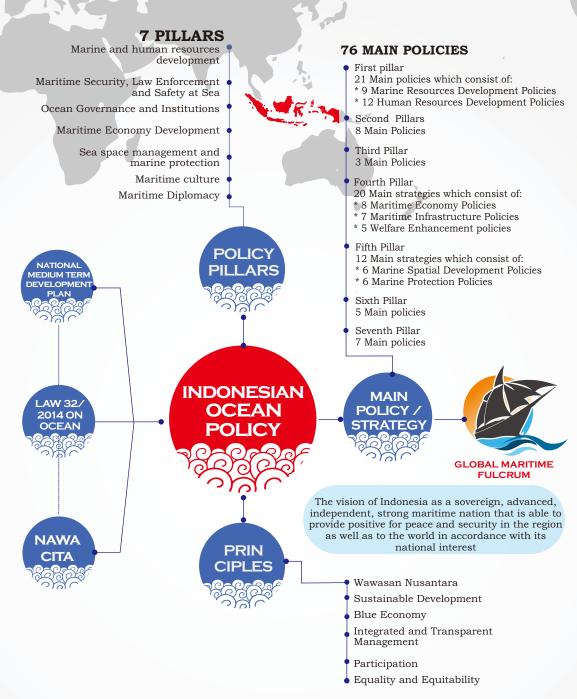


INDONESIAN OCEAN POLICY



ROADMAP INDONESIAN OCEAN POLICY

TOWARD GLOBAL MARITIME FULCRUM





PRESIDENTIAL DECREE OF THE REPUBLIC OF INDONESIA NUMBER 16 OF 2017

INDONESIAN OCEAN POLICY



PRESIDENTIAL DECREE OF THE REPUBLIC OF INDONESIA NUMBER 16 OF 2017 CONCERNING INDONESIAN OCEAN POLICY

BE THE GRACE OF GOD ALMIGHTY

THE PRESIDENT OF THE REPUBLIC OF INDONESIA,

- Considering: a. Indonesia has an extensive area of waters with abundant potential of marine resources, that shall be managed in the most optimal and sustainable manner;
 - that the management of marine resources is conducted in order to materialize the aspiration of Indonesia to become Global Maritime Fulcrum and in order to provide the utmost benefit for the people;
 - c. that on the matters as referred to in paragraphs a and b above, it is necessary to stipulate Presidential Decree on Indonesian Ocean Policy.
- In view of : 1. Article 4 paragraph (1) of the 1945 Constitution of the Republic of Indonesia;
 - 2. Law Number 25 of 2004 on National Development Planning System (State Gazette of the Republic of Indonesia of 2004 Number 104, Supplement to the State Gazette of the Republic of Indonesia Number 4421);



- Law Number 17 of 2007 on Long-term National Development Plan 2005-2025 (State Gazette of the Republic of Indonesia of 2007 Number 33, Supplement to the State Gazette of the Republic of Indonesia Number 4700);
- 4. Law Number 32 of 2014 on Ocean Affairs (State Gazette of the Republic of Indonesia of 2014 Number 294, Supplement to the State Gazette of the Republic of Indonesia Number 5603);
- Presidential Regulation Number 2 of 2015 on Mediumterm National Development Plan 2015-2019 (State Gazette of the Republic of Indonesia of 2015 Number 3);

DECIDES:

To stipulate : PRESIDENTIAL DECREE CONCERNING INDONESIAN OCEAN POLICY.

Article 1

For the purposes of this Presidential Decree:

1. Indonesian Ocean Policy is the general guidelines on ocean policy and its implementation through programs and activities of ministries or non-ministerial government institutions in the area of ocean affairs that is adopted to accelerate the implementation of Global Maritime Fulcrum.



- 2. Global Maritime Fulcrum is the vision of Indonesia to become a sovereign, advanced, independent, strong maritime nation that is able to provide positive contribution for peace and security of the region as well as to the world in accordance with its national interest.
- 3. National Document on Indonesian Ocean Policy means document containing the explanatory narrative of the ocean policy.
- 4. Plan of Action of the Indonesian Ocean Policy is the work plan document to implement various programs and activities in ocean areas in accordance with the national development target.

Article 2

Indonesian Ocean Policy consists of:

- a. National Document of the Indonesian Ocean Policy; and
- b. Plan of Action of the Indonesian Ocean Policy.

Article 3

National Document of the Indonesian Ocean Policy as referred to in Article 2.a above is set out in Annex I which is an integral part of this Regulation.

Article 4

(1) Plan of Action of the Indonesian Ocean Policy as referred to in Article 2.b above is established for a period of 5 (five) years.



- (2) The first Plan of Action of the Indonesian Ocean Policy is stipulated through this Presidential Decree for the period of 2016-2019.
- (3) The subsequent Plan of Action of the Indonesian Ocean Policy shall be stipulated in a separate Presidential Decree.
- (4) The Plan of Action of the Indonesian Ocean Policy for the 2016-2019 period as referred to in paragraph (2) above is set out in Annex II that is an integral part of this Regulation.

Article 5

Indonesian Ocean Policy as referred to in Article 2 above serves as:

- a. Guideline for ministries/non-ministerial institutions and local government to plan, implement, monitor and evaluate the development in the maritime sector in order to implement Global Maritime Fulcrum; and
- reference for society in general and private sectors to participate in the development of maritime sector in order to implement Global Maritime Fulcrum.

Article 6

(1) Ministers/head of non-ministerial institutions implement Indonesian Ocean Policy in accordance with their respective roles and functions.



- (2) The implementation, monitoring, and evaluation of Indonesian Ocean Policy as referred to in paragraph (1) above is coordinated by the Coordinating Minister for Maritime Affairs.
- (3) The implementation of the Indonesian Ocean Policy within each ministry/non-ministerial institution will be executed further by the ministers/head of non-ministerial institutions in accordance with their respective tasks and authorities.

Article 7

Coordinating Minister for Maritime Affairs, after consultation with Coordinating Minister for Political, Legal, and Security Affairs, the Coordinating Minister for Economic Affairs, and the Coordinating Minister for Human Development and Cultural Affairs, shall submit an integrated report on the implementation of the Indonesian Ocean Policy at least once a year or as necessary.

