insisted that Indonesia will submit an official report on the country's emissions cuts target to the United Nation by the end of this month, which will bind Indonesia to emissions reduction.

The Copenhagen accord obliges each country adopting the accord to submit a report outlining emissions cuts targets, including detailed plans to meet the pledged target to the United Nations Framework Convention on Climate Change (UNFCCC) by Jan. 31 at the latest.

"We will meet the deadline, although we have not yet finished the details on how to reach the targets," he told The Jakarta Post on Thursday.

Hatta admitted that once the report was submitted to the UN secretariat, Indonesia would be bound to slashing its emissions by 26 percent by 2020.

"But we are ready for that [obligation]," he said.

Indonesia is one of 26 countries which signed the accord during the Copenhagen meeting last December. 192 countries are members of the UNFCCC.

It is not yet clear whether all the countries would submit their emission reports to the UNFCCC because most of them have not signed the accord.

President Susilo Bambang Yudhoyono named Hatta's office as responsible for coordinating other departments in slashing their emissions.

Indonesia was the first developing country to announce emissions cuts targets of 26 percent by 2020, 41 percent with international support after developed nations refused to put emissions targets on negotiation table.

Developing countries are not bound to emissions cuts under the Kyoto Protocol.

The Kyoto Protocol, the only binding treaty on emission reductions, requires only developed nations to cut emissions by 5 percent until 2012. when the Protocol expires. Most countries have failed to meet the target.

The Copenhagen meeting failed to reach a new legally-binding treaty on emissions cuts.

But a number of countries have announced their emissions cuts targets to be included in the Copenhagen accord.

The United States pledged to cut 17 percent of emissions by 2020 from 2005 levels, equal to only about 3 to 4 percent from 1990 bases.

In contrast, China has promised to reduce emissions by 40 percent by 2020, while India has offered a 20 percent cut by 2020.

A draft report on emissions targets from the State Environment Ministry showed that with the 26 percent target, Indonesia should cut about 0.7 million tons of carbon dioxide (CO<sub>2</sub>) with an expected cost of Rp 83.3 trillion.

If developed nations provided Rp 168 trillion, Indonesia could slash its emission by another 15 percent to meet the pledged 41 percent.

It said if business runs as usual, Indonesia would emit some 2.95 billion tons of CO<sub>2</sub> in 2020, of which 48 percent would come from land conversion and the forestry sector, 21 percent from the energy sector, 12 percent from peat fires, and 11 percent from waste management.

The draft said emissions cuts would be focused on those sectors.

"We are still formulating the emissions cuts from each sector and where will it take place," he said.

He admitted his office had reached an agreement with the Public Works Ministry on how to cut emissions from the waste management sector.

Hatta's office said earlier that it would enforce the 2008 law on solid waste that required all districts to change from open dumping to more sanitary landfill systems and to separate methane (CH<sub>4</sub>) and use it as a source of electricity. (The Jakarta Post)

## REGIONAL/INTERNATIONAL ISSUES

### **US Envoy for Science and Technology Cooperation to Visit Indonesia**

Bogor, - Indonesia will be the first predominantly Muslim country to be visited by a US envoy exploring science and technology cooperation based on President Barack Obama's commitment to mend the US relations with the Islamic world.

The US envoy would be Prof D Bruce Alberts of the National Institute of Sciences (NAS), according to Dr Deddy Setiapermana, head of the Indonesian Institute of Sciences (LIPI)'s science and technology cooperation and familiarization bureau, here Saturday (16/1/2010).

Prof.Alberts' visit was intended to explore the possibility of re-establishing science and technology cooperation with Indonesia which was discontinued in 2002.

"Indonesia actually was already cooperating in the sci-tech field with the US in 1978 to 2002 when Prof.Dr.BJ.Habibie was

Indonesia's research and technology minister. The cooperation with the United States was halted in 2002 and there had been no cooperation since then, Setiapermana said.

The arrival of Prof. Alberts from the National Institute of Sciences (NAS) next week would be to reciprocate a visit by a LIPI and Indonesian Academy of Sciences (AIPI) delegation to the United States some time ago to explore sci-tech cooperation, he said.

Prof.Alberts' visit would be a follow up to President Barack Obama's commitment to restore US relations with the Muslim world which he made in Egypt last year.

"Through US Secretary of State Hillary Clinton, the US government had selected three academics to visit Muslim countries to explore cooperation in the sci-tech field with them. The selected academics were Dr.Bruce Alberts, Dr. Ahmed Zewail, and Dr.Elyas Z," he said.

