The Republic of Korea's Country Partnership Strategy for Indonesia

The Government of the Republic of Korea

Jan 2022

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I. Overview

National Long-Term Development Plan (RPJPN 2005-2025)		To establish a country that is developed and self-reliant, just and democratic and peaceful and united		
National Medium-Term Development Plan (RPJMN 2020-2024)		To become an upper-middle-income country that is prosperous, fair, and sustainable		
		Achieve an independent, advanced, fair, and prosperous Indonesia both internally and externally through the promotion of development in various fields by fostering competitive and qualified human resources and establishing an economic structure based on comparative advantages in each region		
Korea's Assistance Objectives		 Support balanced national development through transport infrastructure linkages and improved management capacity Enhance the efficiency and capacity of public policy implementation Strengthen the capacity for climate change response and sustainable environmental management 		
		• Reinforce the water management system		
Direction	Transportation	 Support balanced national development through transport infrastructure linkages and improved management capacity Strengthen the capacity of transportation policy development and operation Support the establishment of a smart urban transportation system through IT utilization 		
ion of Assistance	Public Administration	 Enhance the efficiency and capacity of public policy implementation Strengthen the government's capacity for digital transformation Strengthen the capacity of public policy operation 		
in Each Priority	Environmental Protection	 Improve access to clean energy and strengthen climate disaster response capacity Assist in laying the foundation for the transition and improved access to clean energy Assist in establishing a national disaster response system 		
Area	Water Management and Health/Hygiene	 Promote integrated water resource management and develop water infrastructure Strengthen national water resource management capacity Improve water infrastructure and the drainage basin environment Improve health care infrastructure and capacity 		

- □ (Assistance Goal) Support the Indonesian government in developing and implementing plans to achieve ▲ strong political and legal systems, ▲ national welfare promotion, ▲ an advanced economic structure, and ▲ biodiversity protection, which are the four strategic objectives to become a prosperous, fair, and sustainable upper-middle-income country as presented in the 2020-2024 National Medium-Term Development Plan (RPJMN).
- (Priority Areas and Reasons for Selection) Four priority areas have been selected in consideration of Indonesia's development needs, Korea's aid capacity, effects of completed ODA programs, and cooperation with other donor organizations.
 - Transportation : Need to reduce wide regional disparities in access to infrastructure due to the lack of systematic transport infrastructure.
 - \rightarrow Support balanced national development through transport infrastructure linkages and improved management capacity.
 - 2) Public Administration : Need to improve the efficiency of public administrative agencies and the quality of public services.
 - → Reinforce the efficiency and capacity of public policy implementation.
 - 3) Environmental Protection : Need to mitigate socio-economic damages accelerated by climate change.
 - \rightarrow Improve access to clean energy and strengthen climate disaster response capacity.

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- 4) Water Management and Health/Hygiene : Need to deal with wide disparities in water access, deteriorated water quality due to the lack of wastewater treatment systems, inequitable access to medical services, and inadequate health care infrastructure.
 - → ¹⁾Promote integrated water resource management and water infrastructure development, ²⁾strengthen response capacity for major and infectious diseases through improved access to health services and enhanced infrastructure.

II. Analysis

[1] Transportation

Development Needs

- According to the Global Competitiveness Index, as of 2018, Indonesia ranked 64th out of 137 countries for road quality, requiring the strengthening of the technical capacity of ministries dealing with the transport system.
 - The number of registered vehicles in the metropolitan area surrounding Jakarta is increasing by 10 percent on an annual average due to inadequate public transport, resulting in a high level of traffic congestion and economic losses as traffic volume exceeds road capacity.
- Under the Fourth Medium-Term Development Plan (RPJMN, 2020-2024), "the establishment of infrastructure to support economic development and the strengthening of basic service infrastructure" is articulated as part of one of seven key areas.
 - Development of public transportation/airports/ports/roads in the metropolitan area
 - Construction of infrastructure in core areas of the new capital
 - Construction of overpasses and subway lines, and urban public transport facilities
 - Increase in freight transport volume through railway linkages

→ Specific tasks to improve the efficiency of transportation systems, resolve regional imbalances, and reduce logistics costs are also specified in the RPJMN.

