

**REPUBLIC OF INDONESIA
MINISTRY OF NATIONAL DEVELOPMENT PLANNING/
NATIONAL DEVELOPMENT PLANNING AGENCY**

**KEYNOTE ADDRESS
MINISTER OF NATIONAL DEVELOPMENT PLANNING/
HEAD OF THE NATIONAL DEVELOPMENT PLANNING AGENCY**

at the

**ASEM DEVELOPMENT CONFERENCE II
“Towards an Asia-Europe Partnership for Sustainable Development”
Yogyakarta, 26-27 May, 2010**

H.E. Andris Piebalgs, EC Commissioner for Development,

Mr. Koos Richelle, Director General of Europe Aid Cooperation Office, European Commission,

Mr. Reslan Jenie, Acting Director General of Multilateral Affairs, Ministry of Foreign Affairs,

All Delegates of Asian and European Nations,

Ladies and Gentlemen,

It is my pleasure and honor to welcome all of you to this 2nd ASEM Development Conference with the theme of “Towards an Asia Europe Partnership for Sustainable Development”. On this occasion, allow me on behalf of the Government of Indonesia, to extend our sincere appreciation to the European Union for co-hosting this important event.

Distinguished Guests,

Ladies and Gentlemen,

This conference is a forum for countries engaged in ASEM (Asia-Europe Meeting) to identify, discuss and suggest issues for development partnership among the countries involved. The theme of this conference is very timely and relevant to the current global situation, to the challenge faced by ASEM Developing Countries, to the European Union countries and on how an enhanced development partnership among ASEM countries could be forged ahead.

When ASEM was initiated more than a decade ago, the global condition and challenges were much different. The early 1990s was a period when Asian countries, particularly those in the Asia Pacific region started to gain international recognition for their achievements in economic and social welfare development. However, this condition slightly changed when several Asian countries experienced the economic crisis in 1997 and 1998.

Against this backdrop, ASEM initiated its development partnership between the EU countries and sixteen Asian countries. Issues such as economic recovery, economic competitiveness, human resources development, and poverty, were the main concern. During a decade after the Asian economic crisis and entering the 21st century, domestic and global challenges remain, however the focus has shifted on issues such as the energy and food crisis, and impact of the on-going global financial crisis.

Countries in Asia most notably those in the Asia Pacific region was affected by the recent global financial crisis less than other regions. Countries in Asia Pacific are leading the global economic recovery. This is despite the recent European public debt problem.

Distinguished Guests,

Ladies and Gentlemen,

The nascent global economic recovery, despite the recent strong economic performance of Asia Pacific countries, has resulted in poverty not decreasing as rapidly as we would like to. With poverty comes the problem of human resources development (e.g. Education, health) and vice versa.

Distinguished Guest,

Ladies and Gentlemen,

For ASEM developing countries, the challenge for the years to come is very clear. It is how to achieve a sustained economic development through economic growth that provides jobs/employment and alleviates poverty.

Indonesia faces the same challenges and may I now reflect the development paradigm of Indonesia to achieve the above conditions.

The Government of Indonesia has established a strategy that promotes an acceleration of the inclusive and sustainable growth.

Acceleration of economic growth is important to increase the people's welfare. Indonesia Economic growth is targeted of a minimum of 7 percent by 2014 with the consequent target in poverty and an employment rate reduction. We recognize that the process of achieving the economic growth itself is most important. We realize the disastrous impact of climate change as well as of social and economic problems of poverty.

We have reoriented our development paradigm to achieve sustainable development. We have mainstreamed climate change concerns into our development programs and priorities. This is in line with our President's long-term development commitment to reduce GHG emission by 26 percent from business as usual and by 41 percent with international support by 2020. Priority areas are: forestry and peat land; energy (power generation, transportation, industry); agriculture; and waste management.

The second element of sustainable development is in the social welfare aspect. We cannot rely solely on economic growth to alleviate our poverty problem as there is also the need for social protection programs for the poor and direct government intervention programs for alleviating poverty. In this regard, Indonesia has been implementing the three clusters program for poverty alleviation. Cluster I (one) provides social protection for the very poor. This program is designed to intervene at the household level. Cluster II (two) is the community empowerment program. This program addresses the poverty problem at the community level. For example, to build local infrastructure for small and medium enterprises. Cluster III (three) relates to micro credits for small and medium scale enterprises implemented on a large scale.

We also focus on the long standing HRD issues through the provision of basic education and health services. At the same time we facilitate more innovative and creative programs for segments of the population in technology, science, ICT and creative industries.

For the next five years, we have outlined all our development priority programs in our Medium-Term Development Plan for 2010-2014, giving careful attention to macro economic stability, namely fiscal prudence, related to public debt and budget deficit.

The focus on economic and social welfare development is supported by improving governance and democratic process.

It is within this development framework that we hope to achieve our commitment to MDGs in 2015; and our contribution to global climate change efforts.

**Distinguished Guests,
Ladies and Gentlemen,**

I encouraged all of you to discuss the global challenges faced by us; their relevance to our development efforts; as well as their relevance for us in fostering an enhanced development partnership within the ASEM framework.

Each country has its programs, and priorities, and there are certain areas where international cooperation is mostly needed to tackle global problems, such as poverty and climate change. There are areas where specific development cooperation can be further forged for each specific country.

**Distinguished Guests,
Ladies and Gentlemen,**

To conclude my remarks, may I refresh our commitment at the 7th ASEM meeting in Beijing on 24-25 October, 2008 where we agreed on the Beijing Declaration on Sustainable Development by maintaining our main policies related to the efforts for attaining the MDGs, supporting the UNFCCC and Kyoto Protocol on climate change and its link to the issue of energy security, and by agreeing that the Social Cohesion factor is important for ensuring equity and for creating an inclusive society in economic development.

In this regard, as a follow-up step to the above Declaration, it is hoped that this conference will contribute ideas to improve future Asia-Europe cooperation in order to realize development that is inclusive, just and sustainable. As a partner of Asia, we hope that Europe will strengthen cooperation in the exchanges of experiences, knowledge and technology related to the environment, energy and social programs. We also hope that the cooperation will assist to strengthen institutional capacity at each level of the government and to promote the participation of NGOs, civil society and of the private sector in development.

I wish all of you to have productive discussions. In your spare time I invite you to also see the cultural attractions and experience the hospitality of Yogyakarta.

Thank you.

Prof. DR. Armida S. Alisjahbana
Minister of National Development Planning/Head of Bappenas