

Indonesia Steps Up Global Health Diplomacy

Bolsters Role in Addressing International Medical Challenges



AUTHOR
Murray Hiebert

*A Report of the
CSIS Global Health Policy Center*

JULY 2013

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

Indonesia Steps Up Global Health Diplomacy

Bolsters Role in Addressing International Medical Challenges

Murray Hiebert

July 2013

CSIS | CENTER FOR STRATEGIC &
INTERNATIONAL STUDIES

About CSIS—50th Anniversary Year

For 50 years, the Center for Strategic and International Studies (CSIS) has developed solutions to the world's greatest policy challenges. As we celebrate this milestone, CSIS scholars are developing strategic insights and bipartisan policy solutions to help decisionmakers chart a course toward a better world.

CSIS is a nonprofit organization headquartered in Washington, D.C. The Center's 220 full-time staff and large network of affiliated scholars conduct research and analysis and develop policy initiatives that look into the future and anticipate change.

Founded at the height of the Cold War by David M. Abshire and Admiral Arleigh Burke, CSIS was dedicated to finding ways to sustain American prominence and prosperity as a force for good in the world. Since 1962, CSIS has become one of the world's preeminent international institutions focused on defense and security; regional stability; and transnational challenges ranging from energy and climate to global health and economic integration.

Former U.S. senator Sam Nunn has chaired the CSIS Board of Trustees since 1999. Former deputy secretary of defense John J. Hamre became the Center's president and chief executive officer in April 2000.

CSIS does not take specific policy positions; accordingly, all views expressed herein should be understood to be solely those of the author(s).

© 2013 by the Center for Strategic and International Studies. All rights reserved.

Indonesia Steps Up Global Health Diplomacy

Bolsters Role in Addressing International Medical Challenges

Murray Hiebert¹

The year 2013 marks Indonesia's arrival on the global health diplomacy stage. In mid-June, the country's health minister became chair of the Global Fund to Fight AIDS, Tuberculosis, and Malaria. The president is cochairing a high-level panel advising the UN secretary-general on the global development agenda beyond 2015 that will report to the UN General Assembly in September. The same month Indonesia will host a conference of Asia-Pacific finance and health ministers to discuss ideas for funding universal health coverage in the countries of the region.

For a decade after launching its democratic revolution in 1998, Indonesia, the world's largest majority-Muslim country, was largely inward looking. That began to change four or five years ago as its economy grew 5–6 percent throughout the global financial slowdown reaching \$1 trillion, almost half the total GDP of the 10 countries of the Association of Southeast Asian Nations. Indonesia, whose 240 million people make up nearly half the population of Southeast Asia, was invited to join the G-20 grouping of finance ministers and central bankers in 2009.

The country also became more active in regional diplomacy. In 2011, it sought to mediate a border spat between Cambodia and Thailand over the ancient Preah Vihear temple. Last year, Foreign Minister Marty Natalegawa played a key role in brokering a common set of principles between the Southeast Asian countries after a meeting of their foreign ministers broke down over differences about China's role in the disputed South China Sea. In January, the foreign minister visited Myanmar to press for the protection of Muslim Rohingya following the outbreak of sectarian violence in the country's northwest. At the end of this year, Indonesia is hosting the summits of the Asia-Pacific Economic Cooperation (APEC) forum and the World Trade Organization.

Indonesia's current international health diplomacy activism marks a sharp departure from just a few years ago. In 2008, Indonesia prompted international concern when its then-health minister defied international protocols by refusing to share its bird flu samples or report incidents of the disease, insisting that she wanted guarantees from richer countries and drug manufacturers that developing countries would get access to affordable vaccines derived from their samples.²

¹ Murray Hiebert is a senior fellow and deputy director of the Sumitro Chair for Southeast Asia Studies at CSIS.

² Reuters, "Indonesia Limits Sharing of Bird Flu Samples," March 24, 2008, <http://in.reuters.com/article/2008/03/24/idINIndia-32652520080324>.

In 2010, the U.S.-supported Naval Medical Research Unit 2 (NAMRU-2), which had been doing biomedical research in Indonesia since 1970 on infectious diseases such as malaria, dengue, and avian influenza, closed. The closure was a result of long and intense negotiations started by allegations made by a previous minister of health who charged that the facility was engaged in espionage and helping develop biological weapons, charges the U.S. government categorically denied.³

Indonesia's role in global health has changed dramatically under the last two health ministers and this transformation has coincided with its stepped-up diplomatic role. "Indonesia feels its time has come," says a western ambassador in Jakarta. Its leaders "want to be taken seriously as international players. They are reaching out aggressively to take a bigger role."

