



Republic of Indonesia

# VOLUNTARY NATIONAL REVIEWS (VNR)

## Empowering People and Ensuring Inclusiveness and Equality



2019





**Minister of National Development Planning /  
Head of National Development Planning Agency**

**PREFACE**

Indonesia asserts its commitment to implement the 2030 Agenda for Sustainable Development, also known as the Sustainable Development Goals (SDGs). As part of this commitment, Indonesia has submitted its first Voluntary National Reviews (VNR) in 2017. Since then, Indonesia has reassessed its national policies and agendas and once again submits its VNR in 2019.

The implementation of SDGs has been the priority ever since the SDGs being adopted as a global agenda at United Nations General Assembly in New York, September 2015. Indonesia's national development agenda has been aligned with the 17 goals and 94 out of 169 measurable targets of SDGs. This is especially true in President Joko Widodo first term of presidency (2015-2019) whereby "Nawacita" (literally, the nine visions) was chosen as the national development vision. Furthermore, the agenda has also been integrated in development policies, strategies and programs of National Medium-Term Development Plan (RPJMN), and translated into Government Work Plan (RKP) with its associated budget. The integration of SDGs into development plan is also implemented in subnational level reflected in the Medium-Term Regional Development Plan (RPJMD) and Regional Work Plan (RKPD).

The SDGs implementation is conducted by involving all stakeholders: government and parliament, philanthropic and business societies, civil society organizations and media, as well as academics and experts to ensure achieving SDGs in line with the principles of inclusiveness and no one left behind. There are some documents prepared for SDGs implementation, among others: Presidential Regulation and Minister for National Development Planning's Regulation as the legal basis, technical guidelines to develop action plan, metadata of SDGs' indicators, communication strategy, and SDGs dissemination to all stakeholders, all of which at national and sub-national levels.

This review contains highlights of Indonesia's achievements in implementing SDGs. This VNR specifically focuses on 6 priority goals, namely Goal 4, 8, 10, 13, 15, and 17. Furthermore, Indonesia also reports the progress of the rest of the goals. For the past two years, lessons learned in the 2017 VNR serve as a reference to improve the effectiveness and efficiency of Indonesia's national and subnational policies. The data used in this report is mainly from Statistics Indonesia and relevant ministries and agencies.

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Jakarta, 13 June 2019



**Prof. Dr. Bambang P.S. Brodjonegoro**  
Minister of National Development Planning / *fd*  
Head of National Development Planning Agency



**Minister of National Development Planning /  
Head of National Development Planning Agency**

**OPENING STATEMENT**



The fulfilment of SDGs has always been a development priority for the Government of Indonesia. By constitutional mandate, Indonesia is obliged to advance public welfare and to improve the quality of life for all Indonesian citizens. The Pancasila (five pillars) as Indonesia's ideology also emphasizes the importance of social justice for all citizens. Consequently, the SDGs have been mainstreamed into the national development agenda and the Indonesia's Vision 2045.

Nevertheless, Indonesia believes that the 2030 agenda for Sustainable Development Goals will not be achieved without multilateral cooperation. Issues of quality of education, employment, inequality, climate change, peace and justice as well as inclusive cooperation are common global challenges that require a multi-stakeholder approach, which includes the exchange of best practices.

It is with great honor that I convey the 2019 Voluntary National Review of the Republic of Indonesia's Implementation of the Sustainable Development Goals. This is the second time that Indonesia has published this review since 2017. In the 2017 review, we highlighted the importance of reducing poverty and improving welfare through 2 (two) main aspects, which are: (1) Improving the quality of human resources; and (2) Enhancing economic opportunity and sustainable livelihood.

The Government of Indonesia aims to be as thorough as possible in formulating the 2019 VNR. Indonesia has demonstrated that we have been able to reduce inequality. This is possible due to high and inclusive economic growth, increased job opportunities, increased education access in all levels, as well as reduced greenhouse gas (GHG) emission and reduced disaster risk, supported by multi-stakeholder partnership and good governance.

In addition to 6 (six) highlighted goals as per this year's theme, "Empowering People and Ensuring Inclusiveness and Equality", this report also includes a brief update on the eleven remaining goals. Some features of Indonesia's SDGs include: (1) a multi-stakeholder approach, (2) innovative financing, and (3) low carbon development.

I hope this report can serve as an encouragement for the global fulfilment of the 2030 Agenda for Sustainable Development. I look forward to fruitful exchanges at the 2019 High-level Political Forum and beyond.

Jakarta, 13 June 2019

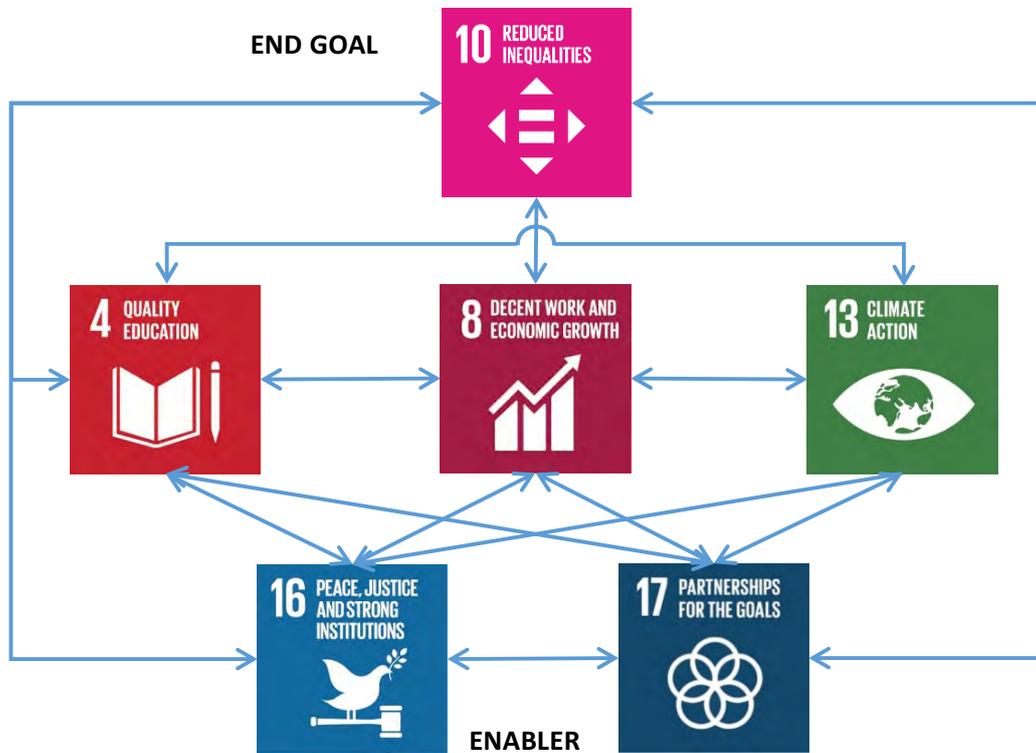


**Prof. Dr. Bambang P.S. Brodjonegoro**  
Minister of National Development Planning /  
Head of National Development Planning Agency



**INDONESIA'S VNR 2019 HIGHLIGHT**  
**EMPOWERING PEOPLE AND ENSURING INCLUSIVENESS AND EQUALITY**  
**IN INDONESIA**

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For the Republic of Indonesia, implementing national development agenda is implementing SDGs. The SDGs are institutionalized from the highest national level to subnational entities, and integrated in national and subnational development planning. This is a massive and collaborative endeavor between government and non-state actors designed to serve 264 million people – a third of which are children – comprising 1,300 ethnic groups across 17,000 islands.

Indonesia is being successful in reducing inequality, complemented by sustained and inclusive economic growth and accountable governance. Poverty has been reduced to single digit for the first time in history, job opportunities and access to education increased at all levels, while GHG emission and disaster risks were reduced.

This VNR has been developed with inclusive approach and through online and offline consultations. Here is our story:

***Inclusive and Consistent Economic Growth***

- GDP grew consistently by 5% annually (2014-2018).

- In 2015-2018, unemployment rate decreased with lower female unemployment rate from 6.4% to 5.3%, and 9.38 million jobs were created.
- In 2014-2018, poverty rate decreased from 10.96% to 9.66% and Gini Ratio decreased from 0.414 to 0.384.
- In 2014-2017, financial inclusion increased from 36% to 49%, with an increase of financial access for the poorest from 22% to 37%.

### ***Achieving near universal education***

- In 2015-2018, adjusted net attendance rate at preprimary education increased from 79.4% to 83.3%, Gross Enrollment Rate at Junior Secondary School increased from 91.17% to 91.52%, at Senior Secondary School increased from 78.02% to 80.68% and Tertiary level increased from 25.26% to 30.19%.
- Gender inequality at all levels is almost non-existent, while access to Primary and Junior Secondary School is almost equal across income groups.
- Almost half of youth participates in formal and non-formal education.

### ***Sustaining Climate Action and Managing Disaster***

- Low Carbon Development has been mainstreamed in the national development planning agenda.
- During 2010-2017, GHG emission has been reduced by 22.5% from baseline accumulative of 13 billion ton CO<sub>2</sub>e, and its intensity by 27% from baseline of 560 ton CO<sub>2</sub>e per billion rupiah.
- During 2010-2017, enhanced disaster management has reduced the number of deaths and missing persons with decrease of direct economic loss by 7 trillion rupiah. The Disaster Risk Index has been reduced by 23.97% (2018).

### ***Realizing Access to Justice and Inclusive Institutions***

- Indonesia's Democracy Index increased from 70.09 (2016) to 72.11 (2017).
- Indonesia's Anti-Corruption Behavior Index increased from 3.59 (2015) to 3.66 (2018).
- Birth registration covered 83.55% of all children, 77.11% of children in the poorest households, and 71.92% among under-fives (2018).
- In 2015-2018, ±45,000 legal aid and ±83,000 non-litigation activities were provided for the poor.

### ***Innovative Development Financing***

- Innovative instruments, including Green Sukuk, blended finance, Islamic charity, social impact investments have leveraged resource flows from both public and private sources for SDG financing.
- SDGs Financing Hub has been established to reduce financing gaps and implement innovative financing sources through multi-stakeholder collaboration.

### ***Broad, inclusive National Process and Strategic Partnership Building***



- Parliament is involved since early stages of SDGs conceptualization, whereas the Supreme Audit Board is involved in auditing SDGs preparation and implementation.
- 9 SDGs Centers have been established in prominent national universities.
- South-South and Triangular Cooperation have been strengthened with more partner countries and the nexus between peace, humanitarian assistance, and development.

### ***Overcoming Challenges***

- Remaining general challenges are universal access, equal opportunity and treatment for all. Strong concerns include: limited access to responsive public services, unequal quality education and economic opportunity, limited compliance of public services with national standards, as well as inadequate data and information.
- On good governance: corruption, lack of access to and quality of public information, and lack of inclusive data in policy making and implementation.
- On disaster risks and climate change: disaster preparedness, energy diversification, and efficient use of natural resources.
- On domestic resource mobilization: more innovation is needed, particularly on tax compliance and administration.
- Specifically, for vulnerable groups: preventing violence against children and providing equal opportunities to youth and people with disability.

### ***The Way Forward***

Indonesia's Development priorities include strengthening human development through poverty reduction and basic services improvement; reducing regional disparities through connectivity and maritime development; increasing economic value added and job creation; and overcoming the digital divide.

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## ABBREVIATION

3R	: Reduce, Reuse, Recycle
3T	: <i>Terdepan, Terluar, Tertinggal</i> /The borderline frontier, the outermost and underdeveloped regions
AC-FTA	: ASEAN-China Free Trade Agreement
ADB	: Asian Development Bank
AEoI	: Automatic Exchange of Information
AFAS	: ASEAN Framework Agreement on Services
AHASS	: Astra Honda Authorized Service Station
AHM	: Astra Honda Motor
AITISA-FTA	: Agreement on Trade in Service under the ASEAN-India Free Trade Area
AJI	: <i>Aliansi Jurnalis Independen</i> /Alliance of Indonesian Journalists
AK-FTA	: ASEAN-Korea Free Trade Agreement
AMDD	: ASEAN Medical Device Directive
ANAR	: Adjusted Net Attendance Rate
ANNZ-FTA	: ASEAN-Australia-New Zealand Free Trade Area
APBD	: <i>Anggaran Pendapatan dan Belanja Daerah</i> /Local Government Budget
APBN	: <i>Anggaran Pendapatan dan Belanja Negara</i> /State Budget
APH	: <i>Aparat Penegak Hukum</i> /Law Enforcement Officers
API	: Annual Paracite Incidence
API	: <i>Adaptasi Perubahan Iklim</i> /Climate Change Adaptation
API-PRB	: <i>Adaptasi Perubahan Iklim-Pengurangan Risiko Bencana</i> /Disaster Risk Reduction-Climate Change Adaptation
ARI	: <i>Aliansi Remaja Independen</i>
ARR	: Annual Reduction Rate
ASEAN	: Association of South East Asian Nations
ASFR	: Age-Specific Fertility Rate
ATCS	: Area Traffic Control Systems
ATIGA	: ASEAN Trade in Goods Agreement
BAKTI	: <i>Badan Aksesibilitas Telekomunikasi dan Informasi</i> /Telecommunications and Information Accessibility Agency
BAZNAS	: <i>Badan Amil Zakat Nasional</i> -Philanthropy Actor
BEKRAF	: <i>Badan Ekonomi Kreatif</i> / Creative Economy Agency
BI	: Central Bank of Indonesia
BKN	: <i>Badan Kepegawaian Negara</i> /National Employment Agency
BLK	: <i>Balai Latihan Kerja</i> /Vocational and Education Training Centers
BLK Komunitas	: <i>Balai Latihan Kerja</i> /Community Training Center

BMKG	: Badan Metereologi Klimatologi dan Geofisika/ Meteorological, Climatological, and Geophysical Agency
BNP2TKI	: <i>Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia/National Board for the Placement and Protection of Indonesian Overseas Workers</i>
BNPB	: <i>Badan Nasional Penanggulangan Bencana/National Disaster Management Agency</i>
BOE	: Barrel Oil Equivalent
BOEPD	: Barrel Oil Equivalent per Day
BOS	: <i>Bantuan Operasional Sekolah/ School Operational Assistance</i>
BPBD	: <i>Badan Penanggulangan Bencana Daerah/Subnational Disaster Management Agency</i>
BPHN	: <i>Badan Pembinaan Hukum Nasional/National Law Development Agency</i>
BPJS	: <i>Badan Penyelenggara Jaminan Sosial/Social Security Organizing Body</i>
BPJS Kesehatan	: <i>Badan Penyelenggara Jaminan Sosial- Kesehatan/Health Security System Agency</i>
BPJS Ketenagakerjaan	: <i>Badan Penyelenggara Jaminan Sosial-Ketenagakerjaan/National Social Security for Workers Program</i>
BPK	: <i>Badan Pemeriksa Keuangan/Supreme Audit Board</i>
BPNT	: <i>Bantuan Pangan Non-Tunai /Non-Cash Food Assistance</i>
BPS	: <i>Badan Pusat Statistik/Central Bureau of Statistics</i>
BPTA	: <i>Bentuk Pekerjaan Terburuk untuk Anak/Worst Forms of Child Labor</i>
BSM	: <i>Bantuan Siswa Miskin/ Cash Transfer Program For Poor Students</i>
BTS	: Base Transceiver Station
BUMDes	: <i>Badan Usaha Milik Desa/Village-Owned Enterprises</i>
BUR	: Biennial Update Report
CA	: Conservation Agriculture
CEPA	: Comprehensive Economic Partnership Agreement
CII	: CARE International Indonesia
CO2e	: Carbon Dioxide Equivalent
CPO	: Crude Palm Oil
CPR	: Contraceptive Prevalence Rate
CSA	: Climate Smart Agriculture
DAK	: <i>Dana Alokasi Khusus/Special Allocated Funds</i>
DAS	: <i>Daerah Aliran Sungai/Watershed</i>
DESBUMI	: <i>Desa Peduli Buruh Migran/Migrant Worker Friendly Villages</i>
Difagana	: <i>Difabel Siaga Bencana/ Disable Disaster Preparedness</i>
DPD	: <i>Dewan Perwakilan Daerah/Regional Representative Councils</i>
DPR	: <i>Dewan Perwakilan Rakyat/House Of Representatives</i>

DRPD	: <i>Dewan Perwakilan Rakyat Daerah/Regional House of Representative</i>
DRR	: Disaster Risk Reduction
DSR	: Debt Service Ratio
EFTA CEPA	: European Free Trade Association Comprehensive Economic Partnership Agreement
EMIS	: Education Management Information System
EnMS	: Energy Management System
FAD	: <i>Forum Anak Desa/Village Children's Forum</i>
FATF	: Financial Action Task Force
FKK	: <i>Forum Kebijakan Ketenagakerjaan/Employment Policy Forum</i>
FKTP	: First Level Health Facilities
FTA	: Free Trade Agreement
GDP	: Gross Domestic Product
GER	: Gross Enrolment Rate
Germas	: <i>Gerakan Masyarakat Hidup Sehat/Healthy Living Society Movement</i>
GHG	: Greenhouse Gas
GIC	: Growth Incidence Curve
GKB	: <i>Gerakan Kembali Bersekolah/ Back-To-School Movements</i>
GR	: Government Regulation
GRK	: <i>Gas Rumah Kaca/Greenhouse Gas</i>
GSSD Expo	: Global South – South Development Expo
HITS	: Holistic, Integrated, Thematic, Spatial
HOTS	: Higher Order Thinking Skills
IA	: Internet Access
IA-FTA	: Indonesia-Australia Free Trade Agreement
IAP-PRISMA	: Australia-Indonesia Partnership-Promoting Rural Income through Support for Markets in Agriculture
ICBDA/SAA	: Indonesia Cooperative Business Development Alliance/ Sustainable Agribusiness Alliance
ICCSR	: Indonesia Climate Change Sector Roadmap
ICT	: Information and Communication Technology
IDB	: Islamic Development Bank
IDHS	: Indonesia Demographic And Health Survey
IDI	: <i>Indeks Demokrasi Indonesia/Indonesian Democracy Index</i>
IDR	: Indonesian Rupiah
Ika	: <i>Indonesia untuk Kemanusiaan/Indonesia for Humanity</i>
ILO	: International Labour Organization
IM	: <i>Indonesia Mengajar/Indonesia Teaches</i>
IMR	: Infant Mortality Rate
INAP	: Indonesian National Assessment Program

INOVASI	: <i>Inovasi untuk Anak Sekolah Indonesia/Innovation For Indonesia's School Children</i>
IP – PTA	: Indonesia-Pakistan Preferential Trade Agreement
IPAK	: <i>Indeks Perilaku Anti Korupsi/Anti Corruption Behavior Index</i>
IPD	: <i>Indeks Pembangunan Desa/Village Development Index</i>
IPLT	: <i>Instalasi Pengelolaan Lumpur Tinja/Sewerage Treatment Plant</i>
IRBI	: Indonesian Disaster Risk Index
ISO	: International Standards Organization
Jabodetabek	: Jakarta-Bogor-Depok-Tangerang-Bekasi/ <i>Jakarta and bordering cities</i>
JHT	: <i>Jaminan Hari Tua/Insurance for Seniors</i>
JKK	: <i>Jaminan Kecelakaan Kerja/Insurance for Work-Related Accidents</i>
JKM	: <i>Jaminan Kematian/Life Insurance</i>
JKN	: <i>Jaminan Kesehatan Nasional/National Health Insurance</i>
KADIN	: <i>Kamar Dagang Indonesia/ Indonesia Chamber of Commerce and Industry</i>
KIP	: <i>Kartu Indonesia Pintar/ Smart Indonesia Card</i>
KIP	: <i>Komisi Informasi Pusat/National Commission for Information</i>
KKG/MGMP	: <i>Kelompok Kerja Guru/Musyawarah Guru Mata Pelajaran/Teachers' Work Group/Forum For Subject Teachers</i>
KKP	: <i>Kementerian Kelautan dan Perikanan/Ministry of Maritime Affairs and Fisheries</i>
KKPK	: <i>Koalisi Keadilan dan Pengungkapan Kebenaran/Coalition for Justice and Truth</i>
KKS	: <i>Kartu Keluarga Sejahtera /Conditional Cash Assistance</i>
KM	: Kilometer
Komnas HAM	: <i>Komisi Nasional Hak Asasi Manusia/Indonesian National Commission on Human Rights</i>
KPAD	: <i>Kelompok Perlindungan Anak Desa/Village Child Protection Group</i>
KPH	: <i>Kesatuan Pengelolaan Hutan/Forest Management Units</i>
KPK	: <i>Komisi Pemberantasan Korupsi/National Commission on Corruption Eradication</i>
KPPPA	: <i>Kementerian Pemberdayaan Perempuan dan Perlindungan Anak/Ministry of Women Empowerment and Child Protection</i>
KPU	: <i>Komisi Pemilihan Umum/General Election Commissions</i>
KTI	: <i>Kawasan Timur Indonesia/Eastern Indonesia Region</i>
KTP	: <i>Kartu Tanda Penduduk/National Identity Card</i>
KUA	: <i>Kantor Urusan Agama/Civil Registry Office</i>
KUR	: Kredit Usaha Rakyat/Microlending
kWh	: Kilowatt hour
LBH	: <i>Lembaga Bantuan Hukum/Legal Aid Institute</i>
LED	: Light Emitting Diode

LIDi	: <i>Disability Inclusion Services/Layanan Inklusi Disabilitas</i>
LKD	: <i>Digital Financial Service/Layanan Keuangan Digital</i>
LNG	: Liquefied Natural Gas
LPG	: Liquefied Petroleum Gas
LPTK	: <i>Lembaga Pendidikan Tenaga Kependidikan/Institutes For Education Personnel Training</i>
LRT	: Light Rail Transit
LTSHE	: <i>Lampu Tenaga Surya Hemat Energi/Energy-Saving Solar Power Lamps</i>
MAMPU	: Indonesia-Australia Partnership for Gender Equality and Women Empowerment
MCK	: <i>Mandi Cuci Kakus/Sanitation Facility</i>
MDR	: Multi Drug Resistance
MKJP	: <i>Metode Kontrasepsi Jangka Panjang/Long-Term Contraceptive Methods</i>
MLEs	: Medium and Large Enterprises
MMR	: Maternal Mortality Rate
MoEC	: Ministry Of Education And Culture
MoI	: Means of Implementation
MoU	: Memorandum of Understanding
MPA	: Marine Protected Area
MRT	: Mass Rapid Transit
MSEs	: Micro and Small Enterprises
MSME	: Micro and Small Medium Enterprises
Musrebangdes	: <i>Musyawaharah Rencana Pembangunan Desa/Village Development Planning Consultation</i>
NatCom	: National Communication
NCD	: Non-Communicable Diseases
NEET	: Not in Employment, Education or Training
NLM	: National Literacy Movement
NMR	: Neonatal Mortality Rate
NOFB	: National Optic Fiber Backbone
NTB	: <i>Nusa Tenggara Barat/West Nusa Tenggara</i>
NTT	: <i>Nusa Tenggara Timur/East Nusa Tenggara</i>
OBH	: <i>Organisasi Bantuan Hukum/Legal Aid Organization</i>
OJK	: <i>Financial Services Authority/Otoritas Jasa Keuangan</i>
OOSC	: Out-of-School Children
P2P	: Peer-to-Peer
P2TP2A	: <i>Pusat Pelayanan Terpadu Pemberdayaan Perempuan dan Anak/Integrated Service Center for Women and Children</i>
PATBM	: Community-Based Integration Child Protection

PATBM	: <i>Perlindungan Anak Terpadu Berbasis Masyarakat/Community Based Integrated Child Protection</i>
PAUD	: <i>Pendidikan Anak Usia Dini/Pre-Primary Education</i>
PBI	: <i>Penerima Bantuan Iuran/Assistance Beneficiaries</i>
PBN	: <i>Performance Base Navigation</i>
PDPI	: <i>Prakiraan Daerah Penangkapan Ikan/The Forecast of Fishing Areas</i>
Perppu	: <i>Peraturan Pemerintah Pengganti Undang-Undang/Government Regulation in Lieu of Law</i>
PfR	: <i>Partners for Resilience</i>
PIP	: <i>Program Indonesia Pintar/Indonesia Smart Program</i>
PIP	: <i>Penyuluh Informasi Publik/'Public Information Communicator</i>
PISA	: <i>Program For International Student Assessment</i>
PKB	: <i>Pengembangan Keprofesian Berkelanjutan/Professional Development Program</i>
PKBM	: <i>Pusat Kegiatan Belajar Masyarakat/Empowerment of Community Learning Centre</i>
PKH	: <i>Program Keluarga Harapan/Family Hope Program-Conditional Cash Assistance</i>
PKTA	: <i>Aliansi Penghapusan Kekerasan terhadap Anak/Alliance to Ending Violence Against Children</i>
PLB	: <i>Vocational and Extraordinary School</i>
PMU	: <i>Pendidikan Menengah Universal /Universal Secondary Education</i>
PNBP	: <i>Penerimaan Negara Bukan Pajak/Non-Tax Revenue</i>
PONED	: <i>Pelayanan Obstetri Neonatal Emergensi Dasar/Basic Emergency Obstetric Neonatal Care</i>
PONEK	: <i>Pelayanan Obstetri Neonatal Emergensi Komprehensif/Comprehensive Emergency Obstetric Neonatal Care</i>
Posyandu	: <i>Integrated Health Posts</i>
PPA-PKH	: <i>Program Nasional Pengurangan Pekerja Anak Dalam Rangka Mendukung Program Keluarga Harapan/ Program for Reducing Child Labour</i>
PPATK	: <i>Pusat Pelaporan dan Analisis Transaksi Keuangan/Indonesian Financial Transaction Reports and Analysis Center</i>
PPG	: <i>Program Pendidikan Profesi Guru/ Education Program For Teaching Profession</i>
PPID	: <i>Pejabat Pengelola Informasi dan Dokumentasi/Information and Documentation Management Officer</i>
PPN	: <i>Perencanaan Pembangunan Nasional/National Development Planning</i>
PPP	: <i>Purchasing Power Parity</i>
PPRK	: <i>Perencanaan Pembangunan Rendah Karbon/Low Carbon Development Planning</i>

PR	: Presidential Regulation
Proper	: Performance Rating Program
PUG	: <i>Pengarusutamaan Gender</i> /Gender Mainstreaming
Pusdalops	: <i>Pusat Pengendalian Operasi</i> /operational control centers
Puskesmas	: <i>Pusat Kesehatan Masyarakat</i> /Community Health Center
RAN/RAD-GRK	: <i>Rencana Aksi Nasional/Rencana Aksi Daerah Gas Rumah Kaca</i> /National Action Plan/subnational action plan for Green House Gas
RAN-API	: <i>Rencana Aksi Nasional Adaptasi Perubahan Iklim</i> /The National Action Plan for Climate Change Adaptation
RAN-GRK	: <i>Rencana Aksi Nasional Gas Rumah Kaca</i> /National Action Plan for Green House Gas
Raskin	: <i>Beras untuk Rumah Tangga Miskin</i> /Food Subsidy
Rastra	: <i>Beras Sejahtera</i> /Rice for the Poor
RBN	: <i>Reformasi Birokrasi Nasional</i> /National Bureaucracy Reform
RCEP	: Regional Comprehensive Economic Partnership
RPBD	: <i>Rencana Pembangunan Bencana Daerah</i> /Subnational Disaster Management Plan
RPJMD	: <i>Rencana Pembangunan Jangka Menengah Daerah</i> /Regional Medium-Term Development Plan
RPJMN	: <i>Rencana Pembangunan Jangka Menengah Nasional</i> /National Medium-Term National Development Plan
RPP	: Rencana Pengelolaan Perikanan /The Fisheries Management Plan
RT RPJMN	: <i>Rancangan Teknokratik Rencana Pembangunan Jangka Menengah Nasional</i> /Technocratic Design of National Medium Term Development Planning
RTSM	: <i>Rumah Tangga Sangat Miskin</i> /Very Poor Household
RUU Pekerjaan Rumah Tangga	: Domestic Workers Protection Bill
S1/DIV	: Bachelor Degree/Fourth Diploma
SAF	: Special Allocation Fund
Satgas PPA	: <i>Satuan Tugas Perlindungan Perempuan dan Anak</i> /Taskforce for Women and Children Protection
SBNP	: <i>Sarana Bantuan Navigasi Pelayaran</i> /shipping navigation aid instrument
SCP	: Sustainable Consumption and Production
SDA	: <i>Sumber Daya Alam</i> /Natural Resource
SDALH	: <i>Sumber Daya Alam Lingkungan Hidup</i> /Natural Resource and Environment
SFDRR	: Sendai Framework for Disaster Risk Reduction
SIAK	: <i>Sistem Informasi Administrasi Kependudukan</i> /Population Administration Information System

SIPBM	: <i>Sistem Informasi Pembangunan Berbasis Masyarakat/ Community Based Development Information System</i>
SJSN	: <i>Sistem Jaminan Sosial Nasional/National Social Security System</i>
SKTM	: <i>Surat Keterangan Tidak Mampu/Statement of Poverty Letter</i>
SMIs	: <i>Small and Micro Industries</i>
SMK	: <i>Sekolah Menengah Kejuruan/ Vocational Secondary Schools</i>
SNAK	: <i>Strategi Nasional Akses pada Keadilan/National Strategy on Access to Justice</i>
SNC	: <i>Second National Communication</i>
SNI	: <i>Standar Nasional Indonesia/Indonesian National Standard</i>
SNPHAR	: <i>Survei Nasional Pengalaman Hidup Anak dan Remaja/National Survey on Child and Adolescence Life Experience</i>
SOP	: <i>Standard Operating Procedure</i>
SP	: <i>Sensus Penduduk/Population Sensus</i>
SPHPN	: <i>Survei Pengalaman Hidup Perempuan Nasional/Indonesian National Women's Life Experience Survey</i>
SSC	: <i>Kerjasama Selatan-Selatan/South – South Cooperation</i>
SSTC	: <i>Kerjasama Selatan-Selatan Triangula/South – South Triangular Cooperation</i>
Stranas PKTA	: <i>Strategi Nasional Penghapusan Kekerasan Terhadap Anak/National Strategy for the Elimination Violence Against Children</i>
Stranas PPK	: <i>Strategi Nasional Pencegahan dan Pemberantasan Korupsi/National Strategy for Prevention and Erradication of Corruption</i>
SUPAS	: <i>Survei Penduduk Antar Sensus/Intercensal Population Survey</i>
Susenas	: <i>Survei Sosial dan Ekonomi Nasional/ National Survey of Social And Economy</i>
TB	: <i>Tuberculosis</i>
TCM	: <i>Tb Molecular Rapid Test</i>
TEI	: <i>Trade Expo Indonesia</i>
TEU	: <i>Twenty-Foot Equivalent Unit</i>
TFR	: <i>Total Fertility Rate</i>
TNC	: <i>Third National Communication</i>
ToT	: <i>Training of Trainers</i>
TPPO	: <i>Tindakan Pidana Perdagangan Orang/Criminal Trafficking In Persons</i>
TUK	: <i>Tempat Uji Kompetensi/Competency Test Center</i>
U5MR	: <i>Under-Fives Mortality Rate</i>
UDB	: <i>Unit Data Terpadu/Unified Database</i>
UMB	: <i>Usaha Menengah Besar/Large Medium Scale Business</i>
UMK	: <i>Usaha Menengah Kecil/Small Microscale Business</i>
UN-DESA	: <i>United Nations Department of Economic and Social Affairs</i>
UNFCCC	: <i>United Nations Framework Convention on Climate Change</i>

UPBJJ	:	<i>Unit Program Belajar Jarak Jauh/</i> Long Distance Learning Unit
UPPO	:	<i>Unit pengolah Pupuk Organik/</i> Units Organic Fertilizer
USO	:	Universal Service Obligation
VSAT	:	Very Small Aperture Terminal
WASH	:	Water, Sanitation and Hygiene
WPP	:	<i>Wilayah Pengelolaan Perikanan/</i> Fisheries Management Areas
WWTP	:	Waste Water Treatment Plant

# CHAPTER 1

## INTRODUCTION

### 1.1 Alignment of Sustainable Development Goals (SDGs) and The Nawacita

The 'Nawacita' – is the Vision and Mission of the President and Vice President of the Republic of Indonesia, articulating Indonesia's path towards politically sovereign, economically independent, and culturally strong nation. The Nawacita is the way to reaffirm Indonesia's ideological path in enduring the sweep of historical challenges and in welcoming the future. Indonesia National Medium-Term Development Agenda (RPJMN) 2015–2019 is an operational elaboration of Nawacita, formulated with its strategic elements, one of which is sustainable development. The Sustainable Development Goals (SDGs), is further elaborated into relevant national development agendas.

The 2030 Agenda on SDGs recognizes that eradicating poverty in all its forms and dimensions, including extreme poverty, is the greatest global challenge and an indispensable requirement for sustainable development. SDGs are presented as an "integrated and indivisible" whole that strikes a balance between the three dimensions of social, economic and environmental development.

The 2030 Agenda for Sustainable Development developed at the global level coincided with the period of Indonesia's 2015-2019 RPJMN. Some of the focuses of the two documents are in line, among others: poverty, hunger and malnutrition, health development, education and gender equality, efforts to reduce income inequality, and inequalities across regions. The SDGs have been mainstreamed into the RPJMN 2015-2019 capturing 94 out of 169 targets, which further elaborated in the annual government plan (RKP) 2017 to 2019. In addition, SDGs have also been mainstreamed into the Mid-Term Regional Development Plan (RPJMD) and Annual Government Plan at the Provincial and District/City levels. Localizing SDGs in Indonesia, is a reflection of Indonesia's highest commitment, as it reinforcing national agenda.

### 1.2 Commitment on Implementing the Achievement of SDGs

Indonesia is not only committed to implement SDGs, but is determined to be a pioneer and role model for the implementation of SDGs in an effort to foster a more just, prosperous and a more peaceful society, as a manifestation of Indonesia's free and active foreign policy. The implementation of SDGs is not only very important for Indonesian people as reflected in the synergies between Nawacita and SDGs, but also Indonesia's contribution to the global community. Furthermore, SDGs are also an instrument to increase South-South and Triangular Cooperation (SSTC) as Indonesia is currently in the lower-middle income country category.

Enactment of the Presidential Decree No. 59 of 2017 on the Implementation of the Sustainable Development Goals is the highest commitment of Indonesia to adopt SDGs. In the decree, President of Indonesia leads the implementation of SDGs as the Chair of the Steering Committee, whereas The Minister of National Development Planning/Head of

BAPPENAS is the Implementing Coordinator. The Presidential Decree emphasizes the importance of applying an inclusive principle by involving 4 (four) participation platforms, consist of 'Government and Parliament', 'Academics and Experts', 'Philanthropy and Business Actors', Civil Society Organizations and Media. Implementation of "no one is left behind" meant to ensure inclusiveness of the poor, men and women, vulnerable and disability groups.

Indonesia have developed National SDGs Action Plan (RAN) 2017-2019 which was officially launched by the Vice President in June 2018. SDGs RAN summarizes both government and non-state actors' work plan in achieving SDGs targets in 2019 as an initial step towards achieving SDGs targets in 2030. In addition, Indonesia is currently formulating 2030 Agenda roadmap that contains projections analyses of key indicators, and show their interlinkages in pursuing the welfare of the Indonesian and world population, as the ultimate goal of SDGs.

The projection analyses of SDGs indicators are also used as a reference by Indonesian Government in preparing the Technocratic Draft of RPJMN 2020-2024. The preparation of SDGs RAN and Roadmap has applied inclusive, participatory and transparency principles by involving all stakeholders. Apart from the national level, the involvement and role of all stakeholders at the regional level is also strengthened by the establishment of the Regional Coordination Team (TKD) stipulated by the Governor's Decree. With support of various development partners, currently 19 of the 34 provinces in Indonesia have developed their SDGs action plans (RAD).

Indonesia held a series of SDGs events at The 2018 Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group in Bali, including; 1) the signing of the Memorandum of Understanding (MoU) between the Ministry of National Development Planning and the UN Sustainable Development Solution Network (SDSN), 2) United in the Diversity Foundation on Collaboration to Accelerate The Achievement of Sustainable Development Goals, 3) Hosting the ASEAN Leaders Gathering attended by ASEAN leaders to discuss the implementation of SDGs in the ASEAN region and strengthen cooperation among ASEAN member countries, 4) the ASEAN Ministry forum for Minister of Development Planning which among other things discussed localizing SDGs into the national development agenda and 5) held a Parallel Event IMF-World Bank Annual Meeting on Localizing the Implementation of SDGs: 'Act Locally on a Global Scale'.

Indonesia is actively being involved in the G20 forums that discuss SDGs implementation and in the Asia Pacific Forum on Sustainable Development hosted by UN ESCAP. Indonesia participated in the SDGs Investment Fair (SDGI Fair) initiative, organized by UN DESA and UN Global Compact held in New York on 15-17 April 2019. The fair aimed to find solutions for SDGs investment gap through a dialog platform and promotion of collaborative actions among governments, institutional investors, investment banks, infrastructure companies, financial intermediaries, export credit agencies and other financial institutions. Indonesia is one of the 6 countries reviewed by UNDESA for having promising investment plans and project ideas, investment gaps and priority sectors. Indonesia's participation at the SDGI Fair preceded by a Country-level Workshop on "Closing the SDGs Investment Gap" hosted by the Government of Indonesia in collaboration with UN-DESA and UN Country Team. The workshop undertaken an in-depth examination of countries' investment plans and projects, with a view to presenting potential opportunities for investment at the 2019 SDGI Fair.

Coordination and cooperation regarding SDGs are implemented together with the four participatory platforms, including:

- 1) The Indonesian House of Representatives hosted a World Parliamentary Forum on SDGs, held twice since 2017;
- 2) The involvement of Supreme Audit Institution (BPK) in INTOSAI at the global level, with regard to reviewing and monitoring the implementation of the SDGs
- 3) 'The Academic Platform' established SDGs center at universities, with nine (9) SDGs Centers have been established in prominent national universities, while several other are currently in preparation;
- 4) The Philanthropy and Business platform has officially launched "Philanthropy and Business Indonesia for the SDGs" and holds biannual Philanthropy Festival;
- 5) Islamic organizations through National Islamic Zakat Institution (BAZNAS) together with the Ministry of National Development Planning have developed and formulated Fiqh Zakat for SDGs;
- 6) CSOs together with the Ministry of National Development Planning have developed a Guideline for Multi Stakeholder Partnership (MSP) to implement SDGs;
- 7) UNDP, the Ministry of National Development Planning together with The Tanoto Foundation established "The Indonesian SDGs Leadership Academy" to provide capacity building for local SDG stakeholders in implementing SDGs.

### 1.3 SDGs Financing

Indonesia also seeks as much as possible to find a variety of financing sources to fund SDGs implementation, both conventional and innovative financing schemes. The sources of finance may come from:

1. **Optimization of State Revenues.** State revenues of tax, excise taxes, non-tax revenues, grants, retribution, etc. will continue to be optimized. The sources of financing are some of the indicators under Goal 17 to ensure the means of implementation (MoI) of SDGs. Optimizing the tax is currently the main source of financing since Indonesia has been categorized as a lower-middle income country, making it more difficult to be qualified for foreign aid.
2. **Sources of Non-Government Financing.** Indonesians have strong traditions of generosity. Gallup survey (2016) shows that Indonesia is the second most generous country in the world after Myanmar. Philanthropic activities in Indonesia show some progress marked by a growing number of institutions aimed at giving and helping others, including religious-based organizations and family foundations. Social religious funds, for example through Zakat, Infaq, Shadaqah, Perpuluhan, Kolekte and Dana Punia, have enormous potential. The potential of Zakat in Indonesia has reached around Rp 213 trillion/year (15 billion USD), however only 1.2 percent or Rp 3 trillion (214 million USD) of the total are raised thus far. Corporate Social Responsibility (CSR) has also been growing, estimated in 2015 to reach more than Rp 12 trillion (856 million USD) per year. CSR will also be more developed under the guidance of "ISO

26000: Guidance Standard on Social Responsibility" offering voluntary guidance on social responsibility to any organization regardless of type, size or location.

3. **Other legitimate and non-binding sources.** Innovative financing is currently being developed to finance SDGs for example through PINA (Non-Government Budget Investment Financing), PPP (Public Private Partnerships), capital market (eg Kehati Index), money market instruments (green bonds), Financial Institutions (Banks, MFIs, venture capital, etc.), debt swap mechanisms, impact investing mechanisms, crowd finance, and blended finance (Government, Private, Philanthropy). One of the financing schemes that can be taken by the central and regional governments is PPP scheme. There are 19 PPP sectors that support the achievement of 9 SDGs goals, for example, the electricity, oil and gas. Renewable energy and energy conservation sectors support the achievement of Goal 7.

#### 1.4 Challenges in Implementing SDGs

1. Indonesia still faces several challenges in overcoming gaps that can be classified into three categories. *First*, limited access to public services including education and economic opportunity due to poverty and remoteness of locations. *Second*, not all public services comply with national standards and are applied without discrimination. *Third*, the availability of adequate, up-to-date and disaggregated data and information as a basis for inclusive development planning.
2. In governance accountability, challenges are including corruption, which among others, is indicated by the Indonesian Anti-Corruption Behavior Index at 3.66 (on a scale of 5) in 2018; public information disclosure decreased to 39.29% in 2017 from 50,38% in 2016; birth registration has not yet covered all Indonesian children, especially children from poor and vulnerable households (bottom 40%); violence against children reached 38.62% for boys and 20.48% for girls (2013); and the prevalence of women aged 20-24 years who were first married or in union before age 18 is 12% (2015).
3. In education sector, the biggest challenge is to improve the quality of teaching and learning outcomes, strengthen the quality assurance of education to improve the services distribution between interdepartmental and inter-regional, improve education governance in management field and budget utilization.
4. Challenges in disaster management and managing the impacts of climate change include geographical factors and the characteristics of multi-disaster threats, increased population which potentially exposed to disasters, and the lack of disaster preparedness. Big amount of critical land to be restored, lack of energy diversification and inefficient use of natural resources. Other challenges include low tax compliance, inadequacy of taxation human resources, and the need to increase the fixed broadband.

## CHAPTER 2

### METHODOLOGY AND PROCESS FOR PREPARATION OF THE REVIEW

The experiences of formulating 2017 VNR is insightful for Indonesia to determine focus, increase inclusiveness and deepened involvement of all stakeholders both the implementers as well as target beneficiaries that include persons with disabilities in drafting the 2019 VNR. Inclusiveness and leaving no one behind in the preparation of 2019 VNR are the main principles that are consistently applied. During the review all SDGs' stakeholders which are the government, academic and experts, philanthropists and business, as well as civil society organizations, are represented. 2019 VNR timeline and schedule were also informed to all stakeholders to better engage them in the process of formulating the VNR. Moreover, to ensure that all stakeholders are provided the widest possible berth to convey their inputs to the draft of the 2019 VNR, online and offline consultations were undertaken.

Guided by the Presidential Decree on SDGs Implementation, Indonesia has established the SDGs National Coordinating Team led by the President of the Republic of Indonesia and the Minister of National Development Planning/Head of National Development Planning Agency was appointed by the President as the National Coordinator for SDGs implementation. In the structure SDGs National Coordinating Team, all stakeholders are represented inclusively. By having an inclusive structure, preparation and formulation processes of 2019 VNR were carried out in a more coordinated and participatory manner.

To ensure that the process and analysis of the achievements as well as the challenges of SDGs implementation reported in the 2019 VNR are inclusive and credible, 8 (eight) main principles were implemented namely:

1. National Ownership led by the National Coordinator of SDGs implementation.
2. Carry out the principles of inclusive, participatory and transparent to involve all stakeholders.
3. Examine achievement the of the SDGs Goal and Targets measured by the key indicators.
4. Identify the challenges, gaps and success factors.
5. Human centered, gender sensitive and respect human rights especially the poor and vulnerable groups.
6. Use mechanisms that have been agreed in drafting process.
7. Use valid, reliable and updated data.
8. Involve the UN agencies and other international development partners.

Indonesia reviews and reports the achievement of the 6 (six) goals of SDGs which are the focus of HLPF 2019, those are Goal 4: Quality Education; Goal 8: Decent Work and Economic Growth; Goal 10: Reducing Inequality; Goal 13: Climate Change; Goal 16: Peace, Justice and Strong Institution; and the Goal 17: Partnership to achieve Goals. Besides in the 2019 VNR, Indonesia also reports the progress of key indicators of remaining 11 (eleven) goals of SDGs. Therefore, the 2019 VNR for Indonesia is a complete picture of our achievement in implementing SDGs inclusively.

Progress of each goal is examined based on the data trend 2010-2018. The data used are from surveys and censuses conducted by Statistic Indonesia and survey as well as official reports from technical Ministries/Agencies, research institutions, NGOs and universities. To analyse the SDGs achievement and program effectiveness in ensuring 'leave no one behind' principle is implemented, disaggregated data is also used. The attempt, however, is not fully successful since not all available data on SDGs' indicators could be disaggregated based on disabilities. To improve the data availability, Statistic Indonesia has started to revise the questionnaires of various surveys and censuses to accommodate SDGs indicators.

In detail the formulation process of the 2019 VNR carried out in several stages, started with a coordination meeting chaired by the Minister of National Development Planning/Head of National Development Planning Agency and was attended by the members of National Coordination Team of SDGs Implementation. The meeting objective was to obtain commitment of all stakeholders to support and participate in the formulation process of the 2019 VNR.

Following up on the kick-off meeting, serial meetings were conducted with the Statistics Indonesia and the SDGs Working Group and Sub-Working Group to obtain relevant and updated data and developing the first draft of the VNR consecutively. After that, the first draft of the VNR was published online for consultation through the Indonesian SDGs website and e-mail blasts to all stakeholders, in which the stakeholders are asked to give inputs and remarks on the first draft in 1 week. Subsequently, the relevant inputs were accommodated in the second draft. This second draft was discussed in a meeting led by the Minister of National Development Planning and participated by all stakeholders to obtain more inputs and principals' endorsement. Based on the results of the meeting, a final report is formulated and submitted officially by the National Coordinator of SDGs Implementation to the Minister of Foreign Affairs, to then be sent to the ECOSOC based on the official schedule of the UN.

## CHAPTER 3

### POLICY AND ENABLING ENVIRONMENT

#### 3.1 Creating Ownership of the SDGs

Since Indonesia's first VNR report in July 2017, SDGs implementation is underpinned by a strong joint ownership by the government and non-government organizations. This joint ownership is formalized through the issuance of Presidential Decree No. 59 Year 2017 on Achieving the Sustainable Development Goals on July 4, 2017. The Decree is a manifestation of Indonesia's highest commitment to actively engage the four participatory platforms in the process of planning, implementing and monitoring as well as evaluating SDGs, namely National and Subnational governments, Civil Society Organizations and Media, Philanthropy and Business, Academics and Experts.



The joint ownership of SDGs implementation in Indonesia is evidenced by the establishment of nine (9) SDGs Centers namely, University of Padjajaran, University of Jember, University of Mataram, University of Hasanuddin, University of Bengkulu, Bandung Institute of Technology (ITB), Bogor Agricultural Institute (IPB), University of Indonesia (UI), and Indonesia's Banking Development Institute (LPPI). The commitment of the universities to establish SDGs studies and research centers is the manifestation of the desire to provide evidence-based support for policies by taking advantage of the relevant universities' strengths. These universities are expected to work with and facilitate the local government in developing their respective Subnational Action Plans (*Rencana Aksi Daerah - RAD*).

Philanthropy and Business stakeholders, as one of the active participatory platforms at the national level, have established the Philanthropy and Business Platform for SDGs (*Filantropi dan Bisnis Indonesia - FBI4SDGs*). Currently, membership in this Platform comprises of 15 associations representing about 1500 Indonesian foundations and corporations. The members of the FBI4SDGs Platform include, Filantropi Indonesia - Indonesian Philanthropy Association (FI), UN Global Compact - Indonesian Network (IGCN), Partnership for Sustainable Community (CCPHI), Indonesian Chamber of Commerce (KADIN), Indonesian Business Coalition for Sustainable Development (IBCS), Indonesian CSR Society (ICSRS), Sun Business Network (SBN), Corporate Forum for Community Development (CFCD), Partnership for Indonesian Sustainable Agriculture (PISAgro), Indonesian Business Link (IBL) and the Association of State Owned Business, APINDO (The Employers' Association of Indonesia), IMA (Indonesian Mining Association), SKMigas and CSR Forum.

Community organizations, particularly Civil Society Organizations (CSOs), play their roles in the participatory platform as the counterpart and partner of the government at every stage of SDGs implementation. In Indonesia, there are almost four hundred thousands of CSOs that work both at the national and subnational levels. Notably, youth and disability organizations are very active in engagement and dissemination of SDGs awareness to their peers and communities. Their engagement is also reflected in the process of developing and reviewing the 2019 VNR.



From the outset, the Indonesian Parliament has been active in promoting SDGs by organizing regularly the World Parliamentary Forum (WFP) on Sustainable Development (since 2017) and engaging in SDGs discussions at both the regional and global context. The Parliamentary Body for Inter-Parliamentary Cooperation (BKSAP) established in the Indonesian Parliament has played a key role in enhancing cooperation and coordination between parliament and the government (represented by the Ministry of National Development Planning/National Development Planning Agency). In preparing the 2019 VNR, BKSAP was also consulted regularly by the government. BKSAP has carried out several activities in fostering and developing SDG engagement and cooperation in the inter-parliamentary context, as well as within international organizations that convene parliamentary bodies and/ or other legislative bodies. BKSAP also regularly conveys inputs and recommendations to Parliament regarding the legislation, budgeting, and supervision of SDGs. Hence, the support of the Indonesian Parliament is crucial in the planning, budgeting and monitoring of SDGs implementation in Indonesia.

Another state institution that plays a crucial role in SDGs is the Supreme Audit Board (Badan Pemeriksa Keuangan - BPK). As a member of INTOSAI (International Organization of Supreme Audit Institutions), the Indonesian Supreme Audit Board has committed to monitor and audit the whole SDGs process, from preparation to implementation, including evaluating the achievements of targets set in the National and Subnational Action Plans. Their involvement has a positive effect on government SDG policies, the strong monitoring conducted by the Supreme Audit Board compels the government to develop more targeted programs, enhances discipline in implementation, as well as ensure that no one is left behind.

**Box 1.**

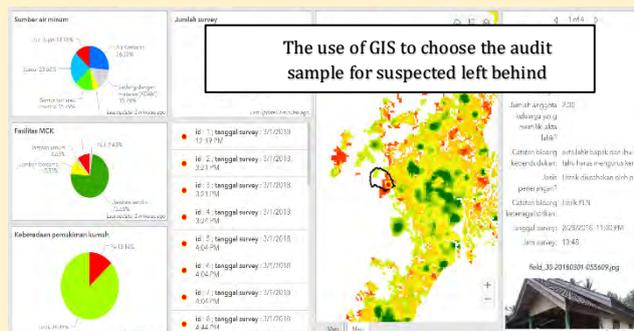
**The Role of Indonesian’s Supreme Audit Institution (SAI) in Keeping the SDGs’ Implementation on Track to Meet the Goals in 2030.**

The Audit Board of the Republic of Indonesia (*Badan Pemeriksa Keuangan, BPK*) has conducted the preparedness audit of the SDGs implementation. The preparedness audit focused on the extent of Government’s effort in the adaptation process of the Global Agenda into the national context, the identification and fulfilment of the resources and capacities, and the establishment

of follow-up, monitoring and review mechanism since the first VNR of Indonesia was submitted in 2017 by the Government of Indonesia (GoI).

In the audit of SDGs Preparedness, BPK encourages GoI to accelerate the establishment of one data regulation. The regulation will lead to resources efficiency in conducting a statistical survey among stakeholder for creating sufficient data disaggregation for the 40% lowest income at the sub-national level. The GoI has accepted the recommendation and the effort to follow-up the recommendation has become a concern at the presidential level. The establishment of data disaggregation for 40% of the lowest income, could be a concern as well at the global level, to ensure the policy formulation that follows the principle of no one left behind.

In line with the preparation of the second VNR in Juli 2019, BPK is currently conducting Performance Audit on the effectiveness of the SDGs implementation. The performance audit main objectives are to assess the policy design and the implementation of SDGs in its first period from 2015 to 2019. The performance audit will also give recommendation for the succeeding SDGs implementation plan. The policy design focuses on data integrity and coherence, and the monitoring and reporting system. The implementation of SDGs focuses on the effectiveness of GoI programs and activities in achieving SDGs. In conducting the audit, BPK assesses the government's program or activities implementation to ensure not only the extent in which the GoI achieving the targets or goals but also the intended people, particularly the poor, have equal benefits from the program or activities to ensure no one left behind. BPK also utilizes a software, named GIS (Geographic Information System), as an audit tool to capture, store, manipulate, analyze, manage, and present spatial or geographic data based on audit queries. The GIS analysis will provide the mapping of resources allocation and visualize the result.



To ensure the achievement of SDGs in the long-term, BPK has been developing Continuous Comprehensive and Multi-perspective Audit Approach to provide independent oversight on the specific SDG goals or target. As addition to the above, in the future, the implementation of SDGs will be audited in line with BPK regular/routine audit. Through audit, BPK will ensure all government institutions that have programs/activities linked to implementation of SDGs achieve their intended target or outputs. The long-term strategic perspective of SDGs audit should be able to capture the implementation of the SDGs as a whole of Government involving sector and government level.

(Source: BPK)

In an effort to further enhance and catalyze wider multi-stakeholder cooperation, the Ministry of National Development Planning/National Development Planning Agency, supported by the German government (Federal Ministry of Economic Cooperation and Development - BMZ and German Development Agency - GIZ), developed a Guideline for Multi-stakeholders Partnership (MSP) that provides a practical framework to improve partnerships between the government and non-government organizations in SDGs implementation at the national and subnational levels. The guideline identifies the stages that must be implemented to produce a results-oriented multistakeholder collaboration. These guidelines propose principles that include delineation of respective duties and

responsibilities, comprising elements of planning, identified sources of funding, implementation and monitoring, as well as review for the purposes of replication and development.

### 3.2 Integrating SDGs into National Development Planning

For Indonesia, implementing the national development agenda is synonymous with implementing SDGs. The Government has shown strong commitment and taken early actions, including linking most of SDGs targets and indicators to the National Midterm Development Plan (RJPMN), specifically the RPJMN 2015-2019. This alignment is further affirmed in Presidential Decree No. 59/2017 containing the formulation of SDGs targets in the development planning document. There are 94 SDGs targets have been mainstreamed in 2015-2019 RPJMN (Table 1), and integrated into the Government Work Plan (RKP) with its associated budget. This commitment continues to be pursued and strengthened by mainstreaming other SDGs targets in the 2020-2024 National Medium Term Development Plan.

Table 1. Alignment of SDGs Global and National Targets

PILLAR/GOAL	#GLOBAL TARGET	#NATIONAL TARGET	NATIONAL PRIORITIES
<b>SOCIAL</b> (1, 2, 3, 4, 5)	<b>47</b>	<b>25</b>	<ul style="list-style-type: none"> <li>• Poverty Eradication</li> <li>• Improve Welfare</li> <li>• Enhance Food Security</li> <li>• Implementation of Smart and Health Indonesia Program</li> <li>• Protection of Children, Women &amp; Marginalized Groups</li> </ul>
<b>ECONOMY</b> (7, 8, 9, 10, 17)	<b>54</b>	<b>30</b>	<ul style="list-style-type: none"> <li>• Energy Security</li> <li>• Acceleration of Manufacturing Industry</li> <li>• Improve Labour Competitiveness</li> <li>• Building National Connectivity</li> <li>• Well-Balanced Development</li> <li>• Implementation of Free and Active Foreign Policy</li> </ul>
<b>ENVIRONMENT</b> (6, 11, 12, 13, 14, 15)	<b>56</b>	<b>31</b>	<ul style="list-style-type: none"> <li>• Water Security</li> <li>• Housings and Residential Development</li> <li>• Climate Change Adaptation and Mitigation</li> <li>• Development of Marine-Based Economy</li> <li>• Protection of Natural Resources, Environment and Disaster Management</li> <li>• Conservation and Sustainable Use of Biodiversity</li> </ul>
<b>LAW AND GOVERNANCE</b> (16)	<b>12</b>	<b>8</b>	<ul style="list-style-type: none"> <li>• Improve Quality Protection</li> <li>• Enhance Law Enforcement</li> <li>• Foster Transparent and Accountable Government</li> </ul>
<b>TOTAL</b>	<b>169</b>	<b>94</b>	

SDGs-aligned development planning is also implemented at subnational level through the formulation of subnational development and action plans. In 2018, as a result of simultaneous elections in 17 out of 34 provinces and 100 out of 514 districts/cities, 117 new subnational development plans needed to be drafted. As such, mainstreaming SDGs at the national level is expected to have a replication effect on the development of new Regional Midterm Development Plans or *Rencana Pembangunan Jangka Menengah Daerah/RPMJD* (see Box 1). The Ministry of National Development Planning as the coordinator of SDGs implementation at national level and national development planning has called upon regional development planning agencies (BAPPEDA) to oversee the preparation of RPJMD documents and ensure that SDGs are mainstreamed. Bappenas also hopes that regions will replicate SDG mainstreaming SDGs in standarizing indicators.

## **Box 2.**

### **Integration of SDGs into the 2018-2023 RPJMD of NTT Province**

The 2018-2023 RPJMD of East Nusa Tenggara Province (NTT) province was prepared from July 2018 to March 2019 by the appointed Transition Team, in line with the Vision and Mission of the incoming Governor and Deputy Governor, The Transition Team began working immediately after the determination of the official announcement of regional elections outcome. The aim of Transition Team formation was to accelerate the preparation of the new RPJMD. The Transition Team consisted of government, international and local NGOs, academics and private sectors actors. Members of the Transition Team oversaw the development process of the SDGs action plan and were asked to provide input regarding the alignment of the Governor's mission statement with SDGs. This work was subsequently articulated in its own sub-chapter in the development plan.

SDGs indicators that are most relevant to NTT's regional development priorities in the relevant 5-year period were applied in the RPJMD. SDGs indicators underlie the formulation of chapters on Strategy, Policy Direction, Regional Development Programs and chapter on Development Funding Frameworks and Regional Organizational Devices Programs. In the list of Regional Development Programs, information about development program indicators also included SDGs Indicators.

Discussions of indicators relevant to NTT's regional development priorities were carried out openly at the Transition Team meeting. Team members were asked to identify and map the SDGs Indicators relevant to the draft Regional Development Program in accordance with the elected Governor's Mission. Furthermore, the Team discussed whether to adopt or make adjustments to the SDGs indicators according to the needs of the related development program. From this process, it was discovered that crucial factors affecting the integration of SDGs indicators was the availability of data.

SDGs indicators used in the 2018-2023 RPJMD of NTT Province included: dietary patterns, water source access for homes; slum rehabilitation; creating habitable homes for residents; watershed management; hazardous and toxic material waste management; expanding forest cover area; Disaster Risk Reduction (DRR)-preparedness at district level; household water supplies; urban development; industrial and small island development; additional percentage of houses with lighting from electricity; addition of a mix of renewable energy sources; teen and adult reading and writing skills; ratio of health workers improvement; maternal mortality; under-five mortality; infant mortality; Total Fertility Rate (TFR); use of contraceptive methods (CPR); reduction in unmet Need for health services; reducing the percentage of children under five with nutritional problems, including stunting, underweight, and wasting; increased coverage of internet services; Anti Corruption Behavior Index.

The preliminary draft of RPJMD underwent public consultation and the formal provincial consultative process. The development plan was subsequently issued in the form of Regional Regulation No. 4 Year 2019 concerning Regional Medium-Term Development

Plan (RPJMD) 2018-2023 of East Nusa Tenggara (NTT) at the Provincial Parliament (DPRD) Plenary meeting.

(Source: NTT Province SDGs Secretariat).

Efforts to realize and operationalize SDGs mainstreaming in development planning is included in the National Action Plan (RAN) and Regional Action Plan (RAD) of SDGs. Based on Presidential Decree Number 59/2017, a RAN shall be established no later than 6 (six) months and RAD shall be established no later than 12 (twelve) month after the issuance of presidential decree. Both RAN and RAD have the same period as the RPJMN and RPJMD periods of five years, but Indonesia's first RAN SDGs has a period of 2017-2019 which was launched in July 2018 as stipulated by the Minister of National Development Planning Regulation No. 7/2018 on Coordination, Planning, Monitoring, Evaluation, and Reporting on the Implementation of Sustainable Development Goals, which in its annex contains RAN SDGs. Thus far, 19 RAD documents of 19 provinces were formalized by the Governor issued regulations, however there are still 15 other provinces that are still in the process of completing their RAD.

### **3.3 Integration of the Social, Economic and Environmental Dimensions**

Implementation of National Long Term Development Plan (RPJPN 2005-2025) is divided into 4 (four) stages of 5-year Medium Term Development Plans (RPJMN), and the current Government is entering the final stage of RPJPN, which is RPJMN 2020 - 2024. The objective of the fourth RPJMN 2020 - 2024 is aligned with SDGs by containing the four (4) pillars which are the main focus underlining RPJPN 2005-2025, namely: (1) Strong political and legal institutions; (2) Improving community welfare; (3) Development of an advanced and robust economic structure; (4) Achieving biodiversity preservation.

RPJMN 2020 - 2024 is implemented with a Holistic, Integrative, Thematic, and Spatial approach (HITS). Holistic relates to a comprehensive approach from upstream to downstream; Integrative relates to integration in terms of the parties implementing and funding sources; Thematic relates to the emphasis or focus of planning up to the Priority Program; and Spatial involves the linkage of location function from various integrated activities.

With the alignment of RPJMN with SDGs, the development dimension of SDGs is adopted as the main principles in Indonesia's development, namely the social, economic, environmental dimensions and also emphasizes the addition of a pillar of justice and good governance. The four pillars are interlinked to each other and are related to seventeen (17) Goals which are delineated as follows: The Social Development Pillar consists of Goal 1, 2, 3, 4, and 5; the Economic Development Pillar consists of Goal 7, 8, 9, 10, and 17; the Environmental Development Pillar consists of Objectives 6, 11, 12, 13, 14, and 15; the Justice and Governance Development Pillar consists of Goal 16.

The main focus in this year's VNR reporting is the interlinkages between 6 goals, namely Goal 4 (Social Development Pillar), Goal 8,10, and 17 (Economic Development Pillar), Goal 13 (Environmental Development Pillar), and Goal 16 (Law and Governance Development Pillar). The study conducted by the Institute for Global Environmental Strategies (Zhou & Moinuddin, 2017) shows that the the 6 goals are interrelated and are directly related with each other, with the exception of Goal 10 and Goal 13. Currently, Indonesia aims to establish a conducive development policy framework underpinned by safe and peaceful social conditions characterized by legal certainty. In line with these efforts, there is also an increase in the inclusive aspect of development implementation by involving multi-stakeholders participation and various collaborations among relevant parties at the national and international level. These aspects have become the main drivers in advancing progress in inclusive development and realizing Indonesia's economic growth to register above G20 and global averages.

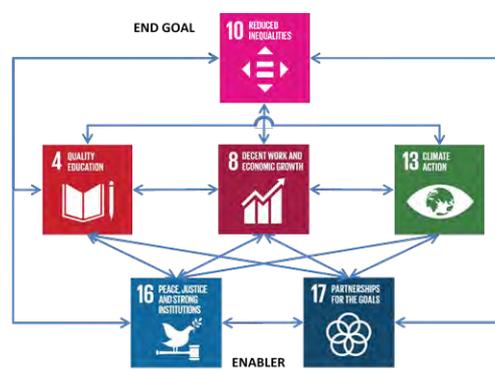


Figure 1. Interlinkages between 6 goals in VNR 2019

Indonesia's economic growth has increased employment opportunities with the creation of nearly 10 million jobs in 2018, as well as improved access to education, increased gender parity index and reduced inequality gap that nearly reach score 1. Simultaneously, Indonesia is able to reduce greenhouse gas (GHG) emissions and carry out disaster risk reduction (DRR) efforts. A notable achievement of SDGs targets is reduced inequalities marked by the Gini Coefficient decline to 0.384 in 2018. These aforementioned figures demonstrated the interlinked nature of development pillars (social, economic, environmental, legal and governance) in Indonesia and the supports the contention that a holistic approach is needed to achieve SDG targets.

Meanwhile, the study of interlinkages between SDGs targets have demonstrated that Target 17.18 (enhance capacity building support for high quality data) has the highest degree of interlinkages with other targets. As the target is related with all 6 main goals of VNR 2019, capacity planning, deliberation and the quality of development data are the most important factors in the implementation and achievement of development targets.

Aligned with the Paris Agreement, another policy integrated in the development dimension is the mainstreaming of low carbon development in the National Medium Term Development Plan (RPJMN). As such, low carbon development (Goal 13) will require the support of efforts conducted in governance (Goal 16) and partnerships (Goal 17) with the relevant stakeholders at national and international level. In its implementation, low carbon development aims to increase renewable energy and energy efficiency through innovations, which in turn will have a positive effect on employment opportunities, economic growth (Goal 8) and education access at all levels (Goal 4). Achieving Goal 13 will have positive effects on inequality in Indonesia.

### 3.4 Applying The Principle of No One Left Behind

Indonesia's efforts to ensure leaving no one behind is emphasizes the use of disaggregated data in order for development planning to reach the targeted beneficiaries such as the development of a Unified Database (BDT). Additionally, the Central Bureau of Statistics (BPS) also seeks to use small area estimation to achieve the same aim.

Vulnerable groups are identified by using BDT even though the data collected still refers to 2015. For updated data, regional governments have begun to undertake new data collection efforts to clarify targeted beneficiaries. The 2020 Population Census is expected to provide the latest data on these vulnerable groups.

In 2017, Indonesia reported the progress in Goal 1 that includes programs and activities targeting vulnerable and poor groups. Social security programs for vulnerable and poor groups continue to be implemented, including the National Health Insurance (JKN), education and financial inclusion to empower women.

Civil society groups also participated at the grassroots levels to complement government programs in reaching targeted beneficiaries. (see Box 2)

#### **Box 3.**

#### **Critical Women Born in a Grassroots Community A Collaboration of Government and Civil Society Organizations**

For the Government of North Lombok District in West Nusa Tenggara Province, finding and empowering women in concrete ways is initially a difficult thing to do, especially for grassroots women. However, since the existence of Sekolah Perempuan (Women's School) which was initiated and overseen by KAPAL Perempuan have built critical awareness of women at the lower levels, things that were initially difficult became a truly concrete work and could be implemented jointly between the government, civil society organizations and the community directly.

Housewives who are the majority of Sekolah Perempuan's participants getting informal education include gaining various knowledge and information on gender equality, sexuality, reproductive health, mapping women's issues, women's leadership, organization strengthening, women's economy strengthening, and advocacy.

"The method of empowering women through Sekolah Perempuan have created grassroots women who did not have the opportunity to pursue relatively adequate education, were able to fight for equality in the division of household labor. They oversee the domestic violence cases, criticizing poor public services "(Yuni Kurniati Maesarah, Secretary of the Regional Development Planning Agency (BAPPEDA) North Lombok District, Monday, 04/29/2019)



Since attending the Sekolah Perempuan, ways of thinking of women in the village have changed. They are courageous and confident in voicing their opinions at the development consultative forum in the village, sub-district and even District level regarding monitoring and controlling government programs. Some examples of the Perempuan School students active role are monitoring the Implementation of National Health Insurance for Recipient Beneficiaries

(JKN-PBI) in North Lombok and East Jakarta District, directly involved in the preparation of Village Government Work Plans in Pangkajene Islands District, overseeing the procurement of Power Plants Surya (PLTS) on Sabangko Island, Pangkajene Islands District.

Conclusive evidence of the role of Sekolah Perempuan encourages East Lombok and North Lombok District Governments to replicate Women's Schools and incorporate the school programs into the 2016-2021 Regional Medium-Term Development Plan (RPJMD) for which the implementation of female schools in villages are budgeted through Regional Development Work Plans (RKPD). Starting in 2019, East Lombok District replicated Women's Schools in 10 villages integrated with stunting prevention programs. In North Lombok District, the Sekolah Perempuan program is included in a strategic target to improve the quality of life and children which in 2018 was held in 15 villages with allocation of Rp 700 million and allocation for 19 targeted villages in 2019 is Rp 1.3 billion

The replication of Sekolah Perempuan by the District government is a continuation of an initial initiative by KAPAL Perempuan Institute (the Women's Alternative Education Circle) and Partner Resources Development Institute of West Nusa Tenggara (NTB) supported by MAMPU program (Australia-Indonesia Partnership for Gender Equality). Since it was started in 2000 by KAPAL Perempuan Institute, Sekolah Perempuan have existed in 58 villages and collaborated with local partners in the provinces of DKI Jakarta, with Pambangkik Batang Tarandam in West Sumatra Province, with Kelompok Perempuan Sumber-Sumber Kehidupan in East Java Province, with Yayasan Kajian Pemberdayaan Masyarakat in South Sulawesi Province, with Lembaga Pemberdayaan Sumber Daya Mitra in West Nusa Tenggara Province and with Pondok PERGERAKAN in East Nusa Tenggara Province. Sekolah Perempuan are then replicated by local governments, which until 2018 have 54 villages replicating Sekolah Perempuan. In addition to North Lombok and East Lombok, Sekolah Perempuan are also replicated in Pangkajene Islands District, South Sulawesi, and Gresik, East Java.

"We are increasingly optimistic about women, because women have power even though surrounded with issues. This proves that building from the periphery can be done by women who had no place since they are considered as nobody" Misiyah - Director of KAPAL Perempuan.

(Source: Kapal Perempuan Institute and Kompas Newsletter)

#### **Box 4.**

### **Forum of Non-State Actors (NSA Forum) Gorontalo Province**

In the year 2000, Gorontalo officially gained provincial status when North Sulawesi province was divided in two after the 1998 Reformation took place in Indonesia. Even so, as a relatively young province, Gorontalo has pursued its development quickly with Human Development Index (HDI) ranked 28 among 34 provinces in 2018.

This achievement cannot be separated from the commitment of the Gorontalo Government to continue building and ensuring that no one is left behind. The efforts made by the Gorontalo government include involving non-governmental organisations such as the private sector in a CSR Forum and establishing Non-State Actors Forum (NSA Forum) in July 2018 consist of non-governmental institutions engaged in the environment, academic and religious fields. Purpose of the establishment of NSA Forum is that the programs implemented by stakeholders can be coordinated with each other, open up opportunities for cooperation between government and non-government institutions in supporting the implementation of regional development programs.

The concrete manifestation of the collaboration carried out by members of NSA Forum with Gorontalo government was the launching of Gorontalo Province RAD SDGs which coincided with the Limboto Lake Campaign in September 2018. In addition to campaigning for environmental conservation around Lake Limboto, SDGs were introduced to the community. Another form of collaboration between government and NSA Forum was economic strengthening and empowerment of the Women's Groups in the Village initiated by Gorontalo WIRE-G, Gorontalo Provincial Social Service and supported by BAPPEDA of Gorontalo Province.

