





### **Programme**

### Field Visit to Indonesia, 1 – 4 February 2016

#### Venues

Hotel: Mandarin Oriental Hotel. Jl. MH Thamrin, Jakarta 10310

World Bank Country Office: Indonesia Stock Exchange Building, or commonly known as "Bursa Efek Indonesia/BEI", Jl. Jendral Sudirman Kav. 52-53, Jakarta 12190. The World Bank offices are located on the 12th (reception area), 13th, & 14th floors of Tower 2, and 9th floor of Tower 1. IFC is located on the 9th floor of Tower 1.

**International Monetary Fund Resident Representative Office:** Bank of Indonesia, 5th Floor, Jl. MH Thamrin No. 2, Jakarta 10350

### **Contacts**

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Nayé A. Bathily, World Bank: +33 6 23 30 66 96; +1 202 247 7447

Benedict Bingham, IMF: +62 21 231 1884

Dini Sari Djalal, World Bank: 62 21 5299 3156

### **Programme**

Sunday, 31 January 2016		
Upon arrival	Check-in at the Hotel	<b>Venue</b> : Mandarin Oriental Hotel
8:00 pm – 9:00 pm	Buffet Dinner for participants arriving in the evening	Venue: Mandarin Oriental Hotel, Esquire Room

Monday, 1 February 2016		
7:45 am – 8:15 am	Breakfast at Hotel	Venue: Mandarin Oriental Hotel
8:15 am – 9:00 am	Transport to World Bank Country Office	

9:00 am — 10:15 am	<ul> <li>Welcome Programme and Briefing Session</li> <li>Alain Destexhe, Senator, Belgium; Vice-Chair, the Parliamentary Network</li> <li>Rodrigo Chaves, Country Director, Indonesia, World Bank Group</li> <li>Benedict Bingham, Senior Resident Representative, Indonesia, IMF</li> <li>Sarvesh Suri, Country Manager, Indonesia, International Finance Corporation</li> <li>Steven R. Tabor, Country Director, Indonesia, Asian Development Bank</li> </ul>	Venue: World Bank Country Office
10:15 am – 10:45 am	Discussion	Venue: World Bank Country Office
10:45 am – 11:00 am	Coffee Break	<b>Venue:</b> World Bank Country Office
11:00 am – 12:00 pm	Presentation on Inequality and Jobs  • Josephine Bassinette, Operations Manager, Indonesia, World Bank Group  Discussion	Venue: World Bank Country Office
12:00 pm – 12:30 pm	Transfer to the Parliament of Indonesia	
12:30 pm – 2:15 pm	Lunch Reception at Parliament of Indonesia (seated lunch)	Venue: Jl. Jenderal Gatot Subroto, Senayan Jakarta 10270
2:30 pm – 5:00 pm	<ul> <li>Meeting with Parliament of Indonesia</li> <li>Suggested Discussion Points:         <ul> <li>Engagement between the Parliament, World Bank, and IMF - What legislative role does the Parliament play in international development cooperation?</li> <li>Good governance - How does the Parliament hold the Executive accountable?</li> <li>Reform agenda - What is the Parliament's role in reforming the public sector?</li> <li>Engagement with Ministries - How does the Parliament engage with the Ministry of Economy and Finance?</li> <li>Transmission of information after World Bank and IMF negotiations with the Indonesian government - Is the Parliament briefed on these discussions?</li> </ul> </li> </ul>	Venue: Jl. Jenderal Gatot Subroto, Senayan Jakarta 10270
5:00 pm – 5:30 pm	Press Briefing	Venue: Jl. Jenderal Gatot Subroto, Senayan Jakarta 10270

5:30 pm – 6:00 pm	Transfer to the Hotel	
	Evening Free	

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Tuesday, 2 February 2016		
7:45 am – 8:15 am	Breakfast at Hotel	<b>Venue</b> : Mandarin Oriental Hotel
8:15 am – 9:00 am	Transfer to the Ministry of the Economy and Finance	
9:00 am – 10:30 pm	<ul> <li>Meeting with Darmin Nasution, Coordinating Minister for the Economy</li> <li>Suggested Discussion Points:         <ul> <li>Macroeconomic outlook for Indonesia - How is Indonesia performing as a country and what are the macroeconomic prospects going forward?</li> <li>Indonesia's challenges - What are systematic challenges that are inhibiting macroeconomic prosperity and how does it strive towards and inclusive economy?</li> <li>Parliamentary engagement with the Ministry of Economy - What is this engagement and how does it contribute to the goals of the Ministry?</li> <li>Indonesia's place within the region - How does Indonesia compare within a regional context?</li> <li>Indonesia's place in the global economy - How does Indonesia compare within a global context?</li> </ul> </li> </ul>	Timur Nomor 2-4 ; Jakarta Pusat 10710
10:45 am – 12:15 pm	<ul> <li>Meeting with Bambang Permadi Soemantri Brodjonegoro, Minister of Finance</li> <li>Suggested Discussion Points:         <ul> <li>Parliamentary engagement with the Ministry of Finance -</li></ul></li></ul>	Venue: Jl. Lapangan Banteng Timur No. 2-4, Daerah Khusus Ibukota Jakarta 10710
12:15 pm – 12:45 pm	Transfer to hotel for change of clothes	
1:00 pm – 1:30 pm	Transfer to World Bank project site	
1:30 pm – 5:30 pm	Visit World Bank Project - PNPM Urban PNPM—Urban is designed to promote the development of community organizations at the urban ward level, which are eligible for up to three block grants ranging from US\$15,000 to US\$40,000 per ward, in order to help meet the goals of the community development plan. PNPM—	

Urban builds primarily on the World Bank–funded Urban Poverty Program (UPP1, UPP2/Additional Financing, and UPP3) that began in 1999. In 2008, the World Bank approved the first PNPM–Urban project and provided subsequent additional financing in 2009. PNPM–Urban III was approved in 2010, and ends in 2016, but will be continued although renamed as the Slum Upgrading project.

