



# INDEPENDENT OBSERVER

JAKARTA - INDONESIA

Many of life's failures are people who did not realize how close they were to success when they gave up.

- Thomas Edison

Thomas Alva Edison (1847 – 1931) was an American inventor and businessman. He developed many devices in fields such as electric power generation, mass communication, sound recording, and motion pictures.

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# Free Nutritious Lunch Program, Energy Resilience, Mineral Processing, Agricultural Downstreaming support 8% growth target

By Dr. Dina Nurul Fitria

On January 6, 2025, the Prabowo-Gibran administration officially launched its flagship program, the Free Nutritious Meal Program (*Program Makan Bergizi Gratis*, or MBG). This initiative aims to provide nutritious meals to children across Indonesia, ensuring that they will receive the essential nutrients needed for their growth and development. In its initial phase, the program has successfully started up 190 public kitchens, spread across 26 provinces.

The primary goal of the MBG program is to fortify the nutritional status of Indonesian children, thereby contributing to the creation of a high-quality human resource pool, as the nation moves towards its vision of *Indonesia Emas 2045*. By addressing urgent concerns of malnutrition and stunting, the program aims to foster a healthier and more productive future generation.

The success of the MBG program is assured to exert a significant impact on national economic growth. By ensuring that children receive adequate nutrition, the program aims to reduce the prevalence of stunting, a persistent issue in Indonesia. Stunting not only affects physical growth but also impairs cognitive development, which can hinder a child's ability to learn and perform well in school. By tackling this issue, the MBG program sets a base for a more educated and skilled workforce, ultimately contributing to an economic growth target of 8 percent.

The MBG program is not unique to Indonesia; similar initiatives have been implemented in dozens of other countries, to ensure that future generations will receive the nutrition necessary for their development. These programs have shown positive results in improving the health and wellbeing of children, and the Prabowo-Gibran administration hopes to achieve similar success with the MBG program across Indonesia.

The Free Nutritious Meal Program is a crucial step towards improving the nutritional status of Indonesian children and creating a healthier, more productive future generation. By addressing the issue of malnutrition and stunting, the program aims to contribute to the country's economic growth and help achieve the vision of *Indonesia Emas 2045*.

The pursuit of sustainable economic growth is a multifaceted challenge, one that requires an approach coordinated across various sectors. Successfully achieving an 8% economic growth by 2029 will necessitate efforts focused on several key areas, including the implementation

of a free nutritious lunch program, enhancing energy resilience, advancing mineral processing (*hilirisasi mineral*) and promoting agricultural downstreaming (*hilirisasi pertanian*). Each of these initiatives plays a critical role in crafting a more robust and resilient economy. (FIGURE-1)

## Free Nutritious Lunch Program

A free nutritious lunch program for schoolchildren represents more than simply a social initiative: it is an investment in a future workforce. Ensuring that children will receive adequate nutrition during their formative years has profound implications for their physical and cognitive development. Healthy children are more likely to excel academically, which translates into a more skilled and productive workforce over the long run.

The introduction of a free lunch program can alleviate hunger and avoid malnutrition, both significant barriers to learning. By providing balanced meals that include essential nutrients, schools will help bridge the nutritional gap suffered by children from low-income families. This initiative can also reduce

healthcare costs associated with malnutrition-related illnesses and absenteeism.

Moreover, the program can stimulate local agriculture, by sourcing food products from regional farmers, boosting demand for agricultural produce while supporting local farmers and the food industry. This not only ensures the freshness and quality of the meals but also provides a steady market for agricultural produce, thereby supporting the livelihoods of farmers and contributing to rural economic growth, also provides balanced meals for schoolchildren, strengthening their health and upgrading academic performance.

## Boosting Energy Resilience

Energy resilience is crucial for sustainable economic growth. It involves ensuring a stable and reliable supply of energy to meet the demands of various sectors, from industry to

households. This can be achieved through a diversified energy portfolio that includes a variety of renewable energy sources: solar, wind and hydroelectric power.

Investing in renewable energy infrastructure not only reduces dependency on fossil fuels but also mitigates the impact of energy price fluctuations on the economy. It creates job opportunities in the renewable energy sector, from manufacturing and installation to maintenance and research. Furthermore, it positions the country as a leader in the global transition to clean energy, attracting foreign investment and technological collaboration.

Energy-efficiency measures, such as upgrading infrastructure and encouraging the use of energy-saving technologies, can also contribute to resilience. Prudent energy consumption will help businesses lower operating costs and increase their com-

petitiveness in the global market. Additionally, resilient energy systems can better withstand and recover from such disruptions as natural disasters, ensuring continuity of economic activities.