(Source: Gorontalo Province SDGs Secretariat)

The involvement of groups representing people with disabilities in meeting and discussing formulation of guidelines for monitoring and evaluation is also part of the government's efforts to reach vulnerable groups in order to get constructive input.

### **3.5 Institutional Framework**

Presidential Decree no. 59 Year 2017 serves as the legal basis for the establishment of a SDGs National Coordination Team, comprising the Steering Committee, Implementing Team, Technical Working Group, and Expert Team. The National Coordination Team is chaired by the President and the Minister of National Development Planning is the Coordinator of SDGs tasked with coordinating planning, implementation, monitoring, evaluation, reporting at the national and regional level, as well as funding sources from the government and other legal and non-binding sources.

Minister of National Development Planning Regulation Number no. 7 Year 2018 on Coordination, Planning, Monitoring, Evaluation, and Reporting of the Implementation of Sustainable Development Goals serves as the legal basis for this coordination, and Minister of National Development Planning Decree no. 127 Year 2018 on Establishment

of Implementation Team, Technical Working Group, and Expert Team of Sustainable Development Goals 2017-2019 is the legal basis for the Implementation Team and its members to carry out the tasks. Members of the Implementation Team, Technical Working Group and Sub-Working Group consist of representatives from the government, philanthropy and private sector, civil society organizations, academics and experts. The selection of non-government representatives in National Coordination Team is fully determined by the non-governmental coalition itself.

In supporting SDGs, the involvement of Non-Governmental Organizations (NGOs) is not limited to members of National and Regional Coordination Teams (TKN/D). However, the large NGO community necessitates the nomination of representatives to speak on behalf of shared interests and issues, based on the selection process driven by the NGO community itself.



Figure 2. SDGs National Coordination Team

Replicating the national level, the involvement and role of all stakeholders at the regional level is strengthened by the establishment of the Regional Coordination Team (TKD) formalized through a Governor's Decree. There are 19 TKDs at the regional level out of the 34 provinces of Indonesia.

The division of responsibilities between the national and regional level is regulated in Presidential Decree no. 59 Year 2017 on Duty and Authority of the Ministries/Government Institutions. In this regard, governors and district heads/mayors are also required to involve the four participatory platforms in implementing SDGs in accordance with their respective mandates and areas.

In preparing this VNR report, the Ministry of National Development Planning appointed the relevant government coordinators of technical working group and sub-working groups. The VNR process underwent in-depth discussions involving members of relevant working group and sub-working groups that comprise of state and non-state stakeholders. It also received support from development partners, including relevant UN agencies, as well as the governments of Australia, Japan and Germany.

## CHAPTER 4

### PROGRESS ON GOALS AND TARGETS

#### 4.1 Voluntary National Reviews (VNR) 2019



##### 4.1.1 Goal 4. Quality Education

The discussion of Goal 4. Quality Education will cover 4 main issues, namely: (1) Fulfilling access to education which consists of indicators of Gross Enrollment Rate at the Primary school/ *Madrasah Ibtidaiah* (Islamic primary school)/equivalent level; junior secondary school/ *Madrasah Tsanawiah* (Islamic Junior Secondary School)/equivalent, senior secondary school/vocational secondary school/*Madrasah Aliyah* (Islamic Senior Secondary School)/equivalent level and tertiary level; (2) Improving the quality of teaching and learning consisting of indicators proportion of schools with access to: (a) electricity (b) internet for teaching purposes, (c) computers for teaching purposes, (d) adequate infrastructure and materials for disabled students, (e) clean water, (f) single-sex basic sanitation facilities, (g) hand washing facilities (consisting of water, sanitation and hygiene for all/WASH); Percentage of kindergarten, elementary, junior high, high school, vocational and extraordinary school (PLB) with teachers with educator certificate; and Proportion of children and young people: (a) in grade 4 (b) at the end of primary; and (c) at the end of lower secondary achieving at least a minimum proficiency level in (i) reading and (ii) mathematics (3) Vocational education and skills for improved employment consisting of indicators of Participation rate of youth and adults in formal and non-formal education and training in the previous 12 months, by sex and (4) Strengthening 1 year pre-primary education consisting of the indicator participation rate in organized learning (one year before the official primary entry age), by sex. The discussion includes an analysis of the progress of achievements; policies, strategies and efforts taken; good practices; challenges and problems; and strengthening and improvement for the future.

Education is a way to realize the noble ideals of the founding fathers of the nation that are contained in the Preamble of the 1945 Constitution, namely to educate the nation and promote public welfare. Development of education is a major factor in the effort to realize quality human resources with competences and expertise that are competitive and have good character. Educational development aims to ensure equitable access to education and increased quality, relevance and educational competitiveness. The fulfillment of education services is expected to increase the level of education and reduce the gap in the level of education between people groups and regions. Increasing quality education services will ultimately produce graduates with competencies, expertise and character that are appropriate and encourage national development as a whole.

The development of Indonesian education shows steady improvement, this is illustrated by the continuing increase in the level of education of the population. This SDG4 achievement is inseparable from the support of the policy directive and strategies implemented in the Medium-Term National Development Plan (RPJMN) 2015-2019 , including: (1) implementation of 12 Years Compulsory education by guaranteeing the right of all Indonesian children to be able to complete basic education and improve access

to quality secondary education by providing assistance for children from poor families to be able to participate in the Indonesia Smart Program; (2) Improving the quality of learning, through strengthening the quality assurance of education services, strengthening the curriculum and its implementation; and strengthening education assessment system to be more comprehensive and credible; (3) Improving teacher management and placement, as well as teacher’s welfare and career development for teachers in targeted areas; (4) Improving the access and quality of pre-primary education (PAUD), and encouraging the implementation of holistic-integrative PAUD; (5) Increasing access, quality and relevance of education and training of work skills; and (6) Increasing equitable access, quality, relevance and competitiveness of tertiary education.

## A. Trend Analysis

### *Improvement of Access to Education*

#### 1. Gross Enrolment Rate (GER)

Indonesia has in recent years achieved improved access to education. This is exemplified by, among other things, increase in completion rates of education at higher levels, driven in part by efforts toward ensuring higher participation among larger groups of people. As such, education participation rates continue to experience a generally upward trend. Indonesia has maintained a GER for primary education at higher than 100% since 2000. Further, the GER for junior secondary school reached 91.5% in 2018, signaling a good rate of participation at that level. However, there remains much work and coordinated efforts that are necessary to ensure that increase in participation rates are also extended to education at the higher secondary and tertiary levels.

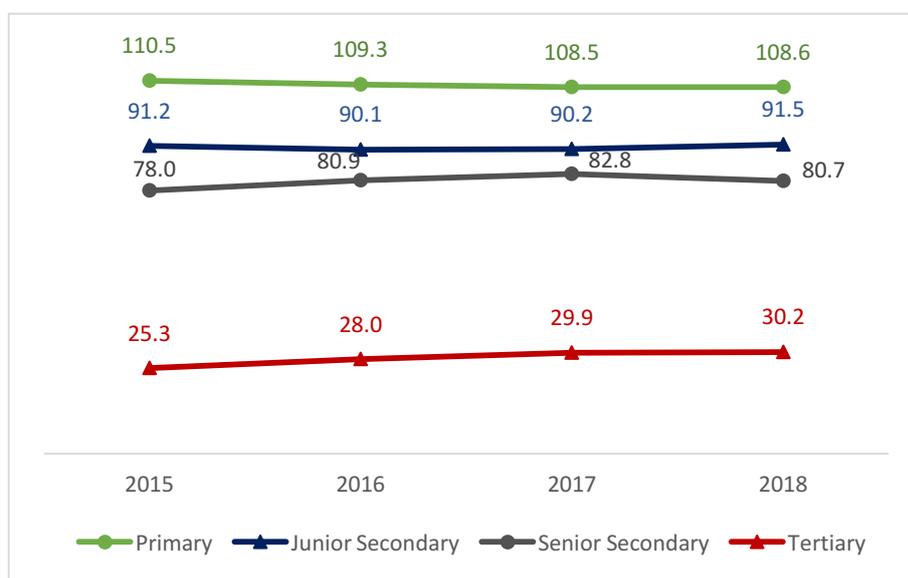


Figure 3. Gross Enrolment Rate, 2015-2018

Source: Susenas Kor, 2000, 2010, 2015-2018

Success in equitable expansion of access to education is reflected through larger numbers of children from poorer households or low-income families receiving basic education services. In Indonesia, basic education refers to both primary and junior secondary levels of education. Throughout the period 2000-2018, the wealth parity index

for primary GER, or the ratio between the GER for the poorest quintile and the richest quintile at the primary level were maintained at close to 1. Similarly, at the junior secondary education level, there has been a significant increase in the ratio between the GER for the poorest and the richest quintile in the last 15 years (2000 to 2015). The ratio has also been close to 1 between 2015 and 2018. This shows that children from disadvantaged families are able to exercise their rights to education and enjoy similar opportunities to participate in basic education.

As mentioned above, access to basic education has been relatively equal for children from families in the poorest and the richest quintile. However, a considerable equity gap is still observed at the senior secondary level, as well as an even larger gap at the tertiary level. For example, the wealth parity index or GER ratio between the poorest and richest quintile for senior secondary education was observed at 0.68 in 2015 and at 0.7 in 2017. The ratio has not improved significantly since 2014. This points to the reality that adolescents from underprivileged families do not participate in upper secondary education at the rate that children from richer families do. The GER wealth parity index for tertiary education paints a more disconcerting picture. The GER ratio were 0.09, 0.14, and 0.17 for the years 2015, 2016, and 2017 respectively.

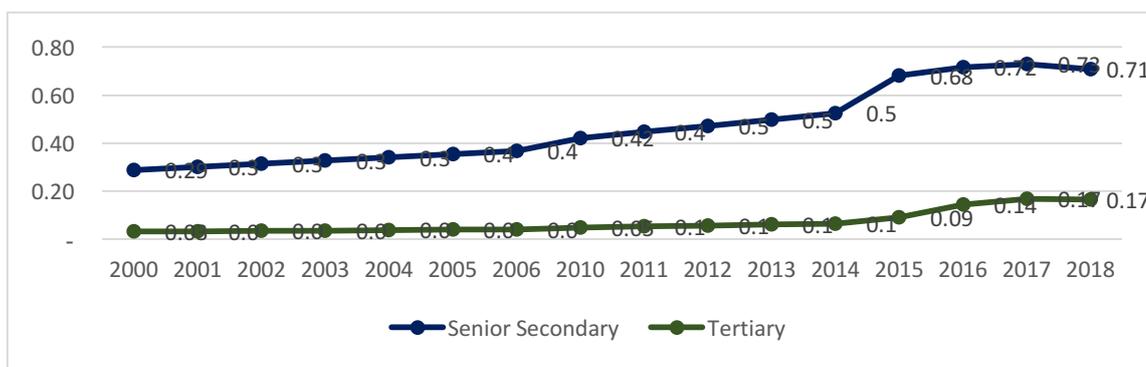


Figure 4. Upper secondary and Tertiary GER Ratio between the Poorest Quintile and the Richest Quintile, 2000-2018

Source: Susenas Kor 2000, 2010, 2015-2018

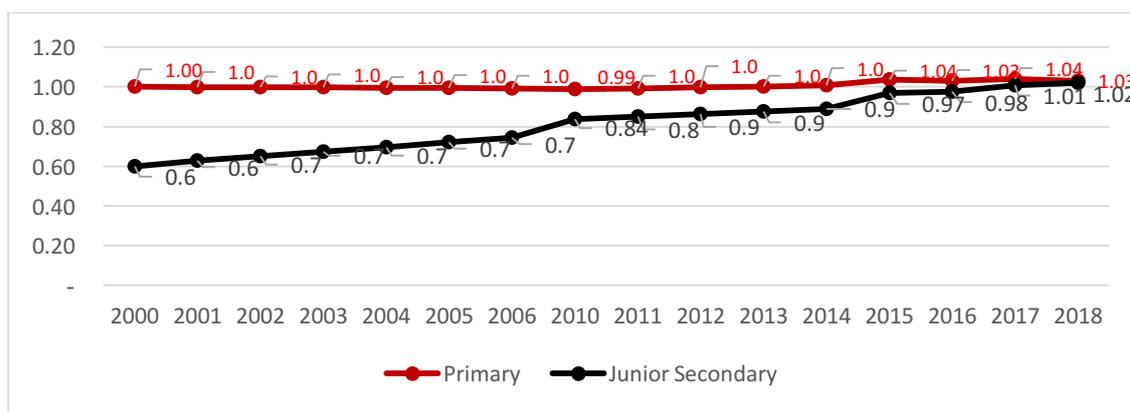
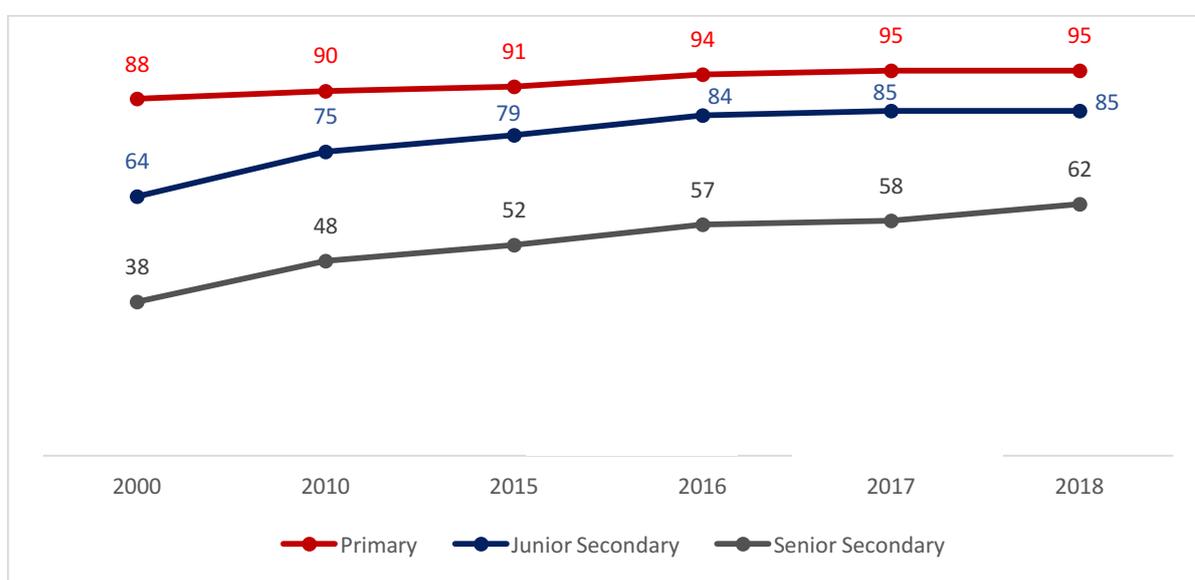


Figure 5. Basic Education GER Ratio between the Poorest and the Richest Quintile

Source: Susenas Kor 2000, 2010, 2015-2018

## 2. School Completion Rate

A look at school completion rates contributes to an understanding of sustained achievements in improving access to education. School completion rate shows not only the participation rate of children and adolescent in education, but also their ability to complete a level of education without much delay. School completion rates for all education level have generally risen (Figure 6). High completion rates are observed for primary and lower secondary levels, respectively at 95% and 85% for the year 2018. These reiterate the general success of improved access to basic education. The most drastic increase in school completion rate is observed for senior secondary level, with an increase of 10% between 2015 and 2018, from 52% to 62%. This represents an increase in the proportion of youth aged 19 – 21 years who have completed senior secondary level of education.



*Figure 6. School Completion Rate, 2015-2018*

Source: Susenas Kor, 2000, 2010, 2015-2018

Achievements in education participation is also a result of more equitable education access for both boys and girls. Based on participation and completion rates, Indonesia has achieved gender parity in education. A slight gap can be observed at the junior secondary level, with a difference of 4% between female and male completion rates. The difference in completion rates between male and female at the primary and junior secondary level is 2%.

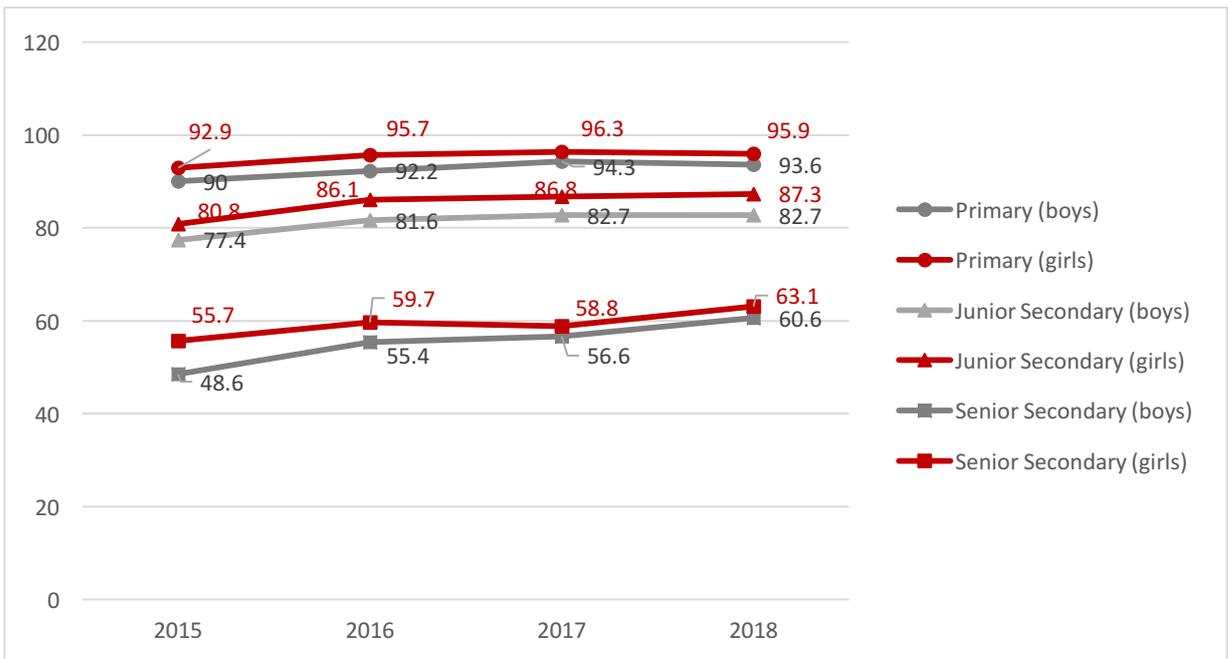


Figure 7. School Completion Rates, by Gender, 2015-2018  
 Source: Susenas Kor, 2015-2018

### 3. Out of School Children

Stifling continued improvements in universal access to education at the primary and secondary level is the issue of out-of-school children (OOSC). As of 2018, there remains 7.58% school-age children (7 – 18 years) who are not in school or not accessing education services. This group of children include those who have never enrolled or entered education at any levels, have dropped out of school without completing 12 years of education, or have completed a level of education, but have not progressed to the next level. While efforts to expand access to education have been able to curb OOSC ratios for all age groups, the OOSC ratio for senior secondary school age group (16 – 18 years) is significantly high, at 22%.

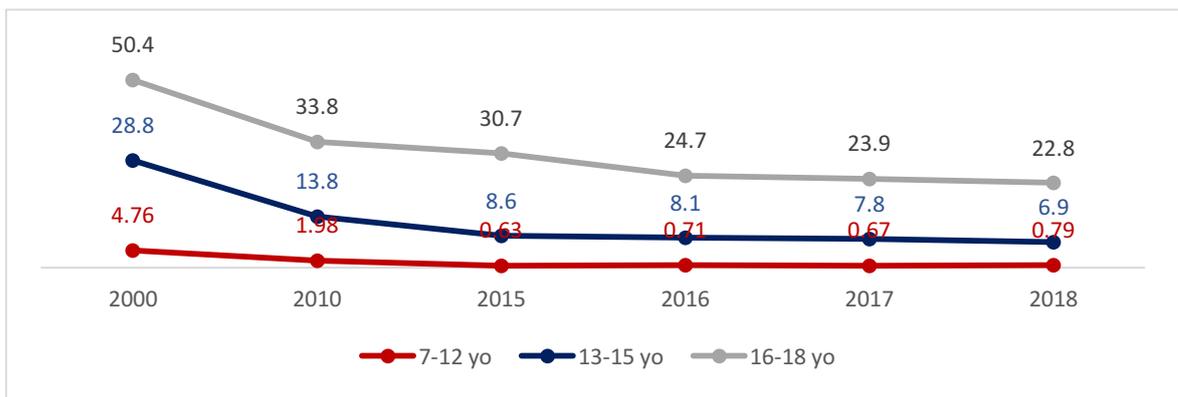


Figure 8. Out-of-School Ratio, by Age Group, 2000-2018  
 Source: Susenas Kor 2000, 2010, 2015-2018

Adolescents between 16-18 years in rural communities and those from the poorest quintile are especially disadvantaged and vulnerable. They are most at-risk of dropping

out and becoming out-of-school. According to the 2017 socioeconomic household survey (*Susenas*), the most predominant factors of children becoming out-of-school are economic barriers such as not being able to afford education expenses or having to work, as well as sociocultural barriers, particularly child marriage.

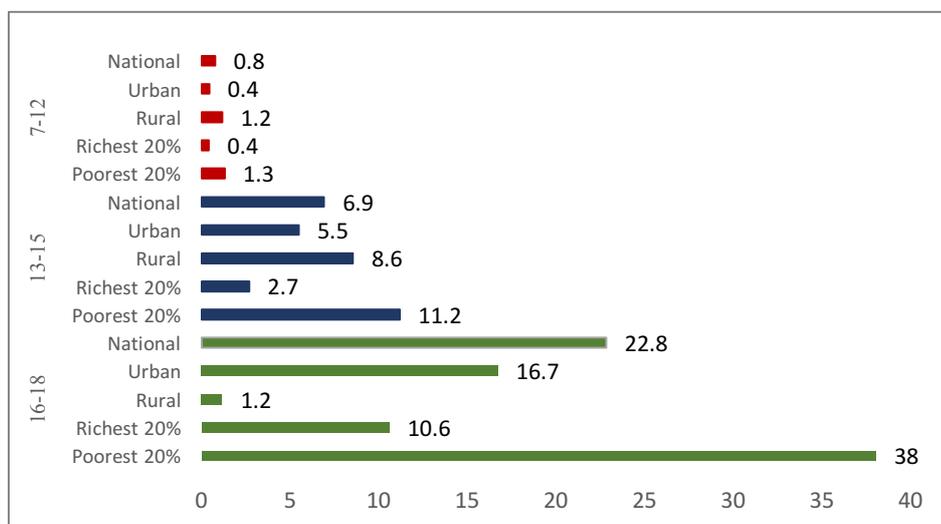


Figure 9. Out-of-School Rate, By Location, Wealth Quintile, and Age Group, 2018  
 Source: *Susenas Kor 2018*

### Current Policies, Efforts, and Good Practices

**School Grant Policy:** *School Operational Assistance (Bantuan Operasional Sekolah, or BOS)*. In the effort of improving and more equitable education access, the Government of Indonesia has implemented a school grant policy through the School Operational Assistance (BOS) funding for all formal education institutions at primary and secondary levels, including schools and *madrasahs* (islamic school). Starting in 2018, the Government has also started applying an affirmative policy for the school grant program through Affirmative BOS grant (*BOS Afirmasi*) for schools in the most disadvantaged rural areas. In addition, high-performing schools may qualify for Achievement BOS grant (*BOS Kinerja*). The BOS grant can be used for spending on resources and materials that enhance the teaching and learning process (such as, extracurricular activities, learning assessment activities, library development and enrichment, procurement of media and equipment for pedagogical purposes, etc.), school management activities, teacher and education personnel professional development purposes, and development or maintenance of school infrastructure and facilities. The Board of Teachers and School Committee are involved in managing the BOS grant, expressing commitments to implementing school-based management principles, and an aim to prioritise funding efficiency, effectiveness, accountability, and transparency. This mechanism provides schools with the liberty to develop the plans, management, and monitoring of programs and BOS grant while attuning to the conditions and needs of the schools.

**Educational Cash Transfer for Poor and At Risk Students Program: Smart Indonesia Card (Kartu Indonesia Pintar, or KIP)**. Commitments to further increase education participation among larger groups of students have led to the establishment of pro-poor education policies. In 2013, the Government began implementing the Cash

Transfer Program for Poor Students (*Bantuan Siswa Miskin*, or *BSM*) in 2013, with the specific goal of assisting poor students in covering indirect costs associated with education and, as such, enable them to access education services. The BSM aims to prevent school dropout, attract out-of-school children to return to schooling, meet students' needs supporting their learning activities, and generally further the Government's Compulsory Education agenda. In 2015, the Government launched the Smart Indonesia Card (KIP) education assistance program to strengthen the BSM program. KIP is an educational cash transfer program targetting students from poor and at risk families, who are beneficiaries of social assistance and the Family Welfare Card (*Kartu Keluarga Sejahtera*, or *KKS* – Conditional Cash Assistance) and the Family Hope Program (*Program Keluarga Harapan*, or *PKH*). The KIP also targets orphaned children, children with disability, and victims of natural disasters. It is a national-coverage program reserved for school-age children from the poorest 25 per cent of households. The program listed 20.95 million eligible child beneficiaries, which was an increase from 11.09 million children covered in 2014.

***Special Allocation Fund (SAF) for Education Infrastructure.*** As a part of education decentralisation, the Government established intergovernmental fiscal transfer from the Ministry of Finance to the local government. Among this funding reserved for education development is the *SAF*, a special allocation fund to expand 12 Years Compulsory Education and support district and municipality governments to achieve the national Education Minimum Service Standards policy. *SAF* Funding is prioritised for low-fiscal districts and municipalities with low education participation rates. The 2018 *SAF* budget amounted to more than USD 635 million (9.17 trillion Rupiah) disbursed to 487 districts and municipalities across the archipelago. The Government has also established Affirmative *SAF* targeting equitable quality education services in disadvantaged areas and special regions. A Special Assignment *SAF* has also been established focusing on quality improvements of vocational education through secondary vocational schools (*SMK*). Regular *SAF* addresses mainly spending on the development and rehabilitation of infrastructure and facilities. The Affirmative *SAF* is allocated for the development of student and teacher/staff housing, while the Special Assignment *SAF* is allocated for the development and improvements of secondary vocational school infrastructure and facilities, as well as development of facilities for vocational schools offering program in priority or leading sectors (such as food security, tourism, creative industry, and others). Throughout the years *SAF* management has undergone improvements. Starting in 2017, the Government has rolled out an electronic application (called *KRISNA-SAF*) linking *SAF* planning to the Education Management Information System (*EMIS*) managed by the Ministry of Education and Culture (*MoEC*), toward synchronising and aligning budget allocation with projected local needs on the basis of school-reported data. *SAF* component allocation schemes are also further developed for schools of all education levels—pre-primary, primary, and secondary—as well as for special education schools and nonformal education centers.

To fulfill the mandate of the constitution and the mandate of the law, the Government of Indonesia is committed to guaranteeing the basic rights of all citizens to obtain quality education without discrimination, including children with disabilities. For people with disabilities, the Government has organized an Inclusive Education Program for all. This Inclusive Education has the main objectives, namely: combating discrimination, creating an open society, building an inclusive society, and achieving education for all.



## Box 6.

### **Back-to-School Movement (Everything Starts from Data)/ *Gerakan Kembali Bersekolah (Semua Berawal dari Data)***

The out-of-school children issue has posed a major barrier in Indonesia's pursuit and achievement of universal 12-years education, especially in light of the large number of children aged 16-18 years who are still not in school. One of the major challenges that the Government faces while tackling this issue is the significant lack of comprehensive data that allow for a mapping of **where** the out-of-school children are located, **how many** there are in any given area, **who** they are, and **what factors** serve as obstacles prohibiting their return and reintegration into the education system.

To address this issue, UNICEF has supported a number of Back-to-School Movements (*Gerakan Kembali Bersekolah/GKB*) at the center of which is the implementation of a Community Based Development Information System (*Sistem Informasi Pembangunan Berbasis Masyarakat/SIPBM*) with a purpose of closing the data gap on out-of-school children at the community level. SIPBM is a database development initiative gathered by community members, on community members and are available for use by community members as well as the government toward addressing OOSC issue in their community. SIPBM holds **by-name, by-address** information on out-of-school children, and as such can ideally serve as evidence and points of reference for local government at various levels—District/municipality, district, and village—to support their educational planning, and establishment of high-impact education policies and accurate strategies toward expanding education access and participation to all children.



Students previously out-of-school have returned to schooling through the Back-to-School Movement in Mamuju Regency (@UNICEF/2018/Dinda)



Funding support from private sector helped these thirteen children previously out-of-school from Parareja Village in the Brebes regency (@UNICEF/2018/Ulum)

The SIPBM implementation has resulted in thousands of out-of-school children returning to schooling both through formal and non-formal education as a part of various Back-to-School Movements. In Mamuju District of West Sulawesi alone, the local government managed to reintegrate as many as 3,500 out-of-school children into the education system. These children were identified and engaged during the district government's implementation of the SIPBM in all the villages within the district. In the Bone District of South Sulawesi province, the government has issued a district regulation specifically guiding (and allowing for) the use of Village Funding for the purposes of furthering local GKB Movements. There are currently 2,300 out-of-school children who have gone back to school with the support of village governments. Meanwhile, in Central Java's Brebes District, the GKB Movement preceded by the development and implementation of SIPBM has led the district government to allocate 5.7 billion Rupiah

(about USD 400,000) to cover education costs of OOSC who were identified by the system and are returning to school. Additionally, considering the sizable OOSC population in that area, the district government has also mobilized funding from various other sources to support the initiative and address the OOSC issue. To date, more than two thousand children have returned to schools.

### **Box 7.**

#### **Indonesia Teaches (*Indonesia Mengajar/IM*)**

Indonesia Teaches (*Indonesia Mengajar/IM*) is a nonprofit organization that recruits, trains, and dispatches the best and brightest young people to various districts in Indonesia to serve as a Youth Educator and teach at a primary schools as well as in the community in which they are placed. Since 2009, IM has evolved from a program to become a movement that invites ordinary citizens to play an active role in improving education, as a way to deliver and live out the promise inherent in the nation's constitution. IM believes that all Indonesian children throughout the nation has a right to basic education and that the best among the generations in the country should play a guiding role. In its commitment to furthering educational development, IM has taken the initiative of supporting primary schools in various corners of the archipelago through recruitment, equipping, and placement of the nation's best graduates who are committed to serve others, to teach at a primary school for one year. These young people who are sent out to teach at primary schools in disadvantaged and potentially remote areas are called Youth Educators.

The Youth Educators received training through the IM movement. During the program's first round of recruitment in 2010, IM successfully attracted 1,383 applicants from all over Indonesia. The number of candidates for the Youth Educator recruitment for the second batch in 2011 tripled, to 4,368 graduates of various universities in Indonesia and abroad, and the program then had an acceptance rate of 1.5%. The number of candidates for the coming years kept growing, to 5,266 candidates for the third batch in 2011, and 8,501 candidates for the fourth batch in 2012. To date, IM has placed more than six hundred selected youths as Youth Educators in more than 134 villages in 17 regencies throughout Indonesia, including:

1. North Aceh District, Aceh Province
2. Bengkalis District, Riau Province
3. Muara Enim District, South Sumatera Province
4. Musi Banyuasin District, South Sumatera Province
5. Tulang Bawang Barat District, Lampung Province
6. Lebak District, Banten Province
7. Bawean Pulau, Gresik District, East Java Province
8. Kapuas Hulu District, West Kalimantan Province
9. Paser District, East Kalimantan Province
10. Sangihe Islands District, North Sulawesi Province
11. Majene District, West Sulawesi Province
12. Banggai District, Central Sulawesi Province
13. Bima District, West Nusa Tenggara Province
14. Rote Ndao District, East Nusa Tenggara Province
15. South Halmahera District, North Maluku Province
16. West Maluku Tenggara District, Maluku Province
17. Fakfak District, West Papua Province

### **Box 8.**

## **Inclusive Education for All**

Even though Inclusive education is limited implemented in certain schools in certain areas, good experience can be presented as a learning process on good practice. For example: students with special needs at Metro Junior Secondary School 2 (SMPN 2 Metro) Lampung Province can socialize and establish good social relations with their peers who are without disabilities. They can accept the differences and build social empathy, so that good social interaction is built, which is conducive for learning process in school. They motivated each other to achieve high academic achievement, even among students with autism disorder at this school managed to become champions in the National Science Olympiad. The good thing is that children with special needs have no obstacles, even they are capable to develop their self-esteem — a personality quality that shows a high level of confidence, which important for achievement.

In other regions, the Local Government Organizations of South Sulawesi, East Nusa Tenggara, and Papua Province also conduct assessments and advocacy for school-age children with disabilities. For this reason, the important things that need to be carried out are: (1) increasing the role of local government and strengthening affirmative policies to support the implementation of inclusive education; (2) strengthening social advocacy movements and increasing the role and participation of People with Disabilities Organizations; (3) Preparation of the public to live co-exist with and respect the rights of people with disabilities.

## ***Quality of Teaching and Learning***

### **1. School Facilities**

The Indonesian government continues to show commitment to improve the quality of education in Indonesia. Efforts by the government have had good results in the last 3-5 years. It was reflected in the improvement of various SDG4 performance indicators that support the quality of learning and teaching processes. This includes the fulfillment of schools with access to electricity, internet for learning purposes, computers for learning purposes, clean water, single-sex basic sanitation facilities, and basic hand washing facilities. In addition, indicators that show the quality of learning continue to improve, such as the proportion of teachers with S1/DIV (higher education completion) qualification; and the proportion of certified teachers.

In general, the quality of infrastructure to support education in Indonesia continually improved throughout the 2015-2018 period. Commitments to improve the use of technology in learning are demonstrated by, among others, the increasing proportion of schools with access to internet and computers for learning. Specifically related to internet access, the progress was quite rapid in 2018 compared to the previous year.

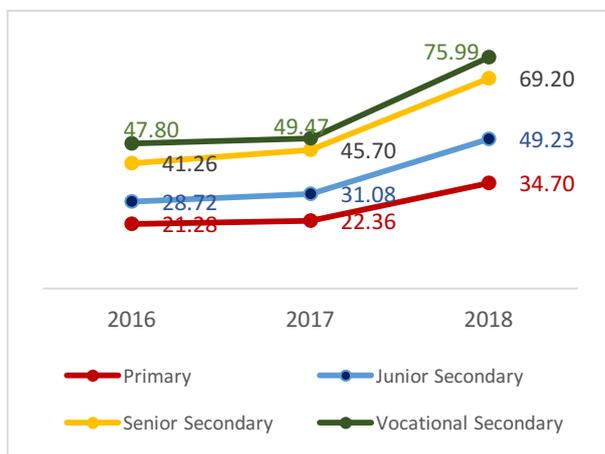


Figure 10. Proportion of Schools with Access to Internet for Learning, 2016-2018<sup>1</sup>  
 Source: MoEC EMIS 2016-2018

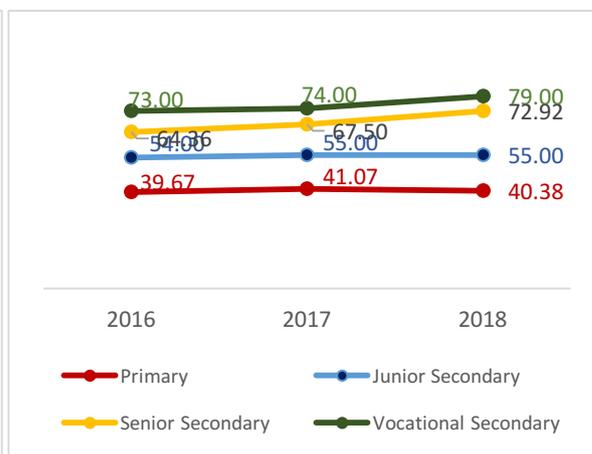
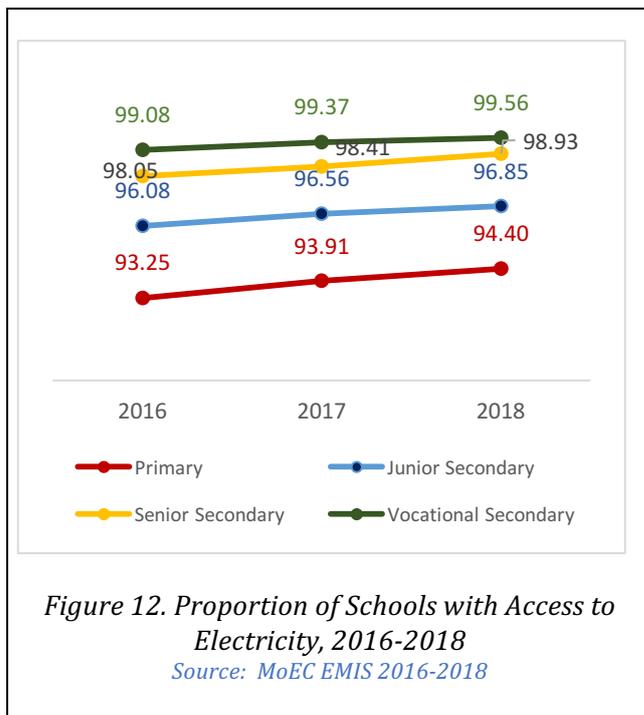


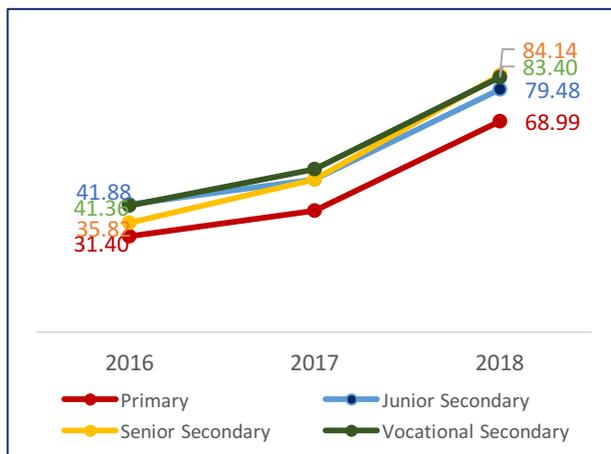
Figure 11. Proportion of Schools with Access to Computers for Learning, 2016-2018<sup>2</sup>  
 Source: MoEC EMIS 2016-2018

<sup>1</sup> Data on the proportion of schools with access to internet for learning are taken from EMIS (Education Management Information System) by using school data across all levels divided by each level.

<sup>2</sup> Data on the proportion of schools with access to computers for learning are taken from EMIS (Education Management Information System) by using school data across all levels divided by each level, then the availability of computers learning rooms (computer labs, classrooms, teacher rooms, etc.) based on schools that have been recorded



Meanwhile, Indonesia has generally succeeded in ensuring schools to have access to electricity. Most schools (above 90% of primary and secondary education) already have access to electricity. Vocational secondary schools have the highest access to electricity compared to the other levels. Figure 12 shows that in 2018 the proportion of vocational secondary schools with access to electricity was 99.56% or almost 100%. The proportion of schools at the primary school level with access to electricity was the lowest compared to the other levels, but its growth was the highest at 1.15% points throughout 2016-2018.



The most rapid progress is in the proportion of schools with single-sex toilet facility. In 2018, most schools in Indonesia had toilets in good condition and separated by sex. Senior secondary school had the highest percentage (84.14%) compared to other levels of education; then followed by vocational secondary school (83.40%); junior secondary school (79.48%) and primary school (68.99%). Schools with access to clean water and basic hand washing facilities also continue to increase.

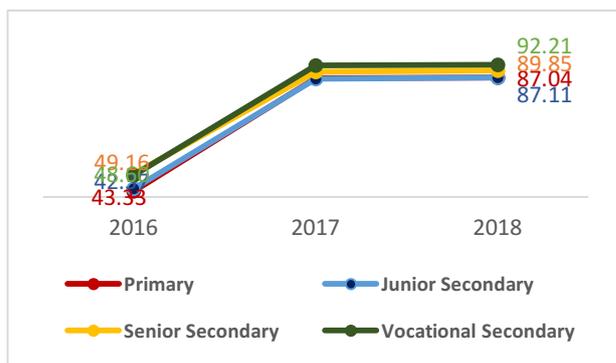


Figure 14. Proportion of Schools With Access to Clean Water, 2016-2018<sup>3</sup>

Source: EMIS (Data Pokok Pendidikan/Dapodik), 2016-2018

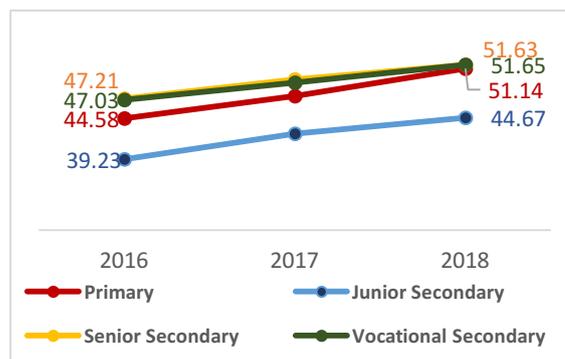


Figure 15. Proportion of Schools With Hand Washing Facilities, 2016-2018<sup>4</sup>

Source: EMIS (Data Pokok Pendidikan/Dapodik), 2016-2018

## 2. Teacher Certification

Not only facilities and infrastructure, teachers also have an important role in ensuring quality learning and teaching processes. Strengthening teacher competencies in pedagogical, character, social and professional skills are aimed to reinstate the role of the teacher as a facilitator that support the process of learning that is more effective, active and high quality. Law number 14 year 2005 concerning Teachers and Lecturers mandates that teachers must have academic qualifications-minimum bachelor degree (S1) or fourth diploma (D-IV)-and have an educator certificate in accordance with the level of teaching. Through certification, teachers are expected to have a number of competencies in pedagogical, character, social, and professional competence.

In the past 3 years, Indonesia has made progress in the percentage of teachers who have the minimum qualification of S1/DIV. The percentage of qualified teachers at the primary school level has increased by 4.14%, from 84.21% in 2016 to 88.35% in 2018. The increase also occurs in the junior and senior secondary schools.

<sup>3</sup> Data on the proportion of schools with access to clean water are taken from EMIS, using school data across all levels divided by each level, then schools with appropriate drinking water sources according to standards (closed wells, dams, etc.) are selected.

<sup>4</sup> Data on the proportion of schools with hand washing facilities taken from EMIS, using school data across all levels divided by each level, then schools are selected by availability of hand washing tools (existing/not) and their facilities such as water flow and washing soap (existing/not). So only the schools with hand washing tools and has all the equipment are counted.

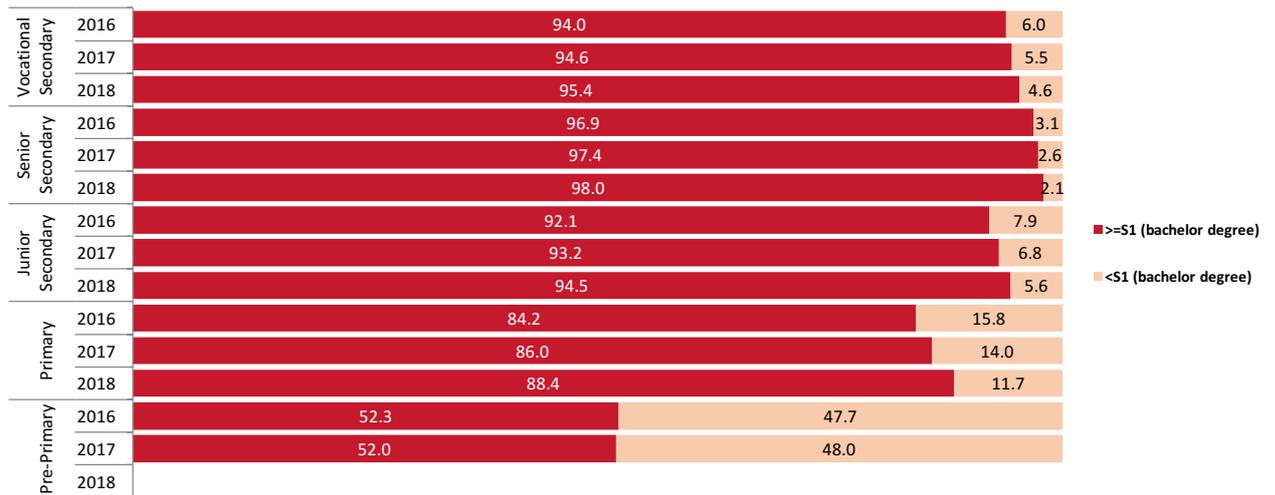


Figure 16. Percentage of Teachers with Minimum Qualification of S1/DIV, 2016-2018  
Source: EMIS, 2016-2018

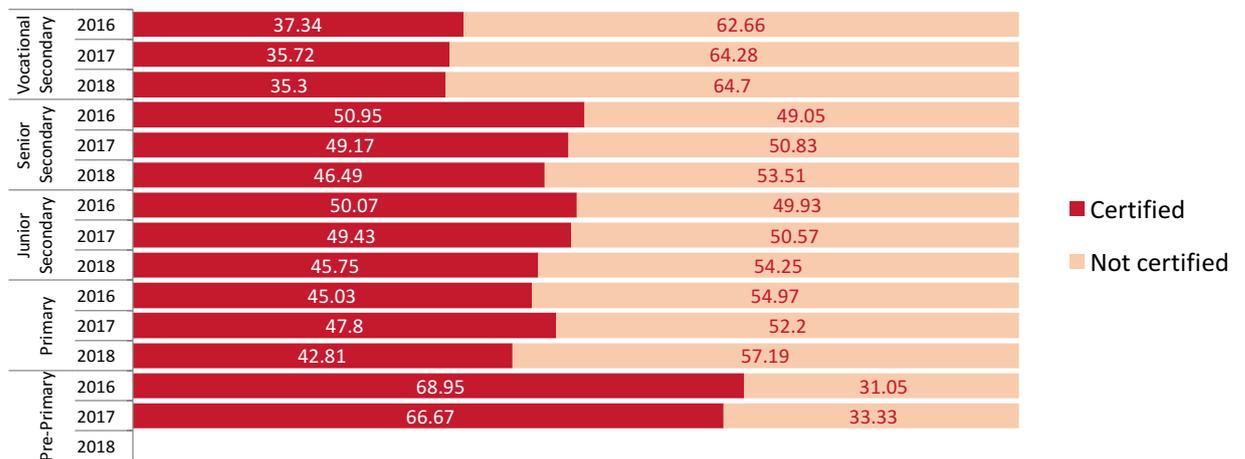


Figure 17. Trend of Percentage of Certified Teachers, 2016-2018  
Source: EMIS, 2016-2018

### 3. Quality of Learning Outcome

Measurements based on the PISA (Program for International Student Assessment) and Indonesian National Assessment Program (INAP), show that the proportion of students able to achieve minimum competence for mathematics and reading is still low.

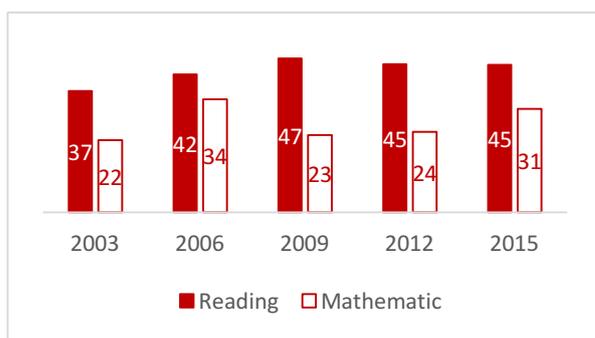


Figure 18. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading and mathematics, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015 from <http://data.uis.unesco.org>

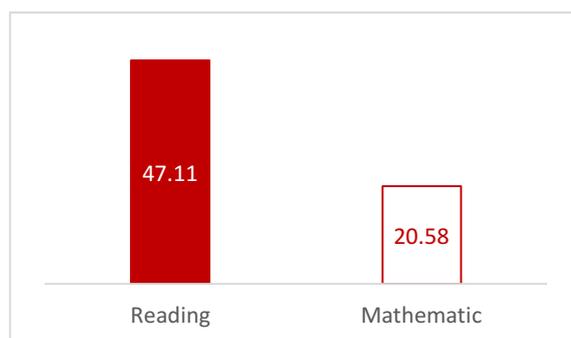


Figure 19. Proportion of children and young people at the end of primary achieving at least a minimum proficiency level in reading and mathematics, 2016

Source: INAP, 2016

Based on gender, in general girls show better reading comprehension skills than boys. During 2003-2015, the proportion of girls achieving a minimum proficiency level in reading increased to 51%, compared to boys at only 38%. For mathematics, both girls and boys were almost equal.

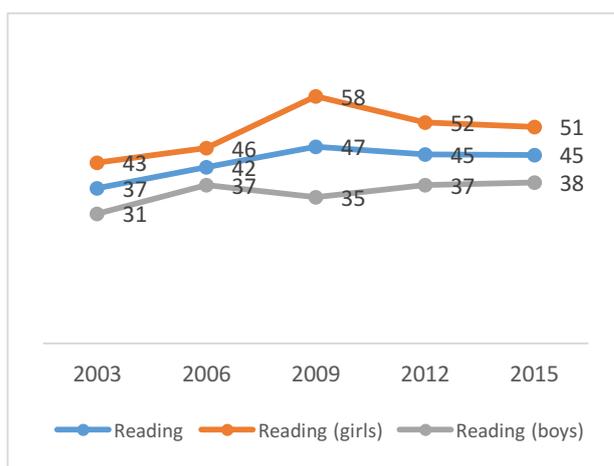


Figure 20. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading by sex, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015 <http://data.uis.unesco.org>

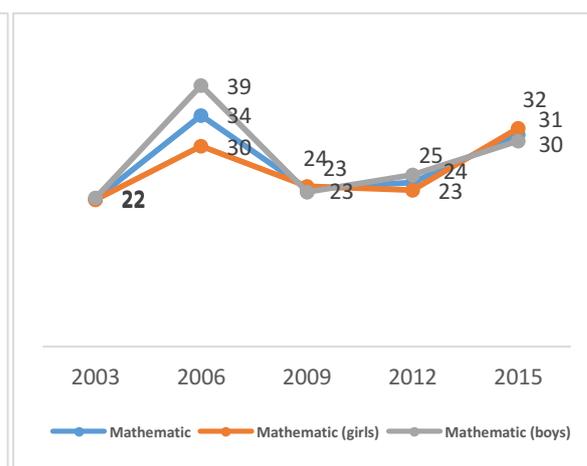


Figure 21. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in mathematics by sex, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015 <http://data.uis.unesco.org>

As shown in Figure 22 and Figure 23, socio-economic status affects the competence of children in reading and mathematics. In 2015, reading proficiency of children from the richest families was 37% higher than children from the poorest families. In math competencies, the gap between the children from the richest and poorest families was also still wide at 38%.

The minimum proficiency level in reading for children and young people at the end of junior secondary school fluctuates by location. However, in 2015, this reading proficiency was far higher in urban areas at 65% compared to rural areas at only 29%. The children and young people achieving a minimum proficiency level in mathematics in urban areas are higher than those in rural areas, except in 2006. Even in 2015, there was an increasing gap in the proficiency of children and young people in mathematics between urban and rural.

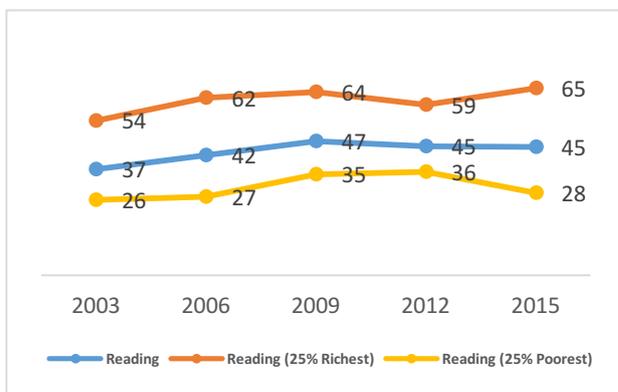


Figure 22. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading by Socio-Economic Status, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015  
<http://data.uis.unesco.org>

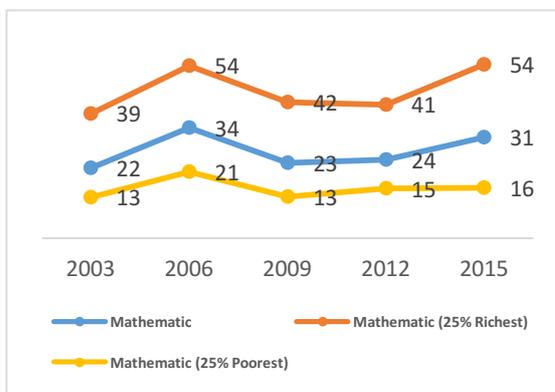


Figure 23. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in mathematics by Socio-Economic Status, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015  
<http://data.uis.unesco.org>

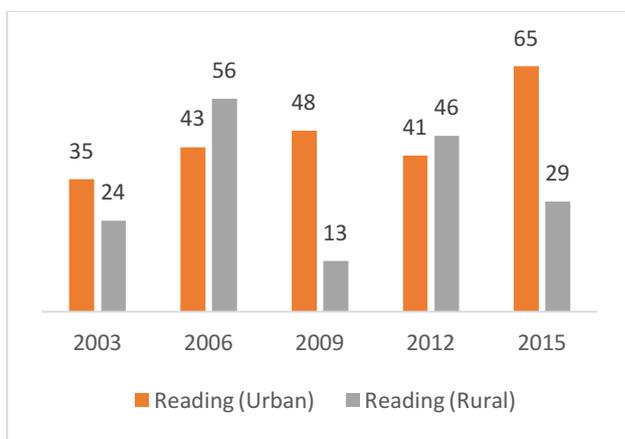


Figure 24. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading by Location, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015  
<http://data.uis.unesco.org>

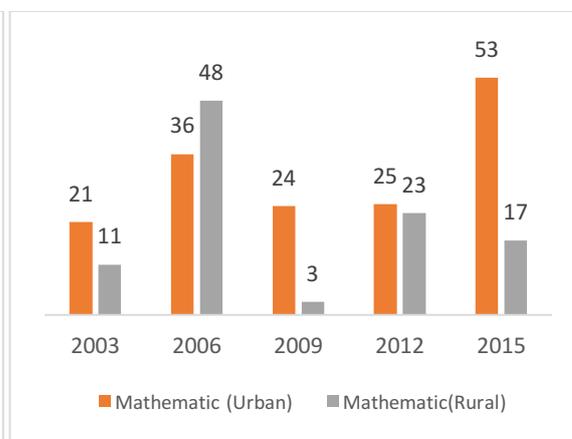


Figure 25. Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in mathematics by Location, 2000-2015

Source: PISA 2003, 2006, 2009, 2012, 2015  
<http://data.uis.unesco.org>

Disaggregated by sex, the data from INAP shows more girls (all provinces) achieved above minimum proficiency level in reading. The highest gap was in the Bangka Belitung Islands Province, where 71% of girls achieved at least the minimum proficiency level in reading, compared to 49% for boys. Difficulty in reading at the early education level will

cause difficulties in the next levels of education. For proficiency level in mathematics, both girls and boys have equally low proficiency in all provinces in Indonesia.

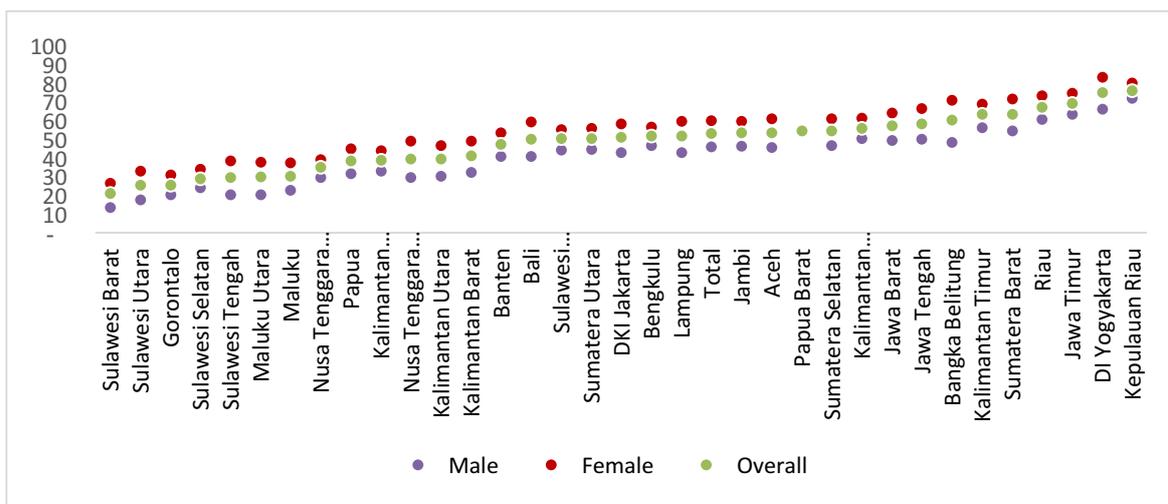


Figure 26. Primary School Children in Grade 4 Achieving at Least a Minimum Proficiency Level in Reading, by Sex and Province, 2016

source: INAP 2016

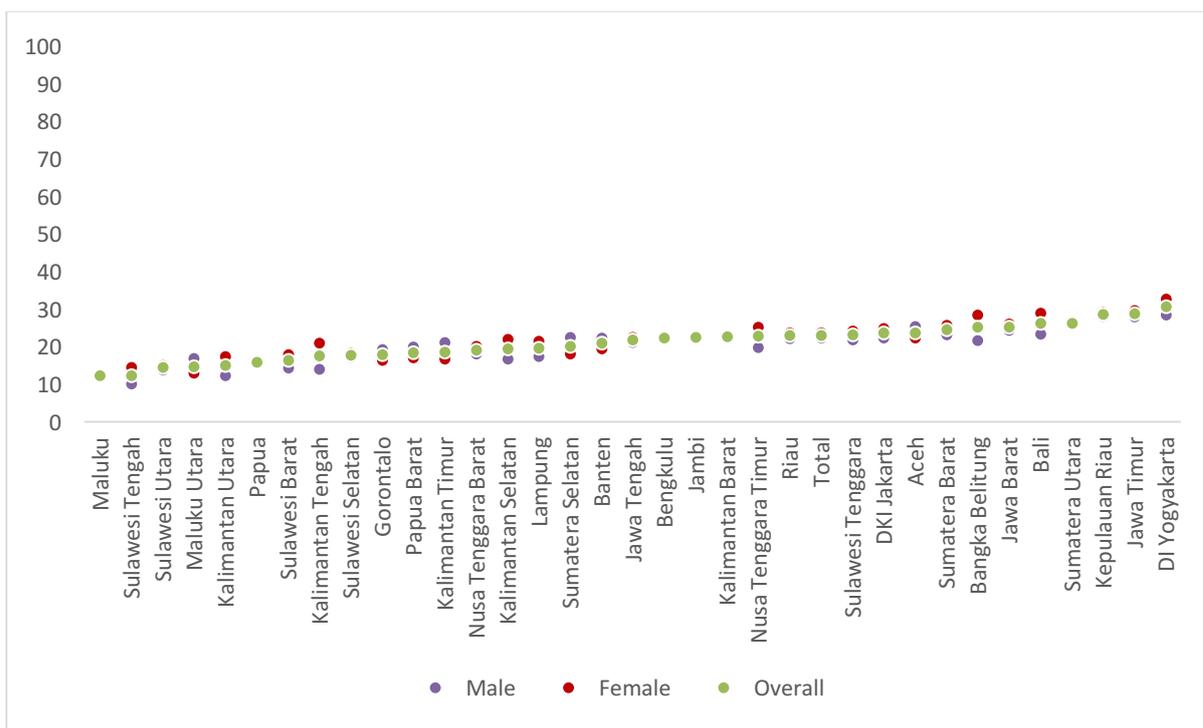


Figure 27. Primary School Children in Grade 4 Achieving at Least a Minimum Proficiency Level in Mathematics, by Sex and Province, 2016

Source: INAP 2016

## Current Policies, Efforts and Good Practices

To improve the quality of education, MoEC established the 2013 Curriculum, starting from the 2013/2014 academic year. The 2013 Curriculum set a system of learning that underlines affective aspect and a balanced competence between character, skills, and knowledge, as well as a holistic and enjoyable learning experience. The learning process within the 2013 Curriculum used a scientific approach to encourage students' creativity. Students are also encouraged to go through the process of observing, questioning, trying, reasoning, creating, and communicating in all learning experiences. The books used in the 2013 Curriculum are activity-based, that included the learning model and projects that will be used. Additionally, for the primary school level, books are arranged thematically and in an integrated fashion between material from one subject with another, and with the environment around the student as a whole. Meanwhile, for scoring, the 2013 Curriculum underlines the student's learning process and their higher order thinking skill.

Due to its characteristics, the 2013 Curriculum required adjustment in many aspects. The MoEC applied the Curriculum stage-by-stage, and targeted the application of the 2013 Curriculum in all schools by 2019<sup>5</sup>. The MoEC continues to develop schools especially the schools that have not yet implemented the 2013 Curriculum.

**Professional Development Program (*Pengembangan Keprofesian Berkelanjutan*)**. Teachers play a vital role in the effort of improving learning outcome. One of the ways to improve teacher competence is by optimizing the *Pengembangan Keprofesian Berkelanjutan* (PKB). The PKB is a continuation of the *Program Profesi Bagi Guru Pembelajar* (Professional Teachers Program) which was implemented based on the teachers' and education personnel. With this program the MoEC empowered *Kelompok Kerja Guru/Musyawarah Guru Mata Pelajaran* (Teachers' Work Group/Forum for Subject Teachers). This was done through the MoEC's Centre for Development and Empowerment of Teachers and Education Personnel (*Pusat Pembangunan dan Pemberdayaan Pendidik dan Tenaga Kependidikan*) along with the Development and Empowerment of Teachers and Education Personnel of Marine, Fisheries, Technology, Information, and Communications Agency as well as Regional Education Authorities and other government institutions.

In the PKB, teachers will be mapped into ten groups based on their competence, and each group will receive Professional Module based on those competences and sit Competence Tests. The program is held through three methods: face-to-face, online, and online combination. The participation of teachers in this Program is important to develop instructional skills and knowledge of the lesson contents that will improve learning outcome.

**Teachers' Work Group/Forum for Subject Teachers (*Kelompok Kerja Guru/Musyawarah Guru Mata Pelajaran*)** The MoEC renews the importance of teachers in evaluating students' education by having them create their own assessments, as over the past few years teachers have not been required to do so. Teachers need to understand the standard content, standard of evaluation, and basic competence that students must

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<sup>5</sup> Ministry of Education and Culture Strategic Planning 2015-2019

pass. Thus, the MoEC is strengthening the role of the KKG/MGMP through greater involvement on the preparation of the National Standard School Examinations (*Ujian Sekolah Berstandar Nasional*) and Character Education (*Penguatan Pendidikan Karakter*). In the National Standard School Examinations, 75-85% of the materials were prepared by subject teachers which are then consolidated by the KKG/MGMP. Besides the preparation of examinations, it is hoped that a stronger KKG/MGMP will increase collaboration among teachers and build competence. To encourage the role of KKG/MGMP, the MoEC has allocated 900 million Rupiah to support the implementation of national examinations and Character Education by the KKG/MGMP.

**Improvement of undergraduate (S1/DIV) degree qualification.** Another effort by the MoEC through the Directorate General of Teachers and Education Personnel is by developing an acceleration program for improving undergraduate (S1/DIV) degree qualifications through conversion program. The program begins by allocation of resources for Conversion Training in 24 Universities. Then, students of the conversion program are given education aid in 26 universities and 10 Long Distance Learning Unit (*Unit Program Belajar Jarak Jauh/UPBJJ*) in the Open Universities.

**National Literacy Movement (NLM).** To improve the reading skills of Indonesian citizens, the MoEC encouraged the National Literacy Movement since 2016. The NLM Work Group was established by the MoEC to coordinate literacy activities by relevant units. From the NLM, came several other movements, such as the School Literacy Movement to improve reading skills of students; Center for Language Development released books for students based on local culture; and the One Teacher One Book Movement improved the competence of teachers in reading and writing subjects. In 2017, the NLM was planned as a joint movement between the main actors of the literacy movement by pooling potential and widen public engagement in fostering and building a culture of literacy in Indonesia. Families, schools, and communities all over Indonesia participated in the NLM.

**WASH in School.** With respect to facilities, a focus of the MoEC is improving access to clean water, sanitation, and hygiene (WASH) in schools. Improving WASH facilities is important to ensure the health of students as it may affect learning outcomes. One effort that has been done by the MoEC in cooperation with UNICEF is increasing access to WASH facilities focused on eradication of open defecation, promotion of a culture of washing hands, and maintenance of the quality and quantity of water. This program guides schools, parents, and communities around the school to build an action plan to realize better access to WASH facilities.

### Box 9.

#### **Improvement of Learning Outcomes Particularly in Literacy and Numeracy for Students in Early Grades**

In an effort to improve the learning outcomes of students in early grades particularly in literacy and numeracy, which is still a challenge in Indonesia, the program Innovation for Indonesia's School Children (*Inovasi untuk Anak Sekolah Indonesia/INOVASI*) was established in cooperation with the Australian government through the existing *Guru BAIK* (Great Teacher) program. It developed an effective learning method to attract students' interest in several areas in Indonesia, especially for students in early grades. It has gained support from local government and communities in the form of financing for the program. For example, local



governments have allocated local budget for teacher training and provision of reading materials. Beside local governments, INOVASI has also partnered with 18 NGOs and education organizations in Indonesia.

## Box 10. *Rumah Belajar*

*Rumah Belajar* is an online learning platform developed by the Education and Culture Information and Communication Technology Center, Ministry of Education and Culture, which can be accessed via <https://belajar.kemdikbud.go.id> link. *Rumah Belajar* aims to provide comprehensive learning for students and *teachers* through more interesting and interactive media. *Rumah Belajar* provides services of learning media sources in the form of interactive learning materials that are equipped with supporting media for images, animations, videos and simulations, as well as digital books. The dissemination of this learning method of *Rumah Belajar* was assisted by Ambassadors of the *Rumah Belajar* in 34 Provinces, as part of the Ministry of Education and Culture.

*Rumah Belajar's* link consists of two features, namely the main and supporting features. In the Main Features menu there are eight groups of content, namely Learning Resources, Electronic School Books, Question Banks, Virtual Laboratories, Cultural Maps, Space Exploration, Sustainable Professional Development, and Virtual Classes. On the Support Features menu there are three groups of content, namely Teacher's Work, Community Work, and Language and Literature Work. For example, the Cultural Map feature, prepared to provide a variety of cultural learning materials in Indonesia so that students can better know and appreciate the diversity of customs and culture.



*Rumah Belajar* is easily accessible and can be used by teachers and students from all level of education, as their jargon says "learning anywhere, anytime, with anyone". So far, *Rumah Belajar* has been used by teachers as a source of learning media. For teachers in area 3T (*Terdepan, Terluar, Tertinggal*/The borderline frontier, the outermost and underdeveloped regions), the absence of internet connection in the classroom is not an obstacle in carrying out the learning process with material taken from *Rumah Belajar*. *Rumah Belajar's* materials can be downloaded for free, and stored in a data storage tool, which can then be displayed in class with an LCD projector offline. In this case, the teacher acts as a facilitator to display material from *Rumah Belajar*, hence, even classes that are not accessible to the internet can take advantage of *Rumah Belajar* content. *Rumah Belajar* is a form of learning innovation by utilizing information technology, which supports efforts to improve equity of quality education service.

## Box 11. *Ruangguru*

*Ruangguru* is the biggest and most comprehensive technology corporation in Indonesia that focuses on education services. Currently it has more than 6 million users and manages 150.000 teachers offering services in more than 100 subjects. The corporation was established in 2014 by Belva Devara and Iman Usman, both of whom are in the Forbes 30 Under 30 list in consumer technology in Asia. *Ruangguru* is committed to be a partner to local governments to provide quality education through Learning Management System. Last year, *Ruangguru* partnered with 32 (out of 34) provincial governments and more than 326 municipal governments in Indonesia. *Ruangguru* also offers study video subscriptions, private lessons marketplace, on-demand study guide services, and online examination try-outs.

*Ruangguru* aims to improve the quality of teaching by creating job opportunities and additional income for Indonesian teachers. As the quality of teaching improves, so does the quality of education. *Ruangguru* believes that technology can help students, teachers, and parents to carry out their education activities more effectively and efficiently.



*Ruangguru* offers services to support education, such as:

- *Ruangbelajar*  
*Ruangbelajar* is a non-formal learning service in the form of online study guidance taught by the best tutors for each subjects. There are five thousand animations and videos for studying, 20.000 practice problems and answers, and thousands of module summaries presented with pleasing visuals and ready for download as study material.
- *Ruangguru Digital Bootcamp*  
*Ruangguru Digital Bootcamp* is a non-formal learning service for material review and online intensive examinations program with a national standard. Every group chat consists of 20 students, 1 tutor, and 1 facilitator of choice. Students will also receive learning modules everyday, presented with interesting visuals and comprehensive discussions.
- *Ruangles*  
*Ruangles* is a non-formal education service in which *Ruangguru*-selected teachers meet face-to-face with students in their homes.

- *Ruanglesonline*

*Ruanglesonline* is a non-formal education service that explains problems sent by students online, answered within 30 minutes. Answers and explanations are given by teachers that have been selected by *Ruangguru*.

- *Ruanguji*

Online examination service.

## Box 12.

### Tanoto Foundation Basic Education Program



*Mayla Arista Widya, siswa SDN 173 Tanjung Benanak, Jambi, showed a good practice in reading on School Literacy Festival*

Tanoto Foundation has implemented a basic education improvement program since 2010 reaching over 500 primary schools in three provinces in Sumatra and achieved impressive increases in student reading scores. The program aimed at achieving improvements in student learning outcome and proved successful as intervention schools in Riau achieved scores of 54.8% in early grade reading relative to the province-wide average of 48.6% based on an evaluation conducted in 2016. In 2018, following a comprehensive review of its programs, the Tanoto Foundation launched a new expanded program to

improve the quality of basic education: PINTAR, based on its own successful experience and drawing on the experience of other successful programs funded by USAID, UNICEF and other donors. The new program has already reached 440 schools in its launch year and plans to reach thousands more through local government dissemination within three years.

The PINTAR program is working in partnership with the Ministries of Education and Culture (MOEC), Religious Affairs (MORA) and Research Technology and Higher Education (MORTHE) and with 14 districts and 10 Teacher Training Institutes (TTIs) in North Sumatra, Riau, Jambi, Central Java and East Kalimantan provinces (2 TTIs in each province). In 2019, the program will enter six new districts to reach over 580 schools directly. Tanoto Foundation has signed MOUs with all these partners and is working to build government capacity especially at local level to raise the quality of basic education in primary and secondary schools in a sustainable manner.



Tanoto Foundation has completed student assessments in literacy, mathematics and science to identify priority areas for intervention, which showed that only 60% of grade 3 students were able to read fluently with comprehension and that only 18% of grade 3 students were able to use mathematical skills to solve problems commensurate with their age. As a result, for literacy, the program focuses on developing students reading habits and increasing their ability to comprehend what they read. In mathematics and science, the focus is on ensuring that students understand the

concepts they learn and are able to apply them in live situations. Assessments will be conducted at two-yearly intervals to assess progress in literacy, math and science in the primary and junior secondary school.