PNPM—Urban works to ensure that the urban poor benefit from improved socio—economic and local governance conditions. This is achieved through:

- Forming and institutionalizing elected representative organizations that are accountable to communities;
- 2. Providing grants to communities directly and transparently to finance poverty alleviation activities, especially infrastructure services;
- 3. Enhancing the ability of central and local governments to partner with community organizations in the provision of services;
- 4. Increasing awareness of disaster risk mitigation and mainstreaming of measures for resilience and recovery.

The total project cost is US\$217.4 million, including a US\$155 million loan from the World Bank (including co-financing of US\$5 million from the Global Facility of Disaster Reduction and Recovery), US\$36.9 million provided by Gol, and an estimated US\$25.5 million from community contributions. Kelurahan grants are disbursed to wards, mostly for infrastructure (84 percent). The remainder of the grants went toward economic activities (6 percent) and social activities (10 percent). The key project performance indicators have been met, including those for women's participation. More than 35 percent of the facilitators are women.

5:30	pm –
6:00	pm

Transfer to the Hotel

Evening free for participants

Wednesday, 3 February 2016		
8:00 am – 9:20 am		<b>Venue</b> : Mandarin Oriental Hotel, Esquire Room
9:20 am – 10:00 am	Transfer to the Central Bank	
10:00 am – 11:00 am	Suggested Discussion Points :  • Overview of Central Bank - Its evolution over time and its	Jakarta - Pusat

	Parliament? • Parliamentary engagement with the Central Bank - What is this engagement and how does it contribute to the goals of the Central Bank?	
11:15 am – 12:00 pm		Venue: Bank Indonesia Function Room, Kebon Sirih Building 4th Floor Jl. M.H. Thamrin No. 2 Jakarta - Pusat
12:00 pm – 1:30 pm	Lunch boxes will be served	Venue: Bank Indonesia Function Room, Kebon Sirih Building 4th Floor Jl. M.H. Thamrin No. 2 Jakarta - Pusat
1:30 pm – 1:45 pm	Transfer to bus	
1:45 pm – 5:30 pm		you as we will leave for the visit directly from the Central Bank buildings.
5:30 pm – 6:00 pm	Transfer to hotel for change of clothes and preparation for dinner	
6:30 pm – 7:00 pm	Transfer to restaurant	
7:00 pm – 9:00 pm	Dinner with Indonesia's Chamber of Commerce (Kadin) and Indonesian Employers Association (Apindo)	Venue: Harum Manis Restaurant

Thursday, 4 February 2016		
8:00 am – 9:30 am	Breakfast Meeting with CSOs	<b>Venue:</b> Mandarin Oriental Hotel, Esquire Room

9:30 am – 10:30 am	Transfer to Lippo Karawaci	
10:30 am – 2:00 pm	Visit IFC Project - MBK VENTURA  PT. Mitra Bisnis Keluarga Ventura (the "Company", or "MBK") is a microfinance institution ("MFI") in Indonesia that provides working capital to low-income women in Java using the Grameen Bank methodology. The working capital helps the women to access to formal and cost-effective financial services, reduce their vulnerably, and improve their lives. Since launching in 2003, MBK has become one of the largest Grameen-style microfinance institutions in Indonesia. As of November 2015, MBK has a network of 321 branches with total employees of 2,793 (99% women), of whom 2,171 are loan officers (100% women). IFC collaborates with MBK as the partnership presents a unique opportunity for IFC to: (i) expand IFC's footprint in Indonesia's microfinance sector; (ii) to diversify IFC's microfinance portfolio, by supporting a non-bank MFI with large customer outreach; and (iii) to substantially increase and support government agenda of financial inclusion in Indonesia. The shareholders of MBK are PT. Bina Usaha Keluarga (99.7%) and a local minority shareholder (the remaining). IFC owns MBK through ownership in PT. Bina Usaha Keluarga (20% stake), and the remaining stake is owned by the founders of MBK, Mr. Shafiq Dhanani and his wife Mrs. Elizabeth (Liz) Sweeting.	
2:00 pm – 3:00 pm	Transfer to hotel	
3:30 pm – 4:30 pm	Debrief on the Field Visit	<b>Venue:</b> Mandarin Oriental Hotel, Esquire Room
	Afternoon free/ Departure of Delegates	

### **Participants**

Members of Parliament/Senators

Country	Last Name	First Name
1. Australia	Quirk	Margaret
2. Australia	Voltz	Linda
3. Azerbaijan	Hajiyev	Asaf
4. Belgium	Destexhe	Alain
5. Cameroon	Aliyoum	Fadil
6. Cameroon	Musa Mbutoh	Njingum
7. Cameroon	Ndoumou	Pauline
8. Canada	Merchant	Pana
9. Colombia	Oscar Mauricio	Lizcano Arango
10. Denmark	Hammond	Aleqa
11. Denmark	Hansen	Claus Kvist
12. DRC	Bazaiba Masudi	Eve
13. France	Leconte	Jean-Yves
14. France	Reitzer	Jean-Luc

15. Indonesia	Ariani	Sofia
16. Indonesia	Assegaf	Nurhayati
17. Indonesia	Zon	Fadli
18. Kenya	Farah	Abdulaziz Ali
19. Kenya	Gwendo	Joy
20. Kenya	Machage	Winfred
21. Kenya	Mariru	Patrick
22. Kenya	Musyimi	Mutava
23. Madagascar	Razafindrafito	Lova
24. Morocco	Khairoun	Said
25. Morocco	Sbia	Khaled
26. Pakistan	Uddin	Iftikhar
27. Portugal	Pacheco	Duarte
28. Salvador	Merino Lopez	Jose Francisco
29. Thailand	Suwannacheep	Saowanee
30. Tunisia	Soukri Cherif	Olfa

### Speakers

Organisation	Last Name	First Name
Asian Development Bank	Tabor	Steven
Bank of Indonesia	Martowardojo	Agus
Bank of Indonesia	Warjiyo	Perry
Indonesian Ministry for the	Nasution	Darmin
Economy		
Indonesian Ministry for Finance	Soemantri Brodjonegoro	Bambang Permadi
International Finance	Suri	Sarvesh
Corporation		
International Monetary Fund	Bhatia	Sabina
International Monetary Fund	Bingham	Benedict
International Monetary Fund	Cowen	David
World Bank Group	Bassinette	Josephine
World Bank Group	Chaves	Rodrigo