## Advancing Mineral Processing (Hilirisasi Mineral)

The mineral processing (*hilirisasi mineral*) sector offers significant potential for economic growth through value addition. By processing raw minerals domestically, rather than exporting them in their raw form, countries can capture more of the value chain, leading to higher revenues and job creation.

Investments in mineral processing facilities attract both local and foreign investors, fostering industrial growth. The development of this sector requires collaboration and coordination between the Government, private sector and educational institutions, to

ensure the availability of skilled labor and technological expertise. Training programs and partnerships with international experts can expand the capabilities of the local workforce, making the country a hub for mineral processing.

Moreover, mineral processing can lead to the development of such related industries as manufacturing and construction, creating a ripple effect throughout the economy. For example, processed minerals can be used in the production of high-value products like electronics, machinery, and construction materials. This diversification reduces economic dependence on raw mineral exports and increases economic resilience.

## Promoting Agricultural Downstreaming (Hilirisasi Pertanian)

Agricultural downstreaming (*hilirisasi pertanian*) involves adding value

to agricultural products through processing and packaging, before they reach the market. This initiative can significantly boost the agricultural sector's contribution to the economy, by creating new revenue streams and job opportunities.

By processing agricultural products locally, farmers can capture more value from their produce. For example, instead of exporting raw coffee beans, farmers can establish facilities to roast, grind and package coffee, creating a branded product that commands a higher price on the market. This not only increases farmers' incomes but also strengthens the country's agricultural exports. A stable supply of energy, essential for running food production and processing facilities, will imply access to renewable energy in agricultural activities, reducing costs and environmental impact.

Furthermore, agricultural downstreaming can lead to the development of related industries, such as food processing, packaging, and logistics. These industries provide employment opportunities and stimulate economic activity in rural areas, contributing to balanced regional development. The creation of agro-industrial parks and clusters can facilitate collaboration and innovation, driving efficiency and productivity in the sector. The Ministry of Agriculture focuses on producing enough food domestically to meet people's needs, implying stable energy sourcing for efficient farming, storage, and transportation of food.

The Free Nutritious Meal Program boosts demand for local agricultural products, driving efforts towards "Food Self-Sufficiency". Energy Resilience is essential for both the Free Nutritious Meal Program and Food Self-Sufficiency, ensuring that food production and distribution processes are not disrupted. Support from the state budget (APBN), regional budgets (APBD), corporate social responsibility (CSR) and international cooperation for a free nutritious meal program will augment effectiveness, along with examples of successful implementations in other countries.

The issue of child nutrition is a critical one, impacting educational outcomes, long-term health and overall social development. To address malnutrition and hunger among schoolchildren, various stakeholders need to come together to support free nutritious meal programs. In Indonesia, this can be achieved through strategic funding and collaboration, involving the state budget (APBN), regional budgets (APBD), corporate social responsibility (CSR) initiatives and international partnerships. By learning from the successful imple-



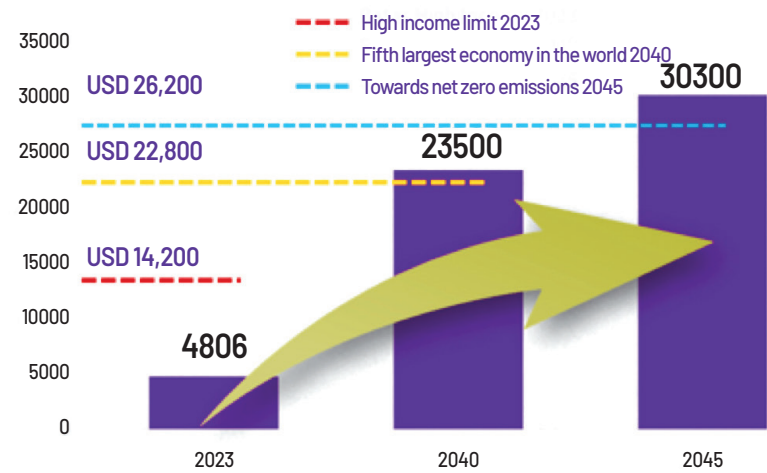


(FIGURE-1)

## Indonesia's Vision 2045 to become a developed country

A developed country is characterized by an inclusive, sustainable and low-carbon economic growth ecosystem.

To escape the Middle Income Trap by 2045, Indonesia needs to accelerate its growth to 6-8% annually.



Fifth largest economy in the world

Towards net zero emissions



Steady decline in poverty, more equitable development

A large, youthful population is a formidable driver of economic growth, as workers and consumers.

	2023	2045
Population (millions)	278	324
Productive age population (total)	69%	65%
Middle class population (total)	17%	70%
Urban population (total)	58%	73%

NATIONAL ENERGY COUNCIL, 2024

mentation of similar programs in other countries, Indonesia can create a robust framework to ensure the well-being of its younger population and promote sustainable development.