The program improves the day-to-day practices of teachers and the changes to the classroom learning environment are evident to anyone who visits a PINTAR school. For example, most of the 440 partner schools have established reading corners in their classrooms, instituted 15 minute daily reading times for students and many have engaged parents and communities in providing additional books for their schools. Some districts are using mobile libraries to support their schools. Tanoto Foundation documents its approaches in a series of best-practices handbooks, which it willingly shares with partners alongside its PINTAR modules to spread impact beyond its own activities.

Tanoto Foundation elevates the students and teachers benefitting from improved practices as ambassadors for the PINTAR approach to promote ever-expanding dissemination among public and private stakeholders on national and sub-national stages. A student from a school in 173 Tanjung Benanak district in Jambi province recently appeared at a reading promotion event at MOEC and explained eloquently how she reads on average 2-3 books per week and that this has improved her writing. She has written her own story books, and reports on science, technology and math experiments.



*Sains activities in MTsN 1 Balikpapan, East Kalimantan Province*

The success of this approach is evident in the level of autonomous government uptake of the PINTAR program to-date outside Tanoto Foundation's own planned and executed activities. District governments and MORA have allocated funding and rolled out the program to over 1,000 non-partner schools in a period of only 7 months. Many of these schools have funded training using their own operational funding.

### **Box 13.**

#### **Training of Principal Leadership Quality Improvement**

Muhammadiyah manages 6,049 schools (Islamic primary to secondary school/SD-SMA) distributed almost all over Indonesia with more than 60,474 principals and teachers in total. This is part of Muhammadiyah's contribution in educating the nation and taking on the role of advancing Indonesian education. To optimize their role in an effective manner, Muhammadiyah plan to further improve and equalize their school quality by having the principal play a strategic role. Thus, training for school principals are needed to improve their leadership.

These training activities were carried out for 3-4 days. The organizer of the events was the Council of Primary and Secondary School Department (Dikdasmen) PP Muhammadiyah as requested by the Dikdasmen Provincial and regional assemblies. In addition, the Council of Dikdasmen PP Muhammadiyah was in charge for preparing the curriculum and as training facilitators. The number of school principals participated in these trainings, as follows:

Education Level	Location and Date of Implementation	Participant
Primary School	- Jakarta, 3-6 October 2017	120
	- Makasar, 17-20 April 2018	70
	- Yogyakarta, 24-27 April 2018	120
	- Medan, 6-9 May 2018	90
Junior Secondary School	- Yogyakarta, 24-27 September 2018	72
	- Medan, 17-20 September 2018	80
	- Makassar, 22-25 October 2018	71
Senior Secondary School	Mojokerto, 12-15 November 2018	120
Vocational Secondary School	Malang, 2-4 February 2019	269

Training activities to improve the quality of school principal leadership have not been implemented in the Frontier, Outermost, and Disadvantaged Region (3T) due to limited labor and costs. From the various implemented activities, many school principals can be utilized as facilitators and resource persons to provide their best experience in leading their respective schools.

#### **Box 14.** **Sekolah Guru Kebhinekaan**

Sekolah Guru Kebhinekaan (The Diversity Teacher School) began in 2016 and is still running today. Sekolah Guru Kebhinekaan consists of 15 meetings that strengthen the understanding of the philosophy of education, develop knowledge, and improve teacher learning methodology skills. The approach in Sekolah Guru Kebhinekaan meetings involves various partners that allow the opening of meeting rooms. However, the involvement of participants as learning resources is as important as the speakers presented.

Sekolah Guru Kebhinekaan (The Diversity Teachers School) participants are teachers from various levels of education, both from institutions managed by the government, private or community. Teachers were reminded again of the philosophy of education, history, and life of the nation, human rights, as well as ethnic and religious diversity in Indonesia, including local religion. Overall, Sekolah Guru Kebhinekaan is expected to strengthen the teacher to become a reference for diversity, nationality, and humanity.

The alumni of Sekolah Guru Kebhinekaan, Dian Misastra, initiated a movement to reject child marriage at SDN 01 Tegalwaru, Purwakarta. He gives understanding to parents, especially fathers, about the impact of child marriage on the high rates of maternal and child mortality, as well as the process of impoverishment. All students in her school are now continuing their education to the junior high school level. While on the issue of diversity, Uswatun Hasanah and Nurlela, initiated a simulation of the visit of various houses of worship in the classroom at SDN 06 Rawajati, Jakarta. This simulation introduces students to religious diversity as well as an effort to open meeting space within the limited learning resources they have.

(Source: Yayasan Cahaya Guru)

### **Box 15.**

## **Sekolah Literasi Anggaran Pendidikan – The Education Budget Literacy School**

The initial stage of this activity is to recruit prospective participants. Determination of participants was based on interviews about the background of their interests, commitments, and plans for what will finish. After being selected, they will take part in learning activities in Sekolah Literasi Anggaran Pendidikan (The Education Budget Literacy School) for one month by the curriculum. Learning is done 70% in the classroom and 30% practices in the field. During one month, participants will receive some education budget literacy theories, and then they were also given assignments to take action related to the methods that had been studying. At the end of the lesson, they must make a report and present what they have obtained and experience the action in the field related to literacy and budget advocacy campaigns. Finally, all participants make a joint axis plan to do budget advocacy for quality and inclusive education.

Some of the results are increased competency and community participation in monitoring and evaluating the education budget and its implementation at the school level, The increase in education budget allocation in the Regional Expenditure Budget (APBD) will follow by a budgeting system that is in favor of the public interest following the principles of allocation, distribution, supervision, and high accountability, and to have to strengthen transparency and accountability in managing education budgets in schools through public reporting mechanisms and online systems.

(Source: NEW Indonesia)

### ***Skills, Vocation, and Employability***

#### **1. Teenage and Adult Participation in Formal and Non-Formal Education and Training**

Youth participation level in education maintains positive trend for formal and non-formal education, including vocational courses. Throughout 2009-2018, there was a sharp increase of 14%. Youth opportunity to attain formal and non-formal education is also equal between male and female.

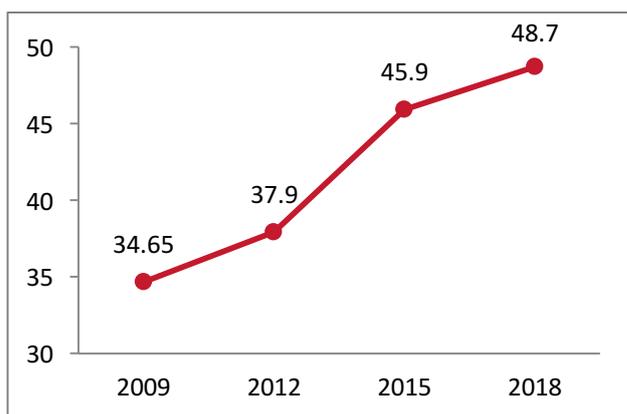


Figure 28. Youth Participation in Formal/Non-formal Education and Training, 2009-2018  
Source: Susenas MSBP, 2009-2018

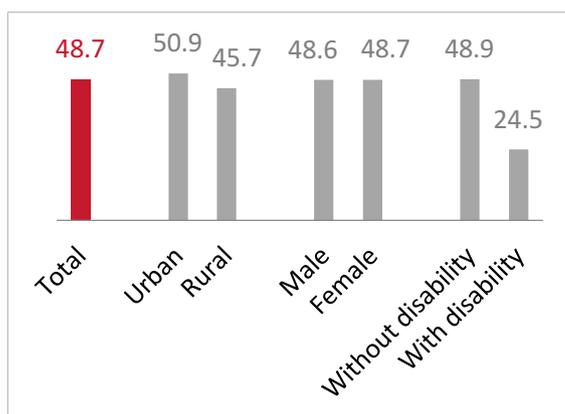


Figure 29. Youth Participation in Formal/Non-formal Education and Training by Characteristic, 2018  
Source: Susenas MSBP, 2018

The percentage of youth with disabilities participating in education and training was about 50 percent lower than those without disabilities (Figure 29). This should be given attention as the disabled group is one of the focuses in SDG4 targets.

## 2. Workforce by Education Level

High-quality, skilled, and innovative human resources should boost productivity and competitiveness of the Indonesian economy. To that end, education services should be able to produce graduates with competence and skills that are ready for the market, including entrepreneurship, and graduates with skills to adapt quickly to the needs of the market. Not just through formal education, non-formal education and training may also be a choice to obtain technical skills needed in the workforce.

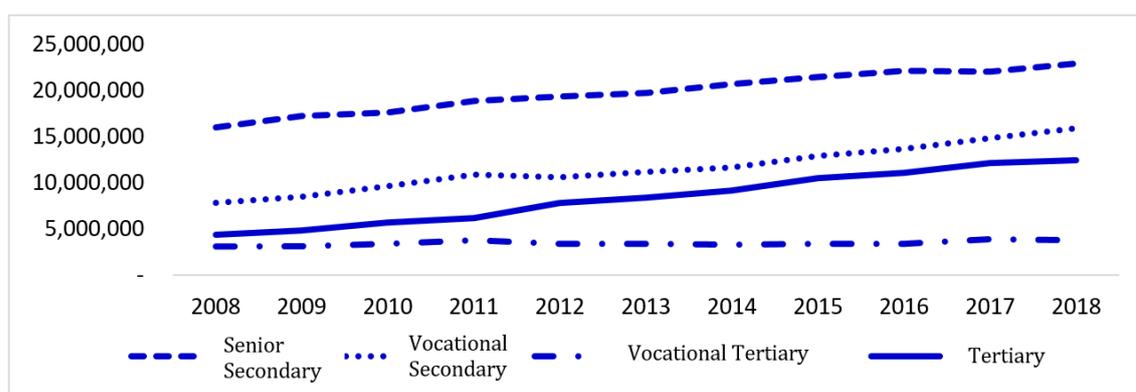


Figure 30. Workforce based on Level of Education Completed  
Source: National Labor Force Survey (Sakernas), 2008-2018

The number of workforce that has completed Vocational Secondary Schooling increased every year. In 2018, around 15 million of the workforce completed Vocational Secondary School, and around 3 million of the workforce completed diploma degree.

In 2018, the number of workforce that completed Junior Secondary School was 78.7 million people, while those that completed Senior Secondary School were 41.2% or around 55.2 million people.

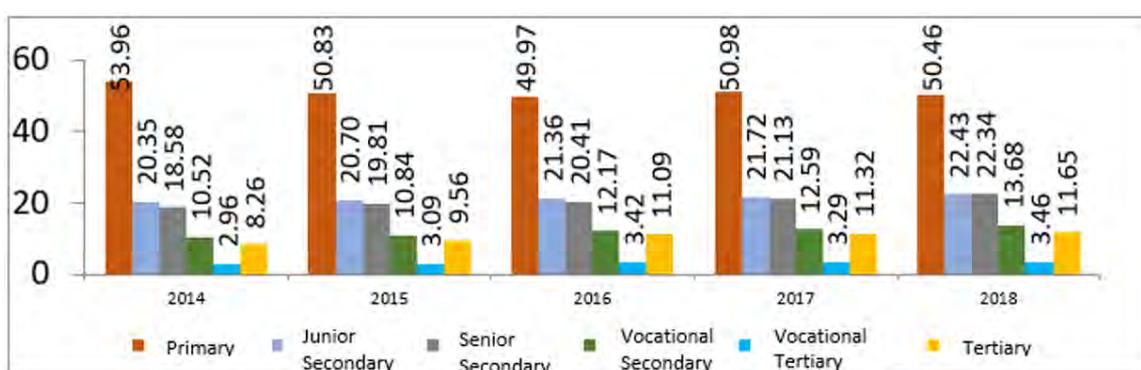
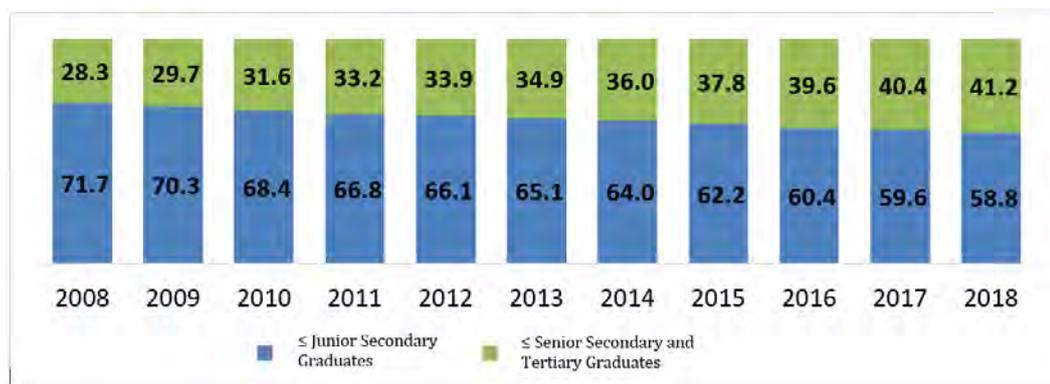


Figure 31. Workforce by Completed Level of Education

Source: National Labor Force Survey (Sakernas), 2008-2018

Although there has been an increase in youth participation in formal education/non-formal education/training, the proportion of the youths who participate in such education has not reached an acceptable level. For example, in 2018 there was approximately 49 percent of youth who are participating in education or training. It is suspected that this happens because said youths prefer to work compared to being enrolled in formal education, vocational courses, or training. The data shows that the percentage of the labor force absorbed by the labor market based on the level of education the level of employment of the vocational secondary school (SMK) graduates has been continuously increasing for the past decade. However, the level of employment of SMK graduates was not significantly higher than the level of employment of SMA, SMP, or even SD graduates. In 2018 for example, 91% of SMK graduates were absorbed into the workforce, compared to 94% of junior secondary school graduates.

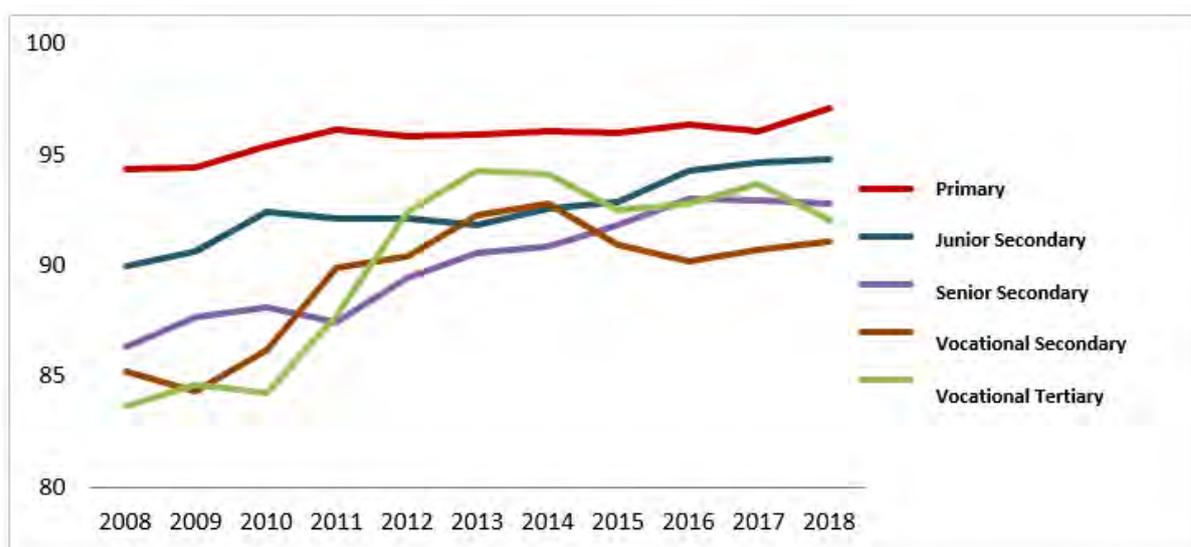


Figure 32. Working / Labor Force Percentage Based on Highest Completed Education, 2008-2018  
 Source: National Labor Force Survey (Sakernas), 2008-2018

### Current Policy, Efforts and Good Practices

There have been some efforts currently being undertaken in order to encourage youth participation in formal education/non-formal education/training, such as: (1) Empowerment of Community Learning Centre (*Pusat Kegiatan Belajar Masyarakat/PKBM*) as an avenue of non-formal education as stated in Law Number 20 Year 2003 on National Education System; (2) Provision of entrepreneurship training program and proficiency for non-schooling population; (3) Expansion of Indonesia Smart Program (*Program Indonesia Pintar/PIP*) to cover higher level of education and vocational course; (4) Cooperation with private sector and other countries such as Germany, in order to expand and implement vocational education system where students are able to study and concurrently apply the knowledge in companies, while being paid salaries. As such, SMK graduates are guaranteed to possess higher employability- or even study in school while working - and at the same time possessing high quality skills after their graduation.

#### **Box 16.** **The Mustahik Entrepreneur Program**

The Mustahik<sup>6</sup> Entrepreneur Program is motivated by population growth that is increasing rapidly every year and limited employment opportunities, encouraging the productive age population to own business through entrepreneurial activities. This activity is not only to fulfill living needs but also to provide new jobs for other members of the community.

In this program, several interventions were carried out such as business development analysis, markets analysis, product development strategies and product quality, as well as product

<sup>6</sup> Mustahik: people who are entitled to receive religious alms to the poor and needy (zakat)

marketing strategies implementation and legal aspects, as new entrepreneurs need intensive mentoring activities in the improvement process. For this reason, BAZNAS (Badan Amil Zakat Nasional-philanthropy actor) through the Mustahik Entrepreneur program encourages the presence of new entrepreneurs.

In this program, entrepreneurs are put into business groups to motivate each other and facilitate mentoring activities. Mustahik Entrepreneurs Program are aimed towards mustahik who will run a business or are running a business of various types of products in household-scale business. The beneficiaries of the Mustahik Entrepreneur Program are disability groups. The location of the Mustahik Entrepreneurs program is spread across Indonesia.



Air Conditioner Service Training



Cat Fish Cultivation Group in Bekasi

The parties involved in the Mustahik Entrepreneur program are the central and regional BAZNAS offices, the Regional Governments, local communities and local stakeholders. The Mustahik Entrepreneur program consist of mapping the business in detail; analyzing business capital and proceeds; providing intensive assistance on business motivation, product development, and spiritual strengthening. Each business group will be accompanied by program assistants and program coordinators who will then market and develop a joint market network (currently there are Lapakhalal.com and the BAZNAS marketing group).

As of April 2019, the number of beneficiaries of this program was 3,046 households sourcing from Mustahik Entrepreneurs capital assistance which originated from Zakat funds for the poor (Asnaf). The outcome of Mustahik Entrepreneurs program can be observed through a survey of the program impact. This survey aims to measure the success of the program, taking samples of mustahik who have received the assistance for more than 6 months. The average change in income of mustahik beneficiaries ranges from 45-50% per month.

## Box 17. Sekolah Perempuan

Sekolah Perempuan (The Women's School) is one model of empowering poor women through a lifelong process of learning education. Empowered women will become important actors in realizing Sustainable Development/SDGs, especially the principle of "no one can be left behind." Therefore, the Women's School was developed, so that poor women have critical awareness, caring, solidarity, life skills and are committed to becoming actors of social change to be free from poverty.

Sekolah Perempuan was initiated by the KAPAL Women's Institute since 2000 and currently has spread and been replicated in various regions. Sekolah Perempuan are developed in poor rural, urban, coastal, and remote islands communities. Members of the Sekolah Perempuan learning community come from diverse ethnicities, religions, gender, ages, and physical abilities. To date, there are 5,290 female School members from 69 villages in 6 provinces in Indonesia, namely South Sulawesi, West Nusa Tenggara, East Nusa Tenggara, East Java, DKI Jakarta, and West Sumatra.

Sekolah Perempuan members have critical awareness, confidence, and courage in making changes. They dare to negotiate in their homes and their respective communities at the village to the district level. They monitor development and provide data on women's poverty to ensure the fulfillment of the rights of the poor, especially women. They also dare to take the risk of campaigning for sensitive issues such as the elimination of female circumcision, child marriage, and domestic violence. The district government replicates the Women's School to 44 villages in the 2016-2021 of Regional Medium-Term Development Plan (RPJMD) with a total budget of 3.9 billion and allocates 2.5 billion for Women's Special Equality Education in North Lombok Regency.



(Source: Istitut KAPAL Perempuan)

## Box 18. Akademi Paradigta

The Paradigta Academy is a structured and affirmative education and training program, which is participated in by women in rural and urban poor, especially women heads of households, disability groups, and marginal groups. This education applies four innovations:

- “Action training”; the educational process as well as activities or actions in the field and reality of life, as well as direct interaction with various stakeholders.
- “Mentorships”; The process of mutual learning between academics (participants) and mentors who both become learning resources. Mentors are Pekka cadres who are specially trained for the learning process with the mentorships system.
- Multistakeholder involvement in the participant recruitment process; participants are recommended by the village government and the community so that the concerned is a village envoy and when he finishes his education will take part in his village.
- "Working Module"; the module was developed generically based on PEKKA's long experience in the field.
- About the flexibility; flexible learning approach with time arrangements agreed upon by the participants and mentors when they learn in Paradigta academy.

The education process provides a change in the participants of the Paradigta Academy regarding Access to knowledge; Critical awareness and thinking; Active participation in society; and Control of the village development process. Since its development, there have been 2,524 women who have participated in the Paradigta Academy, and 2,081 of them successfully graduated and graduated. They came from 523 villages, 31 regencies, in 10 provinces including Aceh, West Java, Central Java, West Kalimantan, NTB, NTT, Southeast Sulawesi, Maluku, Riau, DKI Jakarta. They are insights, knowledge, and skills and confidence to participate and influence the village. They also increased their leadership, involvement in decision making and representation in the village not only in the Musrenbang at various levels but also as leaders and motivators of the community. They developed various pilot programs in the community, advocated for local regulations, village regulations, and customary regulations related to the protection of women, essential services, and village budget funds. This initiative has received support from 117 village governments in 38 Subdistricts, 20 Districts in 8 Provinces which allocated a total of IDR 1,336,439,000 for the participation of village women following the Paradigta Academy and IDR 731,773,000 for education and health activities proposed by participants.



(Source: PEKKA)

## Box 19.

### Youth-Led Action Research for Youth Empowerment Skills

Youth, as part of the vulnerable and left-behind groups in development and empowerment, have huge potentials in their contribution to social and economic development. They are in their productive age but the access to education and the workforce is still a challenge. To overcome the obstacles, the Network for Education Watch-Indonesia (NEW Indonesia/JPPI) is implementing a skill development through the Youth Lead-Action Research program. The NEW Indonesia is a national coalition of NGOs that focused on civil society development in education.

The program encourages youth with a process of self-awareness and critical thinking of the youth based on the real life's experience, using 'action research'. This research is implemented by the youth themselves, so the youth are empowered to identify the problems and the solution, and then they are also equipped with organizational and advocacy skills to enable the youth to voice their aspiration in the context of supporting a village development. The trainings are



*Weaving Training For Young Women*

tailored and personalized for the needs of the youth, such as: training of weaving, screen printing, digital literacy, social media, marketing, workshop, fishing management, culinary, etc. This program has been implemented since 2016 and has been implemented in regions such as Tanah Datar regency, Tanjung Jabung Timur, Solok Selatan, Pandeglag, Lombok Tengah, Lombok Timur, and Sawahlunto City for around 1,500 youth.

## ***Strengthening of 1-Year Pre-Primary Education***

### **1. Adjusted Net Attendance Rate**

The global indicator used to observe the proportion of population aged 6 years old who are actively participating in organized pre-school education for a year, is referred to as ANAR (Adjusted Net Attendance Rate).

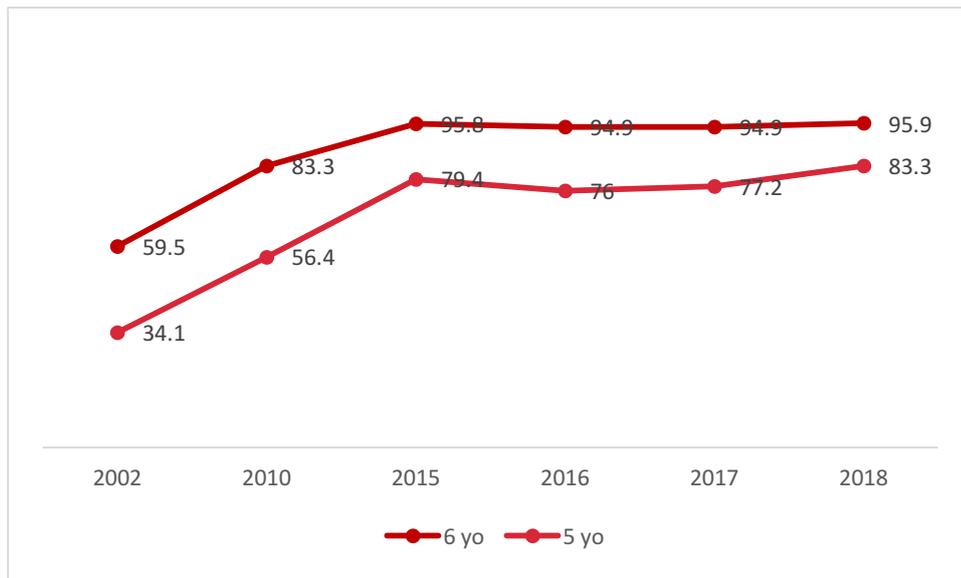


Figure 33. Participation of 5 and 6 Year Olds in Organized Learning, 2002, 2010, 2015-2018  
 Source: Susenas Kor 2002, 2010, 2015-2018

Generally, it can be concluded that almost all 6 year olds received organized learning services, be it in pre-primary (Early Childhood Education / PAUD) or primary schools. For the past 16 years between 2002 to 2018, the ANAR indicator for 6 year olds has sharply improved by 36% (The global indicator used to observe the proportion of population aged 6 years old who are actively participating in organized pre-school education for a year, is referred to as ANAR (Adjusted Net Attendance Rate)).

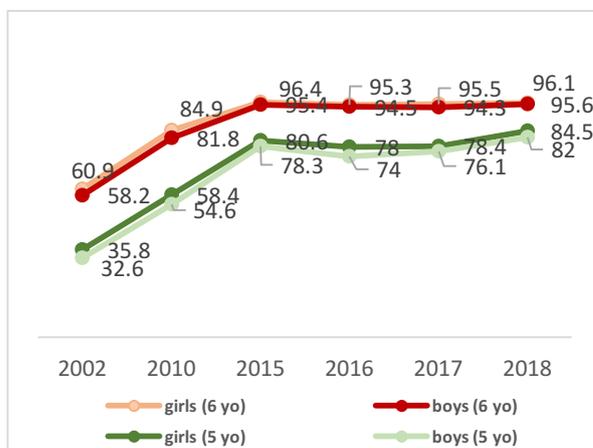


Figure 34. Participation of 5 and 6 year olds in Organized Learning Based on Gender, 2002, 2010, 2015-2018  
 Source: Susenas Kor 2002, 2010, 2015-2018

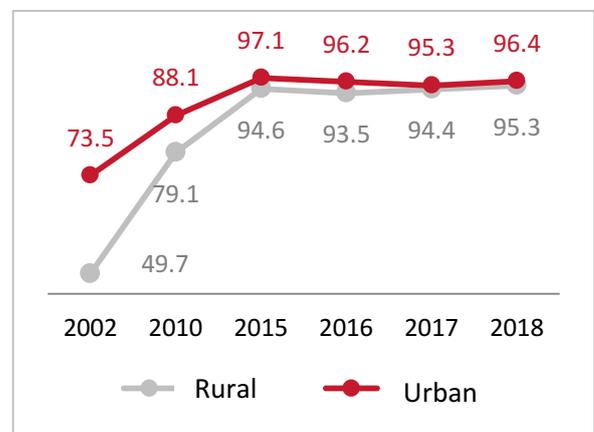


Figure 35. Urban-Rural Disparity in Participation of 5 and 6 year olds in Organized Learning  
 Source: Susenas Kor 2002, 2010, 2015-2018

The government has taken multiple efforts in order to ensure equitable access to education (including for populations under 6 years old) and it has shown sufficiently good results. One evidence of this is the convergence of ANAR numbers in all aspects. From the angle of gender disparity, girls participation has always been higher compared to boys.

However, the ANAR gap for 6 year olds decreased to only 0.5% (2018). The ANAR gap in rural and urban areas also converged. The urban-rural gap which reached about 24% in 2002 decreased to less than 1 percent in 2018.

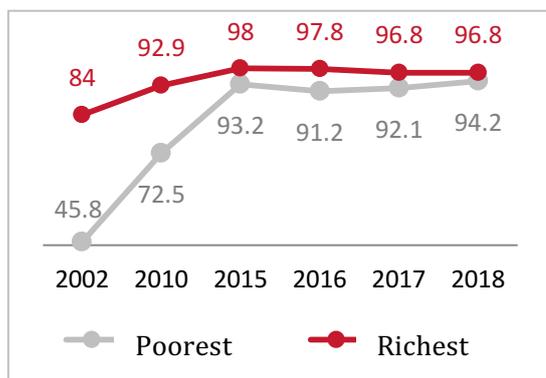


Figure 36. Participation of 6 year olds in Organized Learning Based on Income Level, 2002, 2010, 2015-2018

Source: Susenas Kor 2002, 2010, 2015-2018

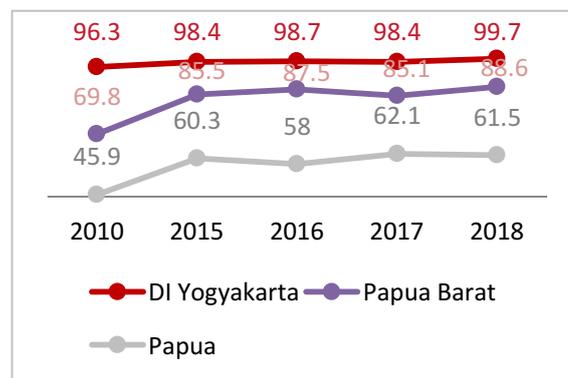


Figure 37 Participation of 6 year olds in Organized Learning for DI Yogyakarta, West Papua and Papua Provinces, 2010, 2015-2018

Source: Susenas Kor 2002, 2010, 2015-2018

The gap of the highest and lowest income groups has also been sharply reduced. The rich-poor gap which was about 33% in 2002 has sharply decreased to only around 2% in 2018. Investment in early childhood education will not produce good results unless efforts to alleviate poverty and income gap in the general population are made. Disparity gap among provinces has also decreased although not as rapid as the gap in other indicators. The ANAR gap for 6 year olds has also been smaller. The gaps between DI Yogyakarta, West Papua and Papua Provinces were reduced, even though the average gap remains at 38% in 2018. Striking disparity occurred between ANAR of disabilities group and non-disabilities group where the ANAR for non-disabilities is higher by 15% (96% as compared to 81%) in 2018.

From around 86% of 6 year olds in primary school, 20% of them has never enrolled in pre-primary education (PAUD) and from 20% of 5 year olds in primary school, 6.1% of them has never enrolled in pre-primary education. In 2018, the proportion of 6 year olds enrolled in pre-primary education was only 9.6%. However, this participation number increased by 3.5 % since 2015.

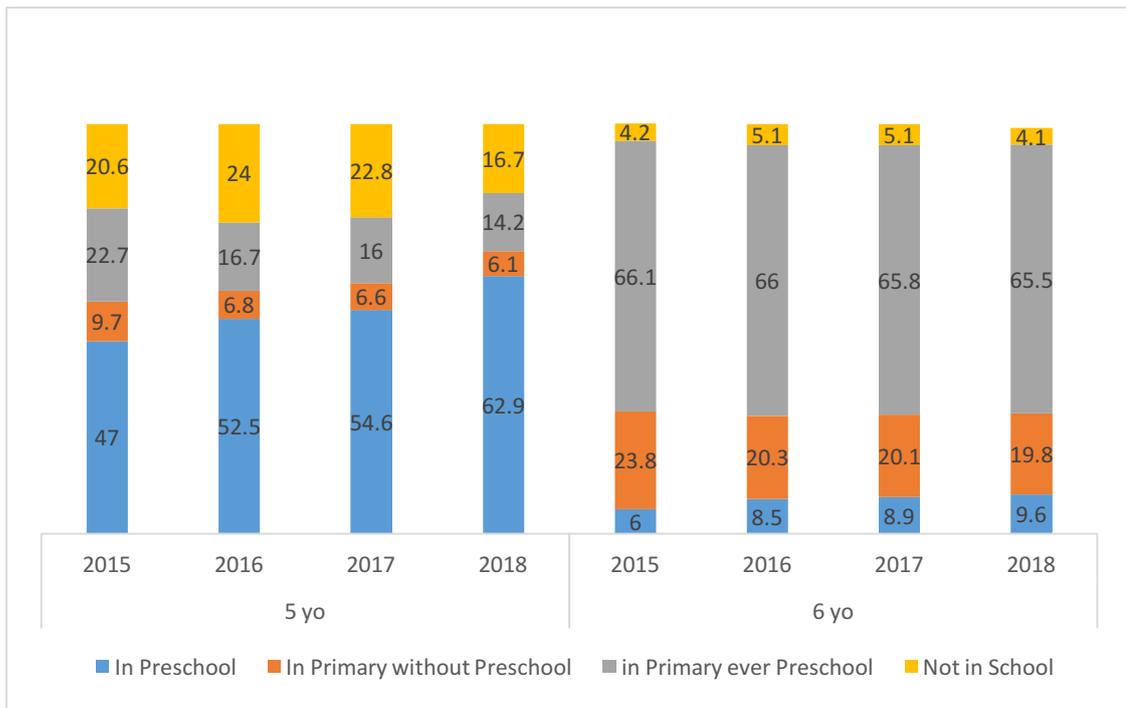


Figure 38. Participation of 5 and 6 year olds in Organized Learning based on Types of School, 2015-2018

Source: Susenas Kor, 2015-2018

Parents still enroll their children to primary schools even though the children are below 7 years old. The data indicates that until 2018, most of 6 year olds (86%) are enrolled in primary school. Furthermore, 20% of 5 year olds are enrolled in primary school. Meanwhile, MoEC advised that a child should start primary school at the age of 7.

### Current Policies, Efforts and Good Practices

In order to improve participation rate of 6 year olds in pre-primary education, the Government launched some programs and policies, such as: Implementation Operational Assistance (*Bantuan Operasional Penyelenggaraan/BOP*) PAUD, One Village One PAUD program, Holistic-Integrative PAUD Program, Compulsory 1 Year of PAUD Movement and implementing structural changes in PAUD organization in order to encourage communities/institutions to establish PAUD and encouraging establishment of Development Agency/Development Centre PAUD (*Badan Pengembangan/Pusat Pengembangan PAUD-BP/PP PAUD*) in provinces.

Some good practices in improving the service of early childhood education in communities are: (1) introducing online platform ([sahabatkeluarga.kemdikbud.go.id](http://sahabatkeluarga.kemdikbud.go.id)) as a communication channel between parents and the school; (2) increasing the access to PAUD through one roof kindergarten (TK) and primary school (SD), and at the same time utilizing early level primary school teachers to become PAUD teacher; (3) establishing PAUD Development Center in each province. This center will design PAUD pilot projects and Study Activities Studio (*Sanggar Kegiatan Belajar/SKB*), both of which shall be the reference to establish PAUD by the Regional Government.

## B. Challenges

### a. Fulfilment of Educational Access

Underprivileged children tend not to continue schooling and stop going to school at secondary level. Intervention, partisanship and distribution of education assistance for children from disadvantaged families have not been effectively executed. In tertiary education, the gap of education between economic status is still vast. Provision of higher education services have not fully been able to reach people from low socio-economic status background.

The handling of OOSC has been facing some problems. Low cross-sector coordination has caused the efforts to minimize social, economic, cultural and geographical barriers-that cause school age children to be unable to access educational service-to operate sub-optimally. Furthermore, the attempts to handle OOSC that have been undertaken, have not been accommodative enough to address various needs and issues that are faced by children (such as disabilities and special needs, homelessness, lawsuit, child marriage or teenage mothers and working children or child labor).

The implementation of inclusive education in Indonesia also still faces some challenges, for instance, not all schools are ready to accept children with special needs. Schools do not have teachers with special backgrounds to handle and guide students with disabilities. In addition, social infrastructure and facilities in schools are still very lacking, so that they cannot fully support the implementation of inclusive education. Due to the limitations of the supporting infrastructure, many children with disabilities are forced to go to school in a location far enough from their home.

Indonesia has a Minister for Education Regulation No. 70 Year 2009 concerning Inclusive Education for children with disabilities, special intelligence, special talents and a Minister for Research, Technology and Higher Education Regulation No. 46 Year 2017 concerning Special Education and Special Service Education. Challenges in implementing inclusive education are still limited in inclusive schools. However, efforts to carry out a joint movement to realize inclusive education continue. For example, the South Sulawesi, East Nusa Tenggara and Papua Provincial Government conducted an assessment and advocacy for beneficiaries with disabilities in school age. Important things that need to be done in the future are: (1) Strengthening the partisanship of the regional government through affirmative policies; (2) Strengthening the movement and participation of People with Disabilities Organizations; (3) Preparation of the public to live co-exist with and respect the rights of people with disabilities.

### b. Quality of Learning and Teaching

Provision of facilities and teacher directives to support improvement in the quality of education has not had significant effect on student learning outcomes. This can be seen from the PISA and INAP data in 2015, which shows that there was a low proportion of students achieving a minimum competence in mathematics and reading. Another challenge is related to certified teachers, in which there was a

decrease in the number of certified teachers in every level of education. It is suspected that such phenomenon happened because the previous method of certification was conducted for 9 days, while the current model is the Education Program for Teaching Profession (*Program Pendidikan Profesi Guru/PPG*) spanning over 6 months.

In terms of future curriculum development, the process needs to be more inclusive and collaborative in order to produce a curriculum that is flexible to children's abilities and interests. Learning assessment should be directed towards providing feedback for formulation of future learning strategies.

#### c. Skills, Vocation and Employment

Although the opportunity to receive vocational education-including vocational courses-has experienced an increase, when it comes to employability, there is still much effort and hard work required in order to improve educational service. Although the trend tends to decline, the Indonesian labor force is still dominated by graduates of junior secondary level and lower. Another challenge related to youth participation in education is large disparity between disabilities group and non-disabilities group.

Receiving higher education does not necessarily guarantee higher working opportunity. This view may result in reluctance of youths to continue pursuing higher levels of education, as the benefit received may not be worthwhile compared to the cost, time and effort that have to be spent. Although senior secondary level graduates generally would only work as unskilled laborers or low-skilled laborers, for some people, the crux of the matter is how they may start working and earn money as soon as possible.

#### d. Strengthening of 1 Year Pre-Primary Education

Some challenges that are still faced in developing pre-primary level of education, are: (1) limited coordination among PAUD bodies in various ministries (Ministry of Education and Culture; Ministry of Religious Affairs; Ministry of Village, Development of Disadvantaged Regions and Transmigration) and with regional governments; (2) lack of policy synchronization pertaining to teachers' development; (3) low welfare of PAUD teachers; (4) lack of assurances for PAUD teachers' certifications; (5) lack of effective partnership between parents of PAUD students and the school; (6) low level of education, interest and economy of the parents; and (7) cultural factor where values in the society do not encourage children to study in PAUD.

### C. The Way Forward

Based on the Government Annual Work Plan Document, the policy directives for the development of education in 2019 and beyond are as follows:

1. To optimize access to educational services, the following efforts will be the priority to increase the equal distribution in all levels and acceleration of implementation of Compulsory 12 Years of Learning for all: a) giving education assistance to children from disadvantaged families, affirmative regions and high-achieving students; b)

equalization of educational service between regions, especially towards regions with low fiscal capability and education performance; c) implementation of service model suited for frontier, outermost, and disadvantaged regions, such as integrated education (one-roof school/SATAP), open schooling, long-distance learning and boarding schools; d) management of OOSC to return to school through accurate data mapping, effective outreach and mentoring, revitalization of back-to-school movements and effective learning model for children with special needs, children from remote areas, children facing the law, abandoned children, street children, children in post-conflict and disaster-stricken regions; e) increasing the intake capacity of tertiary education; f) increasing the understanding and the role of families and society regarding the importance of education; and g) increasing 1 year pre-primary service.

2. Improving learning process and academic quality through strengthening quality assurance, strengthening the education grading system to be more credible and comprehensive, education management based on education unit, strengthening curriculum implementation and character development, as well as teaching underpinned by local context.
3. Improving the quality and distribution of teachers and education personnel through distribution of educators, education and training for educators, educators' performance assessment and certification.
4. Improving the quality of Institutes for Education Personnel Training (*Lembaga Pendidikan Tenaga Kependidikan/LPTK*) as an institution responsible for teachers' education (prior to taking office and during tenure) in order to produce qualified teachers through Teaching Profession Education (*Pendidikan Profesi Guru/PPG*).
5. Improving the distribution of good quality tertiary education service and enhancing the relevance of tertiary education.
6. Improving the access and quality of pre-primary education (PAUD), and encouraging the implementation of holistic-integrative PAUD.
7. Improving the quality of community education through education and training on work proficiency and entrepreneurship, literary education and equivalent education.
8. Improving the quality of religious education services.
9. Improving the effectiveness of national and subnational budget, and encouraging the improvement of subnational governments' commitment in the implementation of quality education services.

Furthermore, education personnel survey is needed in order to identify the needs of teacher trainings pertaining to the new curriculum with an emphasis on the student learning process. The training should be more active, interactive, engage higher order thinking skills (HOTS) and easily accessible by teachers. Principals must set a target to improve student participation and achievement in reading and mathematics, based on the diagnosis by class teachers on those core competencies. These targets must be collated into the development work plans of regional governments as reference for resources allocation. This effort is needed to devise programs in the targeted provinces/cities/districts to ensure that all schools achieve the agreed minimum standard of service, particularly the quality of learning.

To address important and urgent challenges in early childhood education (ECE) the Government has formulated programs and activities such as: (1) strengthening the role of students, teachers, education personnel, parents and education authorities within the education system, (2) improving the access towards PAUD and community education, (3) improving the quality and relevance of PAUD learning process, oriented towards character building, (4) improving transparency and accountability of PAUD governance system by involving the community.

#### **D. Lessons Learned**

Obstacles towards the access to education consist of various complex factors, related to socio-economic status, geography, disparity of regional development and disabilities. As such, the Government addresses these issues by implementing integrative and affirmative actions to accelerate universal access to education, especially in senior secondary level education. Through Universal Secondary Education (*Pendidikan Menengah Universal/PMU*) program, the Government has broadened the access to senior secondary school by building new schools especially in the frontier regions. To overcome financial obstacles, the Government has launched Indonesia Smart Card (KIP) program, directed to children 6-21 years old from poor or vulnerable families, including children currently not in school but wishing to return to school. In order to prevent children from being unable to continue going to school, the government has increased the amount of School Operational Fund (BOS) which is given to the formal and non-formal schools of all levels. As most non-schooling children are unable to pursue secondary education, the Government has strengthened the implementation of One Roof (SATAP) program in rural and remote areas to ease the transition to junior secondary school. To reduce the number of school quitters due to child labor, the Government has implemented Reduction of Child Labor – Hope Family Program (PPA-PKH) aimed to return child laborers to education suited to their level. The government has also broadened the implementation of Inclusive Education program to facilitate the provision of educational service for children with special needs.

The number of vocational secondary school graduates who possess expertise and ready to work must be increased as the demand of business sector for skilled labor is very high. To improve the quality of learning process in vocational secondary schools, increased funding and better management is needed. Besides that, the network between vocational secondary schools and business sectors must also be strengthened.



#### **4.1.2 Goal 8. Decent Work and Economic Growth**

This section consists of the progress of various indicators of SDGs Goal 8. It is focused on indicators e.g. economic growth, labor productivity, informalities, employment for all, youth unemployment, child labor and decent work indicators. Additionally, it also covers the tourism sector and financial inclusion efforts that are important to create jobs, promotes local culture/products and increase financial access for all.

This section will be divided into five parts. The first part is about the trend and analysis regarding indicators' development over time as well as some highlighted issues. The second part discusses challenges and problems that encapsulate the government's remaining obstacles. The third part discusses key efforts from the government and good

practices from the private sectors, as well as highlighting some success stories. Finally, the last two parts will discuss future policy direction and lessons learned for recommendations and future development.

## A. Trend Analysis

### 1. Sustained and Inclusive Economic Growth

In 2015-2018, Indonesia has achieved a stable economic growth of 5% and real GDP per capita growth of 3,74% on average Figure 39. Real GDP per capita growth reached its highest rate at 4.6% in 2011 but fell to 3.5% in 2015. However, it started to pick up in the next three consecutive years to 4% in 2018.

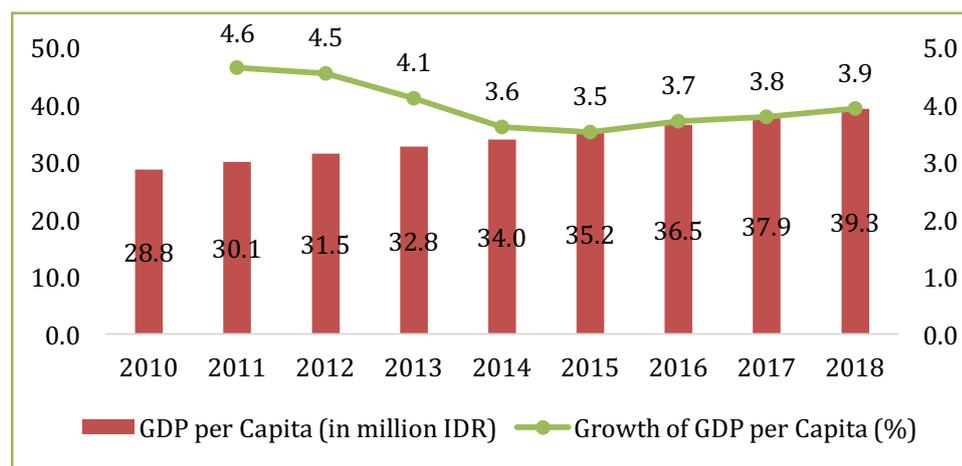


Figure 39. Real GDP per Capita (million IDR) and Real GDP per Capita Growth (%)  
Source: Statistics Indonesia

In the last four years, economic growth has contributed to a lower poverty level, as well as reduced unemployment rate and inequality. In September 2018, poverty rate declined to 9.66%, equivalent to 25.67 million people living in poverty. The unemployment rate declined to 5,3% in 2018. This positive trend is also in line with an improvement in Gini ratio to 0.384 as of September 2018, down from 0.391 in September 2017. In summary, Indonesia’s economic growth has been more inclusive in recent years.

### Current Policies, Efforts, and Best Practices

**Creating Jobs through Better Business Climate.** Indonesia has taken serious efforts to increase its business climate to attract investment. The government has established a special task-force under Coordinating Ministry of Economic Affairs to lead deregulation efforts. Until 2018, the government has introduced 18 economic policy packages which consist of tax incentives, liberalization, facilitation, and regulatory harmonization. In the 2019 Ease of Doing Business Index, Indonesia ranks 73<sup>rd</sup>. Although, it moved down one place from 72<sup>nd</sup> in 2018, the latest report highlights several improvements such as substantial reform in starting businesses, registering property and getting credit.

**Vast Investment in Infrastructure.** The government encourages equal infrastructure development among regions to achieve inter-region connectivity. In the last ten years, the infrastructure gap has hampered Indonesia’s economic growth

resulting in a high-cost economy and inefficient logistic. It also contributes to increasing prices, which hurt the poor. The government took a drastic cut on fuel subsidy to fund infrastructure development. In 2019, the infrastructure budget has reached IDR 415 trillion or 17% of the total budget. This investment resulted in the improvement on the Logistic Performance Index in recent years.

One of the most ambitious projects is the Palapa Ring project which aspires to connect 514 regencies and cities through a broadband connection. The Palapa Ring project aims to provide faster communication services throughout the country by 2019 to address the enormous digital divide in the country. The Palapa Ring project is estimated to cost Indonesia around US\$1.6 billion. Hopefully, the mega-project can be completed on time, since it has been experiencing several interruptions since its conception in 1998. The Palapa Ring can potentially reduce the disparity between east and west Indonesia in terms total and any spatial disparity through virtual connectivity.

## 2. Productivity Improvement

Like any other developing countries, Indonesia is undertaking ongoing structural transformation from agriculture to manufacturing and services. According to Figure 40, the structures of employment in Indonesia has changed drastically in the last two decades. There was a significant decrease of employment in agriculture from 40% in 2010 to 28.8% in 2018. The transition has been faster in the last four years. Services have grown rapidly while manufacturing is more stable at 12-14% of total share of employment in the last ten years.

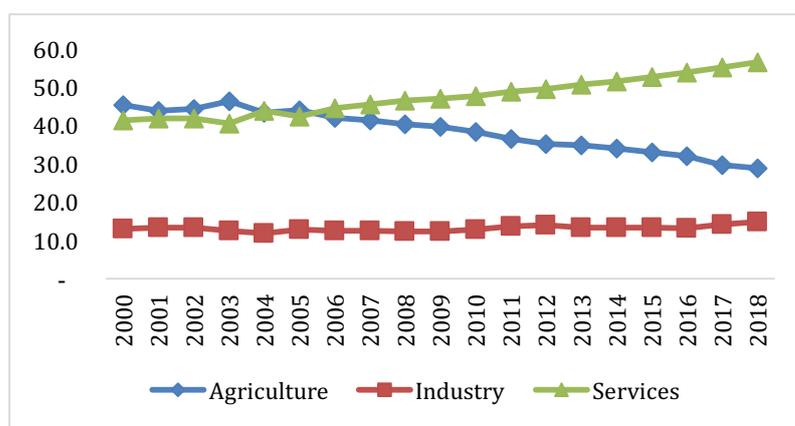


Figure 40. Proportion in Total Employment (%)

Source: Statistics Indonesia

According to GDP growth per employment, the productivity of workers in Indonesia fluctuated in the range of 1.9–7% in the last eight years. In 2018, it slowed down to 2.6% from 2.8% in 2017. However, this trend also happened to other ASEAN countries. Using GDP per person employed is gross domestic product (GDP) with 2011 PPP, Indonesia was second only to Vietnam in 2018 (Figure 41).

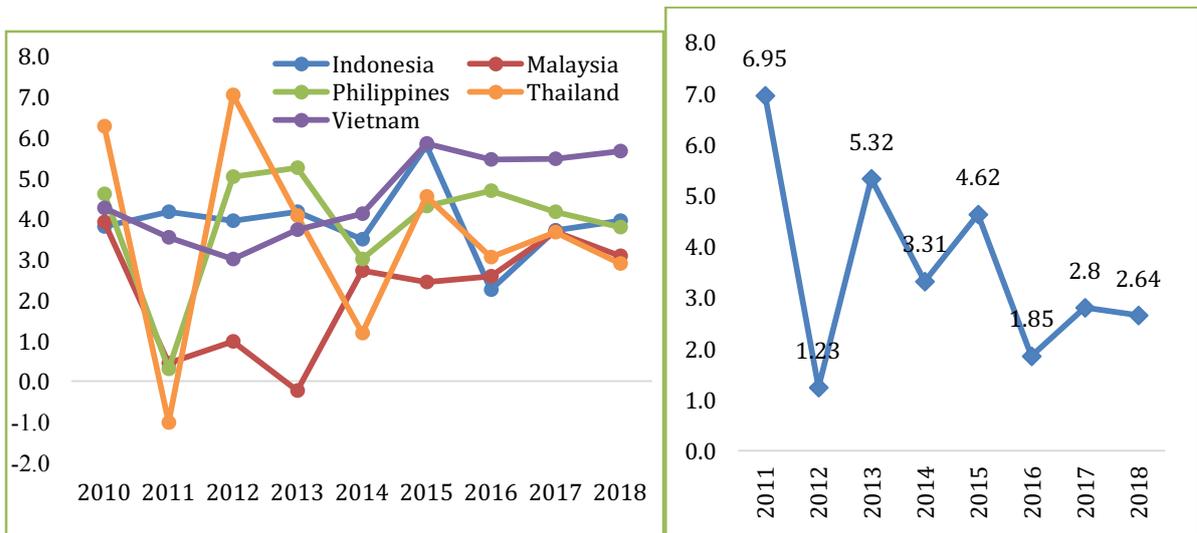


Figure 41. Real GDP Growth per Employment (%) and Growth of GDP per person employed using PPP (%)

Source: Statistics Indonesia and World Bank

### 3. Strengthening Formal Employment

Informal economy is both a blessing and a curse for the economy. Although informal workers face high uncertainty and therefore has a low job security, the informal sector absorbs a significant number of employees and cushioned the negative effect of economic slowdown. Figure 42 below shows that the trend of formal employment is upward from 42.2% in 2015 to 43.2% in 2018. Favorable economic conditions have generated more formal employment and benefited workers. Gender gaps in the share of formal employment have slightly widened in the recent years.

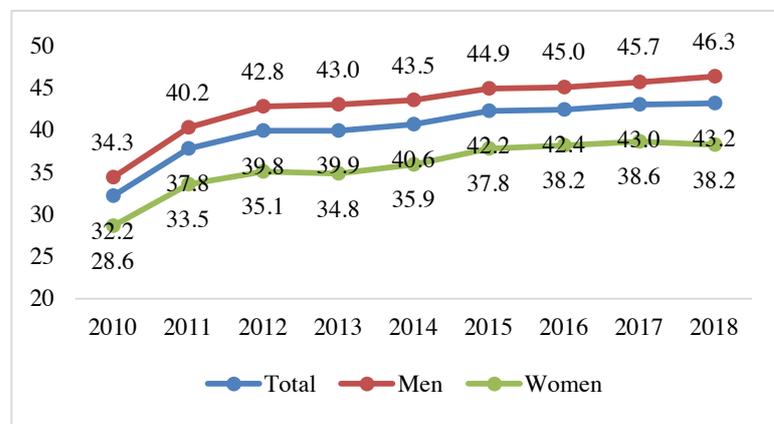


Figure 42. Proportion of Formal Employment by Sex (%)

Source: Statistics Indonesia

The growth of the service sector and expansion of formal employment therein have driven the recent increase in formal employment. Employment in the agriculture sector, where almost nine out of ten jobs are informal, has shrunk relative to other modern sectors. A worrying trend is an increase in the share of informal employment among women, which has widened gender gaps in the incidence of informal employment (Figure 43). Note that the proportion of total informal employment in the agriculture sector is twice as high as in non-agriculture sector.

The informal sector in rural area is also significantly larger than urban area because agriculture is the dominant sector in rural area. Therefore, women in rural area have a higher probability to take jobs in the informal sector. This has been a motivation for migrant workers. According to the National Board for the Placement and Protection of Indonesian Overseas Workers (BNP2TKI), 60% of migrant workers, especially women, are exposed to unsafe migration, human trafficking, limitation of access of information, and vulnerable to extremism and radicalism. However, the safety and proper conduct of migration are the rights of every citizen. Both documented and undocumented migrant workers are subject to national protection. Lastly, Papua, Nusa Tenggara Barat and Nusa Tenggara Timur have the largest informal sector, especially in agriculture.

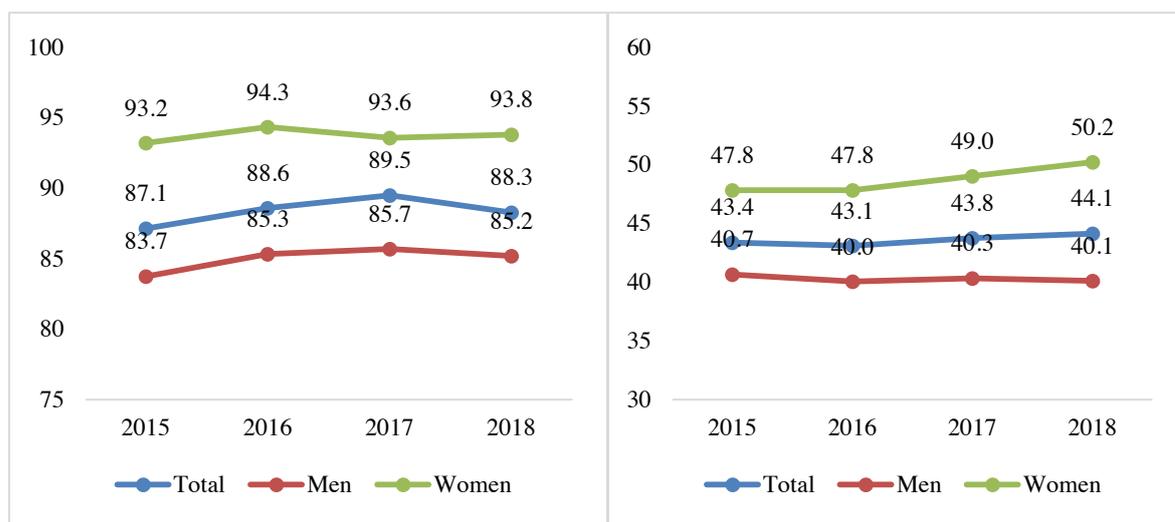


Figure 43. Proportion of Informal Employment in Agriculture (left) and Non-agriculture Sector (right) by Gender (%)

Source: Statistics Indonesia

Informality also has a strong correlation with education level as shown in Figure 44 below. It shows that 66% of workers with elementary school background are employed in non-agriculture informal sector, whereas less than 20% workers with tertiary education are in informal employment. This trend has been quite persistent in the last four years. One can conclude that improvement in education, especially longer years of schooling among youth, has been another driver of reducing informal employment in Indonesia.

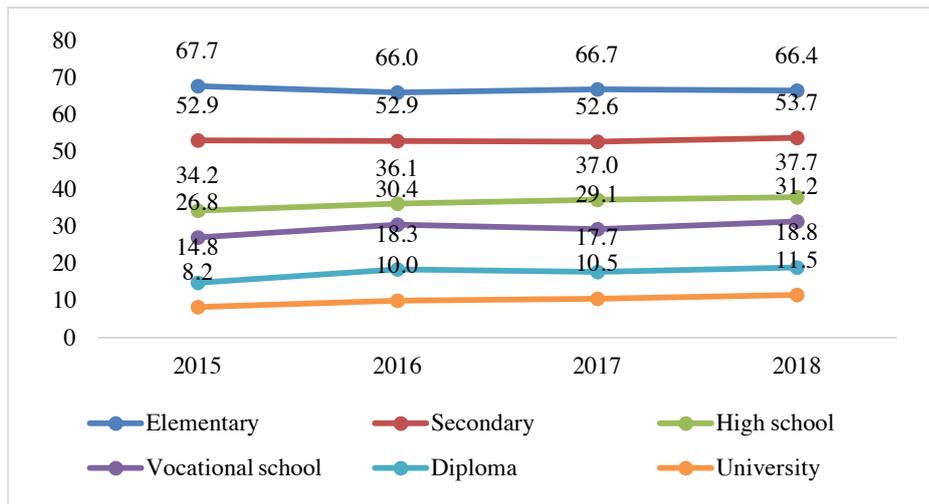


Figure 44. Proportion of Informal Employment in Non-agriculture Sector by Education (%)  
Source: Statistics Indonesia

#### 4. Full and Productive Employment

The unemployment rate is down to a record low at 5.3% in 2018. There is also a significant improvement on women’s unemployment, as it has declined from 6.4% in 2015 to 5.3% in 2018. In 2018, labor force participation for women has slightly increased to 51.88% from 50.9% in 2017. This number has stagnated since the last decade and there is still a significant gap between men and women, since labor participation rate for men is at 82.7% in 2018. By location, unemployment in rural is relatively unchanged from 2017 to 2018. Urban unemployment is still the largest contributor for total unemployment, but the trend has tapered in the last four years (Figure45).

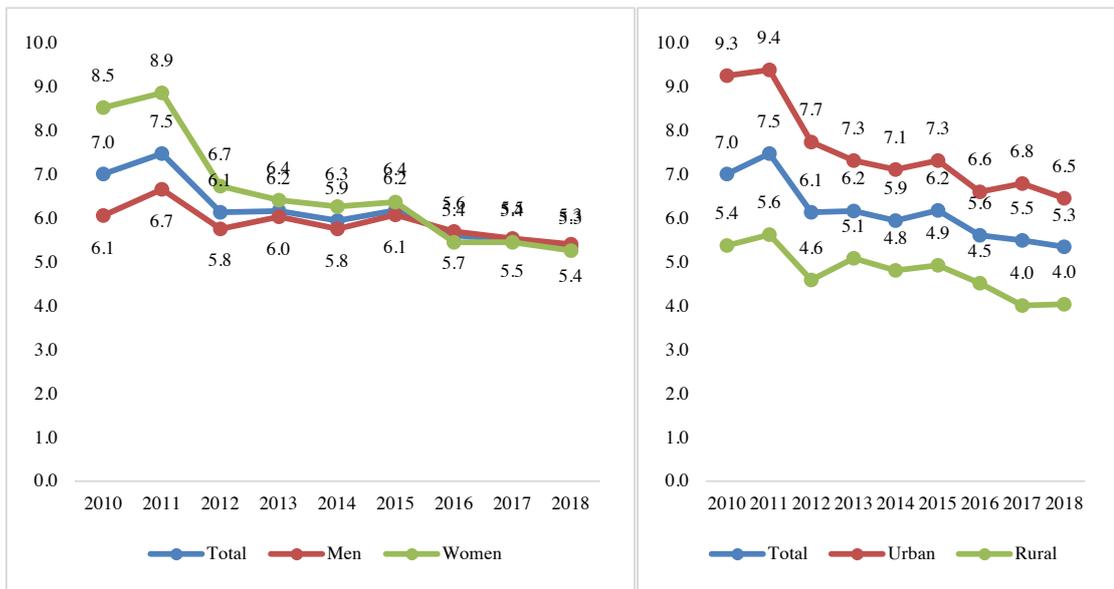


Figure 45. Unemployment Rate by Sex (left) and Location (right)  
Source: Statistics Indonesia

Based on educational background, people with secondary education has the highest unemployment rate at 7.6% in 2018 Figure 46. However, this trend has been declining

since the last four years. The government is committed to revitalize vocational schools as one of the strategies to further reduce this unemployment rate. The problem is that the unemployment rate for the most educated ones, college/university graduates, are increasing from 5.1% in 2016 to 5.9% in 2018. This indicates that the curriculum in college/university does not meet industry needs.

Indicators of productive employment for all also includes the unemployment rate of persons with disability. In Indonesia, the right to work for persons with disabilities is enshrined in the Law No 8/2016 on Disability. However, there are still big hurdles for them to participate in the labor market namely (1) access to education since there are many disabled children unable to go to school. According to the ministry of education, there are 1.6 million disabled children in Indonesia but only 18% enjoy access to education, (2) empowerment of people with disability that are not in line with their interests and skills, (3) lack of accessibility in public facilities. For example, in Aceh, there are 37 public building which accommodate accessibility element but with insufficient condition. Figure 46 shows the unemployment rate among persons with disability with no difficulties is persistent at 5.6% in 2018. However, unemployment rate among disabled persons with moderate and severe difficulties have fallen to 2.6% in 2018 compared with 3.5% in 2017.

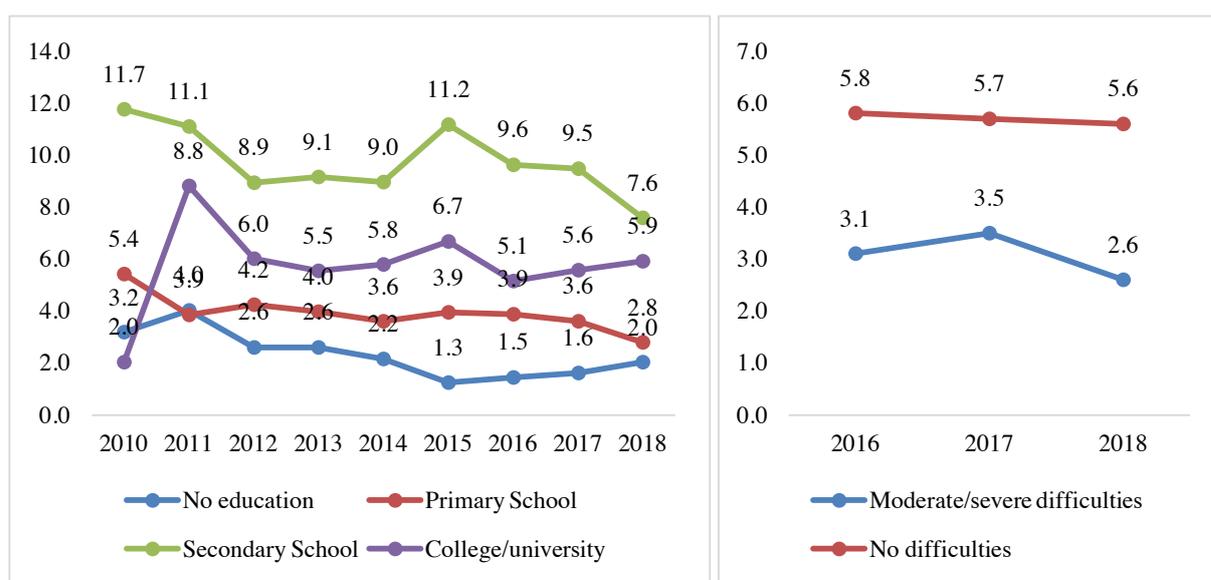


Figure 46. Unemployment Rate by Education Background (left) and Persons with Disabilities (right)

Source: Statistics Indonesia

Underemployment in Indonesia is defined as number of people working less than 35 hours per week. Indonesia charted a consistent decline in underemployment rate over the last four years, reaching 6.6% in 2018. For both men and women, the trends tend to converge, leaving insignificant gender gaps. Note that men have a higher underemployment rate than women in Indonesia. Figure 47 also shows that the underemployment is more frequently observed in rural areas (9.3%) than urban areas (4.3%) in 2018, although trends are downward in both areas.

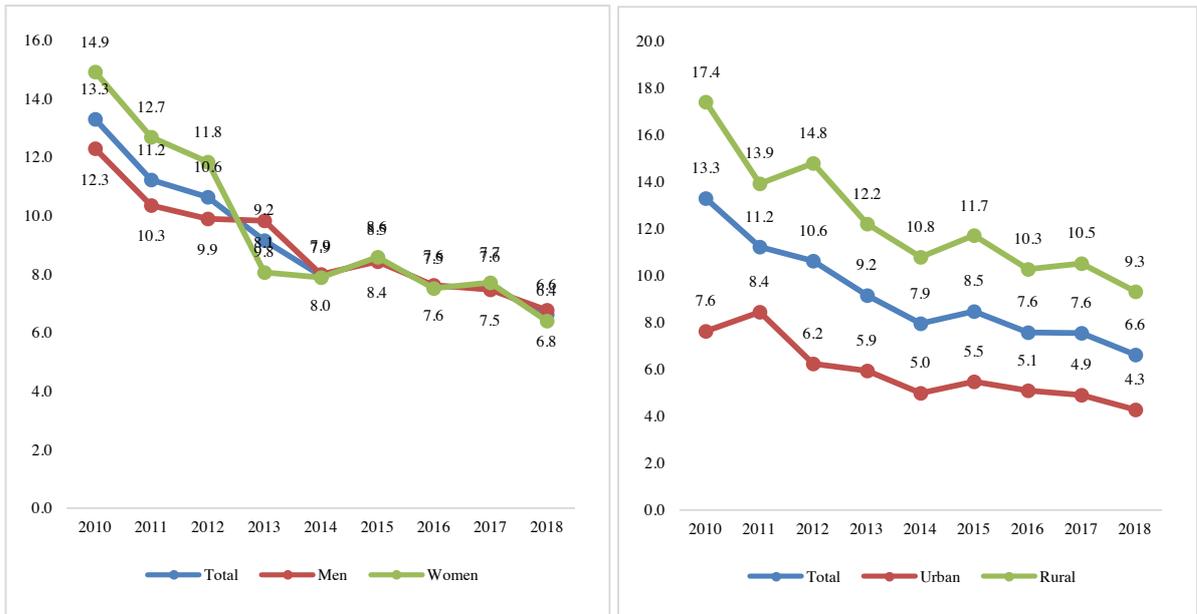


Figure 47. Underemployment by Sex (left) and Location (right)  
Source: Statistics Indonesia

The average hourly earnings have increased from IDR11,389 in 2015 to IDR15,318 in 2018 (Figure 48). Although the growth has slowed down in the past two years, it is still higher than the yearly inflation rate. It means that Indonesian workers can still maintain purchasing power. However, the difference between men and women in terms of average hourly earnings is still quite persistent and has widened from 2015 to 2018.

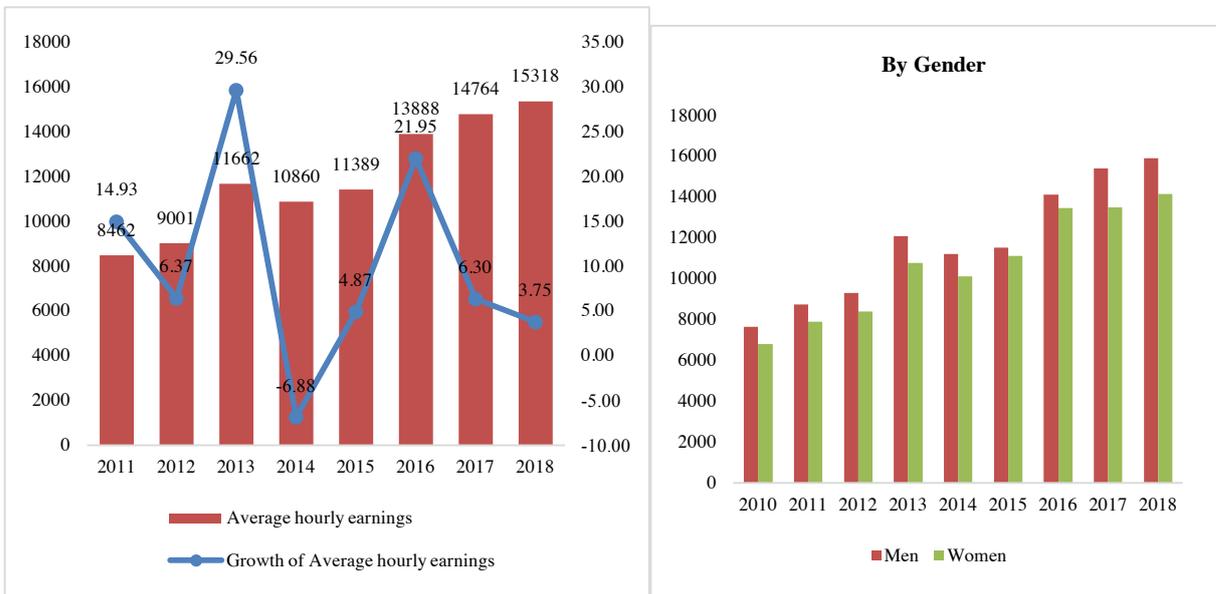


Figure 48. Average Hourly Earnings (IDR)  
Source: Statistics Indonesia

Other than the gender gap in earnings, there is a significant difference in average earnings paid by Micro and Small Enterprises (MSEs) and Medium and Large Enterprises (MLEs) and minimum wages across the regions. According to the 2016 Economic Census, MLEs give IDR 47.8 million on average while MSEs give IDR 16.7 million. In other words,

workers in MLEs earn almost three times more than MSEs. In addition, Figure 49 provides a comparison in minimum wages across regions in provinces in Indonesia. The highest one is Jawa Barat, the difference between the highest and lowest regional minimum wage is IDR 2.4 million. These disparities call a more equal policy regarding wages determination.