### Staff

Organisation	Last Name	First Name
International Monetary Fund	Prassetya	Rully
International Monetary Fund	Rahmanto	Agustini
Parliamentary Network	Ivanova	Gergana
Parliamentary Network	Perlmutter	William
World Bank Group	Bathily	Nayé
World Bank Group	Djalal	Dini Sari
World Bank Group	Suditomo	Kurniasih
World Bank Group	Ningnagara	Gatot Bayu Surya
World Bank Group	Zouhour	Line

### **ANNEX I - Background the Parliament of Indonesia**

#### **Indonesia Parliamentary System**

As in other democratic countries, the Indonesian political system is based on the Trias Politica that recognizes the separation of the **legislative**, **executive** and **judicial powers**.

The legislative power is vested in the People's Consultative Assembly, or Majelis Perwakilan Rakyat (MPR), which consists of two houses: the Dewan Perwakilan Rakyat (DPR), or House of Representatives, composed of representatives of political parties, and the Dewan Perwakilan Daerah (DPD), or Regional Representatives Council - composed of representatives from each province in Indonesia. Since 2004, the MPR has become a bicameral parliament, with the DPD as its second chamber. The MPR is currently chaired by Zulkifli Hasan, and is composed of 560 members of the DPR and 132 members of the DPD. The DPR is chaired by Ade Komarudin, and the DPD is chaired by Irman Gusman (*incumbent*).

**The executive branch** is centralized on the President, the Vice President, and the Cabinet of Ministers. The cabinet in Indonesia is a presidential one, in which the Ministers report to the President and do not represent the political parties in the parliament.

However, the current President, Joko Widodo, who is supported by the Indonesian Democratic Party of Struggle (PDIP), has also appointed a number of politicians to become members of his cabinet. The objective is to maintain government stability, mindful of the strong position that the legislative branch holds in Indonesia. Nonetheless, important and strategic ministerial posts are generally held by ministers without party portfolios – the so-called 'technocrats', experts in their field.

**The judicial branch**. Since the reform era and after the amendment of the 1945 Constitution, the judicial branch is administered by the Supreme Court, the Judicial Commission, and the Constitutional Court, including the administration of the judges. However, the presence of the Minister of Justice and Human Rights is retained.

### **House of Representative (DPR)**

The House of Representatives has three fundamental rights and tasks:

- 1. The right to question the policies of the Executive branch. This is called *interpelasi*.
- 2. The right to conduct an investigation. This is called *angket*.
- 3. The right to deny or approve the budget.

The House also has the right to prepare laws. Every bill is deliberated by the House, together with the President, for joint approval. The bills may come from the House, the President, or the Regional Representative Council (DPD).

The parliamentary election took place on April 9, 2014.

### 2014 Parliamentary results: Main parties

PDI-P, led by Megawati Soekarnoputri,		
daughter of Indonesian founding father	Governing party	109 seats, 18.95%
Soekarno		
Golkar, led by mining and property tycoon	Opposition party	91 seats, 14.75%
Aburizal Bakrie		
Gerindra, led by former General Prabowo	Opposition party	73 seats, 11.81%
Subianto		
Demokrat Party, led by Susilo Bambang	Opposition party	61 seats, 10.19%
Yudhoyono (former President from 2005-2014)		
Voter turn out: 75%		

#### **Provincial elections**

Nearly all of Indonesia's 34 provinces have their own parliaments. The only province without a local legislature is the Special Region of Yogyakarta, which is governed by a hereditary monarchy. The elections themselves present a formidable logistical challenge, overseen by Indonesia's General Elections Commission, the KPU. Voting takes place over a single day. The country's far-flung islands and provinces often face obstacles, such as late deliveries of ballots.

#### **Presidential elections**

The legislative elections are key to the July 9 presidential election, because candidates for the presidency must be nominated by a party, or coalition, that secures at least 20 per cent of parliamentary seats. But none of the 12 parties contesting the 2014 votes won enough votes to nominate a presidential candidate alone. The lack of majority forced the major parties to team up with smaller parties. Though the PDI-P won the most votes in the parliamentary election, it was forced to team up with NasDem, a youth-orientated party, and the moderate National Awakening Party, in order to nominate Jakarta Governor Joko 'Jokowi' Widodo.

The Great Indonesia Movement Party (Gerindra party) forged a broader alliance with the United Development Party (PPP), the National Mandate Party (PAN), the Prosperous Justice Party (PKS) and the Crescent Star Party to nominate Prabowo Subianto. Mr Subianto also received the backing of current President Susilo Bambang Yudhoyono's Democratic Party. The President's term began with polarization of the House, but tensions have subsided.

### Biographies of Legislators for Meeting on 1 February 2016:



### Ade Komaruddin, House Speaker, Golkar Party.

Ade Komaruddin is a senior politician of Golkar Party and the new House Speaker as of January 12, 2016. Born in Purwakarta, West Java, Komaruddin has represented his constituency in the House since 1997. He has led the Golkar party faction in parliament since 2014. In 2010, Komarudin was also trusted to lead SOKSI, the workers' organization. He also leads two youth organizations under the umbrella of this former ruling party.



### Fadli Zon, Deputy Speaker, Gerindra Party.

The former 1998 student activist from University of Indonesia is a staunch supporter of Prabowo Subianto and one of the founders of the Gerindra party. Before the election, Zon was known as a critic of Jokowi and his policies. Zon is vehemently opposed to the reduction of fuel subsidies, and often criticizes the Bank's oppositition to subsidies.



### Fahri Hamzah, Deputy Speaker, Justice and Prosperity Party (PKS).

A leader of an Islamic student organization during the Reformasi era, Fahri Hamzah is a colorful figure in Indonesian politics. He is in his third term representing the Justice and Prosperity Party. He is known for his views on constitutional issues.



