

RECORD OF DISCUSSIONS

FOR

**THE PROJECT FOR LEGAL AND JUDICIAL REFORMS TO IMPROVE THE
BUSINESS CLIMATE**


AGREED UPON BETWEEN

**SUPREME COURT AND MINISTRY OF LAW OF THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA**

AND

JAPAN INTERNATIONAL COOPERATION AGENCY

Dated February 11th, 2025

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Based on the Minutes of Meetings on the Detailed Planning Survey for Project for Legal and Judicial Reforms to Improve the Business Climate (hereinafter referred to as "the Project") signed on 16 December 2024 among the Supreme Court (hereinafter referred to as "SC") and the Ministry of Law (hereinafter referred to as "MoL") of the Government of Indonesia (hereinafter referred to as "the Counterparts"), and the Japan International Cooperation Agency (hereinafter referred to as "JICA"), JICA held a series of discussions with the Counterparts and relevant organizations to develop a detailed plan of the Project.

The purpose of this record of discussions (hereinafter referred to as "the R/D") is to establish a mutual agreement for its implementation by both parties and to agree on the detailed plan of the Project as described in the followings and the Annexes, which will be implemented within the framework of the Colombo Plan Technical Cooperation Scheme between the Government of Japan and the Government of Indonesia.

The Counterparts will be responsible for the implementation of the Project in cooperation with JICA, coordinate with other relevant organizations and ensure that the self-reliant operation of the Project is sustained during and after the implementation period in order to contribute toward social and economic development of the Republic of Indonesia.

Both parties also agreed that the Project will be implemented in accordance with the "Basic Principles for Technical Cooperation" published in January 2022 (hereinafter referred to as "the BP"), unless other arrangements are agreed in the R/D.

The R/D is delivered in Jakarta as of the day and year first above written. The R/D, except for Annex 3 to 8 may be amended by a Minutes of Meetings between both parties. The Minutes of Meetings will be signed by authorized persons of each side who may be different from the signers of the R/D.

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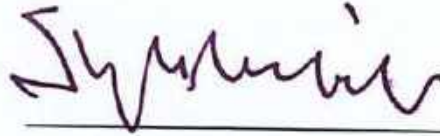
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For
JAPAN INTERNATIONAL
COOPERATION AGENCY



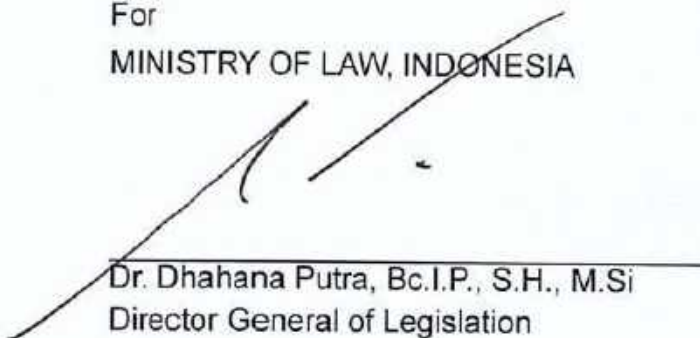
Ms. Sachiko Takeda
Chief Representative
JICA Indonesia Office

For
SUPREME COURT, INDONESIA



Dr. Syamsul Maarif
Deputy Chief Justice on Resource
Development
Supreme Court
The Republic of Indonesia

For
MINISTRY OF LAW, INDONESIA



Dr. Dhahana Putra, Bc.I.P., S.H., M.Si
Director General of Legislation
Ministry of Law
The Republic of Indonesia

- Annex 1 Project Description
- Annex 2 Main Points Discussed
- Annex 3 Project Design Matrix (PDM)
- Annex 4 Plan of Operation (PO)
- Annex 5 Implementation Structure
- Annex 6 List of Proposed Members of Joint Coordinating Committee
- Annex 7 Monitoring Sheet
- Annex 8 Tentative Outline of the Training(s) in Japan

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MAIN POINTS DISCUSSED

1. Annex 3 to 8

Both parties agreed on the contents of Annex 3 to 8, which is categorized as references of the R/D. Both parties further agreed that the contents of Annex 3 to 8 may be modified by mutual confirmation, such as determination of monitoring sheets or minutes of meetings usually after Joint Coordinating Committee.