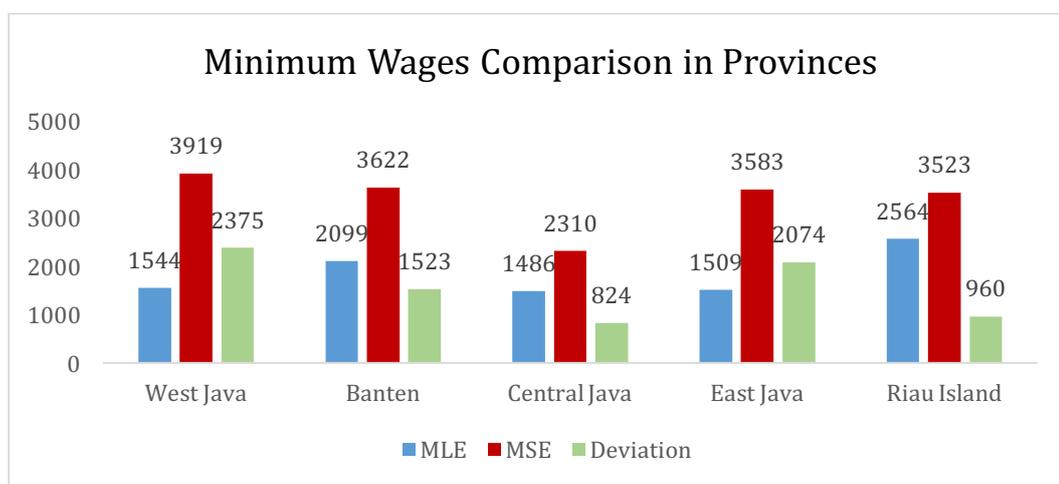


Figure 49. Minimum Wage Across Regions and MSE and MLE Comparison  
Source: Ministry of Manpower and 2016 Statistics Indonesia Economic Census

Table 2. Micro and Small Enterprises and Medium and Large Enterprises Comparison

Criteria	Micro and Small Enterprises	Medium and Large Enterprises
Number of Firms (million)	26.1	0.35
Number of Employment (million)	59.2	19.4
Unpaid Employment per Firms	1.25	0.28
Employment per Firms	2	56
Average Earnings of Paid Employment (IDR million)	16.7	47.8

Source: Ministry of Manpower and 2016 Statistics Indonesia Economic Census

## Current Policies, Efforts, and Good Practices

**Reducing Rural-Urban Inequalities.** The government is committed to attaining more inclusive growth and sustainable livelihoods such as productive economic community empowerment, access, facilitation and partnership. One of the key innovations is village fund (*dana desa*) as the implementation of UU No. 6/2014 regarding the delegation of responsibility by the central government to village-level government. The motivation is to reduce the number of underdeveloped villages by 5000 villages in 2019. In 2015, the government distributed IDR 20.8 trillion, and tripling in the 2019 budget to about IDR 73 trillion. On average, each village will get almost IDR 1 billion in 2019. This fund aims to empower villages with improved infrastructure and development program. For example, development of productive economic enterprises, improvement of basic services, especially stunting and nutrition services for children, as well as financing

cash-intensive activities to create temporary employment opportunities for the poor. This effort is supported by a mechanism of guidance and supervision, as well as facilitation to ensure the right direction of use.

In addition, there are also Strategic Partnership by ICBDA/SAA, AIP-PRISMA. This program aims to benefit 1,000,000 smallholder farming households in eastern Indonesia in 2019 – 2023 by improving market efficiency. Therefore, more value added can be distributed among smallholder farmers and create more jobs in agricultural sector.

### **Box 20.**

#### **Program for Reducing Rural-Urban Inequalities (Migrant Worker Friendly Villages/Desbumi)**

In the means of implementing SDGs Goal 8 of Decent Work, Migrant Care, supported by MAMPU (Indonesia-Australia Partnership for Gender Equality and Women Empowerment), encourages the institutionalization of protection towards Indonesian migrant workers in villages through DESBUMI. DESBUMI a local initiative to urge the realization of protection for migrant workers, especially village women. Located in 37 villages and 7 provinces (13 in Central Java, 12 in East Java, 1 in West Java, 5 in West Nusa Tenggara, 6 in East Nusa Tenggara), DESBUMI helps migrant workers to go and work abroad in the way it is regulated; therefore, they can be guided and helped when they are mistreated in the countries they are working. DESBUMI is also gender-responsive and brings positive energy from migration's potential as an implementation of Law No. 18 Year 2017 about Indonesian Migrant Workers Protection.

DESBUMI provides services that support the implementation of SDGs. The Economic Empowerment Program is one of DESBUMI's services that is in line with SDGs Goal 8 (promote sustainable, inclusive, and sustainable economic growth; full and productive employment; and decent work for all). DESBUMI supports groups of former migrant workers to build joint ventures. It is expected that this program could address the fifth target of achieving full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. The Economic Empowerment Program also aims to reduce the proportion of youth not in employment, education, or training.

DESBUMI helps in economic empowerment so that former migrant workers can grow their business and be able to maintain their economies after no longer being migrant workers; especially for women who accounted for more than 60% of migrant workers. In later stage, they are expected to take roles in providing employment services for the next young generation so that those who have difficulty in getting education are employed, and those who do not have jobs can also work. In the end, all those efforts by the migrant workers are envisioned to lead to productive employment and decent work for all; as well as equal pay for work of equal value in the future.

Source: Migrant Care

**National Non-Discrimination Movement in the Workplace.** The government has affirmed the commitment to create decent work for women Indonesia has implemented the Gender Equal Wage Equalization Guidelines in the Workplace. Also, Indonesia has also established the Task Force for Equal Employment Opportunity (EEO) and continued to increase the capacity and concern of government officials and other stakeholders in the implementation of EEO. The provincial Equal Employment Opportunity (EEO) Task Force is expected to play an active role in disseminating information related to EEO. The Task

Force is also expected to raise the awareness of both workers and employers on the application of non-discrimination and equality at the workplace.

**Creative Economy and “Making Indonesia 4.0”.** In the light to find a new source of growth, the government established the Creative Economy Agency (Bekraf) as the agency task to advance and develop the Creative Economy sector in Indonesia. It was formed under the Republic of Indonesia’s Presidential Regulation Number 6 of 2015.

The government of Indonesia also launches "Making Indonesia 4.0" as a new initiative to boost Indonesia economic growth and revitalize the manufacturing sector through the adoption of Industry 4.0. A full implementation of Industry 4.0 until 2030 is expected to 1) increase GDP growth between 1-2% per year, 2) create additional 10 million jobs, 3) increase the share of manufacturing PDB to become more than 25% of the total PDB, 4) increase net export to 10 percent, 5) increase productivity-to-cost by two folds, and 6) increase innovation capability supported by 2 percent government spending on RandD. The implementation of Industry 4.0 will be focused on food and beverage, textile and apparel, automotive, electronics and chemical subsectors.

## 5. Empower Youth for Work

Despite achieving record-low unemployment rate, youth unemployment is still one of the major concerns for the government. Although the rate has been declining in the past nine years, Indonesia still has the highest youth unemployment in ASEAN. In 2018, almost 20% of young people (15-24 years old) were unemployed. In addition, the incidence of youth not in employment, education or training (NEET) remain high above 20%, 22.5% in 2018. One of the possible reasons for this trend is the long transition between leaving school and their first job. This is particularly the case amongst youth with tertiary education who aspire to find a suitable job beyond what the labour market has to offer. The government has taken this issue seriously and intervened to facilitate school-to-work transition of youth. For instance, the government has increased vocational training budget and promoted of work-based learning, including apprenticeships.

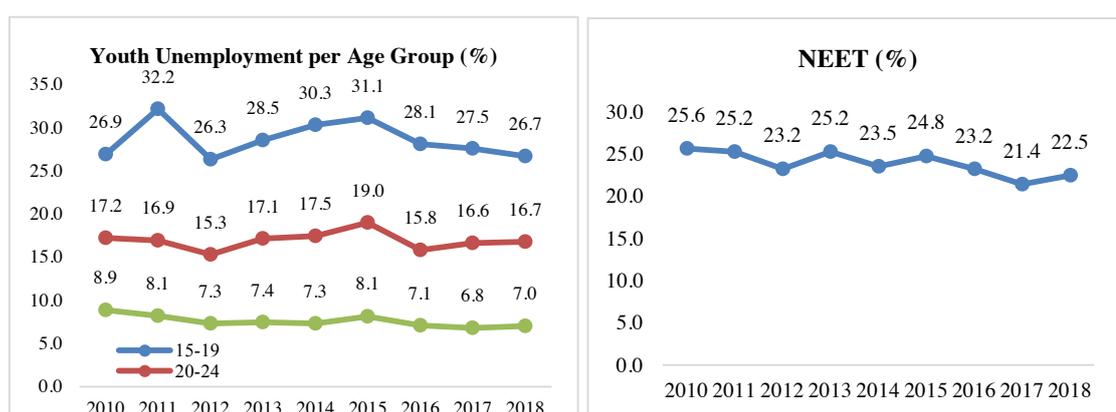


Figure 50. Youth Unemployment (%) and NEET (%)

Source: Statistics Indonesia

## Current Policies, Efforts, and Good Practices

**Revitalization of Vocational Education and Training.** Presidential Instruction no. 9 the Year 2016 on the revitalization of vocational high schools, aims to improve the quality and competitiveness of human resources in Indonesia. The president instructed the relevant ministries/agencies and local governments to perform their tasks, functions, and authority to revitalize vocational high schools to improve the quality and competitiveness of Indonesian human resources and to prepare a roadmap of labour demand for vocational high schools. The government also focuses on vocational training, i.e. triple skilling program (skilling, upskilling and reskilling) through vocational training centers (BLK). From 2015 to October 2018, the participants already reached 382,132 for training, 149,064 for internship and 1,349,559 for certification program. Moreover, to increase the proximity of the vocational training centers, there are 75 community training centers (BLK Komunitas) in 2018.

There is also an improvement in the number of mid-skilled workers. In 2014, the proportion of mid-skilled workers were 30.48%, and increased to 31.14% or 38.62 million mid-skilled workers in 2018. The target for 2019 is 37%. This improvement is also supported by training and certification programs. According to Ministry of National Development Planning, the numbers of participants for training and certification programs in 2018 has reached 673,920 and 557,060 respectively.

### Box 21.

#### **Astra and the Development of Vocational Education and Trainings**

Vocational training has been one of the priorities in building the quality of Indonesian youths. SDG Goal 8 aims to substantially reduce the proportion of unemployed youths who are not exposed to education or trainings. Astra Honda Motor (AHM) has constantly participated in improving vocational education in Indonesia. In 1995, AHM (previously known as Federal Motors) established Yayasan Federal Bina Ilmu (Federal Foundation of Sciences) which supervised the Akademi Teknik Federal (Federal's Technical Academy) as means to solve the needs for skilled workers, especially in the motorbike industry. Then, the Federal Foundation of Sciences transformed into Astra Manufacturing Polytechnic (Politeknik Manufaktur Astra/Polman).

Besides Polman Astra, AHM has contributed in vocational schools development by creating the Techniques and Industry of Motorbikes Curriculum (Teknik dan Bisnis Sepeda Motor/TBSM) Astra Honda in 34 provinces in Indonesia since 2010. Around 686 schools are coached and trained specifically by AHM in order to produce graduates that either could link and match in the industry world or build their own businesses. This coaching and training are facilitated by 59 Competency Test Center (Tempat Uji Kompetensi/TUK) that spread all over Indonesia. AHM also provides scholarships for outstanding individuals. The TBSM Curriculum provides trainings and certifications for teachers in order to increase the quality of the students. Moreover, AHM provides textbooks, motorbikes, and special tools for practical studies. The company also helps the standardization of schools' laboratories in order to look like the exact AHM authorized repair shops.

Apart from skills, students are also supplied by character buildings from various sources such as Astra's mentors, lecturers, and seniors. It is expected that once the graduates enter the labor

market, they are ready and would easily adapt with their work environments. Collaborating with main Honda motorbike dealers, this curriculum gives opportunities for students to experience work environment through internship program in Astra Honda Authorized Service Station (AHASS). Around 46 thousands of youth has experienced this internship program in 2017-2018.

Since 2016, AHM partnered with the Ministry of Industry to intensively support the quality of vocational education that aims to meet the need of the industrial world. Through the “Link and Match” vocational program, there have been more than 100 pilot project vocational schools in East Java, Central Java, Yogyakarta, West Java, Jakarta, Banten, Jambi, South Sumatera, Bengkulu, Bangka Belitung, Lampung, and northern Sumatera. So far, there have been six collaborations between AHM and Ministry of Industry for this Industrial Vocational Program. The program is a concrete proof of the implementation of the Presidential Instruction No. 9 Year 2016 about Vocational School Revitalization.

## **Box 22.**

### **Enterprise-Based Vocational Education (EVE) PT. Solusi Bangun Indonesia Tbk**

PT Solusi Bangun Indonesia Tbk (SBI) or formerly known as PT Holcim Indonesia is a cement company in Indonesia with four plants, i.e. in Cilacap (Central Java), Tarogong (West Java), Tuban (East Java) and Lhoknga (Aceh). As part of its corporate social responsibility (CSR) strategy, SBI has a strong commitment to promote employment among youths around its plants by establishing enterprise-based vocational education (EVE) Program in Cilacap and Tarogong in 2005. The EVE Program is a three-year polytechnic training program with specialty in Cement Industry Engineering.

The EVE Program is run by SBI in partnership with competent vocational school, Politeknik Negeri Jakarta (PNJ). The goal is to integrate the national curriculum with local content regulation regarding the cement industry; to train students with multi-skills (both technical skill and leadership) as required by industry 4.0 and to engage youths around the plants to increase the local human development index. The program consists of 50% on the job training, 20% on technical modules and 30% on classroom and soft skill training. During the program, the company provides facilities, such as training materials, monthly allowance, protection kits, insurance and certificate.

The EVE Program in two locations until 2018 has resulted in 364 graduates. Among these graduates, 60% of them work at SBI plants and the remaining work in other manufacturing industries. The positive impact of EVE Program can be seen through the increased opportunity in employment for youths, increased company productivity due to the presence of skillful and ready-to-work labor, and increased opportunity in education. For example, the HDI for education of Kembang Kuning Village near the SBI plant in Bogor has increased every year: 50.0 (2014), 60.9 (2015) and 66.0 (2016).

The major challenges that EVE program faces among others are the potential gap between the existing school curriculum content and the industry needs, and difficulty in finding quality student candidates near the plants. The EVE is innovative because it is successful in creating link and match between graduates with the industry, providing exclusive scholarship for local community, and creating innovative products even during training program. The EVE program can be a good model for successful link and match vocational education programs, thereby

increasing employment and education opportunities This program has been replicated by PT Badak NLG and PT Holcim in Vietnam and India. This program also has potential to be replicated by other industries.

**Supporting Digital Economy.** The expansion of the digital economy in Indonesia is a powerful job creator. To date, Indonesia is home to one decacorn, i.e. GOJEK and three other unicorns, i.e. Tokopedia, Traveloka, and Bukalapak. A study has estimated that GOJEK contributed IDR 44.2 trillion, or a little over US\$3 billion, in added value to the Indonesian economy in 2018. It also provides a higher monthly income than the minimum wage.

As a response to the development of digital economy, the government has launched a vision to establish Indonesia as the largest digital economy in Southeast Asia --worth US\$130 billion and involves the emergence of 1,000 Indonesian technopreneurs by 2020. Especially for the e-commerce sector, the government already released Peraturan Presiden No. 74/2017 on E-Commerce Roadmap to facilitate e-commerce development in Indonesia.

### **Box 23.**

#### **Gojek and Its Implications on Economy and Employment**

Online transportation has been one of the most frequently-used modes of transportation in the last few years. This might be due to the efficiency and price of using the services. Gojek, as one of the online transportation service providers, has developed significantly, currently being Indonesia's first decacorn. Based on the recent study by Gojek and Lembaga Demografi Universitas Indonesia, Gojek contributes Rp 44.2 trillion from driver partners and MSME partners for Indonesian economy. The overall contribution consists of Rp 16.5 trillion from Go-Ride, Rp 8.5 trillion from Go-Car, Rp 18 trillion from Go-Food, and Rp 1.2 trillion from Go-Life (Go-Massage and Go-Clean).

From the employment side, Gojek has participated in reducing the pressure of unemployment through expansion of employment opportunities. According to driver partners, there are three main benefits by being driver partners which are flexible working hours, sufficient funds for family, and more family time. Another caveat found in the study is more than 70% of Go-Massage and Go-Clean partners are women and almost 50% of them are main breadwinners in their families. This shows an increase in women's participation in both employment and digital economy. This supports the Goal 8 SDG to achieve full and productive employment and decent work for all women and men, including young people and persons with disabilities in 2030.

From economic side, Gojek helps encouraging MSMEs to utilize technology and go online which enable them to have more market access. As a result, there are increases in MSMEs' volume transactions and business assets. By joining Gojek, partners are also experiencing wage improvement. It is reported that they earn more than the minimum wage. This applies for Go-Ride, Go-Car, and Go-Life partners in Jabodetabek and outside Jabodetabek. The average earnings are Rp 4.9 million for Go-Ride partners, Rp 6 million for Go-Car partners, and Rp 4.8 million for Go-Life partner in Jabodetabek. Gojek partners are also reported to be more prosperous and to experience increase in economic mobility. For Go-Ride, partners experience 45% increase in earnings and 25% increase in spending since joining Gojek. For Go-Car, partners experience 42% increase in earnings and 32% increase in spending since joining



Gojek. And for Go-Life, partners experience 72% increase in earnings and 19% in spending since joining Gojek. Gojek helps create decent jobs and encourage the formalization and growth of MSMEs.

Partners also show optimism in partnering with Gojek. They believe they can support their families and send their kids to school by being Gojek partners. Additionally, all Go-Ride, Go-Car, and Go-Life partners shows positive view towards partnership with Gojek through partnership agreement and opportunities to do negotiations and discussions with Gojek management.

## 6. Eradication of Forced and Child labour

To eliminate the worst forms of child labor, the government ratified the ILO Convention No. 182 concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour through the issuance of Law No. 1 Year 2000. In 2015, the government has published a roadmap to fully eradicate child labor in 2022. However, according to Figure 51, the implementation of the roadmap remains below-expectation as progress is quite slow. In 2018, 7% of total workers are child laborers i.e. aging between 10 to 17 years.

The government also launched National Program for Reducing Child Labour (*Program Nasional Pengurangan Pekerja Anak Dalam Rangka Mendukung Program Keluarga Harapan/PPA-PKH*) for child laborers, especially the ones that work in the worst forms of child labor (*Bentuk Pekerjaan Terburuk untuk Anak/BPTA*) and have dropped out of school in Very Poor Household (*Rumah Tangga Sangat Miskin/RTSM*). From 2008 to 2018, this program has returned 105,956 child laborers back to school. Some challenges remain, such as difficulty in erasing hazardous child labor, lack of financial resources and personnel in the enforcement of child labor laws throughout the country.

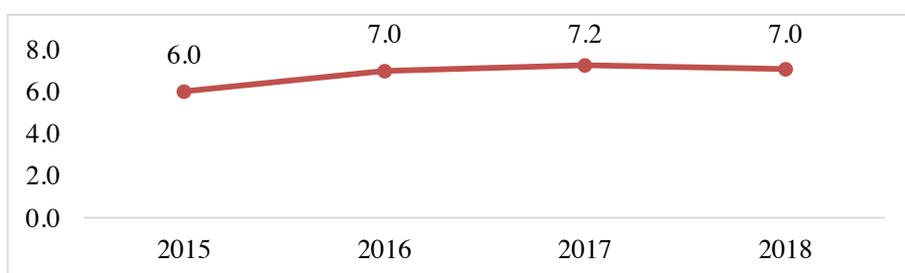


Figure 51. Child Labour from Aged 10 to 17(%)

Source: Statistics Indonesia

## 7. Worker's freedom of association and collective bargaining

According to ILO, decent work should involve freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men. As one of the key players in tripartite industrial relations, labor union is a channel for the workers to voice their aspirations. In Indonesia only 2.7 million or 5.5% of total workers are members of labor unions. Moreover, labor unions are focused in industrial relations, such as minimum wage negotiations and advocacy in the formal sector. Therefore, many workers in the informal

sector do not receive the benefits of these labor unions. Lastly, there is a lack of participation among labor unions in shaping future employment policy.

*Table 3. Comparison of Labor Union Members and Total Workers*

Data	Source	Number of Firms	Number of Employees	Labor Union Ration Members
Labor Union Members	Ministry of Manpower, 2018	-	2,717,961	-
Medium and Large Firms	BPS, Economic Sensus (UMB), 2016	447,352	19,406,401	14.01%
Object of Labor Inspection Firms (Small, Medium, Big)	Ministry of Manpower, 2017	252,880	13,138,048	20.68%
Number of Employees	National Labor Force Survey, August 2018	-	49,244,371	5.52%

*Source: National Labor Force Survey, August 2018; Statistics Indonesia, Manpower Ministry, and Economic Census 2016*

### **Current Policies, Efforts, and Good Practices**

**Forum Sosial Dialog** is a forum led by *Konfederasi Serikat Buruh Sejahtera Indonesia* (KSBSI) with Apindo and Local Government started in 2014. Through this forum, KSBSI reached an agreement to establish Mutual Agreement (*Perjanjian Kerja Bersama/PKB*) with some big companies in Bandung, Subang and Bogor. There are 71 companies and 80,073 workers which consist of garment and agriculture sector. The goal of this agreement is to increase work condition and worker's productivity. Therefore, with the increasing involvement of employer, this forum can help government to ensure that all stakeholders have the same goal and accommodate aspirations in a more equal environment.

**Employment Policy Forum (Forum Kebijakan Ketenagakerjaan/FKK).** The forum is held regularly with the aim of facilitating evidence-based discussions on labor-related policies in Indonesia. This forum involves government, private sectors, labor union, researchers, academics, and observers of labor issues. The member of the forum consists of various organizations (university, NGOs, international organization) such as Centre for Strategic and International Studies (CSIS), SMERU, World Bank, UNIKA Atma Jaya, Padjajaran University and the University of Indonesia. One of the outputs of this forum is discussion forum that discuss some findings from relevant research on a specific topic such as future of works and labor regulation issues. It involves relevant policy makers, academicians, private sectors and labor organization. The website can be accessed at [www.laborforum-id.org](http://www.laborforum-id.org).

## 8. Tourism as a New Driver of Economic Growth

As a country with diverse ethnicities and culture, Indonesia has a comparative advantage in the tourism sector. This sector has contributed to 4.11% in 2017 and 5.25% as target in 2018 of total GDP and 10.2% of the employment in 2018 (Figure 52). Additionally, this sector is the highest contributor to foreign reserve. The government has implemented several policies to achieve the National Medium-Term Development Program (*Rencana Pembangunan Jangka Menengah Nasional/RPJMN*) 2015-2019 target of 20 million international tourist arrivals in 2019, along with US\$17,6 billion worth of generated income in foreign exchange. First is developing 10 Tourism Priority Destinations such as, Danau Toba, Tanjung Kelayang, Tanjung Lesung, Kepulauan Seribu, Borobudur Greater Area, Bromo-Tengger-Semeru, Lombok-Mandalika, Labuan Bajo, Wakatobi, and Morotai. Secondly, the integrated promotion programs, such as Wonderful Indonesia events and collaboration with wholesalers and airlines. Lastly, relaxation of immigration policy through free-visa policy for tourists for 169 countries.

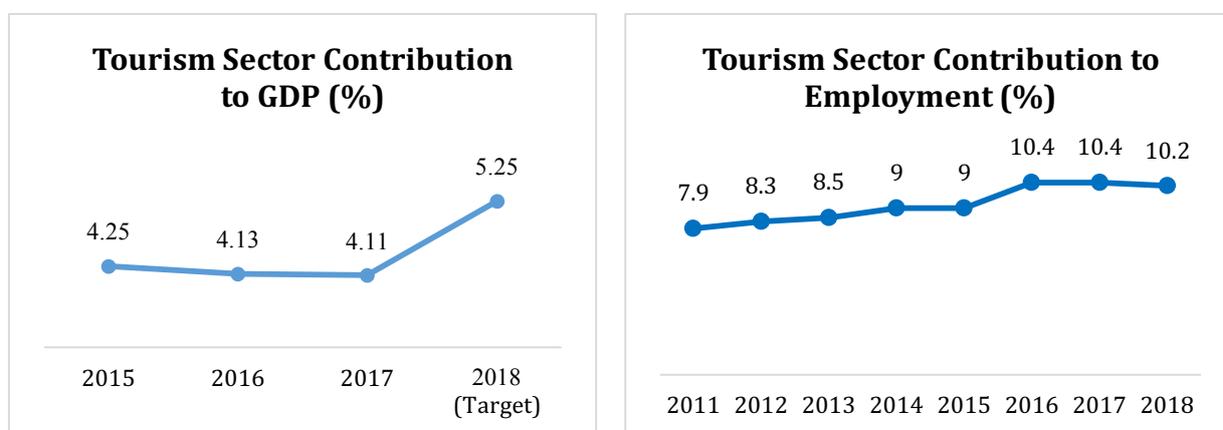


Figure 52. Tourism Sector Contribution to GDP (%) and Employment (%)

Source: Statistics Indonesia/Ministry of Tourism

In 2018, Indonesia posted a 15.4% growth in foreign tourist arrivals at 16.2 million tourists. In terms of foreign reserve, tourism sector is targeted IDR 223 trillion in 2018 (Figure 53). This achievement is possible, to some extent, due to the government's efforts and commitment in promoting its tourism with the "Wonderful Indonesia" slogan.

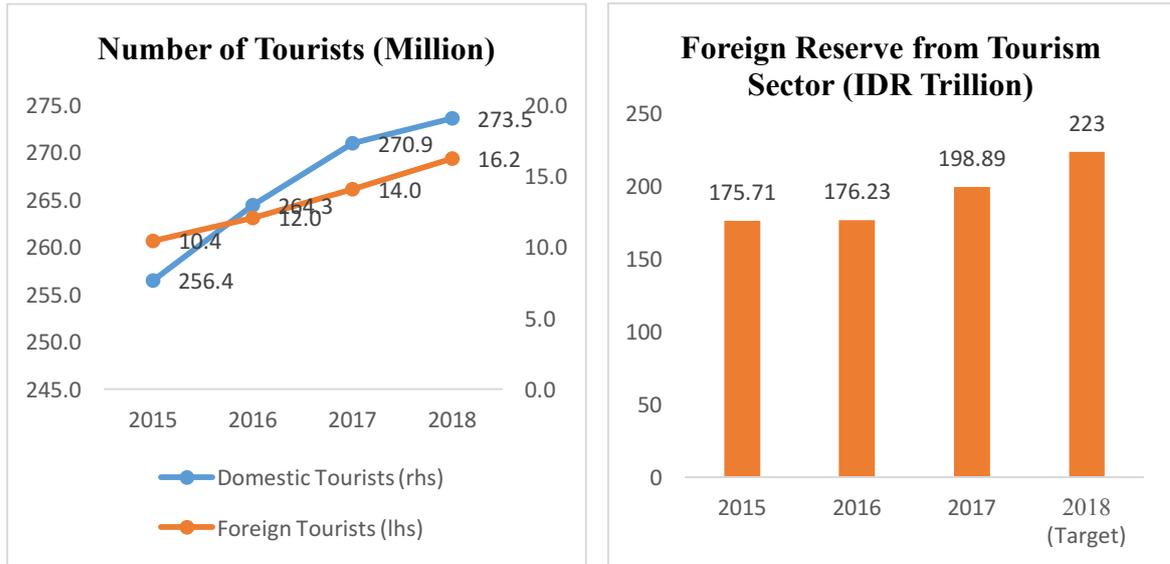


Figure 53. Foreign and Domestic Tourists (million) and Foreign Reserve from Tourism Sector  
Source: Ministry of Tourism

## 9. Financial Inclusion and SMEs

To achieve finance for all, financial inclusion is one of the top priorities for the government. As can be seen in Figure 54, the number of commercial banks and ATMs have been around 16 and 56 per 100,000 adults in 2018. The reasons are limited expansion from banks and the development of mobile/internet banking. In addition, there are also some other financial institutions other than commercial banks such as rural banks (BPRs) and cooperatives. The government also supports the financial inclusion agenda by conducting an integrated non-cash transfer for poor people and branchless banking program.

The 2017 Global Findex reports that 49% of the total adult population have a bank account in Indonesia, the poorest 40% is only 37%. This is a significant improvement from 36% for total adult and 22% for the poorest 40% in the previous 2014 Global Findex. However, among other peer countries, Indonesia is still below Malaysia and Thailand which already reached 80%.

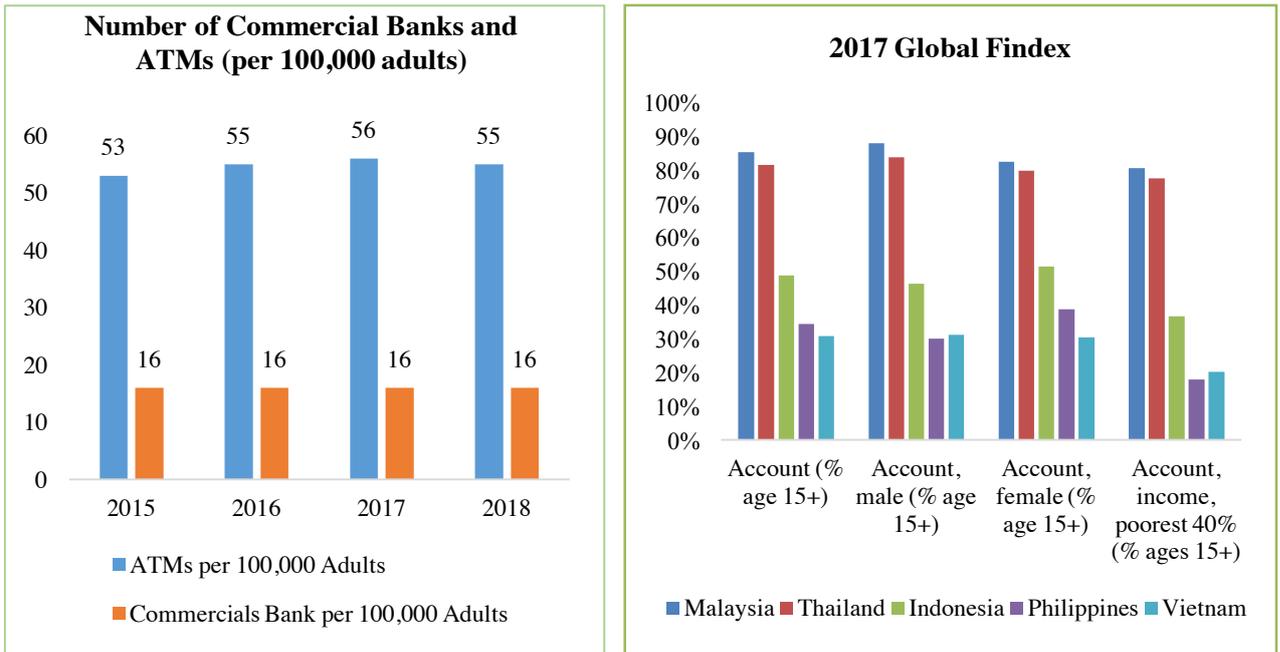


Figure 54. Number of Commercial Banks and ATMs (per 100,000 adults) and 2017 Global Findex  
Source: Bank Indonesia and World Bank

Financial access for SMEs also important indicator. In 2018, 23.6% of SMEs has access to financial services. It grew 5.6% compared with 2017 although it is still below 2016 proportion which at 25.7%. According to the total credit, the SMEs' proportion has an increasing trend since 2015. The data in October 2018 shows that it already reached 19.7% (Figure 55). It is noted that most of the credits allocation is for trade sector although the government has targeted its micro-credit program (KUR) for more productive sectors such as home-industry and tourism sector.

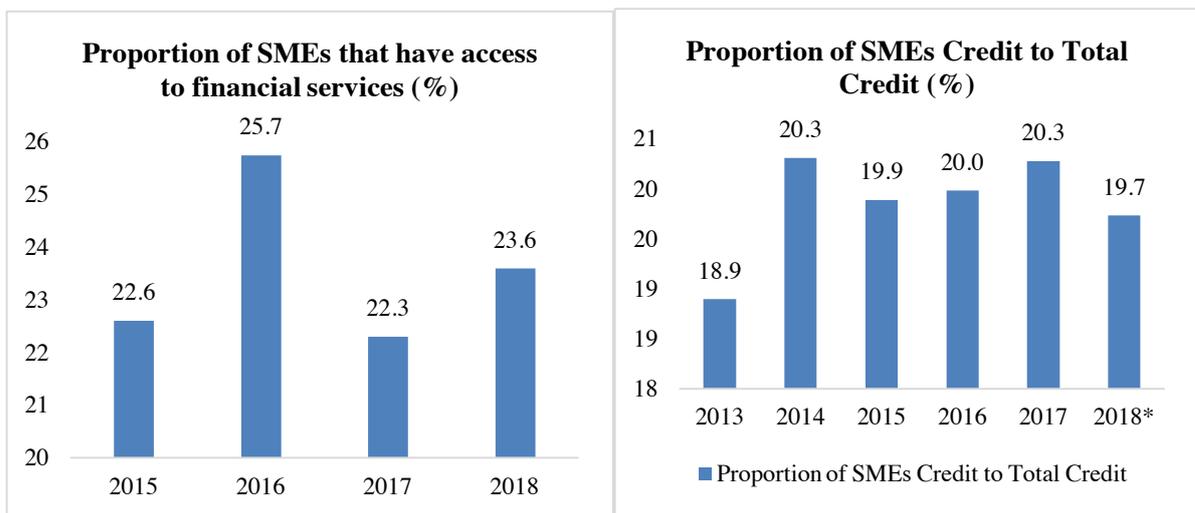


Figure 55. Proportion of SMEs that have access to financial services (%) and Proportion of SMEs Credit to Total Credit (%)  
Source: Bank Indonesia

## Current Policies, Efforts, and Good Practices

**Access to finance: Microlending (KUR dan Kredit UMi).** In 2018, the government had implemented a new policy on microlending named KUR (Kredit Usaha Rakyat) and launched Kredit UMi. It aims to provide more access and encourage productive credits for SMEs. Among other new policies, the interest of KUR has been lowered from 9% to 7% per year, includes more sectors and special scheme and targets KUR for border areas and KUBE. Lastly, UMi is ultra-micro credit platform that targets 800,000 un-bankable SMEs with IDR 10 million per SMEs through non-bank financial institutions in 2018.

Between 2015 and 2018, KUR has benefited its 687.897 recipients at a total sum of Rp14,4 trillion. The government's plan in 2019 is to distribute a total Rp25,3 trillion of the KUR to 1.1 million farmers; in details, it will be Rp25,3 trillion to 905 rice and plant farmers and Rp5,6 trillion to 240 animal farmers. In the period of January and April 2019, as many as 15.722 Indonesians are employed within various business sectors under KUR scheme.

Based on Regulation of Coordinating Ministry of Economic Affairs No. 8/2018 jo Coordinating Ministry of Economic Affairs No. 11/2017 about Guidelines for Implementing People's Business Loans. The new KUR scheme consists of Special KUR which is given to groups that are provided together in the form of clusters by using business partners for smallholder agriculture and smallholder agriculture as well as smallholder farmers.

**Fintech to Increase SMEs' Access to Finance.** The lending and financing fintech are one of the most promising industries. The peer-to-peer (P2P) lending market grew IDR 1.6 trillion in 2017. P2P lending market also spurred funding outside Java upwards to 10 times the amount compared with last year, reaching IDR 276 billion. More specifically, the number of lenders increase almost 8 times while the borrowers increased 7.5 times.<sup>7</sup> This shows that the P2P platform has a potential to reduce the economic disparity in Indonesia. Moreover, it allows a more robust economic growth through new and increasing flows of credit and capital to SMEs. According to Bank Indonesia, there is still about 50 million SMEs that do not have access of finance. Through mobile technology, financial transaction will be more cost efficient and more convenient. For example, e-banking users grew from 13.6 million in 2012 to 50.4 million users in 2016. In terms of transaction numbers, it increased more than twofold from 151.8 million transactions in 2012 to 405.4 million transactions in 2016.

## B. Challenges

### 1. Regional Disparity

Despite a more inclusive growth achieved by the government in the last four years, there is still a significant disparity in poverty and inequality between urban and rural area across provinces in Indonesia. Since Western Indonesia is the most populated region, economic activity, trade and investment are traditionally concentrated in the region i.e.

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<sup>7</sup><http://ekonomi.kompas.com/read/2017/11/09/193700626/ojk-fintech-p2p-lending-di-indonesia-capai-rp-16-triliun>

Java and Sumatera. However, there is a shift of government's policy in response to reduce regional economic disparity. With a spur of infrastructure investment, the government aims to redistribute the economy to Eastern Indonesia, sub-national units, and the village level. In the next 30 years, the participation in the national economy of islands outside Java and Eastern Indonesia are expected to increase to 48.2% and 25.1% respectively.

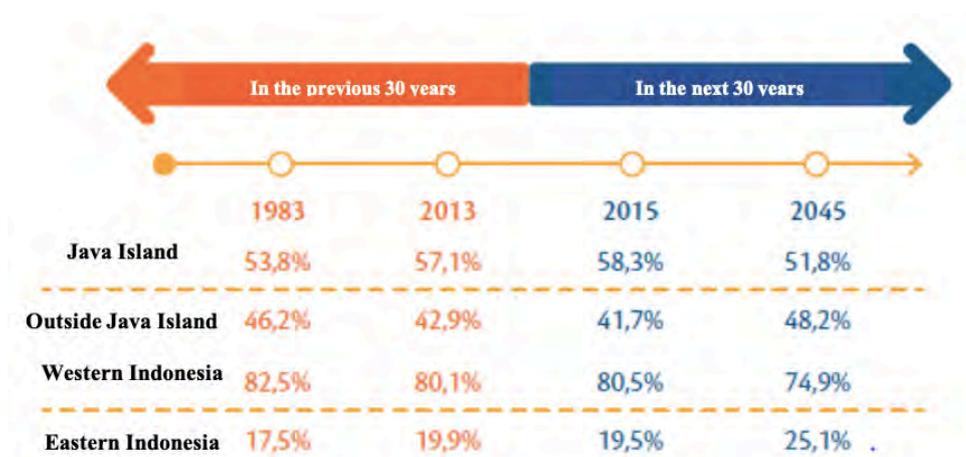


Figure 56. Direction of Regional Development  
 Source: Ministry of Development Planning, 2018

## 2. Diversification and high value-added economy

The structure of the economy still heavily relies on the low-value-added sector. For example, coal and CPO are still the most significant contributors to Indonesia's export. The high-technology export products as a proportion of total manufactured exports has fallen from 12.87% in 2009 to 5.43% in 2017. ADB (2019) explains that Indonesia's complexity index has not increased during the period considered and that the Indonesian economy is significantly less complex than the more advanced East Asian and Southeast Asian economies. Therefore, as the structural transformation progresses, Indonesia needs to improve its economy towards a more diversified and high value-added economy.

## 3. Gender Gap, Quality of Workers and Youth Unemployment

These three crucial issues have hampered Indonesia's labor market development. Firstly, there is a stagnation on women's labor participation rate which requires special attention to the future policy direction. Additionally, women are more likely to be employed in the informal sector and paid a lower wage compared to men. Therefore, the government should assure the implementation of equal employment opportunity policy. Secondly, low productivity of the workers indicates the low level of educational background in Indonesia compared to other ASEAN countries. According to PISA, Indonesia's students are lagging behind their peers in terms of science, reading and mathematics skills. Additionally, around 63% of manufacturing laborers are junior high school graduates and lower. People with higher educational levels tend to enter the service sector. Increasing labor productivity in the manufacturing sector through education and training is important, since manufacturing workers have relatively higher income compared to other sectors.

#### **4. Skill Mismatch and Readiness for Future Jobs**

Job mismatch is considerably quite severe in Indonesia although the trend is starting to decline. It consists of two types, i.e. vertical (overqualified, underqualified) and horizontal (mismatch with educational background). According to ILO (2017), over-education has significantly decreased, from 27% to 19.2 % in 2016. However, the under-education trend had been increasing from 10% in 2006 to 17% in 2016. In other words, companies are working under their full capacity because of under-educated workers. Indonesia also ranks low in the Digital Competitiveness Index which means that Indonesia is still not ready for future jobs. It should be noted that technological change shifts job roles, and occupational structures are transforming the demand for skills at a faster pace than ever before. For example, by 2022, only 58% task hours will be performed by humans and 42% by machines (McKinsey, 2016).

#### **5. Social Dialogue and Effectiveness of Supervision**

The effectiveness of social dialogue in industrial relations can be observed by several indicators such as the number of bipartite cooperation institution, company regulations (*Peraturan Perusahaan*) and collective labor agreement (*Perjanjian Kerja Bersama*). From 2014 to 2018, there is an increase for these three indicators. However, these number are still low in terms of ratio of total firms. In 2018, there are 16,962 firms that have bipartite cooperation institution, up from 16,168 firms in 2014.

On the supervision, in 2016, the Ministry of Manpower reported that there were only 1,923 labor inspectors in all of Indonesia, both those directly in provincial ministries and labor agencies. While the object of labor inspection reaches 252,880 companies with as many as 13.1 million workers, this means that every labor inspector on average is responsible for 132 companies and 6,832 people. Low number social dialogue and supervision contribute to the increase of the probability of having industrial relations conflict.

#### **6. Labor Regulations**

Labor regulations in Indonesia which refer to Law No. 13 of 2003 seeks to cover formal and informal employment contexts, by classifying types of workers in two contexts i.e. workers who are in an employment relationship and outside the employment relationship. Employment relationships themselves are defined as the relationship between workers and employers based on work agreements, which have elements of employment, wages, and orders (Article 1 number 15 of the Manpower Act). In general, workers who fulfill the element of work relations work within the scope of the company with a large medium scale business (UMB), while workers who work on a small microscale (UMK) have a tendency to be considered non-employment relations, especially when business actors are not legal entities and do not provide employment agreements for workers.

Second, several studies explain that the labor regulation rigidity is hampering Indonesia's competitiveness. This has a bad implication to investment climate and has made Indonesia fall behind its peers in terms of investment attractiveness among investors. Therefore, reformation in the labor regulation is already in the government's priority to ensure a better regulation for all stakeholders.

## C. The Way Forward

There are three strategies to attain these targets: (1) to create inclusive jobs in high value-added sectors; (2) to increase quality and quantity of vocational education and training; (3) to achieve a conducive labor and industrial relations climate towards a more flexible labor market. The breakdown of the strategic plans for the next five years is listed below.

The breakdown of the strategic plans for the next five years is listed below.

1. Achieving economic growth that creates decent and inclusive employment opportunities including (1) labor-intensive investment in new growth centers outside Java; (2) increase export and global value chain participation in agriculture and fisheries sectors; (3) increase investment in new sources of growth such as tourism, creative economics and digital economy (4) strengthening entrepreneurship; (5) improving investment climate with supported by better and industrial relations.
2. Realizing a competitive and productive workforce, by (1) increasing the participation of vulnerable groups in the labor market; (2) developing and strengthening social protection schemes for workers; (3) improving equitable quality education services; (4) improving health status and access to a good quality of health services; (5) improving the quality and relevance of vocational education and training; (5) increasing the importance and competitiveness of higher education; (6) supporting science and technology development and innovation; (7) developing national character.
3. Increasing the role and cooperation with private sector/industry in vocational education and training, by (1) improving the labor market information system; (2) developing skill improvement fund schemes; (3) developing incentives for industries that contribute to the development of expertise; (4) Cooperation in practicing facilities in industry; (5) Development of teaching factories / teaching industry.
4. Improving the quality of vocational education and training including (1) Increasing vocational facility and infrastructure according to industry standards; (2) developing dual-system in vocational training and education; (3) controlling the establishment of new vocational education units and study programs that meet the standards and the needs of the industry/labor market; (4) financial management flexibility in the production unit /teaching factory/teaching industry.
5. Strengthening the vocational competency certification system by (1) strengthening competency and synchronization of competency certification; (2) improving SKKNI by adopting international standards.
6. Improving labor regulations to support better labor market flexibility and investment climate.
7. Creating harmonious industrial relations by (1) increasing bipartite negotiation; (2) strengthening institutional labor market institutions; (3) enhancing industrial relations dispute resolution capabilities.

8. Strengthening labor inspection institutions to improve compliance.
9. Extending coverage and establishing social protection schemes and ensuring equitable and fair compensation for formal and informal workers.
10. Increasing value-added tourism sector which will be focused on: (1) increasing competitiveness in 10 Priority Tourism Destinations (Lake Toba, Tanjung Kelayang, Tanjung Lesung, Thousand Islands and Old City of Jakarta, Borobudur and its surroundings, Bromo Tengger-Semeru, Lombok-Mandalika, Labuan Bajo, Wakatobi and Morotai); (2) increasing sustainability of Bali tourism; (3) strengthening 11 potential destinations (Sabang, Padang Bukittingi, Batam-Bintan, Palembang, Bandung Pangandaran, Banyuwangi, Singkawang Sentarum, Derawan, Makassar-Selayar-Toraja (4) developing ecotourism and marine tourism.
11. Strengthening the creative economy and the digital economy which is focused on 5 clusters in Java (Jabodetabek, Bandung, Yogyakarta, Semarang and Surabaya), Bali, Medan, and Makassar. The sectors that will be strengthened are culinary, fashion, craft, applications, and digital content, games, movies and music.
12. Strengthening entrepreneurship and micro, small and medium enterprises (MSMEs) by (1) increasing business partnerships between Micro, Small and Medium Enterprises; (2) increasing access to finance for entrepreneurs; (3) increasing cooperative capacity, reach and innovation; (4) increasing the creation of business opportunities; (5) developing small and medium industrial centers; (6) increase the added value of social enterprises.

#### **D. Lesson Learned**

Complex problems in the labor sector are more due to the lack of involvement of stakeholders in reducing unemployment and increasing labor capacity in Indonesia. For example, vocational training and education have been regulated by the central and regional governments and tend to not consider industry needs. As a result, graduates from vocational schools and training are not well absorbed due to inappropriate skills, curriculum differences and lack of field practice. Therefore, the government began to involve the private sector in the preparation of curriculum, certification and distribution for apprenticeship programs.

The government launched an apprenticeship program as one of the strategies to prepare a competent workforce and in accordance with industry needs, with an initial target of 400,000 workers able to participate and supported by the Indonesia Chamber of Commerce and Industry (KADIN). According to data from the Ministry of Manpower in January 2018, a total of 10,790 workers had joined the apprenticeship program, consisting of 8,340 participating in domestic apprenticeships, 1,800 internships abroad, and 650 people participating in independent apprenticeship programs.

### 4.1.3 Goal 10. Reduced Inequality

This chapter focuses on the indicators in Goal 10 of Reducing Inequality. The analysis will be focused on selected indicators, which are (i) Gini ratio, (ii) Percentage of population living under the national poverty line, (iii) Number of districts that are no longer underdeveloped, (iv) Number of underdeveloped villages, (v) Number of independent villages, (vi) Average of economic growth in underdeveloped districts, (vii) Percentage of poor people living in underdeveloped districts, (viii) Proportion of population living below 50% of median income, and (ix) Proportion of members of the national social security for workers.

Inclusive economic growth is an integral part of efforts for equitable development. These efforts include reducing inequality between income groups through poverty eradication and improved public services, as well as reducing regional inequality through connectivity and maritime affairs.

In the 2015-2019 National Medium-Term Development Plan, efforts in achieving equitable development to reduce inequality between income groups include the following policies: (1) Development of a comprehensive social security system, (2) Improvement of basic public services for the poor, (3) Development of sustainable livelihood for the poor through employment distribution and entrepreneurship. Reducing regional inequality is focused on affirmative policies in underdeveloped regions, villages and rural areas to ensure development can serve all layers of society.

#### A. Trend Analysis

##### 1. Gini Ratio

In the last four decades, the Gini ratio measuring inequality in Indonesia has shown dynamic fluctuations, in accordance with the dynamic changes in socio-economic aspects (Figure 57). Around the 1970s, the increase in inequality was caused by improved access to education and infrastructure in Indonesia. Around the 1980s, inequality declined consistently due to the expansion of the agriculture sector and massive economic growth, especially in the rural areas.

From the late 1980s to 1996, the Gini ratio experienced an increase due to growth in financial and banking sectors as well as services, which are closely related to high-skilled workers. From 1998 to 1999, the Gini ratio decreased due to the Asian Financial Crisis. Then, the economy being supported by a commodity boom started growing, followed by an increased Gini ratio which later decreased due to the 2008 Global Financial Crisis. In relation to financial or economic crises in general, the same pattern is found in many other countries, so crises almost always reduce inequality (Milanovic, 2016). After the Global Financial Crisis, inequality has consistently increased and reached its peak of 0,41 in 2011.

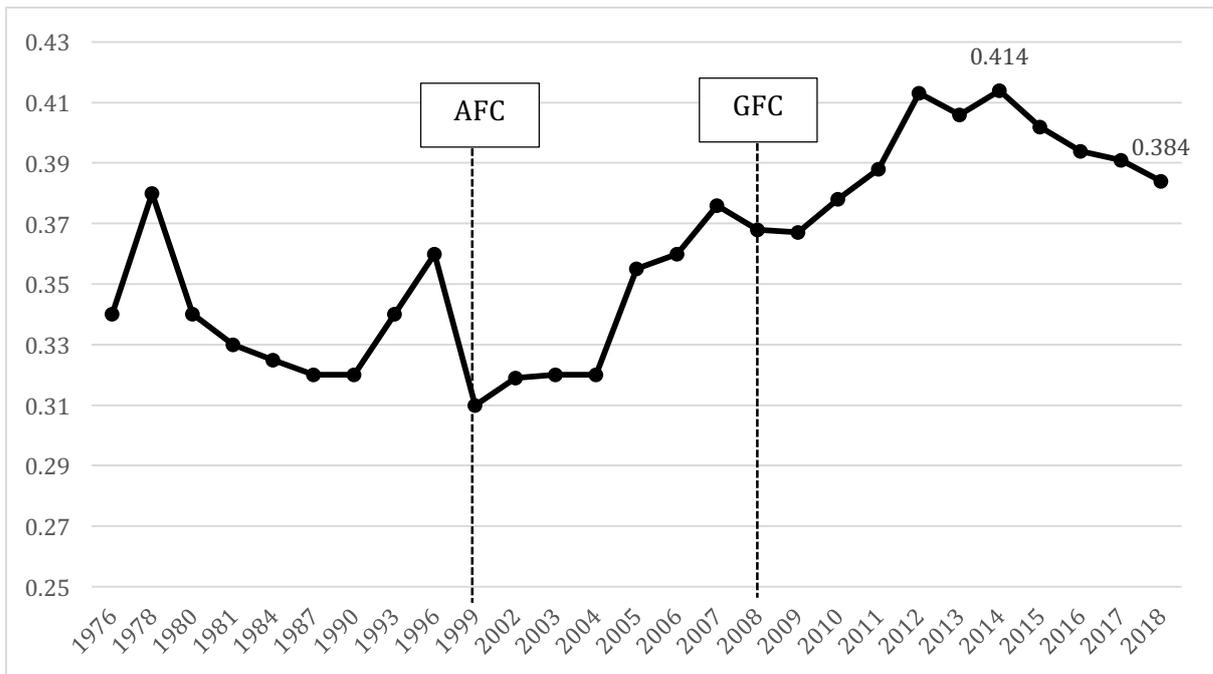


Figure 57. Long Term Inequality Trend (Gini Ratio), 1976-2018

Although the Indonesian Gini ratio was stagnant from 2011 to 2014, it has decreased consistently from 2015 to 2018, reaching 0.384 recently. The same pattern applies for inequality in urban and rural areas albeit with different figures. Urban figures are higher than those in rural areas. The peak Gini ratio in urban areas was 0.433 and in rural areas in 2014. After that, the Gini ratio has decreased to 0.391 and 0.319 for urban and rural areas respectively in 2018.

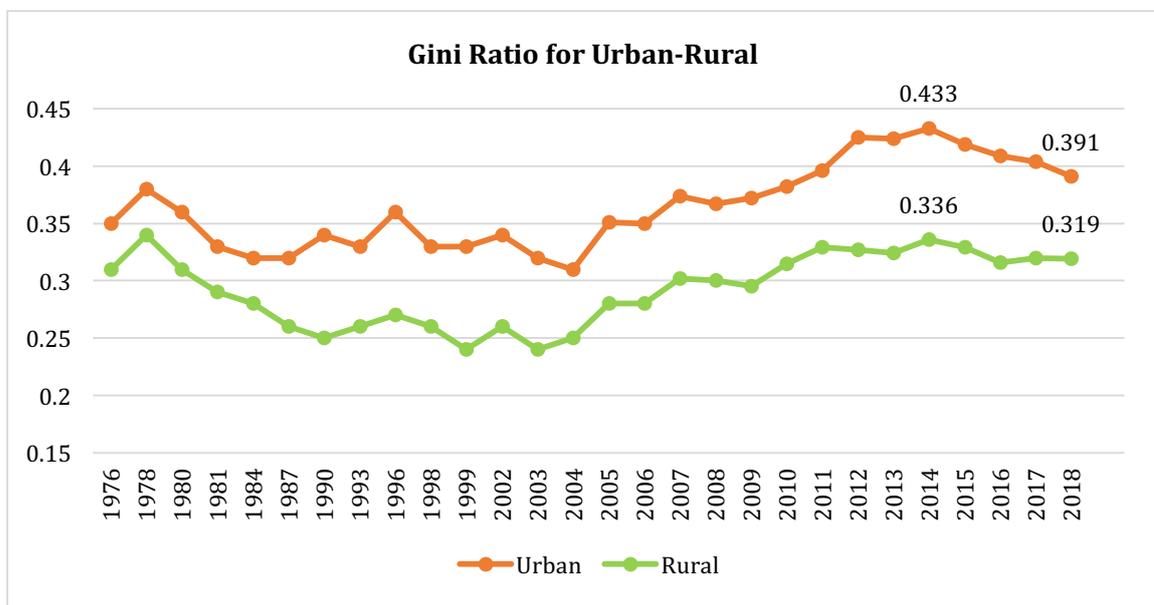
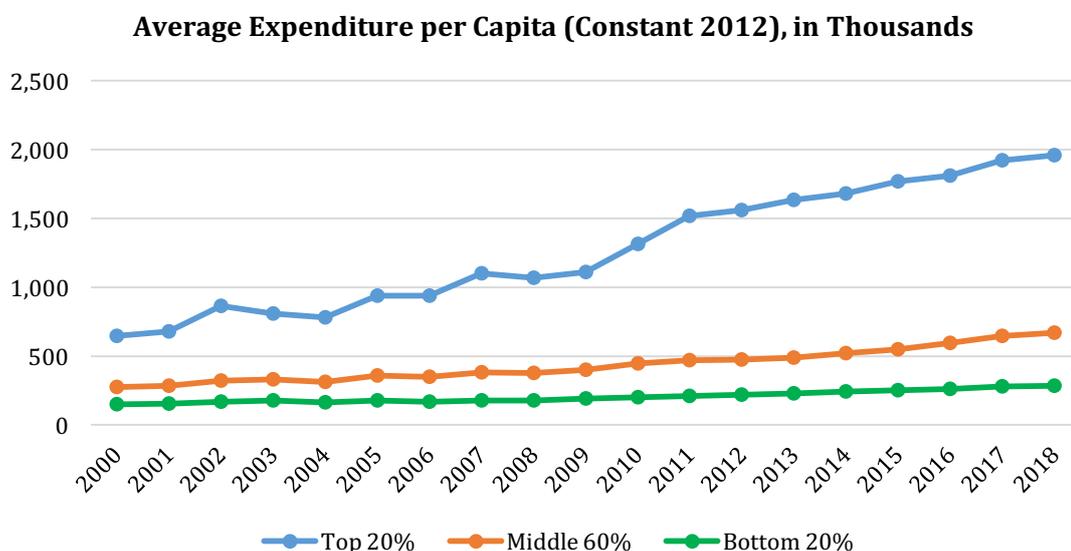


Figure 58. Long Term Inequality Trend in Indonesia (Gini Ratio) Urban-Rural, 1976-2018

Furthermore, there are different trends for per capita expenditure of the top 20%, middle 60% and bottom 20% income groups (Figure 59). It is shown that from 2009 to 2011, the top 20% has increased faster than the other income groups, widening the gap

of inequality. Until 2018, the bottom 20% and the middle continue to grow significantly. The period of 2015-2018 saw reduced inequality supported by increased consumption growth as well as faster distribution of the middle and bottom income groups compared to the top 20%.



*Figure 59. Trend of Expenditure per Capita, 2000-2018*

Inequality can also be measured by Theil index that shows inequality between and within groups. Figure 60 shows the difference in the inequality of urban-rural areas. It is shown that after reaching its peak in 2011, inequality has been reduced from 2015 to 2018. For a long time, the biggest contributor of national inequality is the intra-group inequality, which is within the urban areas and the rural areas itself. This is in line with the national inequality framework which holds that regional inequality is more dependent on structural factors. Nevertheless, the urban-rural gap narrowed, and from 2015 to 2018 showed significant decline. This phenomenon is attributed to the government’s policy of “Developing from the periphery” and putting more attention in rural areas and villages through Village Fund (*Dana Desa*) and building infrastructure to achieve development convergence. Convergence means peripheral regions can catch up with the more developed regions leading to a more equal distribution of wealth.

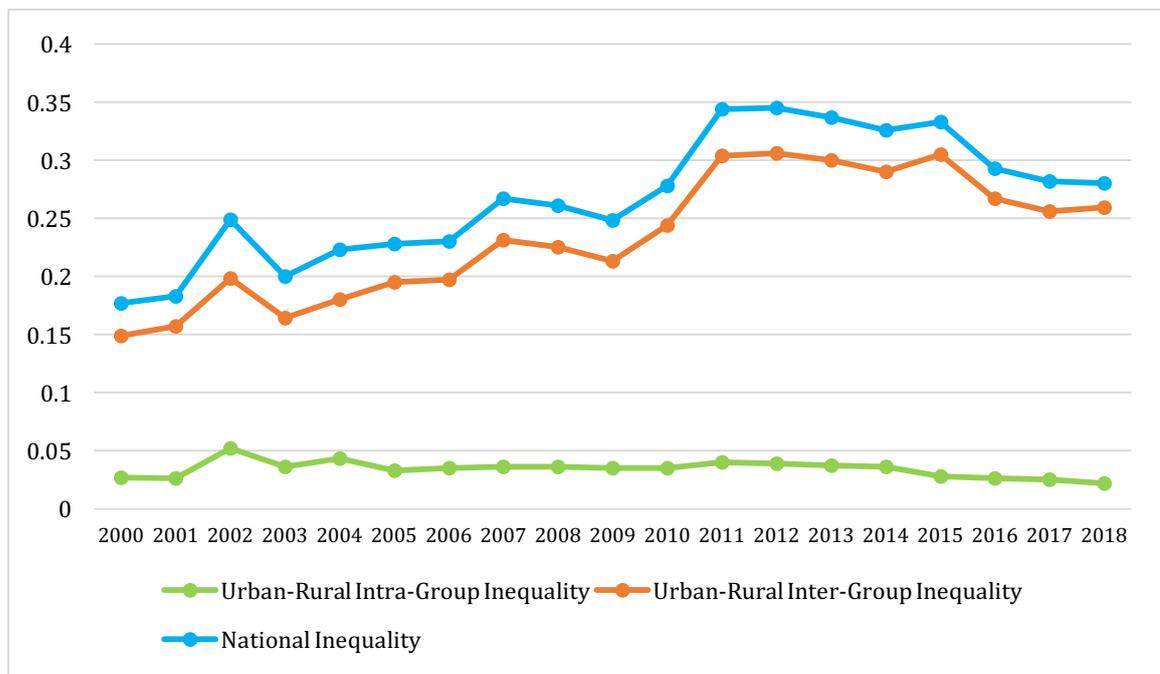


Figure 60. Theil Index

Some countries have shown that increased inequality is often an unavoidable product rapid economic growth. One example is Brazil. Having similar characteristics to Indonesia, Brazil experienced the fastest growth of inequality in South America. In Brazil’s case, the success of tackling inequality is attributed to prudent management of macro-economic stability including price stability, education expansion as well as massive pro-poor social security expansion (World Bank, 2017). This shows that positive economic growth can be followed by a reduction in inequality. Therefore, improvements in structural economic factors which determine the profile of the society in general, or specifically the labor market, is key to the framework of any country’s inequality reduction policies.

In 2017 and 2018, DFI and OXFAM released The Commitment to Reducing Inequality index, measured by indicators of policies implemented in a country, including policies on public expenditures, taxes and employment. Table 4 shows Indonesia’s rank in terms of commitment to reducing inequality. In 2017, Indonesia ranked 101 out of 152 countries, and later improved to 90 out of 157 countries in 2018. The increase in rank shows that Indonesia increased its commitment to reduce inequality. Indonesia is ranked better in the East Asia and Pacific region. Indonesia experienced improvements in public expenditures and taxes. This was shown in this period by the increased budget allocation for directly reducing inequality (redistribution including social assistance) and indirectly (building infrastructure).

Table 4. Indonesia’s Rank in The Commitment to Reducing Inequality (CRI) Index, 2017-2018

Categories		RANK	
		2017	2018
Global	Spending	121	98
	Tax	34	23
	Labor	114	116

Categories		RANK	
		2017	2018
	<b>Rank Global</b>	<b>101</b>	<b>90</b>
	Number of Country	152	157
Regional: East Asia & Pacific	Spending	18	13
	Tax	5	2
	Labor	15	17
	<b>Rank Regional</b>	<b>14</b>	<b>11</b>
	Number of Country	23	23

Source: DFI and OXFAM (2017, 2018)

### Current Policies, Efforts and Good Practices

**Rising middle class.** The increase for the middle class has an effect in reduced inequality in general. Figure 61 show the total of consumption growth from all households from 2014 to 2018, visualized with the Growth Incidence Curve (GIC). The figure shows that, first, there is positive consumption growth across all households. Second, the welfare of the middle class increased higher than those of the poor and the rich. The rise of the middle class drives a more equal household consumption distribution or reducing inequality.

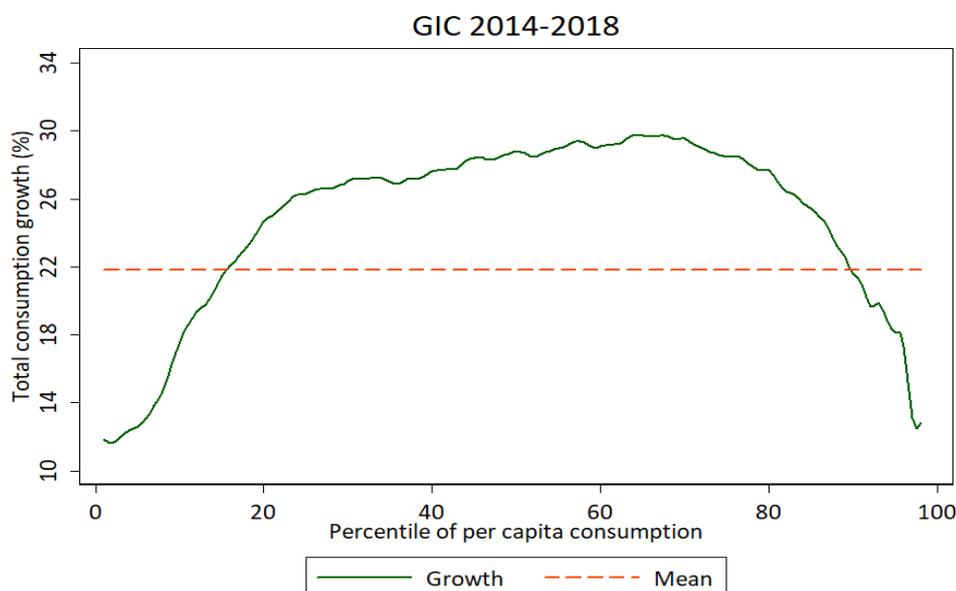


Figure 61 Total National Consumption Growth

Figure 62 shows the Growth Incidence Curve for urban-rural. There is similar pattern for both urban and rural, in which the middle-class growth is higher, slightly higher for rural areas than urban areas. Growth in rural areas is on average 25%, higher than the urban areas of 16%. In urban areas, the 10<sup>th</sup> percentile to the 80<sup>th</sup> percentile

experienced growth higher than average. In rural areas, the 40<sup>th</sup> percentile to the 90<sup>th</sup> percentile experienced growth higher than average.

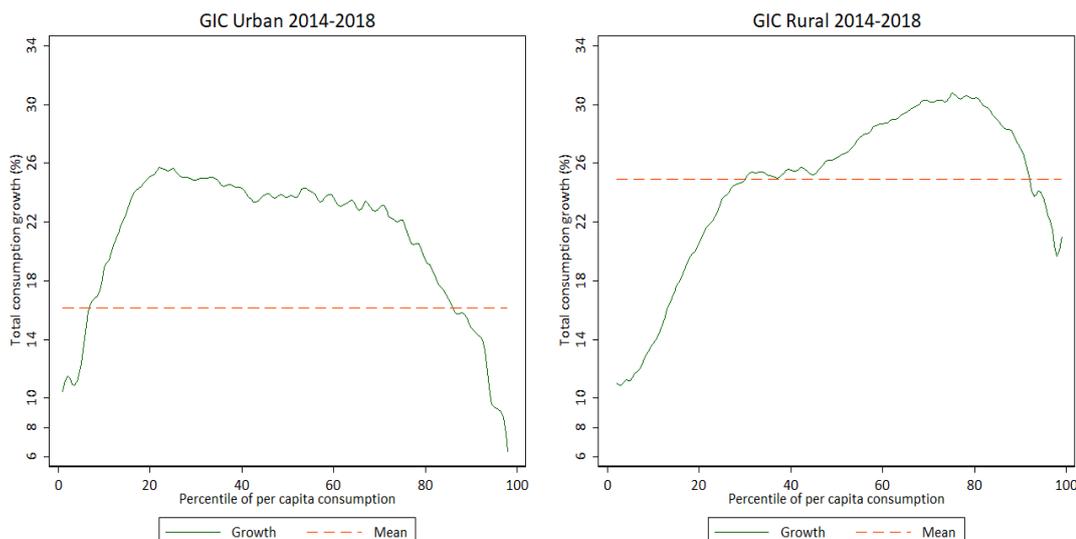


Figure 62 Total Consumption Growth for Urban-Rural

## 2. National Poverty Rate and Percentage of the Poor Living in Underdeveloped Regions

Indonesia's poverty rate was successfully reduced to 9.66% in 2018 despite slowing down since 2012. However, there is a wide gap between the poverty rate of rural areas, 13.1%, urban areas, 6.89%, although both experience declining rates.

In 2018, the percentage of the poor in rural areas decreased to 13.2% from 13.93% in 2017. This was supported by Special Allocated Funds (*Dana Alokasi Khusus/DAK*) valued Rp14,9 trillion (2017) for 122 underdeveloped regions.

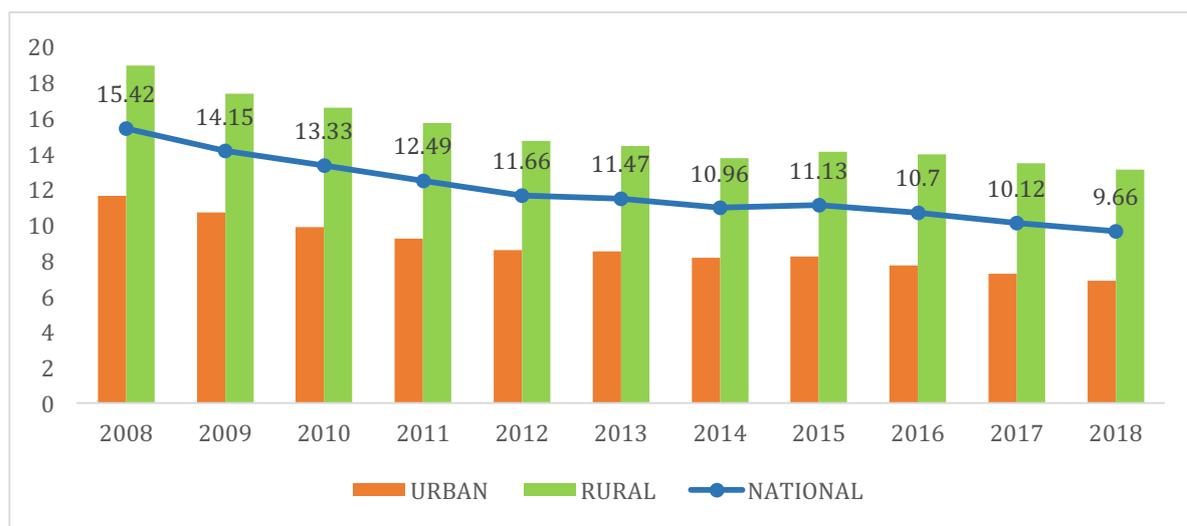


Figure 63. National Poverty Rate

Meanwhile, Figure 64 shows the percentage of the poor living in underdeveloped regions as well as the national poverty rate. The poverty rate in underdeveloped regions are in decline following the decline of the national poverty rate albeit at a lower pace.



Figure 64. Comparison of National Poverty Rate with Percentage of Poor in Underdeveloped Regions

Poverty reduction targets are supported by policies that are also in line with targets of inclusive economic growth, including social security for the poor and vulnerable through the provision of universal health coverage (*Jaminan Kesehatan Nasional/JKN*), and social assistance programs including the Hope Family Program (Program Keluarga Harapan/PKH), Smart Indonesia Program (*Program Indonesia Pintar/PIP*), and Rice for the Poor (*Beras Sejahtera/Rastra*) as well as Non-Cash Food Assistance (*Bantuan Pangan Non-Tunai/BPNT*). In 2019, 80% of the Indonesian population has health insurance (JKN) and half of that are comprised of assistance beneficiaries (*Penerima Bantuan Iuran/PBI*) and targets of subsidies. In 2018, around 10 million households or 17% of the national total received the PKH social assistance, which targets families with pregnant women, school children, elderly, and disabled members, in the form of conditional cash transfer. This is a threefold increase from 2014.

