



## Message from the Chairman



For almost three years, The Habibie Center has succeeded in accomplishing a number of important activities, in the midst of the extremely dynamic political and economic environment in Indonesia as well as in the world over the past year. The consolidation of various institutions under the center is under way and will prove useful as a foundation for future programs and activities.

From constitutional reform to empowering people through information technology were the issues in a series of discussions, seminars and workshops held by the center. A draft of “Indonesian Constitution” is one of the monumental outcomes of The Habibie Center activities in 2001.

In the future, The Habibie Center hopes to conduct activities focused on effort to uphold the values and principles of human rights and democracy in Indonesia, good governance as well as the accelerated process of regional empowerment through regional autonomy and decentralization. To accomplish this, The Habibie Center will forge ties with various organizations, both domestic and foreign, which have similar concerns in regard to these issues. Hopefully, working together we can set up positive and productive programs that will be beneficial to the Indonesian people. All forms of cooperation and collaboration will be undertaken, especially in efforts to secure financial assistance for the programs offered.

Finally, we would like to express our gratitude to the various parties that have participated in the activities of The Habibie Center over the past year, and hope that we can improve our efforts in the future.

Jakarta, November 1, 2001

**Bacharuddin Jusuf Habibie**

## Forward

### “RECONCILIATION OF IDEAS” TOWARD A NEW INDONESIA



The fundamental problem faced by Indonesia in the transitional era is how reform and democratization processes can prevail smoothly while at the same time the integrity of Indonesia as a nation remains solid. It is realized that reform and democratization processes led to a reassessment of various issues in the settings of paradigm, way of life, as well as national institution. Over three years of national journey in the reform and transitional eras we have been witnessing a variety of ‘review’ steps over diverse aspects of life which were once considered established and in fact sometimes seen as “untouchable”.

On the other hand, as a consequence of abundant spirit to perform ‘review and reconstruction’ –on behalf of reform process- a variety of shaking events that generate tremendous impacts on the disruption of national pillars of life frequently happen. The threats of national disintegration is one of such consequences. Inter-ethnic, inter-religious and inter-group conflicts (read: conflict potentials), and the rise of narrow regionalism sentiment have made Indonesia realize the importance of ‘national reconciliation’.

National reconciliation is a must in order for the reform process to prevail without ‘sacrificing’ national unity. One of the important elements of national integration is the conduct of intensive dialogues of ideas involving all components of the nation. Interaction and dialogues are needed to unify perception on the aspired future of the nation and on how to realize that future.

The above elaboration shows that to achieve national reconciliation, ‘reconciliation of ideas’ is needed as a prerequisite. Reconciliation of ideas is a medium, means (tool) and product resulting from the process of interaction and dialogue of ideas. Reconciliation of ideas is a ‘*conditio sine qua non*’ for the realization of national reconciliation.

A variety of programs and activities held by The Habibie Center over the past two years since its inception – in the form of seminars, studies, publication and research- are parts of the efforts to participate in constructing a ‘reconciliation of ideas’. The topics of The Habibie Center’s activities 2001 – contained in this activity report – are part of the long chain of THC’s works in its accomplishment of the mission to participate in developing the ‘reconciliation of ideas’ toward a new Indonesia, a civil society based on four pillars i.e.: culture, democracy, justice and technology.

Jakarta, November 1, 2001

A handwritten signature in black ink, appearing to read 'Ahmad W. Pratiknya', written in a cursive style.

**Ahmad W. Pratiknya**  
*Executive Director*

## Democratization Must Go On



## Reflection and Reconstruction of the Face of Indonesia in 2002

**ENTERING** the year 2002, the Habibie Center (THC) made a statement regarding “Reflection and Reconstruction of the Face of Indonesia in 2002”, (16/1/2002). Dr. A. Watik Pratiknya in his introduction explained that this reflection is directed at efforts to develop an optimistic view on the development of the nation.

On the reflection of the legal aspects, Prof. Dr. Muladi, SH, commented that in general the focus in 2002 will not be different from 2001. Indicators of this generalization shows that the systemic damage in law as an inheritance from the New Order still can be seen. Based on this experience, according to Muladi, the many weaknesses of the law need to be fixed. One of them being the efficient use of law as an integrative mechanism in life.

Dr. Dewi Fortuna Anwar stated that, within regional and global aspect post September 11, are 3 global phenomena that occurred: globalization and universalization in various

fields; the birth of an incomparable superpower (the supremacy of the United States), and as a result of the first two phenomena, the emergence of an anti-globalization movement and racist nationalism. Indonesia needs to take benefit from global changes as momentum to be actively taking part in the global competition.

Dr. Indria Samego, speaking on the political aspect, gave several opinions regarding to the political problems in Indonesia, among others the necessity of all parties to be serious in the consolidation of democracy, enforcement of the law, and use of good governance.

Umar Juoro, MA., MAPE, reflecting on the economic aspect, share his opinion that the economy must continue in the direction of recovery. Thus, the government and parliament should have a sense of crisis and make the economy a first priority. ■

## Instrumentation of the Law and Democracy

**A ROUTINE** discussion with the theme “Instrumentation of the Law and Democracy“ was held at THC on February 20, 2002 with Hans Haring, a researcher from University of Leiden, Netherlands as speaker and Prof. Dr. Muladi as moderator. Mr. Haring spoke of the early signs, changes and developments of democracy and system of government, division of power, as well as laws used to organize society beginning in 1400 B.C. to present day. For instance in European countries, in the 18th and 19th centuries, the monarchy system was abandoned in favour of democracy. There started to be a division

of power in the execution of government as well as selection of government officers. At the end of the 20th century, all economically developed countries had begun to integrate a system of checks and balances and division of power in their political systems. Mr. Haring stated that the system of division of power made the political system more democratic. He also stated that the system of checks and balances was only recently realized in the political elite and leaders in accordance with the fundamental elements from that same principal. If this hadn't happened formally, this system would only be written in the laws without any effect on democracy itself. ■



## People's Consultative Council Yearly Assembly Issues and Prospects

**APPROACHING** the General Assembly on July 26, 2002, THC held a discussion with the theme “Issues and Prospects of the People’s Consultative Council Yearly Assembly”, with speakers Jimly Asshidiqie, Pramono Anung, Harun Alrasyid, and Alfian Mallarangeng. Prof. Dr. Harun Alrasyid highlighted the Amendments to the 1945 Constitution as one of the demands that have been touted since 1998. This Amendment, according to Harun Alrasyid, has been a big mistake its entire history till now because what happened was not an amendment of the Constitution but the making of a new Constitution, as almost all of the articles have been changed.