Article 8

- (1) The Indonesian Ocean Policy may be reviewed on regular basis in accordance with the national development, national interest, and international dynamics.
- (2) The review of the Indonesian Ocean Policy is conducted by ministerial and non-ministerial government institutions and is coordinated by the Coordinating Minister for Maritime Affairs together with the Minister for National Development Planning/Head of National Development Planning Agency.



(3) The result of the review may serve as grounds for the adjustment of the Indonesian Ocean Policy.

Article 9

This Presidential Regulation shall enter into force as of the date of its promulgation.

For the public cognizance, it is instructed to promulgate this Presidential Decree by publishing it in the State Gazette of the Republic of Indonesia.

Stipulated in Jakarta, on 20 February 2017

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta on 23 February 2017

MINISTER OF LAW AND HUMAN RIGHTS OF THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY



ANNEX I
PRESIDENTIAL DECREE OF THE REPUBLIC
INDONESIA
NUMBER 16 OF 2017
CONCERNING INDONESIAN OCEAN POLICY

NATIONAL DOCUMENT OF INDONESIAN OCEAN POLICY



CHAPTER IINTRODUCTION





CHAPTER I INTRODUCTION

The Youth Pledge ("Sumpah Pemuda") of 28 October 1928 which declared that the nationhood of Indonesia is land and water ("tanah-air") demonstrates that Indonesia is a nation who is aware of its identity as both land and sea nation, a nation of farmers and sailors, and a nation who conquers the mountains and oceans. The founding fathers fully realized that waters, straits, and seas in between the archipelago are an inseparable unison. Waters, straits, and seas unified Indonesia's thousands of islands not separating them; from Rondo Island to Merauke, from Miangas Island to Deli Island, from Sekatung Island to Ndana Island.

With an extensive area of waters exceeding its lands, and its strategic crossing location, it is only natural for Indonesia to have a fundamental interest of controlling and utilizing its seas, to have a strong identity and maritime culture as well as to use its strategic location for the benefit of its people and to create security within its region in accordance with its constutional mandate to "protect the entirety of the nation and all of the people of Indonesia, to improve public welfare, to educate the life of the people and to participate in the establishment of a world order based on freedom, perpetual peace and social justice."

Sriwijaya's power in controlling the Strait of Malacca and its success in creating equal relations with Chola Nalanda of India and Tang Dinasty of China and also the victory of Sultan Fatahillah in removing the Portuguese forces out of Sunda Kelapa Bay are clear evidence that Indonesia also has a strong maritime strategy culture.



After the Proclamation of Indonesian Independence on 17 August 1945, the unity of land and water of Indonesia became stronger as Indonesia, with its diplomacy and without firing any single bullet, managed to change high seas separating her islands into waters under Indonesia's sovereignty, in which the implementation of its rights and obligations are guaranteed under international law, namely the United Nations Convention on the Law of the Sea 1982. The Convention was ratified by Indonesia into its national law, through the Law Number 17 of 1985 on the Ratification of the United Nations Convention on the Law of the Sea. Sovereignty over the archipelagic waters was finally secured after refutation from countries against Djuanda Declaration of 13 December 1957 and through difficult multilateral negotiations for more than a decade whereby the international community finally acknowledged Indonesia's strong desire to realize the unity of its land and water through a legal innovation, starting from the process of unilateral proclamation of archipelagic state until it became a general principle of international law.

Indonesia is the only country that is able to expand its territorial sovereignty and its sovereign rights as the largest archipelagic state in the world with clear international recognition without military forces. Such international recognition has strengthened Indonesia's fundamental belief and outlook, not only as an independent nation, but also a nation with the unity of its land and water in the form of an archipelago as a single political, economic, social, culture, defense and security unit. The independence and territorial unity are Indonesia's asset in planning the national development strategies in comprehensive and thorough manner.



International recognition towards Indonesia as an archipelagic state has raised the strategic value of the geographic aspect of the Republic of Indonesia. International community has to navigate through Indonesia's territorial sovereignty and sovereign rights for the purpose of sailing, communication, installation of fiber optic cables, gas pipelines, trading various commodities, manufacture, energy exports and services.

Indonesia's strategic position is not only seen as an intersection of two continent, Asia and Australia, and two oceans, the Pacific Ocean and Indian Ocean, but also a location between the South China Sea and East Asia Sea and the Indian Ocean, between the liberal individualism in the South and the communism in the North, between the commodity producers in the South and the commodity consumers in the North, between energy producers in the South and energy consumers in the North, between the middle power in the South and the global power in the North, between the non-nuclear power in the South and the nuclear power in the North, and between the Permanent Member of the United Nations Security Council in the north and the non-member of the United Nations Security Council in the South. Indonesia is located in a sphere of competing influence between the post-World War II dominant power and the rising power.

Indonesia's strategic position, along with its geographic factors and social-economic condition, has also put Indonesia in an important position in the global environment, namely in influencing political and economic stability and also influencing regional and international security.

Indonesia's nature in itself has a strategic value for the Earth. Indonesia is accountable for the second largest tropical forest in the world, around 20% of world's coral reefs, around 20% of world's mangrove forests,



around three million hectares of seagrass meadows, and a througflow location of great currents from the Pacific and Indian Oceans. These render Indonesian seas as a rich source of food for the sea life.

Moreover, tropical forests, mangrove forests and seagrass meadows are also capable of absorbing the emission of greenhouse gas (GHG) effect. These abilities should be considered in calculating emission and Indonesia's emission absorption can be considered as part of the solution to the global warming and climate change.

With the abundant marine resources and strong maritime history in the past, the spirit to revitalize Indonesia's maritime era is not impossible. Djuanda Declaration 1957 has given a new hope to return Indonesia as a maritime nation. The next step that needs to be taken is to change the nation's mindset, attitude, and its pattern of actions that are based on the awareness of maritime areas as a place for Indonesian to conduct ocean-oriented development. Therefore, a vision in maritime sector has become a requirement and a necessity for Indonesia. Such vision is embodied through Indonesia's vision as Global Maritime Fulcrum, which means that Indonesia is a sovereign, advanced, independent, strong maritime nation that is able to provide positive contribution for peace and security of the region and the world in accordance with its national interest.