During his visit to Jakarta, Prof.Alberts would give a lecture titled "Science policy in the framework of climate change on human security and environment" at LIPI on Tuesday (Jan 19).

The US researcher would also visit a number of laboratory facilities at the LIPI Center for Science, Cibinong, West Java, such as the Zoological Museum, Herbarium Museum in Bogor, the Research Center for Biotechnology, and Chemical Research Center at Puspiptek Serpong, the Ancol Oceanographic Research Center, also the Geotechnology Research Center in Bandung.

"His (Prof.Alberts's) visit is also related to President Obama's plan to visit Indonesia in mid-2010," he added.(ANTARA)

### **Korea Chooses Indonesia to Receive KSP Project Support**

Jakarta - The Korean Ministry of Strategy and Finance and the Korean Development Institute had chosen Indonesia to receive the incentive support under the Korean knowledge sharing program project.

"The Korean experience of assisting Indonesia, such as Korea in 1997 and 1998 carried out budget reforms," Director of the Korean Financial Institute Nowook Park said at a meeting with the media in Jakarta, Wednesday evening.

Nowook who is also member of the Korean Financial Institute team said that Korea has started introducing the performance-based state budget.

"The drawing up of a mid-term budget (more than a year) and a performance-based budget is also important," he said.

The KSP provides recommended policies to the developing countries on the basis of the experience of Korea which was first a poor country but had developed into one of the 10 big economies in the world. Korea has given policy recommendations for 134 cases in 15 countries.

MOSF and KDI had chosen Indonesia as a project country for projects in 2009 and conducted research work with the theme "Indonesia toward an advanced economic power".

The themes that had been forwarded included competition and development of financial policies, Indonesia's financial control, formation of liquidity and derivative market, and mid-term finance and the development of performance-based budgets.

The Korean research delegation had carried out its tasks from April to June 2009. The result of the research will be presented in a Final Reporting Workshop and Senior Policy Dialog on January 21, 2009 at Grand Hyatt Hotel in Jakarta.

As a country chosen to receive the KSP incentive support, the Korean delegation will hold a high-level meeting with economic officials like those of Bappenas.

MOSF and KDI will carry out the KSP for 3 years (2010-2013) and carry out the project intensively integrating comprehensive research on economic and social problems, policy recommendations, KSP training and education, to improve the relations with the Indonesian government as a strategic partner.

Indonesia had been elected by Korea as a partner country for strategic developments for 2010 based on the economic and diplomatic relations between the two countries, with a potential for international cooperation in general development, and in view of Indonesia's strong wish to introduce the KSP along with Korea.

Previously Indonesia was also KSP partner of Korea in 2005, with the theme the reform of important economic institutions in Indonesia:

lessons and experience in Korean development.

For this year's KSP, the first stage is started with the visit of a Korean delegation to Indonesia led by Korean deputy prime minister and minister of financial strategy Okyu Kwon. He is also KSP project manager.

The delegation meets government high officials to discuss important policies as a solution for the Indonesian government.(ANTARA)

### **Indonesia-Sponsored Resolution Adopted by WHO Executive Board Meeting**

London - The Indonesian delegation to a WHO executive board meeting in Geneva has successfully sponsored a resolution on improvement of people's health through safe and environmentally sound waste management, an Indonesian official said at the 126th session of the WHO executive board in Geneva.

Acep Sumantri, spokesperson of the office of the Indonesian Permanent Representative in Geneva, told ANTARA on Saturday (23/1/2010) Indonesia had presented the draft of the resolution at 128th session of the WHO executive board as president of the Basel Convention.

Indonesia's initiative was a follow-up to the Bali Declaration on Waste Management for Human Health and Livelihood which was adopted at the ninth conference of parties (COP) to the Basel Convention in Bali in June 2008, he said.

In the proposing process, the Indonesian delegation gained the support of 37 WHO member countries, namely Argentina, Armenia, Brunei, Bangladesh, Chile, Colombia, Guatemala, Monaco, Nigeria, Switzerland and 27 EU member states, Sumantri said.

In response to the adoption of the resolution, Indonesia's permanent representative in Geneva, Ambassador Dian Triansyah Djani, said it was strong evidence that the WHO recognized Indonesia's leadership in both health and environmental issues.

The resolution itself was also an admission that mismanaging unfriendly and harmful wastes would have an impact on public health.

Therefore, WHO member countries needed to work together with the WHO director general to improve public health through a sound, safe, and environmentally-friendly waste management, he said.

The HHO executive board session was opened last January 18 and ended on January 23. The Indonesian delegation was headed by Health Minister Endang Rahayu Sedyaningsih.