2. Project Design Matrix (PDM) and Plan of Operation (PO)

Both parties agreed on the PDM and the PO included in this R/D attached hereto as Annexes 3 and 4, which defines the details of project outputs and activities, and implementation timeline and arrangements.

3. Period of the Project

Both parties agreed that the Project period will be three years from the dispatchment of the first Japanese expert to Indonesia, and that both parties will take all the necessary actions to be able to start the Project from October 2025.

4. Office space for JICA experts

Both parties agreed that the office spaces shall be prepared: one each Indonesian Counterpart authority, to accommodate a workspace of the Japanese Long-term Experts at each authority and to facilitate the daily communications between the Japanese Experts and the Counterpart staff members.

5. Implementation Structure

Both parties agreed that the Counterparts shall organize management, technical and administrative teams needed to implement the project, as per Annex 5.

6. Project Directors, Project Managers and Focal Points

Both parties agreed that the positions of Project Directors, Project Managers and focal points are as follows:

<SC>

Project Director: Deputy Chief Justice on Resource Development

Project Manager: Chairman of Judicial Training Center and Junior Registrar on Special Civil Matter

Focal Point: Chairman of Development Chamber

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<MoL>

Project Director : Director General of Legislation

Project Manager : Secretary of DGL

Focal Point:

- Secretariat of DGL
- Directorate of Legislative Drafting
- Directorate of Harmonization of Legislation III
- Directorate of Facilitation of Local Regulations and Head of Local Government Regulations and Fostering of Legislative Drafter

7. Annual activity plan

Both parties agreed that the annual activity plan shall be developed from October to December each year, in order to identify the themes of activities and their priorities, based on which Indonesia side would apply for a budget and secure the necessary funding. Japanese side explained that for budgeting purposes, the annual activity plan would need to specify approximately 1-2 topics to be covered per year in each Working Group for the Outputs 1 and 2 and a few others for the Output 3. Both parties agreed that possible themes are as shown below, not exhaustive and to be decided on a yearly basis.

[Possible topics for Outputs]

- Output 1:
SC: To be determined after the Project starts

- Output 2:
MoL :
 - RUU Jaminan benda bergerak (Movable Property Guarantee Law)
 - RUU Kepailitan (Bankruptcy Law)
 - RUU Badan Usaha (Business Entity Law)

8. Relationship with previous cooperation

- 8-1. Both parties agreed on the measures to be taken to build on and sustain the outcomes of the previous cooperation since 2015, including the following:
- The outputs and assets of the past cooperation since 2015 including the ongoing project shall be fully utilized as a basis of implementing the Project (e.g. utilization of the materials developed in the past cooperation, transfer of knowledge from the Indonesian members who participated in the past cooperation to the members of the Project, etc).

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8-2. Both parties confirmed some changes and points to consider in relation to the Project for Efficient and Fair Disputes Resolution Mechanism and Legislative Drafting Capacity Development for Improving Business Environment (hereinafter referred to as the Current Project) ongoing with the SC and MoL.

- The Project aims to promote legal and judicial reforms to improve the business climate of Indonesia, with a view to the Indonesian government's accession to the OECD, and to improvement of the scores of Indonesia in World Bank's Business Ready
- While each Counterpart will work independently for most of the activities, they will cooperate as appropriate in areas where it is necessary or preferable to collaborate toward the common Project goal.
- The SC will engage in activities that contribute to strengthening the functions of the courts in business-related civil cases more broadly, not limited to the Intellectual Property field, which is the focus of the Current Project.
- The MoL will deal with a broader range of business-related legal systems under the jurisdiction of the MoL (bankruptcy law, civil law, etc.), based on the results of capacity building of drafters to ensure consistency of laws and regulations, which is the theme under the Current Project.
- Although the scope of topics to be covered in the Project will be expanded, the structure (number of experts) on the Japanese side is expected to be the same as in the Current Project, and the budget is also limited.