### Current Policies, Efforts and Good Practices

**Expansion of National Health Insurance Members.** In the effort to reduce poverty, Indonesia has implemented National Social Security System for health and for workers. To implement it, the Social Security Organizing Body (*Badan Penyelenggara Jaminan Sosial/BPJS*) is given the mandate to organize the social security programs. The program for health is the National Health Insurance (*Jaminan Kesehatan Nasional/JKN*), which integrates hundreds of separate existing health insurance and employer-provided healthcare services to its employees (self-insured). JKN pools contributions from three categories of (i) the poor and near-poor as benefit beneficiaries from the government, (ii) the employees in public and private formal sector, paid in percentage from both employers and employees, and (iii) the non-poor working in the informal sector, which will pay a fixed premium contribution.

Figure 65 shows a significant increase in the JKN membership since 2014, and 81% of all population has had health insurance in May 2019.

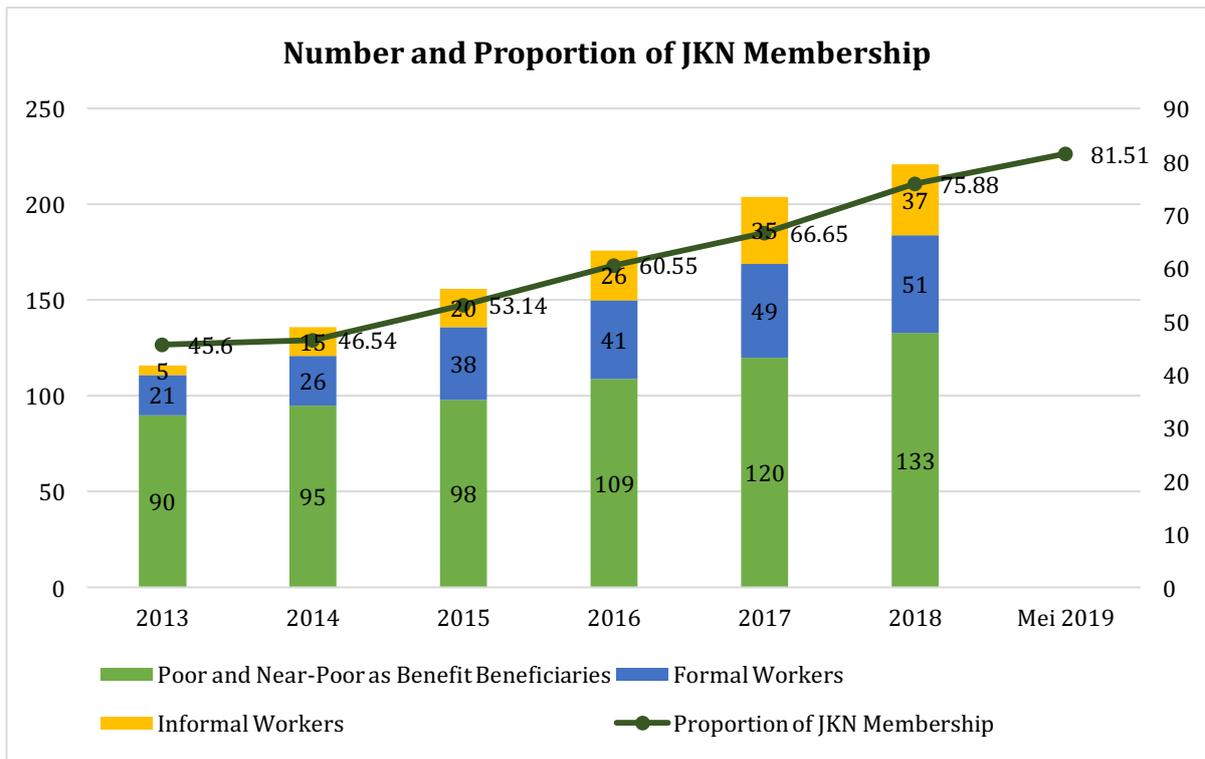


Figure 65. Number and Proportion of JKN Membership

**Expansion for Family Hope Program (Program Keluarga Harapan/PKH) Beneficiaries.** Increase coverage for the poor and vulnerable receiving social assistance is one of the priority programs in reducing inequality and poverty. PKH is a conditional cash transfer program targeting very poor families including pregnant mothers, children in school, seniors and family members with disability. Figure 66 shows the PKH coverage from 2007 to 2019. The number of beneficiaries increases as the fund allocation also increases.

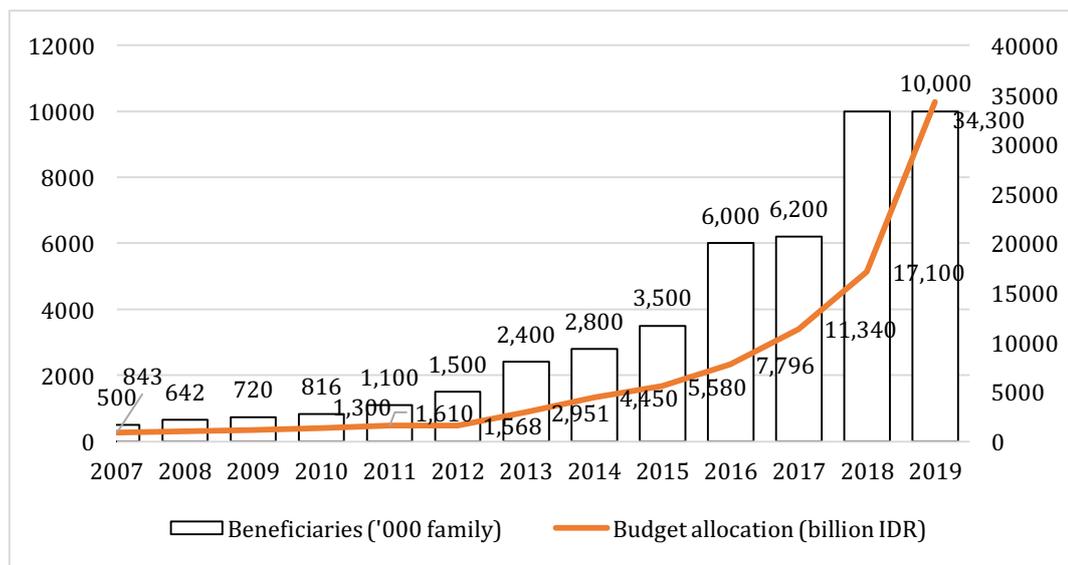


Figure 66. Number of PKH Beneficiaries and Budget Allocation for PKH

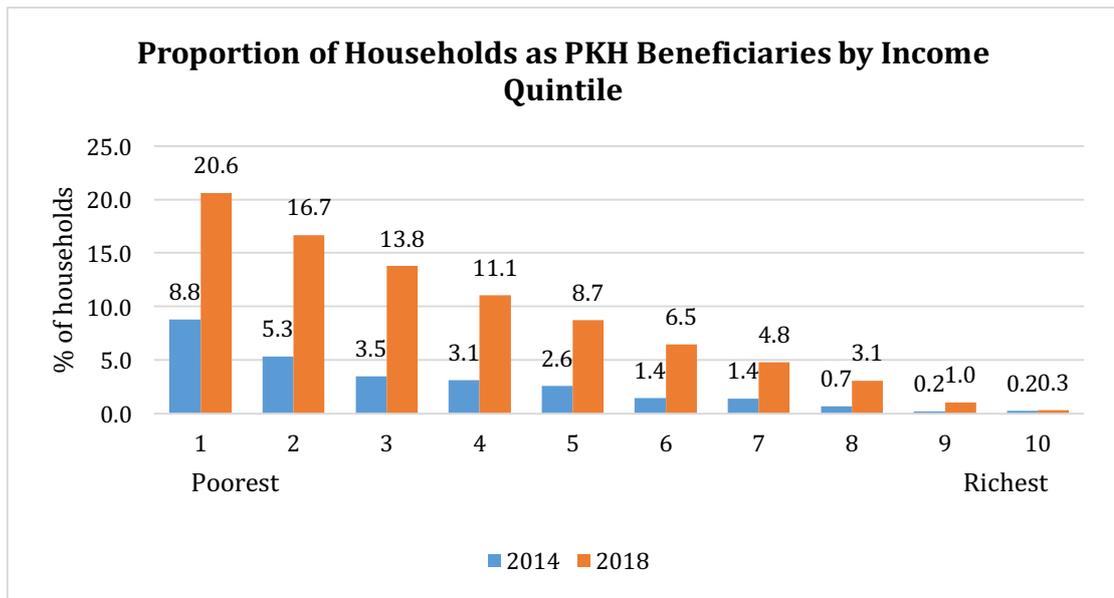


Figure 67. Proportion of Households as PKH Beneficiaries by Income Quintile

Figure 67 shows PKH coverage by income quintile from 2014 to 2018. There is a significant increase in each quintile but most of the beneficiaries are from the bottom 40%.

### 3. Development of Underdeveloped Regions (Districts) and Villages

The focus of the development of underdeveloped regions are reflected in the following indicators: (i) number of underdeveloped regions that have been developed, (ii) number of underdeveloped villages, (iii) number of independent villages (*Desa Mandiri*), and (iv) average economic growth in underdeveloped regions. In line with the target of village development in the 2015-2019 National Medium-Term Development Plan to reduce 5,000 underdeveloped villages and to increase 2,000 independent villages in 2019, Indonesia has developed the Village Development Index (*Indeks Pembangunan Desa/IPD*)

to measure the development progress of villages. Some of the dimensions of this index include availability and access of basic services, infrastructure, transportation, fulfilment of need for public services and governance. From these dimensions, villages are classified into three categories: independent village, developing village and underdeveloped village.

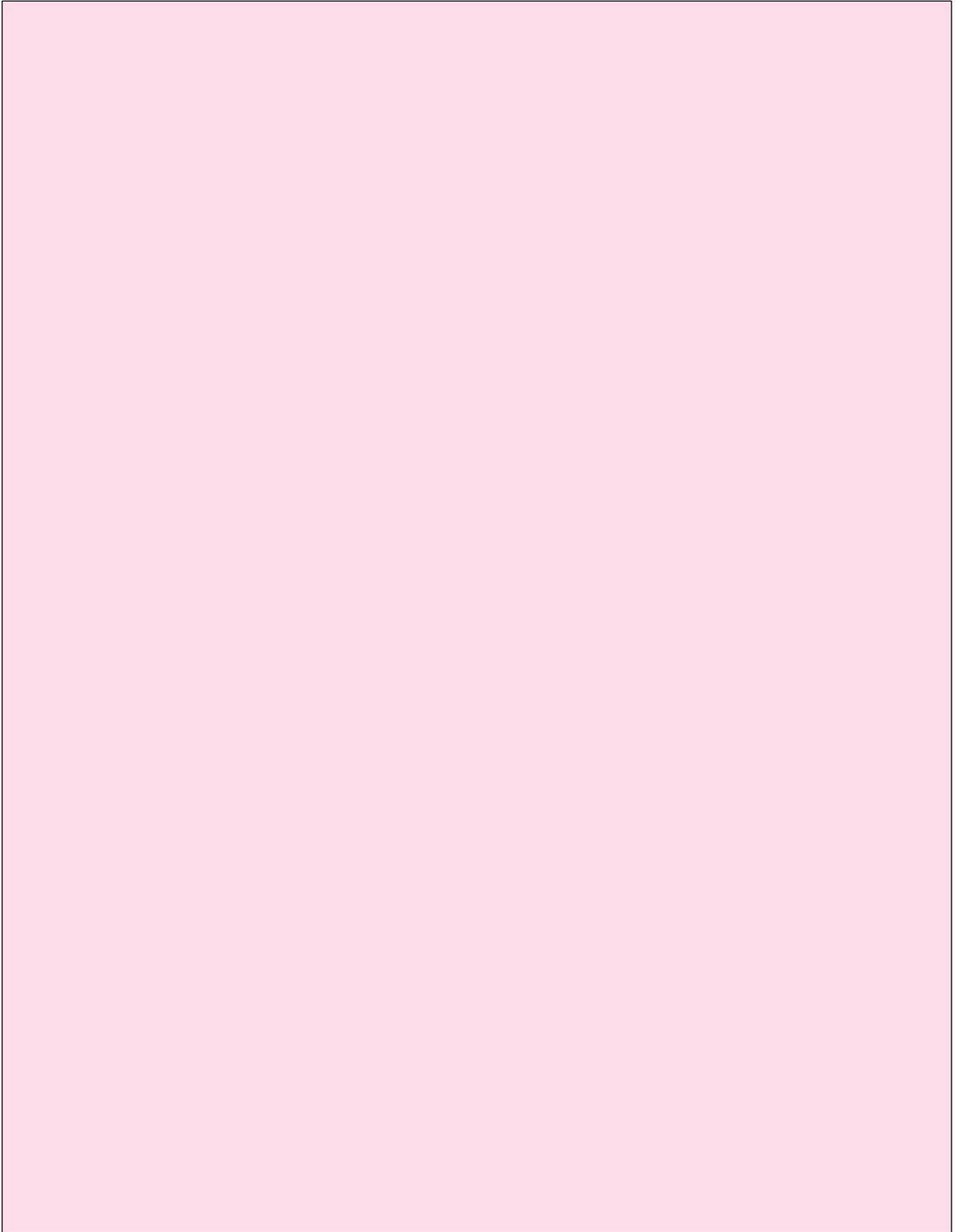


Figure 68 shows the village development status for years 2014 and 2018. In 2014, Indonesia had 74,093 villages, in which 2,898 were independent villages, 50,763 were developing villages, and 20,432 were underdeveloped villages. Between 2014 and 2018, Indonesia experienced division and merging of villages. Hence in 2018 Indonesia had 75,436 villages, in which 5,559 were independent villages, 55,369 were developing villages and 14,461 were underdeveloped villages. To be able to compare the data between the two years, adjustments are required to exclude the divisions and mergers of villages in accordance with the 2014 data.

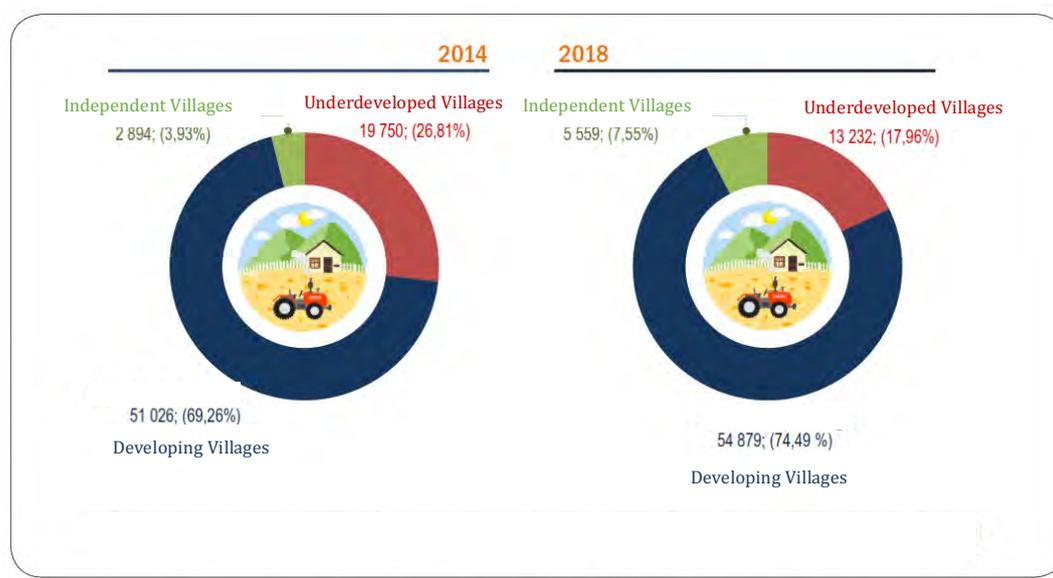


Figure 68. Progress of Village Development, 2014 and 2018

### Current Policies, Efforts and Good Practices

**Village Fund.** Through Law No. 6 Year 2014 regarding Villages, the government was given a mandate to distribute the Village Fund to achieve the targets in the Medium Term National Development Plan, especially increasing basic social services in villages; increasing production, value added and income of the villagers; decreasing unemployment rates, poverty rates and stunting; strengthening village social cultural capital; decreasing the number of underdeveloped villages; and increasing the number of independent villages. In 2017, 74,957 villages have been assisted by 36,594 assistants in all regencies/cities, districts and villages; 18,446 village-owned enterprises (*Badan Usaha Milik Desa/BUMDes*) have been formed and strengthened to support village economic activities; and Rp 58.95 trillion of Village Funds has been distributed to 434 regencies/cities (99% of the total of Village Funds of Rp60 trillion).

With the distribution of the Village Fund, it is apparent that the average economic growth of underdeveloped regions (Figure 69) have the same pattern as that of the national economic growth, albeit with higher growth. Since 2012, after the commodity boom, Indonesia experienced economic contraction reflected in a slower rate of economic growth. However, Indonesia succeeds to maintain positive economic growth, and even higher growth in underdeveloped regions.

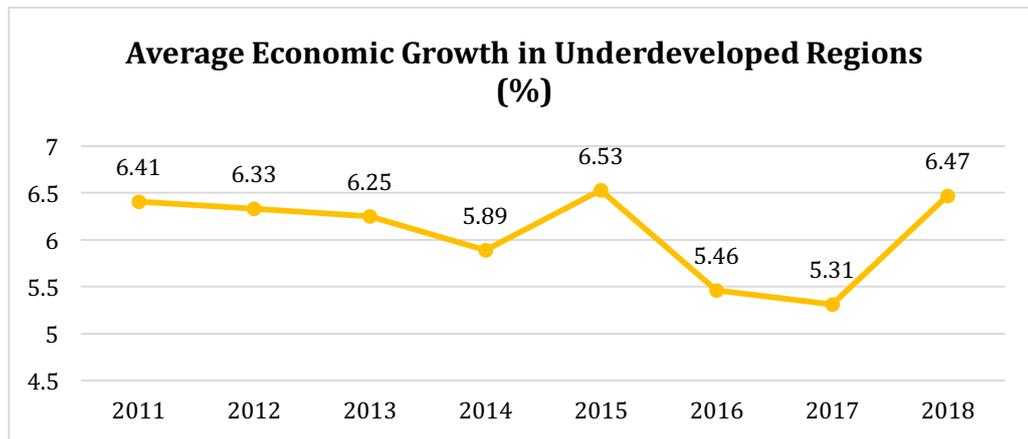


Figure 69. Average Economic Growth in Underdeveloped Regions

#### 4. Proportion of the Population Living Under 50% of Median Income

According to the data available, this indicator may be measured through an expenditures approach. This indicator is commonly used in developed countries to measure relative poverty. Although Indonesia has experienced decreasing absolute poverty rate, at the same time Indonesia experienced an increase in population living under 50% of median expenditure as shown in Figure 70 below. The proportion has decreased in 2018. This shows that although a percentage of the population is out of absolute poverty but they are still vulnerable to poverty. Figure 70 also shows faster increase in median expenditure of households in 2014-2018 in comparison to the average of expenditures below 50% median. The higher growth of the median also shows that the middle class is rising.

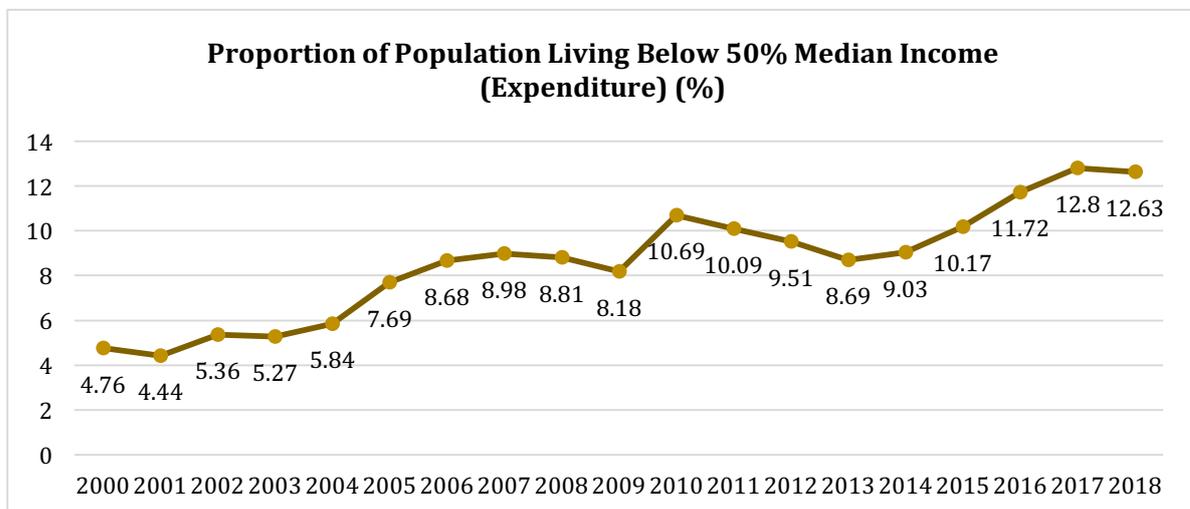


Figure 70. Proportion of Population Living Below 50% of Median Income

Meanwhile, Figure 71 shows the number of individuals living under 50% of median expenditures according to gender and urban-rural area. Both males and females showed an increasing proportion of individuals living below the 50% of median income, with the female proportion being slightly higher than the male. The urban-rural gap is slightly more significant. The proportion of population living below 50% median expenditures in rural areas are twice of those in urban areas.

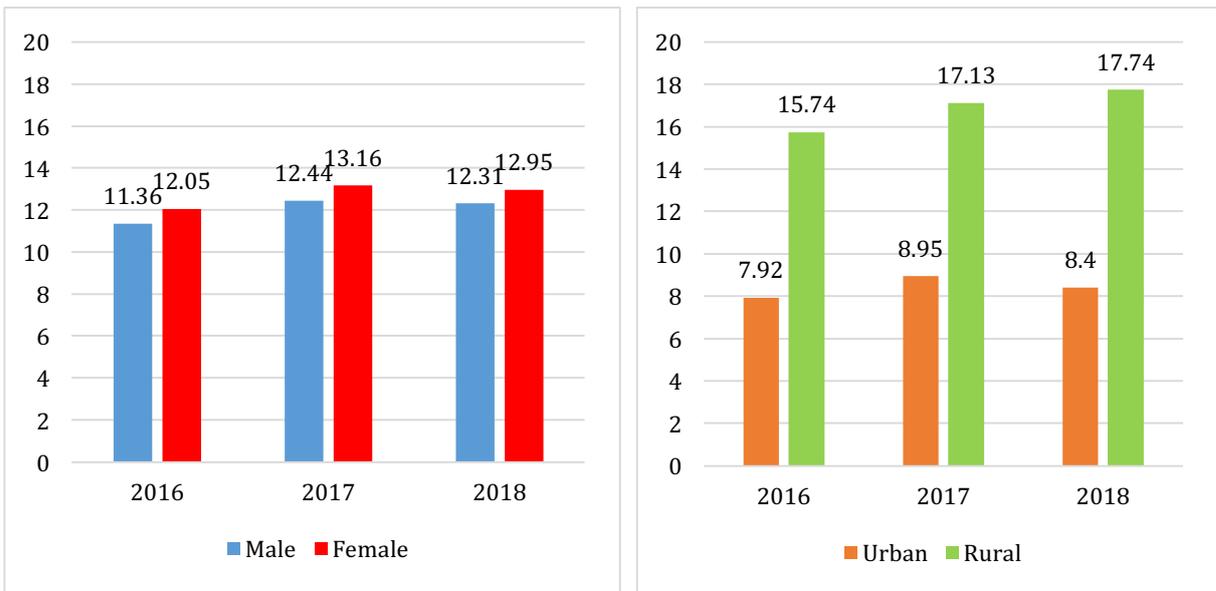


Figure 71. Proportion of Population Living Below 50% of Median Income, by Gender and Urban-Rural

Figure 72 below shows the proportion of population living below 50% median expenditures by disability status in 2018. Since 2018, the National Socio-Economic Survey (Susenas) has included questions on disability. There are eight (8) questions, including difficulty in sight, hearing, walking or walking up the stairs, moving fingers, memorizing or concentrating, controlling behavior or emotion, speaking or communicating, and taking care of oneself. The status of disability, as seen in the following figure, is defined as people experiencing a little difficulty (moderate status) as well as a lot of difficulty and/or needing assistance (severe status). From Figure 72, it is shown that the proportion of population living below 50% median expenditure are 2 percentage points higher for the people with disability compared to people without disability. This may imply that disabled individuals are relatively poorer compared to those without disability.

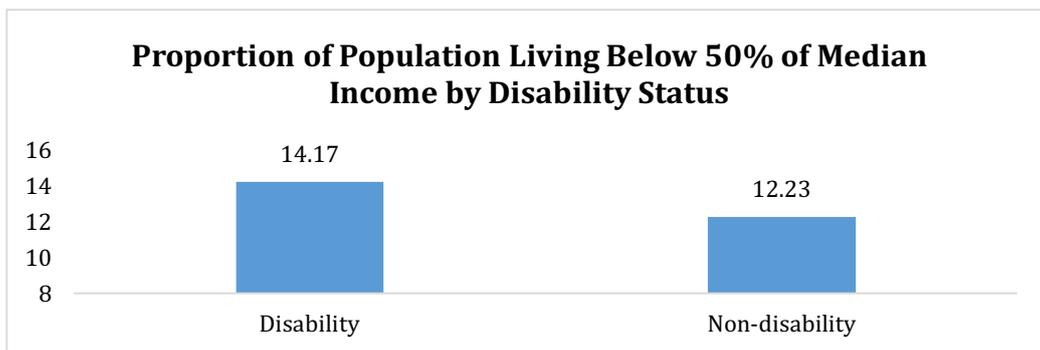


Figure 72. Proportion of Population Living Below 50% of Median Income by Disability Status, 2018

### 5. Proportion of members of the National Social Security for Workers Program

One of the efforts in reducing inequality and poverty is through the strengthening of social security systems especially for the poor and vulnerable through governance and synchronization of the National Social Security System (*Sistem Jaminan Sosial*

Nasional/SJSN) for health and workers, as well as increasing the membership of universal health coverage (JKN) and workers insurance in the workplace. Law No 40 Year 2004 regarding the National Social Security System, the Social Security Organizing Body (*Badan Penyelenggara Jaminan Sosial/BPJS*) is given the mandate to organize social security programs. For the workers, BPJS for workers provides several services, including insurance for Work-Related Accidents (*Program Jaminan Kecelakaan Kerja/JKK*), Life Insurance (*Jaminan Kematian/JKM*), insurance for seniors (*Jaminan Hari Tua/JHT*), and pension (*Jaminan Pensiun*).

Figure 73 shows the membership of the social security for workers has increased significantly by more than two-folds since 2008. This trend is in line with the target of the 2015-2019 National Medium Term Development Plan to cover as much as 62.4 million formal workers and 3.5 million informal workers in 2019.

From the number of members, there are increases for wage workers, non-wage workers and construction workers, as shown in Figure 73. Wage workers and construction workers as part of the formal sector have the biggest number of members. However non-wage workers or the informal sector has experienced the highest increase, though the number is still relatively small. Although there is progress, more effort needs to be done because 75% of workers in Indonesia are not yet members of the social security for workers, especially those in the informal sector, who are the bigger portion of workers in Indonesia.

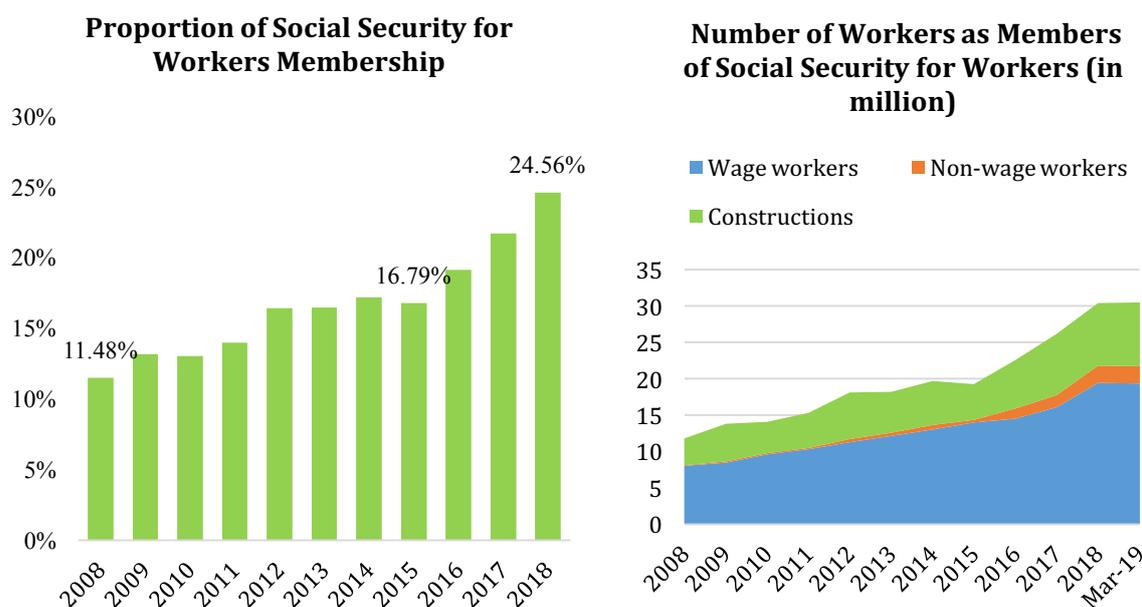


Figure 73. Proportion of Social Security for Workers Members and Membership of the Social Security for Workers

## B. Challenges

The challenges in development equality consists of two dimensions, a) inequality between income groups (including poverty reduction and social security for workers),

and b) regional inequality (including the acceleration of development of underdeveloped regions and villages).

In addressing inequality between income groups, the challenges include: (1) slowdown in poverty reduction; (2) unequal access and quality of health and nutrition services; (3) unequal access and quality of education; (4) unequal access for households to housing and settlement; and (5) governance of unstandardized basic services. Therefore, a multi-sectoral and multi-stakeholder cooperation is required to reach the poor and vulnerable in the effort to reduce poverty.

The main challenges in addressing regional inequality include: (1) unequal distribution of transportation and logistics networks, as well as national connectivity in supporting leading sectors; (2) high cost of logistics and commodity prices in regions with limited accessibility; (3) low accessibility to basic services and economic activity centers for people living in villages, rural areas, underdeveloped regions, border regions and transmigration regions; (4) disaster unpreparedness; and (5) inadequate facilities for fisheries logistics system.

### **C. The Way Forward**

The Government of Indonesia maintains a high and increasingly inclusive economic growth in order to serve all layers of society. Inclusive economic growth is centered upon upscaling and increasing economic access to reduce poverty and inequality through quality job creation. Policies to reduce inequality in 2019 Government Workplan and beyond, focuses on the development of human and regional equality.

Reducing inequality between income groups is supported by several policies, including (1) acceleration of poverty reduction; (2) increasing access of community health and nutrition; (3) equal quality education; (4) increasing access to housing and settlement; and (5) increasing governance of basic services.

Reducing regional inequality through connectivity and maritime development, through (1) an improved logistics system; (2) development of infrastructure; (3) acceleration of Papua and West Papua development; (4) acceleration of the development of underdeveloped regions and villages; and (5) disaster risk management.





#### 4.1.4 Goal 13. Take Urgent Action to Combat Climate Change and Its Impacts

The Goal 13 discussion will cover 2 main issues, namely: (1) Strengthening climate resilience and adaptive capacity related to hazards and disasters which consist of 3 (three) indicators, namely the number of deaths, missing persons and directly affected persons attributed to disasters, national disaster risk reduction (DRR) strategy documents in line with the Sendai Framework for Disaster Risk Reduction 2015–2030 and proportion of local governments that adopt and implement local DRR strategies in line with national DRR strategies; (2) Integrate the climate change mitigation efforts into national policies, strategies and planning which consist of Biennial Update Report (BUR) and National Communication (NatCom) reporting indicator, and other national indicators, namely (a) percentage of GHG emission reduction and (b) GHG emission intensity. The discussion includes the development achievements analysis; policies, strategies and its efforts; the practices that support the achievement of SDG Objective 13; challenges and problems that are still faced; and the effort of strengthening and improvement in the future.

##### A. Trend Analysis

##### *Strengthening resilience and adaptive capacity related to disaster*

##### **1. Number of Deaths, Missing Persons and Directly Affected Persons Attributed to Disasters**

Within the space of 8 (eight) years (2010-2017), the number of hydro-meteorological disasters increased by 887 incidents, while geological disasters increased by 64. The types of hydro-meteorological disasters with the largest increase in numbers of incidents during 2010-2017 were tornadoes (363 incidents), forest and land fires (346 incidents), landslides (145 incidents), floods (105 incidents), and tidal/abrasion (17 incidents).

The data compiled by BNPB on the impact of natural disasters, namely, shows that the number of deaths and missing persons per 100,000 persons reached 0.8 in 2010 and 0.14 in 2017. The number of affected persons per 100,000 persons in 2010 reached 862.08 and increased significantly to 2527.92 in 2017. The value of economic losses due to disasters in 2010 reached 11.9 trillion or 0.17% of GDP and decreased in 2017 to 4.7 trillion or 0.05 % of GDP. During 2010-2017 direct economic lost due to disaster has reduced by 7 triliun rupiah. The average economic loss between 2010 and 2017 was 6.6 trillion. The detail data of the impact of natural disasters in Indonesia can be seen in Figure 74.

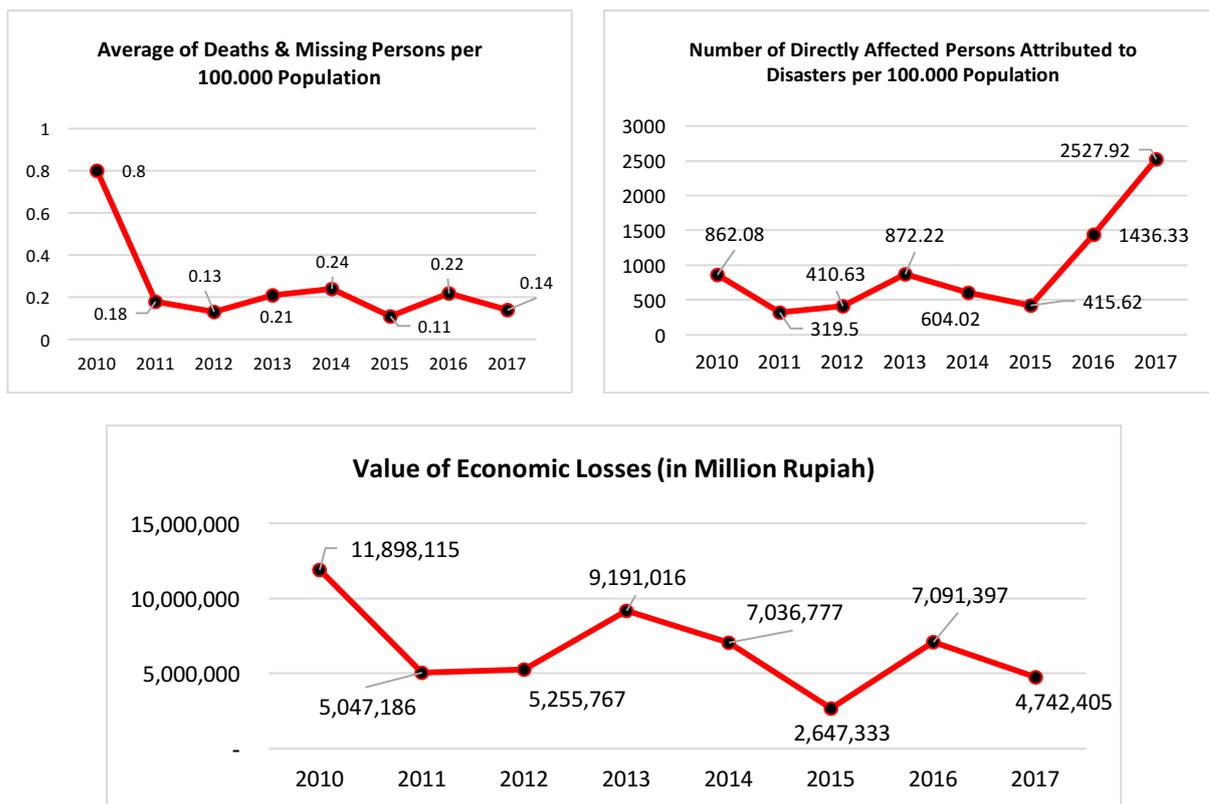


Figure 74. The Impact of Natural Disasters 2010 – 2017  
 (Source: Technocratic Design RPJMN 2020 – 2024)

## 2. The National Disaster Risk Reduction Strategy in Line with Sendai Framework.

There are 4 (four) priorities to be achieved of the Sendai Framework for Disaster Risk Reduction (SFDRR) until 2030, namely understanding disaster risk based on science, technology and local wisdom; strengthening disaster risk governance to manage disaster risk by applying the principles of participation, justice, equality, professionalism, independence, efficiency in the use of resources, and on target/ effectiveness; investing in DRR for resilience through sustainable and accountable structural and non-structural development at all levels and do not cause or increase economic and social risks; and enhancing disaster preparedness for effective response, and to Build Back Better in recovery, rehabilitation and reconstruction, so that the government and the community have the capacity to handle the disasters effectively and independently and be able to rise after the disaster and get a better life.

Indonesia has made many efforts to reduce risks of disasters, among others, aspects of planning preparation, institutional strengthening, and community capacity building. The success of those efforts are reflected in the Indonesian Disaster Risk Index (IRBI) data that has seen a decline during the 2015-2018 timeframe in 136 districts/cities which are centers of growth (Figure 75).

The Indonesian Disaster Risk Index (IRBI) declined by 16.06 percent from 2015 to 2017. Then in 2018 as a result of the implementation of programs and disaster management activities carried out by 32 Ministries/Institutions in collaboration with

local governments, communities, volunteers, and business owners, the IRBI declined to 128.8 or equivalent to 23.97 percent compared to 2015 numbers.

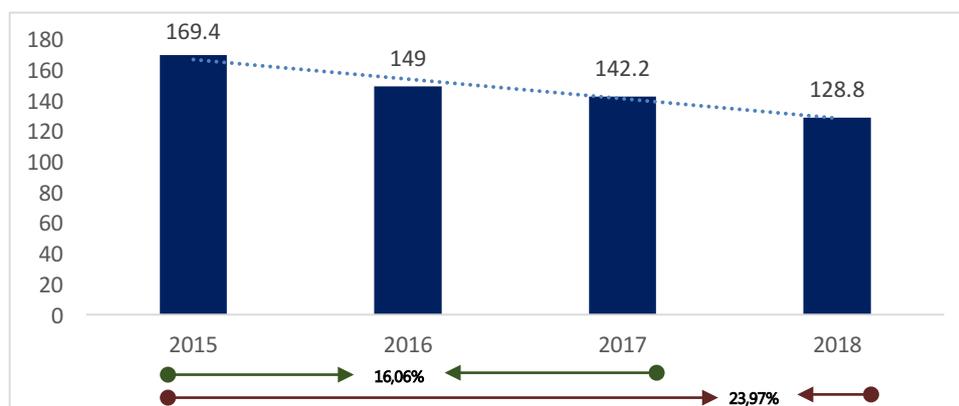


Figure 75. Developments and projections for Indonesia's disaster ratio index 2015 – 2018  
(Source: Technocratic Design RPJMN 2020 – 2024)

### 3. The Proportion of Local Governments Adopting and Implementing Disaster Risk Reduction Strategies.

At present, the percentage of provincial governments that adopt and implement a DRR strategy is 100%, all 34 Provinces have adopted a Disaster Management Plan (RPB). While at the district/city level the proportion is 30%, equivalent to 118 districts/cities adopting a RPB. The scope of the RPB consist of the identification and assessment of threats, understanding the vulnerability of the community, analysis of disaster impacts, DRR measures options, appointment of mechanisms for preparedness and response to disaster impacts and also allocation of tasks, authority and available resources.

RPB as a disaster management planning document is used in the development of the Regional Medium-Term Development Plan (RPJMD). The result of disaster management policies are not only administrative but also directed to the vulnerability factors in each type of disaster threat in each region. In addition, the RPB is used to measure the implementation and achievement of regional DRR targets, during the period of planning and implementation of medium-term development.

#### Current Policies, Efforts, and Best Practices

DRR efforts are the focus of the national development priorities integrated in the 2015-2019 Nawa Cita RPJMN policy. The objective is to reduce the disaster risk index in 136 growth-centers districts/cities with high disaster risk index, through the following strategies:

**Internalization of DRR in development at the national and regional government levels.** As an initial step, DRR policies are internalized into 2015-2019 Government Work Plan, implemented by 32 Ministries/Institutions through 68 programs. These plans are directed to strengthen the capacity of disaster management implementation in the regions. Disaster management is set as a Minimum Service

Standard for the implementation of regional governance, which has been implemented starting 2019 to build the independency of regional disaster management.

To strengthen regional development planning which incorporates a DRR perspective, disaster risk research and mappings have been conducted in 34 provinces and 170 districts/cities. The research and mappings are synthesis from other disaster maps that include hazard maps, vulnerability maps and capacity maps. These maps are used as the basis of disaster mitigation strategies development, which are developed into disaster prevention plans (RPB) in 34 Provinces and 118 districts/cities. RPBs consists of: (a) Disaster prevention, (b) Education and training, (c) Disaster management planning, (d) Disaster risk reduction, (e) Technical standards for disaster management, and (f) Disaster risk analysis. The 2015-2019 RPJMN targets the completion of RPBs in an additional 18 districts/cities in 2019.

**Decreasing the level of disasters vulnerability.** The efforts in reducing the level of vulnerability to disasters were carried out through the establishment of *Tanggap Bencana* Village in 594 villages in 186 districts/cities. *Tanggap Bencana* Village is a village that has a capability to adapt and deal with the threat of disasters and recover immediately from the adverse effects of disasters. In addition, reducing the level of vulnerability to disasters was also carried out through the installation of a multithreat disaster early warning system in 58 locations. The multithreat early warning system is an important matter that needs to be considered due to the increasing number of disasters occurring in Indonesia from year to year. Disasters such as earthquakes, tsunamis, volcanic eruptions, floods, landslides, droughts, forest and land fires and extreme weather tend to increase while the limited capacity of infrastructure and public knowledge causes the risk of disaster impacts to increase. Other implemented efforts were the installation of disaster information warning signs and boards, creation of contingency plans and field tests in 11 districts/cities. Contingency planning and field testing are activities held in the pre-disaster phase. These activities are needed to measure the preparedness in facing the possibility of disasters, including community preparedness. The facilitation of 5000 volunteers throughout Indonesia and the promotion of DRR forum establishment have also been conducted to achieve self-reliance on disaster management.

Efforts to ensure the principle of "no one left behind" in disaster management is carried out by involving persons with disabilities as actors in disaster mitigation. Good practices have been carried out, among others, through the establishment of the *Difagana (difabel siaga bencana)* volunteer group in Yogyakarta Province and the establishment of Disability Inclusion Services Unit (*LIDi, Layanan Inklusi Disabilitas*) in disaster management in Central Java Province.

**Strengthening the capacity of the government, regional government and communities in disaster management.** There are 34 provincial BPBDs and 498 districts/cities BPBDs throughout Indonesia. In order to improve the implementation of disaster management, especially DRR, the Government continuously supports capacity building on regional disaster management through education and training for regional government officials in collaboration with the Training Agency in all provinces, forming and training Rapid Response Teams in 34 provinces and 136 districts/cities, providing technical guidance in damage assessment and recovery planning and community resilience building for a better and more sustainable economy in the post-disaster areas.

To improve disaster management capacity, the Government also provides support for local governments and communities in improving disaster awareness culture and preparedness in facing disasters. This support includes disaster relief equipment distributed to the districts/cities level, logistical assistance for basic needs, logistical support and equipment assistance during disasters. To build a culture of awareness, the Government has also provided information system assistance integrated with operational control centers (Pusdalops) in 30 provinces and 104 districts/cities, disaster awareness culture campaigns, and disaster management public relations services throughout Indonesia.

### **Increasing climate resilience through climate change adaptation programs.**

Referring to the 2010 Indonesia Climate Change Sector Roadmap (ICCSR) and the 2015 - 2019 RPJMN there are 15 pilot areas for the National Action Plan for Climate Change Adaptation (RAN-API), namely Bali, East Java, North Sumatra, South Sumatra, West Java, West Nusa Tenggara, Malang City, Malang District, Lombok, Bandar Lampung, Batu, Blitar, Pekalongan, Semarang and Tarakan. All of the pilot areas have different vulnerability sectors according to the conditions of their respective regions. These sectors include agriculture, water, health, marine and fisheries sectors. There have been many achievements and great progress on the RAN-API activities in the aspects of research, education or capacity building, as well as the development of infrastructure for climate change adaptation.

Another effort currently being implemented is API-PRB convergence process, which aims to reduce the adverse impacts of disasters due to the increase of variability and climate change. That convergence will encourage the policy and institutional reform to accommodate API and DRR. This fosters the effective policies and use of resources, efficient administration practice and encourages a coordination mechanism between sectors.

#### **Box 26.**

### **Implementation of Integrated Risk Reduction Villages**

Oelbetino Village is one of eight villages assisted by CARE International Indonesia (CII) in the Partners for Resilience (PFR) program. At the beginning of the program, the types of disasters identified in this village were tornadoes, droughts, livestock diseases, diarrhea and malaria, and also landslides. These threats have the potential to disrupt the community's livelihoods because the majority of residents work as farmers and ranchers. Dependency on natural resources makes people more vulnerable to these threats. The common strategies used by Oelbetino residents to reduce disaster risk include making village barns, planting protective trees around the land and applying water-efficient agricultural patterns.

Together with CARE and CIS Timor, residents formulated a joint action plan to reduce disaster risk affecting their sources of livelihood. This was followed up by small scale mitigation plans and actions by 7 farmer groups such as 1) protection of water springs and erosion control; 2) water supply and irrigation; 3) permanent agriculture (permaculture); and 4) cattle fattening. Now, some farmers have independently continued these practices, especially permaculture through the development of critical land for horticulture crops.

#### **Results and impacts:**

1. The changes of agricultural system

Before adopting the permaculture system, agriculture was based on shifting cultivation, by burning the forest to clear the land. This of course not only has a negative impact on the environment but also increases the risk of forest fires.

2. Additional income

The community received vocational training such as terraces farming techniques and organic fertilizer production. These trainings have brought change to people, both from the aspect of knowledge and also skills, greatly affecting their livelihoods.

**Challenges and Learning:**

1. The need to improve advocacy capacity for community groups to guard Integrated Risk Management (PRT) Villages in formulation of village development plans
2. The need for wider replication at district level reached through a regional approach

The Oelbetino PRT Village has been integrated with the Village Fund. This means that there is a contribution from public funds to the sustainability of this program. The good practice shown in Oelbetino Village has also been replicated by a neighboring village.

**Box 27.**

**Maritime Weather Forecast Information and Fishing Locations  
Forecast for Coastal Communities**

IFRC PfR has collaborated with a number of organizations to introduce maritime weather forecast information and forecast fishing areas to coastal communities. Information about forecasts of wave height, direction and speed winds and currents, conditions of clouds (bright, cloudy or rain) for the next seven days is available on the BMKG website. However, the coastal communities have no skills to acquire and disseminate this information for their safety of fishing, transportation, tourism and marine cultivation. The available information is only general weather information on land, such as temperature, humidity and rain opportunities that is routinely conveyed by the government to the mass media (television, radio). Instead of maritime weather information, the forecast of fishing areas (PDPI) is also available on the Ministry of Maritime Affairs and Fisheries website. It can be useful for fishermen.

The impact of this training activity on fishing activities and daily activities can be obtained from the observation of local facilitators and the dynamics communication in the Whats App group. Post-training observations for North Jakarta and Kupang are available, but the observations for other regions are not available yet. The Kupang Alumni Whats App Group is relatively more dynamic. They also disseminate and respond to general weather information. The local facilitator said that fishermen and teenagers often check the maritime weather forecasting and terrestrial weather on the "Cuaca BMKG" application installed on their smart phones. The different impact of the results of this training is likely to be influenced by a more risky aquatic environment and the sea distance in Kupang.

From several trainings, we have seen that maritime weather forecast information is more noticed by fishermen who sail in riskier waters (open waters with high waves, fast and strong winds) compared to fishermen who go out to bays or islands relatively quiet throughout the year. Those who go farther from shore need the information more than fishermen who don't stray far from the coast. Coastal communities tend to share information on the weather verbally rather than through the use of Whats App groups. After the training, there were a number of

other coastal community members who participated in learning how to obtain and understand information on maritime and PDPI weather forecasts from training alumni and field staff.

Three precondition exist to replicate the program: (1) Experienced trainers/facilitators who are able to use the guidelines provided, (2) coastal areas with good internet access, (3) community members, especially young people, housewives or young fishermen, who are used to social media or web surfing. This activity can be done independently by the Village Government by using the Village Fund and the support of other parties.

### Box 28.

## Reducing Disaster Risk Caused by the Changing Climate through the Implementation of Conservation Agriculture Programs

The changing climate is an additional stress factor for resource-poor farmers who are unable to cope with recurring extreme climate events or adapt to climate-related risks. The introduction of climate smart agriculture (CSA) measures, including conservation agriculture (CA), provides a basis to adapt to climate change, and increases farmers' resilience without threatening agriculture production. CSA also reduces greenhouse gas emissions by reducing the practice of shifting cultivation with the associated burning of cut vegetation.

SDG target 13.1 is comprised of strengthening resilience and adaptive capacity to climate-related hazards and natural disasters, and indicators 13.1.3 covers the integration of local government DRR strategies and policies across all sectors. Given the impacts of drought on the agriculture sector in 2015, the local government in East Nusa Tenggara (NTT) and West Nusa Tenggara (NTB) Provinces have adopted and implemented CA programs to enable the farmers to face the extreme climate conditions. The programs have also been taken up by the local governments of South Sulawesi, Central Sulawesi, and Gorontalo Provinces.



Land preparation during ToT on CA in Alor (source: <http://ina-ca.litbang.pertanian.go.id>)



Intercropping Maize With Cassava In Sabu Bani Fg, Camplong (source: <http://ina-ca.litbang.pertanian.go.id>)

SDG target 13.2 refers to integration of climate change measures into national policies, strategies and planning. In NTT and NTB provinces, the local government has made a strong commitment to implement CA by integrating it to the local mid-term development plan (RPJMD) and allocating funds from their budgets. Following the success of the 2015-2018 program, NTB has allocated IDR 5 billion to 100 farmer groups in 10 districts in 2019, while NTB has allocated IDR 6 billion per year since 2016. Also, the local government of Timor Tengah

Utara District in NTT has mainstreamed the program into the local government regulation (Perda No. 1/2018).

With regard to SDG target 13.3 on improvements in education, awareness raising and human and institutional capacity on climate change mitigation and adaptation and indicator 13.3.1, three local universities (University of Mataram, University of Nusa Cendana, University of Timor) have included in their curriculum topics around adaptation to drought and climate change through the practice of CA. In addition, 587 agriculture extension workers from the local government institutions and 17092 farmers have been trained through a of Farmers Field Schools program, which has been broadcasted on national television. The topics of the communication materials include how the program could contribute to reducing disaster risk from changes in the climate such as drought, and improving resilience of community food production especially in dry land areas.

### **Box 29.**

## **Building with Nature Indonesia**

The Building with Nature program is essentially a philosophy or way of thinking, which takes into account various natural mechanisms and incorporates them in the infrastructure planning. Thus, the basic principle of this program combines a nature-based technical approach (such as mangrove restoration) with hard engineering (such as dams and seawalls). Through the combination of these approaches, development is meant to harness the forces of nature, rather than clashing with them.

The application of the Building with Nature concept has been conducted in the northern coast of Demak, Central Java, with the support of an Indonesian-Dutch consortium. Through this innovative approach, the consortium along with the Local Government has strived for a safer coastal area where the local economy can thrive and the previously vulnerable community can become more resilient to the threats of disasters. The Building with Nature program has become a best practice in the application of Integrated Risk Management (PRT) due to its effects on not only the environmental aspects of things, but also on efforts to raise the income and capacity of the community.

The Building with Nature work mechanism promotes the formation of inclusive community groups which are engaged with local governments in implementing BioRights mechanisms. A number of programs have been conducted by these groups, such as capacity building for group members in planning, execution, observation, evaluation and reporting, vocational education for local communities, erection and maintenance of dams and community involvement in policy development.

These programs have resulted in, among others, the improvement in the quality of the environment, the acknowledgement of community interest, elevation in community capacity, a rise in community income, a new found awareness in the environment and preparedness in facing the risks of disasters. Moreover, we have also learned that the approach needs much preparation, planning and integration, also a longer timeframe to ensure the community receives effective education.

Besides being integrated with the Village Fund and in line with Village Regulations, the Building with Nature program has also been replicated by members of the consortium, namely the Ministry of Maritime Affairs and Fisheries (KKP) and the Ministry of Public Works and Public Housing in a number of other regions throughout Indonesia. The concept is also being developed in Asia, where Indonesia has been playing its part in sharing past experiences.

## ***Integration of Climate Change Mitigation Efforts into National Policy, Strategy and Planning***

### **1. Biennial Update Report (BUR) 2015 Document and the Third National Communication (TNC) 2017**

As a party to the convention, Indonesia is committed to submit documents on the efforts to combat climate change to the UNFCCC. BUR is an updated document on the implementation of mitigation action activities submitted to the UNFCCC in the forestry, agriculture, energy, industry and waste sectors which are delivered every 2 (two) years. Indonesia's first BUR document was submitted to the UNFCCC for the period 2000-2012.



*Figure 76. BUR and TNC Document*

Regarding National Communication documents, Indonesia has submitted three reports, the Initial National Communication in 1999 and the Second National Communication (SNC) in November 2010. Both documents contain reports on developments in efforts to combat climate change in Indonesia. The Third Report Communication (TNC) has been submitted to the UNFCCC in 2017, where the contents of the report include developments in the management of climate change at the national level, including institutional management, REDD +, constraints and gaps related to funding, technical and capacity building needs, green houses gasses (GHG) emission levels, climate change impacts and MRV efforts.

### **2. The Reduction of GHG Emission**

Based on the results of compilation and calculations by the RAN-GRK Secretariat of the Ministry of PPN/Bappenas, the potential achievement of GHG emission reductions was 22.5% from the accumulative baseline until 2017. This achievement is a result of the contributions of all sectors (forestry and peat land, agriculture, energy, industry, transportation, and waste management), from the activities of Ministries/Institutions and Regional Governments in 34 Provinces. The baseline value and the annual cumulative emission potential graphic are shown in Figure 77.

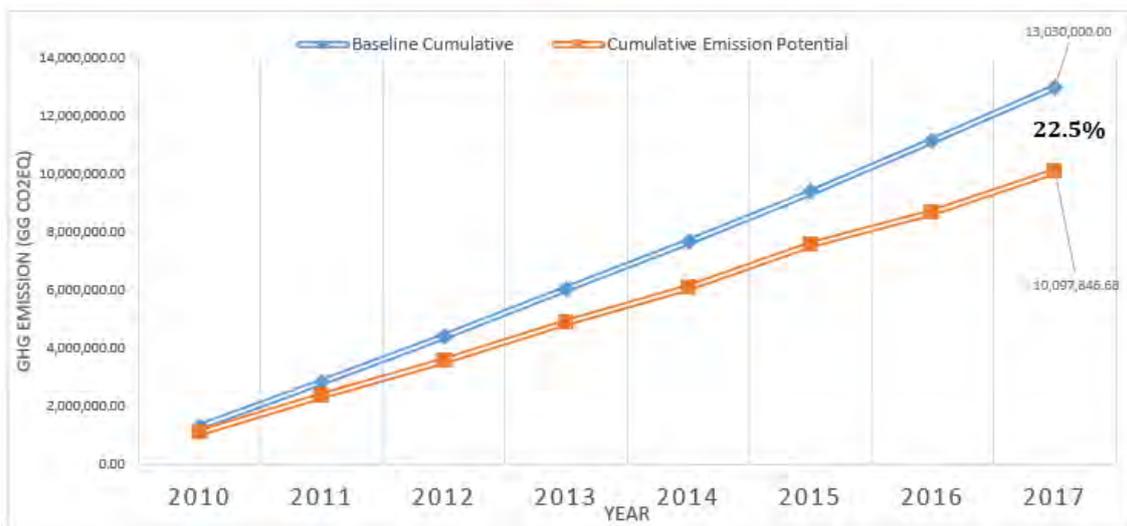


Figure 77. Baseline Value and Cumulative Emission Potential 2010-2017

Besides this accumulation, RAN-GRK Secretariat of the PPN/Bappenas Ministry has also calculated the baseline value and annual potential GHG emissions Figure 78. Based on the calculation analysis, the achievement value of GHG emission reduction in 2017 is 24% or 450,102 tons of CO<sub>2</sub>e which originated from the implementation of all RAN/RAD-GRK fields.

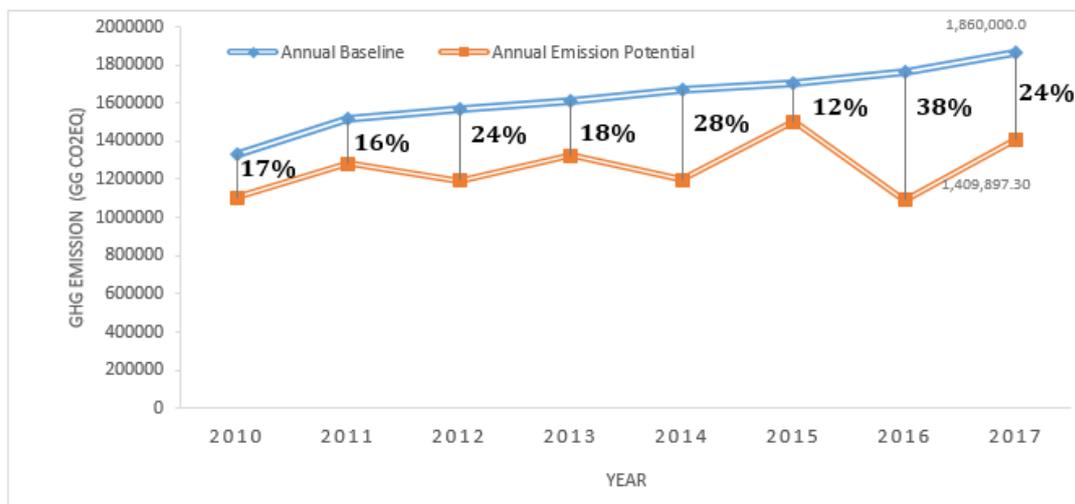


Figure 78. Baseline Value and Annual Emission Potential 2010-2017

In the context of the RAD-GRK, the Ministry of PPN/Bappenas, through the RAN-GRK Secretariat, carried out an intensive mentoring process to local governments in 34 provinces and ensured that RAD-GRK was made an integral part of the regional planning process. National workshops and consultations are held at least twice a year by inviting all RAD-GRK Working Groups in 34 Provinces to ensure that all regions can carry out monitoring and calculation of mitigation actions appropriately.

### 3. GHG Emission Intensity

The intensity of GHG emissions is one of main indicators in low carbon development. In 2017, the potential reduction in emissions intensity stood at 27% or 0.41 gigagram CO<sub>2</sub>e/billion rupiah (412 tons CO<sub>2</sub>e/billion rupiah) when compared to Baseline of 0.56 gigagram CO<sub>2</sub>e/billion rupiah. The graph of the baseline value and actual intensity of GHG emissions for 2010 - 2017 can be seen in Figure 79.

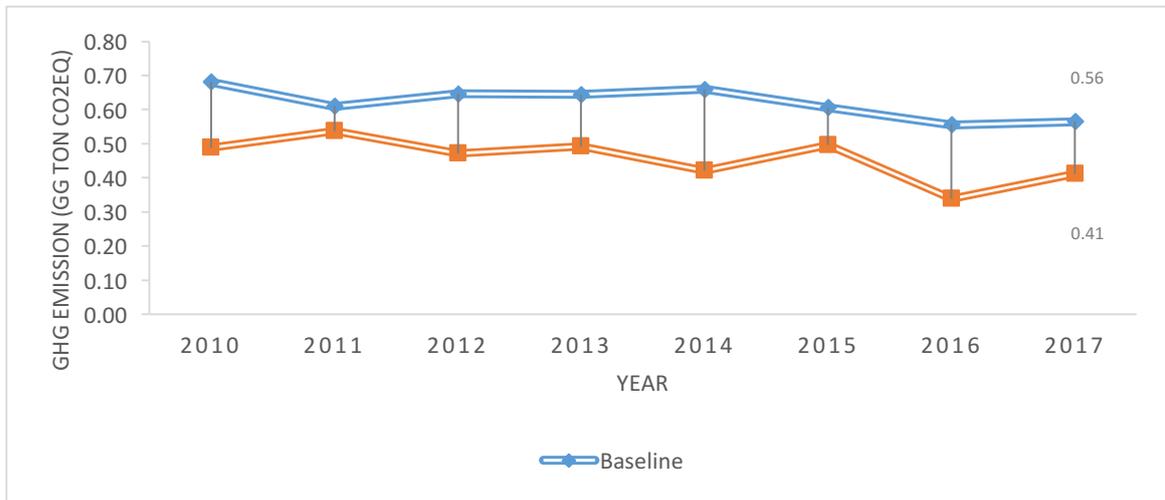


Figure 79. Baseline Value and Actual Intensity Emission 2010–2017

The decrease in value of GHG emission intensity reveals two indications, namely positive economic growth and successful efforts to reduce GHG emissions. Up to 2017, Indonesia has shown a positive trend in economic growth, in line with aspects of GHG emission reduction which succeeded in achieving the target.

#### Current Policy, Efforts, and Good Practices

Every year, relevant Ministries/Institutions and 34 Provinces submit the results of the calculation on the achievement of potential GHG emission reductions from the implementation of activities in the RAN/RAD-GRK to the Ministry of PPN/Bappenas. These results are then verified by KLHK and reported to the Coordinating Ministry for Economic Affairs. Subsequently, these results become a national document submitted to the President as a reference for reporting to the international community under the UNFCCC framework as the status of climate change management targets achievement in Indonesia. The achievement of GHG emission reduction in each respective field can be seen in Figure 80.

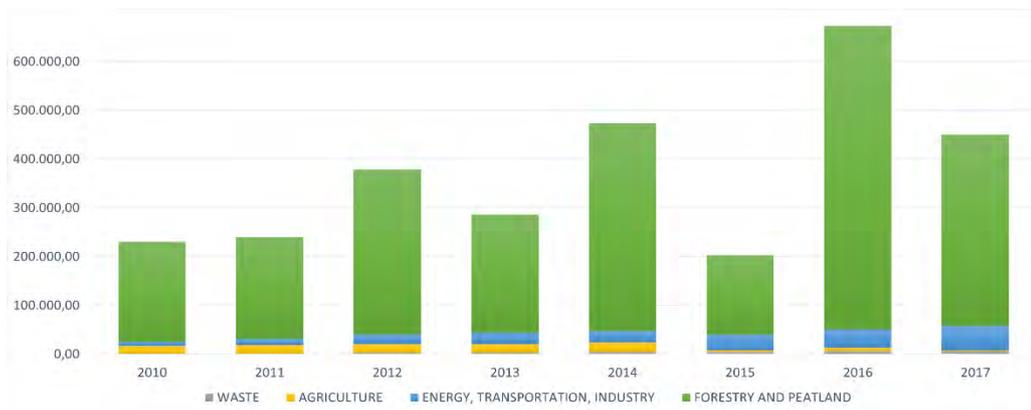


Figure 80. Achievement of Sectorial Emission GHG Reduction 2010-2017

The detailed policies and activities of each field are as follows:

**Forestry and Peat Lands.** The forestry and peat land sector is the largest emission contributor in Indonesia, but the field also has a considerable ability to reduce emissions. Policies in the form of mitigation actions in the fields of forestry and peat land include: (1) Control of forest and peat land fires; (2) Forest and land rehabilitation; (3) Moratorium and postponement of new permits to primary forests and peat lands; (4) Decrease in deforestation; (5) Increase in implementation of sustainable forest management principles, both in natural forests (decreasing forest degradation) and in plantations; and (6) Peat land restoration.

**Agriculture.** The mitigation policies in the agriculture sector include: (1) The application of agricultural cultivation technology through the Rice Intensification System, integrated crop management, and the use of low emission rice varieties; (2) Utilization of organic fertilizers and biopesticides in the form of subsidized organic fertilizer and procurement of Processing Units Organic Fertilizer (UPPO); and (3) Utilization of manure/urine and agricultural waste for biogas.

**Energy Sector.** Mitigation policies that have been carried out by the Ministry of Energy and Mineral Resources consist of 5 (five) main activities, namely: (1) The improvement of energy efficiency through the mandatory implementation of energy management for energy-intensive users, increased efficiency of household appliances and LED street lighting construction; (2) The development of new and renewable energy through new renewable power plants, energy-saving solar power lamps (LTSHE), solar street public lighting, utilization of biogas and biodiesel; (3) The development of low-carbon fuels through transportation fuel switching (RON 88 to RON 90 and 92), petroleum to LPG conversion program, natural gas-fueled urban public transportations and an increase in household natural gas pipeline connections; (4) The implementation of clean technology through the use of clean coal technology and cogeneration at power plants; and (5) Post-mining land reclamation.

**Industry Sector.** Mitigation actions in the industrial sector consists of, among others, the implementation of energy conservation/diversification and the application of modifications in the process and technology in the cement industry. Energy conservation/diversification implementation activities consist of 4 (four) activities, namely: (1) Energy conservation in energy-consuming industries; (2) Implementation of EnMS and system optimization in energy-wasteful industries; (3) Implementation of EnMS

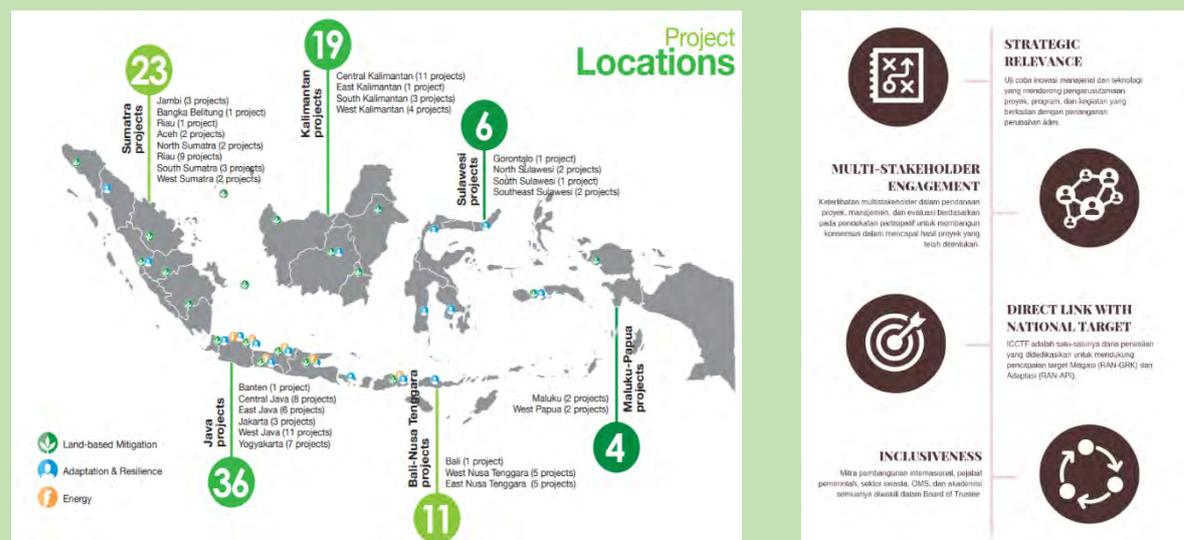
and energy efficiency in pulp & paper, steel, textile and food industries; and (4) Conservation of energy in the cement industry.

**Transportation Sector.** The mitigation policies carried out by the Ministry of Transportation include actions in the land, sea, air and railway transportation sectors, such as, (1) Provision of bus stimulus assistance for several cities; (2) Installation of ATCS (Area Traffic Control Systems) in national road segments; (3) Optimization of aviation efficiency; (4) Rejuvenation of Performance Base Navigation (PBN) of air transport; (5) Reforestation and utilization of new and renewable energy in of airport environments; (6) Construction of solar cell technology on shipping navigation aid instrument (SBNP); (7) Construction of dual railroad lanes along northern Java, in Jabodetabek urban area, and the Trans Sumatra railway line.

**Waste Management Sector.** Climate change mitigation policies in the waste management sector have been focused in 2 (two) subsectors, namely (1) Waste water, with the construction of infrastructure including off-site and on-site systems such as WWTP, IPLT, and MCK++; and (2) Waste, with the construction of landfills and an integrated Reduce, Reuse, Recycle (3R) waste management system.

### Box 30. Indonesia Climate Change Trust Fund (ICCTF)

The ICCTF is a trust fund institution that supports the Indonesian Government's efforts to reduce greenhouse gas emissions and emissions intensity through the implementation of low carbon development activities and climate change adaptation. Formed in 2009, ICCTF utilizes and channels domestic and international funds into projects that are in line with the implementation of Indonesia's RAN/RAD-GRK, to support the GHG emission reduction target baseline of 29%/41% in 2030.



## Pilot project ICCTF Distribution

During 2010-2018, ICCTF had success and showed best practices in managing complex and innovative projects, in sectors such as land-based mitigation, energy, marine or blue carbon and climate change adaptation, which are relevant to the Indonesia's targets, and very useful to be scaled up and further developed by Ministries/Institutions and related stakeholders.

Of the total 76 projects that have been implemented in 99 locations across Indonesia (46 land-based mitigation projects, 22 adaptation projects and 8 energy projects), the potential reduction in GHG emissions obtained amounts to 9.5 million tons of CO<sub>2</sub>e or about 5% of the target national emission reduction in 2017. In addition, ICCTF projects also give a direct impact on improving the economy and social patterns of the community.



### Box 31.

## Mitigation Action based on Community by TERANGI Foundation



The Belitung Mangrove Park is a project run by the TERANGI foundation with the support of ICCTF. The park transformed lands previously used for mining into a mangrove tourism park as an effort to rehabilitate ecosystems and carbon sequestration. There are six outputs of the project, namely: (1) Planting 330 ha of mangrove and coastal forest and building 1 observation and monitoring tower; (2) Increasing community capacity in monitoring the condition of coastal ecosystems; (3) Actively involving the community in the management of the Belitung KKP and BMP; (4) Providing an observation and monitoring medium, ecotourism, and education on mangroves and coastal forests; (5) Providing human resources in the development of marine ecotourism; (6) Increasing of community capacity in developing ecotourism activities.