In implementing the vision as the Global Maritime Fulcrum, acceleration in maritime development is a necessity that needs to be done in such a way to the welfare of all Indonesian people. The role, potential and opportunities for Indonesia to become Global Maritime Fulcrum need to be defined clearly. The overarching maritime elements require differentiation, as well as prioritization.



The vision as Global Maritime Fulcrum also needs to take into account comprehensively the constellation among states in Asia along with various regional initiatives such as the ASEAN Community, One Belt One Road (OBOR) of the People's Republic of China, Act East from India and the Rebalance Policy from the United States of America. In that regard, the vision as the Global Maritime Fulcrum should be able to be synergized with those various initiatives consistent with the national interest and in order to give positive contribution for peace.

Global Maritime Fulcrum can be realized if there are precise, effective and competitive policies and programs. These programs of maritime development are widespread within various Ministerial and Non-Ministerial government institutions. Therefore, the National Document of the Indonesian Ocean Policy is important to synergize and harmonize all ocean development programs to be more focused and targeted so that the results can be measured.

The National Document of the Indonesian Ocean Policy will serve as guideline for Ministerial and Non-Ministerial government institutions and local government in planning, implementing, monitoring and evaluating the development in maritime sector, and also as a reference for society in general and private sectors in participating in the maritime development for the realization of the Global Maritime Fulcrum. The National Document of the Indonesian Ocean Policy is an instrument synergizing all steps and movements of all stakeholders in achieving Indonesia's aspiration to become Global Maritime Fulcrum.

In choosing the term "ocean", not maritime or sea policy, is due to the consideration of referring to a single global document that governs



various ocean and maritime aspects comprehensively, namely the United Nation Convention on the Law of the Sea 1982, *the global constitution of the ocean* that covers all aspects of ocean regulations.



CHAPTER II

TERRITORIAL WATERS, SOVEREIGN RIGHTS, ZONE OF JURISDICTION, HIGH SEAS, AND THE INTERNATIONAL ZONE





CHAPTER II TERRITORIAL WATERS, SOVEREIGN RIGHTS, ZONE OF JURISDICTION, HIGH SEAS, AND THE INTERNATIONAL SEABED AREA

The unitary state of the Republic of Indonesia, as an archipelagic state with "nusantara" characteristic, has the absolute sovereignty within its territories, and has sovereign rights outside its teritorial sovereignty as well as other certain jurisdiction to be managed and utilized optimally for the welfare of Indonesian people.

As state party to the UNCLOS 1982, Indonesia has full sovereignty over its waters consisting of internal waters, archipelagic waters and territorial sea. Furthermore, Indonesia's sovereignty also extends to the seabed and its subsoil, the air space superjacent to the waters, and all of the resources within those waters. Such sovereignty is followed with the obligation of the Indonesian Government to manage in a good and sustainable manner for the welfare of Indonesian people and in accordance with its national interest.

Moreover, Indonesia also has the sovereign rights and other certain juridiction in its zones of jurisdiction which is located outside its territorial sea, namely the contiguous zone, exclusive economic zone (EEZ) and continental shelf. Indonesia's territorial sea is 12 nautical miles measured

¹ Nusantara is a sanskrit word which means island between waters, an archipelago. The word was used by Kertanegara King of Singosari in 1275.



from the Indonesian Archipelagic Baseline. If the maritime zones are bordering with neighbouring countries, its outer limit is determined by agreement with the neighbouring states, as set out under international law, specifically UNCLOS 1982.

In zones of jurisdiction, Indonesia has certain rights in accordance with the respective maritime zones. In the contiguous zone, Indonesia has jurisdiction to prevent infringement of its custom, fiscal, immigration, quarantine, and sanitary laws. In the exclusivee economic zone (EEZ), Indonesia has sovereign rights to manage the resources in the EEZ water column. Meanwhile, in the continental shelf, Indonesia has jurisdiction to control and manage the seabed, and the resources beneath it. Indonesia also has sovereign rights in the continental shelf beyond 200 nautical miles up to 350 nautical miles, if Indonesia can prove it scientifically, as in the acknowledgment United Nations over Indonesia's Extended Continental Shelf in the western part of Aceh measuring an area of 4,209 km² (similar to the size of Madura Island) through the Committee on the Limit of the Continental Shelf.

Indonesian maritime zones are determined in accordance with provision of international law of the sea. Indonesian territorial sea, contiguous zone, exclusive economic zone (EEZ), and continental shelf, if not adjacent to its neighbouring countries, shall be determined unilaterally. If it is adjacent to its neighbouring countries, it shall be determined in accordance with the principle of international law of the sea. Meanwhile, maritime boundaries, in which negotiations have not been concluded with the neighbouring countries, shall be drawn in accordance with maximum



claim of Indonesia taking into account the general principle of law of the sea, such as principle related to the determination of baselines.

The implementation of Indonesia's sovereignty and sovereign rights in its maritime zones must be aligned with international law, and taking into account Indonesia's strategic interests, particularly those associated with the efforts to maintain its territorial integrity, protecting national sovereignty, and the welfare of the whole nation. Furthermore, geostrategic and geopolitical aspects, both regionally and internationally, should be one of the elements of consideration for Indonesia in exercising its sovereignty and sovereign rights over its waters.

Besides sovereignty and sovereign rights possessed by Indonesia over its maritime zones, Indonesia also has certain interests outside its area of national jurisdiction, high seas, and international seabed for its national interest as well as the interest of mankind. The management of Indonesian waters should not put aside Indonesia's significant role to participate in the management of the high seas and deep seabed. Several states, even the neighbouring state in Southeast Asia, are competing in participating in the management of international seabed areas. Great potential of natural resources in the international seabed area may become an alternative to the fulfilment of Indonesia's needs of energy and mineral.

In order to fulfil its legal obligation under UNCLOS 1982, Indonesia has submitted to the United Nations Secretary General its basepoints, baselines, and maritime boundaries with neighbouring countries. Other technical process, such as the verification of the number of Indonesian islands and coastal length are a continuous process, bearing in mind that the condition of sea and seabed continuously change. The number of lost



islands due to abration or emerging islands post-tsunami should also be verified.