9. Gender Equality and Women's Empowerment

Both parties agreed that in line with the gender policies of the Counterparts and JICA, women shall constitute at least 40% of the members of the Working Groups and the participants of the trainings in Japan. Both sides also agreed that women's rights shall be taken into consideration when tackling human rights issues in the Project.

10. Environmental and Social Considerations

Both parties acknowledged Section 10.1 of the Basic Principles for Technical Cooperation under the 'JICA Guidelines for Environmental and Social Considerations (January 2022)' and that the Project is likely to have a minimal adverse impact on the environment and society.

11. Sustainability of the Project

Both parties agreed that the Project activities shall be planned and implemented in a way that the activities and their effects could be sustained self-reliantly by the Counterparts beyond the Project period. Both parties also agreed that it would be essential to achieve

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a cost-sharing between JICA and the Counterparts during the Project, from the perspective of sustainability after the end of the Project.

12. Visibility of the Project

Both parties agreed that both sides shall undertake communication activities that will increase the visibility by creating awareness and general understanding of the Project among Indonesian, Japanese and international communities.

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Project Design Matrix (Annex 3)

Project Title: Project for Legal and Judicial Reforms to Improve the Business Climate
Implementing Agency: The Supreme Court and the Ministry of Law
Target Group: Judges and legal officials
Period of Project: October 2025 - September 2028
Project Site: Jakarta and other provinces in Indonesia