The impacts of the projects carried out by ICCTF and TERANGI foundation include: (1) Involvement of other parties where several national and regional agencies have built

supporting facilities, such as toilets, clean water network, roads, campgrounds, rehabilitation of coastal forests, fruit plantations and portable garbage cans; (2) Socially, the management of HKm Juru Seberang is considered to have solved social problems regarding the availability of new jobs and stopping illegal mining in protected forests. There were 20 members BUMDes before the project started, but now there are currently 134 active members. Women have also been successful in improving the quality of goods, especially culinary goods. The signature food sold is seafood served in local style of dining known as bedulang; (3) The economic impact can be measured from the additional income of local residents. Koperasi members received IDR 3,000,000 in 2016 annual profit-shares, while annual profit-shares rocketed to IDR 20,000,000 the following year. (4) Terangi Foundation ICCTF funding management resulted in the elimination of illegal tin miners operating around the management area. The funding also increased the mangrove population in the rehabilitation area of 50 ha, increased tree population in the coastal forest rehabilitation area of 150 ha from BPDAS funding. Wild animals have been able to roam free and now become river tourism attractions; (5) Reduced 20,231 tons of CO<sub>2</sub>e in emissions within the first year alone.

In the end, the project produced ecotourism locations in rehabilitated community forest areas from ex-mining land, resulted in communities active in tourism and conservation management, and funding for conservation. The ex-mining land has been registered under Minister of Forestry Decree No. SK.79/MenLHK-II/2015 on the establishment of an HKm Working Area of 757 ha. As a business, it has been registered under Governor Decree Kep.Babel No: 188.44/717/DISHUT/2015 on Business Permit for HKm Utilization.

### **Box 32.**

#### **Peat Lands Partners Fund Indonesia (DMGI)**

Peat Lands Partners Fund Indonesia (DMGI) is a project under the management of Wetlands International Indonesia which has the vision of restoration and sustainable management of peat lands by the community, which in so plays part in the reduction of emissions, forest fires, peat land subsidence, and also provide an alternative income for local communities.

Through the 3R approach (Rewetting, Revegetation, and Revitalization of livelihood), DMGI has funded 10 community-based projects in 17 villages spread out in 5 provinces, namely Jambi, Riau, South Sumatra, Central Kalimantan and South Kalimantan from 2017 to 2019. DMG Indonesia has been complementing the government's efforts to restore 2.94 million hectares of peat lands by 2020 under the coordination of the Peat Land Restoration Agency (BRG), as stated in BRG letter No. S.31/KaBRG/D1/4/2017. The DMGI steering committee is made up of BRG, KLHK, GGGI, Mongabay, Wetlands Foundation and also 10 local project-organizing CSOs, local governments, and beneficiary communities.

DMGI is currently working with beneficiary communities, where around 473 women and 445 men have been trained on 3R activities, whereas an additional 2,551 families have been categorized as non-direct beneficiaries. Around 44 community groups have been formed and have restored 4,505 ha of peat lands, also established 93 ha of sustainable peat land management pilot project area. In terms of policy, alongside the PfR program, 6 Village Regulation draft on peat land management and forest fire prevention have been issued, 1 District Regulation draft on wet land vegetation conservation is currently in the legislation

process and 1 village forest has been established. In terms of livelihood from DRR, 1 *koperasi* has been established and 1 observation post has been built to detect fires.

To this point, the replication and scaling up of projects is still a major challenge. Many local regulations are still yet to fully accommodate 3R activities, especially in peat land priority provinces. Harmonization of regulations at the national and provincial levels, strong political support from heads of local governments and the capacity of communities and CSOs in peat land management are all in need of improvement.

## **B. Challenges**

### **a. Minimum attention to the characteristics of multi-disaster threats in development growth and equity**

An important part of risk reduction and disaster mitigation is the understanding of the disaster and social characteristics of the region. Each respective region has different types of disaster hazards. Some areas are vulnerable to floods, droughts and other hydro-meteorological disasters. Most areas are vulnerable to several combinations of various disaster hazards. The influence of hazards and damage that may arise depends on three factors, such as hazards, vulnerability and institutional capacity of the region. In the World Risk Report (2016), Indonesia is categorized as a country with a high disaster risk level due to high levels of exposure and vulnerability to disasters. In fact, almost 75 percent of industrial infrastructure and basic connectivity in Indonesia, including its supporting facilities are built in hazard zones.

Indonesia's population is projected to reach 305 million by 2035. Intensive development investment is also growing rapidly, which aims to bring prosperity to the population. But this has also led to the increasing potential number of people affected by disasters. A comprehensive framework is needed for disaster resilience so that the population is protected. The framework can increase investment to reduce disaster risk, improve financial security, and improve adaptive social protection. Projection-based investment for risk reduction is needed to reduce the general impact of disasters and to bring many additional benefits to the national economy and society.

### **b. The lack of a disaster-preparedness culture**

Preparedness in dealing with disasters has not been embodied in the culture of Indonesian people. The results of a preparedness index study of districts and cities in Indonesia in 2012 showed that community and local government preparedness was still low. In 2004, the Aceh earthquake and tsunami propelled the government to issue the 2007 Disaster Management Act and changed the paradigm of addressing disasters to be more proactive, preventive, and emphasized preparedness and risk reduction. Some regions currently already have disaster management regulations. However, government preparedness and the legislation alone are not enough. The disaster awareness and preparedness of the community and all stakeholders needs to be increased. The preparedness in dealing with disasters should become a part of the culture, a process of forming a resilient society in facing disasters. This process is long and continuous, transcending generations. DRR must be invested in all sectors of development.

### **c. Suboptimal recovery of critical land**

The rehabilitation of forest and land to recover the critical land within the forest management units (KPH) and watershed (DAS) have only met 35% of the 2015-2019 target of 5.5 million ha. This is due to the problem of rights and status of the critical land, as well as the lack of optimal control of space utilization around the watershed. This condition is a challenge for Indonesia to be able to achieve the GHG emission reduction target, taking into account that the land and energy sector is the main contributor in GHG emissions. Future conservation efforts and forest and land rehabilitation programs are expected to resolve issues regarding critical lands. However, this program must first clarify status of land and obtain sufficient funding.

### **d. Suboptimal energy diversification**

Energy is an important instrument in industrial and production businesses and is the main capital of economic growth. However, the Central Statistics Agency (BPS) noted that energy imports is a contributor of Indonesia's regional GDP deficit. Due to depletion of Indonesia's fossil fuels such as oil, gas and coal, the domestic energy supply is estimated to only meet 75% of the national energy demand by 2030 and will continue to decline to 28% in 2045. Optimization of energy diversification must become a national priority by increasing the portion of new renewable energy. This way, it would be possible to increase the domestic energy supply, while also considerably reducing GHG emissions from the energy sector.

### **e. The inefficient use of natural resources and the problem of waste generation**

As a country which relies on the commodity and natural resources sector, Indonesia's economic growth is predicted to be weakened and hampered if the depletion of natural resources and degradation of environmental quality continues. For example, Indonesia's forest cover continues to decrease every year. The average rate of deforestation that occurred during 1990-2017 reached 1 million hectares per year. Although the rate of deforestation has fallen to 480 thousand hectares in 2017, the reduction in land cover will continue due to the forces driving development. The proportion of areas lacking water is also increasing, especially on the island of Java, where the ideal habitat for endangered species also continues to decrease. The development approach that emphasizes the analysis of SDALH's and the efficient use of natural resources must become the main policy to support sustainable development goals in the economic, social and environmental sectors.

In addition, the handling of pollutant sources has also been suboptimal. The handling of domestic waste is still below the RPJMN target, only amounting to 84.73% of the 16.7 million tons/year target, with waste reduction only amounting to 31.1% of the 4.5 million tons/year target. Another problem is the high level of marine pollution, especially plastic waste in the sea, which adds up to around 1.29 million tons/year. The level of plastic waste leaking into river waters and eventually to the sea is even predicted to have reached more than 70%. In addition to causing environmental pollution, this condition has also resulted in serious disruption to marine life.

**f. The lack of local government commitment to mitigate disaster risk, climate change mitigation and adaptation**

At the provincial and district/city level, where disaster risk reduction and climate change mitigation and adaptation should be substantially implemented, these programs have not been fully incorporated into the RPJMD. The unequal understanding of local governments in formulating the right programs has been shown to be the obstacle in mainstreaming DRR and climate change management into regional development. In addition, the issue of climate change is still considered as an environmental issue, even though the problem of climate change is a development issue that needs to be addressed with a comprehensive paradigm change, especially for leaders at the district/city level.

**C. The Way Forward**

The technocratic Draft of RPJMN 2020 - 2024 includes several national priorities policies, which are improving the quality of environment, increasing climate, and disaster resilience, and low-carbon development. The strategy for disaster resilience consists of disaster management and increasing climate resilience through the National Action Plan for Climate Change Adaptation (RAN-API). Whereas the strategy for low-carbon development policies encompasses sustainable energy development, sustainable land recovery, waste management, development of green industries, coastal and marine ecosystems restoration.

Based on the 2019 Government Work Plan Document policies related to the development of disasters and climate change in 2019, are:

**1. The Disaster Management Priority Program is conducted to reduce the disaster risk index in 136 priority districts/cities in growth centers with high level of disaster risk.**

- a. Strengthening Disaster Management Capacity;  
The objective and indicator of this activity is to increase the number of apparatus and communities that are resilient to disasters in prime locations.
- b. Increasing Disaster Facilities and Infrastructure;  
The objective and indicator of this activity is to increase the number of disaster services which are resilient to disasters at prime locations.
- c. Emergency Management and Post-Disaster Recovery;  
There are 2 (two) targets and indicators of this activity, which are (1) the rescue of disaster victims and (2) the restoration of public services in post-disaster areas.
- d. Strengthening of Disaster Management.  
The objective and indicator of this activity is to improve the performance of disaster management in prime locations.

**2. Climate change management programs through low-carbon development.**

Low carbon development is an effort to achieve sustainable development through the synergy of actions to reduce greenhouse gas (GHG) emissions while maintaining the balance of economic growth and poverty reduction, sectorial and regional development strategies and policies reflecting the available resources. Low-carbon development is

aimed to continue efforts targeting the GHG emission reduction of 26% in 2020 and 29% in 2030 below the GHG emissions baseline. Low-carbon development is also expected to help the achievement of Indonesia's Sustainable Development Goals (SDGs) targets.

The objective of cross-sector, low-carbon development sector is directed at the efforts to reduce GHG emissions and emission intensity (emission level per unit of GDP) in the main sectors, namely land-based sectors (peat land forestry and agriculture), energy-based sectors (energy, industry, and transportation), and the waste sector. The reduction target of GHG emission in 2019 by 23.5 percent is a potential for reducing GHG emissions from programs and activities of ministries listed in the 2015-2019 RPJMN. Whereas the GHG emission intensity is calculated based on the basic figure of 2019 GHG emissions per GDP.

Policies in 2019 directed to achieve the targets include:

- a. Integrating the efforts to reduce GHG emissions into national and regional development planning, taking into account the balance of economic growth and poverty alleviation;
- b. Implementing the efforts to reduce GHG emissions through co-beneficial activities of poverty alleviation (increase income and alleviate poverty);
- c. Reducing GHG emissions and intensity of emission through key sectors in low carbon development, such as land-based sectors (forestry, peat lands, and agriculture), energy-based sectors (energy, industry and transportation), Waste Management sector and Coastal sectors (Mangroves and Seagrass);
- d. Disseminating and increasing public awareness regarding low carbon development.



#### 4.1.5 Goal 16. Peace, Justice and Strong Institutions

Indonesia's commitment is to prioritize equality and access to justice as an important part of governance. This is in line with the *Nawacita* - nine development priority programs and the government's vision to implement "Strong, Inclusive and Sustainable Development" as stated in the 2015 - 2019 RPJMN.

The government has also mainstreamed Goal 16 in the 2015-2019 RPJMN and will continue to implement commitments to allocate appropriate resources for programs and policies specifically concerning comprehensively from the national to regional levels in the periode of 2020-2024.

For Indonesia, implementing Goal 16 does not only fulfill legal obligations and noble ideas, but also plays a important role in reducing poverty, building human resources and economic growth. The Constitution of Indonesia clearly describes the efforts to promote peaceful societies, providing access to justice for all, and building effective, accountable and inclusive institutions and are, reiterated by our laws, and declared in multiple international and regional commitments we have signed. Goal 16 inspires many parties, because all agree that development is not possible during conflict and cannot reach the

poor without the support of accountable institutions. Apart from fulfilling our legal obligations and meeting our founding principles, the development will not be able to facilitate fair and equitable welfare when structurally excludes certain groups and systematically placing certain people in prolonged uncertainty.

Indonesia has been successfully achieving poverty reduction and inequality, human development and economic growth under the sustainable development goals on health, education and decent work. Despite notable progress made by Indonesia on those sectors, disparities persist, and programs have been running without sufficient information and consideration on whether the vulnerable populations such as women, children, people with disabilities and people with certain religious and ethnic identities, are enjoying or being deprived of the existing services. Lack of inclusive attention for these vulnerable groups drives health, education, social protection livelihood investments and policies away from individuals who were at the greatest suffering. This makes any sign of aggregate progress runs the risk of hiding inequalities.

Goal 16, therefore, provides a framework so that development is equitable and does not leave anyone behind. All sectors must apply a Goal 16 lens in their efforts to close the existing gaps and end inequality. There are five foundations established in Goal 16 that form the three prongs of Peace, Justice, and Strong Institutions, that necessitate the success of ending inequalities as visualized on Figure 81 below.

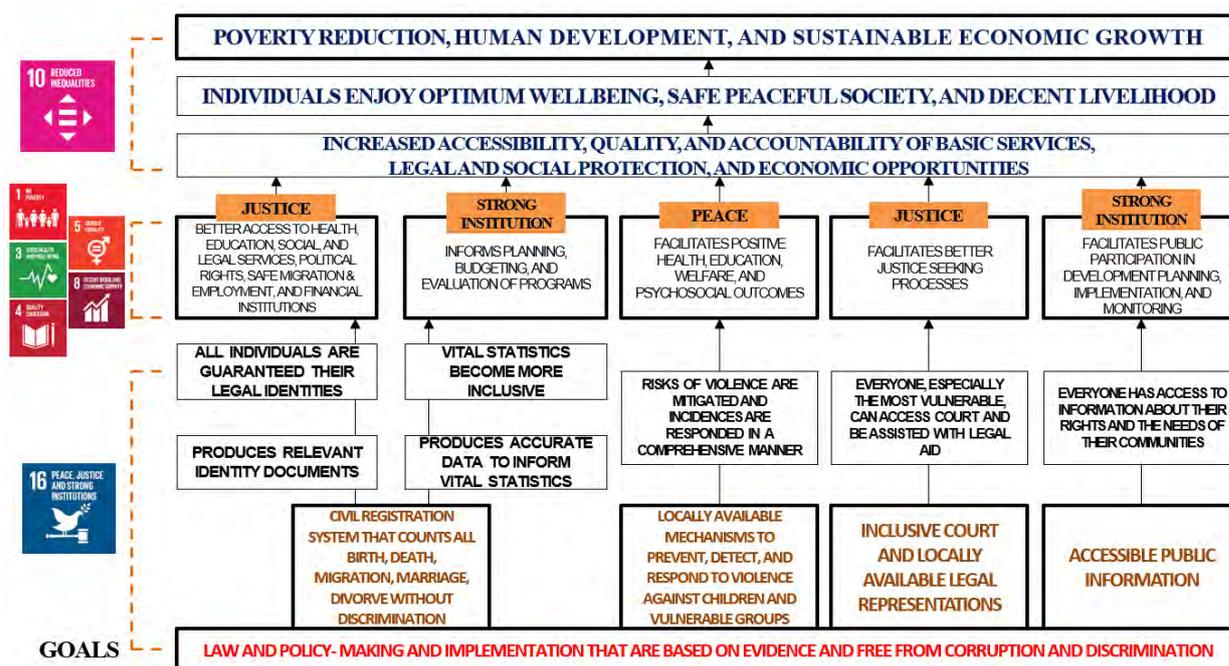


Figure 81. Pathway to Indonesia’s National Goals and Equality for All through Goal 16 Implementation

The framework built on the proposed policy and law enforcement that based on evidence and data that free from corruption and discrimination, which become a ground foundation to establish Access to Justice for All on providing birth certification, promoting safe environments, providing legal aid and opening access of information to public. These

five foundations are expected to provide basic services, legal social protection and decent work for all that served by the strong institutions. Thus, this framework will contribute to reduce inequality, human development and creating an inclusive and sustainable economy.

## **A. Trend Analysis**

This section presents data and analysis to achievement Goal 16 that based on the relevant SDGs indicators for Indonesia through three (3) main targets, namely: 1) Access to Justice for All, measured by legal aid for poor people and birth certification for all children; 2) Peaceful and Inclusive Societies for Sustainable Development, reflected by the achievement of indicator on violence of children, safety environment, human rights and democracy implementation; and 3) Effective, Accountable, and Inclusive Institutions at all levels, determined by prevention of corruption, governance financial accountability report, and public access to information.

### ***Access to Justice for All***

#### **1. Legal Aid**

Indonesia realized that people could plunge into poverty when experience shocks in their life. These shocks can be a result of natural disasters, crop failure due to climate change, illness, or legal charges. When being put through legal proceedings, poor and vulnerable individuals were often left without sufficient legal aid to defense their rights.

As a response to this, long before the conceptualization of Goal 16 started, Indonesia has launched and has been implementing the national strategy on Access to Justice (*Strategi Nasional Akses pada Keadilan*, SNAK) and later amend in 2013, and Legal Aid Law No. 16 year 2011. One of SNAK's goal is the equal and fair distribution of development. This policy acknowledges the need of court system reform to achieve an equal justice for all and shows that economic growth is not only reflected by reduction of poverty and social inequality. In addition, equality will not be achieved in the absence of inclusive and human rights-based development.

The implementation of Legal Aid Law is a transformational process with various achievement for the last eight years. Therefore, many legal aid accesses which previously organized by non-state actors is now strengthened by the Law into a collaboration between the government and non-state actors. Through this collaboration, non-states actor has been involved by the government to provide litigation and non-litigation legal aid. Besides to support the implementation of legal aid for poor and vulnerable people seeking for justice. The National Law Development Agency (*Badan Pembinaan Hukum Nasional/BHPN*) under the Ministry of Law and Human Rights have a role to deliver the policy implementation and to coordinate the institutional cooperation mechanism. Apart from that, the Law has been contributed in the increasing number of proficient advocates to represent legal aid cases and to raise fund for legal aid organizations.

Up until 2018, the national legal aid fund has grant legal aid for thousands of poor and vulnerable people. The allocation of fund has been distributed to 524 organizations and have represents 41,719 poor people on litigation process and 83,000 of non-litigation activities from 2015 to 2018.

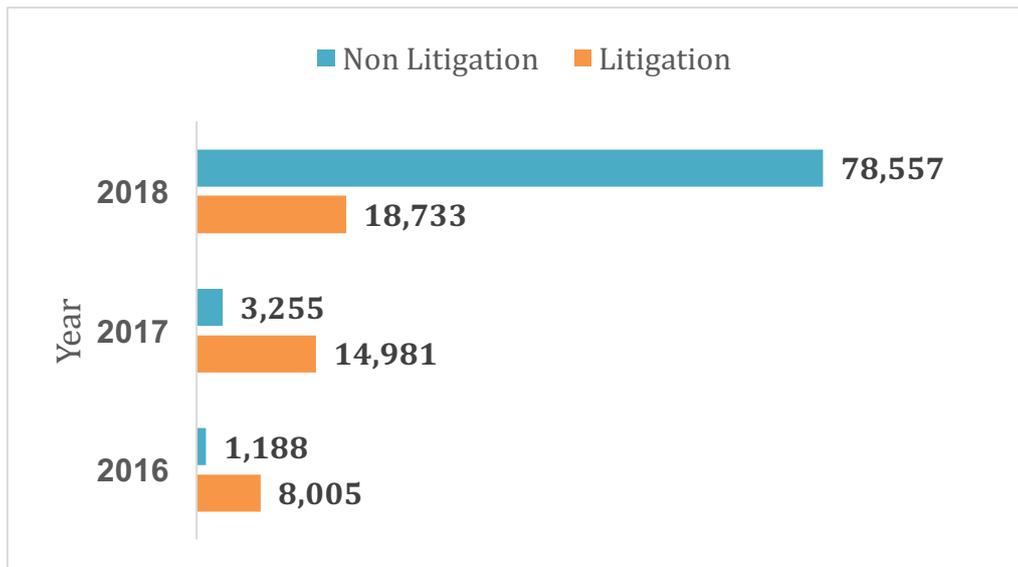


Figure 82. Number of People Receive Litigation Aid and activities of Non-Litigation, 2016-2018  
 Source: BPHN

The commitment of Judicial Institution is to implement Legal Aid Law and also to improve their access service for poor and vulnerable justice seekers. These services are available to marginalized individuals or groups such as children and persons with disabilities, and those who are eligible for a poverty statement letter (*Surat Keterangan Miskin*, SKTM) or other proof of their receiving other government assistances, such as conditional cash transfers (*Program Keluarga Harapan*, PKH) or food subsidy (*Raskin*). The commitment was realized with the issuance of the Supreme Court Circular Letter No. 10 Year 2010 that was later strengthened by Supreme Court Regulation No. 1 Year 2014 on the Guidelines for Provision of Legal Services for the Poor in Court. Through this, the Supreme Court invested their court resources to provide supports for those in need in a form of hearings outside of the court and closer to the community, waiver of court fees, and helping assistance to assist people in navigating court processes outside of litigation in legal aid posts.

Through the delivery of the mobile courts, court fee waiver grants, and legal consultation posts, millions of Indonesians were aided. During 2016 to 2018, there were 289,976 individuals received court services through hearings outside the court, 731,768 of legal aid posts, and 267,976 of court fees waiver provided for poor and vulnerable people. Currently, these services will remain a priority in the Indonesian Supreme Court's policy.

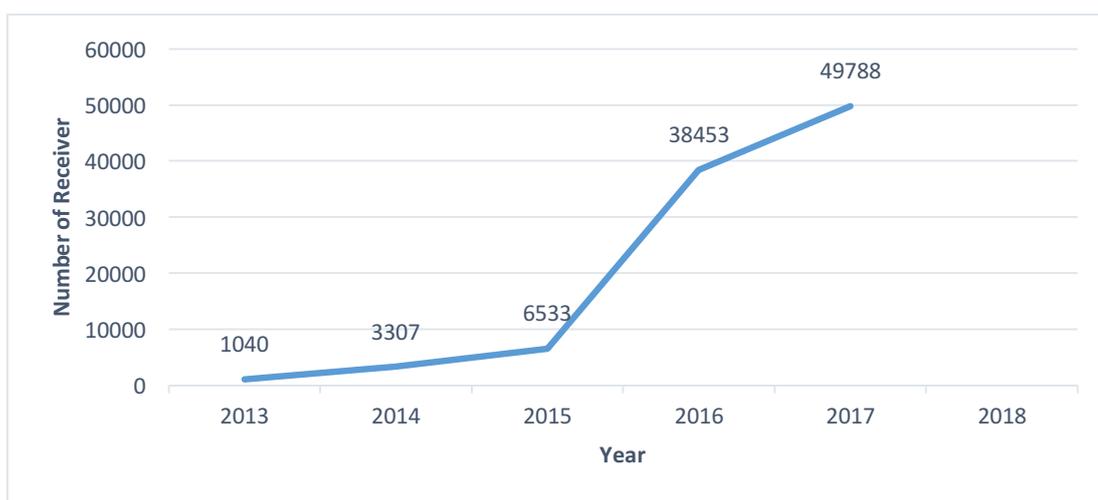


Figure 83. Number of Legal Aid Receiver, 2013 - 2017  
Source: BPHN

### Box 33. Measuring the Immeasurable: Development of Access to Justice Index

The exceptionally progressive development of Access to Justice Index was initiated by Consortium Access to Justice consisting members from the Access to Justice Consortium consisting of Indonesian Judicial Monitoring Society (MaPPI FHUI), Indonesian Legal Roundtable (ILR) and Indonesia Legal Aid Foundation (*Yayasan Lembaga Bantuan Hukum Indonesia*, YLBHI). The interesting thing is, the development of this index has also involved some government institutions; Ministry of National Development Planning, Ministry of Law and Human Rights, and Central Bureau Statistics. This collaboration is a sign that the government and non-government have the same interest to bring justice to all parties.

The idea to develop this index is based on the importance of a measuring instrument to enable see the alignments of justice and also serves as basis for the government to formulate legal policies in Indonesia. Additionally, it is believed that the index will become one of the sources to support the evaluation implementation of Legal Aid in Indonesia.

The program for the index development focuses on four (4) stages, namely: 1. Initial study on preparation of defining "Access to Justice", 2. Development of measuring tool, 3. Usage of the measuring tool under the national scope and 4. Public Consultation. As of today, Consortium are in the process of defining "Access to Justice" in the first stage. The utility of Access to Justice Index is a form of inclusive to realize the pledge of SDGs "leave no one behind"

(Source: Access to Justice Consortium)

## 2. Detainees who exceeded maximum incarceration time

Apart from the legal aid system, prisons and detention centers information management system has been established since in 2015 to 2017. This system allows a more transparent and accountable way to monitor any changes in some select correctional facilities in the country. In 2015 to 2017, it was reported that there was a small proportion of pre-trial detainees who exceeded their maximum incarceration time

allowed by law at 2.6%, 2.9%, 3.1%, and 3.1% every year, respectively, and although the proportion is relatively small, the exceeding number of detainees in prisons is a sign that the application of correctional system hasn't fully applied, not to mention the greater amount detainees fee. In 2019-2023, Indonesian Government will continue to revitalize the correctional system as part of a broader criminal justice reform goal through strengthening the ability of correctional institutions to ensure social reintegration for criminal offenders, and policy reform to support alternative measures to reduce the number of people being detained or imprisoned. Based on the 2017 UNICEF SDGs baseline report, there are at least 22% of minor detainees still waiting for the final judgement, with 97% of boys predominantly made up the child detention center.

### 3. Birth Certificate

The state is obligated to implement the equal justice principles for each and all citizens, and not merely for an individual who are facing legal issues. Legal identity is a sign for the recognition and basic protection of a human existence, granted from the official birth registration.

Children with birth certification have greater access of basic services which playing a big role on the further quality of life, namely education, decent work, access to health and social assistance for the welfare. To be eligible for National Health Insurance (*Jaminan Kesehatan Nasional*, JKN), a person must be documented in Family Card (*Kartu Keluarga*, KK) which linked to the birth certification. The birth certification is also a requirement to acquire the National Identity Card (*Kartu Tanda Penduduk*, KTP) to ensure a greater access to government social assistance. Female-headed households with KTP are more likely to receive social assistance compared to those without KTP.

In the year 2018, 83.55% children (aged 0-17) (Statistics Indonesia) were reported to have a birth certificate and the government is confident that the 85% target by end of 2019 set in the mid-term development plan (RPJMN) will be achieved. For the population of children living in the poorest households or the bottom two quintiles (the poorest 40%), the birth certificate coverage has been surpassed the 2018 77% target (77.4%) (Figure 84)

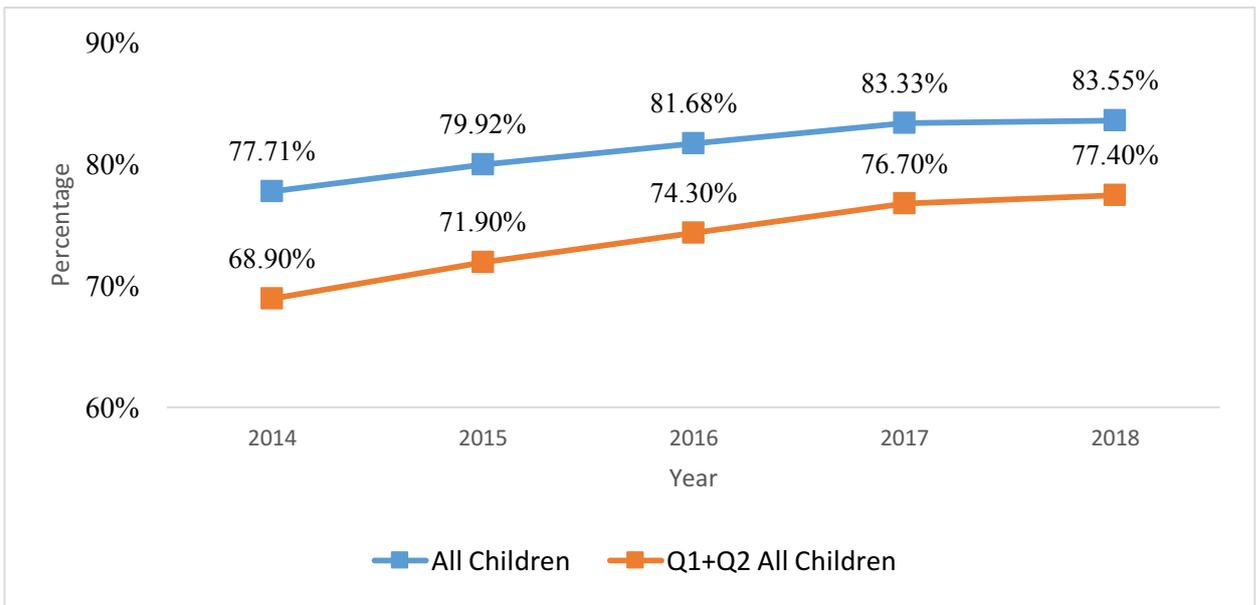


Figure 84. Proportion of Birth Certificate for Children (0-17 Year) by Social Economic Status, 2014 - 2018

Source: Statistics Indonesia

Indonesian Government is trying to reach the younger population due to the low percentage of birth certificate coverage for children under five years old (71.92% in 2018). This number show a slow process of legal identity documentation for children under five years old, compared to other age groups. This indicate the inequality on immediate documentation after birth, specifically for children under 5 years old in the poorest household (64.45%). Efforts to widen the scope of immediate documentation of birth registration and legal identity for all citizen remains a government priority for 2020-2024. In response to this, Indonesian Government is still working on documenting all the birth certification and granting legal identity to all and each individual under the priority activities of Citizen Administrative System and Civil Registration (*Sistem Adminitrasi Kependudukan dan Pencatatan Sipil, SAKPS*).

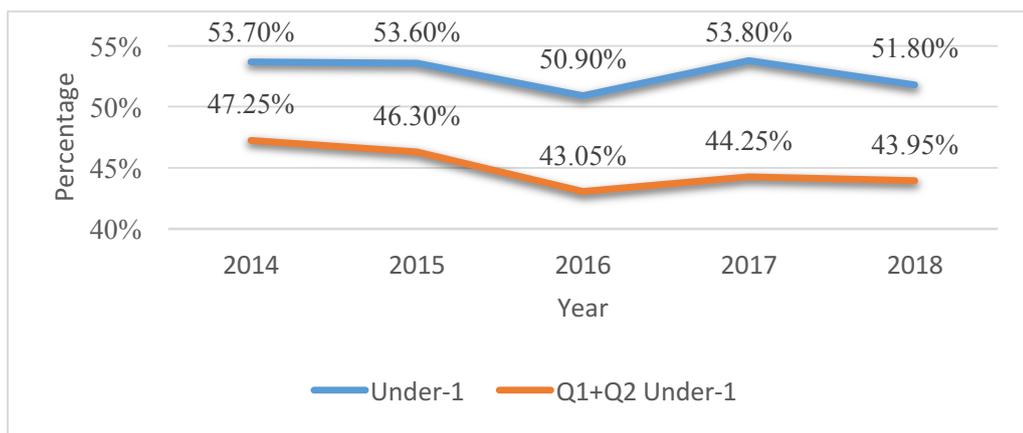


Figure 85. Proportion of Child for Under -1 Year of Age having Birth Certificate by Social Economic Status, 2014 - 2018

Source: Statistics Indonesia

Among children aged 0 – 17, there is the increasing number of birth certificate coverage for the past five years from 77.71% (2014) to 83.55% (2018), this raise is higher than children from poor households, from 68.9% in 2014 to 77.4% in 2018. Birth documentation after birth has risen among children under five years old from 71.23% in 2014 to 71.92% in 2018 (Statistics Indonesia)

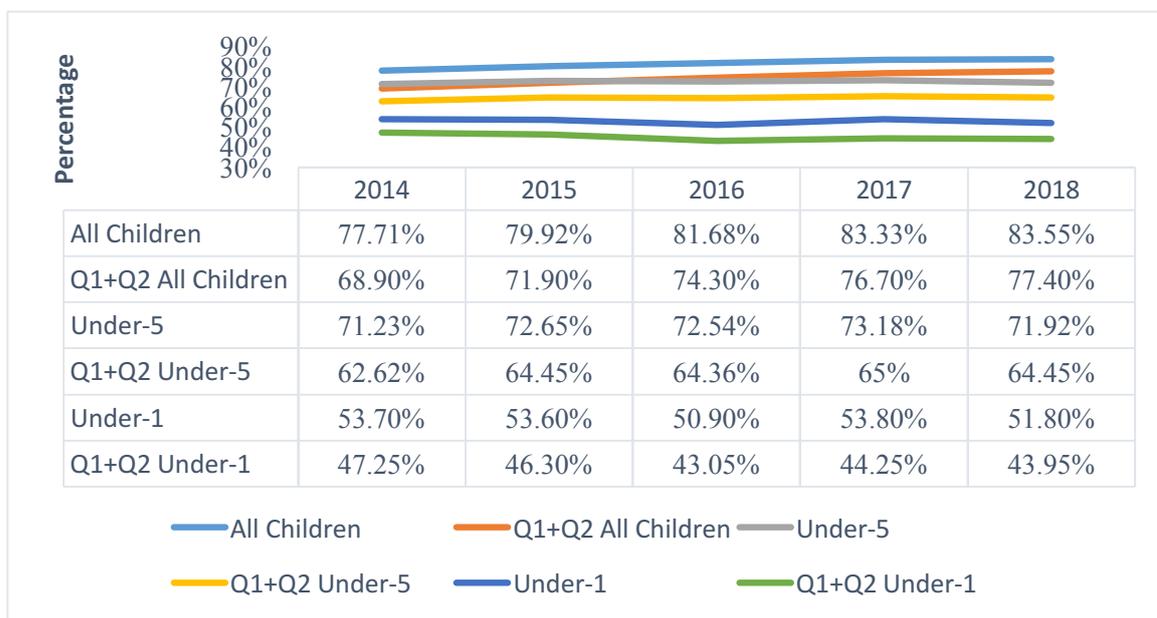


Figure 86. Proportion of Birth Registered by Age Group and Social Economic Status, 2014-2018  
Source: Statistics Indonesia

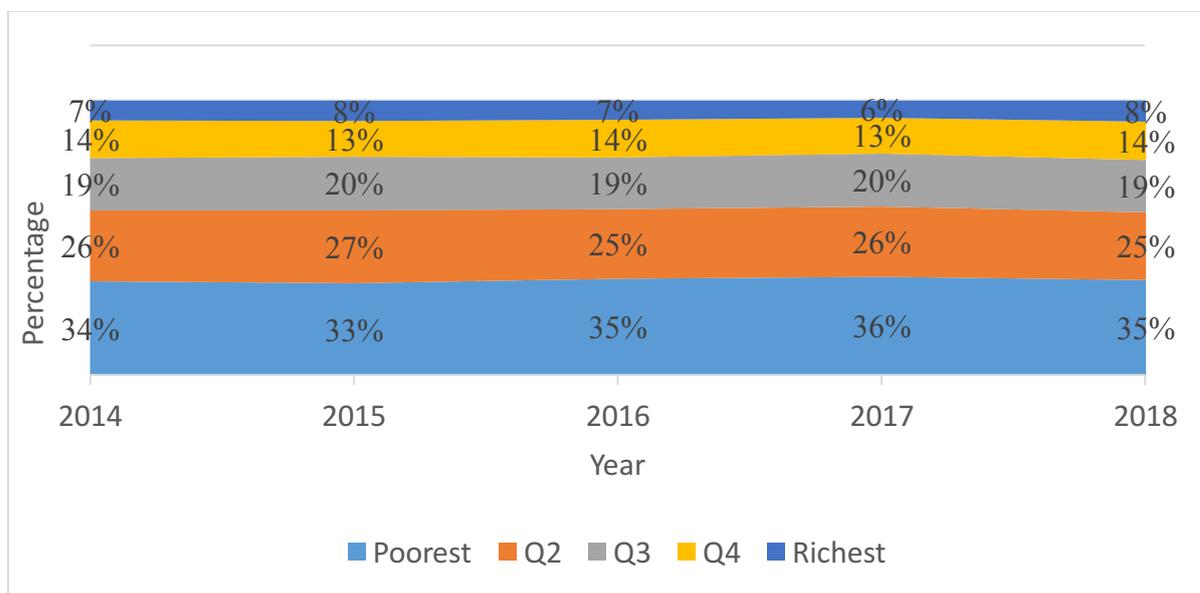


Figure 87. Distribution of Birth Certificate of Deficiency for under-5 Year of Age Population by Social Economic Status, 2014 - 2018  
Source: Statistics Indonesia

Other than that, regional disparity is also of a concern of Indonesian Government in providing access to the registration of birth certificate. Indonesia's population data management system (*Sistem Informasi Administrasi Kependudukan*, SIAK) shows that birth certificate coverage in 24 of 34 (over 70%) provinces in Indonesia is still below 85% (SIAK, per August 2018 for children 0 – 18 years old). Apart from this, the provinces in the eastern part of the country faced the biggest challenges. Papua (47.62%), West Papua (51.2%), Maluku (61.92%), East Nusa Tenggara (70.76%), and North Maluku (76.82%).

## ***Peaceful and Inclusive Societies for Sustainable Development***

### **1. Peaceful society**

Democracy and individual freedom are conditions to realize a peaceful society, while discriminatory practices against vulnerable groups can hinder inclusive development. From the 2017 data, Indonesia observes a 20 % points decrease in the proportion of people who feel safe walking alone around the area they live, from 73.57% in 2014 to 53.32% in 2017 (Statistics Indonesia, SUSENAS). Our Criminal Statistics record the number of homicide cases in average of 1,300 cases annually in four years (Statistics Indonesia, 2018). As a signal of people's access to the police, Indonesia's Criminal Statistics recorded annual proportion of victims of a crime who reported their victimization to the police. The data shows that the proportion is only around 20%. In 2015, the proportion was 18.73%, in 2016 18.9%, in 2017 23.44%. The lack of availability of data series in these indicators remains a challenge.

### **2. Violence Against Children**

Long-term effect negative affect can happen when violence occurs towards children, impacting on their health and education quality. As a means to estimating the national prevalence of childhood violence and violence against women and girls, the government has allocated significant resources and conducted a nation-wide Violence Against Women and Girls Survey (*Survei Pengalaman Hidup Perempuan Nasional*, SPHPN) in 2016 and Violence Against Children Survey (*Survei Nasional Pengalaman Hidup Anak dan Remaja*, SNPHAR) in 2018. These two cross-sectional surveys found that childhood violence and violence against women and girl are serious problems affecting up to 62% girls and 61.2% boys aged 13 to 17 years and also 1 from 3 (33.4%) girls aged 15 to 64 years. In addition to having the description of the problems, the government is analyzing these two datasets further to gain more insights on the determinants of risk factors, protective factors, effect to health, and help-seeking behavior to inform programming.

Meanwhile in 2014, Statistics Indonesia estimated that there was around 55% of household with children aged 1-14 years who have experienced any physical abuse and/or psychological aggression by caregivers in the last 12 months (Statistics Indonesia, SUSENAS). Prevalence of violence against boys and girls were estimated at 38.62% for boys and 20.48% for girls in 2013 based on Survey of Violence Against Children (*Survei Kekerasan terhadap Anak*, SKtA). In 2015, data from Ministry of Social Affairs, Ministry of Women's Empowerment and Child Protection, Statistics Indonesia, and BAPPENAS estimated proportions of 6.28% women and 6.37% men aged 18-24 has experienced sexual violence by age 18 (SKtA).

### Box 34.

## **Ways to Inclusion: Village Children's Forum (Forum Anak Desa/FAD) to Voice Child Protection Issues in Village Development Planning Consultation (Musyawarah Perencanaan dan Pembangunan Desa / Musrenbangdes)**

Strengthening Capacity of the Village Children's Forum (FAD) to voice child protection issues in Musrenbangdes is a program established by *Aliansi Remaja Independen* Foundation (ARI) and Rutgers WPF Indonesia and Plan International Indonesia. The aim of program is to provide capacity building for organizations based, youth aged 10-24 and children aged under 18 (Subnational Child Protection Commission (*Komisi Perlindungan Anak Daerah*, KPAD), Village Children's Forum, and other NGOs) on the importance of meaningful youth or child participation from village to national level. The capacity does not only provide the capacity of child protection issues, but also the capacity for advocacy, leadership and organization, for example getting involved in the process of Development Planning Consultation Village in Menoro Village, Woro Village, Ngasinan Village, Mojosari Village, Rembang Regency, Central Java

The results of program implementation over the past 2 years (2017-2019) are as follows:

1. Village Children's Forum (FAD) know which paths they can optimize to engage and voice children's needs at the village level
2. Village Children's Forum (FAD) which has been capacitated is able to participate meaningfully in planning, implementation in Musrenbangdes
3. Village Children's Forum (FAD) can raise awareness about child protection issues in the community

Besides the impact or results received, there are still some challenges faced, including those related to children and adolescents who have to divide their time to be socially active and their obligation to study formally (school or madrasah). Village Children's Forum also have limited resources on financing the involvement of personal or group in village development. In its implementation, commitment from the government or other stakeholders is needed to provide space and support the activities of young people.

(Source: Aliansi Remaja Independen)

As one of the forms of violence against children as stipulated in Goal 5 SDGs, data in 2018 (Statistics Indonesia) estimate 11.2% prevalence for females aged 20 to 24 who were married before they turned 18. Even though child marriage in Indonesia has decreased in the last three decades (1985-2015), the current estimates still put Indonesia as having one of the highest child marriage prevalence in the region (East Asia and Pacific). Evidence indicates that child marriage, as presumably other forms of childhood violence, represents a hidden problem of inequality. Among females aged 20 to 24 who were married before they turned 18, more than half were from the bottom-two wealth quintiles, suggesting that child marriage disproportionately affects children who lived in vulnerable households. The government commits to reduce prevalence of child marriage, among others through the amendment of the Marriage Law, especially concerning the minimum age of marriage; and the development of a national strategy for the prevention of child marriage in 2019. The multistakeholders effort between state and nonstate actors to amend this Marriage Law is presented by CSO on the Box 35 below. In 2016, the

government committed to being a pathfinder country in ending violence against children as a part of the Global Partnership to End Violence Against Childhood.

### Box 35. "STOP Child Marriage" Movement

Indonesia has committed to reduce prevalence of child marriage, by making it as a movement to prevent and stop child marriage. This movement is a collaborative efforts of government, journalists, academics, civil society networks throughout Indonesia, especially female clerics, grassroots women's organizations, non-governmental organizations (NGOs) who work to fulfill the rights of women and children, particularly in health, education, employment and poverty reduction sectors. This effort has been carried out since in 1990s at various levels, by using critical awareness strategies at the village community level, women's organization, data-based policy advocacy, campaign, Judicial Review of the Marriage Act in 2014 and it was continued in 2017.

The movement has encouraged local initiatives to carry out the process of women's communities awareness and succeeded in producing champions who are actively making efforts to prevent child marriages. There have been several policies to prevent and stop child marriages, including village regulations in Lombok, West Nusa Tenggara (NTB) Province, Bone-South Sulawesi Province, Gresik Regent Circular Letter in East Java Province, Gunung Kidul, Yogyakarta Province, and NTB Governor Circular Letter.



On April 20, 2018, the President of the Republic of Indonesia stated his strong commitment on legal protection to prevent child marriages. The effort to "Prevent and Stop Child Marriage" has shown rapid progress. In December 2018, Indonesia's Constitutional Court (*Mahkamah Konstitusi, MK*) through Constitutional Court Decision No. 22 PUU-XV / 2017 removed marriage age discrimination for girl as stipulated in Marriage Law No. 1 of 1974 on Marriage that regulates minimum legal age of marriage for girl is 16 years to 19 years

or equivalent to minimum legal age of marriage for boy. The Ministry of Women's Empowerment and Child Protection and supported by the Ministry of Religion of the Republic of Indonesia initiated and led this law revision.

The Constitutional Court's decision was further followed up with the "**Stop Child Marriage Movement**" led by the Ministry of Women's Empowerment and Child Protection. This movement is an collaborative action and movement along with 11 (eleven) Ministries/government Institutions and 65 (sixty-five) women's and children's NGOs, media networks that increasingly strengthening and reinforcing "Stop Child Marriage" movement.

The involvement of all these stakeholders is to answer the toughest challenges in reducing the prevalence of child marriage specifically for females aged 20 to 24 who were married before they turned 18 which is still quite high in some provinces like Central Kalimantan and West Sulawesi that reached 19% (2018). The hardest challenge is the strengthening of conservative views, especially with traditional and religious norms. Therefore, the success of this effort rests on many mutually influential aspects. Policy changes must be accompanied by cultural changes,

perspectives, law enforcement and critical awareness and fulfillment of rights based on gender equality for women and men. The movement also encourages legal protection to prevent child marriage to ensure 80 million Indonesian children have the right to education (12-year compulsory education program), rights for reproductive health, freedom from violence and live a prosperous life.

(Source: Institut KAPAL Perempuan dan Yayasan Kesehatan Perempuan)

Nevertheless, Taskforce of Legal Enforcement and Prevention (*Sub-Gugus Tugas Pencegahan dan Penegakan Hukum, SPPH*) report estimates the number of human trafficking is up to 2.8 per 100,000 citizen and up to 1.3 per 100,000 for children with special needs. In addition, around 16% of reported human trafficking case involved children. (BAPPENAS & UNICEF, 2017)

### Box 36.

#### Healthy Internet - Prevents Violence and Exploitation of Children

A number of Alliance to End Violence Against Children (PKTA) members namely ChildFund International, Wahana Visi Indonesia, Sayangi Tunas Cilik Foundation, Yayasan Plan International Indonesia, ECPAT Indonesia, ICJR and ICT Watch (Mitra TIK Indonesia Association) implemented some programs, advocacy and consultation for children in 15 provinces. The name of program is Elimination of Violence against Children, focuses on achieving SDGs target 16.2 End abuse, exploitation, trafficking and all forms of violence and torture against children.

The implementation of Children's Consultation uses qualitative methods in data collection, namely body mapping methods, village maps, focus group discussions and photographs. The children involved in consultation are around aged 13-17 years and some are under aged 22 in several places. The four topics reported in this report are

- a. Types of violence against children according to children;
- b. Child input about Prevention of Violence;
- c. Child input about Handling Violence;
- d. Recommendations for government and non-government about related issues, includes disseminating on type of violence against children and complaints services, improving the role of parents in providing advice, creating agent of change among children, improving teacher understanding on child protection.

The Alliance also implemented program to eradicate violence against. Children and their ecological environment are the targets to implement this program with the following forms of activities: Capacity building and Policy advocacy.

Results of the implementation of two (2) activities, namely first, capacity building such as digital literacy in schools, child sexual exploitation prevention online training, capacity building of law enforcement officers (APH) and development of material on Healthy Internet; the second is policy advocacy such as advocacy to the capacity of law enforcement officers (APH) involving Indonesian Financial Transaction Reports and Analysis Center (*Pusat Pelaporan dan Analisis Transaksi Keuangan*, PPATK), socialization of digital literacy policies, and research on the results of the Alliance to Ending Violence Against Children (PKTA) budget.

Some challenges found in the programs that have been implemented are not all APHs, especially the police and prosecutors understand the concept of child protection as a whole, the forms of

violence against children on internet are increasingly diverse and use the latest technology. Due to the low level of digital literacy in the communities, will need a comprehensive Digital Literacy reinforcement to be included in schools curriculum.

Besides the challenges, there is a chance to end violence against children, such as Village Child Protection Group (KPAD), as considered very helpful in disseminating information about community and children in village. Training on Prevention of Online Child Sexual Exploitation can be included in PATBM cadre's capacity building activities from the ministry of women's empowerment and child protection programs. Healthy Internet has been adopted by Ministry of Communication and Informatics since 2008, and several others have also begun to be adopted as CSR programs in several telecommunications companies in Indonesia.

(Source: Alliance to End Violence Against Children – *Aliansi PKTA*)

### 3. Human Rights and Non-Discriminative Action

Government of Indonesia is committed to promote and protect human rights. Several efforts include the strengthening of institutional and human resource capacity as well as legal framework to promote non-discriminative laws and policies at the national and local levels.

As part of national mechanism that promotes accountability, Indonesia's national human rights institutions continue to empower and strengthen their complaint mechanism on cases related to human rights. From 2015 to 2018, in total of 26,893 reports were received by the Indonesian National Commission for Human Rights (Komnas HAM). During the same period, the Indonesian National Commission Anti Violence Against Women (*Komnas Perempuan*) received 5,136 (2018) reports of specifically violence against women cases (*Komnas Perempuan*).

*Table 5. Human rights violation cases reported*

<b>Source of reporting</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
National Commission on Human Rights (KOMNAS HAM)	8,249	7,188	5,387	6,069
National Commission Anti Violence Against Women (KOMNAS Perempuan)*	1,248	1,353	1,301	1,234

\*particularly violence against women cases/report

#### **Box 37.**

#### **Inclusive Development for Victim in Recovery**

Peduli is a poverty alleviation program targeting marginalized groups and works with public society as a key actor for social inclusion. This program is managed by The Asian Foundation, with support from the Australian Embassy. Indonesia for Humanity (IKa) manages the Human Rights and Social Restoration Pillars and works with seven (7) partners namely RPUK in North Aceh, PK2TL in East Lampung, IKOHI in East Jakarta, Foperham in Gunung Kidul and Yogyakarta, Sekber 65 in Surakarta and Karanganyar, SKPHAM in Palu and Donggala and PBH Nusra in Sikka, and has reached 11 districts/cities.

The strategy carried out during the four (4) years of Peduli program is to engage with the local government, both with the village government and the district/city government, collaborative work with the community of victims and civil society networks at the national level through the Justice and Truth Disclosure Coalition (KKPK) and public society networks at the local level, especially for the outcome of advocating for change of policy. In terms of the outcome of social acceptance, the strategy carried out is by increasing the cultural spaces to become the meeting point between victims and the public, as well as to become a space for awareness raising on social inclusion. The beneficiaries of this program are victims and survivors of the Aceh Military Operation Area case, Talangsari case, the May 1998 case and the 1965 Political Tragedy.

Through the Peduli program, there have been many results obtained, including in the field of access to services. During April 2017 to June 2018, that there were 5,525 people who were able to access public services, including administration documents and other social services such as health services, educational services, and many other services through direct channels by LPSK (health services) or through local government in the form of BPJS PIB or health services obtained from local health centers or Posyandu.

On the social acceptance access, social inclusion spaces have begun to open up between victims and the surrounding community. Cultural and social spaces contribute a considerable contribution in various regions such as the celebration of the August 17 event in various regions. In accessing policy changes, for example in Surakarta, it has succeeded in issuing Perwali No. 20 of 2018 concerning Elderly Welfare, in Sikka District has issued Sikka District Regulation No. 13 of 2018 concerning Regional Human Rights Action Plans that form the basis of the development orientation of Sikka Regency in the future.

(Source: Indonesia Untuk Kemanusiaan - Ika) 2014-2019

Despite of Indonesia's endeavors in promoting and protecting human rights, challenges do exist. As of 2018, across the countries that consisted by 34 provinces and 514 cities and regencies, the Ministry of Legal and Human Rights Affairs recorded that there are 114 local regulations which are identified as discriminative against women. Among which, 3 have been revised and 9 have been revoked.

In this regard, Indonesia continues to carry out efforts that would make local by-laws and regulations in line with national legal framework. Some of the efforts include:

- a) The adoption of Joint Ministerial Regulation between the Ministry of Law and Human Rights, and the Ministry of Home Affairs that sets forth human rights parameter for the formulation of bylaws and local regulations.
- b) Consultations between the Ministry of Law and Human Rights and local governments regarding new by-laws.
- c) Enhancing capacity and knowledge on human rights for state apparatus in provinces and cities

Since the establishment of Indonesia's Human Rights Commission, various state agencies have been created, such as the Judicial Commission (*Komisi Yudisial*, KY) and General Elections Commission (*Komisi Pemilihan Umum*, KPU), Public Information Commission (*Komisi Informasi Publik*, KIP) and Corruption Eradication Commission (*Komisi Pemberantasan Korupsi*, KPK). It is a reflection of Indonesia's to uphold accountability and transparency in its Governance.

#### 4. Indonesian Democracy Index (IDI)

As the third biggest democracy in the world, Indonesia is highly committed to realizing democracy and to respect individual freedom, as well as to enforce the law and non-discriminative practices, especially towards vulnerable groups to achieve an inclusive development.

Indonesia establish the Indonesian Democracy Index (IDI) since 2009, and province-based democracy has been developed since 2010. Indonesia Democracy Index scored 72.11 and categorized “Moderate” in 2017, compared to 2016 score of 70.09 (increase 2.2).

Table 6. Score of Indonesian Democracy Index

Index	2014	2015	2016	2017
Indonesian Democracy Index	73.04	72.82	70.09	72.11
Democratic Institution Index	75.81	66.87	62.05	72.49
Civil Liberty Index	82.62	80.3	76.45	78.75
Political Rights Index	63.72	70.63	70.11	66.63

Source: Statistics Indonesia

This IDI number was measured using three aspects; Democratic Institution Index, Civil Liberty Index and Political Rights Index. Each aspect consists of variables and each variable contains indicators. The increase number of IDI indicated the dynamic of Indonesia’s democracy. Civil Liberty Index influenced by various indicator such as freedom of speech or expression, freedom of assembly and freedom of association, freedom of belief, and freedom of discrimination. The decrease of Political Right Index significantly influenced by indicator on violence demonstrations or strikes. The increase of Democratic Institution Index affected by the improvement of Regional’s House of Representative (DPRD), political parties, and regional government bureaucracy.

#### ***Effective, Accountable, and Inclusive Institutions at All Levels***

##### **1. Anti-Corruption**

Good governance and strong institutions have been evident as fundamental enablers of sustainable development. By definition, governance can mean all processes of developing and implementing laws and policies. Law and policy- making and implementation that are based on evidence and free from corruption and discrimination should be the bedrock of our development practices.

Indonesia is still fighting against corrupt practices that harm vulnerable groups. The Anti-Corruption Behavior Index (*Indeks Perilaku Anti Korupsi*, IPAK) was developed to measure the level of extortion and nepotism in the country. The data consists of public opinion on everyday practices of authorities and experinces related to public service.

In 2017, the IPAK show modest improvement from 3.59 (2015) to 3.17 (2017), then declined to 3.66 (2018). A higher score means higher intolerance towards corrupt practices.

Table 7. Indonesia Anti-Corruption Behavior Index

2014	2015	2016	2017	2018
3.61	3.59	n/a	3.71	3.66

Source: Statistics Indonesia

An annual Corruption Perception Index published by Transparency International ranked Indonesia in the 89<sup>th</sup> (score 38) in 2018 from 96<sup>th</sup> (score of 37) in 2017 out of 180 countries, showing a real improvement of public perception of whether corruption occurs among public officials and politicians. Moreover, Indonesia was ranked 109<sup>th</sup> out of 189 economies on the indicator of corruption in the World Bank's 2016 Doing Business report, at a much lower rank compared to Malaysia, Vietnam, and Thailand. In the 2015-2016 World Economic Forum Global Competitiveness Report, corruption was classified as the leading factor hindering ease for engaging in business in Indonesia (Asialink Business).

Corruption remains one of the biggest challenges in Indonesia, impeding development and poverty reduction, the country's economic potential and instigating injustices due to a few in power greatly benefitting over the unrealized rights of many. Cases of corruption occurred in a wide spectrum of public and private sectors, affecting the Indonesian judicial system, national police, public services, natural resources businesses, legislation, and customs as well as land and tax administrations.

Despite all the challenges, there is increasing optimism translated in the form of stronger laws, sounder policies, consistent enforcements, and improved public trust. A recent rise in public trust was due to the contributions of the National Commission on Corruption Eradication (KPK), open government practices demonstrated by emerging leaders within the government, both at national and subnational level, the stronger presence of ombudsman institutions including at the subnational level, and the more streamlined processes in few government document applications.

## 2. Good Governance Practices

To strengthen management and prevention of corruption, the Indonesian Government implemented a technology-based system of procurement (e-procurement). In relation to that, more than a third (39.6%) of public procurement in Indonesia already used e-procurement procedures in 2018. However, this achievement was still far from the target of 60-70% utilization. A CSIS study indicates that local government procurement is one of the key areas in need of a reform. The study found 56% of the respondents believe that corruption is widespread in government procurement processes.

The development and application of e-procurement is the right strategy, however its use in all procurement cycles needs to be boosted. In addition to human resources and financial capacity issues, the challenge in integrating procurement processes is highest at subnational administrations level.

### **Box 38.**

#### **Collaboration to Tackle Illicit Financial Flow**

Indonesia is committed to achieving SDGs goal 16 target 4, which is by 2030 to significantly reduce illicit financial flow, strengthen recovery and return of stolen assets and combat all forms of organized crime. It is shown by providing support to civil society organizations that has expertise and experience in research of illicit financial flows.

In early 2019, the GoI enthusiastically responded the research publication released by Perkumpulan PRAKARSA that examined more specifically the amount of illicit financial flows to the commodity level. On the research, Perkumpulan PRAKARSA also estimates the amount of illicit financial flows and estimates the potential of state revenues lost due to the illicit financial flows. Perkumpulan PRAKARSA research focuses on the issue of illicit financial flows caused by trade misinvoicing in three sectors (manufacturing, agriculture, extractive) by selecting six leading commodities that have a high export contribution in Indonesia, such as coal, copper, palm oil, rubber, coffee, and crustaceans.

In responding to the research, the Ministry of Marine and Fisheries (KKP) invited Perkumpulan PRAKARSA to present the research findings attended by high-ranking officials of the Ministry to obtain more comprehensive information and inputs as a reference for improving policy formulation. The Ministry expressed their appreciation and asked the Perkumpulan PRAKARSA to jointly conduct further studies regarding the illicit financial flows from fish and pearl commodities which are main commodities under the KKP.

Furthermore, the Ministry of Finance has also invited Perkumpulan PRAKARSA to present the research findings to all high-ranking officials of the Directorate General of Taxation and asked to collaborate the effort to develop the methodology to measure specific indicators on illicit financial flows.

(Source: Perkumpulan PRAKARSA)

Good governance is also measured by the financial accountability of line ministries and their planning and budgeting aspect. In the implementation, the Government maintains a high-level of budget realization rate (94.1% in 2017) and a high-performance score in state financial audits. There was a steady increase of the number of government institutions receiving an Unqualified Opinion (*Wajar Tanpa Pengecualian*, WTP) as a proportion of all audited institutions from 2015 to 2017 across different levels of administration. As per 2017, district level institutions were among the lowest in percentage of receiving a cleared status among the national, provincial, and municipal level.

Table 8. Primary Government Expenditures as a Proportion of The Original Approved Budget

2014	2015	2016	2017
94.7%	91.05%	89.5%	94.1%

Source: Ministry of Finance

Achievement as shown on the tables indicates a positive result to the efforts of the national and subnational government in improving financial management and report that is more accountable, efficient, and effective. The increasing trend show a better response from the national and subnational governments to the considerations and advice from the Supreme Audit Board (*Badan Pemeriksa Keuangan*, BPK) throughout the years. This includes data management of fixed assets; list of land-fixed assets, buildings and properties; return of procurement to subnational treasury (BPK, 2018).

Table 9. Percentage of Unqualified Opinion of the Ministries and Local Government Financial Report

Level of Administration	2014	2015	2016	2017
National level	58%	65%	84%	91%
Provincial level	76%	85%	91%	97%
City/Municipality level	60%	65%	77%	86%
District level	41%	54%	66%	72%

Source: Supreme Audit Board (BPK)

Good governance is also demonstrated the accessibility of public services and information by the public. In the area of public service, the Indonesian Ombudsman has been consistently assessing the government institutions' compliance with the standard set in Law No. 25 Year 2009 on Public Service. This assessment aims to accelerate the improvement of quality of the National Bureaucracy Reform (*Reformasi Birokrasi Nasional*, RBN). The fulfillment of public services also encourages good administration and supports the prevention and eradication of corruption.

Referring to the variables and indicators of Government fulfilment of standard public services, the component that is most often unfulfilled on all level are the provision of rights and services related to people with disabilities, breastfeeding mothers, the elderly, and others. Furthermore, the Ombudsman also assess the information availability and complaint procedures for the public.

Table 10. Percentage of Government Ministries and Local Government that comply with the Law on Public Service

Level of Administration	2014	2015	2016	2017	2018
National level (Ministry)	n/a	27.27%	44%	35.17%	55.56%
National level (Agency/Body)	n/a	20%	67%	33.33%	25%
Provincial level	n/a	9.09%	39.39%	27.27 %	62.5%
City/Municipality level	n/a	5,26%	29.09%	33.33%	36.73%
District level	n/a	4.69%	17.65%	12.15%	31.66%

Source: Ombudsman

### 3. Access to Information

Since 2008, Indonesia has become one of the countries that guarantees public access to information through Law No. 14 Year 2008 on Public Information Transparency. A free and independent press is one of the pillars of democracy. In the Index of Press Freedom released in 2014 by the Indonesian Press Council, Indonesian press have freedom from fear to play their role in delivering information. Indonesian press freedom is classified as moderately free by the Indonesian Press Council in 2018. Even though press freedom in Indonesia is becoming stronger and more meaningful, and better institutionalization of public information, however some issues still need to be addressed, among other the press independency, press professionalism and accountability towards the public, press physical and non-physical abuse.

The availability of public institutions that comply with the 2008 law fluctuated from year to year with 50.38% in 2016 and dropped to 39.29% 2017. Those figures represent the proportion of public institutions that met their obligations to, among others, announce public information, provide public information, and manage and document public information. On a more positive note, the participation of public institution keeps on increasing. In 2018, 62.83% or 289 out of 460 public institutions participated in the monitoring and evaluation of the implementation of the 2008 law.

At the same time, National Commission for Information (*Komisi Informasi Pusat*, KIP) reports the percentage of public information dispute resolved through mediation and/or adjudication non-litigation measures as relatively increased. Since 2010-2017 as many as 2.803 reported cases were settled out of 902.

Furthermore, as part of the implementation of the 2008 law, KIP is responsible to monitor the availability of at least one Information and Documentation Manager (*Pejabat Pengelola Informasi dan Data*, PPID) in each public institution. Data for 2018 shows that PPID availability across public institutions in Indonesia has reached 70.23%. However, the quality of public information services remains a challenge.

### **Box 39.**

#### **Citizen Voice and Action**

The World Vision's 'Citizen Voice and Action' (CVA) approach is a Social Accountability initiative by Wahana Visi Indonesia. The overall aim of the project was to improve public services. This approach involves training facilitators at village level, who then, with support from project staff, facilitate a series of processes at village, sub-district and district level. Those processes enable villagers and local staff to assess services against both official standards and villager-determined standards, to develop local plans for service improvement, and to advocate to higher levels of the service delivery system for improvements. The project operated in three districts of NTT province in Indonesia: Kupang, Sikka and TTU, and in West Kalimantan: Sintang, Sekadau, Melawi with a total almost 120 villages.

The project supports to the achievement of SDGs Target 16.6 Develop effective, accountable and transparent institutions at all levels. Project implementation consists of carrying out the activities with the aim to develop accurate information about citizens' rights and entitlements to services regarding maternal and infant child health services; strengthen relationships among related stakeholders; educate residents, service providers and officials about their rights and entitlement; work with villagers to develop citizen score cards in order to monitor and improve the achieved standards and the quality of service; and have annual reviews of achievement.

Based on the results of monitoring show policy planning and realization of the health sector budget in Kupang Regency indicate Kupang District Government had commitment to ensure the realization of maternal and child health rights by allocating the annual health budget as a regional development priority. On this basis, Kupang District Government is on-track position. Additionally, the health budget is in top 3 out of 21 obligatory functions of Kupang Regency in 2016-2019. Another best practice of a project operated in West Kalimantan is the application of the CVA model in 50 villages (West Kalimantan) that has improved maternal and new-born health services. In East Nusa Tenggara, there is a statistically significant increase in the knowledge of Household survey respondents about the services provided at Posyandu, Polindes and Puskesmas.

Despite the progress mentioned above, there are still challenges, among others, improving the quality of deliberation as a forum for decision or policy making, implementation of social accountability approaches, especially in villages, is one way to improve the quality of basic services, and strengthening the policy system at the regional level including regulation synchronization / harmonization, community participation and sectoral regulations / policies in village planning/ regional development and capacity building for village officials.

(Source: Wahana Visi Indonesia)

#### **4. Women Participation**

Inclusive development is actualized through public participation, particularly women. In this case, the Government continues to increase the participation of women as policy-makers. There were 14.43% of women in senior position and 13.06% in mid-level position in bureaucracies in 2018. According to Women in Bureaucracy Survey conducted

by the Ministry of Women's Empowerment and Child Protection (*Kementerian Pemberdayaan Perempuan dan Perlindungan Anak*, KPPPA), gender-responsive policies have strengthened in the area of policy-makers and women's groups. However, it is yet to be fully internalized in the bureaucracy system. The previous competency-based paradigm was not able to address the gap in proportion between men and women in bureaucracy. Thus, a new equality-based paradigm was needed to address the issue of double burden in women.

*Table 11. Percentage of women assuming the decision-making positions in government institutions*

<b>Level of Echelon</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Senior position	20.66%	n/a	13.81%	24.76%	14.43%
Mid-level position	16.39%	n/a	12.55%	15.47%	13.06%

*Source: National Employment Agency (Badan Kepegawaian Nasional/BKN)*

Meanwhile, the low percentage of women participations as legislators remains a concern, even with the quota system set by the law. The percentage of women parliamentary members or legislators in the national and subnational House of Representatives was recorded in 2014 to be at 16.6% for the national level (DPR RI), 16% for the provincial level (DPRD), and 14% for the district/municipal level (DPRD) (KPU).

Due to the lack of willingness of political parties to affirm women candidates, according to the Law, there is a requirement of 30% quota for women to run for Parliament for each political party. The National Election Commission (KPU) has recorded almost 50% increase of women candidates from 2014 to 2019 (2.467 women to 3.194). Out of 14 political parties, there are 4 political parties that have nominated the highest numbers of women candidates. In addition, political parties still need to implement capacity building programs to enhance the quality of legislators including women legislators.

#### **Box 40.**

### **TIRAM (Towards Inclusive Natural Resource Management in Indonesia)**

As rich province in natural resources, East Kalimantan is faced with the problem of different interests in the use of natural resources. Exploitation for commercial interests on the other side is often at odds with desire to use it for fulfillment of daily needs (subsistence), large-scale industrial needs, or the interests of conservation efforts on the other side. With the existing problems, the regional government (both provincial and district/city) must develop a management mechanism to be able to accommodate different interests towards existing potential natural resources.

Prakarsa Borneo initiated to create TIRAM (Towards Inclusive Natural Resource Management in Indonesia) program to anticipate the community's interest in policymaking process that regulates natural resource management. They use strategy to increase public awareness to participate in the making of regulations started from the lowest level (village, district, and provincial regulation) to provide community capacity building training such as legal drafting

training, paralegals, and conflict resolution. In addition, Prakarsa Borneo also provides support to Regional Governments in formulating regulations (regent, district and provincial regulations) by involving communities that have been given training to be able to accommodate the interest of affected communities.

The program has been implemented since November 2017 - June 2019 and have produced several results. Some of them are the issuance of village regulations in 3 villages (Kenohan District, Kukar Regency and making draft academic papers and governor regulation.

Stakeholders involved in this program are:

1. University of Balikpapan
2. University of Mulawarman
3. Legal Aid Institute (LBH) of Bina Bangsa University

While the beneficiaries are:

1. East Kalimantan Provincial Government
2. Kutai Kertanegara Regency Government
3. Paser Regency Government
4. Village officials and communities of 6 villages in Kutai Kertanegara Regency
5. Village officials and communities of 10 villages in Paser Regency
6. NGOs/CSOs in East Kalimantan that are engaged in environmental and local community issues

On the other hand, there are still some challenges faced, including changes in mindset of community that the regulation making is government's obligation, not the community. The government thinks that the participation is already represented by village officials. lesson learned from the program that has been implemented is that regulation is important if it touches on the economic interests and the community needs, for example increasing Village Original Income (*Pendapatan Asli Daerah Desa, PAD Desa*), such as the regulation of clean water management by Village Owned Company (*Badan usaha Milik Desa, Bumdes*) or village regulation related to CSR. Going forward, it is expected that village regulation can be replicated in areas that have the same potential in managing their natural resources (clean water, CSR).

(Source: Prakarsa Borneo)

## B. Challenges

Indonesia has internalized credo, "*what can be measured, can be done*". In other words, the development is accountable when designed and evaluated by data. Parallel to this, what is hard to measure becomes a hidden challenge leading to undetected inequality. Equal and inclusive development are impossible to realize when people are excluded, and matters are statistically undetected. Thus, Indonesia's commitment to strengthened evidence-based governance and improved the way to identify unmeasurable information. Problems occurs affected the most to vulnerable layer of citizen, therefore, it deserves the best actions.

### Why does someone get left behind in development?

Goal 16 represents the voices of the vulnerable groups who were often ignored in development, but more to ensure inclusivity. There are three areas or layers of inequality

in development can leave some people behind, and therefore, creating inequality. These layers also describe three kinds of vulnerability that are interlinked.