The verification is essential to discover various geographic facts of Indonesia. However, this should not be perceived that Indonesia's ownership over the islands are threatened or even lost simply because the islands have not been counted or named. Indonesia's sovereignty over islands located inside its archipelagic baselines drawn from the outermost points of the outermost islands should not be questioned as it has never been challenged by any states since the proclamation of the Djuanda Declaration 1957 and the enactment of Law Number 4 of 1960 on Indonesian Waters, which later renewed by Law Number 6 of 1996 on Indonesian Waters. Objections of countries were towards the drawing of the then archipelagic baselines and Indonesia's control over waters inside the baseline. There were never about the sovereignty over those islands.



CHAPTER III

CHALLENGES OF INDONESIAN OCEAN DEVELOPMENT





CHAPTER III CHALLENGES OF INDONESIAN OCEAN DEVELOPMENT

The integrity of land and water of Indonesia as an archipelagic state as one unified political, economy, social, culture, defense, and security unity is a blessing as well as a challenge for Indonesia. Tens of thousands of islands extending from South Asia, Southeast Asia to West Pacific which covering three time zones have provided Indonesia with massive land, sea, and air with sovereignty and sovereign rights respectively. In addition, Indonesia is a nation of a "ring of fire" with more than 150 volcanoes, including submarine volcanoes. There are 500 ethnic groups with different languages, religions and beliefs living in Indonesia throughout mountains, hills, lowlands, and coastal areas, with high level of biodiversity.

Geographic and demographic conditions in Indonesia have brought about real challenges to Indonesia that must be managed comprehensively, namely:

- 1. Strengthen the identity of the nation, which declared as one *land and water* of Indonesia. It is not easy to convince those who live in the mountains as sailors and *vice versa*, therefore there have to be innovative and consistent efforts to reaffirm the identity of the nation as the conquerors of the ocean. Efforts to reaffirm maritime identity must be supported through human resources development program. In the future, Indonesian sailors should be an important part in characterizing the activity of international navigation.
- 2. Indonesia, as an archipelagic state with open sea area and geostrategic position which has established three Indonesian Archipelagic Sea Lanes



("Alur Laut Kepulauan Indonesia" or ALKI) and has five choke points (Malacca Strait, Singapore Strait, Sunda Strait, Lombok Strait, Ombai-Wetar Straits), is susceptible to various forms of threats, such as the possibility of accidents of foreign nuclear submarine passing Indonesian waters, arm conflict at sea, arms smuggling, slavery at sea, human trafficking and smuggling, marine resources deterioration, underwater cultural heritage thievery, sunken ship cargo theft and marine resources plundering. Aside from that, Indonesian maritime condition, which is wide open, has the potential to suffer from regional conflict at sea. For such reasons, Indonesia needs a strong defense and security posture which is proportionate to its area and related threats.

- 3. Enhancing control and security challenges within the outermost and isolated small islands, especially the ones neighboring to conflict area outside of Indonesia. Surveillance and security aspects are not only associated with the security in those islands, but also surveillance and security towards the surrounding waters from illegal activities. The development of maritime security should be conducted comprehensively by strenghtening and enhancing the national system to improve the capacity of maritime surveillance in order to monitor and immediately respond to various maritime security problems including threats to Indonesian sovereignty and jurisdcition at sea.
- 4. Building infrastructure and connectivity between areas through sea transport optimization in order to eradicate social and economic gap, and also to perform strategic national interests, such as government, security, trade, education, health, tourism, and communication. Good connectivity between areas in Indonesia will expedite the movement of



people, goods, service, and capital. These gaps were caused by the poor level of communication between islands which create tensions in various areas in Indonesia and deter the prosperity of the people. Therefore, the development of maritime infrastructure such as harbors which plays an important role in trading activities and connectivity with international standard, and also trading activities in the outskirts of Indonesia, especially in the East of Indonesia should become a core attention. Bitung and Sorong should be developed as an important harbor in East Indonesia, while Saumlaki needs to be strengthened, considering its high geostrategic value. Connectivity should be the core of national development, which is Indonesia-centric not Java-centric.

- 5. The extensive span of waters demands Indonesia to finalize its maritime boundary for territorial sea, EEZ, and continental shelf in order to obtain legal certainty on its area of sovereignty and sovereign rights, and that international legal certainty and guarantee for maritime space that falls under Indonesia's rights.
- 6. Development of area and improvement of economic activities require a comprehensive maritime spatial planning. As an archipelagic state, the unity of land, water, and air is very important. Maritime spatial planning will give legal certainty and space allocation for the utilization of marine resources, hence there will not be any overlapping utilization within the same location. The existence of maritime spatial planning will also support the optimal and sustainable utilization of marine resources because the zoning of area will take into account future prospects of each area.



- 7. Marine living within Indonesian waters, such as fisheries, must be secured from unsustainable fisheries practices, such as Illegal, Unreported, and Unregulated Fishing (IUUF) and fisheries crimes, either conducted by foreigners or domestic perpetrators. Marine aquaculture, including seaweed, need to be developed optimally. Fisheries resources must be utilized for the welfare of the people, including fishermen with policies on sustainable fisheries and aquaculture as well as easy access to finance and work incentives to fishermen, and prohibiting foreign investors in catch-fisheries.
- 8. The utilization of oil, gas, mineral, currents, and wave for energy and mineral for future use. Non-renewable natural resources such as oil, gas, and minerals, and renewable non-living resources such as wind energy, currents, and wave have not been utilized optimally by Indonesia. For example, there has not been any utilization with respect to mineral mining (nickel, cobalt, manganese, and platinum) in Indonesian continental shelf. With extensive zones of sea, approximately 5,8 million km², Indonesia's needs of energy and minerals in the future can be provided from the sea. For that reason, the utilization of non-living resources in the sea should be the main priority of the development of Indonesia in the future.
- 9. Energy and seabed mineral mining have high economic value to the development and welfare of Indonesia. Therefore, Indonesia must keep providing textual and geospatial data in the form of geology, oceanography, hydrography, and biodiversity maps, as well as data on the resources within Indonesian waters.