Version 0
Dated 11th February 2025

Narrative Summary	Objectively Verifiable Indicators	Means of Verification	Important Assumption	Achievement	Remarks
<p>Overall Goal The business climate for inclusive and sustainable economic development improves in light of international standards such as the OECD and World Bank's Business Ready.</p>	<p>Number of measures taken to improve the business environment in the legal development area, in light of international standards, such as OECD and World Bank Business Ready</p> <p>Improved scores of Indonesia in World Bank's Business Ready</p>	<p>Assessment by OECD and other international actors</p> <p>World Bank's Business Ready reports</p> <p>Observations based on other international standards</p>			
<p>Project Purpose Legal and judicial reforms in the economic sector are promoted.</p>	<p>Relevant indicators of the Medium Term National Development Plan 2025-2029 are achieved or progressed towards achievement</p>	<p>Confirmation of the indicators of the Medium Term National Development Plan 2025-2029</p>			
<p>Outputs</p> <p>1. The predictability and effectiveness of court decisions, as well as public confidence in the courts, are enhanced, and the dispute resolution functions of the courts are strengthened.</p> <p>2. Amendment/revision or development of business-related laws, regulations and guidelines under the jurisdiction of the Ministry of Law are promoted.</p> <p>3. Knowledge to improve practice in the field of law and justice is enhanced.</p>	<p>Court decisions improved in terms of predictability and effectiveness</p> <p>Dispute resolution function of the courts strengthened</p> <p>Laws, regulations and guidelines amended or developed</p> <p>Compiled and shared knowledge as a result of the joint research</p>	<p>Assessment by third-parties and/or judges on the court decisions and dispute resolutions function of the courts at the beginning and end of the Project</p> <p>Interview with national and international legal professionals and users of the courts at the beginning and end of the Project</p> <p>Amended/ revised or developed laws, regulations and guidelines published or shared within the Indonesian Counterparts</p> <p>Materials prepared and used by the Indonesian Counterparts</p>	<p>When a law is the target, it is deliberated in the DPR-RI as planned.</p>		
<p>Activities</p> <p>1-1. Establish a WG to conduct joint research on themes such as improving the quality of court decisions, proper court procedures, improving understanding of the importance of precedents, and the appropriate use of mediation in civil cases handled by ordinary courts (including IP cases and other business-related cases) in Indonesia and Japan.</p> <p>1-2. The WG will compile the results of the joint research conducted in 1-1 above as office reference materials (guidelines, etc.).</p> <p>1-3. Conduct training(s) and seminar(s) in cooperation with the Judicial Research and Training Institute and/or other relevant departments to promote the use of the materials compiled in 1-2 above.</p> <p>2-1. Establish WG(s) to identify laws, regulations, guidelines and other materials to be addressed as activities to realize the Output 2.</p> <p>2-2. Conduct joint research in the WG(s) to promote the process of amending/revising or developing the laws, regulations, guidelines and other relevant materials identified in 2-1</p> <p>2-3. The WG(s) will compile the results of the activities in 2-2 above in a form that can be used by the Counterparts and other relevant organizations to amend/revise or develop laws, regulations, guidelines, and other relevant materials.</p> <p>2-4. Promote the understanding and/or use of laws, regulations, and guidelines after their amendment/revision or development, utilizing the result of the activities 2-2 and 2-3.</p> <p>3-1. Identify topics not included in activities toward Outcome 1 or Outcome 2 that will be the subject of collaborative research to achieve Project Purpose.</p> <p>3-2. Conduct joint research on the themes identified in 3-1 above, while introducing examples of efforts in Japan and other countries.</p> <p>3-3. Compile the results of the joint research conducted in 3-2. above in a form that can be used for policy formulation, guideline development, etc.</p>	<p>Inputs</p> <p>The Japanese Side</p> <p>1. JICA long-term experts 2. JICA short-term experts 3. Training(s) in Japan 4. Project activity cost</p>	<p>The Indonesian Side</p> <p>1. Counterpart staff: Project Directors, Project Managers, Focal points, etc. 2. Facility and equipment: -Place for meeting, workshops and seminars in the Implementing Agencies -Project offices for JICA experts. 3. Local cost: remuneration to counterpart staff if necessary, customs exemption, domestic transportation, storage and installation for equipment provided by Japan, maintenance cost for facility and equipment</p>	<p>Important Assumption</p> <p>The political and security situation in Indonesia does not deteriorate.</p>		
			<p>Pre-Conditions</p>		
			<p><Issues and countermeasures></p>		

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Tentative Plan of Operation (Annex 4)

Version 0
Dated 11th February 2025

Project Title: Project for Legal and Judicial Reforms to Improve the Business Climate

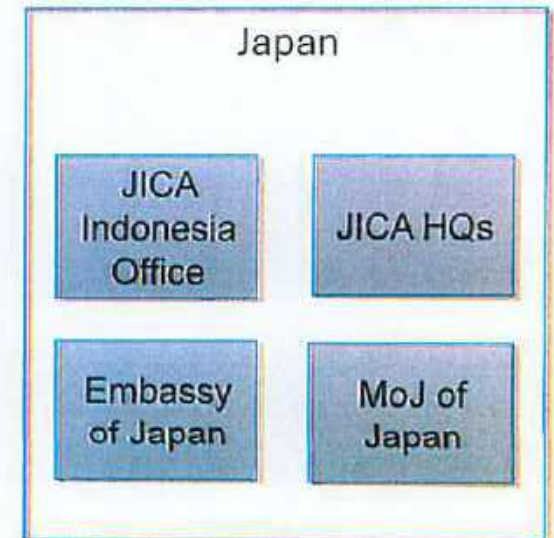
Inputs	Year	1st Year				2nd Year				3rd Year				4th Year				Remarks	Monitoring	
		I		II		I		II		I		II		I		II			Issue	Solution
Expert																				
Advisor on legal reform	Plan																			
	Actual																			
Advisor on Judicial reform	Plan																			
	Actual																			
Project Coordinator	Plan																			
	Actual																			
Training in Japan																				
	Plan																			
	Actual																			
In-country/Third country Training																				
	Plan																			
	Actual																			