At the meeting, the participants discussed a wide range of issues, including influenza pandemics and global efforts to eradicate measles and prevention and control of noncommunicable diseases.

They also talked about strategies to reduce the harmful use of alcohol, a global code for recruitment of international health workers and the proposed revision of WHO guidance on international control of psychoactive substances.

On the influenza pandemics, Endang said to enhance the world's ability to respond to these pandemics more rapidly, the WHO's 2007 Resolution on influenza pandemic preparedness should be implemented in transparent, fair, sustainable, and balanced ways.

Through the resolution's transparent implementation, WHO member countries would get maximum benefit from the resolution, Endang said as quoted by Acep Sumantri.

The WHO executive board has 34 members technically qualified in the field of health. Members are elected for three-year terms.(ANTARA)

### **WHO Approves Indonesia's Proposal to Declare July 28 Hepatitis Day**

London - The World Health Organization (WHO) has approved Indonesia's proposal to declare July 28 as World Hepatitis Day.

The world body gave the approval at the 126th session of its executive board in Geneva on Saturday with the aim of creating a momentum to fight hepatitis in every country, first secretary of the Indonesian permanent representative office in Geneva Acep Somantri said in a statement on Sunday (24/1/2010).

The session also approved by consensus draft resolutions proposed by Indonesia and Brazil on viral hepatitis after two days of debates, the statement said.

The WHO Executive Council considered the resolutions important to enhance global cooperation in preventing and handling hepatitis, it said.

In a statement to the WHO Executive Council, Indonesian Health Minister Endang Rahayu Sedyaningsih underscored the importance of the resolutions to assist developing nations in preventing and handling hepatitis.

The resolutions will encourage developing countries to stress the need for cooperation and technical aid to conduct surveillance, and have access to hepatitis B vaccines at affordable prices as well as universal access to medical treatment.

Given the resolutions the WHO was expected to increase its role in encouraging all countries to prevent and handle hepatitis, the minister said.

Dr. David H. Muljono, a member of the Indonesian delegation to the meeting, said an estimated 500 million people worldwide are infected with hepatitis B and C, and more than 600 thousand people died of hepatitis B and C every year.(ANTARA)

### **Indonesia to Hold International Muslim Conference on Climate Change**

Indonesia is scheduled to hold an international Muslim conference on climate change in Bogor, West Java, from March 1 to March 2, 2010.

Head of the conference's steering committee Ismid Hadad told a press conference in Jakarta on Tuesday (26/1/2010) that the Muslim conference would be a continuation of the declaration of the Muslim Seven-Year Action Plan for Climate Change concluded in Istanbul, Turkey, in June last year.

Ismid, who is also the chairman of the patronage council of Kehati Foundation, said there would be three items to be discussed at the conference, including climate change issue and what Muslims can do, Antara news agency reported.

The second item will be the plan to establish a Muslim Association for Climate Change Action (Macca), which is expected to become an umbrella organization for the implementation of the action plans in various Muslim countries around the world.

The third item will be the declaration of four cities in the Muslim countries as green cities or “Al Khaer City”, which will also include Bogor. The other three will be Madinah (Arab Saudi), Salleh (Morocco) and Sanaa (Yemen).

Up to 150 environmental experts, scientists and elemas have been invited to the conference from 30 Muslim countries including the United Arab Emirates, Brunei Darussalam, Malaysia, African countries, Saudi Arabia, Iran, Kuwait and Egypt. (The Jakarta Post)

### **Indonesia Wins US Praise for Religious Tolerance**

Indonesia’s religious tolerance has won praise from the US government and civil society groups despite concerns that the country may tilt toward more radical Islamic ideas, with several regions enacting sharia-based bylaws and hardliners reportedly trying to stifle pluralism.

Indonesia and the US kicked off a three-day interfaith dialogue Monday in Jakarta to deepen bilateral cooperation and cultural relations.

The 20-member US delegation is led by Pradeep Ramamurthy, senior director for global engagement of the White House National Security Council.

The Indonesian delegation comprises 30 people from religious organizations, including Nahdlatul Ulama and Muhammadiyah, and is headed by Andri Hadi, the Foreign Ministry’s director general for information and public diplomacy.

A member of the US delegation, William F. Vendley, who is the secretary-general of Religions for Peace, said the American perception of Indonesia was positive, with people increasingly aware Indonesia was the country with the largest Muslim population in the world.

“The US government is enormously impressed with both the Indonesian government’s and the people’s commitment to pluralism. Although the majority of the population is Muslim, they welcome diversity... They see Indonesia as a model for a religiously diverse society functioning in a harmonious and peaceful fashion.”