- 10. Indonesia is also facing challenges to delineate the continental shelf jurisdiction beyond 200 nautical miles and to conduct exploration in "The Area" which is located in international waters. To face these challenges, efforts should be conducted to expand the abilities of the human resources, funding, and also the science and technology to manage marine resources within the Area.
- 11. The development of port logistic services, shipyard, and marine tourism. Indonesian maritime economics should not only come from marine resources, but also from the development of logistic services, port logistic services, pioneer vessels services, cruise ship, marine tourism, and also modern and traditional shipyards which reflect maritime tradition, navigation skill, sailor, and seamen. For instance, to harnes international navigation through Malacca Strait, Singapore Strait, Philips Strait, in East Coast of Sumatra, an international port for hub of international navigation passage should be developed. The development of services sectors needs a specific effort, especially in terms of technology, human resources capacity and also access to the funding. The sea must be utilized comprehensively by also taking into account the protection towards the environment.
- 12. Maritime activities and natural resources exploitation of living and non-living, in short or long term, would directly cause environment pollution and biological diversity deterioration. The size of Indonesian seas also consequently make Indonesia vulnerable from pollution coming from other countries, including land and ship based pollution, and natural resources exploitation activities at offshore platform.



- 13. The calculation of national maritime economy is needed to objectively assess the value of Indonesian maritime economy as a whole, including the contribution of maritime sector towards the Gross Domestic Product (GDP). The calculation should be used as a ground for maritime development planning.
- 14. The sea decentralization movement that started from the reformation era, where the provincial governments are given the authority to manage the marine resources, including small islands within 12 nautical miles, and the district/municipal governments are given sharing rights from marine resources management within the area of 4 nautical miles. Local government and communities should be involved in calibrated way in the surveillance of maritime domain.. Such matter must be given special attention with respect to the arrangement between central government and the local government, as well as community in relation with such arrangement.
- 15. The development of Indonesian strategic environment has drastically changed since the last decade. The situation of geopolitics and geostrategic in East Asia and Southeast Asia is characterized by some tentions that are potentially becoming new sources of conflict that would disturb national security. For that matter, Indonesia should be able to show its leadership in regional and global maritime areas, enhance bilateral cooperation with strategic countries, and also play its leadership role in creating a security architecture in Asia. Strong maritime dimension should be able to represent the implementation of independent and active foreign policy, which must be translated to adequate resources in diplomacy.



16. National ability in maritime education, and the understanding as well as the utilization of science and maritime technology, start from preparing human resources in the middle and higher education through the provision of maritime engineering scholarship for the enhancement of development and research capacity. In order to prepare human resources in maritime sector and to enhance the scientific utilization and technology ability, a strategy to balance the quality of the human resources in maritime sector between regions in Indonesia is required, especially in the outer area and the Eastern part of Indonesia.



CHAPTER IV

THE AIMS AND PRINCIPLES OF INDONESIAN OCEAN POLICY





CHAPTER IV THE AIMS AND PRINCIPLES OF INDONESIAN OCEAN POLICY

4.1 Aims of Indonesian Ocean Policy

Indonesian ocean vision is to create Indonesia as the Global Maritime Fulcrum, namely to become a developed, sovereign, independent, strong maritime nation which is able to give positive contribution for peace and security in the region and the world in accordance with its national interests. Indonesian Ocean Policy is established with reference to the Indonesian Development Vision as contained in Law Number 17 of 2007 on the Long-term National Development Plan 2005-2025 and Law Number 32 of 2014.

In order to implement such vision, it is important to set the aim as the mission of Indonesian Ocean Policy, as follows:

- a. ocean resources are managed optimally and in sustainable manner:
- b. the quality of human resources, marine science and reliable maritime technology are well developed;
- c. strong maritime defense and security are developed;
- d. enforcement of sovereignty, law, and safety at the sea are implemented optimally;
- e. implementing good ocean governance;
- f. the welfare of people at the coastal area and small island are equally developed;
- g. enhancement of competitive marine economic and industrial growth;





- h. reliable marine infrastructure is built:
- i. rules on maritime spatial planning is created;
- j. protection of marine environment is implemented;
- k. execution of maritime diplomacy; and
- 1. strengthening of strong maritime culture and outlook.

In realizing the aforementioned vision and mission, it is important to establish implementation strategy as guidelines on ocean development in various sectors by Ministries and Non-Ministerial government institutions and local governments, as well as reference for communities and private sectors in implementing the ocean development.

4.2 The Principles of Indonesian Ocean Policy

The realization of Indonesian vision and mission should be in accordance with the national interest, as well as just and optimum utilization of the welfare of the Indonesian people. Indonesian Ocean Policy is based on six basic principles, which are (1) wawasan nusantara; (2) sustainable development; (3) blue economy; (4) integrated and transparent management; (5) participation; and (6) equality and equitability.



4.2.1 Wawasan Nusantara ²

Wawasan Nusantara is the basis of implementation of national development in realizing the Indonesia's development objective as contained in Decree of the People's Representative Assembly Number II/MPR/1993 on the General Guidelines of States Policy. Wawasan Nusantara is a national philosophy based on Pancasila ("Five Principles of the State") and the 1945 Constitution of the Republic of Indonesia, namely Indonesian perspective and view about themselves and their environment for national unity and integrity, as well as territorial integrity in the implementation of their life as a nation. Wawasan Nusantara includes the embodiment of Indonesian archipelago as one political, economy, social, cultural entity, as well as defense and security unit.

4.2.2 Sustainable Development

Development of various economic activities must able to fulfil the needs of present and future generations. Therefore, the economic development must be implemented based on sustainable development principle thus (1) the exploitation of resources must not exceed the regeneration ability of the renewable natural resources or the pace of innovation of substitution of the non-renewable resources, as well as the utilization of non-renewable resource would not cause damage to the renewable resources; (2) the current exploitation of resources may

² Wawasan Nusantara is archipelagic way of thinking



not forfeit (the quality and quantity) the needs of future generation; and (3) the exploitation of resources, which the impact has not been recognized, must be conducted diligently and supported by reliable scientific research. Sustainable development principle is also governed in Law Number 32 of 2009 on the Environmental Protection and Management.