Nurhayati Ali Assegaf, Chairperson of the Committee for Inter-Parliamentary Cooperation, Democrat Party (PD). An MP since 2009, Nurhayati Assegaf is Chair of the Committee for Inter-Parliamentary Cooperation. The former special staff for Indonesia's First Lady was previously Managing Director of Assegaf & Partners, Ltd. and an Associate at Winarto Soemarto & Associates. She holds a Ph.D. in Social and Political Studies from Gajah Mada University, Indonesia.



Fadel Muhammad, Deputy Chair of Commission 7 (Energy, Technology, Environment), Golkar Party.

The former Governor of Gorontalo, Fadel Muhammad had won his second term in 2009 when President Susilo Bambang Yudhoyono appointed him as Minister of Maritime Affairs and Fisheries. An engineer by training, Muhammad co-founded with now Vice President Jusuf Kalla the Bukaka Group, an engineering company which is now a publicly listed company with investments in energy, transportation and telecommunications. Muhammad has a PhD in Public Administration from Gajahmada University in Yogyakarta.



Hanafi Rais, Deputy Chair of Commission 1 (Defense, Intelligence, International Relations, Information and Communication), National Mandate Party (PAN).

Among the youngest members of Parliament, Hanafi Rais represents the Yogyakarta province. Rais is the son of Amien Rais, who founded the National Mandate Party which he serves.



Kurtubi, Deputy Chair of Commission 7 (Energy, Technology, Environment), Indonesian Democratic Party of Struggle (PDIP).

An expert of the oil and gas industry, Kurtubi spent much of his career at state oil company Pertamina. Before joining the PDIP, Kurtubi served various positions, including Commissioner for mining giant Newmont, as well as lecturer at the University of Indonesia and Paramadina University. Kurtubi has a doctoral degree from the University of Colorado.



Ahmadi Noor Supit, Chair of Commission 11 (Banking and Finance), Golkar Party.

Ahmadi Noor Supit is a career Golkar Party politician who has served the House of Representatives since 1992. Representing South Kalimantan, he has served several Commissions, and most recently was the head of Parliament's Budget Committee (Badan Anggaran), before being assigned in late January as Chair of Commission 11 (Banking and Finance). He is a graduate of the Christian University of Indonesia.



### Erma Suryani Ranik, Democrat Party (PD).

Erma Suryani Ranik is an MP from the Democrat Party, representing West Kalimantan. A former journalist with a law degree, she is a member of Commission 3, on Law, Human Rights, and Security. Prior to entering politics, Ranik worked as a specialist in community empowerment, active in projects managed by DFID and the European Commission.



Aryo Djojohadikusumo, member of Commission 1 (Defense, Intelligence, International Relations, Information and Communication), Gerindra Party.

The son of Hashim Djojohadikusumo, the financier behind the Gerindra party led by 2014 his brother Prabowo Subianto, Djojohadikusumo is amongst the youngest members of Parliament. Prior to the 2014 election, Aryo led youth organization TIDAR, a wing of the nationalist Gerindra party.



Okky Asokawati, member of Commission 9 (Labor, Transmigration, Health), United Development Party (PPP).

A former model and TV personality who then launched a successful modeling school, Okky Asokawati turned to politics in 2009 and immediately won a seat in parliament. In her second term, she serves Commission 9, which focuses on labor, health and transmigation.



Sofyan Tan, member of Commission 10 (Education, Culture, Tourism, Creative Economy), Indonesian Democratic Party of Struggle (PDIP).

Sofyan Tan is a doctor from North Sumatra who turned to politics after two decades of volunteerism and advocacy. He is a member of Commmission X, on Education Culture, Tourism, and Creative Economy.



Satya Yudha, former Deputy Chair of Commission 7 ((Energy, Technology, Environment), Golkar Party.

Arief	Suc	ditomo

Miryam Haryani

Kresna Prosakh



### Tantowi Yahya, Deputy Chair, Inter-Parliamentary Committee, Golkar Party.

Famously known as a TV presenter, country singer and entrepreneur, Yahya became a national figure for his hosting duties of the Indonesian version of Who Wants to Be A Millionaire. Yahya was for many years the key figure in Commission I (Security and Foreign Affairs). He is now Deputy Chair of the Inter-Parliamentary Network.



### Kardaya Warnika, Deputy Chair of Commission 11 (Banking and Finance), Gerindra Party.

Kardaya Warnika is an advocate of renewable energy, such as micro hydro. "An energy crisis will hit Indonesia in 2019," said Warnika, who also served as the Energy Ministry's Director General for Renewable Energy and Conservation. Trained as an oil engineer and a graduate of Bandung's Institute of Technology, Warnika has a Master's degree from Ecole Nationale Superiure du Petrole et des Moteurs, and a PhD in energy economics from the Universite de Ijon.



### imad Prakosa, Deputy Chief of Commission 11 (Banking and ce), Indonesian Democratic Party of Struggle (PDIP).

sa is a former Minister of Forestry (2001-2004) and Minister of ulture (1999-2001). A loyalist of the Indonesia Democratic Party of gle (PDIP), Prakosa is an economist who was also Deputy Chief sentative in Jakarta of the Food and Agriculture Organization. Trained as a forestry specialist, Prakosa has a PhD from the rsity of California.



### Pius Lustrilanang, Deputy Chair of Commission 9 (Labor, Transmigration, Health), Gerindra Party.

A kidnapped activist who returned alive, Pius is a two time MP from Gerindra party, which he joined in 2008. Previously, Pius was a member of Partai Amanat Nasional and also of PDIP. In his previous term, Pius served in Commission VII for Energy. Pius is an alumni of the Catholic University of Parahiyangan, Bandung and of the University of Indonesia. He is also the CEO of PT Brigass Trilanang Security.



# Budiman Sudjatmiko, member of Commission 2, Indonesian Democratic Party of Struggle (PDIP).

An activist during the Soeharto era, Sudjatmiko was jailed for leading the leftist but now defunct Democratic People's Party. After Soeharto's downfall and his release from jail, Sudjatmiko continued to lead the party until 2002 when he resigned to study in the U.K. He returned in 2004 to join the Indonesian Democratic Party of Struggle (PDI-P).