— Tasks in Transportation Under the RPJMN (2020-2024)

- Reduction of potential economic losses due to traffic congestion in the metropolitan area
- Improvement of inter-regional mobility and productivity in local economies
- Reduction of average logistics costs by establishing an efficient multimodal transportation network (road, rail, air, and ship)
- Strengthening of passenger and freight transportation capacity in all regions

□ Korea's Aid Capacity

- Korea can provide assistance based on its experience and technology in successfully and systematically expanding infrastructure in a short period of time under the Five-Year Economic Development Plan.
- With its strengths in policy development and consultation, and human resource capacity building projects, Korea can assist with policy consultation for strategies to achieve the RPJMN, the development of the master plan, and the implementation of the detailed execution plan.
 - Indonesia lacks transport experts, making it difficult to establish a comprehensive transport development plan, identify measures to link different modes of transport, or systematically collect or analyze relevant data.
- In particular, Korea has abundant experience in civil engineering projects, Long Span Bridge design and construction, and transport system design and public transport operation, giving the country an advantage in transferring relevant knowledge and operational skills.
 - Having constructed one of the world's longest cable-stayed bridges (Incheon Bridge, 2009), the country possesses excellent bridge engineering technology.

- In addition, Korea has been stably operating the Intelligent Transportation System (ITS) Basic Plan established in 1997, and is currently working on an ITS project with Indonesia.
- * Jakarta's ITS master plan and system establishment project (2019-2022, USD 5.5 million)

[2] Public Administration

Development Needs

- Indonesia ranked 88th out of 193 countries in the 2020 UNDESA
 E-Government Development Index (EGDI), and 111th out of 176
 countries and 19th out of 37 Asia-Pacific countries in the 2017 ICT
 Development Index (ITU).
 - Meanwhile, the country's governance-related indicators show low performance according to the World Economic Forum (WEF) Network Readiness Index, such as government online public services, government and higher education institutions' R&D investment in ICT, and privacy protection under the law.
- Indonesia has selected the achievement of "a competitive country" and "a democratic Indonesian society based on the rule of law" as key tasks among the agenda items under the RPJPN (2005-2025).
 - In addition, areas such as "administrative reform," "reinforcement of the judicial system, regulation, and cybersecurity," and "anti-corruption systems" have been selected for inclusion in the "Strengthening of Economic Resilience for Qualitative Growth," which is one of the seven key areas under the RPJMN (2020-2024).

Tasks in Public Administration/Digital Transformation Under the RPJMN (2020-2024) Achievement of a digital economy Develop a draft bill on digital transformation Establish a special agency to implement digital transformation Develop and equally distribute digital infrastructure Expand the use of digital and internet related technologies in education Secure human resources with digital- and internet-related expertise Strengthen cooperation with various actors engaged in the provision and distribution of digital services Streamlining of government and community services Devise government services to develop digital services

(3) ncorporate digital systems into various fields of government and private services

□ Korea's Aid Capacity

- With its comparative advantage and **strengths** in **e-government**, Korea is well-positioned to support Indonesia in its goal to accomplish the relevant development agendas and strengthen the government's capacity by establishing integrated e-government infrastructure through informatization.
- * Korea ranked first in the UNDESA E-Government Development Index for three consecutive times since 2010.
- Korea empirically recognizes that the public administration is an important field in poverty eradication and national development in developing countries, placing a **high policy priority** on public administration in ODA.
 - Korea has signed an MOU (July 2013) concerning e-government with the Indonesian government, and is conducting a number of projects based on the MOU.
- * A trilateral MOU was signed among the Korean Ministry of Interior, the Indonesian Ministry of Administrative and Bureaucratic Reform, and the Indonesian Ministry of Communication and Information Technology (October 2014).

* An MOU was signed between the Korean Ministry of Science, ICT and Future Planning and the Indonesian Ministry of Communication and Information Technology (April 2015).

