

READI*

Risk Management, Economic Sustainability and Actuarial Science Development in Indonesia

REPORT FOR THE MONTHS OF **JULY TO SEPTEMBER, 2016**

INTRODUCTION

The \$15.5M READI project is being undertaken with the financial support of the Government of Canada provided through Global Affairs Canada (GAC). Manulife Indonesia has committed an additional \$1M in support and CIMB Sun Life has similarly provided a \$500,000 donation.

In the August 16, 2016 Project Steering Committee meeting a request was made to provide the Project Steering Committee with regular reports. This report incorporates all of the key activities completed during the period of June to September 2016. Future reports will be released on a monthly basis.

G A C

» PIP AND AWP

The Project Implementation Plan (PIP) which includes the first Annual Work Plan, was approved by Global Affairs Canada on July 13, 2016.

» MOU

The Memorandum of Understanding (MOU) for the READI Project was signed by Muliaman D. Hadad, Chairman of Otoritas Jasa Keuangan (OJK), and Donald Bobiash, [then] Ambassador Extraordinary and Plenipotentiary of Canada on July 27th, 2016.

» PROJECT STEERING COMMITTEE

A Project Steering (PSC) meeting was held August 16th, 2016. Minutes of the meeting have been prepared and circulated to all members of the PSC along with all of the attendees of the PSC meeting. GAC has provided several suggestions to further strengthen the minutes and, accordingly, a slightly edited final version will be sent out shortly. Noteworthy decisions from the Project Steering Committee meeting include:

JULY 13, 2016 - PIP APPROVED

JULY 27, 2016 - MOU SIGNED

AUGUST 16, 2016 - PSC MEETING



i. A slightly expanded core membership which will now include:

- a. Global Affairs Canada (GAC). Co-chair
- b. Otoritas Jasa Keuangan (OJK). Co-chair
- c. Pusat Pembinaan Profesi Keuangan (PPPK)
- d. Direktorat Jenderal Pendidikan Tinggi (DIKTI), Kementerian Riset, Teknologi dan Pendidikan Tinggi (Kemenristekdikti)
- e. Sekretariat Negara (SETNEG)
- f. READI Project Staff (Secretariat)

ii. Biannual meetings rather than a single meeting per year; and

iii. A monthly “update” report from the project directors to be circulated to all PSC members.

Other key points of discussion included:

- i. Agreement to include additional qualified universities in the project.** Project staff will review candidate institutions about to be provided with “exemptions” by PAI as possible additions to the READI participating university group. Candidates include: Universitas Katolik Parahyangan (Bandung, private) and Universitas Brawijaya (Malang, State).
- ii. There is a critical shortage of qualified university faculty for teaching and research at participating universities.** There is a need for discussions with DIKTI and, potentially, Kementerian PAN & RB (Ministry of Government Apparatus Strengthening and Bureaucratic Reform) to identify strategies to “staff-up” universities which are establishing/operating actuarial science (AS) programs. Project staff will follow-up on an invitation from Dr. Paristiyanti, Director of Learning at Kemenristekdikti (Ministry of Research, Technology and Higher Education). Follow-up with other relevant government agencies may also be necessary to ensure that appropriate numbers of staff with suitable qualifications are available to deliver high quality actuarial science programs at participating universities.
- iii. Retention of qualified AS faculty remains a serious risk.** An industry-supported market differential fund is recommended to augment salaries of AS lecturers, since most are frequently offered opportunities to work in the insurance industry. PSC discussions suggested that a top-up fund be created, however the exact sources of the funding were not identified. The idea of discussing an industry-supported market differential fund will be suggested for the agenda of the inaugural Industry-University Task Team which the project will help form in late September-early October 2016.



» CONTRIBUTION AGREEMENT

Modifications to the Contribution Agreement have been submitted to GAC’s Abdullah Mojaddedi for comments. Once agreed, and reviewed again by the READI team, the amendments will be submitted through the usual channels for review and approval by UWaterloo.



» TECHNICAL COMMITTEE MEETING (TSC)

The Technical Committee Meeting was held on August 15th. Key points and recommendations from the TSC were presented to the PSC. Minutes will be circulated next week (mid-October)

CANADIAN STAFFING (REPORT TO PSC)

» CANADIAN FIELD DIRECTOR

The Field Director, Bill Duggan, has completed mobilization to Jakarta.