Chair of the Global Fund

Playing a bigger role in global health diplomacy is much of Indonesia's focus this year. At the Global Fund's board meeting in Colombo, Sri Lanka, in mid-June, Health Minister Nafsiah Mboi became chair of the Global Fund, which was established in 2002 to provide medicines and other health services to treat three of the world's most deadly diseases: AIDS, tuberculosis, and malaria.

Before taking over the health ministry two years ago, Nafsiah, 72, headed up Indonesia's National AIDS Commission for six years. Much of her 40-year health career was spent in rural areas of Indonesia working on maternal and child health. The pediatrician had received earlier international health diplomacy exposure when she served as chair of the United Nations Committee on the Rights of the Child and worked as director of the World Health Organization's Department of Gender, Women and Health. These experiences have given her an appreciation for the important role global organizations can play in addressing health issues.

Minister Nafsiah takes charge of the board at a critical moment in the organization's history. For starters, it is in the midst of seeking a replenishment of \$15 billion to support its activities over the three years from 2014–2016. Over the past decade, about 70 percent of the Global Fund's support has come from five key donors: France, Germany, Japan, United Kingdom, and the United States.⁴

There is fairly strong bilateral support in Congress for the United States to loosely commit to providing about \$1.65 billion a year for three years when the donors meet in September or October. Although a de facto U.S. three-year pledge of \$5 billion could serve as an

³ Siti Fadilah Supari, *It's Time for the World to Change: In the Spirit of Dignity, Equity, and Transparency: Divine Hand Behind Avian Influenza* (Jakarta: Sulaksana Watinsa Indonesia, 2008).

⁴ Katherine E. Bliss, *Replenishing the Global Fund in 2013: Options for U.S. Diplomatic Support* (Washington, DC: CSIS, May 2013), p. 1, http://csis.org/files/publication/130524_Bliss_ReplenishGlobalFund_Web.pdf.

incentive to other funders, observers say it could be difficult for European donors to boost their 2010 levels because of the continuing financial crisis in Europe and for Japan to increase its contributions because of its ongoing sluggish economic recovery.⁵ The 2010–2013 pledges totaled \$11.7 billion.⁶ Some close observers estimate the 2013 three-year pledges are likely to fall short of \$15 billion, instead falling in the range of \$12–13 billion. Some look to Minister Nafsiah to use her role as board chair to press Asian neighbors such as Australia and South Korea to step up their donations to the Fund. She may also try to convince the Asian Development Bank to pick up more health projects in Asia.

Nafsiah's second task will be to work with the organization's new executive director, Mark Dybul, former head of the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), to address some of the Fund's risk-management challenges. Reports by the group's inspector general showed grant mismanagement in several recipient countries. This was followed by recommendations by an independent review panel that the Fund increase oversight of its grants, set up new risk-management mechanisms, and do a better job of evaluating the results of its grants.⁷

Nafsiah will also need to work with Dybul and the board to implement a new five-year strategy through 2016 that will include a review of which countries should continue getting money and for what. This new strategy will include a substantial rebalancing of funding that will prioritize countries that face high disease burdens. Those countries that are "overfunded" under these new guidelines will likely have their funding reduced, resulting in a shift of more funds to Africa and away from middle-income countries in Europe, Latin America, and Asia, including India. This could create some tension between the Global Fund and negatively affected countries, which the new board chair will have to help address.

The Indonesian health minister could come under some pressure from Asian recipients, including her own country, to protect their programs. Indonesia has received money from the Global Fund to combat the spread of HIV/AIDS in the country. Despite this assistance, the epidemic has actually gotten worse. The Fund recommends that Indonesia focus its funding on areas with higher rates of new HIV infections such as Papua (where 2.4 percent of the population is infected) rather than spreading the money evenly across the country, including to islands with relatively small populations and infection rates. (The highest HIV rates in Indonesia can be found among intravenous drug users, but the highest rates of new infection come from sexual transmission, which creates a significant risk for the whole country.) This is not an issue Nafsiah will be able to resolve for Indonesia from her new perch.

⁵ *Ibid.*, p. 2.

⁶ The \$11.7 billion figure includes total pledges (\$9.16 billion) and projections (\$2.52 billion). As of today, there have been \$10.4 billion of firm pledges for the third replenishment. Global Fund, "Donors Commit US\$11.7 Billion to the Global Fund for Next Three Years," October 5, 2010, http://www.theglobalfund.org/en/mediacenter/newsreleases/2010-10-05_Donors_commit_USD_11_7_Billion_to_the_Global_Fund_for_next_three_years/.