### Support from the State Budget (APBN)

The state budget (APBN) plays a crucial role in financing large-scale public welfare programs, including free nutritious meal initiatives. Allocating funds from the APBN ensures a steady and reliable source of financial support, enabling the widespread implementation of the program across the country. This government-led approach not only underscores the commitment to improving child nutrition but also sets a precedent for coordinated action at all levels of governance.

The Indonesian government can earmark a specific portion of the APBN to cater to the nutritional needs of schoolchildren. These funds can be used to develop meal plans that meet dietary standards, procure high-quality food supplies and build the necessary infrastructure to facilitate meal preparation and expedite distribution. Additionally, monitoring and evaluation mechanisms can be established to ensure accountability and transparency in the use of public funds.

### Contribution from Regional Budgets (APBD)

Regional budgets (APBD) complement the state budget, by addressing the specific needs and circumstances of local communities. Each region in Indonesia has unique challenges and opportunities, and the APBD allows for customization of the free nutritious meal program to better suit local contexts. This decentralized approach encourages greater community involvement and ownership of the program, leading to more effective and sustainable outcomes.

Local governments can allocate a portion of their APBD to support the program, focusing on areas with higher rates of malnutrition and food insecurity. By leveraging local resources and expertise, regions can

develop tailored solutions that address the root causes of malnutrition. Furthermore, regional authorities can collaborate with local schools, farmers, and food producers, to create a supply chain that benefits both recipients and the local economy.

### Corporate Social Responsibility (CSR)

Corporate social responsibility (CSR) initiatives provide an avenue for private sector involvement in addressing social issues. Many companies are increasingly recognizing the importance of contributing to the well-being of the communities in which they operate. By supporting free nutritious meal programs, corporations can make a significant impact on child nutrition, while also polishing their reputation and fulfilling their ethical obligations.

CSR contributions can take various forms, including financial donations, in-kind support and volunteer efforts. Companies can sponsor meal programs in specific schools or regions, provide food supplies or kitchen equipment and engage their own employees in volunteering activities. By partnering with the Government and non-profit organizations, corporations can ensure that their contributions are effectively utilized and reach the intended beneficiaries.

### International Cooperation

International cooperation and partnerships can bring in additional resources, expertise, and best practices, to support free nutritious meal programs. Many countries and international organizations have successfully implemented similar initiatives and can offer valuable insights and technical assistance. Collaborative efforts can help Indonesia adopt proven strategies and avoid common pitfalls, ensuring the success of its own program.

International donors, development agencies, and non-governmental organizations (NGOs) can provide funding, technical support and capacity-building initiatives. For example, the World Food Program (WFP) and the United Nations Children's Fund (UNICEF) have extensive experience

in addressing child malnutrition and can offer valuable guidance. Additionally, bilateral partnerships with countries that have successfully implemented school meal programs can facilitate knowledge exchange and mutual learning.

Several countries have demonstrated the effectiveness of free nutritious meal programs, in improving child health and educational outcomes. Here are a few notable examples.

#### 1. Brazil: The National School Feeding Program (PNAE)

Brazil's National School Feeding Program (PNAE) is one of the largest and most successful initiatives of its kind in the world. Established in 1955, the program provides free meals to millions of children in public schools across the country. PNAE prioritizes locally-sourced and culturally-appropriate foods, promoting healthy eating habits and supporting local agriculture. The program has been credited with reducing malnutrition and improving academic performance among students.

#### 2. India: The Mid-Day Meal Scheme (MDMS)

India's Mid-Day Meal Scheme (MDMS) was launched in 1995 to address hunger and malnutrition among schoolchildren. The program provides free lunches to children in primary and upper primary schools, with a focus on underserved and marginalized communities. MDMS has significantly improved school enrollment, attendance and retention rates, while also contributing to better nutritional outcomes. The scheme is supported by both central and state governments, ensuring broad coverage and sustainability.

#### 3. Kenya: The Home-Grown School Meals Program (HGSMP)

Kenya's Home-Grown School Meals Program (HGSMP) aims to improve child nutrition, while also boosting local economies. The program sources food from local farmers, ensuring that meals are fresh and culturally appropriate. HGSMP has been successful in increasing school attendance and reducing

dropout rates, particularly in arid and semi-arid regions. The program is a collaborative effort between the Kenyan government, local communities, and international organizations.

#### 4. Finland: The Free School Lunch System

Finland's free school lunch system is a cornerstone of the country's education policy. Since 1948, Finland has provided free meals to all students in basic education, ensuring that every child has access to nutritious food, regardless of their socioeconomic background. The program is funded by the Government and emphasizes healthy, balanced meals that meet dietary guidelines. Finland's free school lunch system has been associated with improved academic performance and overall well-being among students.



Nutrition Fulfillment Service Unit (SPPG) staff prepare the dishes to be served to students as part of the government-led free-meal program.