Vendley said the American community did not see the enactment of sharia-based bylaws and hardliners’ recent moves to ban Muslim pluralist activities as a looming threat to diverse religious life as “there is deep confidence that there is a profound [national] commitment to Pancasila”, the country’s ideology that defends freedom of religion.

“Educated Americans are alert to the shape of Islam globally actually look to Indonesia as a bridging country... well-positioned to understand pluralism, which is very characteristic of the US, and at the same time a country that is uniquely positioned to function as a faithful interlocutor and partner with other countries that have less pluralism,” he said.

Under the regional autonomy system, several local administrations in Indonesia have enacted sharia-based bylaws that require Muslim women to wear a hijab or put them under restrictions at night in relation to outdoor activities. Moderates have also been alarmed by hardliner groups attempting to impose harsh restrictions on the way women may dress and perform on television broadcast shows, especially under the pornography law, as well as recent attacks on minority places of worship.

“We haven’t focused so much on these issues and what we want to emphasize is that Indonesia is diverse and embraces diversity...” said Darcy Zotter, deputy political counselor of the US Embassy in Jakarta.

Foreign Minister Marty Natalegawa said the idea of the interfaith dialogue was floated by then foreign minister Hassan Wirajuda during a visit to the US to meet US Secretary of State Hillary R. Clinton last June.

“Today, we convene to... implement the commitment to strengthen the voice of moderation and foster dialogue for cooperation as one way to address today’s critical challenge,” Marty said.

The interfaith dialogue is part of US-Indonesia cooperation covering a range of areas from education to counter terrorism to sanitation that have been established in the context of a comprehensive bilateral partnership. (The Jakarta Post)

## **Indonesia and US Religious Groups Team Up to Tackle Poverty**

Participants at an interfaith forum in Jakarta have pledged to work closely to end poverty and enhance education while trying to help people cope with climate change.

The joint declaration came at the conclusion of the three-day forum Wednesday (27/1/2010), attended by religious leaders from the United States, Indonesia and Thailand, the Philippines, Malaysia, Sri Lanka and Japan.

The leaders expressed their commitment to creating partnerships on a wide range of issues to allow better understanding about religious diversity in the region, still gripped by radical movements that have in recent years often devolved into violence.

Thailand and the Philippines, both with significant Muslim minorities, have for decades been engaged in quelling insurgencies in their respective southern provinces, dominated by Muslims.

Deadly attacks in three provinces in the south of Thailand have claimed thousands of lives since the 1970s, while the Philippine government is fighting Muslim rebels in the southern island of Mindanao.

Indonesia has faced years of inter-religious strife in places such as Poso in Central Sulawesi and Ambon in Maluku. Only recently has the government managed to bring peace to these areas.

Jean Duff, executive director of the Center for Interfaith Action on global poverty, said the joint declaration would be the basis for civil groups to enhance their communication and understanding about Islam in Indonesia and Asia, which differs greatly from its Arab roots.

Indonesia is home to world's largest Muslim population, and has been held up by the Western world as a model working democracy, particularly in light of many Arab countries' dismal records on human rights and freedom of expression.

Jakarta's increased leverage on the world stage is attributed partly to moderate Muslim groups

that also engage in social projects such as education and household economy empowerment.

The country's biggest Muslim organizations, Muhammadiyah and Nahdlatul Ulama, run a host of programs aimed at bettering the livelihoods and standards of living of grassroots communities.

"Interfaith dialogue should not be self-absorbed, that the discussion is the religion per se, but rather how it can contribute to people's lives and be inclusive for all," Foreign Minister Marty Natalegawa said Monday on the sidelines of the forum's opening session.

He added the interfaith dialogue would establish a partnership between Indonesia and the United States in various fields that would allow people from different backgrounds to benefit.

US delegation head Pradeep Ramamurthy said Washington was looking forward to working together with Indonesia's religious groups as they had the capacity to "mobilize and deliver" the necessary action to resolve a wide range of issues.

"President Obama has spoken frequently about the importance of listening to one another, even to those groups with different perspectives, as well as building bridges between people and leading partnership and action," said Ramamurthy, the senior director for global engagement on the White House's National Security Council.

"This is vital in a world where we share more challenges than at any other time in human history."

Scholars and religious leaders pledged to engage the community in raising awareness about the causes of poverty, while empowering youth and women in the fight against it.

They also agreed to educate the community about the importance of climate change and protection of minority groups.

The recommendations will be presented to the governments of both countries.(The Jakarta Post)