Prof. Dr. Jimly Asshidiqqie from THC stated that in order to correct that mistake what

must be done is to systematically gather and unite as one all the amendments scattered among the chapters, and socialize them through a coordination committee or Constitutional Commission, and not ignore what has been decided upon by the People’s Consultative Assembly. ■



## Technical Mechanism of Election and Selection of President

**THE HABIBIE CENTER** organized a discussion with the theme “Technical Mechanism of the Election and Selection of President“ (30/7/2002). Speakers: Denny JA, Maswadi Rauf and moderator Laksdya TNI (Purn) Abu Hartono. In this discussion it was noted that a Direct Presidential Election has only taken place in countries with a dual party system. Due to this reason, it would not work with a multiparty system. Multiple parties would bring forth a divided government. Although a dual party system can also have divided government, such as the United States. However, differences between the two parties in the United States (Democratic and Republican), which can often result in a deadlock, has not been a problem because civil society is in the



middle to bridge them. Thus, far the democratic tradition has ran well. In Indonesia, such a deadlock would be difficult to solve, given the relatively young tradition of democracy here. ■

## Evaluation of Reformation Towards Democratization

**A CHANGE** in the political system from authoritarian to democratic can not occur quickly, free from influential surrounding factors. Because of this there needs to be at least three steps that must be covered in the transition from authoritarianism to democracy. First, collective understanding to ensure the overcoming of what are called transition problems. In this stage there is a struggle between old power (authoritarian) and new power (democratic), because the old power still wants to have its authority returned. If the new power cannot find a constructive key to solve the problem, there is a large potential for anarchy to emerge. Second, contextual problems. The emergence of communalism has been a factor of the disintegration of the nation. Third, systemic problems, or the gap between the existing regulations and public demands. If we fail to anticipate these three problems, the consolidation of democracy will not occur, but rather permanent anarchism that brings



with it an anti-democratic political movement. This summarizes the thoughts of Dr. Indria Samego, in a seminar titled “Evaluation of Reformation towards Democratization” organized by THC for its third anniversary on October 29, 2002 in Jakarta.

According to THC state legal expert, Jimly Asshiddiqie, three things need to be done, namely: Constitution building, institution building, and cultural enlightenment.

The state apparatus and its people, must prioritize institutional building, while cultural enlightenment comes from the reforms agenda. This enlightenment is done by returning cultural identity, bringing state unification and leading the way to bring independence to the nation. Other speakers of the seminar were economist Umar Juoro, Taufik Abdullah and Muh. Sobari. ■

# Embedding Human Rights in Society



## The Habibie Center Social Services



**AS PROOF** of THC's concern for social problems, it assisted to lighten the suffering of flood victims in Jakarta. Program execution was divided in two stages: Emergency and Post Flood, and was conducted in priority locations THC considered to be worst affected.



The activity was conducted from February 5 to March 5, 2002 with 23 programs. Personnel from Orbit Foundation and MWCC also supported THC. In the field, THC cooperated with local apparatus, Youth Organizations and student councils of Universities as well as the Jakarta Islamic Hospital Medical Team.

THC gave assistance in the form of food, school supplies, and health packages to flood victims at several locations. The type of packages given were in accordance with the needs of the victims. ■



## State Terrorism: Motive, Implication and Consequences

**THE HABIBIE CENTER** organized a discussion with the theme: “State Terrorism: Motive, Implication, and Consequences” on September, 2003, with speakers Prof. Dr. Muladi, Letjen (Purn) Z.A.Maulani, and Smith Al-Hadar (ISMES). The discussion was in collaboration with PB.HMI, and the daily newspaper *Republika*. ■



## Joint Commitment on Tackling Humanity Issues

*Antara*



**FKKB** FORUM ALUMNI NIKAM SEBAGAI BANGSA



PARAMADINA



*The Habibie Center*

**THE HABIBIE CENTER** along with several other organizations such as Antara News Agency, CSIS, FKKB, and Paramadina stated their optimism that Indonesia possesses a joint commitment to tackle various humanity issues that have recently haunted this country. This agreement was made at the **Joint Commitment Forum for Humanity** that was held at Wisma Antara on Wednesday, October 23, 2002. This activity was an expression of concern towards the crisis in humanity that had occurred in Indonesia recently, specifically the tragic bomb explosion in Legian, Bali. Speakers were, THC Director Dr. Dewi Fortuna Anwar, Dr. Karlina Leksono (FKKB), Lily Zakiah Munir (Paramadina) and Franz Magnis Suseno (FKKB).

The Habibie Center’s chairman of the Board of Directors Muladi, stressed that reconciliation efforts are the state’s responsibility and must be taken seriously. He also reminded of the need to revive the concept of Pancasila as an understanding that accommodates a number of lofty ideals of Indonesia. Though it doesn’t need to be spelled out with only one interpretation like in the New Order era, in the spirit of nationalism, Pancasila is still relevant for the condition of Indonesia which is continually afflicted with the danger of separation. ■

## Consolidation of Islamic Political Power Post Bali Tragedy



**ISLAMIC** political observer, Dr. Bachtiar Effendi, spoke at the discussion on “Consolidation of Islamic Political Power, Post Bali Tragedy” held on Friday November 15, 2002. His opinion that the position of Islamic political movements are at their lowest point, caused by the anti-terrorist campaign and Bali bombing. The condition is hardly different from the time when Habibie was in power when Islamic politics was very strong. If a solution is not sought for such a condition it would be possible that Islamic politics enter a period similar to the 70’s and 80’s.

■

## Understanding the Islamic Movement (National and Global): Classifying Fundamentalism, Radicalism and Terrorism

**ANOTHER** discussion regarding Islam was held on November 28, 2002, with the theme “Understanding the Islamic Movement (National & Global): Classifying Fundamentalism, Radicalism and Terrorism“. The main speaker was Prof. Dr. Quraish Shihab, former Minister of Religion and Ambassador of Indonesia to Egypt. ■



## Justice for all



## Maritime Continent Institute (MCI) Press Conference

**IN SOCIALIZING** thoughts and input regarding the Maritime Bill - a program of the Maritime Continent Institute (MCI) - on February 13, 2002, MCI The Habibie Center held a Press Conference on “Efforts in Structuring the Maritime Bill for the Implementation of a Maritime Perspective as a New Paradigm of Development for the Future”. Speakers were Junus Effendi Habibie, Chairman MCI – THC and Laksdya TNI (Purn) Abu Hartono, Vice Chairman MCI-THC.

### **Maritime Continent Institute Initiative**

Several initiatives were given at the Press Conference namely: Changes such as in the Law on Regional Autonomy necessitates perfections to be made in the Maritime Law. In relation to this, The Maritime Continent Institute and the Habibie Center initiated the gathering of several viewpoints with the goal of formulating recommendations to

organize one complete law in the maritime field, with a main law covering other laws. A small team was formed consisting of maritime legal experts such as Husseyun Umar, SH., Hidayat Mao, SH., Olga Suyono, SH. and Rudi Rizky, SH., LL.M., assisted by Abu Hartono and Hasyim Djalal as adviser.

The intent to draft a law that would become the basis for other laws, such as a “Principal Law” cannot be achieved as there is a legislative restriction to produce such a law. The MCI team basically only reviewed the Maritime Legislation Project (MLP) to determine which parts needed to remain, be change or be removed from the MLP.

The recommendation, in the form of a summary from the result of the team’s discussion, was presented to the Indonesian Minister of Transportation, who to this point is still perfecting the laws in maritime field. ■

## Media Violence

**MEDIA DEVELOPMENT CENTER** - The Habibie Center held a discussion on “Media Violence” (24/4/2002) with speakers; Sofyan Lubis and Adrianus Meliala (University of Indonesia Criminology lecturers).