4.2.3 Blue Economy

Article 14 of Law Number 32 of 2014 on Ocean Affairs stipulates that the central government and local government manage the ocean, in accordance with their authorities, to maximize the welfare of the people through the utilization and exploitation of marine resources on the basis of the principle of blue economy. The blue economy is a model for economic development which integrates land and maritime development while taking into account the carrying capacity of natural resources and environment. In principle, the resources of land, sea, and air should be synergized to become Indonesia's strength.

4.2.4 Integrated and Transparent Management

Integrated management is conducted in a multi-disciplinary, interregional, inter-sectoral and cross-sector manner. Integrated, in the sense that all aspects of the management should be unified under system instead of treated as separate components. management system that is integrated, there must be interrelation between one aspect and another to avoid overlapping authority. Such management should also be carried out under the principle of



transparency, using clear regulations, being open in its formulation and execution, and providing sufficient information which is easily understood by the various stakeholders.

4.2.5 Participation

The principle of participation is important as every stakeholder is expected to play a role in the planning, implementation, monitoring, and controlling in accordance with each individual role; to possess open information to understand government's policy and have sufficient access to utilize resources; to ensure the existence of representatives of the stakeholders in decision-making and take part in identifying threats and opportunities; and to utilize the resources equitably.

4.2.6 Equality and Equitability

The basic principle of equitability in Indonesia's ocean development is to ensure that individuals or groups of individuals are treated fairly, equally, and mutually profitably, regardless of ethnic group, race, religion or belief, and gender while prioritizing Indonesians who live in remote regions or those yet to be wellconnected outside of Java, Bali, Lombok, and Sumatera.

Therefore, connectivity between Indonesia's existing economic centers and other regions, such as Sabang, Natuna, Tarakan, Bitung, Miangas, Sorong, Merauke, Saumlaki, Ambon, Timor, and Flores is fundamental to the development of the people of Indonesia as a whole.

Maritime development in Indonesia is still concentrated on certain regions, especially in the western part of Indonesia (Java, Bali,



and Sumatera). Indonesia's ocean development must be done in an Indonesia-centric, instead of Java-centric manner, through tangible development projects on outer and remote islands, and prioritizing the improvement of the welfare of the lower income groups such as small fishermen and those working in the fishing industry.

Progress without equitability is not only contrary to the Constitution, but is also not in line with the main essence of development, that is, the improvement of quality of human life. Economic inequality will threaten the sustainability of progress itself, and can even lead to actions which could threaten public security.



CHAPTER V

PILLARS OF INDONESIAN POLICY





CHAPTER V PILLARS OF INDONESIAN OCEAN POLICY

There are seven pillars of Indonesian Ocean Policy, namely: (1) the management of marine resources and the development of human resources; (2) maritime security, law enforcement and safety at sea; (3) ocean governance and institution; (4) economic and infrastructure of marine sector and of prosperity enhancement; (5) management of the ocean space and protection of marine environment; (6) maritime culture; and (7) maritime diplomacy.

5.1 The Management of Marine Resources and the Development of Human Resources

5.1.1 The Management of Marine Resources

The objective of marine resources policy is to optimize the utilization and the exploitation of the maritime resources in a sustainable manner through the principle of blue economy. The economic growth in the maritime sector is materialized through sustainable development which is efficient, value-added, inclusive, and innovative; to support all economic activities, consisting of trade of goods, services, and investment for the prosperity of the people.

The main programs in implementing the strategy of marine resources management are as follows:

a. management and utilization of the fishery resources in a sustainable manner;



- b. enhancement of processing, marketing, value-added, standard and safety of maritime and fisheries products;
- c. enhancement of protection of sustainability of marine biodiversity through conservation of ecosystem, species and genetics;
- d. development and utilization of energy and mineral resources in accordance with the principle of blue economy, bearing in mind the eco-friendly technology;
- sustainable utilization of non-conventional natural resources based on the principle of environmental sustainability;
- f. development of a sustainable coastal and marine tourism by taking into account the needs of the local community, wisdom, local marine conservation and area. environmental preservation;
- development of marine biotechnology industry and g. marine biopharmacology utilizing the potential of biodiversity;
- h. enhancement of management and utilization of coastal area and small islands in a balanced and sustainable manner; and
- i. reinforcement of data system and marine information, inventories, and evaluation of marine resources.



5.1.2 Development of Human Resources

The objective of the development of human resources policy is to enhance the capacity of human resources in marine sector in the most professional, ethic, and dedicated manner and putting national interest in supporting ocean development optimally and comprehensively.

The main programs in implementing the strategy of the development of human resources are as follows:

- enhancement of maritime services sector that is balanced with job market;
- b. development of standard of competence of human resources in maritime sectors;
- c. enhancement and reinforcement of science and technology, research, as well as development of maritime information system;
- d. enhancement of the people's marine nutrient intake;
- e. enhancement of employment protection;
- f. enhancement of education and people's awareness through all types and ways of education;
- g. preparation of ocean-oriented educational curriculum;
- h. enhancement of quality and quantity of Maritime Higher Education Institutes;
- i. incentive and educational support for ocean-oriented education and strategic ocean research;
- j. enhancement of quality and quantity of marine and fishery education;



- k, enhancement of collaborative ocean research and the development of ocean center of excellence; and
- enhancement of management of national scientific and 1. technology , the development of facilities infrastructures of ocean science and technology, as well as strategic ocean research agenda.

5.2 Defense, Security, Law Enforcement and Safety at Sea

The policy on defense, security, law enforcement and safety at sea is established to enforce law and sovereignty, protect the unity of the Republic of Indonesia and the nation from threats, challenges, obstacles and disruptions at sea.

The main programs in implementing the strategic policy of maritime defense and security are as follows:

- a. development of a strong maritime defense and security through a posture of maritime defense to commensurate the area of waters under Indonesian sovereignty and jurisdiction, the ability to overcome the threats, foreign and domestic, as well as plays an active role in making peace and stability in the region;
- b. enhancement of capability and performance to integrate defense and security over the waters under Indonesian sovereignty and jurisdiction and waters outside its jurisdiction in accordance with international law;
- c. enhancement of the development of maritime boundary areas and the outermost small islands;



- d. enhancement of Indonesia's active role in regional and international cooperation on maritime defense and security;
- e. enforcement of law and upholding of sovereignty and sovereign rights in waters under Indonesian sovereignty and jurisdiction;
- f. optimization of command system, control, communication, computerization, intelligence, supervision and surveillance;
- ocean-oriented national character building to defend the country; g. and
- h. increasing security and safety of navigation.