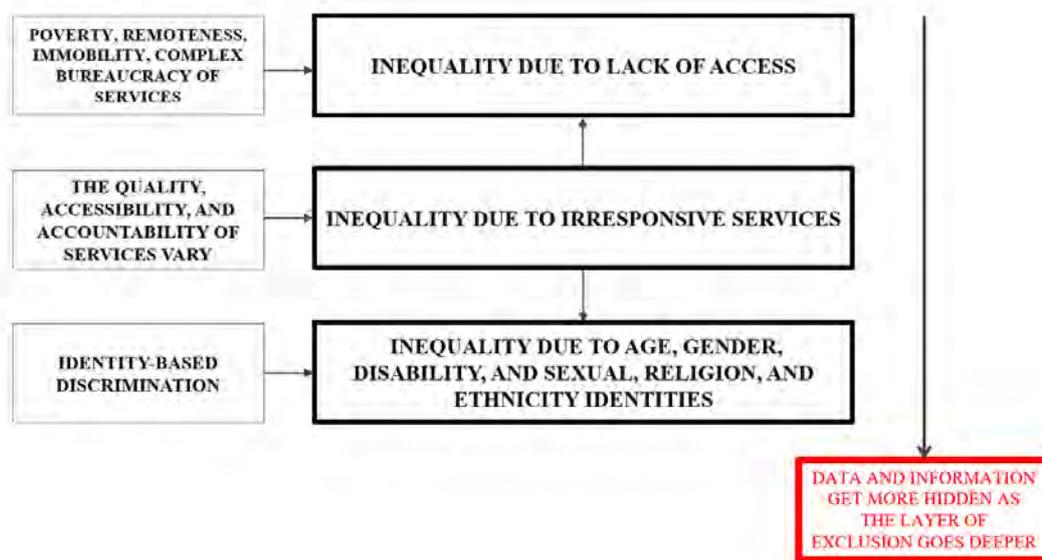


Figure 88. Layer of Inequality in Development that can Leave Someone Behind

In the first layer, inequality is often caused by lack of access to basic services and economic opportunities which may occur due to poverty and remoteness. In the second layer, inequality results from the irresponsiveness of public services to reach all people without discrimination. that are reflected through the figures of income groups and regional gaps. In Indonesia, the quality and capacity of public services in responding the needs of vulnerable groups still varies, and this signals the unequal responsiveness of public services throughout the country. In the third layer, inequality is experienced by those who are systematically excluded due to their social identities, such as women, children, people with disabilities, and people with certain religious and ethnic identities. As we go to the deeper layers of inequality, the more difficult it is for the Government to obtain adequate data and information as the basis for inclusive development. The inequality and gap in each layer forms difficult challenges to achieve the development plan. Those challenges are:

### ***Access to Justice for All***

1. Challenge to start justice access for all specially to ensure legal aid access stability for poor people and group, birth certificate can be identified as follows: (1) The insufficient capability of Legal Aid Organization (OBH); (2) the uneven number of accredited OBH due to Indonesia's geographical problem; (3) the optimization of advocate and paralegal role to provide legal aid to poor people and group. The way to overcome those challenges including: (1) national legal guidance dan (2) the improvement of available legal aid.
2. Other than legal aid, birth certificate is a must-have basic identity for all children as a requirement to obtain health, social, and education service. In addition, cost and network limitation on infrastructure is another main obstacle specially for poor and vulnerable group. The government has come up with the solution of birth

certificate in younger population through 2015 MoU between 8 (eight) line ministries on the Acceleration on the Ownership of Birth Certificate for Child Protection and Ministry of Home Affairs Decree No. 9 Year 2016 on the Acceleration of the Birth Certificate Ownership. These regulations facilitates the ease of registering birth certificate the improvement of various approaches to accelerate coverage of birth registration. Moreover, the contribution of judiciary institution carried through integrated services along with the Ministry of Religion Affairs and the Ministry of Home Affairs c.q. Civil Registration. These services is in the form of conducting marriage certificate for couples from poor group through religious court or civil court. This process is followed by the issuance of Marriage Book through the Civil Registry Office (KUA) and birth certificate for their children. The government currently developing a comprehensive strategy for Civil Registration and Vital Statistic, including the acceleration of birth registration, especially for marginalized groups.

### ***Peaceful and Inclusive Societies for Sustainable Development***

1. Challenges in securing a peace and inclusive society for a sustainable development to the communities specifically to vulnerable group indicates by a high level of children violence. To prevent and to reduce violence of children and homicide, the government carries out two strategies; policy making and relevant development program. Policy making strategies include: (1) Law No.17 Year 2016 on the Implementation of PERPPU No. 1 Year 2016 on the Second Amendment to Law No. 23 Year 2002 on Child Protection to Emphasizing the Punishment for Perpetrators of Sexual Violence Against Children. Also, the Minister of Education Decree No. 82 Year 2015 on Prevention and Control of Violence in the Educational Environment; (2) 2016-2020 National Strategy for the Elimination Violence Against Children (Strans PKtA) as a cross-sector guidance on the elimination of violence towards children through a comprehensive intervention; (3) providing a good to children by creating Children Friendly City.

Relevant development strategic programs, such as: (1) the improvement of *Forum Anak* (Children Forum) role as a pioneer and informant on violence prevention; (2) *Telepon Sahabat Anak and Telepon Pelayanan Sosial Anak* (Call Center for Children – TeSA and TepSA), operating 24 hour 7 days a week to received complains on violence, mistreatment, exploitation, and neglect of children; (3) strengthening child protection system by increasing human resource capacity on institution which includes prevention, handling and rehabilitation of violence victims, exploitation, niglection and mistreatment by developing and strengthening children social welfare programs; (4) strengthening the Integrated Service Center for Women and Children (P2TP2A) and supported by the Taskforce for Women and Children Protection (Satgas PPA); (5) development of programs to prevent violence against children in schools by promoting the use of positive discipline for teachers and the development of anti-bullying prevention programs; (6) strengthening the capacity of families and societies for the prevention and early detection of violence, mistreatment, exploitation and neglect through increasing the role of business community, mass media, and public to strengthen family-based care and the Community-Based Integration Child Protection (PATBM); (7) Increasing public participation, including children, through development of Child Friendly District/City.

2. IDI is designed to capture evidence-based democracy condition in each province throughout Indonesia. IDI can also be a tool to evaluate for the local government to develop the upcoming policies. Therefore, one of the efforts to improve IDI capacity is by strengthen working group in the region.

### ***Effective, Accountable, and Inclusive Institutions at All Levels***

1. Challenges in improving an effective, accountable, and inclusive institution at all levels are influenced by various factors such as high level of corruption. Efforts taken include the prevention and the eradication of corruption by establishing the National Strategy for Prevention of Corruption (STRANAS PK). In addition, annual participation action program created as a cross-sector common anti-corruption program.
2. Government institutional transparency towards the fulfillment of laws on public services still face many challenges, such as: (1) preventing potential maladministration and corruptive behavior; (2) upholding consistency of relevant regulation; (3) Fulfilling the rights of people with disabilities (4) Improving publication on complain handling mechanisms; and (5) Creating a service satisfaction measurement standard. Future programs on developing effective, accountable and transparent institutions at all levels include: (1) Internal monitoring program on state budget and national development accountability and also the assistance on the state internal monitoring system; (2) Optimalization of state servants and bureaucracy reform; (3) Improvement program on the national procurement system; (4) Subnational autonomy program; (5) Public service monitoring program; (6) Subnational development program; (7) Politics and governance program; (8) Democratic institution building and political process refinement program; (9) National election monitoring program; (10) Improvement on politics, law and security coordination program; (11) Basic service expansion program; and (12) Corruption prevention program.
3. Freedom of the press in Indonesia, especially in acquiring information, is still interfered by political and economic interests. Subnational government influence in the local media is still very powerful, through payments for advertising. Press compliance towards journalistic ethics remains a challenge. This is evidenced by the numerous hoaxes intentionally spread to the public. Further, challenges come in the form of physical and non-physical violence by some particular groups objecting pluralism. Persecution and doxing of journalist is considered as a serious offence. Efforts have been conducted to address these issues, among others: (1) Promoting the implementation of journalistic principles and code of ethics; (2) Aligning the interest of the press in building democratic principles; (3) Maintaining the independency of the press Indonesian Press Council as a self-regulatory body.

### **C. The Way Forward**

Based on the Government Annual Work Plan Document, the policy directive to achieve the three main targets of SDG16 in 2019 and beyond are:

1. Policy directive on sustainable development includes, inter alia: realizing social justice; building capacity, technological skills, funding, and oversight in the process. To achieve sustainable development targets, efforts to undertake include: 1.) increase information and communication openness through the appointment of a PPID authority in subnational governments; cooperation with mass media companies to increase public awareness, publish all planning and budgeting processes into the institutions' websites, and publish financial performance reports of government institutions; 2.) increase public participation in policy formulation through public consultations within the process of planning, implementing, and evaluating policies, publish relevant information of each government institutions about their programs, and develop a proactive information publication system, that are easily accessible by the public; 3.) improve bureaucracy capacity; 4.) improve the quality of public services through the application of Public Service Standard for all public service units, acceleration of the application of an effective and efficient Integrated Public Service System, application of a technology-based public service complaint system for all public service units; and 5.) Government Bureaucracy Reform through excellent public service (fast, easy, simple, transparent, and responsive), implement development programs and government budgeting based on a cost-benefit analysis that is high-quality, efficient, and effective, and a merit-system bureaucracy.
  
2. Policy directive on child protection focus on improving the quality of life, protection from child abuse, exploitation, abandonment, and other forms of violence, as well as the effectiveness of child protection institutions. Policies for child protection consists of several strategies, which are: 1.) increased fulfilment of children's rights and creating a safe environment through child-friendly health services, schools, playgrounds, information, and to promote children's participation as role models for Child-Friendly Cities; 2.) increased prevention of violence against children, including in crisis situations and pornography, as well as prevention of child marriages through childcare training, discipline towards children, and safe use of internet access; 3.) integrated advocation/technical assistance on birth registration, and deny approval of child marriage by related institutions including the Religious Court; 4.) improved capacity of (a) planning staff across line ministries in Mainstreaming the Rights of Children through Child Protection System, (b) human resources in Subnational Technical Service Units for Child and Women Protection (*Unit Pelayanan Teknis Daerah Perlindungan Perempuan dan Anak/UPTD PPA*), and (c) human resources in other related units; 5.) advocation and dissemination through public media to increase awareness and public participation in increasing fulfilment of children's rights and child-specific protection; 6.) guide implementation of Community-based Child Protection Movement (*Perlindungan Anak Terpadu Berbasis Masyarakat/PATBM*) at the village level; 7. Increase the role of professional bodies, business sectors, media religious organizations, and community organizations in child protection; and 8.) periodic coordination to improve network of cross-ministry and other government institutions in strengthening and harmonizing legal foundations, as well as the data and integrated service systems for child protection.

3. Legal development aimed towards transparent and accountable law enforcement as well as improving the effectiveness of prevention and eradication of corruption through policy directive: 1.) increase efforts to eradicate legal mafias through stronger integrity and optimal oversight in the law enforcement system; 2.) improve the legal culture of communities through information dissemination by law enforcement agencies and other relevant stakeholders; 3.) improve harmonization and synchronization of law on anti-corruption and human rights mainstreaming; 4.) improve the understanding of law enforcers and citizens through education and training on human rights; 5.) improve the quality of legal services through: (a) mediation, small claim court, and other court services innovation; and (b) immigration services, law administration, correctional facilities, and intellectual property rights; and 6.) improve the quality and quantity of technology and information to support law enforcement.



#### 4.1.6 Goal 17. Partnership for the Goals

Sustainable Development Goals are a global call, transmitted locally into policies and actions, then accentuated through resource mobilization and stakeholder participation. Indonesia is in its pathway to achieve SDGs. The country mobilizes resources and invests the resources in productive physical infrastructure; afterward, capitalizes those assets to build cooperative interactions—among its domestic stakeholders, and with global partners - to translate the global commitment into reality.

The global commitment needs to be strategically implemented. Goal 17 is about the ways SDGs are implemented. This chapter selects four groups of indicators to present, namely (1) resource mobilization, (2) information technology and communication, (3) data and statistics, as well as (4) South-South and Triangular Cooperation. Selected due to the completeness of information, these indicators more or less describe the movements of financial capital, data, and collaboration among actors to achieve SDGs. They are about resources; capitalized and invested in fruitful infrastructure to make people communicate each other, data exchanged, and partnership developed.

Challenges to achieve the goals are not few; thus discussion on the challenges will be presented. However, the lessons need to be drawn and learned. These lessons can be used to improve various SDGs policies in the next coming years.

##### A. Trend Analysis

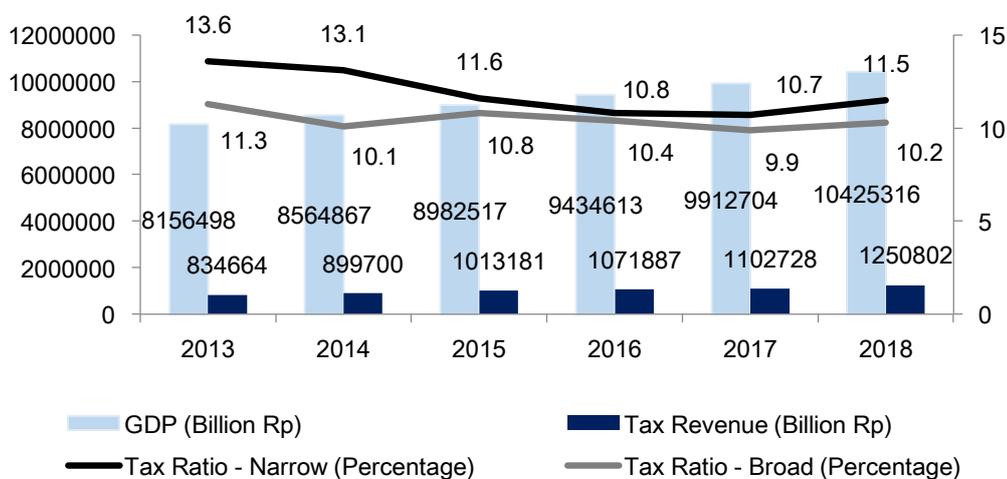
##### *Resource Mobilization*

##### 1. Tax Revenue

Undoubtedly, tax is the fuel that allows the government to implement SDGs, thus its adequacy is vital. The government keeps continue to increase the country tax revenue. In the last few years the effort has shown the results. The tax revenue, as displayed in (Figure

89), increases consistently from Rp835 trillion (2013), to Rp1,013 trillion (2015), Rp1,103 trillion (2017), then Rp1,251 trillion (2018). This is an important achievement knowing that another revenue source, namely non-tax revenue ('Penerimaan Negara Bukan-Pajak', PNBPN), due to an increase in global uncertainty, does not play a similar level of role—only about 15-20 % of total government revenue.

Nevertheless, there is a challenge to increase tax revenue harmonically with the increasing GDP. An increase in GDP is not yet optimally followed by a proportional increase in tax revenue. As the consequence, the tax-to-GDP ratio fluctuates around 11.3% (2013), 10.8% (2015), 9.9% (2017), and 10.2% (2018). Even, compared with the achievement of neighboring countries (Figure 90), the 2018 ratio of 10.2% is the lowest Indonesia's achievement in the South-East Asia region—the Philippine (13.7%), Malaysia (13.8%), Singapura (14.3%), Cambodia (15.3%), and Thailand (15.7%).



'Broad' tax refers to tax and non-tax revenues. 'Narrow' tax refers to tax revenue only

Figure 89. GDP, Tax revenue and Tax Ratio

Source: Ministry of Finance

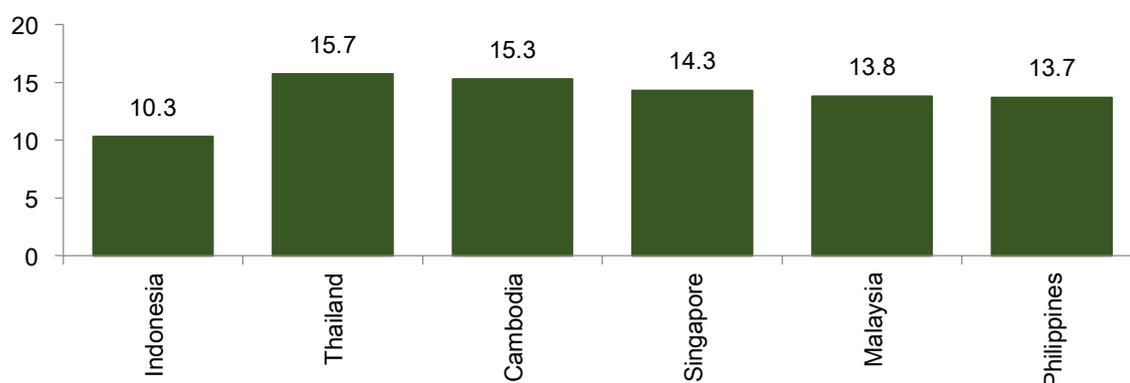


Figure 90. Comparison of Tax Ratios among Neighboring Countries.

Source: Ministry of Finance

This situation is clearly mirrored in the country tax buoyancy—a measurement of tax efficiency and response to GDP growth. Different from the situation in 2012 where the tax buoyancy was about 1.22, in 2013 the tax buoyancy reached at only 0.89. This means that one percent GDP growth that previously was able to lift up tax revenue of 1.22% decreased to 0.89%. In three years after, the indicator did not show any progress. Even, in 2014, the tax buoyancy dropped to 0.63. Later, in two consecutive years of 2016 and 2017, the tax buoyancy decreased even deeper to 0.48.

Several factors explain the situation. From the external side, pressures to commodity prices have affected negatively the size of tax revenue. Sources of non-tax revenue cannot be mobilized yet knowing that the crude oil price is also under pressure. From the internal side, albeit tax administration and management have significantly improved, tax compliance and tax coverage are still serious challenges that need more efforts to improve.

## **2. Non-Oil and Gas Export**

While more efforts are needed to improve the ratio of tax to GDP, similar efforts are also required to increase the performance of non-oil and gas export. This is because during 2012-2015 the export growth did not perform well as indicated by the negative rates of 2-10% (Figure 91). These rates were far below the ones achieved in 2010 with the growth rate of 33.1% and in 2011 with 24.9%. The combination of relatively low productivity and limited efficiency in the internal side and commodity price pressures in the external side explain the poor export performance in the period.

Nevertheless, initial signs of recovery appear in the export performance. Albeit it does not return the situation back to the one in 2010-2011, the positive growth rates of non-oil and gas export have been performed in the last three years. A special note, however, is needed here. The positive growth rates are still erratic, namely 0.2% (2016), 15.9% (2017), and 6.4% (2018). This indicates that external uncertainty does not yet dissolve; even, it is not impossible if it would continue in the coming years. External strategies are certainly required through, for example, market diversification and expansion. Variation in export product of non-oil and gas is important to be expanded, while new markets need to also be explored. Therefore, a sound policy agenda for export improvement—even for the overall international trade—is undoubtedly needed.

In order to develop export markets in trading partner countries, Indonesia takes three important measures. First, ratifying international trade agreements; second, conducting trade missions; third, organizing 'Trade Expo Indonesia' (TEI). Ratification is a form of binding statement of Indonesia to international agreement. Trade mission is an effort to meet international potential buyers and Indonesia exporters. Meanwhile, TEI is an annual exhibition and business meeting among various industries and countries held in Indonesia.

During 2017-2018 Indonesia had been active in various negotiations of international trade agreements and in ratifications of the agreements. Seven international trade agreements that Indonesia took active actions are (1) First Protocol to Amend the ASEAN-Australia-New Zealand FTA (AANZ-FTA) Agreement, (2) Agreement on Trade in Service under the ASEAN-India FTA (AITISA-FTA), (3) Third Protocol to Amend the Agreement on Trade in Goods under ASEAN-Korea FTA (AK-FTA), (4) Protocol to Amend

the Framework Agreement under ASEAN-China FTA (AC-FTA), (5) Protocol to Amend Indonesia-Pakistan PTA (IP-PTA), (6) Protocol to Implement the 9th ASEAN Framework Agreement on Services (AFAS-9), and (7) ASEAN Agreement on Medical Device Directive (AMDD).

These agreements were followed by two others, namely Indonesia-Chile Comprehensive Economic Partnership Agreement (CEPA) dan ASEAN-Hong Kong FTA and Investment Agreement. Meanwhile, Indonesia had also signed four regional trade agreements, namely (1) the 10<sup>th</sup> ASEAN Framework Agreement on Services (AFAS-10), (2) First Protocol to Amend the ASEAN Trade in Goods Agreement (ATIGA), (3) ASEAN Agreement on Electronic Commerce, and (4) Indonesia-European Free Trade Association Economic Comprehensive Agreement (EFTA-CEPA).

In the same period, Indonesia had also conducted trade missions to six different partner countries (2017) and 13 partner different countries (2018). Most of the countries are non-traditional Indonesian export markets; those situated in Africa, Middle East, and Latin America. These trade missions had not been only conducted through official meeting among the trade authorities, but also through various business fora and business matchings. For these purposes, the Indonesia delegation to the trade missions included also various domestic business actors from a number of industrial associations.

In the meantime, similar activities are also domestically held through TEI, regularly done in October. The years of 2017 and 2018 were consecutively the 22nd and 23rd TEI events since its debut in 1985. In those events a series of MOU with various buying mission partners had been signed to accompany the parallel business fora and business matching. Moreover, a new interesting step had also been made by conducting export start-up competition

It must be recognized, however, that the implementation of national development agenda and SDGs needs a big size of fund. Until now tax is still a dominant source of development financing. Various efforts have been done to optimize the government revenue. Tax mobilization had been enacted through, among others, tax amnesty in 2016-2017 referring to Law No. 11 Year 2016 on Tax Amnesty and its technical elaboration in Regulation of the Ministry of Finance 118/PMK.03/2016 on the Implementation of Law No. 11 Year 2016. The tax amnesty had succeeded to contribute to the government revenue at about Rp 135 trillion (about US\$ 9 billion), mobilizing around one million tax payers—while the contribution of the related program, i.e., repatriation fund, to the overall economy is Rp147 trillion (around US\$ 10 billion).

The revenue mobilization policy is further added by Enactment of Government Regulation in Lieu of Law ('Peraturan Pemerintah Pengganti Undang-Undang', Perppu) No. 1 Year 2017 on Access to Financial Information for Tax Purposes. The 'Perppu' oversees access to receive and to obtain financial information in the implementation of national and international tax regulations. Through this regulation the General Directorate of Tax Affair is authorized to access the financial information of tax payers. The regulation stipulates the procedure of reporting financial information, procedure of financial account identification, requirement for document submission, sanctions for financial institutions disobeying the law, information confidentiality, and penalty for the authorities disobeying the secrecy.

These regulations demonstrate the commitment of Indonesia to implement the principles of banking data openness for international tax affairs, namely ‘Automatic Exchange of Information’ (AEOI). This was the continuation of the prior commitment to exchange data agreed in ‘Global Forum on Transparency and Exchange of Information for Tax Purposes 2015’. Further followed by another action in 2017, after almost 20 years playing a role as an observer, Indonesia became the member of ‘Financial Action Task Force (FATF) on Money Laundering’. Through this membership, the active participation of Indonesia is expected to suppress the domestic-international flows of illicit money via various cooperation international mechanism—convention ratification, information exchange, costumer due diligence, financial intelligence, etc.

### 3. Tariff

Another important international trade policy that also needs an attention is tariff determination. Tariff could contribute to the government revenue and protect the country domestic industry. Tariff also addresses trade distortion due to, for example, dumping strategy—commonly known as ‘punitive tariff’. Nevertheless, tariff could play as the barrier for international trade flows. Therefore, a consistent evaluation on tariff is important to do.

In the last two years, the weighted mean of tariff rates in six partner countries of Free Trade Agreement (FTA) members—Australia, China, India, Japan, New Zealand, and South Korea—had declined significantly from 6.1 (2017) to 4.4 (2018). This achievement is even more than impressive knowing that in 2015 and 2016 the weighted means of tariff rates were still respectively 9.3 and 7.9 (Figure 92). At the same time, except in 2015, the declining trend had also gone higher than the targets of the Ministry of Trade, i.e., 9.05 (2015), 8.47 (2016), 7.92 (2017), dan 7.33 (2018). For the industries and exporters, this trend is an open opportunity for trade cooperation with the aforementioned six trading partner countries.

Tariff has become one of important issues in international trade due to its roles in international price formation and its transmission into domestic market. Tariff negotiation is generally a part of the overall international trade negotiation. However, tariff determination is not merely about trade of final goods. This is because there are various interconnected industrial products that play as intermediate goods between the raw materials and final goods. In this context, a complete observation prior to tariff determination is needed and the tariff to the goods with such characteristics can be proportionally charged. An illustration can be given in import of yarn from India to China and fabrics from China to Indonesia. Tariff determination to such goods needs an open and complete observation to avoid the trading partners to charge unnecessary tariff.

Between 2017 and 2018 the regional trade negotiations were conducted under Regional Comprehensive Economic Partnership (RCEP) dan FTA. Albeit there were not easy at all, serial negotiations were kept maintain to comprehend the position and condition of each trade delegation of RCEP-FTA. In the negotiation processes, a number of issues have been documented, including tariff items, tariff rates, underlying facilities, reduction of barriers, and schedule of implementation. Indonesia-Australia CEPA, for example, has recorded some significant progresses, even the two countries has stepped forward to the detail negotiation level on tariff rates.

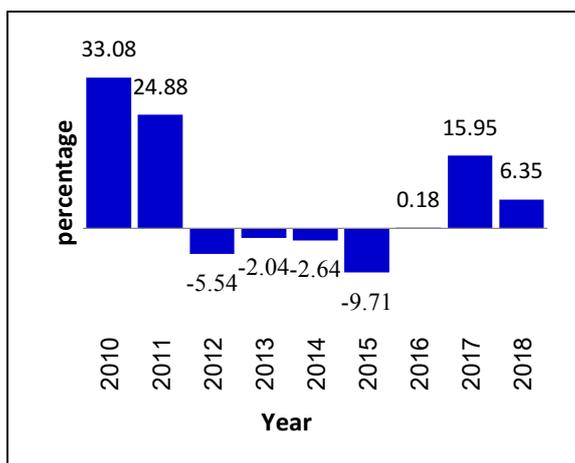


Figure 91. Non-Oil and Gas Export Growth  
Source: Ministry of Trade

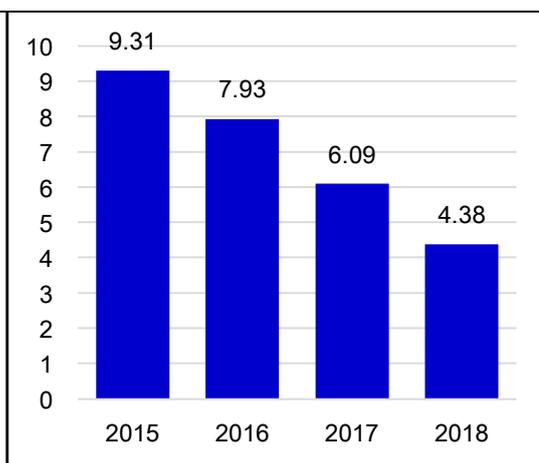


Figure 92. The Weighted Mean of Tariff Rates in Six Partner Countries of FTA Members  
Source: Ministry of Trade

Nevertheless, in other development, some negotiations are not completely settled. On the 2018 ASEAN High Level Conference, for instance, although all trade ministries of RCEP countries—namely 10 ministers of economic affairs of ASEAN countries and six ministers of economic affairs of FTA countries (Australia, China, India, Japan, Korea, and New Zealand)—attended the session, the flexibility of those countries were not easily seen. This again shows that trade negotiation is not an easy task as many aspects needs to be seriously considered.

#### 4. Remittances

Apart from exports of good that generate foreign reserves, the Indonesian migrant workers could also generate such reserves due to their transferred remittances. Remittances can be described as financial transfer by the migrant workers—drawn from their earnings—to the recipient families in the country. From this perspective, transferred remittances can also be seen from the perspective of resource mobilization.

Nevertheless, relative to GDP, the size of remittance flows of Indonesia migrant workers between 2010 and 2018 did not progressively move forward—fluctuating at around 0.8% to 1.1%. The relative remittance flows achieved the highest level in 2015, while the lowest one was in 2017 (Figure 93). Several deployment moratoriums and ban policies of overseas Indonesian workers to some countries since 2011 more or less had affected the size of remittance flows. In the years of 2015 and 2018, for instance, moratorium policies had been applied to a number of Middle East countries.

In such a situation, an increase in remittance flows could only be made if there were an improvement in the productivity of Indonesian migrant working in the receiving countries. This implies that the deployment of workers would need to be selected to only particular sectors that would provide high rates of wage. For this reason, an increase in workers' competitiveness would result in better rates of financial return that, in turn, would increase the size of remittance flows to the country. However, a special note that needs to be given here is that remittance flows are only one of several issues of migrant

workers that also need attention to ensure that no one is behind from the protection of their rights and safety.

A number of efforts have been done to deal with the issue. The Ministry of Manpower develops a program called 'Program for Productive Rural Migrants' ('Program Desa Migran Produktif, Desmigratif), supported by the central bank, Bank Indonesia (BI), knowing the important contribution of the workers to the country's international reserve position. One of the business models developed by the program is money transfer mechanisms using mobile phone to mobile phone, host to host, and agent to agent through cash deposit machines and post office to post office systems. As the authority of payment system, the BI supports such a business model to make the transfer of remittance efficient, effective, affordable, and easy to access. This includes also supports to reduce costs of cashing-out due to lack of formal cash-out outlets affordable to the receiving families in the country. Furthermore, to develop more cash-in outlets, the BI cooperates with other payment system authorities abroad and builds bilateral corridors of remittance flows between Indonesia and the corresponding countries.

To support the implementation of such business model, the BI coordinates also to the Financial Services Authority ('Otoritas Jasa Keuangan', OJK) to make the banking administration processes easier for the workers. This is important from the perspective of financial inclusion and financial literacy, as well as the formation of non-cash ecosystem in the overall families of migrant workers. Moreover, taking a form of financial transfer, the remittance opens the participation of the workers and the whole families in formal financial services and institutions. For this purpose, the workers and the whole families need to have bank or electronic accounts. The BI supports such ecosystem through development of Digital Financial Service ('Layanan Keuangan Digital', LKD).

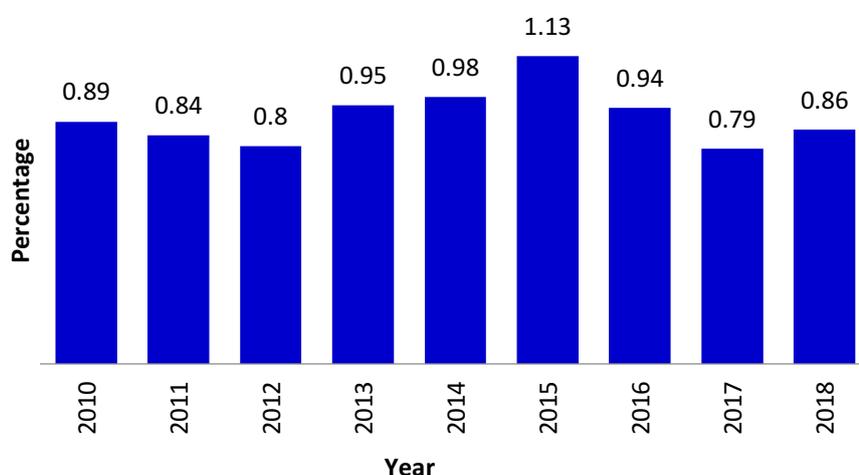


Figure 93. The Ratio Remittance  
Source: Bank of Indonesia

## 5. Debt Services

As export and remittance flows play important roles in formation of international reserves, foreign debt also has similar characteristics. The difference is that the results of export and remittance flows would stay in the country, while foreign debt would be returned back as debt services—the principal and interest. Specifically, the foreign debt

discussed here is the central government foreign debt. The ability to utilize and to serve the foreign debt is always the issue that receive a wide range of public attention.

The ability to manage the debt reflects the capacity of country to control its external resilience from various pressures. This is seen in a measure called ‘debt service ratio’ (DSR)—the ratio of principal and interest payment to export. The higher capacity to control the debt is mirrored in the lower ratio of DSR. Figure 94 shows that the ability of the country to manage foreign debt between 2011 and 2016. Started from the ratio of 12.5 (2011), the DSR increased continuously to the top of graph at the ratio of 35.4 (2016). However, after that, in the next three years, a recovery occurred. In 2018, the DSR touched the ratio that ever been reached in 2014 at about 24. This fact shows that, albeit the nominal size of foreign debt increases, the debt is still managed in productive ways. Expressed differently, the foreign debt is still under the span of control of the Government of Indonesia.

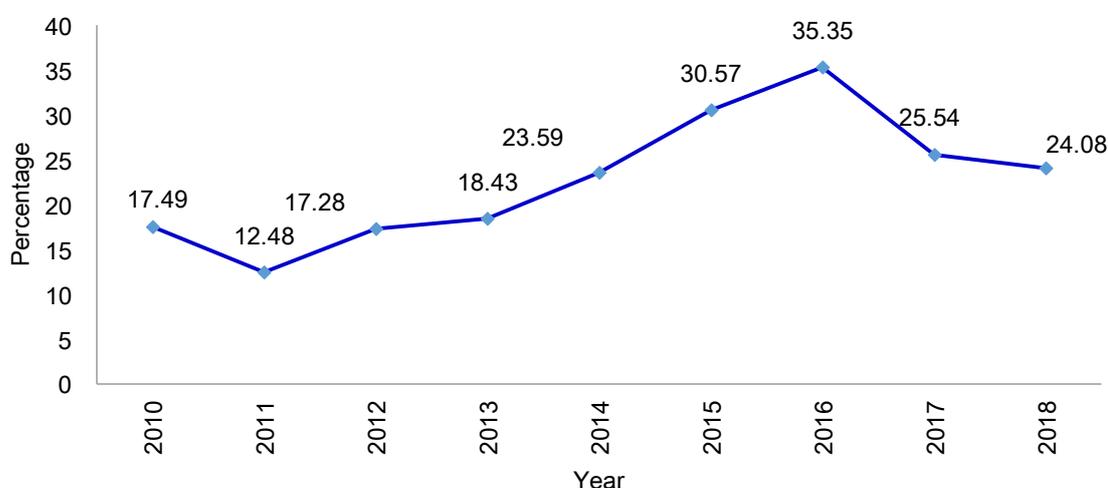


Figure 94. Debt Service Ratio

Source: Bank of Indonesia

Management of the foreign debt relates closely to management of the state budget ('Anggaran dan Pendapatan Belanja Negara', APBN) deficit, where the two have strong influences on the Indonesian economy. From this perspective, Law No. 17 Year 2003 on State Budget has limited the APBN deficit up to three percent of the country GDP. This deficit is an aggregation of the deficits of the central and sub-national governments. In the meantime, the same law also stipulates that the maximum ratio of debt to GDP is 60%; and the ratio now is far below from the allowable rate—29% (2017) and 30% (2018).

Until now the Ministry of Finance is able to manage the existing debt and APBN deficit. Albeit both deficit and debt tend to rise, they do not pass over the demarcation lines as instructed by the law. To keep maintain this conducive environment, for the sub-national governments, the Minister of Finance regularly issues regulation to control the local government budget ('Anggaran dan Pendapatan Belanja Daerah', APBD) deficits. For the fiscal year of 2018, for instance, the minister issued the Minister of Finance Regulation PMK 117/PMK.07/2017 on the Maximum Limits of APBD Deficit and Accumulative Debt for Fiscal Year of 2018. For the previous fiscal year, a similar regulation was also issued through 132/PMK.07/2016 to continue the tradition of prudent fiscal management.

## ***Information Technology and Communication***

Along with the continuation of financial resource mobilization, Indonesia is committed to develop a giant network of connectivity among the whole points across the country. Apart from the development through physical transportation infrastructure, the connectivity is also developed through physical communication infrastructure. The later finds its justification because today is the era of 'Industry 4.0' that demands for the existence of reliable information and communication networks. At the same time, SDGs also emphasizes the importance of ITC as the facility and media for achieving targets, sharing the corresponding knowledge, and increasing cooperation among the stakeholders.

Some of important indicators for distribution and utilization of ITC have been documented. They are (a) national optic fiber network, (b) broadband penetration, and (c) internet users. Indicators (a) and (b) describe the status of physical communication infrastructure, while indicators (c) reflect how far the infrastructure is accessible to the people. Overall, the country has shown significant progresses from time to time in these indicators.

### ***1. National Optic Fiber Backbone***

The National Optic Fiber Backbone (NOFB) is a physical infrastructure constructed to support the country's communication system under a project called 'Palapa Ring'; targeting about 36,000 kilometer-length optic fiber planted across the country. The Ministry of Communication and Informatics had decided to distribute the project to seven small circles of optic fiber throughout Sumatera, Java, Kalimantan, Nusa Tenggara, Papua, Sulawesi, and Maluku; and one backhaul to connect those circles.

In general, the construction of NOFB keeps moving toward the target. This is indicated by a consistent increase in the indicator in 2015-2018—even, the increase is considered fast. In the year of 2015 the network construction was still 77.8%. Four years later it approached to 93%. This is an impressive achievement since the communication connectivity had to cover an extremely wide area of the country. On the basis of this trend, in 2019 the network is expected to reach 100% of the target.

### ***2. Broadband Penetration***

Broadband network makes the internet continuously connected and accessed with triple-play capacity of 2 Mbps speed for fixed access and 1 Mbps for mobile access. This capacity opens new socio-economic opportunities and information exchange for catalytic and expansion processes of development under the better rates of speed.

In general, the penetration of access of fixed broadband is still limited. However, as time goes, the increasing trend can be seen. In 2014 the penetration rate was still 1.33%. Three years later, it could be doubled to 2.41% (2017). Certainly, these levels of achievement need to be further boosted. As the service economy in the country moves forward, including in rural areas, the demand for broadband access will be unavoidable.

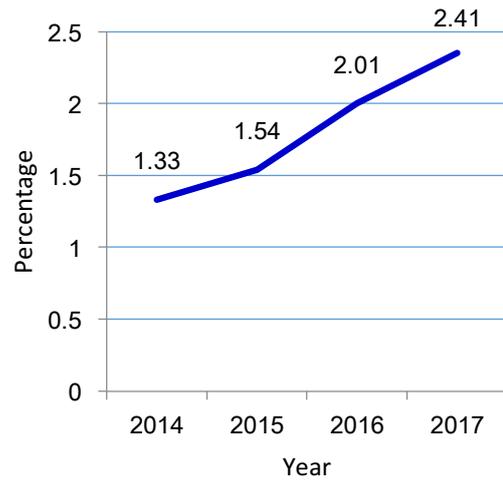
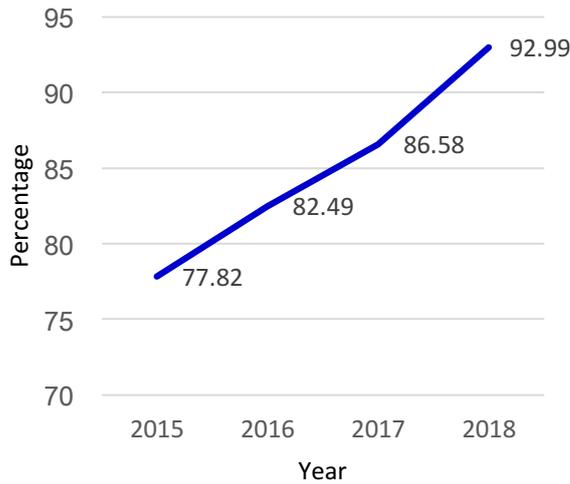


Figure 95. Percentage of National Optic Fiber Backbone

Figure 96. Broadband Access Penetration

Source: Ministry of Communication and Informatics

### 3. Internet Users

The construction of communication infrastructure directly correlates to the level of its utilization. This is clearly shown in the jump of internet users. In 2010 it was just 17.6% of population accessing internet for various purposes. In the next four years (2014), the percent of population using internet had doubled to 35%. This figure even again had quadrupled in the last year compared with the one in 2010. Today almost two-third of the population are no longer isolated from internet worlds. Therefore, it is not surprising when the Internet World Stats (2019) places Indonesia at the top-5 biggest internet user over the globe after China, India, the USA, and Brazil.

It can be ensured that this trend will strengthen in the coming years. As discussed previously, from the supply side, the support of communication physical infrastructure will push the situation to occur. Meanwhile, from the demand side, internet will not be longer only as a tool for communication, but even will be a new life-style and tradition of the people.

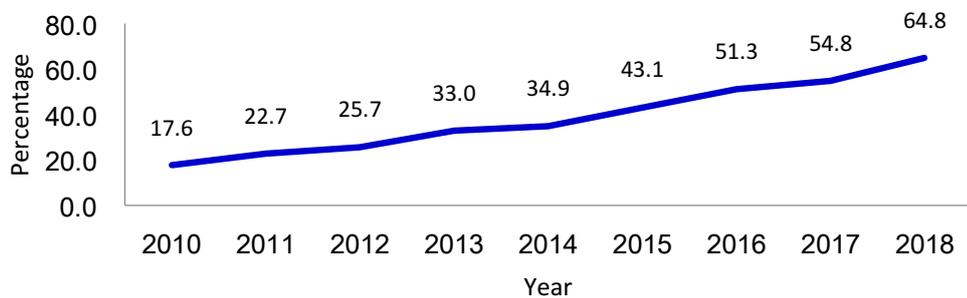


Figure 97. Proportion of Individuals using the Internet

Source: Indonesian Internet Service Provider Association (Asosiasi Penyedia Jasa Internet Indonesia / APJII)

As mentioned, all the ITC achievement cannot be separated from the “Palapa Ring” project. The project serves three wings—the west, center, and east wings. The west and center wings have achieved their targets of 100%, while the east wing is still 89%. Through ‘Palapa Ring’ the speed of internet is boosted significantly and the spread of internet signal is more evenly distributed to other areas. With this status of progress, the ‘Palapa Ring’ has opened possibilities for the government to develop e-government, e-budgeting, e-planning, and e-procurement. The ‘Palapa Ring’ also strengthens Presidential Instruction (*Instruksi Presiden*, Inpres) No. 9 Year 2015 on Public Communication Management where the Ministry of Communication and Informatics is tasked with a special mandate to coordinate all policy disseminations of the government. At the same time, PR No. 96 Year 2014 on National Broadband Plan 2014-2019 had been elaborated further into a joined circular letter of the Ministry of Communication and Informatics and the Ministry of Home Affairs on Joint Development and Utilization of Passive Telecommunication Infrastructure. Released in the late December 2018, the circular letter instructs the sub-national governments to accelerate all efforts of narrowing the distribution gap in broadband network. According to the letter, the passive infrastructure includes ducting, pole, microcell, communication tower, and tunnel.

In line with the progress above, the Telecommunication and Information Accessibility Agency (*Badan Aksesibilitas Telekomunikasi dan Informasi*, BAKTI) through Regulation of the Minister of Communication and Informatics No. 3 Year 2018 is tasked with a special target to expand telecommunication and information access to support the ‘Palapa Ring’. As a part of universal service obligation (USO), the agency expands access to internet, BTS services, and financial inclusion. On the basis of the RPJMN on ‘Development from the periphery’, BAKTI is also tasked with a mandate to grow national connectivity through construction of telecommunication access to the tips of the country. In the meantime, since 2017 the Ministry of Communication and Informatics also developed direct policy communication to the public through special officers of ‘Public Information Communicator’ (*Penyuluh Informasi Publik*, PIP) as a part of the implementation government public relations.

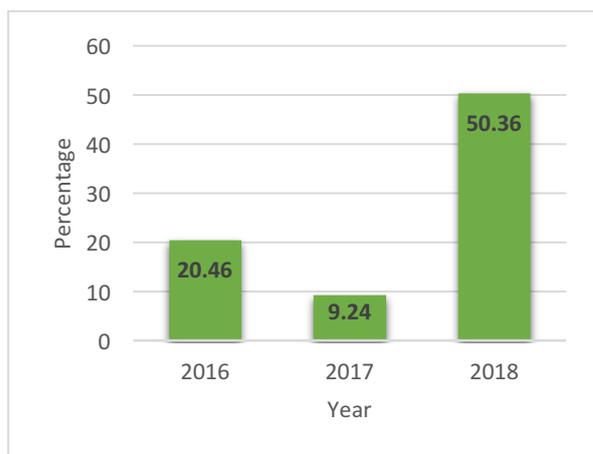
The ITC utilization by the people and the government opens bigger channels of communication and development coordination. Public access to ITC has increased the participation in development process, from planning, implementation, to monitoring and evaluation of development and SDGs. From the perspective of commercial business development, ITC increases business productivity, product diversification, market competitiveness, and expansion of market access.

## ***Data and Statistics***

Information technology has opened a wider possibility for data communication. Data cannot only be generated, transferred, and presented faster in velocity and bigger in volume, but also wider in variation; even, more accurate in veracity; therefore, data now is much more valuable (‘5Vs’). This, however, does not apply only to the so-called ‘big data’ context, but also to the context of ‘conventional data’ where changes toward the ‘5Vs’ are occurring and going to continue. In Indonesia the Statistics Indonesia Office (*Badan Pusat Statistik*, BPS) is moving toward the direction, making the data produced by the office is now much more reliable for planning, monitoring, and evaluation purposes, as well as for development policy formulation and decision.

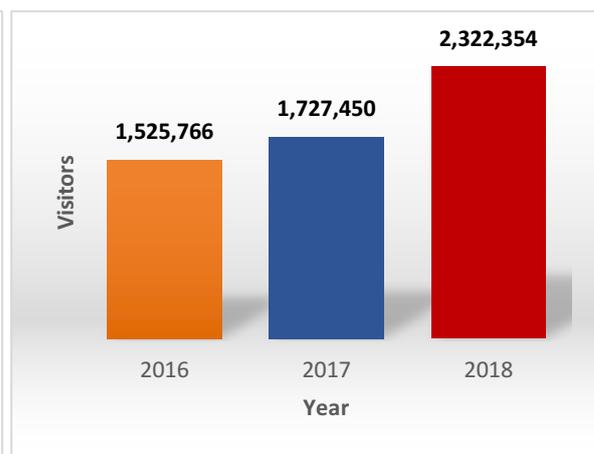
## 1. Data Users

In the last three years since 2016 the number of users utilizing data for development planning has increased significantly. Even though it was not like the rate in 2015 (63.5%), data user had increased more than two times since 2016, from 20.5% to 50.4% (Figure 98). This follows the increase in number of users accessing data through the internet (Figure 99). In the year of 2018, about 2.3 million users accessed to the Statistics Indonesia data through the internet to explore various data available in the website. This number is an additional amount of almost 800 thousand users from the one in the year 2016 at about 1.5 million. Better quality of physical infrastructure of information and communication can explain this progress. At the same time, better quality of data management and services by the Statistics Indonesia, especially the website-based data, also explains the progress of data utilization.



*Figure 98. Consumers Who Use Statistics Indonesia Data in National Development Planning and Evaluation*

*Source: Statistics Indonesia*



*Figure 99. Number of External Visitors who Access Statistical Data and Information through 'Website'*

*Source: Statistics Indonesia*

Improvement in data management and services by the Statistics Indonesia have also colored the data user satisfaction of data users. In general, the data user community feels satisfied to the quality of data provided by the Statistics Indonesia, even with an increasing tendency (Figure 100). In the year of 2016, about 89.3 % satisfied to the services. A year later, the user satisfaction increased to 96.61%. The progress does not stop here as in 2018 the figure climbed to the level of 97.74%.

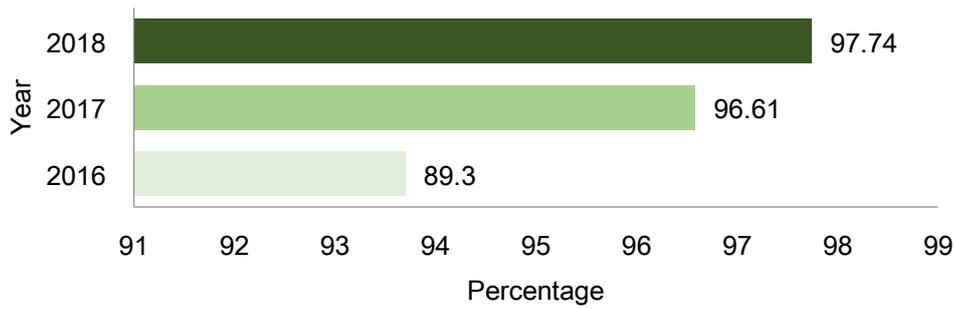


Figure 100. Percentage of Statistics Indonesia's Consumer Satisfaction Rate of Statistical Data Quality

Source: Statistics Indonesia

## 2. Data Production

The ITC development has also made possible for data to be produced by sources other than Statistics Indonesia with specific purposes and variations. Figure 101 explains this well. In the last three years, there has been a declining trend in the number of user taking Statistics Indonesia data as the main data reference, from 91.4% (2016), to 87.1% (2017), and 86.9% (2018).

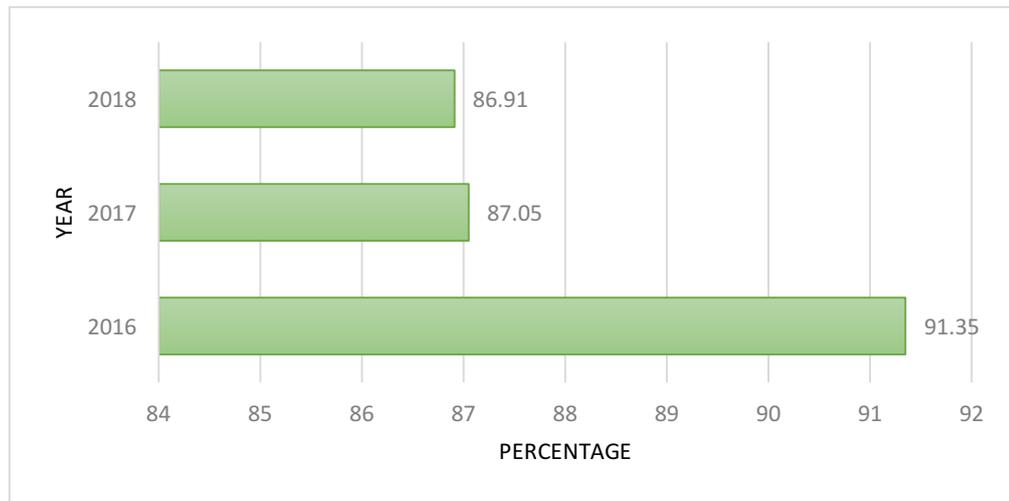


Figure 101. Percentage of Consumers Using Statistics Data and Information of Statistics Indonesia as Main Reference

Source: Statistics Indonesia

One of the data sources regularly producing data, and referred by the users, is the line ministries. This relates to the improvement in the data management of the line ministries, done through deployment of special officers and staff responsible for it. For the line ministries, data management—production and publication—is not only about public communication and accountability, but also about open monitoring and evaluation of the performance of the development sectors under their control and responsibility.

Figure 102 describes the situation clearly. Today it is not less than 5600 statisticians working for the line ministries on data management. This amount is an increase at about

2000 officers from the one in 2015 with 3700 officers. This development is in line with the increase in number of line ministries employing statisticians for data production and publication (Figure 103) certainly improved the supporting organization and infrastructure. In the year of 2017, it was only 59% of the total line ministries having professional statisticians. A year after, it increased to 67%.

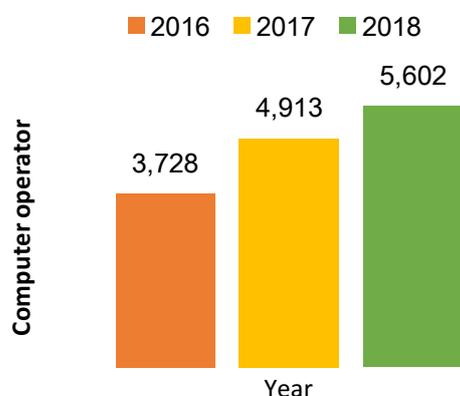


Figure 102. Number of Statistics and Computer Administrator in Line Ministries  
Source: Statistics Indonesia

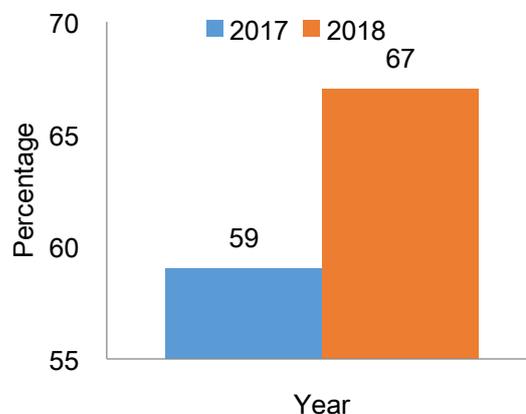


Figure 103. Percentage of Line Minister having Statistics and Computer Administrators  
Source: Statistics Indonesia

### 3. Population Census and SDGs Data

Supported by better capacity of data management, the Statistics Indonesia now is more capable in providing various types of data. Two most recent and important events are the 2020 Population Census and SDGs data preparation. The census is a regular activity of the Statistics Indonesia conducted every 10 years, while the SDGs data will be produced until 2030.

The country's population census has been done six times since 1961, while the latest census was done in 2010. Learning from the experience in the 2010 Census, some breakthroughs have been created. For example, now some efforts have been done to synchronize the census data of the Statistics Indonesia with population and civil data of the Ministry of Home Affairs, such that budget efficiency can be reached. These efforts are important to receive attention because the 2020 Census is estimated to cover over than a quarter billion of population living across 1905 km<sup>2</sup> of the country's area.

Another issue of data production is SDGs data. The UN-DESA in March 2016 had released 241 SDGs indicators to translate the 17 goals and 169 targets. Meanwhile, through a series of intensive consultations and wide participation, Indonesia had also prepared SDGs indicators that even bigger in the number: 320 indicators. Categorically, the indicators are divided into three types. First, indicators marked by a star (\*), meaning that the national indicators are precisely the same as the global ones. Second, indicators marked by additional letter ('a', 'b', ...), representing the national proxies for the global indicators. Third, missing indicators due to missing definitions that will be developed in the future.

Those-mentioned indicators are documented in the *Metadata Indikator TPB Indonesia* (2017), divided into four groups of pillar. First, the Pillar for Social Development covering Goals 1, 2, 3, 4, and 5. Second, the Pillar for Economic Development addressing Goals 7, 8, 9, 10, dan 17. Third, the Pillar for Environment Development capturing Goals 6, 11, 12, 13, 14, dan 15. Lastly, the Pillar for Law and Governance Development capturing Goal 16. The *Metadata* has been published in printed and electronic versions and openly accessible for the public (<http://sdgs.bappenas.go.id/dokumen>).

Moreover, the Statistics Indonesia also disaggregated further the indicators by gender, age group, disability community, etc. About 48% indicators can be presented using this disaggregation, while the rest of 52% is not provided in disaggregated form. At the same time, knowing that the SDGs are also the agenda of sub-national governments, the data are also disaggregated by province as well as district and city.

The Statistics Indonesia has also put valuable foundation for the country's SDGs indicators. In 2018, the Statistics Indonesia published *Indikator Tujuan Pembangunan Berkelanjutan Indonesia* (literally, 'Indonesia's SDGs Indicators') which is very much in line with *Metadata Indikator TPB Indonesia* mentioned above. As the *Metadata* provides methodological procedure of SDGs indicators measurement, the *Indikator* of Statistics Indonesia provides the latest status of the SDGs achievement—mostly 2015-2017 data, but some refer back to 2012. This effort has its root in a similar report published in 2016, titled *Potret Awal Tujuan Pembangunan Berkelanjutan di Indonesia* (literally, 'Initial Portray of SDGs in Indonesia'). These national-level initiatives were the continuation to the one that had been done in 2015 through *Kajian Indikator Lintas-sektor: Kajian Indikator Sustainable Development Goals* (literally, 'Analysis of Cross-Sector Indicators: Analysis of SDGs Indicators'). This report was the first analysis done in the country to identify availability of data and sources of data for SDGs Indonesia.

At the provincial level, the data for 14 of 17 goals—or 41 of 169 targets—are already available. For the purposes to support the sub-national SDGs action plans ('Rencana Aksi Daerah', RAD), the Statistics Indonesia plays its five roles. First, to supply data for SDGs indicators produced by the Statistics Indonesia internally or compiled from other sources externally. Second, to provide inputs for formulation of proxies for the indicators, also on the data produced by the Statistics Indonesia internally and other sources externally. Third, to provide inputs and justifications for the SDGs data drawn from other sources. Fourth, to validate and verify the consistence of SDGs data produced by other institutions. Fifth, to clarify the Statistics Indonesia data used in the RAD. In 2017, for example, the Statistics Indonesia had published a report titled *Analisis Capaian SDGs Provinsi Jambi* (literally, 'Analysis of SDGs Achievement in Jambi Province') to support the province in portraying the initial status of SDGs. This is an important initiative at the sub-national level that can inspire other Statistics Indonesia subnational offices and other sub-national governments. In 2018, a similar support was also provided to the province of Central Java, where the Statistics Indonesia supported to develop the SDGs website (<https://sdgsjateng.com>), data provision, and the RAD for the province.

### ***South-South and Triangular Cooperation***

Using the overall experiences in resource mobilization, physical communication infrastructure development, as well as data and statistics system development, Indonesia accumulate enough assets for further interaction with other countries in international

development cooperation. South-South Cooperation (*'Kerja Sama Selatan-Selatan', KSS*) and Triangular Cooperation (*'Kerja Sama Triangular', KST*) are a two-combined important step for Indonesia to be more active in international development cooperations. The KSS is a cooperation among developing countries, established to increase their own sovereignty on the basis of solidarity, mutual opportunity, and mutual benefit. Meanwhile, the KST is a cooperation among development-donor partners to participate in the KSS.

*From this context*, South-South and Triangular Cooperation (*'Kerja Sama Selatan-Selatan dan Triangular', KSST*) is seen as a combined strategic diplomacy of developing countries without neglecting the essence of solidarity of the members. Indonesia has been committed to increase the roles of KSST in global cooperation as indicated in the RPJMN 2015-2019. This is in line with the implementation of Goal 17 of SDGs, namely revitalization of global partnership for sustainable development. Through KSST, Indonesia is committed to assist other developing countries in implementing SDGs and to ensure that no one is left behind in the partner countries.

At the same time, Indonesia had also just released Government Regulation (GR) No. 48 Year 2018 on Development Grants to Foreign Governments and Foreign Institutions. The regulation provides a legal foundation for Indonesia to be more active in supporting international development through Indonesia's development aid. This is an important milestone for the country now officially categorized as a donor country and as 'Southern provider' in KSST. The regulation needs further technical guidance in several arenas, namely grant policy and grant procedure as well as grant monitoring and evaluation.

Some achievements of KSST can be depicted as follows. During 2014-2018, Indonesia had conducted several activities with an increasing tendency. Started from 26 activities in 2014, four years later the number of activity jumped more than double to 59 activities. This shows the commitment of Indonesia to the participating KSST countries, namely Afghanistan, Bangladesh, Ethiopia, Fiji, Ghana, Nepal, Nigeria, Pakistan, Papua New Guinea, the Philippine, Solomon Island, and Timor Leste—including to some of developed countries, namely the Germany, Japan, UK, and USA—to share knowledge and experience in implementing various development programs.

Moreover, six types of activity had also been conducted in the last five years, namely training, workshop and seminar, expert dispatch, scholarship-internship, multi-event activities, and knowledge sharing. Trainings and expert dispatches were two programs with the highest frequency of activities during 2014-2017. The trainings are done to support Asian, African, and South Pacific of KSST countries as mentioned above.

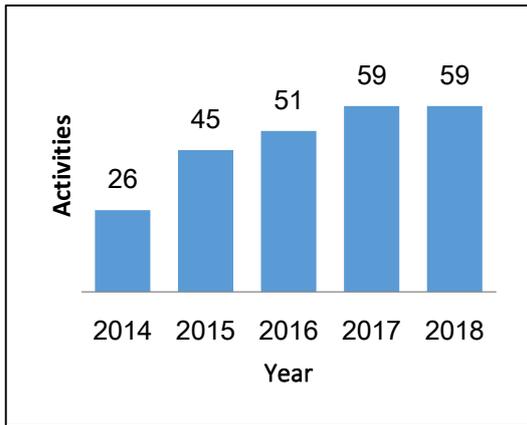


Figure 104. Number of KSST Activities  
Source: SSTC Coordinating Team

*Table 12. Types of KSST Program*

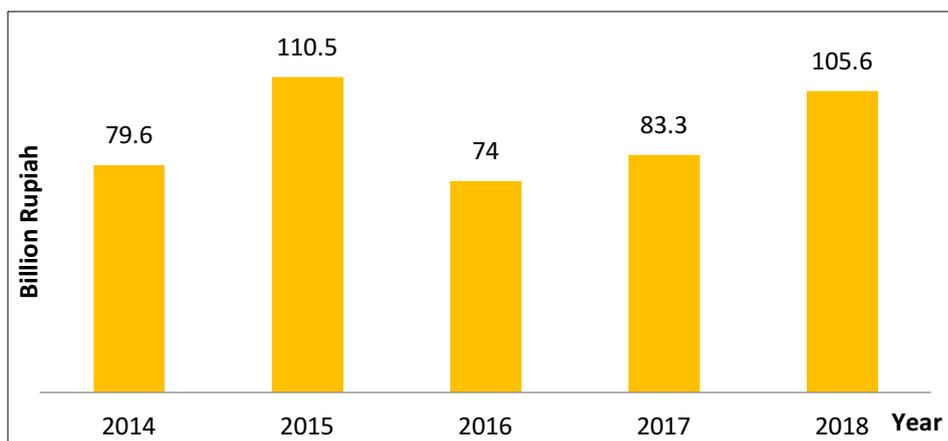
Activity	2014	2015	2016	2017
Training	63	51	49	59
Workshop-Seminar	7	12	23	14
Expert Dispatch	15	12	10	13
Scholarship-Internship	7	2	4	2
Multi-event activities	8	19	13	12
Knowledge sharing	-	4	2	-

Source: SSTC Coordinating Team

Empowerment of the partner countries is also done through the KSST, that was initially done with Japan, then extended to the US, UK, Islamic Development Bank (IDB), and Germany. Through the cooperation the developing countries were expected to draw lessons from the developed countries and adjust the lessons to their own context and needs. The cooperation with the IDB was made to expand the support of Indonesia to the IDB members, like Morocco and Tunisia, via a scheme called 'Reverse Linkage Program'.

Today Indonesia is categorized as a middle-income country. Indonesia also plays its roles in G20 and shows its solemnity in international development cooperation as seen in 'Jakarta Commitment 2009' and 'Busan Outcome Document 2011'. The RPJMN 2015-2019 commitment has also indicated a clear sign on foreign diplomacy that needs to be done by the country. The overall commitment is in line with the implementation of Goal 17 of SDGs, especially on revitalization of the global partnership toward sustainable development.

The commitment is realized through financing various KSST activities. After a drop in 2016, in the last three years the KSST financing rose consistently. In 2018 the financing was almost the same as the one occurred in 2015. This again proves the solemnity of Indonesia and the global community to consistently develop the cooperation under mutual benefit principles.



*Figure 105. KSST Financing (billion Rupiah)*

*Source: SSTC Coordinating Team, Ministry of National Development Planning*

### **Box 41.**

#### **SSTC – Some Milestones**

Apart from financing the KSST, Indonesia has also achieved the following milestones. First, policy intervention. This includes (a) Determination of flagship program and areas of participation of the line ministries in KSST; (b) Mapping priority countries for Cooperation; (c) Development of innovative triangular cooperation modality; (d) Development of annual, medium, and long term communication strategy of KSST; and (e) Development of study on formulation single agency of KSST, covering institutional and regulatory framework, cooperation models, and financing.

Second, capacity development. Under this category, there are some milestones, namely (a) Development of standard operating procedure (SOP) for the national coordination team of KSST; (b) Development of 'Indonesia's Resource Center' to serve as a center of excellence for developing countries to share knowledge and informatif; (c) Formulation of a guidance for evaluation of international capacity Development; (d) Assessment on individual and institutional capacity of the national coordination team of KSST; (e) Assessment on benefit of international development cooperation as a feedback for KSST program; and (d) Partnership capacity development through multi-parties partnership.

Third, development of eminent persons' group, involving high level government officers and experts in formulation of chapter foreign affairs of RPJMN and history of KSST. Fourth, promotion of KSST through various roadshows to universities, international fora (BAPA+4, GSSD Expo, Asia-Africa Forum Commemoration), exhibitions, and workshops.

Lastly, fifth, development of incentive mechanism models. This includes (a) Development of concepts on private sector participation in KSST through fiscal and financial incentives; (b) Guidance for multi-party cooperation to increase participation of non-government actors

## **B. Challenges and Responses**

### ***Resource Mobilization***

#### **1. Tax Revenue**

Increasing tax revenue is now the biggest challenge to face, even until the coming future. Various efforts have been made to cope with it. Tax amnesty program, for example, had been seriously implemented due to Law No. 11 Year 2016. Opening the opportunity only for nine months in 2016–2017, the program was divided into two parallel tracks, namely declaration of fund and repatriation of offshore assets. As the program offered tax incentives and immunity from prosecution, followed by a small penalty, the government had made the tax amnesty attractive for tax evaders to declare their funds to the tax authority and to repatriate those funds into the country.

Other efforts to reduce tax evasion are still needed and the utilization of digital technology must be a part of these efforts. Digital technology brings new opportunities to reduce tax evasion in one side and to improve tax compliance in the other side. Technology-based tax modernization contributes to the process of implementation of a core tax administration system. Supported by PR No. 40 Year 2018 on Renewing Core Tax System, the new core tax administration system is designed to replace the previous system that has been applied for more than a decade.

Tax sources need also to be expanded. Until now the country is still relatively dependent on primary commodities. Other sectors are possible to be explored to increase tax revenues, especially manufacturing and service sectors. A harmonic combination between penalty and incentive for these sector needs to be found, followed by a detail measure on these sectors, especially the ones that contribute to export, employment, and economic growth. All of these require an improvement in tax administration and services.

Improvement in tax administration and services, however, cannot be isolated from the overall structure of tax organization and the supporting human resources. The current structure of human resources in tax administration is relatively suboptimal. The number of tax employees in functional positions, for example, is still relatively lower compared to the total tax employees—causing an imbalance workload among the tax employees. Continuing the current structural bureaucracy reforms is still needed, but it needs to be followed by balancing the composition of tax employees as well as improving the quality of human resources and business processes.

Along with the implementation of the above-mentioned overall reforms, it is also strategic to consider a possibility to establish an independent revenue authority. As the country faces various challenges in tax revenue issues, the establishment of such agency needs to be directed toward the improvement in efficiency and effectiveness of tax collection.

## **2. Non-Oil and Gas Export**

The global economy tends to be stagnant and overshadowed by an increase in the current geo-political tensions. The prolonged uncondusive political-economic relation between the USA and China is responsible for the tensions. At the same time, a serial economic impact have been found in a number of countries in various regions.

Indonesia might not be fully isolated from the impacts of the tensions. The country, therefore, needs to escape from the tensions. Developing market diversification, especially towards those with high market values, may partly answer this issue. The other part of the answer may lie in the country domestic market, implying the needs for further development to boost the internal capacity of the country.

Global protectionism and inward-looking policies tend to widen, creating pressures on Indonesia's non-oil and gas export performance. Various concrete efforts have been made to improve the performance of non-oil and gas exports, including simplification of export administrative processes to reduce costs and dwelling time as well as to increase logistical efficiency. However, this is not suffecient. Another improvement in export product quality is unavoidable to do, as it also increases product market competitiveness.

## **3. Tarif**

In general, the collaboration between Indonesia and various FTA partner countries goes well. However, some issues are still unresolved, including the on-going completion of the bilateral, multilateral, regional and international trade negotiations. Among others, tariff negotiation is the most difficult task to complete. As it has some impacts on the country trade performance, Indonesia continues to work with its efforts to stimulate environment that can eliminate such a barrier.

Tarif reduction is still the current and the coming agenda for the country to deal with. Take-and-give strategy will be applied as a common standard approach in tariff diplomacy. However, this needs a comprehensive understanding on the technical detail of the negotiated goods, especially on the interrelated chain structure of the traded goods. As the traded goods are interrelated, a tariff determined in one product would have an impact on other goods in the chain structure.

## **4. Remittances**

Establishment of a bankable remittance ecosystem is still a challenge for Indonesia as the country with large number of migrant workers. Not all remittance flows are channeled through formal financial institutions, thus it is suspected that a quite big amount of money is not properly recorded. Such remittance flows are brought in cash form; some others are sent through people-to-people mechanism. This is also complicated by the limited number of cash-in and cash-out outlets that can reach areas where the migrant labors work and originate from.

Several technical efforts have been made to deal with these issues. Among others, collaborations with formal financial institutions are made to educate migrant workers

prior to the departure. Other education programs include a serial training of trainer (ToT) sessions on financial literacy and technical trainings in 'Vocational and Education Training Centers' ('*Balai Latihan Kerja*', BLK). Disseminations on financial literacy and productive utilization of remittance are done through various channels, i.e., community or local organization leaders, social media—targeted not only to the migrant workers, but also the families benefited from the remittance.

However, remittance is not the only challenge of migrant worker issues. Technical competence and productivity of the migrant workers, administrative procedure of departure and supporting migration document, as well as protection of rights and safety are some other issue to be managed properly.

## **5. Debt Service**

As the country is stepping forward in its development path, development financing is always a challenge for the country. Domestic resources certainly require to be mobilized, but external sources need also to be optimized. A combination of domestic and foreign debts is and will be a great challenge in the country budget deficit management.

Different from domestic debt that does not much affect the country's balance of payment, foreign debt needs prudent external management as it links to the capacity of the country to generate export of goods and services. At the same time, productive utilization foreign debt does not only bring the country to a higher level of capacity to repay the debt, but also open a wider channel to generate the economy and promote export. As the debt repayment capacity is crucial, export expansion is also important in debt service management.

## ***Information Technology and Communication***

In the current and coming digital era, development of physical infrastructure is always in a great challenge. This challenge is colored by two sides. In the demand side, the need for high volume and velocity of data communication is unavoidable. Meanwhile, in the supply side, the availability of fixed and mobile broadband communication network is critical to be developed.

'Palapa Ring' project has been designed and constructed to respond the challenges. The ambition is to covers all spots across the country, including the so-called '3T'-jurisdictions. Achievement has been made. The west and center wings of the country have been 100% connected through submarine cable and optical fiber, while the east wing soon will be fully connected by the end of 2019. The challenge now is how to capitalize and transform the infrastructure into productive and innovative economic-social activities. It is even a more serious challenge when it is realized the country's demography is populated by a bulk of young millennial groups. In relation to this, safety internet needs also a special attention to pay in the digital era.

## ***Data and Statistics***

The availability of data and statistics for the implementation of the SDGs is extremely fundamental. A large portion of the SDGs indicators has successfully been defined, identified, and transformed into a meaningful dataset. However, data disaggregation is still a challenge, especially when specific groups—disability, gender, and age-based—are targeted by the SDGs to ensure that no one is left behind the dynamics of development. At the same time, creation of new administration sub-national jurisdiction, especially at the lowest hierarchy of government structure, tends to continue, making the data management more complicated.

The needs for SDGs data, particularly the ones where the indicators cannot be directly supplied by the statistical agency of BPS, are also high. Such data are provided by the line ministries; implying the needs for more technical assistance on data provision and development. At the same time, SDGs data are important to be integrated and internalized into the data management of the line ministries to ensure the consistence of data availability; and, more importantly, to make SDGs as a part the line ministry performance.

## ***South-South and Triangular Cooperation***

The KSST needs to deliberate also trade-related issues, including custom and import duties and tariff, along with the implementation of its programs. This implies that KSST programs need to be further elaborated into a detailed and comprehensive manner to cope with the technical obstacles in the implementation of the program.

The KSST programs need also to be integrated into the programs of line ministries. This integration opens a possibility for the line ministries to support the KSST programs through various underlying resources. For this reason, the KSST program needs to be directed not only to achieve its targeted deliverables and outputs, but more importantly to result in tangible benefits for the participating stakeholders. Planning, monitoring, and evaluation managed under a reliable methodology, therefore, is the logical consequence implied in both the KSST and line ministries programs.

### **C. Learning from the Achievement**

#### ***Resource Mobilization***

##### **1. Tax Revenue**

An efficient tax system is important for sustainable development and inclusive growth. One of the efforts undertaken to generate the efficiency of tax system is by modernizing and utilizing technology. In term of tax revenue, Indonesia is still heavily dependent on primary commodity. As such, Indonesia should improve tax revenues in other sectors, especially manufacturing and service sectors.