Criminologist Adrianus Meliala stated that the ease of the public in judging criminals is not because they do not understand the law, nor is it a result of the impact of violence displayed in mass media. “But because of the frequency that criminals receive light sentences or are released, or the law itself is arranged such that one can choose a pardon.” According to Adrianus, factors causing the public to take direct action (anarchy) cannot be removed from a weak legal system and the lack of courage of National Police to take strict action. ■

## Local TV and Networks, Prospects and Problems

**ON SEPTEMBER 17, 2002**, THC Media Development Center held a discussion on “Broadcasting Law” with speakers Ade Armando (THC), Agus Sudibyo (ISAI), and Teguh Juwarno (Public Relations Manager, RCTI). The discussion highlighted the implementation of the Broadcasting Law issued by the government, which is Pro Pluralist, Pro Democracy, and Pro Decentralization.

On the theme of “Local TV and TV Networks: Prospects and Problems“, A. Watik Pratiknya, Executive Director of THC, invited all parties to identify the problematic articles and offered solutions so that they could be accepted. Prof. Dr. Muladi, stated the necessity of public socialization regarding the basic idea of the law, as well as the legal administrative language used within it. ■

# Communication: Information Technology: Empowering People



DOK. ISTIMEWA

## Internet Regulation; a Possibility?

**MEDIA DEVELOPMENT CENTER** - The Habibie Center held a discussion with the theme "Internet Regulation; a Possibility?" (23/1/2002). Speakers were Wicaksono Wahyu (Lembaga Kajian Hukum UI), Heru Nugroho (Head of Indonesian Internet Service Providers) and Dr. Ir. Munawar Achmad (IT Expert, ITB).

In Indonesia, Information Technology is mostly still an expression. With regards to globalization, Indonesia must open its eyes to face the developments of a rapid flow of

information. One easy example is how this country's commodity of information can be easily accessed throughout the world. The current global world is extremely competitive, such that the government must anticipate this matter.

Also discussed was the immediate need to make internet regulations in relation to the many recent criminal cases through internet, such as pornography, breaching of accounts through on-line banking and cases with domain names. ■

## Pornography in Television

**MEDIA DEVELOPMENT CENTER** - The Habibie Center held a discussion on "Pornography in Television" (13/3/2002), with speakers Prof. Dr. Zakiyah Drajat (MUI), Prof. Dr. Ir. Zoeraini Djamal Irwan (Expert Staff at the State Ministry for Empowerment of Women), and Teguh Juarno (Public Relations Manager, RCTI).

THC is active in fighting against pornography in the media by holding discussions and an anti-pornography campaign in media. THC is also a member of Team 7 on the necessity of discussing Anti-Pornography Law. Besides Media

Watch and Consumer Center (MWCC), the membership of Team Seven includes: Deputy of the Department of Religious Affairs, Film Censorship Institute, Indonesia Ulama Council, Consortium of People against Pornography, Muslim Women Organizations Consolidation Board, and Indonesian Women's Congress.

At the last Team 7 meeting, held at THC on July 15, 2002, several matters were discussed such as the insertion of regulations about pornographic action and articles of exception in the Anti-Pornography Law that are being discussed. ■

## Information Technology and the Development of Democracy in Indonesia

**MEDIA DEVELOPMENT CENTER** - The Habibie Center, in collaboration with the Hanns Seidel Foundation held a seminar with the theme: “Information Technology and the Development of Democracy in Indonesia” (26/3/2002). The speakers were Mas Wiranoto Roes Setiyadi (Country Coordinator Global Internet Policy Initiative), Dr. Ir. Onno Purbo (IT Expert,

Bandung Technology Institute), Prof. Dr. Alwi Dahlan (communication expert), Dr. Ir. Munawar Achmad (IT Expert, Bandung Technology Institute), Ir. Cahyana Ahmajayadi (Deputy Minister of Information and Communication), Dr. Ninok Leksono (Cybermedia), and Prof. Dr. Ir. Mieke Komar, SH. (Legal Expert, University of Padjajaran). ■

## Political Technology to Improve the Nation's Competitiveness

**A DISCUSSION** was held with the theme “Political Technology to Improve the Nation's Competitiveness”, (3/4/ 2002), the speakers were Prof. Dr. Zuhul Abdulkadir, Prof. Dr. Iskandar Alisyahbana, Dr. Laode M. Kamaluddin, Dr. Dipl. Ing.-Ilham Akbar Habibie, and Ir Jusman.

In this discussion it was discussed that Political Technology is closely connected to culture and the political system in general, including the economic political system of a country. Political Technology will have a positive impact on a country's economy when elements are compatible and implimentors are substantially supported,

not only legally, by the political power of the country. Apparently, in Indonesia, *“technology policy does not drive political choice, political choice drives technology policy”*.

Decisions made in the discussion were that THC support young entrepreneurs based on Science and Technology and Knowledge (IPTEK) in Indonesia, and urge the formation of a Science and Technology Park as an incubator to mediate scientists at universities RD & E institutions with investors and industries to accelerate the emergence of scientists-cum-businessmen that could advance Indonesian economy. ■

## Information Technology Solution for Regional Autonomy in Parepare

**A SEMINAR** and workshop on “Information Technology Solution for Regional Autonomy” was held in Parepare on 13-14 August 2002. The activity was organized in cooperation with THC, the Ministry of Research and Technology, *Yayasan Pembina Generasi Penerus Indonesia* and Parepare city council, to celebrate the 57<sup>th</sup> anniversary of Independence and National Technology Day.

The Ministry of Research and Technology, and the Center of Documentation and

Scientific Information, LIPI, spoke about the information technology café (*Warung Informasi Teknologi - Warintek*). THC presented on e-Government, and several national companies (i.e. Patrakom) demonstrated the use of Internet through satellite/Vsat. The seminar demonstrated all types of information technology supported government activities, specifically in the regions and how information technology offers solutions in efficiency, effectiveness and transparency. ■

# Human Resources: An Investment in the Future



DOK. ISTIMEWA

## Education Foundation Management Systems



**WITH REGARDS** to Indonesian government regulation on foundations, the Government appealed to correct management systems of foundations and put a ban on the establishment of a foundation within another foundation.

To socialize the law, The Habibie Center held a workshop in Jakarta on October 4-5 2002. The participants were mostly Directors of *Yayasan Pendidikan Prima Swarga Bara (YPPSB) - KPC*. The theme was “System Management for the Management of Education Foundations”.

Attending as speakers were: Prof. Dr.-Ing. Wardiman D., Dr. Arif Rahman, Dr. Ace Suryadi, Etty Mar'ie Muhammad, SH. and Dr. Madha Komala, with moderators Rudi M. Rizky, SH. LLM and Ir. Bambang Haryanto. ■

# Young Leaders



## The Australia - Indonesia Young Leaders Dialogue

**THE HABIBIE CENTER** in collaboration with The Asia-Australia Institute (AAI) and Australia-Indonesian Institute (AII) held *The Australia - Indonesia Young Leaders' Dialogue* with the theme, "**Partners in Regional Cooperation and Democracy**", on May 22-24, at Novotel, Bogor. Prof. Stephen Fitz Gerald, Chairman of The Asia-Australia Institute, The University of New South Wales Australia along with Prof. DR. Muladi from THC opened the dialog at a welcome dinner on May 22, 2002 before the dialog participants representing the two countries.

Thirty participants attended, fifteen participants from Australia and fifteen participants from Indonesia. The chosen participants were mostly those who are very active in Business groups, Military, NGO, Mass Media, Parties and from Australian embassy.