5.3 Ocean Governance and Institution

The objective of the policy of ocean governance and institution is to create a national ocean governance system in a comprehensive, integrated efficient manner. Such manner is needed for an effective implementation of national and provincial regulations in accordance with international law of the sea.

The main programs in the strategic ocean governance policy are as follows:

- management of ocean-related national law;
- b. implementation of international law of the sea in accordance with national interest; and
- c. development of national ocean governance system, that is transparent and responsible.



5.4 Economic and Infrastructure of Marine Sector and of Prosperity Enhancement

5.4.1 Maritime Economy

The objective of the policy of maritime economy is to make the maritime sector as a basis for economic development. The potential of Indonesia's maritime economy does not only exist in waters under sovereignty of Indonesia but also in the area under national jurisdiction and international waters which can be managed based on international law.

The development of the marine resource-based economy is intended to enhance the prosperity of the people by advancing the national resources through a national maritime program along with fiscal, monetary and financial instruments as well as mobilization across sectors to support the development of maritime sectors.

The main programs in conducting the strategic maritime economy policy are as follows:

- establishment and development of maritime economic a. database and information:
- establishment of a conducive and efficient situation for a business investment;
- c. development of national maritime enterprises which is competitive at international level;
- d. establishment of a realistic integrated maritime economy sector based on the principle of blue economy in the coastal areas, small islands, outermost islands and Indonesia's waters;



- e. optimization of provision of infrastructures needed for enterprises and maritime businesses, especially fishermen;
- f. intensification, extension, diversification, and strengthening the quality of fisheries products from the pre-production to marketing;
- g. development of a mutually beneficial business partnership in marine sectors between small and medium businesses with large businesses; and
- h. development of sustainable economic cooperation with other strategic maritime countries.

5.4.2 Maritime Infrastructures

In order to grow the maritime economy, the government develop and build maritime infrastructures to enhance the connectivity and development by using Indonesia-centric, not Java-centric approach.

The main programs in conducting the strategic policy of maritime infrustructures development are as follows:

- a. syngergy of strategic national interest in deciding areas for development of maritime infrastructures;
- b. development of national maritime connectivity;
- development of the competency and capacity of national business in maritime infrastructures which is competitive and has international standard;
- d. enhancement of capability of national funding for the development of maritime infrastructures;



- e. establishment of positive investment climate to develop and manage the maritime infrastructures;
- f. enhancement of cooperation in infrastructure investment with partner states; and
- g. development and the establishment of port infrastructures.

5.4.3 Enhancement of Prosperity

The prosperity enhancement policy has the objective to realize the ocean development useful for the prosperity of the people, especially those who live in coastal areas and small islands.

The main programs in conducting the strategic policy of prosperity enhacement are as follows:

- a. establishment of facilities and infrastructures needed for developing business for fishermen, fish farmers and salt farmers:
- b. enhancement of capability and capacity for fishermen, fish farmers and salt farmers;
- c. access to science, technology, information, land, and funding for the interests of fishermen, fish farmers and salt farmers;
- d. expansion of employment and business opportunities in maritime sectors, especially in fisheries, energy and maritime tourism sectors; and
- e. enhancement of marine resources development for sustainable maritime tourism in coastal area and small islands.



5.5 Management of the Ocean Space and Protection of Marine **Environment**

5.5.1 Management of Ocean Space

The policy of the ocean spatial management is aimed to protect the resources and environment based on the environmental capacity and local wisdom, at national and international scale to utilize the marine resources and also to develop potential areas for production, distribution and services.

The varied stakeholders of ocean space management and utilization in Indonesia require references regarding the allocation of integrated and synchronized ocean space along with the land-spatial planning, in order to accommodate various interests and needs without creating conflict on spatial use.

The main programs in conducting the policy of the ocean space management are as follows:

- a. establishment of integrated programs across ocean sectors:
- b. acceleration of the designation of national maritime spatial planning;
- c. acceleration of the designation of coastal areas and small islands zoning planning;
- d. acceleration of the completion of national strategic zones, specific national strategic zones, as well as inter-area zones;



- e. basic geospatial information data and integrated thematic geospatial information in the framework of a one-map policy to establish a maritime spatial planning; and
- f. simplification of the licensing of the ocean space utilization.

5.5.2 Protection of Marine Environment

The objective of marine environment protection policy is to conserve the marine resources and prevent any pollution and harm to the marine environment. Indonesia also needs to pay attention to the absorbtion capability of greenhouse gas by coastal ecosystem so that emissions produced in land, especially farming and industries, could be reduced by Indonesia's blue carbon ability.

The main programs in conducting the strategic policy of marine resources protection are as follows:

- a. reinforcement of the management of watershed (*Daerah* Aliran Sungai DAS), coastal areas, waters and small islands through a sustainable and integrated management;
- b. reinforcement of the conservation of ecosystem, species, and genetics;
- c. prevention, mitigation, and restoration of the impact of marine environmental pollution and damages;
- d. mitigation of marine disaster;
- e. development of sustainable marine and coastal areas utilization planning and infrastructures; and
- f. development of bilateral, regional and international cooperation in managing the marine environment.



5.6 **Maritime Culture**

The objective of maritime culture policy is to give comprehensive understanding of maritime outlook for all strata of communities in order to optimize the sustainable national maritime development.

Maritime culture has the important role to establish a maritimeoriented nation. Through maritime culture, Indonesian will learn hardworking, resilience, enterpreunership, working in unison on "gotong royong", respect diversity and the environment. A strong maritime culture will make the ocean as a place for the people to live, to survive, to work, to learn, to create and to educate.

The main programs in conducting the strategic policy of maritime culture are as follows:

- improving the people's education and awareness of the maritime sectors through all tracks, types and education levels;
- b. identifying and inventorizing cultural values and maritime social systems in the unitary Republic of Indonesia as a system of national culture and outlook:
- c. reviving the understanding of maritime culture;
- d. harmonizing and developing local wisdom in the sustainable management and utilization of marine resources; and
- e. maintaining, developing and increasing the role of historic seaports.