### ANNEX II – Biographies of Ministers and Governors

### **Darmin Nasution, Coordinating Minister for the Economy**



Darmin Nasution, a Batak, was born in Tapanuli in North Sumatra on 21 December 1948. He graduated from the University of Indonesia (1976) and received his doctorate in economics from the University of Paris, Sorbonne, France, in 1986.

Before later taking up various positions within the Indonesian government, Nasution lectured in economics at the University of Indonesia where he was Deputy Chair of the Lembaga Penyelidikan Ekonomi dan Masyarakat (LPEM, or Institute for Economic and Social Research) from 1987, and Head of the LPEM

from 1989. Nasution served as Director General of for Financial Institutions in the Indonesian Ministry of Finance from 2000-2005. He was subsequently appointed chairman of Indonesia's Capital Market and Financial Institution Supervisory Agency in 2006 and was later transferred to the post of Director General of Taxation in the Ministry of Finance.

In July 2009 Nasution was appointed senior Deputy Governor of Bank Indonesia. He was sworn into office on 27 July 2009. Nasution immediately became acting governor of Bank Indonesia because the previous governor, Boediono, had resigned several months earlier in May to run for election as Vice President of Indonesia as team mate of President Susilo Bambang Yudhoyono. Nasution was subsequently appointed as governor of Bank Indonesia on September 1, 2010, after parliamentary hearings to consider his nomination as governor. He was succeeded as governor when Agus Martowardojo was appointed in May 2013. On August 12, 2015, Nasution was appointed as the Coordinating Economics Minister replacing Sofyan Djalil in the post.

### Bambang Permadi Soemantri Brodjonegoro, Minister of Finance



Prof. Bambang Brodjonegoro was Vice Minister before his recent appointment as Minister of Finance for the new administration of President Joko Widodo ("Jokowi"). He joined the Ministry of Finance of the Republic of Indonesia in January 2011 as the Acting Head of the Fiscal Policy Office. In October 2013 he was appointed by President Yudhoyono as Vice Minister of Finance.

In November 2014, he was appointed by President Joko Widodo as Minister of Finance. In early October 2015, Minister Brodjonegoro was selected as the new Chairman of the World Bank/IMF Development Committee for the period of 2016-2018. The Development Committee's 25 members—mostly Finance or

Development ministers—represent the full 188 country membership of the Bank and the Fund. The Committee's mandate is to advise the Boards of Governors of the Bank and Fund on critical development issues.

Previously, Prof. Brodjonegoro was Director General of the Islamic Research and Training Institute at the Islamic Development Bank, from 2009-2011. From 2005 to 2009, he served as the Dean of the Faculty of Economics at the University of Indonesia. Prof. Brodjonegoro graduated from the Faculty of Economics at the University of Indonesia in 1990, and earned a Masters in Urban Planning as well

as a Ph.D. in Regional Planning from the University of Illinois at Urbana-Champaign. His main areas of expertise are economic development, regional economy and fiscal decentralization.

### Agus D.W. Martowardojo, Governor, Bank of Indonesia



Agus D.W. Martowardojo was born in the Netherlands in 1956. He is a graduate of economics at the University of Indonesia and deepened his knowledge further through various programs at the State University of New York, Harvard Business School, Stanford University, and Wharton Executive Education.

Agus D.W. Martowardojo's career began in the banking industry at the Bank of America and then Bank Niaga in 1986. In 1995, he was appointed Managing Director of Bank Bumiputera and in 1998 as the Managing Director of Bank Ekspor Impor Indonesia. From 1999-2002, he served as the Managing Director of Bank Mandiri. In October 2002, after working as an

advisor to the Chairman of IBRA (The Indonesian Bank Restructuring Agency), he was installed as the Managing Director of Bank Permata. From May 2005 until May 2010 Agus D.W. Martowardojo led Bank Mandiri as its Managing Director. Agus D.W. Martowardojo won, among others, Indonesia's Best Executive in 2009 from Asiamoney, The Indonesian Banker Leadership Achievement Award 2010 from The Asian Banker, and was chosen as Finance Minister of the Year 2012 on a global and Asia-Pacific level for The Banker in February 2012. Prior to his selection as the Governor of Bank Indonesia, Agus D.W. Martowardojo was the Minister of Finance of the Republic of Indonesia as of 20th May 2010. Subsequently, pursuant to Presidential Decree No. 45/P, 2013, Agus D.W. Martowardojo was sworn in as the Governor of Bank Indonesia on 24th May 2013. Agus D.W. Martowardojo's tenure as Governor of Bank Indonesia will run for the period from 2013 – 2018.

### Perry Warjiyo, Deputy Governor, Bank of Indonesia



Born in Sukoharjo on 1959. Perry graduated from Gajah Mada University in 1982. He continued his study in Iowa State University, and on 1991, he received his Ph.D. degree in monetary and international financial economics.

He started his career at Bank Indonesia in 1984. He nurtured his career particularly in the areas of economic research and monetary policy, foreign exchange management, international issues and also organizational transformation. From 2007 to 2009, he held a mandatory strategic role as Executive Director in International Monetary Fund (IMF), representing the

13 members of the South-East Asia Voting Group (SEAVG). He continued his career as Head of Economic Research and Monetary Policy Directorate in Bank Indonesia.

Early 2013, he was appointed as Assistant Governor of Bank Indonesia in the area of international and monetary policy. Perry is a lecturer of monetary and international financial economics in several notable universities in Indonesia. He has also written numerous economics books and journals.

Perry Warjiyo appointed as Deputy Governor of Bank Indonesia by Presidential Decree 28/P of 2013 dated April 5th, 2013, and officially sworn as Deputy Governor of Bank Indonesia on April 15th, 2013.