Activities	Year	1st Year				2nd Year				3rd Year				4th Year				Responsible Organization		Achievements	Issue & Countermeasures
		I		II		I		II		I		II		I		II		Japan	GO!		
Output 1:																					
1-1. Establish a WG to conduct joint research on themes such as improving the quality of court decisions, proper court procedures, improving understanding of the importance of precedents, and the appropriate use of mediation in civil cases handled by ordinary courts (including IP cases and other business-related cases) in Indonesia and Japan.	Plan																	JICA	SC		
	Actual																				
1-2. The WG will compile the results of the joint research conducted in 1-1 above as office reference materials (guidelines, etc.).	Plan																	JICA	SC		
	Actual																				
1-3. Conduct training(s) and seminar(s) in cooperation with the Judicial Research and Training Institute and/or other relevant departments to promote the use of the materials compiled in 1-2 above.	Plan																	JICA	SC		
	Actual																				
Output 2:																					
2-1. Establish WG(s) to identify laws, regulations, guidelines and other materials to be addressed as activities to realize the Output 2.	Plan																	JICA	MoL		
	Actual																				
2-2. Conduct joint research in the WG(s) to promote the process of amending/revising or developing the laws, regulations, guidelines and other relevant materials identified in 2-1.	Plan																	JICA	MoL		
	Actual																				
2-3. The WG(s) will compile the results of the activities in 2-2 above in a form that can be used by the Counterparts and other relevant organizations to amend/revise or develop laws, regulations, guidelines, and other relevant materials.	Plan																	JICA	MoL		
	Actual																				
2-4. Promote the understanding and/or use of laws, regulations, and guidelines after their amendment/revision or development, utilizing the result of the activities 2-2 and 2-3.	Plan																	JICA	MoL		
	Actual																				
Output 3:																					
3-1. Identify topics not included in activities toward Outcome 1 or Outcome 2 that will be the subject of collaborative research to achieve Project Purpose.	Plan																	JICA	SC, MoL		
	Actual																				
3-2. Conduct joint research on the themes identified in 3-1 above, while introducing examples of efforts in Japan and other countries.	Plan																	JICA	SC, MoL		
	Actual																				
3-3. Compile the results of the joint research conducted in 3-2. above in a form that can be used for policy formulation, guideline development, etc.	Plan																	JICA	SC, MoL		
	Actual																				

Monitoring Plan	Year	1st Year				2nd Year				3rd Year				4th Year				Remarks	Issue	Solution
		I		II		I		II		I		II		I		II				
Monitoring																				
Joint Coordinating Committee	Plan																			
	Actual																			
Set-up the Detailed Plan of Operation	Plan																			
	Actual																			
Submission of Monitoring Sheet	Plan																			
	Actual																			
Monitoring Mission from Japan	Plan																			
	Actual																			
Joint Monitoring	Plan																			
	Actual																			
Post Monitoring	Plan																			
	Actual																			
Reports/Documents																				
Project Completion Report	Plan																			
	Actual																			
Public Relations																				
	Plan																			
	Actual																			

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Implementation Structure



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List of Proposed Members of Joint Coordinating Committee and Management Committee for the Project for Legal and Judicial Reforms to Improve the Business Climate

I. Joint Coordinating Committee (JCC)

1. Composition

- (1) Project Director of SC (Co-chair) – Deputy Chief Justice on Resource Development
- (2) Project Director of MoL (Co-chair) – Director General of Legislation
- (3) JICA Long-term Experts
- (4) Other members from Indonesian side deemed necessary: representatives from MoL, SC and other relevant ministries
- (5) Other members from Japanese side deemed necessary
 - 1) Chief Representative, representative and staff of JICA Indonesia Office
 - 2) Staff members from JICA Headquarters, other domestic and foreign offices
 - 3) Staff members from the Embassy of Japan
 - 4) Staff members from Ministry of Justice of Japan
 - 5) Other persons deemed necessary

Note: Secretariat is responsible for each organization on a rotating basis:

1st JCC: MoL, 2nd JCC: SC, 3rd JCC: MoL or SC.

