



# ANNUAL REPORT 2018

ABOUT US 3

MESSAGES 5

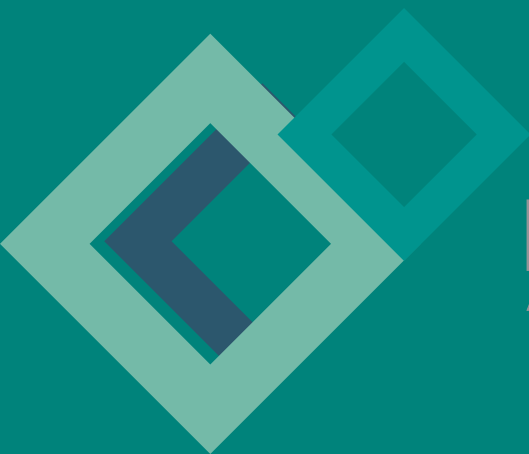
SMERU'S KEY  
MOMENTS 2018 8

OUR MAIN ACTIVITIES 10

MAP OF SMERU'S RESEARCH  
AREA COVERAGE 2018 20

OUR ORGANIZATION 29

FINANCIAL STATEMENTS  
2017 & 2018 34



**FACTS MATTER**  
Accurate Data for the Right Decision

## ANNUAL REPORT 2018

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# ABOUT US

The SMERU Research Institute is an independent institution for public policy studies and has been a leader in poverty and inequality research in Indonesia. Our work focuses on areas of socioeconomic research that are of fundamental importance to contemporary development issues in Indonesia. We specialize in poverty analysis, policy research, and monitoring and evaluation. These three interconnected elements of knowledge production are directed to support evidence-based policy formulation that works for Indonesia's poorest and most vulnerable people.

## VISION

A creation of an Indonesian society free of absolute poverty and high inequality through research aimed at evidence-based poverty and inequality reduction strategies, policies, and actions

## MISSION

- Carrying out research on poverty-related issues for the purpose of improving public and private sector policies and their implementation
- Conducting effective outreach to national and regional governments, civil society, academics, the international community, and the private sector
- Supporting inclusive public and private sector policy discourses on poverty and inequality reduction strategies
- Strengthening the role of civil society in the formulation and implementation of public and private sector policies

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Mukti Mulyana/SMERU

## THE BOARD'S WELCOME MESSAGE

In March 2018, for the first time Indonesia's poverty dropped to a single digit despite the slowing decline in the past 15 years. In that period, inequality trends in many dimensions have risen while economic growth has been stuck at 5%. The inequality rate tending to be high indicates that the "cake" is not fairly divided as the rich has faster growth than the poor and vulnerable. As a result, poverty rate reduction is unable to speed up. One of the ways to move out of this condition is through evidence-based public policymaking. The aim is to improve the policymaking process so that it will be focused on increasing economic growth and, at the same time, improving the livelihoods of the poor and vulnerable.

Now the room for policymaking has expanded to all corners of the nation. The regional autonomy policy does not stop at provinces, *kabupaten* (district), or cities, but has reached villages through Law No. 6/2014. This means that the practice of autonomy has been closer to the people, namely autonomy in running the government and planning the development. The people are no longer just beneficiaries of development results; now there is room for them to take on a role in the public policy planning and implementation processes. This situation compels policymakers to improve their capacity in formulating development plans, especially by utilizing research results instead of relying on intuition.

Communication between researchers and policymakers is not easy because both have different principles, terms, conditions, and working environments. The year 2018 marked SMERU's success in developing networking skills, and expanding interaction, with public policymakers at the central and local levels, including the village level. This success was due to the hard work of our staff and the careful organization of SMERU's management. Also, the support of various parties, particularly the Department of Foreign Affairs and Trade (DFAT), Australia, and the Department for International Development (DFID), UK, has eased SMERU's work.

With the open and intensive communication between researchers and policymakers, as well as the participation of various stakeholders, SMERU's involvement in offering research-based public policy recommendations has been more solid and more concrete. SMERU believes that such process of policymaking is the right way to improve people's welfare. ♦

*Syaikh Usman*

Chair, Board of Trustees

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## THE MANAGEMENT'S WELCOME MESSAGE

For an independent institution which conducts research and public policy review, to be directly working with policymakers is a highly valuable opportunity. Apart from giving room to make sure that research results are used as inputs for policy formulation, collaborating with policymakers will also increase the credibility of the research institute.

Entering its 17th year, SMERU's consistent involvement in public policymaking keeps yielding positive results. SMERU has been trusted by the Ministry of National Development Planning/National Development Planning Agency (Bappenas) to be involved in RPJM background studies, which lay the foundation for technocratic RPJMN documents. Throughout 2018, SMERU has participated in three background studies, namely those on youth development, inclusive economic development index, and revision to Indonesian democracy index. This participation is one of SMERU's most concrete achievements as a policy research institute.

SMERU also keeps increasing cooperation with regional governments and expanding its outreach to them through, among others, (i) the establishment of an SDGs Center in collaboration with the provincial government and some higher education institutions in West Nusa Tenggara, (ii) Regional Development Forum (FPD) with the Provincial Government South Sulawesi, (iii) research collaboration with the Regional Government of *Kabupaten* (District of) Pangkajene dan Kepulauan (Pangkep) in performing an analysis and formulating policy to reduce poverty in the district, and (iv) the signing of memoranda of understanding with Kabupaten Way Kanan, *Kota* (City of) Yogyakarta, Kabupaten Kebumen, and Kota Bukittinggi to become teaching laboratories as an effort to improve the quality of education in those regions.

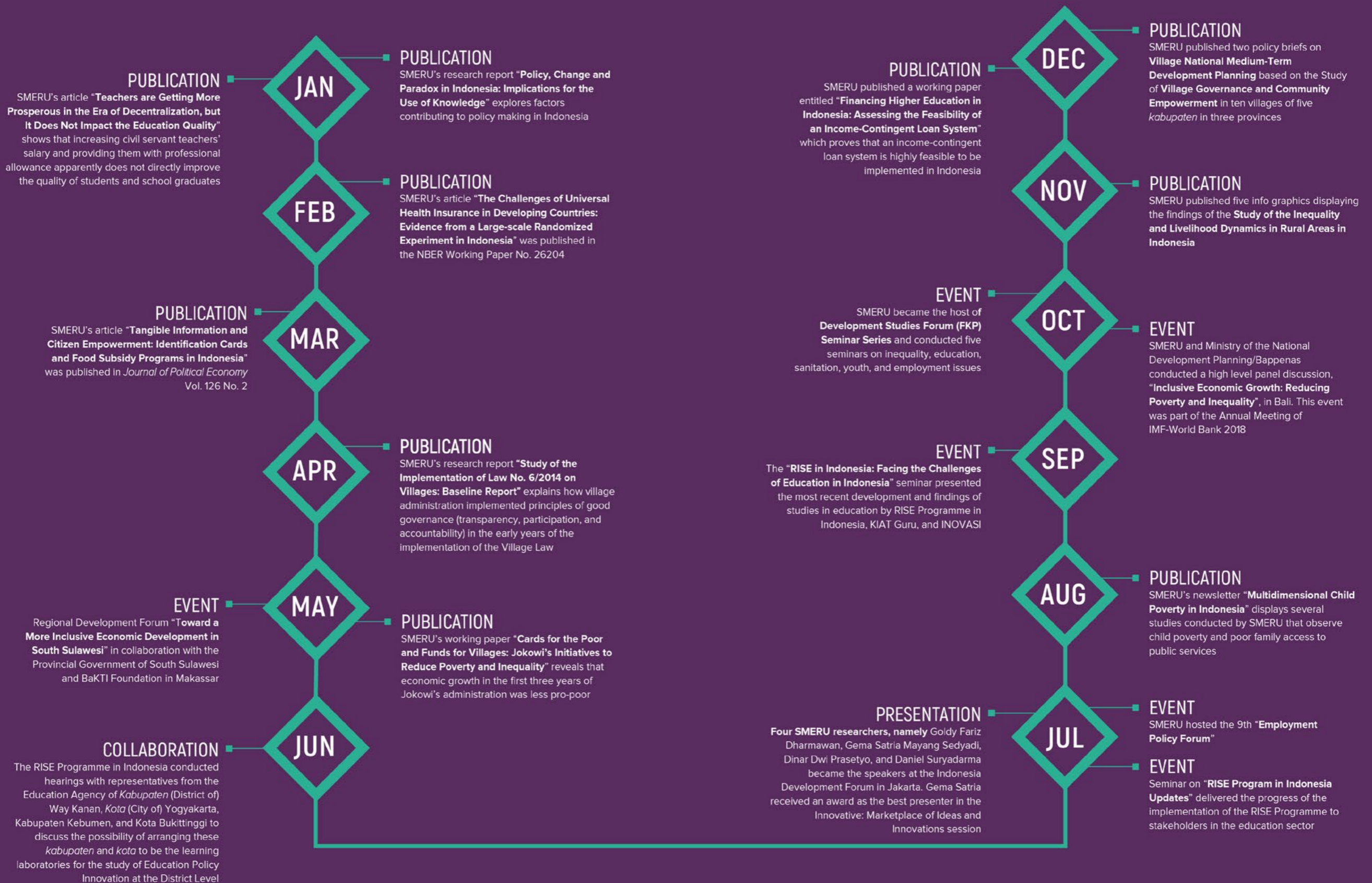
SMERU has planned to open up opportunities for research collaboration with the private sector in the future. As a first step, SMERU is exploring digital economy, a new trending research topic. We view that digital economy has potential for a significant role in poverty and inequality reduction in Indonesia. In addition, SMERU is set to develop new services, which include new research method development, event management, research dissemination, and training. These services are planned to be available by mid-2019.