This limited dialog underlined several potential issues faced by Indonesia and Australia, each country presented its own perception of the recent Indonesia-Australian relations. Several matters were identified as common interests namely: *identity crisis, pluralism, leadership crisis, neighbours, East Timor, Indonesia being the bridge (between Asia and Australia), regionalism, non-traditional security issues/transnational crimes and development of pluralism, an inclusive and tolerant Islam*. From these common interests several action plans were designated as the follow up of the change in perception and

enhanced the possibilities of cooperation between Indonesia–Australia in various fields such as economy, technology, education, security and cultural development between countries.

The results were then presented to Australia Foreign Minister, Alexander Downer and Indonesia Foreign Minister, Hassan Wirayudha who attended the closing session on May 24, 2002.

This dialog was considered to be effective and interactive because many participants were really enthusiastic in expanding bright ideas to develop good relation between two countries. Acting as facilitators were Dr. Dewi Fortuna Anwar (The Habibie Center), Mr. Larry Strange (The Asia-Australia Institute), Indria Samego (The Habibie Center), Prof. David Reeve (University of New South Wales) and Umar Juoro (The Habibie Center). A similar dialog will be held in Australia on May 21-23, 2003, as a follow up. ■



# International Collaboration and Partnership



## Visitation of the Governor of Kyonggi Province, South Korea



**To INCREASE** bilateral relations between the two countries in the fields of economy and trade, Governor Lim Chang Yeul from the province of Kyonggi South Korea, visited Indonesia as guest of THC on February 3-5, 2002. Governor Lim and his team met with several important Indonesian officials,

national businessmen (Chamber of Commerce) also visited Hasanuddin University, Makassar.

The province of Kyonggi contributes the most to economic relations between South Korea and Indonesia. According to data, 30% of Indonesian exports to Korea enter Kyonggi, while 23% of Korean imports to Indonesia originate from Kyonggi. During his visit to Indonesia, Governor Lim spoke of the prospects of developing infrastructure towards improving economic cooperation between the two countries. Governor Lim offered to open a shipping lane between Pyongtaek port in Kyonggi with several major ports in Indonesia. He also mentioned the possibility of improving the diversification of trade in the maritime industry, transfer of agricultural technology and information technology (including an exchange of expert labor in the information technology).

During his visit to Makassar, South Sulawesi, Governor Lim gave a lecture at Hasanuddin University, where he was awarded "Honorary Fellow of Hasanuddin University". Governor Lim and Governor Zaenal Basri also signed an MOU in agriculture between the province of Kyonggi and the Province of South Sulawesi. ■

## The 4<sup>th</sup> German–Indonesian Forum “Human Resources Development” in Aachen Germany

**THE SYMPOSIUM** of the 4<sup>th</sup> German-Indonesian Forum with the topic “Human Resources Development” was held in Aachen, Germany in collaboration with RWTH Aachen-Germany and THC on July 6, 2002.

The symposium was opened by Prof. Dr. Werner Gocht from the Research Institute for International Technical and Economic Cooperation (FIZ). Following the opening, speeches were given by Prof. Rauhut, Rector of RWTH Aachen and Dr. Wirtz, Chairman of GFTZ.

The general presentation the symposium was given by Prof. Kerner as Coordinator of RWTH Aachen. Other speakers were Mrs. H. Wiczoreck-Zeul, Minister for Economic Cooperation and Development on, “Education as a Basis for Sustainable Development”; Prof. Dr.-Ing. B.J. Habibie, on “The Role of Continuous Education in Stabilizing Democracy in Indonesia”; and Dr. Klaus von Menges, Chairman of the Board, Ferrostaal, on “The Need for Training in Developing Countries-from the Viewpoint of German Industry”.

Special presentations were given by Dr. D. Rühland, former DAAD-Jakarta Coordinator; and Prof. Drs. Malik Fadjar, Minister for National Education on “Quantitative and Qualitative Aspects of Education for Economic Development in Indonesia”; Prof. Dr. K. Gretschmann spoke “The Significance of Education for Developing Countries-from the Viewpoint of the EU” and Dr. A. Watik Pratiknya, Executive Director of The Habibie Center on “Continuous Education and International Cooperation in Indonesia”.

The second day of the symposium was filled with a Round Table Discussion on the prospects international cooperation in the education sector. Acting as a Coordinator was Prof. Langhammer from University Kiel. The participants included President Prof. B.J. Habibie, Minister Malik Fadjar, and the Executive Director of The Habibie Center Dr. A. Watik Pratiknya. The expected result was a Memorandum on the need for training and education and approaches for future cooperation with Indonesia in education. ■

## MOU The Habibie Center with State Universities of East Indonesia



**ON AUGUST 8, 2002** an MOU was signed between The Habibie Center and State Universities from Eastern Indonesia. This consortium was represented by Prof. Dr. Rady A. Gani, Rector of Hasanuddin University and The Habibie Center was



represented by J.E. Habibie, Prof. Dr. Muladi, SH, and Dr. A. Watik Pratiknya. The cooperation was the realization of the visit of Dr. Lim Chang Yeul, Governor of the province of Kyonggi, South Korea, to Indonesia, 3-5 Februari 2002. ■

### European Mission on Conflict Prevention

**REPRESENTATIVES** from Common Ground Indonesia visited THC (16/1/2002) for the “*European Mission on Conflict Prevention*”. At this meeting Dr. Dewi Fortuna Anwar stated that recent political debates in Indonesia were not substantive, but rather, more personal.

Regional conflict is being ignored by the political elites, without finding a concrete solution. Basically, efforts to end conflict in Indonesia should be based on the cause of the conflict. First is vertical conflict, caused by dissatisfaction of the people towards the central government. An example of this conflict is Aceh. Second is horizontal conflict, such as ethnic conflict in Poso, and third, conflict caused by economic disparity.

Relating to political problems in Indonesia, representatives from Common Ground – a European foundation with the mission of dealing with conflict will conduct further studies on political developments in Indonesia at the same time designing a program to deal with conflict. ■

### Christopher John Elder, Ambassador of New Zealand (23/4/2002)

**THE TOPIC** of discussion was problems in the field of economics, politics and society in Indonesia. The Ambassador was received by A. Watik Pratiknya, Fuadi Rasyid, Dewi Fortuna Anwar, Indria Samego, Umar Juoro. ■

### AII Delegation Visit

**THE CHAIRMAN** and Members of the Board of the Australia-Indonesia Institute (AII) conducted their annual visit to Indonesia from 14 to 20 April 2002.

The Australian Government established the AII in 1989 to foster people-to-people contacts including the arts, education, business, science and technology, the media and governance. Board members come from a cross-section of Australian society and many

have had a long interest in Indonesia. The new Chairman is a former Australian Ambassador to Indonesia, Phillip Flood. The visit was coordinated by the Counselor of Cultural Affairs of the Australian Embassy, Geoffrey Leach.

The purpose of the visit was to promote the work of the institute, in particular people-to-people contacts, and to give Board Members the opportunity to assess firsthand current developments in Indonesia and in Australia-Indonesia relations.