# ANNEX III - Background on Representatives from Indonesia's Chamber of Commerce (Kadin) and the Indonesian Employers Association (Apindo)

### **Private Sector Biographies:**



### Hariyadi Sukamdani, Chairman of Indonesian Employers Association (APINDO).

Hariyadi Sukamdani is President Director of PT Hotel Sahid Jaya International and President Director of PT Indotex LaSalle College International. An engineer by training, Sukamdani also served as Commissioner of Pt Jamsostek, the state owned enterprise for workers insurance.



### Rosan Roslani, Chairman of Indonesian Chamber of Commerce (KADIN).

Rosan Roeslani is the president director of coal producer Bukit Mutiara. Previously he led Berau Coal Energy, Vallar Plc and Bumi Resources, all linked with the Bakrie group. He is also the founder of Recapitale foundation. Roeslani has an MBA from Antwerpen European University in Belgium.



## Wahyuni Bahar, APINDO Head of Multilateral Affairs & KADIN Head of Multilateral Affairs and Free Trade Agreement.

Wahyuni Bahar is the founder of Bahar & Partners, a high profile law firm. Prior to founding **Bahar & Partners**, Bahar was a lecturer at Bandung's Padjadjaran University and Trisakti University in Jakarta, on various subjects, including air and space law, telecommunications law and international law. Wahyuni Bahar is also an expert on state-owned enterprises.



## Yos A. Ginting, APINDO Head of International Trade & KADIN Head of Foreign Trade Affairs.

Yos Adiguna Ginting is Director of Corporate Affairs at Pt Sampoerna. A PhD graduate of theoretical chemistry from the University of Tasmania, Ginting began his career as manager for strategic alliances at PT Indah Kiat Pulp and Paper. Ginting was eventually appointed to the position of Vice President for trade alliances based in Singapore, before joining cigarette manufacturer Sampoerna in 2002.



### Tony Wenas, KADIN Head of European Affairs.

Tony Wenas is the managing director of Riau Andalan Pulp & Paper, of which he was also the president commissioner in 2011–12. Mr Wenas has also held several top executive positions in major mining companies, including CEO of Vale Indonesia, director and executive vice-president of Freeport Indonesia and country head of Intrepid Mines. He obtained his business law degree from the University of Indonesia in 1985 and completed the executive programme at Sloan School of Management, Massachusetts Institute of Technology.



### Shinta Kamdani, Deputy Chairwoman APINDO & KADIN for International Relations.

Shinta Kamdani is the owner and Chief Executive Officer of Sintesa Group, Indonesia, a multi-sector company with subsidiaries in Consumer Products, Industrial Products, Property and Energy Sector. A graduate of Columbia University and Harvard Business School, Kamdani is also Vice Chairwoman of Indonesian for the World Wide Fund in Indonesia, and an advisor to the Vice President of The Republic of Indonesia.



### Diono Nurjadin, KADIN Head of American Affairs and International Economic Organization.

Diono Nurjadin is President & CEO of Cardig Aero Services. Nurjadin was Director at Peregrine Securities in Singapore and a Vice President at Bankers Trust, also in Singapore, before becoming Director of Finance at Bimantara Citra. Nurjadin holds an MBA degree from Pace University and a Bachelor's degree from Rochester University.

Bernadino M. Vega, APINDO Head of Asia, Pacific and Africa & KADIN Head of Asia Pacific Affairs

**Tony Wenas, KADIN Head of European Affairs** 

Imelda Adhisaputra, APINDO Deputy Head of Multilateral Affairs

### **CSOs Profiles**

### 1. Wahana Visi Indonesia

Wahana Visi Indonesia is the Indonesian partner of the international Christian-based relief, development and advocacy institution World Vision. In Indonesia, Wahana Visi has been operating for more than 20 years implementing programs across 9 provinces. Wahana Visi focuses on health, education and economic development, and active in an NGO consortium focused on advocacy, child protection, health, community empowerment and disaster management.

Wahana Visi is the recipient of the Global Partnership for Social Accountability (GPSA) Award in 2013. The story regarding the project can be found here:

http://www.worldbank.org/en/news/feature/2015/10/16/stronger-community-voices-improve-maternal-and-child-health-in-indonesia

#### 2. Paramadina Public Policy Institute

Paramadina Public Policy Institute (PPPI) is an independent, non-profit, and non-partisan think tank under the umbrella of Paramadina University. It seeks to promote sound and applicable public policy in Indonesia through multidisciplinary research and to provide relevant practical solutions for Indonesia's policymaking needs. For several years, PPPI has been the World Bank Indonesia's counterpart in the launch events of the Indonesia Economic Quarterly, the flagship publication of the Jakarta office. PPPI's other counterparts include USAID, Chemonics, IMF, Oxford Economics, NLRP, GIZ, Ministry for State Apparatus, Ministry for Youth and Sports, Anti-Corruption Commission (KPK), among others. PPPI is a grantee of the World Bank's Institutional Development Fund, a grant provided to CSOs with innovative projects.

For three years, PPPI worked with government ministries on improving the transparency and user-friendliness of their websites, in order to better engage public participation, receive citizen feedback, and strengthen the ministries' social accountability. PPPI will be represented by Director Bima Priya Santosa, who is also Deputy Rector of Paramadina University. Mr. Santosa holds a Master's degree in Financial Management from the University of Melbourne, Australia, and holds more than 20 years of experience working with both businesses and government institutions.

### 3. Kemitraan (Partnership for Governance Reform)

The Partnership for Governance Reform ('the Partnership') is a multi-stakeholder organization established to promote governance reform. It works hand-in-hand with government agencies, CSOs, the private sector, and international development partners in Indonesia to bring about reform at both the national and local levels. The Partnership builds crucial links between all levels of government and civil society to sustainably promote good governance in Indonesia.

The Partnership was established in March 2000 as a United Nations Development Programme (UNDP) project designed to help Indonesia realize good governance at all levels of government. It became operational in May 2001 with the Directorate of State Apparatus, the National Development Planning Agency (Bappenas) as the Executing Agency, the Partnership as the Implementing Agency, and the UNDP as the Trust Fund Manager. The Partnership became an independent legal entity in 2003 and was registered as a not-for-profit civil-law association. Kemitraan has been an active partner of World Bank pilot projects for some years, including on the community-drived development project PNPM, as well as the Forest Investment Program.