Each of SMERU's milestones is thanks to the hard work and total dedication of its entire staff. For that, I feel immensely proud and would like to extend my highest appreciation. ♦

*Asep Suryahadi*

Director

# SMERU'S KEY MOMENTS 2018



## IMPROVING THE TEACHING QUALITY IN BASIC EDUCATION

The five-year Research on Improving Systems of Education (RISE) program in Indonesia entered its second year in 2018. The RISE study which shows Indonesia's education profile has garnered positive responses from the community elements. A number of news articles on various media outlets quoted the RISE study which explains that Indonesian students tend to not have their mathematics skills improve after 12 years of schooling (from elementary to high school). The study also successfully triggered grassroots movements to improve the quality of mathematics learning, one of which is the Mathematical Illiteracy Eradication Movement (*Gerakan Pemberantasan Buta Matematika*).

The analysis of mathematics skills, our first major output in 2018, has contributed to the paradigm shift. The analysis took a long-term view, spanning from 2000 to 2014. The first finding is that mathematics skill started out low. A seven-year old in first grade of the elementary school has a less than 30% chance to correctly answer a mathematics problem. The second finding is that the skill only increases very little as individuals go through the education levels. An 18-year old currently enrolled in 12th grade only has a 40% chance to answer correctly. Hence, 12 years of further schooling only improved the mathematics skill by around 10 percentage points. The third finding comes from comparing the mathematics skill of the 2000 with the 2014 cohorts. The RISE study finds that the mathematics skill of the 2014

cohort is lower than the 2000 cohort. This is a surprising result, as education has been devolved to the local government since 2001. Also, some regulations have mandated a much higher public investment in education since 2009.

In early 2019, the RISE Program established long-term partnerships with four *kabupaten/kota* (district/city) -level governments, namely that of Kota Yogyakarta, Kabupaten Kebumen, Kabupaten Way Kanan, and Kota Bukittinggi. The RISE team and stakeholders of each *kabupaten/kota* diagnosed the root causes of education issues and developed alternative solutions using the Diagnose, Design, Evaluate, and Adapt (DDEA) approach. The DDEA process managed to help the four *kabupaten/kota* develop education policies that are more contextual and focused on solving problems in education. Moreover, the DDEA process in the four regions has drawn attention of the policymakers in other cities and kabupaten, including a number of prospective development partners. Those prospective partners expressed their interest to collaborate with RISE, especially in broadening the study's scope and facilitating the diagnosis design for 2019 and 2020.

In each study, the RISE team keeps the Central Government, regional governments, and various NGOs informed and involved. The RISE team hopes that the findings will serve as references for policymakers, both at the central level and in other regions. ♦



The RISE team and stakeholders of each study region diagnosed the root causes of education issues and developed alternative solutions using the Diagnose, Design, Evaluate, and Adapt (DDEA) approach.

Photo credit:  
Mukti Mulyana/SMERU

## FORMULATING THE INCLUSIVE ECONOMIC DEVELOPMENT INDEX IN INDONESIA

Despite the fact that after the 1998 monetary crisis, Indonesia has a positive economic growth of around 5% annually and poverty rate has fallen from 18.41% in 2001 to 9.82% in 2018, inequality has risen significantly from 0.33 Gini index in 2001 to 0.41 in 2011 and 0.38 in 2018. The increase in inequality indicates that the portion of economic growth enjoyed by the rich is bigger than that enjoyed by the poor. Acknowledging that situation, for the past ten years the Government of Indonesia has adopted an inclusive economic growth concept, as outlined in the 2010–2014 National Medium-term Development (RPJMN) and the 2015–2019 RPJMN documents. Although the awareness of the importance of inclusive development has increased, definition and measurement that suit the Indonesian context are still lacking.

By utilizing the accumulated knowledge from many studies related to poverty and inequality, since 2017 SMERU—supported by Ford Foundation and Knowledge Sector Initiative (KSI) which is a Department of Foreign Affairs and Trade (DFAT)'s program—has actively been helping Bappenas develop and formulate the Indonesian Inclusive Economic Development (PEI) Index as a reference to assess and measure the inclusivity of Indonesia's economic development. The Indonesian PEI Index was formulated out of various indicators and is divided into three pillars, namely (i) economic growth pillar, (ii) income equality and poverty reduction pillar, and (iii) access and opportunity improvement pillar. Clear definition, measures, and indicators

of inclusive economic development will make it easier for the government to monitor their achievements and make effective policies for the next development plan. Besides formulating the index based on secondary data, SMERU also conducted a case study to trace the root causes and gain perspectives of stakeholders in several provinces.

In July 2018, at the Indonesia Development Forum, the Minister for National Development Planning/Bappenas released the Indonesian PEI Index along with the national- and provincial-level calculation results. The index and results of the case studies of South Sulawesi and Bali provinces were also presented at the High-Level Panel on Inclusive Economic Growth: Reducing Poverty and Inequality in Bali in October 2018 as part of the 2018 IMF-World Bank Group Annual Meetings. In addition, SMERU is still supporting Bappenas in formulating kabupaten/kota (district/city) -level PEI Index and making use of the PEI Index in the 2020–2024 RPJMN Background Study on Inclusive Economic Development. This background study aims at producing inputs for formulating alternative strategies and policies that will be contained in the 2020–2024 RPJMN. The alternative strategies and policy directions are based on the identification of strategic issues of each inclusive economic development indicator. Next, policy directions will be mapped out to address the issues of the three PEI pillars so that the inclusivity of Indonesia's economic development will keep increasing. ♦



Having clear definition, measures, and indicators of inclusive economic development will make it easier for the government to monitor their achievements and make effective policies for the next development plan. Further information on Indonesian PEI Index can be accessed on [www.inklusif.bappenas.go.id](http://www.inklusif.bappenas.go.id)

Photo credit:  
Ulfah Alifa/SMERU



## GENDER ISSUES IN WATER, SANITATION, AND HYGIENE (WASH) SECTOR

Development in the water, sanitation, and hygiene (WASH) sector in Indonesia is still facing various challenges. In line with the sixth goal of the Sustainable Development Goals (SDGs), which are due in 2030, the Government of Indonesia in the 2015–2019 National Medium-term Development Plan (RPJMN) has set the 100-0-100 target for achieving universal access to safe drinking water and sanitation and eliminating slums. In such efforts, gender issues are important to be addressed because women are the main beneficiaries and managers of WASH facilities. Experiencing menstruation, pregnancy, and childbirth also makes women's WASH needs differ from men. To support the formulation of gender-sensitive programs and policies in the WASH sector, in 2018—with the support of Plan International Indonesia—SMERU conducted two studies, namely "Menstrual Hygiene Management (MHM): A Case Study of Primary and Junior High School Students in Indonesia" and "Gender and Social Inclusion (GESI) Contextual Analysis/ Formative Research for the Plan's Water for Women Project in Indonesia."