[3] Environmental Protection

Development Needs

- Indonesia's energy consumption is increasing at a fast pace due to rapid population and economic growth, and as a large, populous country, its power consumption and CO2 emissions are relatively high* among ASEAN countries.
- * Indonesia's net electricity consumption stood at 257 billion kWh, ranking 18th in the world and the highest among ASEAN countries, and its CO2 emissions at 563 million tons, ranking 11th in the world and the highest among ASEAN countries (EIA, 2019).
- Indonesia is a disaster-prone country (WRR, 2020) and experiencing ongoing socio-economic damage due to floods, tsunamis, and the spread of novel infectious diseases, which are accelerating due to climate change.
- * As of 2017, Indonesia's energy consumption increased by 85 percent to 234 TWh, from 127 TWh in 2007, and about 63 percent of power generation comes from fossil fuels such as coal and oil.
- (Energy) The Indonesian government has set a goal of reducing absolute greenhouse gas emissions by 29 percent by 2030 under the Indonesia Climate Change Sectoral Roadmap (ICCSR, 2015), specifying performance objectives and implementation strategies for reducing energy consumption, expanding the use of renewable energy, and managing the power supply sector.

- Indonesia's National Energy Policy (Government Regulation No.79)

- Energy consumption reduction: One percent reduction per year until 2025
- Electrification rates: Targets set at 85 percent in 2015 and 100 percent in 2020
- Renewable energy ratio: 23 percent in 2025 and at least 31 percent in 2050
- (Environmental Disaster) The Indonesian government has selected the "management of climate change-induced environmental and natural disasters" as the top priority development task under the RPJPN (2005-2025) and the RPJMN (2020-2024), while conducting pending projects including the emergency response to COVID-19.

□ Korea's Aid Capacity

- The Korean government has experience in promoting USD 5 million's worth of A/R CDM and REDD+ pilot projects to support Indonesia's response to climate change, and conducting green school implementation projects for climate change adaptation and mitigation in collaboration with UNESCO.
- **Renewable energy projects** for greenhouse gas reduction have been carried out in the form of social contribution activities (CSR) through linkages with grant aid, such as support for small-scale hydroelectric power plants in underdeveloped regions and installation of solar lights. Pilot projects through the East Asia Climate Partnership Fund also have been conducted.
- Advanced donor organizations, such as the GIZ, have expressed their intention to promote joint cooperation with Korea to strengthen the Indonesian government's capacity to respond to climate change.

[4] Water Management and Health/Hygiene

Development Needs

- Indonesia has a total of 2,530km³ of water resources, accounting for about six percent of the world's freshwater resources, and the amount of water resources per capita stands at 13,709m³, exceeding the world average.
 - On the other hand, the actual amount of available water is 1,750 m³ per person, with a nationwide tap water supply rate of only 20 percent (29 percent in urban areas).
 - In Jakarta, only two percent of the population is served by sewerage systems, and only one percent of the wastewater used by 110 million residents in the region is properly treated. Industrialization, urbanization, and lack of wastewater treatment systems are causing the deterioration of water quality.
- While the Indonesian government has established the New Water Resources Law (2004), the Water Quality Control Law (No. 82, 2001), and the Water Quality Environment Standards (2001), the actual implementation rate of environmental regulations is evaluated to be at a low level.
- * WEF Environmental Performance Index (2020): Indonesia ranked 116th out of 180 countries, and in particular, 140th in water resource management and 123rd in water quality management.
- The RPJPN (2005-2025) places a policy priority on the **development** of water resources infrastructure for the poor, presenting specific tasks such as the management and conservation of water sources including reservoirs and basins, the supply and management of source water, and flood control.

 The RPJMN (2020-2024) also specifies key policy tasks for water management, such as disaster mitigation through the expansion of multi-purpose dams, improvement of water supply facilities, and river protection.

Tasks in Water Management Under the RPJMN (2020-2024)

- Multi-purpose dams: Secure water supply, electricity, and agricultural water through the construction of the 18th multi-purpose dam
- Safe drinking water: Ensure that all households have access to safe drinking water by 2024
- River protection: Reduction of erosion in the four major river basins, and flood damage in major regions

(Particularly in Banten, Jakarta, West Java, North Sumatra)

- Indonesia has been experiencing ongoing health crises for several years. In particular, the outbreak and spread of COVID-19 is adding to the burden on the current medical system, along with the spread of existing communicable and non-communicable diseases.
 - Specifically, the country is facing problems concerning ▲ the prevention of infectious diseases, ▲ reduced access to medical services in remote areas, ▲ the limitations of public health management governance, and ▲ the lack of human and material resources.
- With regards to health and hygiene, the Indonesian government aims to expand access to basic social services and reduce regional, income, and gender inequality.