Monica Tanuhandaru, the seventh Executive Director of the Partnership, was previously Officer in Charge – Country Manager of the United Nations Office on Drugs and Crime Indonesia (UNODC), where she also served as Program Coordinator for a program to support the KPK (Indonesia Corruption Eradication Commission), law enforcement agencies, Indonesia's National Police, the National Planning Agency, and other agencies in combatting corruption. The project was supported by the European Union and Norwegian Government. Monica was also active in the program on police and security forces reform, supported by the International Office for Migration (IOM), the Government of the Netherlands, and the European Commission, a program fundamental to the National Police reform and the Aceh peace process.

- 4. Publish What You Pay
- 5. PATTIRO
- 6. Fatayat Nahldatul Ulama

### **ANNEX IIII - Background Information on Projects**

### **Project Info: PNPM Urban**

Data updated in 2013

PNPM Mandiri is the government's flagship community-driven development program. PNPM focuses on reducing poverty in all Indonesian provinces through a community planning process that generates employment and invests in small-scale infrastructure projects that improve the development of individual villages and urban wards. Since 1998, the World Bank has supported PNPM and its predecessor programs through a combination of loans and technical assistance. The National Program for Community Empowerment (PNPM Mandiri) is a national program that is at the heart of the Government of Indonesia's effort to reduce poverty. It was launched officially in 2007 and scaled up dramatically existing initiatives. PNPM Rural, which began in 1998 as Kecamatan Development Program (KDP), and PNPM Urban, begun in 1999 as the Urban Poverty Program (UPP), are the two largest components of the program.

The objective of the program is to improve the economic and social welfare of the poor and expand their employment opportunities through community consultation, empowerment, and capacity building at the local level. PNPM Mandiri is now currently active in more than 6,000 sub-districts and 70,000 communities in 33 provinces in Indonesia. PNPM represents to a large extent a "laboratory" that offers lessons and innovative practices on community planning, capacity building, and targeting more and marginalized groups. It is also one of the most studied, with over 70 different evaluations prepared on various aspects of the program

#### **Key elements**

Components of these activities are the key elements that must exist within each programs of PNPM Mandiri:

### Community Development

This consists of a series of activities for building critical awareness; mapping community potential, problems and needs; and carrying out participatory planning, community organizing, resource mobilization, monitoring, and maintenance of development outcomes.

### Community Block Grant

The Community Block Grant (BLM) consists of a fund provided to the community for financing activities that are intended to improve community welfare, particularly the welfare of the poor.

### Strengthening Local Governance and Partnership

This comprises a set of activities for strengthening the capacity of local government and partner/stakeholder to create a positive, conducive and synergistic environment for the community, particularly the poor, required to attain a reasonable standard of living. Activities in the component include seminars, trainings, workshops, field visits, etc.

### • Technical Assistance for Program Management and Development

This consists of activities for supporting the government and other stakeholders in the management of project activities, quality control, study and evaluation activities, and program improvement and development.

PNPM Mandiri activities are chosen from a menu of activities related to poverty reduction proposed and approved by the community. Examples of activities include:

- Basic social and economic infrastructure development and improvement (through labor intensive methods), such as roads, bridges, water and sanitation facilities.
- Provision of capital and financial resources through revolving funds and micro credit for the poor to develop the local economy.
- Special activities related to improve the quality of human resources, mainly aimed to accelerate MDGs in health and education targets.

• Increasing community and local government capacity through training and information dissemination for business skills development and good governance practices at the local level.

### **World Bank Support**

The World Bank is supporting three programs of PNPM Mandiri:

- PNPM Rural
- PNPM Urban, and
- PNPM Support for the Poor and Disadvantaged Areas (SPADA).

Support has come in the form of significant loans ongoing technical assistance, especially in the areas of monitoring and evaluation, supervision, pilot programs that test new approaches, financial management, policy guidance and coordination of donor support. Much of this support comes from the PNPM Support Facility, a World Bank-administered unit that supports the overall management and technical implementation of PNPM.

### **Background on PNPM Urban**

PNPM—Urban is designed to promote the development of community organizations (BKM) at the urban ward (kelurahan) level. The BKM are eligible for up to three block grants ranging from US\$15,000 to US\$40,000 per kelurahan to help meet the goals of the community development plan.

PNPM—Urban builds primarily on the World Bank—funded Urban Poverty Program (UPP1, UPP2/Additional Financing, and UPP3) that began in 1999. In 2008, the World Bank approved the first PNPM—Urban project and provided subsequent additional financing in 2009. PNPM—Urban III was approved in 2010, and ends in December 2015.

#### **Project Objective**

PNPM—Urban works to ensure that the urban poor benefit from improved socio—economic and local governance conditions. This is achieved through:

- 1. Forming and institutionalizing elected representative organizations that are accountable to communities
- 2. Providing grants to communities directly and transparently to finance poverty alleviation activities, especially infrastructure services
- 3. Enhancing the ability of central and local governments to partner with community organizations in the provision of services
- 4. Increasing awareness of disaster risk mitigation and mainstreaming of measures for resilience and recovery

The total project cost is US\$217.4 million, including a US\$155 million loan from the World Bank (including co–financing of US\$5 million from the Global Facility of Disaster Reduction and Recovery), US\$36.9 million provided by GoI, and an estimated US\$25.5 million from community contributions. Kelurahan grants are disbursed to wards, mostly for infrastructure (84 percent). The remainder of the grants went toward economic activities (6 percent) and social activities (10 percent).

In 2010, the UPP and PNPM—Urban program financed construction of approximately 26,000 km of small roads, 7,100 km of drainage, 170,000 units of solid waste and sanitation facilities and 13,000 community health facilities, and rehabilitated 110,000 houses for the poor. They also financed 175,000 economic activities through revolving funds. The key project performance indicators have generally been met, including those for women's participation. More than 35 percent of the facilitators are women, and about 33 percent of the adult population in the urban wards participated in the election of the Board of Trustees, of which about 45 percent are women.