The MHM study conducted in several elementary and junior high schools in Lombok Utara (West Nusa Tenggara), Jakarta Barat (Special Capital Region of Jakarta), and Nagekeo (East Nusa Tenggara) finds that female students still have poor MHM practices because of inadequate WASH facilities, among other reasons. As a result, the students face risks in regard to their reproductive organs, have their learning activities disrupted, and have difficulty in socializing with their peers and adults.

Meanwhile, the GESI-WfW formative study conducted in Sumbawa Barat (West Nusa Tenggara) and Manggarai (East Nusa Tenggara) finds that women still have little involvement in decision-making on WASH-related matters both at the household and community levels. The prevailing gender-based division of roles and responsibilities in the community have not significantly involved women in the WASH planning process.

The findings of both studies emphasize the need for more women's aspirations as well as capacity and confidence building for women to actively participate in each development planning activity.

Plan International uses the findings and recommendations from both studies specifically to develop their regional programs. SMERU has also been actively promoting the WASH issue in national-level policy discussions. The GESI-WfW study was disseminated in the 2018 Indonesia Development Forum attended by government, CSO, and donor organization representatives. The MHM study was presented at the Development Policy Forum which was attended by the government (Ministry of Education and Culture, Ministry of Health, and Indonesian Child Protection Commission (KPAI)), CSOs, and representatives of a number of schools in Jakarta. ◆



Women are the main beneficiaries and managers of WASH facilities. However, women are seldom involved in decision-making—both at the household and community levels—on WASH-related matters.

Photo credit:  
Fatin Nuha Astini/SMERU

## CONTROLLING INEQUALITY IN VILLAGE DEVELOPMENT

The SMERU Research Institute has always paid serious attention to poverty and inequality issues in rural areas because the acceleration of poverty reduction will be difficult to achieve if inequality in rural areas is not controlled. Two SMERU studies, namely “A Study on the Dynamics of Rural Inequality and Livelihoods in 2004–2014” (with the support of Tifa Foundation) and “A Qualitative Study on Village Law Implementation Monitoring” conducted from 2015 to 2018 (with the support of the World Bank), specifically discuss rural development and inequality.

The first study analyzes the dynamics of various forms of inequality in rural areas using secondary data available for the 2004–2014 period and finds that education is one of the determining factors of the increasing inequality in rural areas. Although the school participation rate in rural areas keeps rising, workers with secondary and higher educational backgrounds tend to prefer looking jobs outside the village to staying there. This is because most of the rural economic sectors do not offer adequate incentives and returns. The majority of economic activities in rural areas are done by those with low educational backgrounds. The lack of workers with secondary and higher educational backgrounds has caused low productivity in the economic activities of the areas.

The second study (on the Village Law implementation) finds that while the government has disbursed the village fund—which has increased in amount annually since the enactment of Law No. 6/2014 on Villages—the

majority of the fund is used for infrastructure improvements. These improvements include pathway hardening and drainage construction projects—factors that, according to the study on the dynamics of rural inequality and livelihoods, drive the increase of inequality in the short term. Very little portion of village fund is used for activities which directly increase the productivity of the rural economy.

Village fund can actually be used to spur rural economy through systematic empowerment activities. First, village governments can organize informal/nonformal education initiatives for workers with low educational backgrounds to boost the productivity of the traditionally managed economic activities. Second, village fund can also be utilized to create new, more modern economic activities, such as processing businesses, in both agricultural and nonagricultural sectors. This is expected to increase the added value and returns in various rural economic activities, which in turn will draw in workers with secondary and higher educational backgrounds. Through both efforts, inequality in rural areas can be controlled and acceleration of poverty rate reduction can be realized.

Results of both studies have been presented to diverse stakeholders—both governmental and nongovernmental—in various policy discussions. Several recommendations from both studies have also served as inputs in the formulation of the RPJMN background study on the development of villages, disadvantaged regions, and transmigration, as well as other related policies. ♦



The majority of the village fund is used for infrastructure improvements.

Photo credit:  
Siti Hidayati/SMERU

# POLICIES FOR THE YOUTH

“ Investments made now in young people and changes made to the way they are engaged will dramatically shape the future of societies. ”

(Magdy Martínez-Solimán, 2017).

In 2025–2030, Indonesia will see the peak of demographic bonus, when the number of productive-age population is higher than the nonproductive-age population. The current investments in youth, as well as the efforts of increasing the youth's involvement in development, will be the factors that determine whether the peak of the demographic bonus will bring progress to Indonesia or trap the country in economic stagnation. Considering the strategic potential of youth for Indonesia's development, The SMERU Research Institute helped the National Development Planning Agency (Bappenas) conduct a study to support the process of formulating policies for the youth.

Throughout 2018, SMERU was involved in a study to write the Baseline Report of Youth and Adolescent SDGs in Indonesia and Background Study of 2020–2024 RPJMN on Youth. Findings of both studies show that the Indonesian youth, both as the subject and object of development, are still faced with various limitations. Although the youth's participation rate in school has

shown an upward trend, only a small portion of youths have completed higher education. The quality of learning, link and match between education and employment, as well as access to capital are problems leading to the high open unemployment rate among youth. The youth are also facing the double burden of nutrition-related problems and illnesses, vulnerability to mental illnesses, drug abuse, and high risk of accidental injuries (which are one of the causes of death and disabilities among youth). Furthermore, the process of unlocking their potential as development actors is not yet optimal. There is still a low level of youth's participation in social activities addressing climate change, and determining public policy.

Explicit policies to develop youth's potential are absolutely needed to maximize the potential of the demographic bonus, especially considering the present era of rapid technological advancement. On the one hand, such advancement brings forth a big opportunity to accelerate youth development. On the other hand, that advancement may potentially increase youth's vulnerability.

Both study reports have so far been Bappenas' references in formulating youth-related policies for 2020–2024. The reports have also been disseminated in various forums, including a consultation session that was held in conjunction with a hearing with Bappenas and the October 2018 edition of the Forum of Development Studies (FKP) seminar series. ♦



There is still a low level of youth's participation in social activities addressing climate change, and determining public policy.