Indonesia's National Health Strategy (2020)

- Improve public health
- Reinforce primary and coordinated healthcare services
- Prevent and control diseases, and manage public health crises
- Upgrade medical resources
- Promote quality, transparent, and innovative governance

□ Korea's Aid Capacity

- (Water Management) The Korean government has experience in conducting various water projects* in collaboration with Indonesia, including river restoration projects, dam development projects, feasibility studies for water supply and drainage system development, and flood prediction system projects.
 - * Ciliwung River Restoration Pilot Project (KOICA), Karian Dam Construction Project (EDCF), Citarum River Flood Prediction and Warning System (KOICA), Master Plan and Feasibility Study for the Improvement of Palembang City Drainage System (KOICA), etc.
 - In addition, Korea has jointly worked with the Netherlands on a large-scale consulting project* for flood management and regional development on the northern coast of Jakarta.
- * Jakarta Metropolitan Coastal Area Comprehensive Development Consulting Project (KOICA, 2014-2021, USD 9.5 million)
- Based on its experience in water management, river maintenance, and integrated water resource management utilizing IT, Korea can provide technical cooperation for the Indonesian government's implementation of water resource development strategies, and loans and public private partnerships (PPP) to build various water-related infrastructures.
- (Health and Hygiene) Korea has experience in establishing an efficient public health care system through the refinement of health care laws and systems, as well as improving the health of the general public in a short period of time by expanding medical facilities at a local level, strengthening the capacity of medical personnel, and providing medical financial support.

- In terms of infectious disease responses, Korea has established a national experimental system centered on the Korea Centers for Disease Control and Prevention with the aim to monitor pathogens and vectors, and respond to bioterrorism.
- In addition, Korea has various experiences and knowhow with regard to the establishment and operation of a national infectious disease response system for global infectious disease crises such as MERS and COVID-19.

[1] Transportation

Basic Direction

- Encourage Indonesia's balanced development in consideration of linkages across transport modes and regions.
 - Conduct a project in which Korea provides consultation based on its transportation policy development and capacity building, in order to assist in developing an inter-regional transportation system in consideration of regional development strategies under the Indonesian government's National Long-Term Development Plan (RPJPN 2005-2025).
- Support the utilization of IT and the establishment of a systemic framework for IT to improve efficiency in transport infrastructure maintenance.
 - Transfer knowledge on designing transport systems and operating public transport with the integration of IT to build an efficient transport system and solve chronic transport problems in Indonesia.

<u> Related SDG Targets</u>

Goal 9 (Industry, Innovation, and Infrastructure)
(9.1) Develop sustainable infrastructure
(9.4) Upgrade infrastructure to make it sustainable
Goal 11 (Sustainable Cities)
(11.2) Provide access to sustainable transport systems for all

Korea's Contributions and Implementation Plan

- (Policy Development and Capacity Building) Develop comprehensive plans to establish transport infrastructure such as roads and public transport, and to strengthen the capacity for their smooth operation.
 - Develop an urban/public transport master plan and conduct feasibility studies on the construction of infrastructure.
 - Support the development, operation, and management of transport infrastructure including transport systems.
 - Support the fostering of transport experts in areas such as transportation systems and infrastructure.
- (Urban/Smart Transportation) Assist in designing transport systems including roads and public transport with the aim to reduce congestion.
 - Establish a smart city transport system that includes large cities linked to intelligent transport systems.

[2] Public Administration

Basic Direction

- Support the improvement of e-government infrastructure and system frameworks for the establishment of effective and reliable integrated governance.
- Strengthen public administration capacity to increase the government's effectiveness and efficiency.