⁷ Bliss, *Replenishing the Global Fund in 2013*, p. 2.

3 Indonesia Steps Up Global Health Diplomacy

Nafsiah is widely admired in her ministry in Jakarta where her emphasis has been on helping the country meet its Millennium Development Goals (MDGs) by 2015, particularly increasing maternal survival rates, reducing the spread of HIV/AIDS, tackling obesity, and reducing cancer rates.

“She’ll make a good chair,” says a foreign health official in Indonesia who works regularly with the minister. “She has the demeanor and energy of people half her age.” In advance of her assuming the Fund chairmanship, the Health Ministry has set up a secretariat to support her work on the board and give her advice.

“This is a huge opportunity” for Nafsiah, says a health analyst intimately familiar with the workings of the Global Fund. “She’ll get an international profile. The Global Fund is the nexus for all the important global health issues.”

Help Set Post-2015 Millennium Development Goals

Last year, United Nations Secretary-General Ban Ki-moon named Indonesian President Susilo Bambang Yudhoyono to cochair a high-level 27-person panel to draft a global development agenda beyond 2015, the target date for the MDGs. The draft report, which will outline a program to fight poverty and promote sustainable development, will be presented to the United Nations General Assembly in September.⁸

The panel, cochaired with President Ellen Johnson Sirleaf of Liberia and Prime Minister David Cameron of the United Kingdom, has developed its draft agenda through consultations over the past year with civil society, business, academics, and research institutions around the world. Yudhoyono hosted the panel in Bali in March and has visited countries in Africa and the Middle East to get input for the post-2015 development agenda.

The Indonesian president often says that his appointment demonstrates that Indonesia is being recognized as an important global and regional player. “Indonesia’s part in this noble task is for the sake of all the peoples in the world,” Yudhoyono told journalists last year.⁹

“SBY is seized by the MDGs,” says a foreign health expert, referring to the president by his initials, which are his popular nickname. “He’s played a leadership role in Asia pressing for achieving the goals.”

⁸ Nellie Bristol, *Do UN Global Development Goals Matter to the United States?* (Washington, DC: CSIS, May 2013), p. 10, http://csis.org/files/publication/130529_Bristol_UNDevGoals_WEB.pdf.

⁹ Bagus B.T. Saragih, “New Committee to Help SBY with Post-MDG Aims,” *Jakarta Post*, September 18, 2012, <http://www.thejakartapost.com/news/2012/09/18/new-committee-help-sby-with-post-mdg-aims.html>.

Yudhoyono, who will step down at the end of his second five-year term as president following elections next year, is also pressing Indonesia to meet its 2015 targets and has set up a special task force to try to meet that goal. The country is doing fairly well in achieving its goals in some non-health areas like poverty reduction and education, but it is falling behind in others, including reducing child and maternal mortality. Its 2010 figures for maternal mortality (228 out of 100,000 births) and child mortality (259 out of 100,000 live births) put Indonesia behind Cambodia and Myanmar, which have per capita GDPs of less than a quarter of Indonesia's income. Some 36 percent of Indonesia's children under 5 suffer from chronic malnutrition and stunting.

Over the past decade, Indonesia has built thousands of new clinics and trained new doctors and midwives. "Indonesia is proud of its economic achievements, its successes in health," says an Asian health expert working in Indonesia. "They increased coverage, but it hasn't resulted in an impact. The coverage is broader, but the quality is still poor." Government decentralization in the wake of democratization in the late 1990s is one of the causes. The central government has less clout in pressing its priorities in provinces and districts where officials are trying to define their own roles.

In September 2013, the UN panel chaired by Yudhoyono and his counterparts will present its report "A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development." The report is intended to build on the eight MDGs agreed on by world leaders at a UN summit in 2000, which included poverty alleviation, education, gender equality, child and maternal health, environmental stability, and HIV/AIDS reduction.¹⁰ The new report will recommend policies to move from reducing poverty to ending it, put sustainable development at the core of the development agenda, and transform economies to promote jobs and inclusive growth. It will call for building accountable institutions open to all that ensure good governance, peaceful societies, and a global partnership based on cooperation, equity, and human rights.¹¹ A draft of the report was presented to the UN secretary-general on May 30, 2013.