Following the Board’s decision to fund the Australia-Indonesia Dialogue between emerging young leaders being organized by THC and the Asia-Australia Institute for May 22-24, 2002, members of the Board would like to discuss with THC arrangements for the Dialogue and related issues. ■

### Roger Weissinger - Baylon

**THE HABIBIE CENTER** had the honor of receiving Roger Weissinger-Baylon PH.D., (16/5/2002), workshop chairman and founder of The XIX<sup>th</sup> International Workshop on Global Security in Berlin, Germany on May 3-6, 2002. The discussion was about Indonesian and international politics after the 11th September tragedy in the USA. Aside from that, he was sounding out the possibility of an opportunity to hold the Workshop in Indonesia. ■

### Prof. Dr. Rainer Carle

**PROF. DR. RAINER CARLE**, leader and teaching staff of the Eastern Science Faculty (Fakultas Fachbereich Orientalistik), University Hamburg-German visited THC on (9/19/2002) to probe the possibility of cooperation between THC and the University of Hamburg. It is hoped that this cooperation will be realized in the form of research on the attitude of Indonesian people towards the implementation of Regional Autonomy in each province. ■



### The Journal of Democracy and Human Rights



**THE JOURNAL** of Democracy and Human Rights compiles the analyses and ideas of experts in the field of democracy and human rights. This journal is currently published only in Bahasa Indonesia. In 2002, two issues were published.

The first, Vol. 2 No.1/February - May 2002, had the theme of “Violence and Powering Action”, and the second edition, Vol. 2 No. 2/June-September 2002 had the theme about “Decentralization, Democracy and the Economic Recovery.” ■



**Human Rights, Democracy and the Development of Human Resources and Technology Toward a New World Secure Society**

Author Prof. Dr.-Ing. Dr. Sc.h.c Bacharuddin Jusuf Habibie. ■

**Information Technology and Development of Democracy in Indonesia**

Editors Doddy Yudhista, Ade Armando and Umniyati Kowi. ■



**Democratization Must Go On**  
Editor A. Makmur Makka ■

**Democratization, Human Rights, and Law Reforms in Indonesia**

Author Prof. Dr. Muladi, SH.  
Editor Taftazani. ■



## Media Watch and Consumer Center (MWCC)

The Media Watch and Consumer Center (MWCC) was established on March 1, 2000 with the purpose of ensuring a free and responsible press that does not violate human rights in Indonesia.

MWCC believes that freedom of the press is essential for the development of democracy. However, MWCC also believes that a free press also allows the growth of irresponsible press that in turn violates human rights. It is in this regard that MWCC aspires to become an institution that participates in ensuring that the mass media can function as a free agent of democracy without misusing the freedom for aims that are contradictory to the principles of democracy.

To achieve this, MWCC has four main activities: media watch, journal, media critique, and public press awareness. Aside from

that MWCC always makes an effort to take part in the process of formulating new laws that have implications towards the freedom of the press.

MWCC continuously observes the various developments that effect the quality of press freedom in Indonesia, and also observes the daily contents of Indonesia’s leading media.

The results of these observations and analysis are compiled and presented in the MWCC Journal, on the online website [www.indonesianwatch.com](http://www.indonesianwatch.com) and also in press releases or letters to the editors.

The MWCC Journal’s first trial issue was published in March 2000. Two months later, the MWCC Journal was launched officially. The journal includes results of observations and analysis of the Indonesian mass media. The focus is on the aspects of fairness and accuracy. The reports and articles includes forms of journalism and journalistic practices that are considered to be a disadvantage to society at large and also individuals. ■



# Facilities





### Library

**AS A CENTER** for studies and information THC is equipped with a library using “closed system”. The library provides a wide selection of books, periodicals, and papers on issues relating to Democracy and Human Rights, as well as materials on technology, media development, maritime and human resource development, available for public use. Other facilities are free internet access and two meetings rooms provided for discussions. The library also provides educational programs, for external and internal use, using electronic and digital facilities. ■



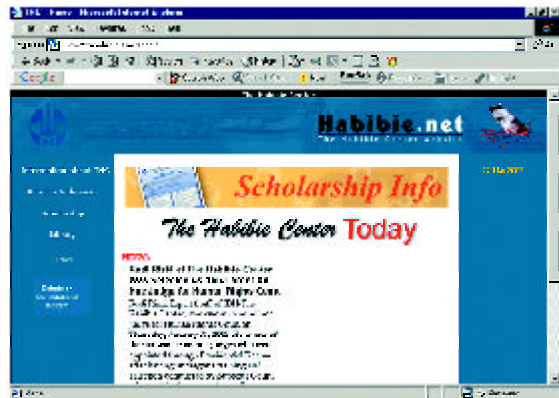
### Museum and Meetings room

**WITHIN** the library is a miniature museum portying the monumental career development serving as an example for the public in the form of awards, souvenir and pictures contributed by Chairman which describes his life journey beginning from childhood until the period when he served as Minister, Vice President and President. ■

### Website

**THE HABIBIE CENTER** website was designed as a window into The Habibie Center for the outside world. Realizing the importance and significance of the world wide web, The Habibie Center has put great emphasis on the website as its main contact with the public.

This website contains information on the activities and profile of The Habibie Center. It serves as a medium of communication and information forum for staff and members of the public who are interested in The Habibie Center. ■



# Financial Report

This basic financial report consists of the following:

1. Statement of financial position as of December 31, 2000, 2001 and 2002
2. Statement activity statement for the year ended - December 31, 2000, 2001 and 2002
3. Statement of cash flow for the year ended - December 31, 2000, 2001 and 2002

This financial report has been arranged according to the Financial Accounting Standards established by the Indonesian Institute of Account.



**Dr. Ir. Didit Hidayat Agripinanto Ratam**  
Director For Finance and Funding

THE HABIBIE CENTER  
 Consolidated Statement of Financial Position  
 For The Years Ended December 31, 2002, 2001 and 2000

(In Rupiah)

	2002	2001	2000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalent	435,021,800	419,132,447	607,316,320
Account Receivable	209,864,480	201,049,211	238,415,000
Advance payment	661,754,982	784,257,124	596,239,747
<b>Total Current Assets</b>	<b>1,306,641,262</b>	<b>1,404,438,782</b>	<b>1,441,971,067</b>
<b>Investments</b>	<b>34,482,850,000</b>	<b>40,356,000,000</b>	<b>37,066,947,000</b>
<b>Fixed Assets</b>			
Cost of Acquisition	10,569,641,890	9,656,948,190	9,179,243,113
Accumulated Depreciation	2,062,734,523	1,431,523,015	496,688,438
<b>Book Value</b>	<b>8,506,907,367*</b>	<b>8,225,425,175</b>	<b>8,682,554,675</b>
<b>Other Assets</b>	<b>2,938,106,910</b>	<b>3,003,106,910</b>	<b>3,068,106,910</b>
<b>Total Assets</b>	<b>47,234,505,539</b>	<b>52,988,970,867</b>	<b>50,259,579,652</b>
<b>Liabilities and Net Assets</b>			
<b>Lialibilities</b>			
Account Payables	22,303,169	9,350,000	3,850,000
<b>Total Lialibilities</b>	<b>22,303,169</b>	<b>9,350,000</b>	<b>3,850,000</b>
<b>Nets Assets</b>			
Free Commitments	8,974,789,483	8,877,705,818	9,335,870,799
Permanent Commitments	38,237,412,892	44,101,915,049	40,919,858,853
<b>Total Net Assets</b>	<b>47,212,202,375</b>	<b>52,979,620,867</b>	<b>50,255,729,652</b>
<b>Total Lialibilities and Nets</b>	<b>47,234,505,544</b>	<b>52,988,970,867</b>	<b>50,259,579,652</b>
<b>Assets</b>			