- **※ Related SDG Targets**
- Goal 9 (Industry, Innovation, and Infrastructure)
- (9.1) Establish sustainable infrastructure
- Goal 10 (Reduced Inequalities)
 - (10.3) Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices
- \circ Goal 12 (Sustainable consumption and production)
 - (12.7) Promote sustainable public procurement practices
- Goal 16 (Peace, justice and strong institutions)
 - (16.6) Develop effective, accountable and transparent institutions at all levels
- (16.10) Ensure public access to information and protect fundamental freedoms

□ Korea's Contributions and Implementation Plan

- (Strengthening of the Government's Capacity for Digital Transformation) Modernize and improve the effectiveness of the delivery system for digital-oriented administrative services.
 - Strengthen capacity through assistance with the establishment of the e-government master plan, the electronic business management system and the administrative services delivery system for each field, and the fostering of cybersecurity human resources.
- (Modernization of Administrative Services and the Strengthening of Operational Capacity) Establish an efficient administrative system by supporting the decentralization of the government and the strengthening of administrative service capacity.
 - Improve HR administration and organizational management schemes and systems.
 - Enhance national statistical system management capacity through efforts such as the utilization of big data.
 - Strengthen the capacity of local governments and administration.

Basic Direction

- **Promote energy conversion leading projects** in line with the international community's climate change response policies.
 - Expand projects in areas of common interest to both countries, such as renewable energy and an eco-friendly green city, with the aim to implement the Indonesian Climate Change Response Roadmap (ICCSR) and the Korean government's 2050 carbon-neutral policy.
- Establish an integrated national disaster management system to respond to climate change disasters.
 - Support capacity building for each stage including disaster prevention, response, and recovery for the national-level integrated management of natural and manmade disasters caused by global warming and environmental pollution.

<u>Related SDG Targets</u>

• Goal 7 (Clean Energy)

- (7.1) Ensure universal access to modern energy services
- (7.2) Increase the share of renewable energy in the global energy mix by 2030
- (7.3) Double the global rate of improvement in energy efficiency
- (7.b) Expand infrastructure and upgrade technology for supplying sustainable energy services
- Goal 13 (Climate Action)
 - (13.2) Integrate climate change measures into national policies, strategies, and planning
 - (13.3) Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

□ Korea's Contributions and Implementation Plan

- (Energy) Lay the groundwork for relevant infrastructure, systems, and human resources, with high priorities on transition to clean energy at the national level and improved energy access for underserved regions.
 - Support the establishment of policies and the improvement of systems to foster the renewable energy industry.
- * Solar power, biogas, small hydropower, waste-to-energy, marine energy, etc.
- Develop necessary technology and establish infrastructure to supply energy to underserved regions.
- * Energy storage system (ESS), smart grid, micro grid, etc.
 - Develop multi-sectoral projects incorporating education, health, and rural development to achieve a carbon-neutral society through regional development.
- (Disaster Management) Establish a national disaster response system to deal with major climate disasters such as environmental pollution, floods, tsunamis, and infectious diseases.
 - Provide policy advice for the establishment of national-level disaster management governance.
 - Train experts in climate disaster response and recovery, environmental management, and ecological restoration.
 - Establish a medium-to-long-term response system for complex disasters, such as the climate crisis and novel infectious diseases.

[4] Water Management and Health/Hygiene

Basic Direction

- Strengthen the government's policy capacity to establish an integrated water management system.
 - Establish an integrated management system for water resources supply and utilization, flood response, and water infrastructure operation.
- Support the establishment of water resources infrastructure to ensure national water security.
 - Provide underserved communities with access to water infrastructure including water facilities, tap water, and forecast and warning systems.
- Support the enhancement of health care infrastructure and capacity to improve the standard of public health.