PNPM—Urban has also initiated several pilot programs, including the Poverty Alleviation Partnership Grant (PAPG) and the Neighborhood Development Program to enhance the effectiveness of the program. Both of these two new initiatives focus on strengthening local government's role in PNPM. There were 117 kota/kabupaten participating in PAPG, and 273 kelurahan participated in the 29.1.2016

Neighborhood Development Program. In 2011, PNPM—Urban covered 10,948 kelurahan in 268 kota/kabupaten across 33 provinces, funded by available loans. In addition to core PNPM—Urban activities, the program continued its pilot activities. A series of PSF—funded activities examined the PNPM—Urban approach in the context of urban poverty in Indonesia today, its strengths and weaknesses, links to other urban poverty programs, and brought in global experiences in urban CDD—based poverty interventions. Also in 2011, the program managed approximately US\$1.4 million of PSF funds allocated for "cash for work" programs in 38 PNPM—Urban kelurahan as a response to the Mount Merapi volcanic eruption in Central Java.

#### **Scope: National**

2008: 8,813 urban wards in 245 kota/kabupaten 2009: 11,014 urban wards in 267 kota/kabupaten 2010: 10,948 urban wards in 268 kota/kabupaten 2011: 10,948 urban wards in 268 kota/kabupaten

# Jakarta Urgent Flood Mitigation Project/ Jakarta Emergency Dredging Initiative Project

July 10, 2014

#### Overview

Flood incidences occur every year in Jakarta, especially during the rainy season months between November and March. Severity of the floods has increased in recent years, particularly in 2002, 2007, and 2013. The February 2007 floods inundated 235 km2 (about 36%) of the city, by up to seven meters in some areas, affecting more than 2.6 million people and forcing 340,000 people to flee their homes. Over 70 people died and outbreaks of disease affected over 200,000 people. Financial and economic losses were estimated at around US\$900 million. In January 2013, flooding caused 29 deaths and displaced over 37,000 people. Localized inundations occur throughout the year, under any sustained rainfall conditions.

### Challenge

Jakarta's drainage system comprises 13 major rivers that flow through Jakarta northward to the Java sea together with a large number of man-made drainage channels. Rampant urbanization surrounding critical catchment areas has increased rainwater runoff and reduced natural storm water retention areas. Increased sedimentation and accumulation of solid waste in the drainage channels have significantly reduced their coping capacities. Land subsidence continues at increasingly alarming rates, especially in the northern half of the city. Flooding in Jakarta are expected to become more frequent in coming years.

### **Approach**

The long term and sustained mitigation and management of flooding in Jakarta will require complex and ambitious undertakings on many fronts. Short term measures are necessary to strengthen the existing flood management systems. Longer term measures are vital in addressing and adapting to long term urbanization and climate change impacts. The JUFMP/JEDI project is aimed at supporting the Government of Indonesia and the Government of DKI Jakarta to address the more immediate flood management priorities, in particular to help restore key sections of the existing drainage system to their original design capacities. Fifteen priority sections of floodways, canals and water retention ponds in Jakarta will be rehabilitated with the support of this project.

#### **Financing**

The project is estimated to cost about US\$190 million. Of this, the World Bank will contribute about US\$140 million. The Government of Indonesia and DKI Jakarta will contribute about US\$15.5 million and US\$34 million respectively. A US\$0.5 million grant from the Government of Netherlands will be utilized to help strengthen Jakarta's Flood Management Information System.

### **IFC PROJECT - MBK VENTURA**

PT. Mitra Bisnis Keluarga Ventura (the "Company", or "MBK") is a microfinance institution ("MFI") in Indonesia that provides working capital to low-income women in Java using the Grameen Bank methodology. The working capital helps the women to access to formal and cost-effective financial services, reduce their vulnerably, and improve their lives. Since launching in 2003, MBK has become one of the largest Grameen-style microfinance institution in Indonesia.

As of November 2015, MBK has a network of 321 branches with total employees of 2,793 (99% women), of whom 2,171 are loan officers (100% women). MBK has 588,021 clients, of which 100% are women. 577,441 clients are debtors with outstanding working capital, and remaining 10,580 clients were under introductory financial literacy training before becoming eligible for working capital. With average working capital balance per client of IDR1.5 million (approximately US\$108), MBK is able to reach families that live below poverty line.

IFC collaborates with MBK as the partnership presents a unique opportunity for IFC to: (i) expand IFC's footprint in Indonesia's microfinance sector; (ii) to diversify IFC's microfinance portfolio, by supporting a non-bank MFI with large customer outreach; and (iii) to substantially increase and support government agenda of financial inclusion in Indonesia.

The shareholders of MBK are PT. Bina Usaha Keluarga (99.7%) and a local minority shareholder (the remaining). IFC owns MBK through ownership in PT. Bina Usaha Keluarga (20% stake), and the remaining stake is owned by the founders of MBK, Mr. Shafiq Dhanani and his wife Mrs. Elizabeth (Liz) Sweeting.

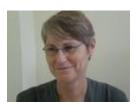


Shafiq Dhanani - President Director & Founder

D.Phil. Development Economics, Oxford University, UK.

Previous Positions: Senior Consultant for several international organizations including UNIDO, FAO, ILO, World Bank and ADB) in Africa and Asia. Programme Officer, FAO and WFP, Africa. 15 years of experience in Indonesia,

working with Departments of Manpower, Agriculture, Industry, Education and National Development Planning. Founder, Ganesha Microfinance Foundation. First branch manager of Ganesha/MBK. Founded MBK in 2003.



Elizabeth Sweeting (Liz) - Deputy President Director/Chief Executive Officer & Co-Founder

Ph.D. in Education, Sussex University, UK.

Previous Positions: Senior Consultant for several international organizations including World Bank, ADB and British Council in Africa and

Asia. 15 years of experience in Indonesia, working with Department of Education. Founder, Ganesha Microfinance Foundation. First Head, HRD and Head, Treasury of MBK.

Joined MBK in 2007.