Photo credit:  
Fatin Nuha Astini/SMERU

# MAP OF SMERU'S RESEARCH AREA COVERAGE 2018

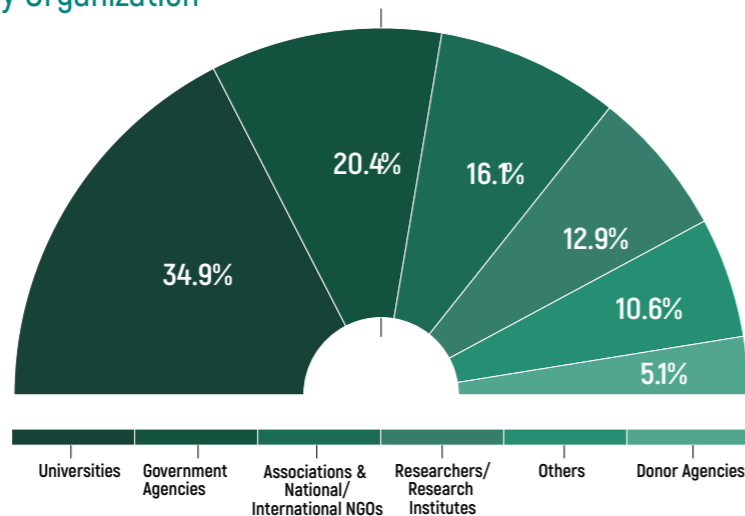


- 1 *Faktor Pendukung dan Penghambat Upaya Pengembangan Penghidupan Berkelanjutan* | Enabling Factors and Barriers to the Efforts of Developing Sustainable Livelihood
- 2 Midline Study: Access to Services and Livelihood of Poor Women
- 3 *Penyusunan Catatan Kebijakan tentang Percepatan Pengurangan Kemiskinan dan Ketimpangan di Perdesaan* | Formulating A Policy Brief on the Acceleration of Poverty and Inequality Reduction in Rural Areas
- 4 *Naskah Akademik Pendampingan Pembangunan* | Academic Paper on Development Facilitation
- 5 Families First Home Visiting Programme (FFHVP)
- 6 Training and Data Collection for PRISMA Study - Pilot
- 7+ Training and Data Collection for PRISMA Study in 4 Provinces (Jateng, Jatim, NTB & NTT)
- 8 Policy Assessments in Support of National Development Strategies
- 9 *SDG-Inequality: Penyusunan Rencana Aksi Daerah (RAD) SDGs Goal 10 (Ketimpangan) DKI Jakarta* | *SDG-Inequality: Formulation of Regional Action Plan (RAD) on SDG Goal Number 10 (Inequality) for Special Capital Region (DKI) of Jakarta*
- 10 *Survei Baseline: Pemetaan Potensi dan Kebutuhan Berbagi Pengetahuan Lembaga Anggota ARK Indonesia* | *Baseline Survey: Mapping of the Indonesia Policy Research Alliance (ARK Indonesia) Member Organizations' Potentials and Needs for Knowledge Sharing*
- 11 Gender and Social Inclusion (GESI) Contextual Analysis/Formative Research for the Plan's Water for Women Indonesia
- 12 *Dampak Manajemen Kebersihan Menstruasi (MKM) dalam Mengurangi Tingkat Ketidakhadiran dan Putus Sekolah Anak Perempuan di Tingkat SD dan SMP: Studi Evaluasi dan Baseline* | *The Influence of Menstrual Hygiene Management (MHM) in Reducing Absenteeism and Dropout Rates among Elementary and Junior High School Female Students: An Evaluation and Baseline Study*
- 13 Village Governance and Community Empowerment Study (Sentinel Villages) | *Studi Tatakelola Desa dan Pemberdayaan Masyarakat*

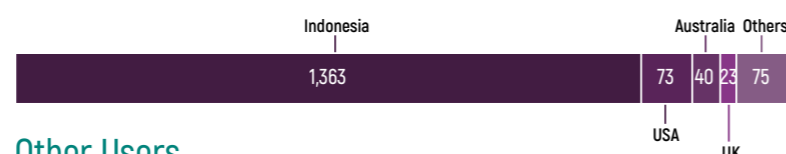
- 14\* *RISE: Evaluating How Teacher Reforms in Decentralised Indonesia Can Promote Learning Gains*
- 15 *Qualitative Monitoring and Impact Evaluation of EINRIP: Post Improvement Qualitative Social Research – 2017*
- 16 *Studi Dinamika Ketimpangan di Perdesaan Indonesia* | *A Study on the Dynamics of Inequality at Rural Level*
- 17 *Cognitive Skills, Entrepreneurship, and Economic Growth in Indonesia*
- 18\* *Developing and Promoting Indonesian Inclusive Economic Growth Index (IIEGI)*
- 19 *Background study RPJMN 2020-2024 Bidang Pemuda* | *Background Study of 2020–2024 RPJMN on Youth*
- 20 *Studi Baseline SDGs untuk Remaja dan Pemuda* | *Baseline SDGs on Adolescent and Youth*
- 21 *Modul Pelatihan Analisis Kebijakan Penanggulangan Kemiskinan* |
- 22 *Qualitative Monitoring and Impact Evaluation of EINRIP: Post Improvement Qualitative Social Research – 2018*
- 23\* *Background Study RPJMN: Revisi Indeks Demokrasi Indonesia (IDI)* | *RPJMN Background Study: Revision of the Indonesian Democracy Index (IDI)*
- 24\* *Background Study RPJMN: Pembangunan Ekonomi Inklusif* | *RPJMN Background Study: Inclusive Economic Development*
- 25 *Survei Kapasitas Penelitian Lembaga Swadaya Masyarakat* | *A Survey of Civil Society Organizations' Research Capacity*
- 26 *Kajian Kondisi Kemiskinan di Kabupaten Pangkajene dan Kepulauan* | *A Study on the Condition of Poverty in Kabupaten (District of) Pangkajene dan Kepulauan*
- 27 *Evaluasi Kinerja Pembangunan Daerah: Cost effectiveness di Tingkat Provinsi* | *Evaluation of the Regional Development Performance: Cost Effectiveness at Provincial Level*
- 28 *Case Study: Understanding Contributing Factors to Variations in Stunting Prevalence in Selected Local Governments*
- 29 *Baseline Data Collection: Water for Women*

# COMPOSITION OF THE POVERTY MAP 2010 AND 2015 USERS

## By Organization



## By Country



## Other Users



## Studies Using the Poverty Map

- Causes of Indonesia's Forest Fires - Ryan B. Edwards, 2018
- Spillovers from Agricultural Processing - Ryan B. Edwards, 2018
- Understanding Metropolitan Poverty: The Profile of Poverty in Jabodetabek Area - Asep Suryahadi and Cecilia Marlina, 2018
- Changes in Land Use/Land Cover Patterns in Indonesia's Border and their Relation to Population and Poverty - Fransiscus Xaferius Herwirawan, Cecep Kusmana, Endang Suhendang, Widiatmaka

I learned of the Poverty Map website from a social media status of a fellow ISPS Germany alum. At the time, I was looking for data on the poverty of Greater Solo, particularly Kabupaten [District of] Karanganyar's population in relation to my work at BPJS Kesehatan [Social Security Implementing Agency for Healthcare]. I used the poverty data by *kecamatan* [subdistrict] as a reference for outreach to *kabupaten* governments on Universal Health Care Scheme [JKN] funding schemes for the poor.

[Dina Anjayani, Head of BPJS Kesehatan Branch Office in Kabupaten Karanganyar, Central Java]

Beautiful maps. Would love to see all of the most recent data as soon as possible. It would also be nice to have all of the livelihood data on one table at the subdistrict level with the poverty data on a separate table.

[Michael Mackay, Kyushu Institute of Technology, Japan]

The data is good since it goes to the village level and provide not only the number of poor, but also indexes like the poverty rate, gap, severity, and Gini ratio, including the livelihood data which is really useful. There are some key inputs for improvements, such as the data needs to be updated and that it needs to be disaggregated by gender or food and nonfood poverty. Also, the village description needs to be improved by secondary data, such as the average level of education in the village, etc.

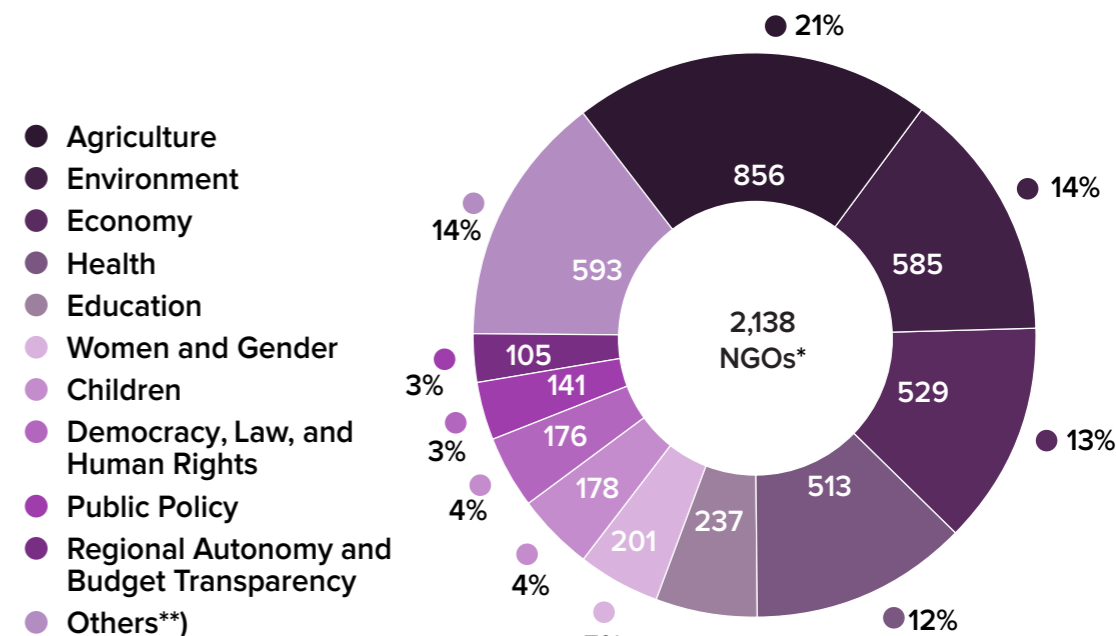
[Elwyn Panggabean, Microsavel]

I discovered information on the Poverty Map website from SMERU's website. I happened to be looking for a related study on marginalized groups, so I visited SMERU's website and there I found the Poverty Map. The data I needed at the time were related to the marginalized, hence the Poverty Map was a very useful addition to the references for my study. Thank you very much. May SMERU always be the best research institute."