<u> Related SDG Targets</u>

- Goal 3 (Good Health and Well-Being)
 - (3.8) Ensure access to quality essential health-care services, and quality essential medicines and vaccines.
- Goal 6 (Clean Water and Sanitation)
 - (6.1) By 2030, achieve universal and equitable access to safe and affordable drinking water
 - (6.2) By 2030, achieve access to adequate and equitable sanitation and hygiene for all
 - (6.3) By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and increasing recycling and safe reuse globally
 - (6.4) By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and reduce the number of people suffering from water scarcity

□ Korea's Contributions and Implementation Plan

- (Integrated Management of Water Resources) Foster a national water resource management capacity to deal with industrialization- and urbanization-induced river pollution, floods and droughts.
 - Establish integrated and comprehensive water management policies and governance to utilize information on water resources such as surface water, underground water, and precipitation.
 - Plan water resource informatization projects, such as the construction of a hydrological database and the establishment of an integrated disaster prevention system, in order to support monitoring and decision-making for national water management.
- Original (Development of Water Infrastructure) Upgrade water infrastructure (water resources, water supply, prediction and warning systems) and the basin environment (water quantity/quality) for the purpose of supplying safe and clean water to underserved communities.
 - Plan follow-up infrastructure projects based on preceding feasibility studies on dam development and the installation of water supply, sewerage, and drainage systems.
 - Support investment in and the development of water management infrastructure by combining grants, loans, multilateral development banks, private finance, and the recipient country's government budget.
- (Improvement of Health Care Infrastructure and Capacity Building)
 Improve universal access to health care services, upgrade health care infrastructure and strengthen the capacity of health personnel, and enhance the major/infectious disease response capacity, thereby contributing to the improvement of public health.

IV. Performance Monitoring Guidelines

Indonesia's Development Goal (RPJMN 2020-2024)

: To become an upper-middle-income country that is prosperous, fair, and sustainable CPS Goal

: To enhance the government's transparency and efficiency, expand economic infrastructure for balanced regional growth, and lay the groundwork for eco-friendly and sustainable growth

Priority Areas	Coal(a)	Limitation(s)	Outcome(s)	Performance
Thority Areas	Goal(s)			Indicator(s)
Transportation	 To support balanced national development through transport infrastructure linkages and improved management capacity (SDG 9.1) Develop quality, reliable, sustainable, and resilient infrastructure (SDG 9.4) Upgrade infrastructure to make it sustainable (SDG 11.2) Provide access to sustainable transport systems for all 	 Lack of systematic and comprehensive development plans with specific, detailed plans Lack of budget and transport experts 	 Establishment of transportation networks to provide reliable transport services Construction of a transport database and training of experts 	 Increase in the population with access to public transport Number of persons who have received education concerning transportation
Public Administration	 To enhance the efficiency and capacity of public policy implementation (SDG 9.1) Develop quality, reliable, sustainable and resilient infrastructure (SDG 10.3) Ensure equal opportunity and reduce inequalities of outcome, including through eliminating discriminatory laws, policies and practices (SDG 12.7) Promote sustainable public procurement practices (SDG 16.6) Develop effective, accountable and transparent institutions at all levels 	 Insufficient social and government infrastructure Low efficiency of public administration 	 Improvement of related legal systems Improvement of public services Enhancement of the government's effectiveness and transparency 	 Improvement of relevant e-government systems Number of persons who have received education concerning e-government

	- (SDG 16.10) Ensure public access to information and protect fundamental freedoms			
Environmental Protection	 To strengthen capacity to respond to climate change and manage the environment (SDG 7.1) Ensure universal access to energy services (SDG 7.2) Increase the share of renewable energy (SDG 7.b) Expand infrastructure and upgrade technology for supplying sustainable energy services (SDG 13.2) Integrate climate change measures into national policies, strategies and planning (SDG 13.3) Improve education, awareness-raising, and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning 	 Insufficient infrastructure and lack of awareness among citizens concerning climate change and the environment Lack of budget and experts 	 Improvement of access to clean energy Strengthening of the climate disaster response capacity 	 Increased number of renewable energy facilities Number of persons who have received training for strengthening climate change disaster response capacity
Water Management and Health/Hygiene	 To strengthen the water management system (SDG 6.2) Achieve access to adequate and equitable sanitation and hygiene for all (SDG 6.3) Improve water quality by reducing pollution, minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater (SDG 6.4) Increase water-use efficiency and ensure sustainable withdrawals of freshwater 	 Insufficient government infrastructure Lack of budget and experts 	 Reduction of disasters and damage related to water resources Improvement of public hygiene and the environment 	 Lack of budget Improvement of the water management infrastructure Number of persons who have received training for enhancing national water resource management