\* for detail see page 31

## FIXEDASSETS

The total book value of Fixed Assets as of December 31, 2002 Rp. 8,225,425,175 consists of:

a. Cost of acquisition	Rp.	10,460,978,340.00
b. Accumulated depreciation	Rp.	2,307,073,798.83 +
Book value	Rp.	8,153,904,541.17

Breakdown in details are as follows:

### FIXED ASSETS

(In Rupiah)

As of December 31, 2002

#### *Cost of Acquisition:*

Land	3,165,400,000
Buildings	4,979,310,361
Vehicles:	
Nissan Infiniti 1.30	346,000,000
Madza 626 Cronos	240,000,000
Madza 626 Cronos	240,000,000
Toyota Kijang	143,470,000
KIA Carnival	255,000,000
Mitsubishi Galant	294,000,000
Office Equipments	906,461,529
<b>T o t a l</b>	<b>10,569,641,890</b>

#### *Accumulated Depreciation:*

Buildings	602,350,810
Vehicles:	
Nissan Infiniti 1.30	247,966,667
Madza 626 Cronos	172,000,000
Madza 626 Cronos	172,000,000
Toyota Kijang	90,864,334
KIA Carnival	161,500,000
Mitsubishi Galant	205,800,000
Office Equipments	410,252,712
<b>T o t a l</b>	<b>2,062,734,523</b>
<b>Book Value</b>	<b>8,506,907,367</b>

**THE HABIBIE CENTER**  
**Consolidated Statement of Activities**  
**For The Years Ended December 31, 2002, 2001 and 2000**

(In Rupiah)

	2002			2001			2000		
	Free Commitment	Permanent Commitment	Total	Free Commitment	Permanent Commitment	Total	Free Commitment	Permanent Commitment	Total
<b>Revenues</b>									
Donations	4,696,130,912	0	4,696,130,912	5,050,334,459	0	5,050,334,459	11,101,716,340	3,133,106,910	14,234,823,250
Interest on Deposits	0	1,176,503,611	1,176,503,611	0	2,163,982,080	2,163,982,080	11,642,817	2,456,832,037	2,468,474,854
Other Incomes	0	0.00	0	45,102,362	2,937,498,181	2,982,600,543	818,570,876	8,390,996,962	9,209,567,838
Transfer of Program Execution	1,716,989,372	(1,716,989,372)	0	1,854,424,065	(1,854,424,065)	0	1,163,542,000	(1,163,542,000)	0
<b>Total Revenue</b>	<b>6,413,120,284</b>	<b>(540,485,761)</b>	<b>5,872,634,523</b>	<b>6,949,860,886</b>	<b>3,247,056,196</b>	<b>10,196,917,082</b>	<b>13,095,472,033</b>	<b>12,817,393,909</b>	<b>25,912,865,942</b>
<b>Expenses and Losses</b>									
Scholarship & Habibie Award Program Expenses	1,312,280,930	0	1,312,280,930	1,697,189,608	0	1,697,189,608	1,400,755,723	0	1,400,755,723
Exchange Rate Loss (Gains)	0	5,259,016,396	5,259,016,396	0	0	0	0	0	0
Management, General and other Program Expenses	5,003,755,689	65,000,000	5,068,755,689	5,710,836,259	65,000,000	5,775,836,259	6,152,180,113	0	6,152,180,113
<b>Total Expenses and Losses</b>	<b>6,316,036,619</b>	<b>5,324,016,396</b>	<b>11,640,053,015</b>	<b>7,408,025,867</b>	<b>65,000,000</b>	<b>7,473,025,867</b>	<b>7,552,935,836</b>	<b>0</b>	<b>7,552,935,836</b>
<b>Changing in Net Assets</b>	<b>97,083,665</b>	<b>(5,864,502,157)</b>	<b>(5,767,418,492)</b>	<b>(458,164,981)</b>	<b>3,182,056,196</b>	<b>2,723,891,215</b>	<b>5,542,536,197</b>	<b>12,817,393,909</b>	<b>18,359,930,106</b>
<b>Beginning Balance of Net Assets</b>	<b>8,877,705,818</b>	<b>44,101,915,049</b>	<b>52,979,620,867</b>	<b>9,335,870,799</b>	<b>40,919,858,853</b>	<b>50,255,729,652</b>	<b>3,793,334,602</b>	<b>28,102,464,944</b>	<b>31,895,799,546</b>
<b>Ending Balance of Net Assets</b>	<b>8,974,789,483</b>	<b>38,237,412,892</b>	<b>47,212,202,375</b>	<b>8,877,705,818</b>	<b>44,101,915,049</b>	<b>52,979,620,867</b>	<b>9,335,870,799</b>	<b>40,919,858,853</b>	<b>50,255,729,652</b>

THE HABIBIE CENTER  
 Consolidated Cash Flow Statement  
 For The Years Ended December 31, 2002, 2001 and 2000

(In Rupiah)

	2002	2001	2000
<b>Cash Flow from Operating Activities</b>			
Receipt from Donations	4,696,130,912	5,050,334,459	11,101,716,340
Interest in Deposits	0	0	11,642,817
Other Incomes	(590,597,673)	45,102,362	818,570,876
Increase in Receivables	(1,312,280,930)	37,365,789	(238,165,000)
Decrease (Increase) in Payables	(8,815,269)	5,500,000	(73,993,495)
Advances Payment	12,953,167	(188,017,377)	(596,239,747)
Program Realization	122,502,142	(1,697,189,608)	(1,400,755,723)
Payment on Management & General Expenses	(3,846,946,510)	(4,776,001,682)	(5,617,116,965)
<b>Net Cash Flow Received from (Used for) Operating Activities</b>	<b>(927,054,161)</b>	<b>(1,522,906,057)</b>	<b>4,005,659,103</b>
<b>Cash Flow from investing activities</b>			
Deposits Placement	5,873,150,000	(3,289,053,000)	(9,684,287,000)
Fixed Assets Purchase	(912,693,700)	(477,705,077)	(8,255,253,263)
Other Assets Purchase	62,999,999	0	0
<b>Net Cash Flow Received from (Used for) Investing Activities</b>	<b>5,025,456,299</b>	<b>(3,766,758,077)</b>	<b>17,939,540,263</b>
<b>Cash Flow from Financing Activities</b>			
Interest on Deposits	1,176,503,611	2,163,982,080	2,456,832,037
Other Incomes	(5,259,016,396)	2,937,498,181	8,390,996,962
<b>Net Cash Flow Received from (Used for) Financing Activities</b>	<b>(4,082,512,785)</b>	<b>5,101,480,261</b>	<b>10,847,828,999</b>
Decrease (Increase) In Cash & Cash Equivalent	15,889,353	(188,183,873)	(3,086,052,161)
Beginning Balance of Cash & Cash Equivalent	419,132,447	607,316,320	3,693,368,482
<b>Ending Balance of Cash &amp; Cash Equivalent</b>	<b>435,021,800</b>	<b>419,132,447</b>	<b>607,316,321</b>



**Morison International**  
**Doli, Bambang & Sudarmadji**  
Kantor Akuntan Publik

No. : 25220303

**Independent Auditor's Report**

To :  
**Board of Founders and Board of Managements**  
**The Habibie Center**  
Jl. Kemang Selatan No.98  
Jakarta Selatan 12560

We have audited the accompanying statements of financial position of The Habibie Center as of December 31, 2002 dan 2001, statements of activities, and statements of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits. The financial statements of The Habibie Center, unit SDM-IPTEK has become Independent Foundation, therefore the financial statements for the year ended 2002 not included SDM-IPTEK unit.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Habibie Center as of December 31, 2002 and 2001, result of its activities and cash flows for the years then ended, in conformity with generally accepted accounting principles.