[Chasidin, Ombudsman of the Republic of Indonesia]

# NGO DATA ON SMERU'S NGO DATABASE

Nongovernmental organizations (NGOs or CSOs) are among the development actors whose roles are increasingly taken into account by the Government of Indonesia. Realizing this, SMERU continues to manage its NGO database so that various parties can access and utilize it. By the end of 2018, after some data updates, there are 2,138 NGOs listed in SMERU's database.



Notes:

\* Every NGO has activities in more than one sector.

\*\* Encompasses around 16 sectors, such as agrarian affairs, food, various types of infrastructure, politics, disability, mining, and disasters.

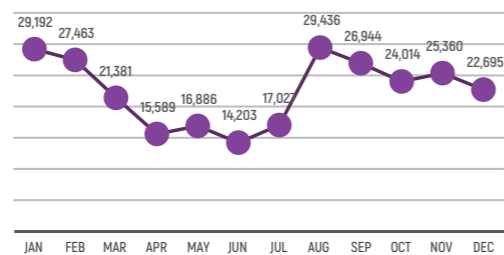
As part of the effort to understand the capacity of NGOs in conducting research, at the end of 2018 SMERU carried out a "Nongovernmental Organization Research Capacity Survey". The number of NGOs recorded to have filled out the online questionnaire is 108 or around 13.2% of the total number of NGOs invited to participate in the survey (819). The survey results show that NGOs need support to increase their capacity in conducting research, especially in the aspects of funding sources, mastery of issues and research methodology (qualitative and quantitative), data processing and analysis skills, and publications in scholarly journals. ♦

# SMERU ON THE INTERNET

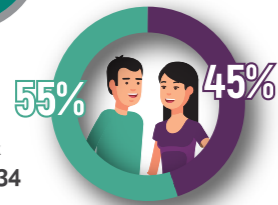


**MOST VIEWED REPORT:**  
Education in Indonesia: A White Elephant? Working Paper, July 2018, Draft (1,345 views)

## NUMBER OF PAGEVIEWS IN 2018



**MOST POPULAR** among Facebook users in the 25-34 age range



**3,991 FOLLOWERS**

**40%** ↑ throughout 2018

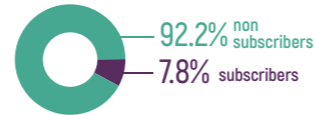
### Who are the visitors?



**322 SUBSCRIBERS**

**83%** ↑ throughout 2018

**13,180 VIEWS**



**LIVE STREAM**

Most viewed live stream



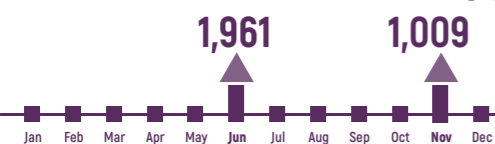
total viewing time **68,900 minutes** throughout 2018

**MOST VIEWED:**  
Seminar on Eastern Indonesia Development: Lessons Learned and Some Insights for the Future (340 views)

**4,344 FOLLOWERS**

**72%** ↑ throughout 2018

### HIGHEST ENGAGEMENTS:



**MOST ENGAGED:**  
Dr. Asep Suryahadi and Ridho Alizzati's working paper gained **1,961 total engagements**

**Kompas coverage** based on an interview with Ni Ken Rarasati about RISE Program's findings

The high engagements of both tweets are presumably due to some factors:

- (i) inequality was a much-talked-about topic at the time and criticism toward the government gained more attention from the community;
- (ii) SMERU benefited from Kompas mention of RISE study findings;
- (iii) tweets that are of factual narratives and a thought-provoking tend to gain more attention from netizens.

# SMERU'S PUBLICATIONS 2018

## RESEARCH REPORT

Printed  
Uploaded on the Website

**Life in a Time of Food Price Volatility: Evidence from Three Villages in Indonesia, Findings of Years 1 and 2**  
Rachma Indah Nurbani, Hariyanti Sadaly, Bambang Sulaksono  
December, 2018

## WORKING PAPER

Printed  
Uploaded on the Website

**Financing Higher Education in Indonesia: Assessing the Feasibility of an Income-Contingent Loan System**  
Elza Elmira, Daniel Suryadarma  
December, 2018

## ANNUAL REPORT 2017

Printed  
Uploaded on the Website  
October, 2018

## NEWSLETTER

Printed  
Uploaded on the Website

**Pemanfaatan Dana Desa | Village Fund Spending**

NEWSLETTER NO.2/2018

Asep Suryahadi, Widjajanti Isdijoso, Syaikh Usman, Nuning Akhmadi, Nina Toyamah, M. Sulton Mawardi, Palmira Permata Bachtiar, Ruhmaniyati, Joseph Natanael Marshan, Hastuti, Liza Hadiz, Gunardi Handoko

**Kemiskinan Multidimensi pada Anak di Indonesia | Child Multidimensional Poverty in Indonesia**

NEWSLETTER NO.1/2018

Asep Suryahadi, Widjajanti Isdijoso, Syaikh Usman, Nuning Akhmadi, Nina Toyamah, Luhur Bima, Meuthia Rosfadhila, Ruhmaniyati, Hastuti, Liza Hadiz, Gunardi Handoko

## RESEARCH REPORT

Uploaded on the Website

**Exploratory Study on the Impact of Conditional Cash Transfer (CCT) Program with a Child Labor Component Support in Sukabumi and Cianjur—West Java**

Muhammad Syukri, M. Sulton Mawardi, Vita Febriany, Rachma Indah Nurbani, Athia Yumna, Kartawijaya  
February, 2018

**Studi Implementasi Undang-Undang No. 6 Tahun 2014 tentang Desa: Laporan Baseline | Study on the Implementation of Law No. 6/2014 on Villages Baseline Report**

Muhammad Syukri, Palmira Permata Bachtiar, Asep Kurniawan, Gema Satria Mayang Sedyadi, Kartawijaya, Rendy Adriyan Diningrat, Ulfah Alifia  
April, 2018

**Persepsi Penerima Manfaat Program Penanggulangan Kemiskinan: Studi Kasus Tiga Kelurahan di Provinsi DKI Jakarta | Perceptions of Poverty Reduction Program Beneficiaries: Case Study of Three Kelurahan (village-level administrative area located in an urban center) in the Special Capital Region (DKI) of Jakarta**

Widjajanti Isdijoso, Hastuti, M. Sulton Mawardi, Sri Budiayati, Meuthia Rosfadhila, Vita Febriany, Robert Justin Sodo  
December, 2018

**Sintesis Hasil Studi Diagnostik Pembelajaran Pendidikan Dasar di Enam Kabupaten Mitra INOVASI di Provinsi Nusa Tenggara Barat | Synthesis Report: Diagnostic Study of Basic Education Learning in Six INOVASI Partner Kabupaten (Districts) in West Nusa Tenggara**