5.7 Maritime Diplomacy

Maritime diplomacy is the implementation of foreign policy to optimize the maritime potentials in fulfilling the national interest in accordance with national policies and international law.

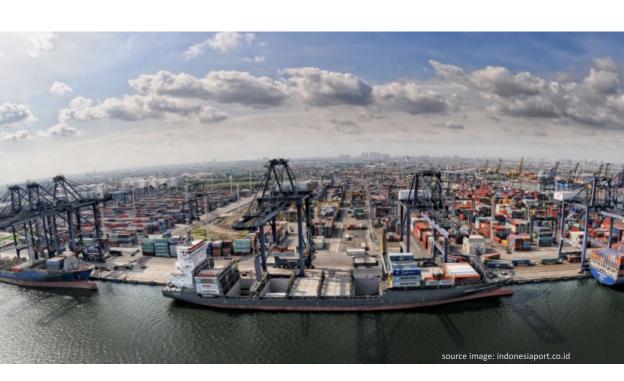
Maritime diplomacy is not only defined in the traditional form of international negotiation in maritime issues, maritime boundary delimitation or naval diplomacy. Maritime diplomacy is a form of foreign policy implementation which is not only related to maritime aspects at bilateral, regional and global level; but also related to the utilization of maritime assets, civilian and military, to fulfil national interests in accordance with national laws and international law.

The main programs in conducting the strategic policy of maritime diplomacy are as follows:

- a. strengthening leadership in maritime cooperations in bilateral, regional and multilateral level;
- b. strengthening of active role to create and maintain peace and security in maritime affairs:
- c. leadership or active role in international norm-making on ocean affairs:
- d. acceleration of the negotiation maritime boundary delimitation with neighbouring states;
- acceleration of submission of extended continental shelf in accordance with international law;
- f. placement of Indonesian representatives in ocean-related international organizations; and
- g. verification of the names of islands.



CHAPTER VI IMPLEMENTING PROVISIONS





CHAPTER VI IMPLEMENTING PROVISIONS

The implementation of the policies set out in the National Document of the Indonesian Ocean Policy is realized in the following framework of funding, regulation, institution, evaluation, and action plan framework.

6.1 Funding Framework

Funding for specific programs set by the central government and local government, and other state institutions in order to implement the Indonesia Marine Policy must refer to the legislation.

Optimization of existing sources of development funding for maritime development, such as State Revenue and Expenditure Budget, Local Revenue and Expenditure Budget, private sectors, banks, and financial institutions other than banks, by improving the quality and efficiency of ocean development funding utilization, is conducted through the improvement of legislation, planning, preparation, and strengthening of monitoring and evaluation.

Enhancement of the potential ocean development funding can be conducted by increasing the number of Public Private Partnership (PPP) scheme or the collaboration between government and private/non-governmental organizations, Corporate Social Responsibilty (CSR), direct lending from development partners to the state-owned enterprises and Municipal Development Fund (MDF). Such collaboration is intended to be executed in order to accelerate the achievement of Indonesian Ocean Policy targets by involving private sectors in providing public infrastructure. In addition, such



collaboration is expected to allow expertise and resources from all parties (government and private) to be used together to provide service and/or facilities needed by the people.

6.2 Regulatory Framework

The implementation of Indonesian Ocean Policy has to be in line with relevant legislations, such as Law Number 25 of 2004 on the National Development Planning System, Law Number 17 of 2007 on the Long-term National Development Plan 2005-2025, Law Number 32 of 2014 on Marine Affairs, and Presidential Regulation Number 2 of 2015 on Medium-term National Development Plan 2015-2019.

6.3 Institutional Framework

The implementation of Indonesian Ocean Policy is executed by the ministries and non-ministerial government institutions according to their respective roles and functions. The implementation and monitoring of the Indonesian Ocean Policy is coordinated by the Coordinating Ministry for Maritime Affairs. Reports implementation of program and activities of the Indonesian Ocean Policy is submitted to the President periodically by the Coordinating Minister for Maritime Affairs after consultation with the Coordinating Minister for Politics, Legal, and Security Affairs, the Coordinating Minister for Economic Affairs, and the Coordinating Minister for Human Development and Cultural Affairs.



6.4 Evaluation Framework

Evaluation of the Indonesian Ocean Policy is conducted to maintain the relevance and current context. It is done through periodic review mechanism according to national needs and the development of international dynamics.

Review of the Indonesian Ocean Policy is done by the ministries and non-ministerial government institutions and is coordinated by the Coordinating Minister for Maritime Affairs along with the Minister for National Development Planning/Head of National DevelopmentPlanning Agency. The result of the review can be used as a basis for adjustment of the Indonesian Ocean Policy.

6.5 Action Plan Framework

The Plan of Action of the Indonesian Ocean Policy is an elaboration of the 7 (seven) pillars of the National Document of the Indonesian Ocean Policy and is detailed in several priority programs. The aforementioned action plan is set to synergize programs and activities of ministries/non-ministerial government institutions in carrying out ocean development, which is specified through strategies, activities, objectives, targets/outputs, timeframe, person in charge, relevant agencies, and sources of funding.

The said Plan of Action is also established to fulfill the mandate of Presidential Regulation Number 2 of 2015 on Medium-term National Development Plan 2015-2019's as to implement the main targets of the maritime and ocean development programs for the welfare of the



people, as part of the effort to strengthen our identity as a maritime nation, as well as maritime and ocean economic development. Furthermore, the Medium-term National Development plan 2015-2019 also emphasizes the need to accelerate ocean development to realize Indonesia's aspiration to be the Global Maritime Fulcrum.

The Plan of Action of the Indonesian Ocean Policy for 2016-2019 period consists of 5 (five) priority program clusters, namely: (1) Maritime Boundary, Ocean Space, and Maritime Diplomacy; (2) Maritime Industry and Sea Connectivity; (3) Services and industry of Marine Natural Resources and Marine Environment Management; (4) Maritime Defense and Security; and (5) Maritime Culture.

> PRESIDENT OF THE REPUBLIC OF INDONESIA,

> > signed

JOKO WIDODO