2. Roles and Frequency

JCC shall be established and held at least once a year and whenever deemed necessary to play vital roles for implementing the Project as follows.

- (1) To review overall progress and achievement of the Project.
- (2) To monitor and evaluate the implementation of the Project.
- (3) To examine major issues arising from or in connection with the Project.
- (4) To work out the modification of the PDM and the PO as necessary.
- (5) To recommend and request necessary action to the organizations concerned.

II. Management Committee (MC)

1. Composition

- (1) Project Manager of SC (Co-chair) – Chairman of Judicial Training Center and Junior Registrar on Special Civil Matter
- (2) Project Manager of MoL (Co-chair) – Secretary of DGL
- (3) JICA Long-term Experts
- (4) Other persons agreed necessary by both sides

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2. Roles and Frequency

MC shall be established and held at least once a year and whenever deemed necessary to play vital roles for implementing the Project as follows.

- (1) To make decisions on activity plan at the technical level, including specific activities by each counterpart
- (2) To consult among the counterparts on common issues or shared activities

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TO CR of JICA INDONESIA OFFICE

Project Monitoring Sheet

Project Title : _____

Version of the Sheet: Ver.●● (Term: Month, Year - Month, Year) _____

Name: _____

Title: Project Director _____

Name: _____

Title: Chief Advisor _____

Submission Date: _____

I. Summary

1 Progress

1-1 Progress of Inputs

1-2 Progress of Activities

1-3 Achievement of Output

1-4 Achievement of the Project Purpose

1-5 Changes of Risks and Actions for Mitigation

1-6 Progress of Actions undertaken by JICA

1-7 Progress of Actions undertaken by Gov. of ●●

1-8 Progress of Environmental and Social Considerations (if applicable)

1-9 Progress of Considerations on Gender/Peace Building/Poverty Reduction, disability, disease infection, social system, human wellbeing, human right, and gender equality (if applicable)

1-10 Other remarkable/considerable issues related/affect to the project (such as other JICA's projects, activities of counterparts, other donors, private sectors, NGOs etc.)

2 Delay of Work Schedule and/or Problems (if any)

2-1 Detail

2-2 Cause

2-3 Action to be taken

2-4 Roles of Responsible Persons/Organization (JICA, Gov. of●●,etc.)

3 Modification of the Project Implementation Plan

3-1 PO

3-2 Other modifications on detailed implementation plan


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(Remarks: The amendment of R/D, Project Description, and PDM (title of the project, duration, project site(s), target group(s), implementation structure, overall goal, project purpose, outputs, activities, input , and change of Environmental category) should be authorized by JICA HDQs. If the project team deems it necessary to modify any part of R/D,Project Description, and PDM, the team may propose the draft.)

4 Current Activities of Gov. of xx to Secure Project Sustainability after its Completion

II. Project Monitoring Sheet I & II as Attached

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Tentative outline of the training(s) in Japan

(Knowledge Co-Creation Programs: KCCP)

1. Overview: once or twice per year, depending on the allocation of the budget and availability of the receiving parties in Japan

2. Tentative outline for possible types of trainings:

(1) Training 1 (SC):

- Frequency: three times during the Project Period
- Objectives: To acquire knowledge and experience which contribute to the Output 1 and Output 3 of the Project
- Participants(**): approximately 14 persons per training from SC

(2) Training 2 (MoL):

- Frequency: three times during the Project Period
- Objectives: To acquire knowledge and experience which contribute to the Output 2 and Output 3 of the Project
- Participants: approximately 14 persons per training from MoL

(*As many young and mid-career officials as possible shall be selected as participants to maximize the mid- to long-term effect of the training(s), where suitable vis-à-vis the objectives of the training(s).)

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