**DOLI, BAMBANG & SUDARMADJI**

**Drs. Bambang Sulistiyanto, Ak. MBA**

License No : 93.1.01.56

January 31, 2003

The accompanying financial statements are not intended to present the financial position, results of activities and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Indonesia.

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Fax. : (62) (21) 336 194; E-mail : [dbs@morison-dbs.com](mailto:dbs@morison-dbs.com)  
Website : <http://www.morison-dbs.com>

Kompleks Maisonette Kramat Jaya Baru  
Jl. Percetakan Negara II Blok B No. 16-17 & 22  
Jakarta 10660, Indonesia  
Telp. : (021) 425 6776, 420 4157, 426 3351  
Fax. : (021) 426 3351 ; E-mail : [basco@dnct.net.id](mailto:basco@dnct.net.id)



THE HABIBIE CENTER  
Statement Of Financial Position  
For The Year Ending December 31, 2002

(In Rupiah)

<b>Description</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalent	396,820,126	258,937,175	483,581,124
Account Receivable	208,364,480	201,049,211	238,415,000
Advance Payment	661,754,982	784,257,124	596,239,747
<b>Total Current Assets</b>	<b>1,266,939,588</b>	<b>1,244,243,510</b>	<b>1,318,235,871</b>
<b>Investment</b>	-	-	-
<b>Fixed Assets</b>			
Cost Of Acquisition	10,460,978,340	9,550,008,340	9,072,303,263
Accumulated Depreciation	2,003,450,730	1,387,449,702	467,825,604
<b>Book Value</b>	<b>8,457,527,610</b>	<b>8,162,558,638</b>	<b>8,604,477,659</b>
<b>Other Assets</b>	<b>2,938,106,910</b>	<b>3,107,970,250</b>	<b>3,207,151,252</b>
<b>Total Assets</b>	<b>12,662,574,108</b>	<b>12,514,772,398</b>	<b>13,129,864,782</b>
<b>Liabilities &amp; Net Assets</b>			
<b>Liabilities</b>			
Account Payables	22,303,169	9,350,000	18,188,000
<b>Total Liabilities</b>	<b>22,303,169</b>	<b>9,350,000</b>	<b>18,188,000</b>
<b>Net Assets</b>			
Free Commitments	9,702,164,033	9,502,315,492	9,978,569,872
Permanent Commitments	2,938,106,906	3,003,106,906	3,133,106,910
<b>Total Net Assets</b>	<b>12,640,270,939</b>	<b>12,505,422,398</b>	<b>13,111,676,782</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>12,662,574,108</b>	<b>12,514,772,398</b>	<b>13,129,864,782</b>

THE HABIBIE CENTER  
Statement Of Activities  
For The Year Ending December 31, 2002

Description	2002			2001			2000		
	Free Commitment	Permanent Commitment	Total	Free Commitment	Permanent Commitment	Total	Free Commitment	Permanent Commitment	Total
<b>Revenue</b>									
Donations	4,696,130,912	-	4,696,130,912	5,050,334,459	-	5,050,334,459	11,101,716,340	3,133,106,910	14,234,823,250
Deposit Interest	-	-	-	-	-	-	11,642,816	-	11,642,816
Other Incomes	-	-	-	23,750,143	-	23,750,143	683,394,795	-	683,394,795
Transfer for Program Execution	-	-	-	-	-	-	-	-	-
<b>Total Revenue</b>	<b>4,696,130,912</b>	<b>-</b>	<b>4,696,130,912</b>	<b>5,074,084,602</b>	<b>-</b>	<b>5,074,084,602</b>	<b>11,796,753,951</b>	<b>3,133,106,910</b>	<b>14,929,860,861</b>
<b>Expenses &amp; Losses</b>									
Scholarship & Habibie Award Program Expenses	-	-	-	-	-	-	-	-	-
Exchange Rate Loss/(Gains)	-	-	-	-	-	-	-	-	-
Management, General Expenses and									
Other Program Expe	4,496,282,368	65,000,000	4,561,282,368	5,616,195,775	65,000,000	5,681,195,775	5,496,973,980	-	5,496,973,980
<b>Total Expenses &amp; Losses</b>	<b>4,496,282,368</b>	<b>65,000,000</b>	<b>4,561,282,368</b>	<b>5,616,195,775</b>	<b>65,000,000</b>	<b>5,681,195,775</b>	<b>5,496,973,980</b>	<b>-</b>	<b>5,496,973,980</b>
<b>Changing in Net Assets</b>	<b>199,848,544</b>	<b>(65,000,000)</b>	<b>134,848,544</b>	<b>(542,111,173)</b>	<b>(65,000,000)</b>	<b>(607,111,173)</b>	<b>6,299,779,971</b>	<b>3,133,106,910</b>	<b>9,432,886,881</b>
<b>Beginning Balance Of Net Assets</b>	<b>9,502,315,489</b>	<b>3,003,106,906</b>	<b>12,505,422,395</b>	<b>10,044,426,662</b>	<b>3,068,106,908</b>	<b>13,112,533,570</b>	<b>3,678,789,901</b>	<b>-</b>	<b>3,678,789,901</b>
<b>Ending Balance Of Net Assets</b>	<b>9,702,164,033</b>	<b>2,938,106,906</b>	<b>12,640,270,939</b>	<b>9,502,315,489</b>	<b>3,003,106,908</b>	<b>12,505,422,397</b>	<b>9,978,569,872</b>	<b>3,133,106,910</b>	<b>13,111,676,782</b>

THE HABIBIE CENTER  
Cash Flow Statement  
For The Year Ending December 31, 2002

(in Rupiah)