Hastuti, Nina Toyamah, Syaikh Usman  
December, 2018

## POLICY BRIEF

Printed  
Uploaded on the Website

**The Role of Kecamatan in Village Law Implementation**

Muhammad Syukri  
January, 2018

**Mengefektifkan Pengawasan Desa oleh Masyarakat**

Rendy Adriyan Diningrat  
April, 2018

**Debottlenecking Distribution and Disbursement of the Village Fund**

Gema Satria Mayang Sedyadi, Widjajanti Isdijoso  
January, 2018

**Memperbaiki Kebijakan Padat Karya Tunai di Desa | Improving the Village Cash for Work (PKT) Policy**

Ruhmaniyati  
November, 2018

**Reforming BPD to Strengthen Villages**

Palmira Permata Bachtiar  
January, 2018

**Menyederhanakan RPJM Desa | Simplifying the Village Medium-Term Development Plan (RPJM Desa)**

Asep Kurniawan  
December, 2018

**Mengefektifkan Pengawasan Desa oleh Masyarakat | Promoting Community-Based Village Supervision**

Rendy Adriyan Diningrat  
April, 2018

**Memfungsikan Kembali RPJM Desa | Reviving the Village Medium-Term Development Plan (RPJM Desa)**

Asep Kurniawan  
December, 2018

# SMERU'S POLICY ENGAGEMENT

## CENTRAL

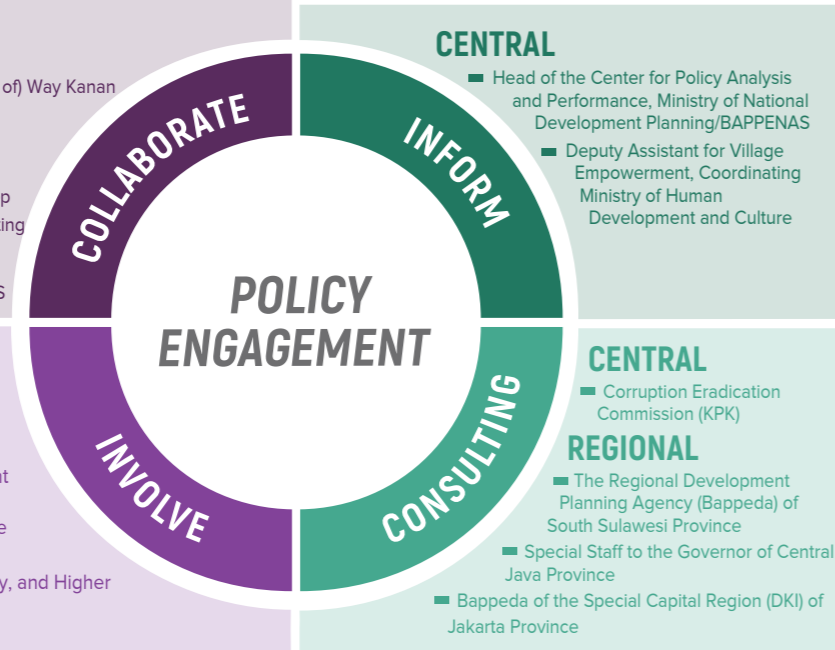
- Directorate for Family Development, Development of Women, the Child, Youth, and Sports
- Ministry of National Development Planning/BAPPENAS
- Directorate for Macro Planning and Statistical Analysis, Ministry of National Development Planning/BAPPENAS
- Expert Staff for Synergy of Economic Affairs and Financing, Ministry of National Development Planning/BAPPENAS
- State Administration Agency

## REGIONAL

- Government of *Kabupaten* (District of) Way Kanan
- Kota* (City of) Yogyakarta
- Kabupaten* Kebumen
- Kota* Bukittinggi
- Government of *Kabupaten* Pangkep
- Directorate for Monitoring, Evaluating and Controlling of Regional Development, Ministry of National Development Planning/BAPPENAS

## CENTRAL

- President Joko Widodo
- Directorate for Political and Communication Development,
- Ministry of National Development Planning/BAPPENAS
- Ministry of Education and Culture
- Ministry of Social Affairs
- Ministry of Research, Technology, and Higher Education



### SMERU's studies disseminated to policymakers

YOUTH	1	NATIONAL	AGRICULTURE & FOOD	6	NATIONAL	
EDUCATION	2	KABUPATEN/KOTA- (DISTRICT/CITY-) LEVEL	2	NATIONAL	REGIONAL DEVELOPMENT	
ECONOMY	3	NATIONAL	7	NATIONAL	INEQUALITY	
POVERTY	4	NATIONAL	4	KABUPATEN/KOTA- (DISTRICT/CITY-) LEVEL	8	PROVINCIAL
REGIONAL MEDIUM-TERM DEVELOPMENT PLAN (RPJMD)	5	PROVINCIAL	9	NATIONAL	DEMOCRACY	



The launch of Inclusive Economic Development Index (IPEI) marked by a symbolic button-pressing ceremony by Prof. Bambang P.S. Brodjonegoro (Minister for National Development Planning/Head of Bappenas), Amalia Adininggar Widyasanti, ST, MSi, M.Eng. Ph.D (Expert Staff for Synergy of Economic Affairs and Financing), and Dr. Asep Suryahadi (Director of The SMERU Research Institute).

Photo credit:  
Mukti Mulyana/SMERU



# CALEIDOSKOP 2018

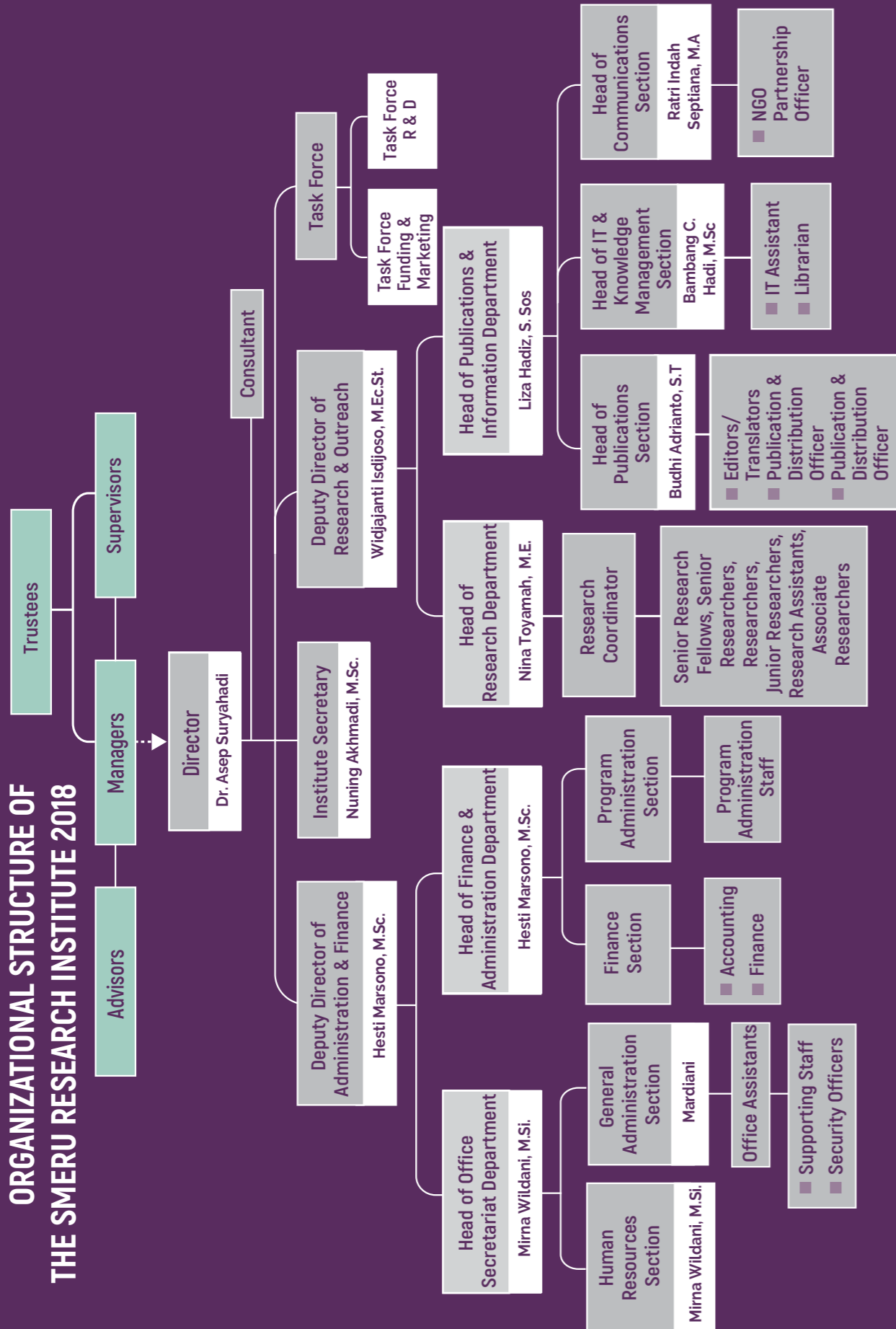


Mukti Mulyana/SMERU

SMERU staff at the 2018 Annual Strategic Meeting in Puncak, Bogor



**ORGANIZATIONAL STRUCTURE OF THE SMERU RESEARCH INSTITUTE 2018**



# THE SMERU RESEARCH INSTITUTE

## MANAGEMENT

- DIRECTOR** Dr. Asep Suryahadi
- DEPUTY DIRECTOR OF RESEARCH & OUTREACH** Widjajanti Isdijoso, M.Ec.St.
- DEPUTY DIRECTOR OF ADMINISTRATION & FINANCE** Hesti Marsono, M.Sc.
- INSTITUTE SECRETARY** Nuning Akhmadi, M.Sc.