An example of the dishes served in the free nutritious meals program.

#### 5. South Korea: School Food Service program

South Korea successfully implemented a free nutritious meal program, significantly contributing to its escape from the middle-income trap. Originally initiated with international assistance from countries like Canada, UNICEF, CARE, and USAID in 1953, it provided free meals to elementary school students. By ensuring all schoolchildren received proper nutrition, the nation improved its population's overall health and academic performance. This led to the development of a highly-skilled and productive workforce. The program also saved on healthcare costs, allowing for more investment in innovation and infrastructure. As a result, South Korea experienced significant economic growth and transitioned into a high-income country. This success story highlights the effectiveness of comprehensive nutritional programs in driving long-term

economic advancement.

#### 6. Japan: Kyushoku Program

Kyushoku has been implemented since 1899, initially aimed at helping children from low-income families. Even today, it continues to provide free meals to elementary and middle school students across Japan. The program focuses on providing balanced diets, to ensure the health and well-being of students. Japan has successfully implemented free nutritious meal programs, leading to substantial economic benefits. This led to the growth of a more highly-skilled workforce, driving economic progress. Japan's program also had positive effects on children's well-being, reducing healthcare costs and increasing productivity. These improvements contributed to a robust economy, helping attain an 8 percent growth rate over the short term. These examples highlight the potential of similar programs, such as Indonesia's Free Nutritious Meal Program, to achieve significant economic gains.

Learning from the successes of such other countries as Brazil, India, Kenya, Finland, South Korea and Japan, Indonesia can surely adopt best practices and tailor them to its unique context. Through coordinated efforts and multi-stakeholder collaboration, Indonesia can ensure that every child has access to healthy, nutritious meals, laying the foundation for a healthier and more prosperous future.

A free nutritious meal program can have far-reaching benefits for children's health, education, and overall development. By leveraging support from the state budget (APBN), regional budgets (APBD), Corporate Social Responsibility (CSR) initiatives and international cooperation, Indonesia can build a sustainable and effective program that addresses the nutritional needs of schoolchildren.

Achieving an 8 percent economic growth rate through the Free Nutritious Meal Program (MBG) involves several key factors. By ensuring that

By investing in these areas, the Government can create a robust and resilient economy capable of withstanding global challenges and seizing new opportunities. These efforts will not only drive economic growth but also improve the quality of life for citizens, laying the foundation for a prosperous and sustainable future.

### Key takeaways for sustainability of MBG

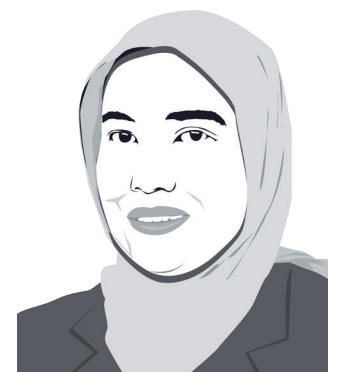
Implementing comprehensive systems for logistics and risk management is crucial for ensuring the success of a free nutritious meal program, energy resilience, and the downstream sectors of minerals and agriculture in regional areas. Efficient logistics systems are vital to guarantee the timely delivery of meals and resources. A Free Nutritious Meal Program involves the establishment and maintenance of extensive supply chains that can respond swiftly to demand changes, ensure food safety, and handle perishables effectively. Similarly, energy resilience demands robust supply chains to transport renewable energy components, fuel, and maintain infrastructure, ensuring continuous energy supply.

In the downstream sectors of minerals and agriculture, streamlined logistics systems are essential for transporting raw materials and final products to markets efficiently. This includes managing the infrastructure for storage, transportation, and processing facilities.

Risk management is equally important. For the nutritious meal program, potential risks range from supply chain disruptions to foodborne illnesses, which require thorough contingency planning. In the energy sector, risk management includes identifying and mitigating threats such as natural disasters, cyber-attacks, and equipment failure. For the downstream mineral and agricultural sectors, it involves addressing market volatility, regulatory changes, and environmental impacts.

Effective pricing systems, circular economy practices and digitalization are essential elements for a successful free nutritious meal program, energy resilience, and downstream mineral and agricultural sectors. Fair pricing ensures affordability and sustainability. A circular economy promotes resource efficiency by recycling and reusing materials, reducing waste. Digitalization improves supply chain management, enhances transparency and facilitates real-time data analysis. These elements together create a resilient, efficient system, one that supports regional development, ensures food security, optimizes energy use, and promotes sustainable industrial practices.

They are indispensable for driving economic growth and achieving long-term sustainability. Together, these systems bolster regional economic development, ensure sustainability and strengthen resilience against various risks. **10**



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Elementary school students eat free meals at Angkasa 5 elementary school, Jakarta.