Hosting APEC Health Financing Conference

Indonesia this year is hosting the 21-member APEC forum, which includes the United States, China, Japan, and 18 other countries on both sides of the Pacific Ocean. The grouping, established in 1989, seeks to strengthen regional economic integration by removing impediments to trade and investment, enhancing supply chain connectivity, and improving the business environment in member economies.

¹⁰ Bristol, *Do UN Global Development Goals Matter to the United States?* p. 1.

¹¹ Susilo Bambang Yudhoyono et al., *A New Global Partnership: Eradicate Poverty and Transform Economies through Sustainable Development: The Report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda* (New York: United Nations, 2013), <http://www.post2015hlp.org/wp-content/uploads/2013/05/UN-Report.pdf>.

Indonesia will host the annual Leaders' Summit and CEO Summit in Bali in early October. One of the dozens of meetings Indonesia has agreed to organize throughout the year will include a joint conference of APEC finance and health ministers, a first in the grouping's 24-year history, to discuss sustainable and equitable health care financing and how to prioritize health care budgeting. The goal of the meeting will be to develop a set of principles for financing health care in the Asia Pacific.

Asian countries are at different stages in providing universal health care coverage to their populations. Japan, South Korea, Taiwan, and Singapore have sophisticated and well-established systems. Malaysia and Thailand are quite far along in establishing universal health care, while the Philippines has about three-quarters of its population enrolled in a program and plans to expand coverage further by using income from the country's new "sin tax" on tobacco and alcohol. China, Indonesia, and Vietnam are in the earlier stages of setting up health insurance coverage.

Financing these programs over the long term and minimizing out-of-pocket costs are primary concerns for many of the Asian countries, particularly those with middle-income economies. Indonesia has pledged to launch universal health care in January 2014, but officials still aren't sure how to pay for it. The initial plan is expected to cover about 80 million of the country's poor, but the government hopes to cover the entire population by 2019.

There's concern that the increased health insurance will overwhelm the health-delivery system. The newly elected mayor of Jakarta recently offered health cards to the city's poor, prompting an almost immediate 50–100 percent surge in the number of patients coming for treatment. In some hospitals, patients begin lining up at 3:00 a.m. The World Health Organization estimates that Indonesia faces a shortage of 100,000 hospital beds.

At the APEC health financing conference in September, Indonesia's health and finance ministry officials will look to their neighbors for tips on how to finance universal health care. They will welcome lessons from others on determining who should be eligible, how to boost and ensure the quality of care, how to incentivize health workers to go work in more remote areas of the archipelago, and the role of private health care coverage ahead of going live with their own system in January.

Indonesia will host one more health meeting this year: the 4th Islamic Conference of Health Ministers of the Organization of the Islamic Conference (OIC) in October. The OIC Steering Committee on Health met in Jakarta in April to prepare for the full conference later in the year. Among other things, the conference will ratify the OIC Strategic Health Program of Action from 2013 to 2022 and discuss ways to promote self-reliance in the production of medicine and vaccines.

The year 2013 provides Indonesia an opportunity to put itself at the center of the global health diplomacy map. The often diplomatically reluctant country will have the chance to play a critical role in driving the health agenda in developing countries, within Southeast Asia and the larger Asia-Pacific, and among Islamic countries. To play at this level on a global multilateral platform will require that Indonesia invest heavily in the expertise and diplomatic skills necessary to drive a complex agenda at the global level.

As the new board chair of the Global Fund, Minister Nafsiah will be able to play a critical role in helping replenish the organization's funding and restructure its priorities for the next five years. For the next year, she will be able to call on officials from her ministry to help her keep track of board dynamics as well as technical, financial, and management issues within the fund. After the elections in Indonesia next year, it's not clear who will be elected president and whether she will remain minister or continue to have access to staffing help from the ministry.

With President Yudhoyono stepping down next year as president, it's far from certain that his successor will have the same interest in working with the United Nations to press for programs to fight poverty and promote sustainable development or that Indonesia will continue to press within APEC for discussions on financing sustainable health care schemes in the Asia-Pacific. If Indonesia succeeds in its multilateral health agenda in 2013, it will have gone a long way in moving beyond its more isolationist health policies of five years ago. But to promote itself as a long-term global player, Indonesia will need to invest considerably more in training health diplomats capable of playing leadership roles in complex multilateral health forums.



1800 K Street NW | Washington DC 20006
t. (202) 887-0200 | f. (202) 775-3199 | www.csis.org

Cover photo: USAID/ESP, <http://www.flickr.com/photos/usaaid-indonesia/5373963051/>.