## RESEARCH DEPARTMENT

**HEAD OF DEPARTMENT:** Nina Toyamah, M.E.

### SENIOR RESEARCH FELLOWS:

- Dr. Sudarno Sumarto
- Dr. Syaikhu Usman

### SENIOR RESEARCHERS:

- Akhmadi, M.Si.
- Athia Yumna, M.Sc.
- Dr. Daniel Suryadarma
- Luhur Bima, M.Sc.
- M. Sulton Mawardi, M.Comm.
- Palmira Permata Bachtiar, M.Phil.
- Rachma Indah Nurbani, M.A.

### RESEARCH ASSOCIATES:

- Dr. Zulfan Tadjoeddin
- Prio Sambodho, M.A. (Ph.D Candidate)
- Rizki Fillaili, M.A. (Ph.D Candidate)

### RESEARCHERS:

- Ana Tamyis, M.M.
- Asep Kurniawan, S.I.P.
- Asri Yusrina, MEcon.
- Dinar Dwi Prasetyo, M.Sc.
- Dyan Widyaningsih, S.Sos.
- Elza Samantha Elmira, MPH (Adv)
- Gema Satria, M.T.
- Hafiz Arfyanto, M.Ec.
- Ir. Hastuti
- Mayang Rizky, M.Sc.
- Meuthia Rosfadhila, M.P.P.
- Michelle Andrina, M.S.E.
- Mirza Annisa Izati, M.A.
- Nila Warda, M.Ec Pol.
- Niken Rarasati, M.Sc.
- Rendy A. Diningrat, M.Eng.
- Rika Kumala Dewi, MDS
- Risa Wardatun Nihayah, M.A
- Ruhmaniyati, S.E.
- Ulfah Alifia, M.Si.
- Valentina Y. D. Utari, MDS
- Yudi Fajar M. Wahyu, M.A.
- Wandira Senja Lestari, M.A.

**JUNIOR RESEARCHERS:**

- Akhmad Ramadhan Fatah, B.Ec. (Hons)
- Awliya R. Hendaryanti, B.A.
- Fatin Nuha Astini, M. Si.
- Fathurrohman Arroisi, M. Si.
- Goldy Fariz Dharmawan, S.E.
- Maudita Dwi Anbarani, S.Km
- Nurmala Selly Saputri, S.Km
- Rezanti Putri Pramana, B.Sc. (Hons)
- Ridho Al Izzati, S.E.
- Veto Tyas Indrio, S.E.

## PUBLICATIONS & INFORMATION DEPARTMENT

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**HEAD OF PUBLICATIONS SECTION:** Budhi Adrianto, S.T.

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- Gunardi Handoko
- Aris R Huang M.A.
- Alia An Nadhiva, S.Sos.
- Wiwin Purbaningrum, M.A.
- Fandy Muhammad Hizbulloh, M.Si.

**PUBLICATIONS & DISTRIBUTION OFFICER:**

- Heru Sutapa, S.Kom.

**SENIOR PUBLICATIONS & DESIGN OFFICER:**

- Novita Maizir, S.Sos.

**HEAD OF IT & KNOWLEDGE MANAGEMENT SECTION:** Bambang C. Hadi, M.Sc.

**JUNIOR IT & KNOWLEDGE MANAGEMENT:**

- Toni Parwanto, S.Kom.

**LIBRARIAN:**

- Fitria Maharani Putri, S.Hum.

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**SENIOR COMMUNICATION EDITOR**

- Mukti Mulyana, S.I.P.

**COMMUNICATION OFFICER:**

- Tony Liong, S. Sos.

**NGO PARTNERSHIP OFFICER:**

- Ir. Hariyanti Sadaly

## FINANCE & ADMINISTRATION DEPARTMENT

**HEAD OF DEPARTMENT:** Hesti Marsono, M.Sc.

**HEAD OF FINANCE & ADMINISTRATION DEPARTMENT:** Hesti Marsono, M.Sc.

**SENIOR FINANCE OFFICER:**

- Rusky Aviandhi, M.M.

**SENIOR ACCOUNTING OFFICER:**

- Aris Kustanto, S.E.

**PROGRAM ADMINISTRATION STAFF:**

- Rini Kusnadi, M.A.
- Felisita Lesthe, S.Sos.

**PROGRAM MANAGER:**

- Romatio Wulandari, MAPCS

**PROGRAM OFFICER:**

- Nadya Novitri, S.Sos.

**HEAD OF OFFICE SECRETARIAT & ADMINISTRATION DEPARTMENT :** Mirna Wildani, M.Si.

**HEAD OF HUMAN RESOURCES SECTION:** Mirna Wildani, M.Si.

**HEAD OF GENERAL ADMINISTRATION & OFFICE SECRETARIAT:** Mardiani

**SENIOR OFFICE ADMINISTRATION OFFICER:**

- Supriyadi

**OFFICE ADMINISTRATION ASSISTANTS:**

- Arini Putri Wulandari
- Chandra Aryanti

**OFFICE ASSISTANTS:**

- Aang Ahbari
- Abdul Rokhim
- Dakim
- Gogo Margo

**DRIVER:**

- E. Muchtar

**SECURITY OFFICERS:**

- Abdul Hakim
- Adi Panca
- Eka Permana
- Subiyantoro



## LAPORAN AUDITOR INDEPENDEN

## INDEPENDENT AUDITOR'S REPORT

Laporan No. 00390/2.0826/AU.1/11/0732-3/1/XII/2019

Report No. 00390/2.0826/AU.1/11/0732-3/1/XII/2019

Badan Pengurus  
**THE SMERU RESEARCH INSTITUTE**  
 (SMERU)

Board of Management  
**THE SMERU RESEARCH INSTITUTE**  
 (SMERU)

Kami telah mengaudit Laporan Keuangan SMERU terlampir, yang terdiri dari Laporan Posisi Keuangan tanggal 31 Desember 2017, serta Laporan Aktivitas dan Perubahan Aset Bersih dan Laporan Arus Kas untuk tahun yang berakhir pada tanggal tersebut dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya. Laporan Keuangan telah disusun oleh manajemen dengan menggunakan basis akuntansi kas yang dimodifikasi yang dijabarkan pada Catatan 2a atas Laporan Keuangan.

*We have audited the accompanying Financial Statements of SMERU, which comprise the Statement of Financial Position as of December 31, 2017, and the Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended and a summary of significant accounting policies and other explanatory information. The Financial Statements have been prepared by the management using the modified cash basis of accounting as described in Note 2a to the Financial Statements.*

**Tanggung Jawab Manajemen atas Laporan Keuangan**

**Management's Responsibility for the Financial Statements**

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar Laporan Keuangan ini sesuai dengan basis Kas yang dimodifikasi yang dijabarkan pada Catatan 2a yang menyatakan bahwa basis Kas yang dimodifikasi adalah basis yang diterima untuk penyusunan Laporan Keuangan dalam keadaan ini, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan Laporan Keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

*Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the modified cash basis of accounting as described in Note 2a determining that the modified cash basis is an acceptable basis for preparation of the Financial Statements in the circumstances, and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.*

**Tanggung Jawab Auditor**

**Auditor's Responsibility**

Tanggung jawab kami adalah untuk menyatakan suatu opini atas Laporan Keuangan ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Insitut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah Laporan Keuangan bebas dari kesalahan penyajian material.

*Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Insitute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.*

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam Laporan Keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam Laporan Keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar Laporan Keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian Laporan Keuangan secara keseluruhan.

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.*

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

*We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.*


**JOHAN MALONDA MUSTIKA & REKAN**

THE SMERU RESEARCH INSTITUTE (SMERU)

**Opini**

Menurut opini kami, Laporan Keuangan yang disebutkan diatas menyajikan secara wajar, dalam semua hal yang material, Posisi Keuangan SMERU per 31 Desember 2017 dan Laporan Aktivitas dan Perubahan Aset Bersih dan Laporan Arus Kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan akuntansi basis kas yang dimodifikasi seperti yang dijelaskan pada Catatan 2a.

**Basis Akuntansi dan Pembatasan Distribusi dan Penggunaan**

Tanpa memodifikasi opini kami, kami menarik perhatian ke Catatan 2a atas Laporan Keuangan, yang menjelaskan basis akuntansi. Seperti yang dijelaskan pada Catatan 2a, SMERU menyiapkan Laporan Keuangannya dengan menggunakan basis kas yang dimodifikasi, yang merupakan suatu basis akuntansi komprehensif selain prinsip akuntansi yang berlaku umum di Indonesia. Sebagai akibatnya, Laporan Keuangan tersebut mungkin tidak sesuai untuk tujuan lain. Laporan kami ditujukan hanya untuk SMERU dan tidak diperkenankan untuk didistribusikan ke/atau digunakan oleh pihak-pihak selain SMERU.

 JOHAN MALONDA MUSTIKA & REKAN  
 NIU-KAP/Licence No. 951/KM.1/2010



 Drs Johan Yoranouw  
 NRAP/Public Accountant Registration AP. 0732

2 Desember 2019/December 2, 2019

**Opinion**

*In our opinion, the Financial Statements referred to above present fairly, in all material respects, the Financial Position of SMERU as of December 31, 2017 and the Statements of Activities and Changes in Net Assets and Cash Flows for the year then ended, in accordance with the modified cash basis of accounting as described in Note 2a.*

**Basis of Accounting and Restriction on Distribution and Use**

*Without modifying our opinion, we draw attention to Note 2a to the Financial Statements, which describes the basis of accounting. As described in Note 2a, SMERU prepares its Financial Statements on the modified cash basis, which is a comprehensive basis of accounting other than generally accepted accounting principles in Indonesia. As a result, the Financial Statements may not be suitable for another purpose. Our report is intended solely for SMERU and should not be distributed to/or used by parties other than SMERU.*

**THE SMERU FOUNDATION**

Statements of Financial Position as of 31 December 2017 &amp; 31 December 2016

**A S S E T S**

	<u>2017</u>	<u>2016</u>
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	10.979.452.097	21.252.273.533
Short-term Investments	22.592.759.769	18.300.231.494
Advances	-	258.500.000
Receivables	628.345.394	764.027.224
Prepaid Expenses	250.712.880	240.081.230
<b>Total Current Assets</b>	<u>34.451.270.140</u>	<u>40.815.113.481</u>
<b>NON CURRENT ASSETS</b>		
Fixed Assets - Net of Accumulated Depreciation of IDR 2,326,793,526 and IDR 2,191,987,024 as of December 31, 2017 and 2016, respectively	8.572.077.374	8.060.051.879
<b>Total Non Current Assets</b>	<u>8.572.077.374</u>	<u>8.060.051.879</u>
<b>TOTAL ASSETS</b>	<u>43.023.347.514</u>	<u>48.875.165.360</u>
<b>LIABILITIES AND NET ASSETS</b>		
	<u>2017</u>	<u>2016</u>
<b>CURRENT LIABILITIES</b>		
Tax Payable	143.262.100	96.800.800
Other Payables	5.374.760	118.269.776
Accrued Expenses	20.774.500	87.490.704
Post-Employment Benefits	2.667.320.000	2.510.420.000
<b>Total Current Liabilities</b>	<u>2.836.731.360</u>	<u>2.812.981.280</u>
<b>NET ASSETS</b>		
Unrestricted	11.880.329.976	24.311.654.147
Temporarily Restricted	28.179.516.503	21.623.760.258
Permanently Restricted	126.769.675	126.769.675
<b>Total Net Assets</b>	<u>40.186.616.154</u>	<u>46.062.184.080</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>43.023.347.514</u>	<u>48.875.165.360</u>

## THE SMERU FOUNDATION

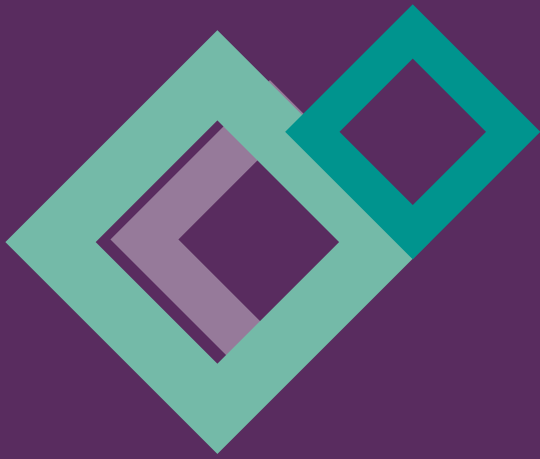
## Statement of Cash Flows as of 31 December 2017 &amp; 31 December 2016

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	(5.875.567.926)	(1.292.723.508)
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation Expenses	134.806.502	119.864.509
Asset Transfer	(544.441.087)	-
Unrealized (Gain) Loss	(87.150.426)	(76.423.232)
Decrease (Increase) in:		
Advances	258.500.000	171.973.400
Receivables	135.681.830	(206.060.564)
Prepaid Expenses	(10.631.651)	(17.722.551)
Increase (Decrease) in:		
Tax Payable	24.992.324	34.980.300
Accrued Expenses	(76.026.300)	17.495.625
Other Payables	(82.115.944)	25.821.286
Post-Employment Benefits	156.900.000	392.400.000
Net Cash Used in Operating Activities	(5.965.052.678)	(830.394.735)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale of Investments	18.300.231.494	15.665.090.789
Acquisition of Fixed Assets	(102.390.909)	(14.610.000)
Payment of Investments	(22.505.609.343)	(18.223.808.262)
Net Cash Used in Operating Activities	(4.307.768.758)	(2.573.327.473)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(10.272.821.436)	(3.403.722.208)
<b>CASH AND CASH EQUIVALENTS, BEGINNING</b>	21.252.273.533	24.655.995.741
<b>CASH AND CASH EQUIVALENTS, ENDING</b>	10.979.452.097	21.252.273.533

## THE SMERU FOUNDATION

## Statements of Activities and Changes in Net Assets as of 31 December 2017 &amp; 31 December 2016

	2017			2016	
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Total
<b>REVENUES</b>					
Grants	4.431.974.488	11.953.024.748	-	16.384.999.236	21.462.612.027
Other Revenues	2.035.668.921	-	-	2.035.668.921	661.596.030
Unrealized Gain (Loss)	87.150.426	-	-	87.150.426	76.423.232
Total Revenues	6.554.793.835	11.953.024.748	-	18.507.818.583	22.200.631.289
<b>EXPENDITURES</b>					
Program Expenses	2.677.353.995	5.397.268.503	-	8.074.622.498	10.852.983.110
Operational Expenses	15.752.446.524	-	-	15.752.446.524	12.003.718.662
Depreciation Expenses	134.806.502	-	-	134.806.502	119.864.509
Other Expenses	421.510.985	-	-	421.510.985	516.788.516
Total Expenditures	18.986.118.006	5.397.268.503	-	24.383.386.509	23.493.354.797
<b>INCREASE (DECREASE) IN NET ASSETS</b>	(12.431.324.171)	6.555.756.245	-	(5.875.567.926)	(1.292.723.508)
<b>NET ASSETS AT BEGINNING OF YEAR</b>	24.311.654.147	21.623.760.258	126.769.675	46.062.184.080	47.354.907.588
<b>NET ASSETS AT END OF YEAR</b>	11.880.329.976	28.179.516.503	126.769.675	40.186.616.154	46.062.184.080



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