Description	2002	2001	2000
<b>Cash Flow From Operating Activities</b>			
<b>Cash Flow From Operating Activities</b>			
Receipt from Donation	4,696,130,912	5,050,334,459	11,101,716,340
Interest in Deposit	-	-	11,642,817
Other Incomes	(86,986,564)	38,750,143	683,394,795
Scholarship & Habibie Award Program Expenses	-	-	-
(Increase) / Decrease in Accounts Receivable	(7,315,269)	37,365,789	(238,165,000)
Increase / (Decrease) in Accounts Payable	12,953,167	(8,838,000)	(59,655,495)
(Increase) / Decrease Advance Payments	122,502,142	(188,017,377)	(596,239,747)
Management, General Expenses and Other Program Expens	(3,858,294,777)	(4,710,714,888)	(4,977,919,210)
<b>Net Cash Flow From Receipt from/(Used for)</b>	<b>878,989,611</b>	<b>218,880,126</b>	<b>5,924,774,500</b>
<b>Operating Activities</b>			
<b>Cash Flow from Investing Activities</b>			
Deposit Placement	-	-	-
Fixed Asset Purchase	(910,970,000)	(477,705,077)	(8,245,803,263)
Other Asset Purchase	169,863,340	34,181,002	(138,103,242)
<b>Net Cash Flow From Receipt from (Used for)</b>	<b>(741,106,660)</b>	<b>(443,524,075)</b>	<b>(8,383,906,505)</b>
<b>Investing Activities</b>			
<b>Cash Flow from Financing Activities</b>			
Interest on Deposit	-	-	-
Exchange Rate (Losses)/Gains	-	-	-
<b>Net Cash Flow From Receipt from/(Used for)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financing Activities</b>			
<b>Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>137,882,951</b>	<b>(224,643,949)</b>	<b>(2,459,132,005)</b>
<b>Beginning Balance of Cash &amp; Cash Equivalents</b>	<b>258,937,175</b>	<b>483,581,124</b>	<b>2,942,713,130</b>
<b>Ending Balance of Cash &amp; Cash Equivalents</b>	<b>396,820,126</b>	<b>258,937,175</b>	<b>483,581,125</b>



**Morison International**  
**Doli, Bambang & Sudarmadji**  
Kantor Akuntan Publik

No. : 33420703

**Independent Auditor's Report**

To :

**Board of Founders and Board of Managements**  
**SDM-IPTEK FOUNDATION**  
Jl. Kemang Selatan No.98  
Jakarta Selatan 12560

We have audited the accompanying statements of financial position of SDM-IPTEK Foundation as of December 31, 2002 and 2001, statements of activities and statements of cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Previously, the unit of SDM-IPTEK Foundation formed an integral part of The Habibie Center's financial statements up to the year 2001. We have audited The Habibie Center's financial statements for the year 2001 which expressed unqualified opinion on those statement in our report number 32550202. The report for the year 2001 leads out for appeal.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SDM IPTEK Foundation as of December 31, 2002 and 2001, result of its statements of activities and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

We have issued the Independent Auditor's Report number 25320303 dated March 15, 2003 on the Financial Statements of the SDM-IPTEK Foundation for the year ended December 31, 2002 in an unqualified opinion. Referring to the reclassification of accounts, the SDM-IPTEK Foundation has reissued the financial statements for the year ended December 31, 2002 including the adjustments as described in the note to financial statement number 13. We have conducted the properly audit and reissued the Independent Auditor's Report on these Financial Statements.

**DOLI, BAMBANG & SUDARMADJI**

**Drs. Bambang Sulistiyanto, Ak. MBA**

License No : 98.1.01.56

June 25, 2003

*The accompanying financial statements are not intended to present the financial position, results of activities and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in Indonesia.*

Bumi Daya Plaza 24<sup>th</sup> Floor  
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SDM-IPTEK FOUNDATION  
Statement Of Financial Position  
For The Year Ending December 31, 2002

(In Rupiah)

Description	2002	2001	2000
<b>Assets</b>			
<b>Current Assets</b>			
Cash & Cash Equivalent	38,201,674	160,195,272	123,735,196
Account Receivable	1,500,000	-	14,338,000
Advance Payment	-	-	-
<b>Total Current Assets</b>	<b>39,701,674</b>	<b>160,195,272</b>	<b>138,073,196</b>
<b>Investment</b>	<b>34,482,850,000</b>	<b>40,356,000,000</b>	<b>37,066,947,000</b>
<b>Fixed Assets</b>			
Cost Of Acquisition	108,663,550	106,939,850	106,939,850
Accumulated Depreciation	59,283,793	44,073,314	28,862,834
<b>Book Value</b>	<b>49,379,757</b>	<b>62,866,536</b>	<b>78,077,016</b>
<b>Other Assets</b>	-	-	-
<b>Total Assets</b>	<b>34,571,931,431</b>	<b>40,579,061,808</b>	<b>37,283,097,212</b>
<b>Liabilities &amp; Net Assets</b>			
<b>Liabilities</b>			
Account Payables	-	104,863,341	139,044,342
<b>Total Liabilities</b>	-	<b>104,863,341</b>	<b>139,044,342</b>
<b>Net Assets</b>			
Free Commitments	(662,374,550)	(559,609,671)	(642,699,073)
Permanent Commitments	35,234,305,981	41,033,808,138	37,786,751,943
<b>Total Net Assets</b>	<b>34,571,931,431</b>	<b>40,474,198,467</b>	<b>37,144,052,870</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>34,571,931,431</b>	<b>40,579,061,808</b>	<b>37,283,097,212</b>



SDM-IPTEK FOUNDATION  
Cash Flow Statement  
For The Year Ending December 31, 2002

<b>Description</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
	(in Rupiah)	(in Rupiah)	(in Rupiah)
<b>Cash Flow From Operating Activities</b>			
Receipt from Donation	-	-	-
Interest in Deposit	-	-	-
Other Incomes	(503,611,109)	35,495,428	-
Scholarship & Habiebie Award Program Expenses	(594,575,463)	(1,697,189,608)	(1,400,755,723)
(Increase) / Decrease in Accounts Receivable	(1,500,000)	14,338,000	(14,338,000)
Increase / (Decrease) in Accounts Payable	(104,863,341)	(34,181,001)	138,103,242
(Increase) / Decrease Advance Payments	-	-	-
Management, General Expenses and Other Program Expenses	(706,357,200)	(94,430,003)	(639,197,755)
<b>Net Cash Flow From Receipt from/(Used for)</b>	<b>(1,910,907,113)</b>	<b>(1,775,967,184)</b>	<b>(1,916,188,236)</b>
<b>Operating Activities</b>			
<b>Cash Flow from Investing Activities</b>			
Deposit Placement	5,873,150,000	(3,289,053,000)	(9,684,287,000)
Fixed Asset Purchase	(1,723,700)	-	(9,450,000)
Other Asset Purchase	-	-	-
<b>Net Cash Flow From Receipt from (Used for)</b>	<b>5,871,426,300</b>	<b>(3,289,053,000)</b>	<b>(9,693,737,000)</b>
<b>Investing Activities</b>			
<b>Cash Flow from Financing Activities</b>			
Interest on Deposit	1,176,503,611	2,163,982,080	2,456,832,038
Exchange Rate (Losses)/Gains	(5,259,016,396)	2,937,498,180	8,526,173,042
<b>Net Cash Flow From Receipt from/(Used for)</b>	<b>(4,082,512,785)</b>	<b>5,101,480,260</b>	<b>10,983,005,080</b>
<b>Financing Activities</b>			
<b>Increase/(Decrease) In Cash &amp; Cash Equivalents</b>	<b>(121,993,598)</b>	<b>36,460,076</b>	<b>(626,920,156)</b>
<b>Beginning Balance of Cash &amp; Cash Equivalents</b>	<b>160,195,272</b>	<b>123,735,196</b>	<b>750,655,352</b>
<b>Ending Balance of Cash &amp; Cash Equivalents</b>	<b>38,201,674</b>	<b>160,195,272</b>	<b>123,735,196</b>

S E & O

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## **Personnel:**

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Achmad Amal Djaja  
Asvida Nurlaela  
Aulia Fitriani, SH  
Azimah Soebagyo  
Bambang Harijono  
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Dewi Mayang Khary  
Dewi Pujiati Nurhayati  
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