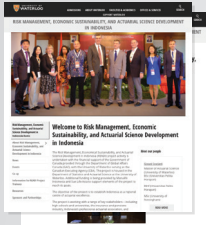


» CANADIAN CONSULTANTS

Three Canadian consultants will be hired through competitive processes. The status of these as follows:

- **Monitoring and Evaluation/RBM** - Competitive process completed.
- **Environment Specialist. Competitive process completed.** Consultant contracting underway.
- **Gender Specialist** – TORs posted on MERX for competitive bidding. Competition closed on October 7, 2016.

CANADIAN ACTIVITIES



» READI WEBSITE

READI Website is now active and can be found on the following link.

<https://uwaterloo.ca/risk-management-economic-sustainability-actuarial-science-development-indonesia/>



» READI COMMUNICATIONS

An internal READI Project Communication Plan draft has been created to provide details regarding expected deliverables and an approach to streamline the production of various documents and publications. This initiative will assist in updating project stakeholders on key goals, activities and project progress in a timely manner.

INDONESIAN BASED CONSULTANTS AND STAFF

» CONSULTANTS

Baseline Study Completion – Selection of the firm for the Baseline Data Study has been completed. READI will initiate work on the baseline study in conjunction with the Canadian RBM specialist as there is a high degree of overlap in their work. The work is slated for completion by December.

Indonesian Gender Specialist - TORs to be reissued. Assuming the Canadian Gender Specialist is hired by mid-October, we would hope to have both on board by late October.

» STAFF/CONSULTANTS

Six new Indonesian field staff were selected as per the table below. All of them have signed their contracts and have started or will be starting over the next month.

POSITION	SELECTED CANDIDATE	START DATE
Field Office Manager	Ivonne Rawis	September 1, 2016
Field Finance Officer	Lina Widjaja	September 19, 2016
Field Office Administrative & Technical Support Assistant	Rosalin	August 23, 2016
Indonesian Math Outreach Officer	Mindawati Azmi	October 1, 2016
Indonesian Cooperative Education Officer	Dian Augustini	October 10, 2016
Indonesian Institutional Development and Training Officer	Tita Rakhmita	October 24, 2016



INDONESIAN ACTIVITIES

» THE WORKSHOP “GLOBAL TRENDS IN ACTUARIAL EDUCATION AND PROFESSIONAL DEVELOPMENT”



On September 26th, the READI Project, along with its co-sponsor, Otoritas Jasa Keuangan (OJK), brought together 95 senior representatives from universities, life and general insurance companies, Government of Indonesia (GoI), the Embassy of Canada, and national and international actuarial associations to discuss the challenges facing the actuarial profession and actuarial education in Indonesia. The workshop was deemed to be very successful and provided an excellent foundation for launching further capacity building initiatives. For further information, please follow the link below.

<https://uwaterloo.ca/daily-bulletin/2016-09-29#readi-or-not-indonesian-actuarial-workshops-begin>

» SHORT COURSES

The first READI short course entitled Theory of Interest for Actuarial Science, was held from May 30th, 2016 to June 3rd, 2016 in the Mathematics Department of Universitas Gadjah Mada (UGM), Yogyakarta in Central Java. Twenty-one participants, representing the mathematics faculties from eight universities (Institut Pertanian Bogor, Institut Teknologi Bandung, Institut Teknologi Sepuluh November, Surya University, Universitas Gadjah Mada, Universitas Indonesia, Universitas Parahyangan and Universitas Pelita Harapan) attended the course. The University of Waterloo's Professor Johnny Li was the instructor. Feedback from course participants was very positive.

The second READI short course entitled Statistics and Probability, was held in the Mathematics Department of the Institut Teknologi Bandung in West Java from August 8th to 12th, 2016. The course, which was led by the University of Waterloo's Professor Paul Marriot, comprised 30 participants drawn from the same eight universities (Institut Pertanian Bogor, Institut Teknologi Bandung, Institut Teknologi Sepuluh November, Surya University, Universitas Gadjah Mada, Universitas Indonesia, Universitas Parahyangan and Universitas Pelita Harapan) as well as from the Otoritas Jasa Keuangan and the Indonesian Ministry of Finance. The course was well-received but many participants found the volume of material covered somewhat daunting. For this reason, University of Waterloo/READI is aiming to design e-learning courses to supplement and support the rapid and intensive learning required in the short courses.