One of the factors causing the low revenue is high tax avoidance in Indonesia. The Ministry of Finance is currently reforming tax administration and policies to increase tax

compliance. In fiscal policy, the government provides incentives to pioneer industries. Furthermore, the Government has also simplified the regulation on tax incentives by promulgating Minister of Finance Regulation No. 35/PMK.010/2018. Lastly, the Government has also lent its support to MSME by giving incentives through GR No. 23 Year 2018.

## **2. Remittance**

Flow remittance tends to stagnate because many Indonesian migrant workers are working in low-skilled jobs such as domestic helpers and manual laborer. Therefore, Indonesia needs to encourage more migrant workers with added value so that more receiving countries willing to give higher salaries to the workers and subsequently improving the remittance to Indonesia.

National Agency for Placement and Protection of Indonesian Migrant Workers (*'Badan Nasional Penempatan dan Perlindungan Tenaga Kerja Indonesia'* /BNP2TKI) has launched [www.jobsinfo.bnp2tki.go.id](http://www.jobsinfo.bnp2tki.go.id) to disseminate reliable information on overseas job vacancies to all Indonesians. Indonesians searching for information on the requirements and qualifications of such vacancies are then able to refer to the website. Utilization of the website is also very useful to avoid extortions, fraud, or even human trafficking.

## **3. Non-Oil and Gas Export and Free Trade Agreements**

One of the priorities of national development is to increase non-oil and gas export to optimize national revenue. Increases in global commodity prices might cause some improvements in Indonesia's export performance. However, Indonesia needs to find other commodities with high value-added and stable international market prices.

Indonesia also needs to diversify its high value-added export goods portfolio. Until now extractive commodities remain as the flagship of Indonesia export. This includes agricultural products such as crude palm oil which is vulnerable towards various variables. In the past (2012-2015), drastic weather changes caused harvest failures and erratic prices in international market, causing export growth rate of Indonesia to be negative in that period.

Trade liberalization is inevitable for Indonesia as a member of global community. Through the framework of FTA and CEPA, Indonesia actively participates in international trade cooperation (both bilateral and regional). Indonesia's commitment to improve trade volume with FTA partners is evidenced by the reduction of tariff for six FTA partners in the past few years.

## ***Information and Communication Technology***

Acceleration of infrastructure development in information and communication technology (ICT) is targeted to support development and economic growth in Indonesia. Indonesia currently possesses nine satellites in operation. Ownership of these satellites has simplified the process of addition or reduction of bandwidth. It also makes the connection to Very Small Aperture Terminal (VSAT) system easier that increases the

penetration of internet access. Widespread internet access encourages development of internet-based government network system as well as links national and subnational government networks. Internet introduces changes and new opportunities in the life of Indonesia communities. Development and operation of the satellite creates economic multiplier effect in the entire Indonesia, one of which through the growth of MSME in the regions, especially those in e-commerce sector.

## ***Data and Statistics***

The success of the implementation of SDG in Indonesia is inseparable from the availability of data. The BPS, as the institution responsible for monitoring and evaluation of SDG, has collected data and information on SDG indicators through routine surveys and collaborations with Line Ministries. In order to provide reliable data aligned to global standard, the BPS continues to conduct improvement programs on statistics, especially in order to provide data on incomplete SDG indicators. The BPS also lends its support and technical assistance to the line ministries to gather relevant data for various SDG indicators.

## ***South-South Triangular Cooperation***

Improvement of Indonesia KSST profile is part of increasing role of Indonesia in international fora. Evidently, Indonesia's active contribution in SSTC signifies its commitment in realizing the aims of SDG. Indonesia's capacity in executing SSTC has been acknowledged, as evidenced by increasing request for assistance. Furthermore, Indonesia SSTC is widely considered a success story which can be promoted in various international fora.

Indonesia has achieved major achievements in the field of SSTC. However, Indonesia should further increase its active participation in the SSTC, through various actions such as measuring the impact of SSTC activities to recipient country; designing sustainable activities for a certain period of time instead of single-off activity (programmatic approach); selecting target of the cooperation by considering condition facilities, resources, and government support. SSTC produces multiplier effects such as cooperation opportunities in economy, politic, social and culture, education, and other forms of cooperation.

## **D. The Way Forward**

### ***Resource Mobilization***

#### **1. Tax Revenue**

To improve tax collection rate, the direction of future policies includes the following steps, i.e., (a) to develop core-tax system to improve tax service and to overcome challenges of digital era; (b) to encourage the establishment of an independent agency/authority on tax revenue in order to improve the efficiency and effectiveness of tax collection; (c) to continue structural reform, specifically in the improvement of quality of human resource;

and (d) to improve business processes, tax administration, and public service related to taxation.

## **2. Non-Oil and Gas Export**

Indonesia short-term policy direction shall be as follows, namely (a) to overcome tariff barriers such as import duties of Indonesian CPO in India and PRC; (b) to ensure Indonesia receives GSP status from the US starting 2019; (c) to realize the results from trade contracts in 2018; (d) to open new trade mission in Shanghai, Turkey, and Vietnam; (e) to intensify trade promotion to non-traditional markets, and (f) to resolve trade barriers related to Trade Remedies (dumping, subsidies, safeguard).

Meanwhile in long-term, the policy direction shall be as follows, i.e., (a) to draw up a regulation on implementation of Indonesia-Chile FTA; (b) to ratify IA-FTA; (c) to hasten the final steps of negotiation with Mozambique, Tunisia, Morocco, European Union, and RECP; (d) to meet the growth target of Indonesia-US trade; (e) to increase trade promotion through Dubai Expo 2020; (f) to open new trade mission in Pakistan; (g) to move trade mission in India from Chennai to Mumbai, and (h) to open new export destinations in Africa, Eurasia, and South America regions.

## **3. Remittances**

Remittance flows need to be further developed as a part of financial inclusion and financial literacy strategies. The migrant workers and their families are potential clients of bank and other formal financial institutions. Along with the development of financial transaction technology, remittance flows can be expanded to reach much wider geographic areas.

However, remittance flows also relate to the quality of migrant workers. In order to increase the volume of remittance, one of the policies implemented in the future is conducting value-adding trainings to aspiring Indonesian migrant workers. With the increase of their competency, once they work the level and volume of their remittance to Indonesia will increase. Furthermore, recruitment system of aspiring workers should be upgraded in order to empower the workers in terms of law, administration, and skill prior to their departure.

## **4. Debt Services**

Just like the current practice, in the future debt financing will be managed carefully taking into account various aspects such as global economy conditions, exchange value of rupiah, and priority of development. Furthermore, Indonesia will continue to chase its relative lag on infrastructure and human resources. Investment in those sectors will give positive impact in the future especially in ensuring Indonesia become independent from massive debt financing. Indonesia will also encourage export by strengthening competitiveness on value-added goods and services to improve export contribution towards an inclusive and sustainable economic growth. Lastly, Indonesia encourages selective international

economic cooperation, putting its national interest first, in order to encourage sustainable economic growth.

### ***Information Technology and Communication***

Indonesia plans to expand non-cash social assistance service, education digital content, public information digital content, health digital service and agriculture information. Besides that, utilization of ICT will be broadened in growth sectors in order to improve efficiency, productivity, value-added, and creation of demands.

### ***Data and Statistics***

In the field of data and statistics, Indonesia plans to execute the following policies, namely (a) improving data availability and high-quality statistics information; (b) increasing coordination, integration, and synchronization between statistics-related activities conducted by the government and private sectors; (c) improving relationship with respondent; (d) increasing the amount and competence of human resources in statistics who are professional, possessing high-integrity and committed; (e) to improve the relationship with data user; and (f) to improve quality, quantity, and usage of information and communication technology in statistics.

### ***South-South and Triangular Cooperation***

With regards to SSTC, Indonesia will strengthen monitoring and evaluation of its cooperation and improve the utilization of new sources of funding and mechanisms. Furthermore, Indonesia will create enabling environment for participation of private sector in international development cooperation, in order to sharpen the role of SSCT in supporting trade and investment. Lastly, Indonesia shall establish a donor and international development cooperation agency.

## **4.2 Progress of VNR 2017 and 2018**



### **4.2.1 Goal 1. No Poverty**

#### **A. Trend Analysis**

The discussion of Goal 1. No Poverty is focused on the achievement of low poverty level and social protection coverage. SDG1 indicators include: (1) level of extreme poverty, (2) percentage of population living below national poverty line, and (3) proportion of households with the Family Hope Program/Conditional Cash Assistance recipients. Various identified challenges and policies to overcome the poverty issues are outlined below.

Year	Extreme Poverty (1,9 USD)	National Poverty
2006	27.5	17.75
2007	22.76	16.58
2008	21.55	15.42
2009	18.43	14.15
2010	15.95	13.33
2011	13.58	12.49
2012	11.76	11.66
2013	9.83	11.47
2014	8.25	10.96
2015	7.5	11.13
2016	6.8	10.7
2017	5.7	10.12
2018	4.6	9.66

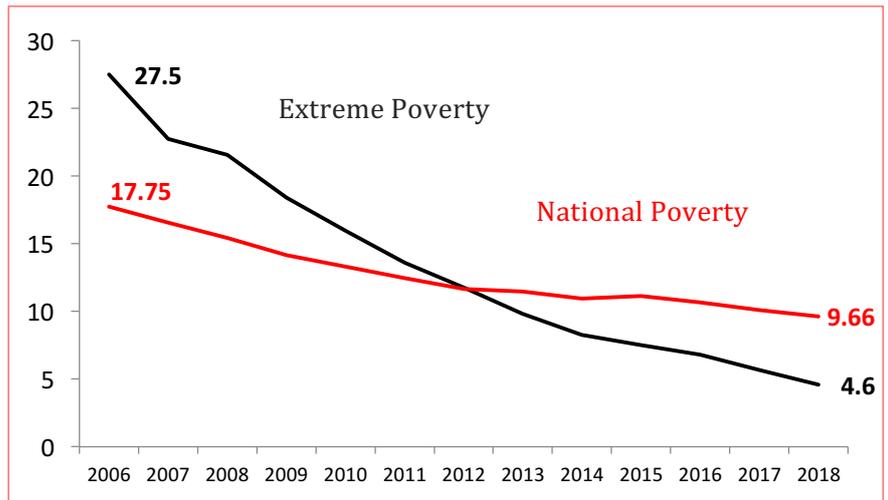


Figure 106. Trends of Poverty Reduction based on Extreme Poverty and National Poverty Lines, 2006-2018

Source: World Bank and BPS-Statistics Indonesia (Figures of September)

### a. Social Protection

To accelerate poverty reduction, an integrated structuring of social assistance was initiated which includes the Family Hope Program (*Program Keluarga Harapan/PKH - Conditional Cash Assistance*). In order to ensure that families with the lowest socio-economic status have access to basic services like education and health, in 2018, the coverage of PKH recipients was increased to 10 million poor families with budget of IDR 17.42 Trillion.

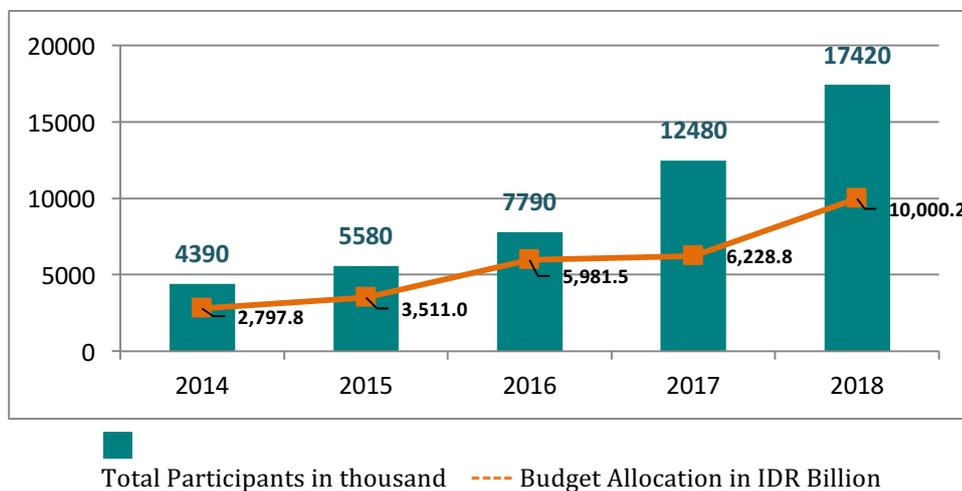


Figure 107. Trend of PKH Budget Allocation and Total Participants in 2014-2018.

Source: Ministry of Social Affairs, various years reporting

## B. Challenges

The main challenge is the slowdown of poverty reduction. The lower the poverty level, the more chronic poverty challenges, thus innovation and new strategies are needed. The reduction in poverty is carried out through two main strategies, namely decreasing costs and increasing income. The strategy to reduce the burden of expenditure

through social assistance still continues. However, various challenges such as inadequate data, long administrative procedures, and suboptimal programs are still remain. In addition, the highly vulnerable groups are also a challenge that the Government need to address. As of March 2018, as much as 20.2 % of the population are still vulnerable to poverty (Susenas Maret, 2018). The Government needs to empower them so that they do not fall back into poverty, and efforts include providing assistance to access capital, capacity building for business skills, entrepreneurship development, partnerships and intermediation. However, these efforts are not yet optimal, and improvements are still being made.

### C. The Way Forward

Based on the Government Annual Work Plan Document, the policy directive for poverty reduction in 2019 and beyond, apart from macro policies support that encourages an inclusive economy, a stable inflation rate is maintained to create productive employment. Those efforts also need to be supported by affirmative policies in several policy directive, including: (1) the development of digitalization and integration of social assistance distribution, such as Non-Cash Food Assistance (Bantuan Pangan Non-Tunai/BPNT), educational assistance for poor students and targeted subsidies; (2) strengthening the comprehensive and integrated national social security system (SJSN) for health and employment to protect the poor and vulnerable from social or economic shocks; (3) strengthening the social protection system for certain groups such as people with disabilities and elderly people who are vulnerable to poverty; (4) Integrating the unified database (UDB) with population base data and *BPJS Kesehatan* to improve the target of government assistance; (5) Development of activities to increase economic independence and income for the poor and vulnerable groups, including through strengthening of family economy; business intermediation and social impact; and structuring of tenure and land use through the implementation of agrarian reform and social forestry.



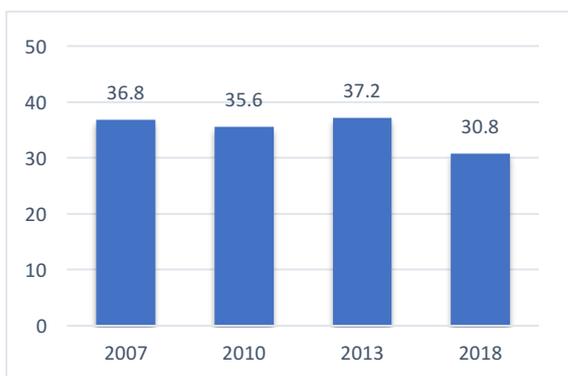
#### 4.2.2 Goal 2. No Hunger

The discussion of Goal 2. Zero Hunger is focused on the achievement of nutrition improvement and food availability. SDG2 indicators include: (1) prevalence of stunting in children under five years old, (2) prevalence of wasting in children under five years old, (3) desirable dietary pattern score. Various identified challenges and policies to overcome the hunger and malnutrition are outlined below.

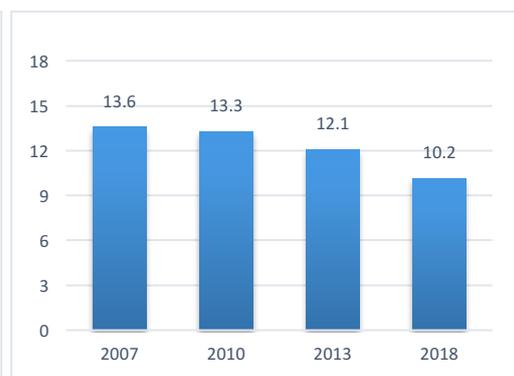
##### A. Trend Analysis

###### a. Nutrition Improvement

The prevalence of stunting in children under five years of age declined over the last 10 years, however the proportion remained high at 30,8% in 2018. The prevalence of wasting in children under five years of age decreased significantly from 13,6% (2007) to 10,2% (2018).



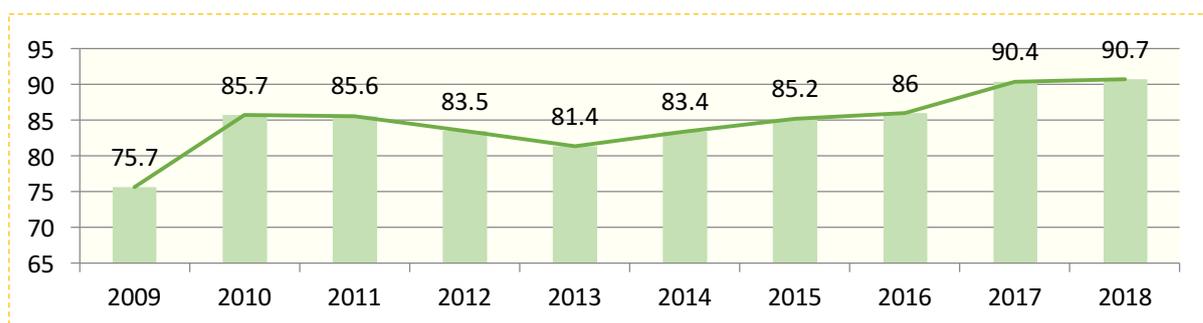
*Figure 108. The Prevalence of Stunting in Children under Five Years of Age, 2007-2018*  
 Source: Indonesia Basic Health Research (Riskesdas)



*Figure 109. The Prevalence of Wasting in Children under Five Years of Age, 2007-2018*  
 Source: Indonesia Basic Health Research (Riskesdas)

## b. Food Availability

The quality of food consumption improved, indicated by higher score of desirable dietary pattern (DDP) from 75.7 (2009) to 90.7 (2018). This shows that food availability, food diversity, community knowledge on food and nutrition, physical and economic accessibility has improved from time to time.



*Figure 110. Desirable Dietary Pattern (DDP) Score, 2009-2018*  
 Source: Food Security Agency, Ministry of Agriculture, 2009-2018.

## B. Challenges

In terms of overcoming the problem of malnutrition in children, issues of welfare and food security of the household are closely related. Low household food security can cause low quantity and quality of children's nutritional intake. The influencing factors are poor parenting, mainly caused by low levels of parents' education, poor environmental conditions (such as access to sanitation and clean water), and low access to health facilities.

In terms of food provision, the challenges and problems that occur include: (1) conversion of agricultural land for other uses continues while expansion of agricultural land remains limited; (2) degradation of the quality of water resources and competition of water use for other purposes; (3) food agriculture business is dominated by small-scale farmers who are old with relatively low formal education, thus they have limited access

to technology, information, markets, and business financing; (4) increasing frequency and intensity of natural disasters related to climate change; (5) the proportion of yield loss and food waste is still large; (6) logistical infrastructure and food distribution are unequal, particularly in the eastern region of Indonesia, causing food insecurity in the region; and (7) limited partnerships between small and large scale agricultural enterprises.

### **C. The Way Forward**

Based on the Government Annual Work Plan Document, the policy directive for the issue of malnutrition and the provision of food in 2019 and beyond is as follows: (1) accelerating the improvement of community nutrition; (2) strengthening food security towards food sufficiency by increasing staple food production, (3) stabilizing food prices, (4) improving the quality of food consumption, (5) mitigating disruptions to food security, and (6) improving the welfare of food businesses, especially farmers, ranchers, fishermen and fish farmers.



#### **4.2.3 Goal 3. Good Health and Well Being**

Efforts taken to ensure healthy lives and promote well-being for all at all ages are; reducing maternal and infant mortality, combating communicable and non-communicable diseases, promoting reproductive health and improving The National Health Insurance (*Jaminan Kesehatan Nasional/JKN*) coverage.

##### **A. Trend Analysis**

###### **a. Maternal Mortality Rate (MMR)**

At the end of MDGs implementation (2015), the MMR has been reduced from 346 (Population Census/SP 2010) to 305 per 100,000 live births (Intercensal Population Survey/SUPAS 2015), which constitutes 2.40% annual reduction rate (ARR). The national target of 306 per 100,000 live births in 2019 has been achieved. However, MMR global target of less than 70 per 100,000 live births in 2030 can only be achieved with ARR of 9.50%. Therefore, new commitments and breakthroughs are needed.



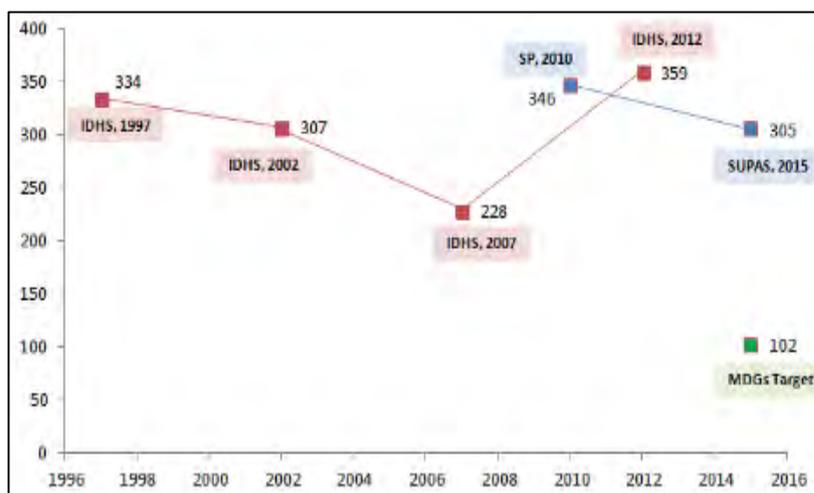


Figure 111. Trend of MMR  
Source: Various publications

### b. Mortality Rate of Infants, Under-fives and Neonatals

The Infants Mortality Rate (IMR) and under-fives Mortality Rate (U5MR) continue to decrease. Policy innovation and acceleration are needed to achieve global target in 2030 to reduce NMR to at least as low as 12 per 1,000 live births and U5MR to at least as low as 25 per 1,000 live births.

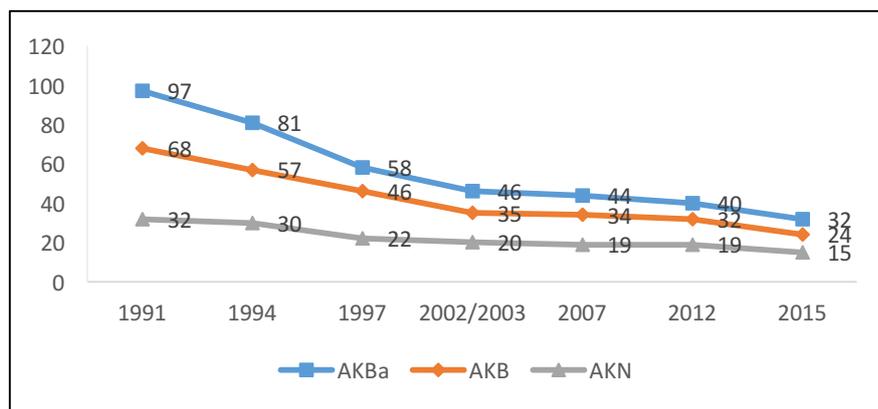


Figure 112. Trend of IMR, U5MR and NMR  
Source: IDHS, BPS-Statistics Indonesia

### c. Communicable Diseases

The trend of non-communicable diseases in Indonesia shows a tendency to decline from year to year. HIV prevalence in the adult population was maintained below 0.5%, at the level of 0.33% (2018). The decline in the incidence of tuberculosis (TB) showed a promising development of 319 incidents per 100,000 population (2017) from 338 per 100,000 population (2011). The malaria illness trend based on API (Annual Paracite Incidence) decreased from 1.75 (2011) to 0.84 per 1000 population (2018). Malaria has been eliminated in half of the country's districts (285 districts) in 2018.

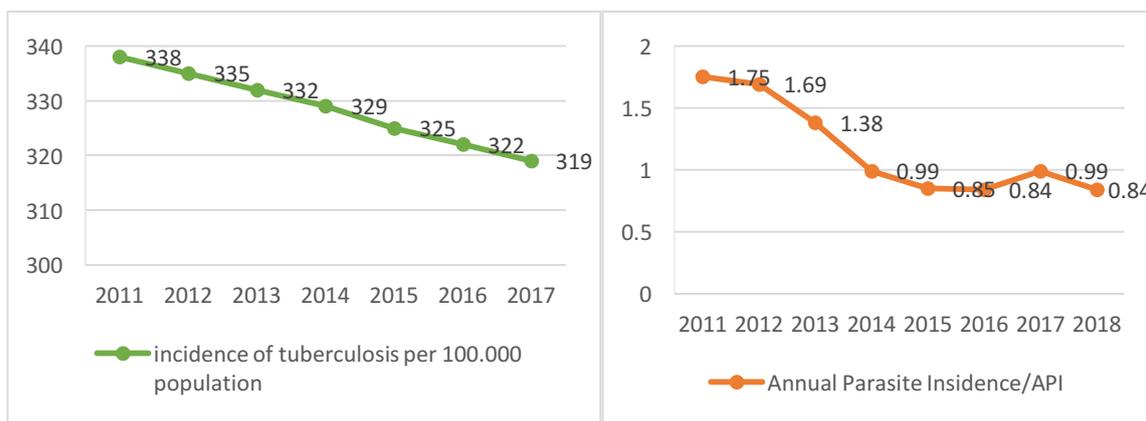


Figure 113. Trend of Communicable Diseases

Source: Global TB Report and Disease Prevention and Control Surveillance Report, Directorate General of Disease Prevention and Control, Ministry of Health

## d. Non-Communicable Diseases (NCD)

### 1. Risk Factors of Non-Communicable Diseases

Based on Basic Health Research (*Riskesdas*), the prevalence of hypertension at population 18 years old and above increased from 25.8% (2013) to 34.1% (2018). During the same period, the obesity prevalence at population 18 years old and above increased from 15.4% to 21.8%. Smoking, aside from unbalanced diet and lack of physical activities, contributes to the increase of NCDs prevalence in Indonesia. The proportion of 18 year olds and below who are smoking increased from 7.2% to 9.1%.

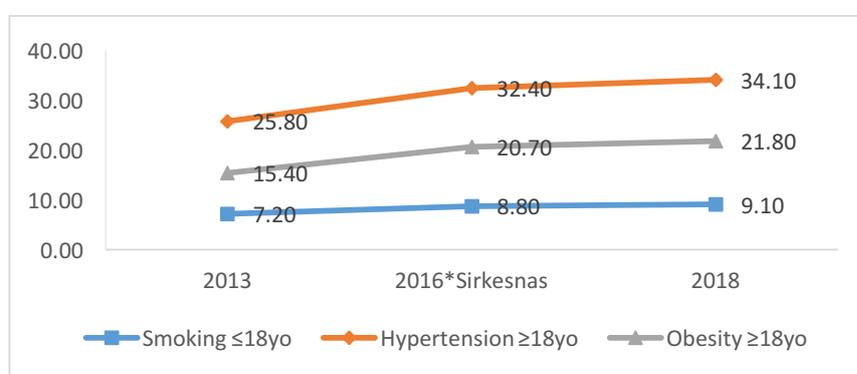


Figure 114. Trend of Risk Factors of Non-Communicable Diseases

Source: *Riskesdas* 2013-2018, *Sirkesnas* 2016

## e. Reproductive Health

### 1. Contraceptive Prevalence Rate (CPR)

The improvement of reproductive health services contributed to an increase in contraceptive prevalence rate (CPR) of all methods from 49.7% in 1991 to 63.6% in 2017 according to Indonesia Demographic and Health Survey (IDHS).

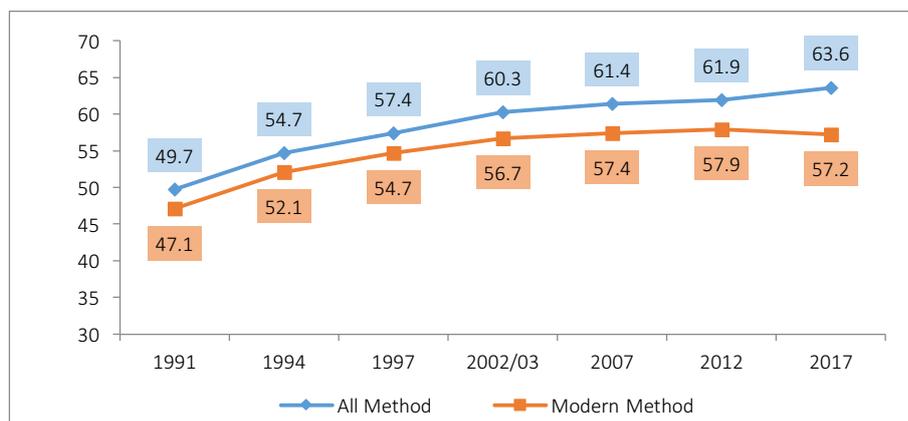


Figure 115. Trend of the Contraceptive Prevalence Rate  
Source: IDH

## 2. Fertility Rate

The total fertility rate (TFR) has reduced from 2.6 in 2012 to 2.4 children per 1,000 women in 2017. Strong efforts are needed to achieve the national target of 2.3 children per 1,000 women in 2019. Meanwhile, the age specific fertility rate (ASFR) of women at the age of 15-19 years old decreased from 51 (2007) to 36 births per 1,000 women (2017).

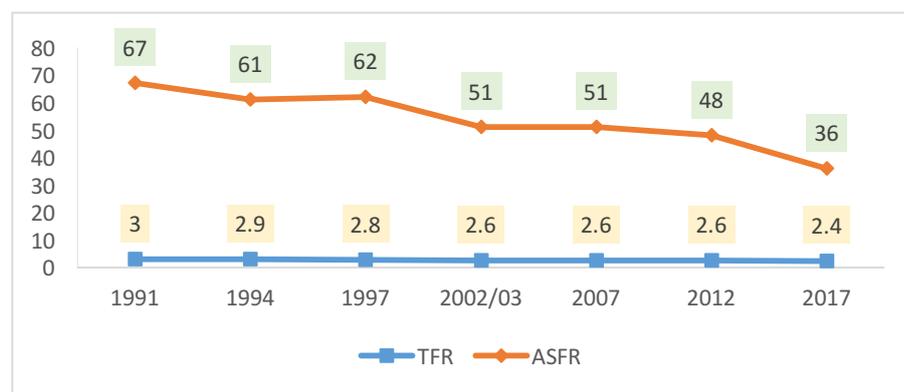


Figure 116. Trend of TFR and ASFR  
Source: IDHS, BPS

## f. Universal Health Coverage

### 1. JKN Coverage /Jaminan Kesehatan Nasional

To provide health services to all citizens, the total number of population covered by JKN continues to increase. Up to 31 December 2018, 78.7% of the population have already enrolled to JKN.

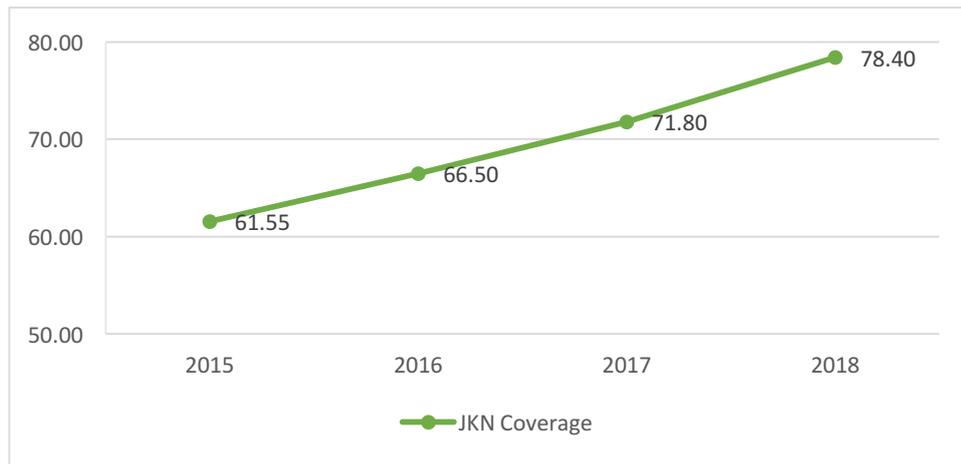


Figure 117. Trend of JKN Coverage  
Source: BPJS-Health

## 2. Unmet Need of Health Services

The expansion of JKN coverage contributes to the decrease of unmet needs for health services, which is the percentage of the population with health complaints that disrupted their daily activities but do not seek treatment. The unmet needs for health services decreased from 9.9% in 2006 to 4.91% in 2018.

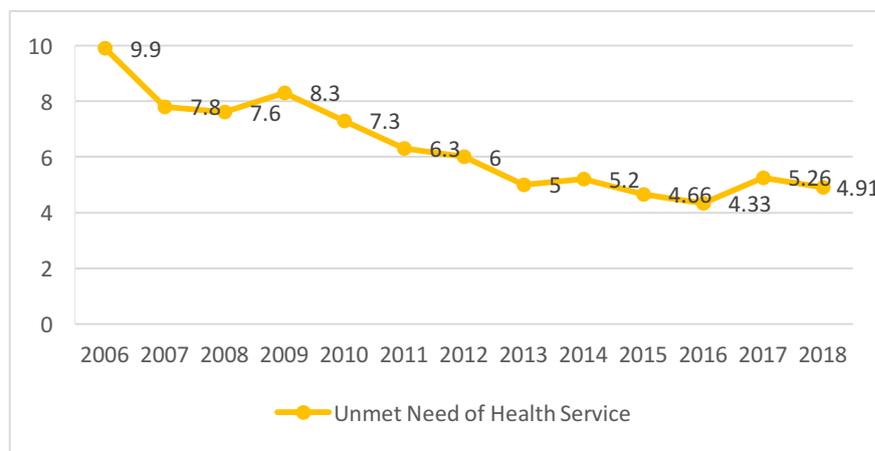


Figure 118. Percentage of Unmet Needs for Health Services  
Source: Susenas, BPS-Statistics Indonesia

## B. Challenges

### a. Mortality Rate of Maternal, Infants, Under-five and Neonatals

The challenges ahead are: 1) improving the quality of basic and referral health services, as well as maternal and neonatal emergencies including competency of human resources (HR), facilities, Health Centers (*Puskesmas*) capable of Basic Emergency Neonatal Obstetric Services (PONED) and hospitals capable of Comprehensive Emergency Obstetric Neonatal Services (PONEK); 2) improvement of reproductive health services' quality for maternal, bride and groom to be, as well as adolescents; 3) increasing maternal

knowledge on antenatal care and parenting; 4) increasing the role of the community through Desa Siaga, the Maternity Planning and Prevention Complication Program (Program Perencanaan Persalinan dan Pencegahan Komplikasi/P4K) and Integrated Health Posts (Posyandu); and 5) health education and promotion, including benefit of immunization.

#### b. Communicable Diseases

The challenges for ending infectious disease epidemics are: 1) scaling up proven interventions for preventing and controlling HIV/AIDS, TB, and malaria such as voluntary, counseling, and testing (VCT) to reduce under-reporting of HIV/AIDS cases; the use of TB Molecular Rapid Test methods to improve the findings of new TB cases, and the use of insecticide-treated bed nets to prevent malaria transmission, 2) increasing screening coverage especially for high risk group; 3) increasing effective drug treatment, including prevention of Multi Drug Resistance (MDR); and 5) increasing logistical needs, human resources and funding for HIV/AIDS, TB and malaria.

#### c. Non-Communicable Diseases (NCD)

Challenges to reduce morbidity and mortality due to NCDs include: 1) improving screening coverage for NCD; 2) reducing unhealthy lifestyles such as smoking, unhealthy diets, and lack of physical activity; 3) providing regulation to prevent NCD such as increasing the national tobacco excise, imposing ban on cigarette advertisements, and reducing consumption of sugar, sodium, and fat; 4) improving urban environments to encourage physical activity; and 5) increasing the quantity and quality of human resources as well as health care facilities as the number of NCD prevalence increases.

#### d. Reproductive Health

The challenges ahead are: 1) increasing women's education participation to prevent early marriage; 2) increasing the use of Long-Term Contraceptive Methods (MKJP); and 3) improving reproductive health education, especially for school-age children.

#### e. Universal Health Coverage

The future challenges are: 1) expanding membership of JKN especially informal sectors and workers; 2) improving supply side readiness through encouraging greater cooperation between BPJS-Health and the private health facilities; and 3) improving adequate management of JKN.

### C. The Way Forward

Based on the Government Annual Work Plan, the policy directive for health is as follows: (1) accelerating the fulfillment of access to quality maternal, child, adolescent and elderly health services; (2) improving access and quality of family planning and reproductive health services; (3) accelerating the improvement of community nutrition; (4) improving disease control and environmental health; (5) improving access to quality basic health services; (6) improving access to quality referral health services; (7) increasing the availability, affordability, equity and quality of pharmaceuticals and medical devices; (8) increasing the effectiveness of drug and food supervision; (9) increasing the availability, distribution and quality of health human resources; (10)



strengthening the Healthy Life Style Movement (Gerakan Masyarakat Hidup Sehat/Germas); (11) strengthening management and research, as well as health information systems; (12) strengthening the implementation of the SJSN in the health sector; and (13) increasing the effectiveness of health financing.

The policy directive in the framework of family planning development, are: (1) strengthening access to equitable and quality family planning and reproductive health services, both in the SJSN *Kesehatan* and Non-SJSN *Kesehatan*; (2) strengthening access to equitable and quality family planning and reproductive health services, both in the SJSN *Kesehatan* and Non-SJSN *Kesehatan*; (3) strengthening population management institutions (including elderlies) and effective family planning.



#### 4.2.4 Goal 5. Gender Equality

Gender equality and women empowerment achievements are not only related to SDG5 but also related to the measurement of other goals that have specific targets on gender issues. However, not all gender related indicators in the SDGs are available for reporting this year. The report presents goals, targets and indicators of which data and information are already available, including child marriage, equal opportunity for women at all decision-making levels, as well as the use of technology to enhance women empowerment.

#### A. Trend Analysis

### *Elimination of All Harmful Practices Against Women and Girls*

#### 1. Child Marriage

Early marriage practice is prevalent in Indonesia. However, the percentage of women at 20-24 years of age who were married for the first time at or before 15 years old and at or before 18 years old declined for the period of 2011-2015. But the practice of child marriage increased since 2016 until 2018.

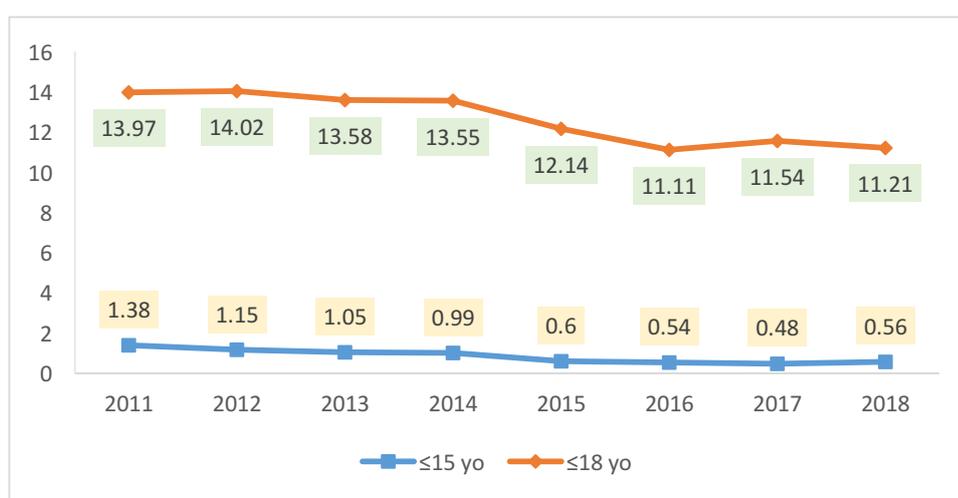


Figure 119. Percentage of women at 20-24 years of age were married for the first time or living together without being married at or before 15 years old and at or before 18 years' old

Source: BPS-Statistics Indonesia

## 2. Median Age at First Marriage

The decrease of child marriage prevalence has an impact on the increase of the median age at first marriage. The median age at first marriage of women 25-49 years old who were ever married, increased from 17.1 years old in 1991 to 21.8 years old in 2017.

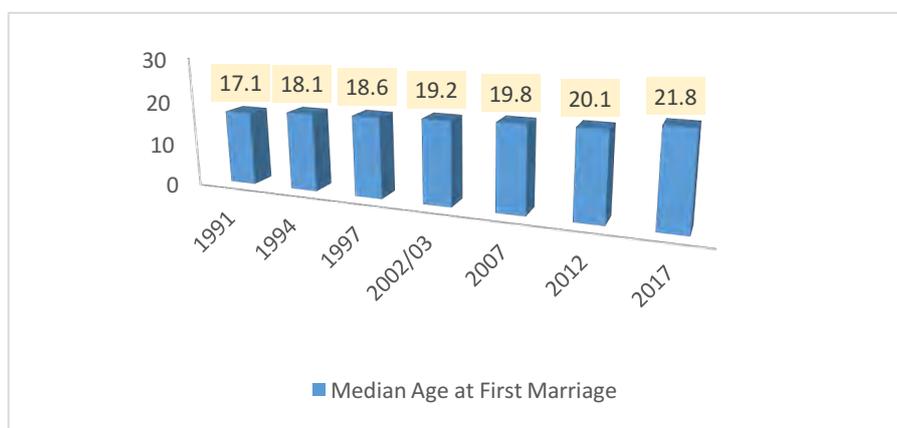


Figure 120. Trend of Median Age at First Marriage

Source: Indonesia Demographic and Health Survey (IDHS)

## Women's Participation in Decision Making

### 1. Proportion of Seats Held by Women in National Parliament

The proportion of seats held by women in House of Representatives (*Dewan Perwakilan Rakyat/DPR*) at the national level tend to increase, yet fluctuate. The representation of women at DPR in the 2004 general election was 11.84% and increased to 17.86% in 2009. However, it decreased slightly to 17.32% in the 2014 general election.

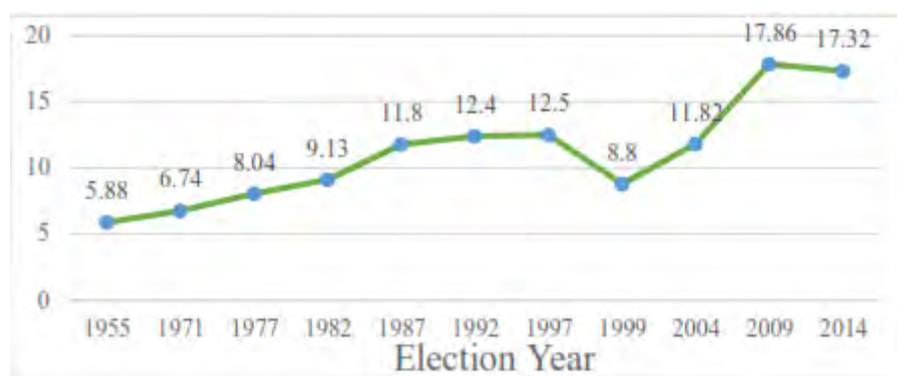


Figure 121. Percentage of Women DPR Members in 1950-2014 General Election

Source: BPS-Statistics Indonesia, 2015

In addition, each province are allocated four Regional Representative Councils (*Dewan Perwakilan Daerah/DPD*) members. Figure 123 shows that 22 provinces have women DPD members for the period of 2014-2019; six provinces have equal men and women representatives, while 3 provinces have more women than men (3:1). The other eleven provinces have no women DPD members.

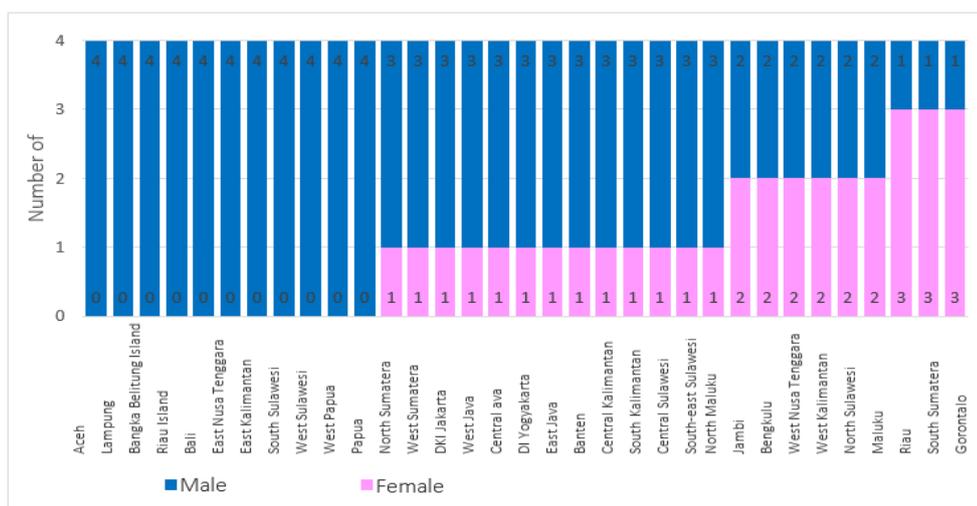


Figure 122. Number of Women DPD Members by Province, 2014-2019  
 Source: BPS-Statistics Indonesia, 2015

## 2. Proportion of Women in Managerial Position

The proportion of women in managerial position (Echelon 1-II) at executive agencies increased in 2011-2017. The position of Director (Echelon II) increased from around 8.30% to 13.06%, while the position of Director General/Secretary General (Echelon I) increased from 9.17% to 15.21%.

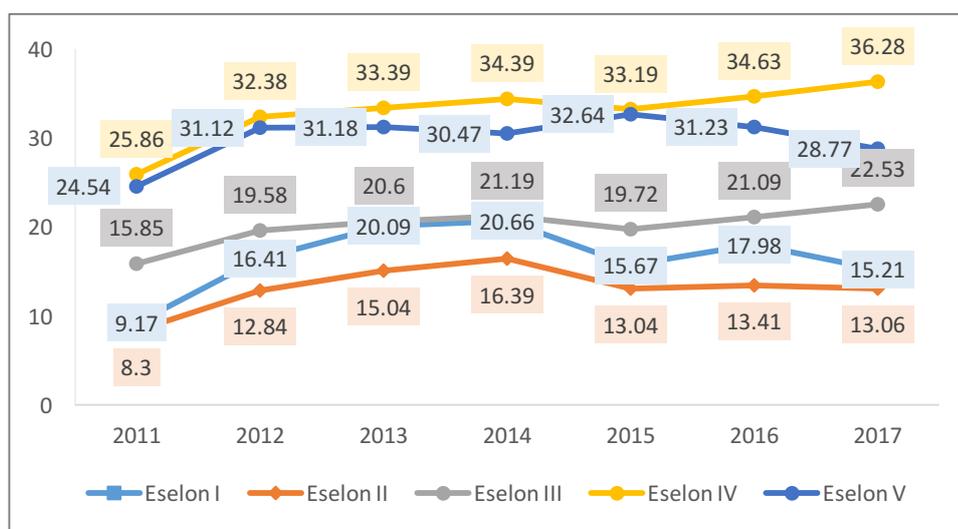


Figure 123. Percentage of Women Civil Servants as Echelon I-IV  
 Source: BPS-Statistics Indonesia 2012-2016/State Personnel Agency

## Technology to Improve Women's Empowerment

### 1. Proportion of Individuals Who Own a Mobile Telephone

The advancement of information and communication technology has given convenience and opened opportunity for everybody. This has also enabled women to be more empowered by giving them access to knowledge for education, career improvement, and entrepreneurship opportunity while still undertaking their domestic role, as well as enable them to interact with a wider community.

The Susenas shows that the proportion of women who own a mobile telephone is less than men. However, there is an increased of proportion of individuals (women and men) who own a mobile telephone for the last two years. In 2015 the percentage of women who own a mobile telephone is 50.40% and this number increased to 57.19% in 2018. At the same period the proportion of men who own a mobile telephone increased from 63.40% to 67.59%.

## **B. Challenges**

### **a. Elimination of All Harmful Practices Against Women and Girls**

Challenges faced to reduce child marriage rates as well as birth rates at the age of 15-19 years are: 1) synergizing and harmonizing existing laws and policies, such as the Marriage Law, Election Law, Population Law with the Child Protection Act; 2) changing the norms and values in society with regards to early marriage; 3) addressing vulnerability due to poverty and provide greater opportunities for girls to obtain tertiary education and economic skills training; and 4) increasing coverage of education services, especially in the Frontier, Outermost, and Disadvantaged Region (3T).

### **b. Women's Participation in Decision Making**

The challenges faced are capacity building for: 1) women cadres of political parties; 2) women as religious leaders and community leaders; 3) women candidates for Governors and Mayors; 4) elected female legislative members; and 5) women Governors and Mayors. Another challenge in increasing women's representation is affirmative action, especially through political breakthroughs.

### **c. Technology to Improve Women's Empowerment**

The challenge faced is to increase the scope of the use of information and communication technology for women's empowerment activities.

## **C. The Way Forward**

Based on the Government Annual Work Plan Document, the policy directive for achieving the goal of gender equity and equality in 2019 and beyond is as follows: (1) improving the quality of life and the role of women in various fields of development; (2) increasing the protection of women from various acts of violence, including criminal trafficking in persons (*Tindakan Pidana Perdagangan orang/TPPO*); (3) increasing the capacity of gender mainstreaming (*Pengarusutamaan Gender/PUG*) institutions and institutions for protecting women from various acts of violence; (4) improving the development of adolescent reproductive health in the context of maturing the age of marriage and preparing for family life; and (5) increasing family roles and functions.



### **4.2.5 Goal 6. Clean Water and Sanitation**

The discussion of Goal 6 in Indonesia is focused on ensuring availability and sustainable management of water and sanitation for all, which is measured by 2 (two) main indicators, namely (1) The proportion of households with access to a source of safe

drinking-water and (2) The Proportion of households using safely managed sanitation services.

## A. Trend Analysis

### a. Access to Clean Water.

Households with access to clean water in Indonesia have continuously improved in recent years, from 58.92% in 2015 to 61.29% in 2018. This achievement was part of the government's efforts to fulfill the target, households with access to clean water.

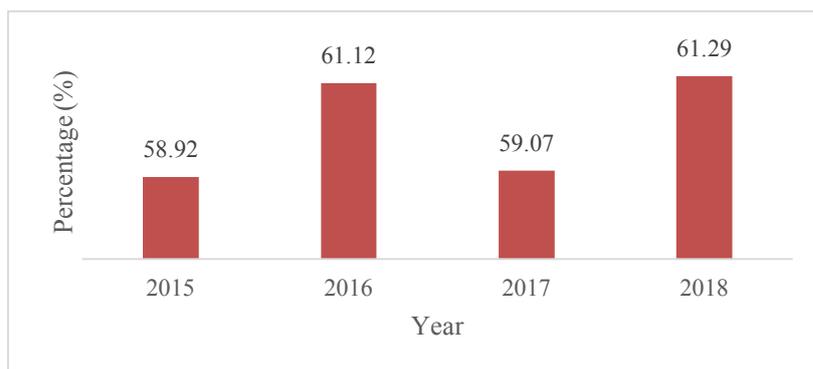


Figure 124. The proportion of households with access to clean water 2015-2018  
(Source: RT RPJMN 2020-2024).

### b. Access to Sanitation.

Proportion of households with access to sanitation in Indonesia has consistently improved every year, from 67.95% in 2015 up to 74.58% in 2018.

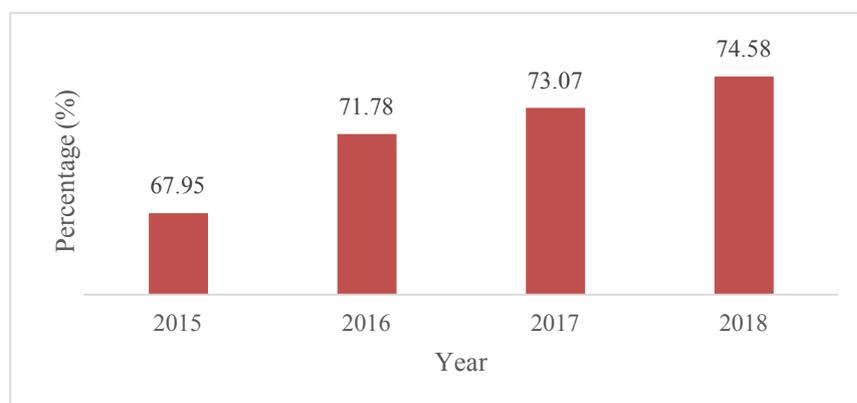


Figure 125. The proportion of household access to sanitation 2015-2018  
(Source: RT RPJMN 2020-2024)

## B. Challenges

Challenges in providing access to clean water and sanitation include: (1) provision of adequate and affordable housing, especially for low-income groups; (2) infrastructure and basic services for settlements are often inadequate, thus triggering the expansion of

slums; (3) provision of land for housing, especially for low-income groups in urban areas; and (4) limitation in financing housing for low-income groups.

### C. The Way Forward

Improve access to clean water and sanitation by using several strategies, including: (1) Synergy in infrastructure projects of housing, settlement, clean water and sanitation, through improved planning, coordination among development stakeholders, and harmonized funding; (2) Improvement of roles, capacities, quality of performance in local authorities, and institutions managing access to clean water and sanitation; and (3) Improvement in involvement and life style transformation in communities.



#### 4.2.6 Goal 7. Affordable and Clean Energy

Goal 7 focuses on four indicators, namely (1) Electrification Ratio (2) Electricity per capita consumption, (3) Gas Household Network (City Gas Network) (4) Renewable Energy Mix (5) Primary Energy Intensity. This chapter also discusses on the challenges and policies for clean and affordable energy in Indonesia.

##### A. Trend Analysis

Increasing competitiveness of Indonesia's economy is supported by energy security. Energy security focuses on the supply clean energy and optimization of gasses and coal usage, and also minimize import dependency in particular energy resources. In 2018, natural gas lifting reaches 1,140-thousand-barrel oil equivalent per day (BOEPD) or 99.1 percent from 2018 target, which is aligned with the production from the several natural gas fields built that have operated. Development of city gas network is also increasing, reaching 463.619 households through city gas network in 2018.

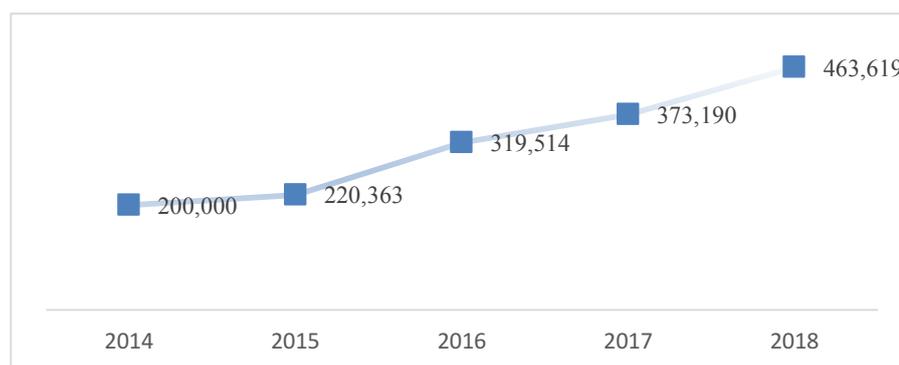


Figure 126. Development of City Gas network

Source: Ministry of Energy and Mineral Resources, 2018

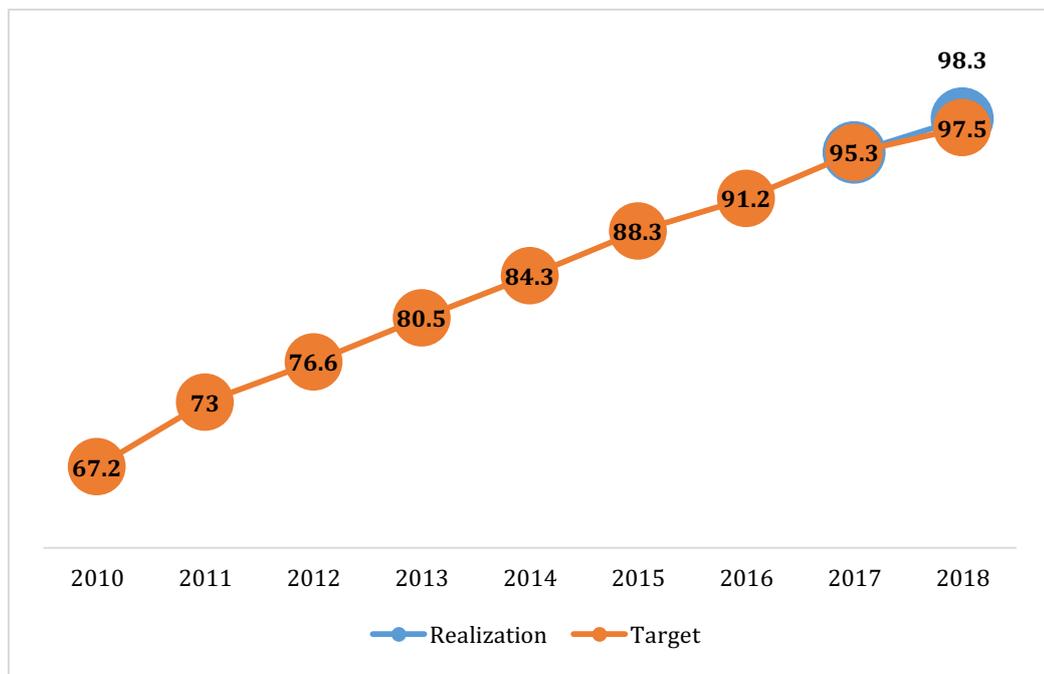


Figure 127. Ratio of Electrification 2010-2019  
 Source: Ministry of Energy and Mineral Resources, 2018

Average of primary energy intensity is 500 BOE (Barrels Oil Equivalent) per billion rupiah and final energy intensity around 325 BOE/billion rupiah. The big difference shows that there is an inefficiency in the process of energy conversion. Moreover, losses during energy transmission and distribution, especially in electricity energy is still high. In 2018, capacity factor from all type of electricity generator is 62.6%. Losses and own use during electricity transmission and distribution is 9.6%, decreasing from the previous year. Electricity transmission is more effective, therefore cost of production can also be more efficient. Besides inefficiency in electricity provision, inefficiency is still a challenge in crude oil conversion into fuel. Average of refinery fuel and losses of national oil lifting reaches 84 thousand bbarrels per day or around 8.1% for oil lifting production, while efficiency of natural gas conversion process into LNG in LNG refinery is 84% on average.

The saving of energy consumption is still low, while it has a potential savings of 10-15% of total energy consumption. Energy audit has been conducted for identifying energy waste points and measures to improve energy efficiency use for strategic manufacturing industries, such as steel, aluminum, pulp / paper, mining and textile.

## B. Challenges

Access to electricity is near universal, but there are still regions with electrification ratio under 65%. The main problems in the coverage of energy services and electricity are access to natural gas for households and access to electricity. In central and east region of Indonesia, the access is still limited and shows inequality. Similarly, in provision of natural gas infrastructure, especially for household, industry and transportation, the distribution is relatively unequal and can only be accessed by limited people.

Challenges in quality of energy provision and electricity includes (1) High usage of fossil energy and low renewable energy in energy mix; (2) Slow development of energy infrastructure; (3) Unequal access of electricity in which few households still have no electricity; (4) Uncompetitive renewable energy prices and subsidies not on target yet; (5) Decreasing national energy reserve; and (6) Energy resources are considered as commodity, not as development capital.

Potential of energy savings per year from manufacture industry is relatively high, about 10-15%, but it needs extra effort to maximize this potential. Problems in increasing energy efficiency includes: (1) Lack of incentive to industrial stakeholder for efforts in energy saving; (2) Availability of financial instrument/fiscal such as project financing and interest rate subsidies; (3) Availability of energy user data and financial institution with inadequate human resources for research on energy efficiency investment; and (4) Coordination barriers between Ministries/Institution and Sub-National Government in promoting energy savings for street lighting and government buildings.

### C. The Way Forward

To increase energy availability, the policies includes (1) Increase primary energy production, especially for oil and gas from field which has decreased in capacity of production; (2) Increase buffer reserve and operational of energy; (3) Increase supply of energy and electricity, prioritizing on primary energy, energy mix, and energy conservation; (4) Improve institutionalization and regulation of energy and electricity to create reliable services including formulation of tariff and subsidies policy based on economic value, fairness and region specific condition; (5) Improve contribution of new and renewable energy in energy mix; (6) Improve accessibility of energy; (7) Improve energy efficiency; (8) Improve management of fuel subsidies to be more transparent and on target; and (9) Utilize potential of water resources for Hydropower Plant.



#### 4.2.7 Goal 9. Industry, Innovation, and Infrastructure

Goal 9 focuses on 10 indicators namely: (1) steady road condition, (2) toll road developments, (3) length of railway, (4) number of airports, (5) number of strategic ports, (6) value-added manufacturing as a proportion of GDP, (7) GDP growth rate of manufacturing industry, (8) government research expenditure as a proportion of GDP (9) proportion of population served by mobile broadband; (10) proportion of mobile phone owners. In addition, this section also describes challenges and policies for development of infrastructure, industry and innovation.

### A. Trend Analysis

Indonesia is the 15<sup>th</sup> largest economy country in the world with 5,17% economic growth in 2018. According to Global Competitiveness Report 2017-2018, Indonesia is ranked 36 out of 137 countries, previously ranked 41. Increasing ratings is also experienced in Logistic Performance Index, from 63 to 46 in 2016. One of the sectors contributing to the ranking is infrastructure development. During 2015-2018, Indonesia's

infrastructure development was aimed to develop national inter-regional connectivity and integration between strategic regions. Infrastructure projects are distributed across regions, indicating government's commitment to continue to drive competitiveness, productivity and simultaneously reducing inequality among regions.

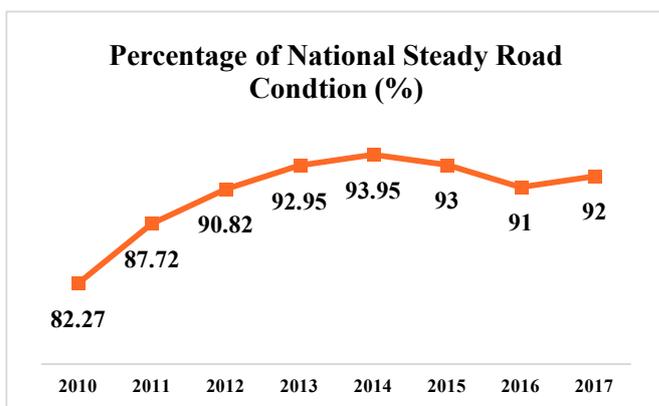


Figure 128 Percentage National Steady Road Condition

Source: Ministry of Public Works and Public Housing

In 2017, national steady road reached 92%, which is a slight increase compared to the previous year. Until 2018, construction of roads and bridges reached 3,432 KM with 947 KM of toll roads, 39.8 KM of bridges and 134 units of suspension bridges.

Development of transportation connectivity has also been improved. Development of train transportation is indicated by the expansion of railways, including dual lines and reactivation as much as 719.86 km'sp (kilometer spoor) for the period of 2015-2018, improvement and rehabilitation of

railway which reached 423.6 km'sp for the period of 2015-2018, construction of Light Rail Transit (LRT) in South Sumatra, Jakarta and Jabodetabek (completed in 2019) as well Mass Rapid Transit (MRT) which will commence operations in early 2019.

Development of air transportation is indicated by the development of 10 new airports, and revitalization and development of 177 airports in disaster-vulnerable, isolated and border areas in 2018. Development of sea transportation is indicated by the development of 19 sea ports in 2017 and also 7 more sea ports which will be completed in 2019. Goods capacity of transportation has also increased to 19.7 million TEUs (twenty-foot equivalent units) / year in 2017.

Contribution of manufacturing sector as a proportion to GDP declined slightly in 2018 to 19.86% due to a decline in manufacturing of oil and gas. Despite the decrease, Indonesia still experienced positive growth in manufacturing sector and the manufacturing sector is still the largest contributor to GDP. The manufacturing sector also employed 14.72% of the workforce in 2018, with a high proportion of employment in the food industry.

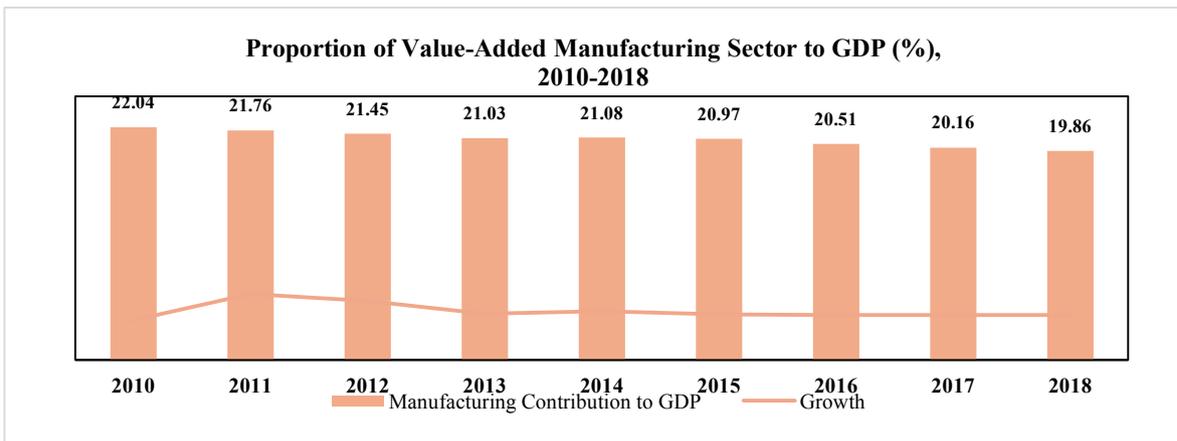


Figure 129. Proportion of Value-Added Manufacturing Sector to GDP (%)

Focus on micro and small industry, based on survey (Statistics Indonesia, 2015). In 2011 - 2015, SMIs value-added as proportion of industrial GDP fluctuated from 2011 to 2015 and reached 3.74% in 2015. One reason for performance fluctuations in SMIs is the limited access to formal financing due to restriction in providing collateral and business feasibility. The government addressed this issue by increasing Microlending (Kredit Usaha Rakyat/KUR) distribution, with as much as Rp120 trillion distributed by 31 December 2018. Proportion of KUR distribution in the manufacturing sector increased from 5.645% to 7.34% in December 2017, accompanied with a decrease in KUR interest rate from 9% to 7%.

Increased KUR distribution and lower interest rates were also followed by an increase in number of Micro, Small and Medium Enterprises (MSME) credit accounts, including in the manufacturing sector, from 8.4 million accounts in 2010 doubling to 16.3 million accounts in 2018 (Bank Indonesia, 2018). The challenges faced in developing SMIs besides of credit access are access of market and quality of product which SMIs product from Indonesia have not been able to supply large industries and export market

Sustainable manufacturing growth is also determined by science and technology, as well as innovation. Adoption capacity of science and technology innovation in Indonesia is still low, indicated by Indonesia's ranking of 85 out of 126 countries within the Global Innovation Index (GII) score of 29.8 on a scale of 0-100 (2018). This low rank is due to inadequate research and development infrastructure. The number of human resources for science and technology is still limited as only 14.08 percent of them have doctoral degrees.

Government Research Expenditure as a proportion of GDP in Indonesia is still low, only 0.2 percent in 2015. Ecosystem for innovation has not been fully created so that the down-streaming and commercialization process of research and development is not optimal. Triple Helix collaboration supported by adequate capacity of higher education as a source of technological innovation (center of excellence) also needs to be continuously improved.

Development of science and technology is also indicated by access and capability to information and communication technology. The proportion of cellular phone owners also continue to increase from 38.5% in 2010 to 62.41% in 2018 (Statistics Indonesia, 2018). Indonesia is listed as the 8th country in the world with the largest population of

internet users (Internet World Statistics). This is supported by the number of districts/cities covered by national fiber optic. Up to 2018, 499 out of 514 districts/cities have been covered with 3G networks, and 492 of them have been connected with 4G network. In 2019, it is targeted that all districts and cities will be connected to broadband backbone network jointly developed by telecommunication operators and cooperation between the Government and Business Entity through the Palapa Ring project to overcome the digital divide.

## **B. Challenges**

Challenges in building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation include: (1) equity of integrated, quality and affordable infrastructure development to support the provision of basic services, the increase of connectivity and performance of productive sectors by accelerating infrastructure development prioritized for the Eastern Indonesia Region (*Kawasan Timur Indonesia/KTI*), small islands, frontier and outermost regions of Indonesia; (2) improve SMIs performance which are stimulated with credit access and producing capacity to match the quality of market needs; (3) enhance adequate budget allocation through private sector involvement in R and D funding, as well as links between quality of human resources, research and development and also industrial development needs; and (4) increase utilization of advances in information and communication technology optimally to increase productivity, product diversification and industrial competitiveness, as well as expanding access to markets.

## **C. The Way Forward**

Based on Annual Work Plan Document the policy directive for the development of infrastructure, industry and innovation in 2019 are as follows:

1. Support sub-national governments in increasing transportation quality through provincial steady road, and district/city roads that support transportation system connectivity and mobility to public services facility as well as local centers of growth/economy. The goal is to support the increase in local steady road (provincial or district/city) according to 2015-2019 National Medium-Term Development Plan.
2. Build Indonesia from the border by strengthening villages and the rural area in the framework of a unitary state, through fulfilling basic services and increasing accessibility to basic services in underdeveloped regions, border regions, transmigration regions, and populated outermost islands.
3. Support regional governments in increasing their transportation quality through increasing connectivity, accessibility, and mobility of their people in National Priority Areas (industrial zones, special economic zones, National Strategic Tourism Areas, debottlenecking areas, underdeveloped regions, border regions) that is integrated in the national transportation system (transportation nodes and national logistic route), as well as increasing the welfare development in Papua and West Papua.
4. Build industrial infrastructure as one of the basis to achieve the targeted economic growth rate in 2015-2019 National Medium-Term Development Plan.

5. Build infrastructure to develop tourism facilities through the development of tourist attractions and increasing tourism amenities in 88 National Strategic Tourism Areas and 222 National Tourism Development Areas (not including the 10 Priority Destinations and Toraja National Strategic Tourism Area).
6. Build integrated attraction, amenity, and accessibility infrastructure in nationally-prioritized tourism areas.
7. Enhance the competitiveness of higher education through strengthening the capacity of higher-education institutions as centers of science and technology development as well as boosters for the implementation of technology innovation in various areas of development.



#### 4.2.8 Goal 11. Sustainable Cities and Communities

The discussion of Goal 11 in Indonesia is focused in making cities and human settlements inclusive, safe, resilient and sustainable, with indicator proportion of households with access to adequate and affordable housing.

##### A. Trend Analysis

###### a. Access to Adequate Housing

Proportion of households with access to adequate housing has improved from 34.24% in 2015 to 38.30% in 2018. The achievement was marked by an improvement in four components of the house adequacy assessment, namely: size of house, house durability, access to water and access to adequate sanitation.

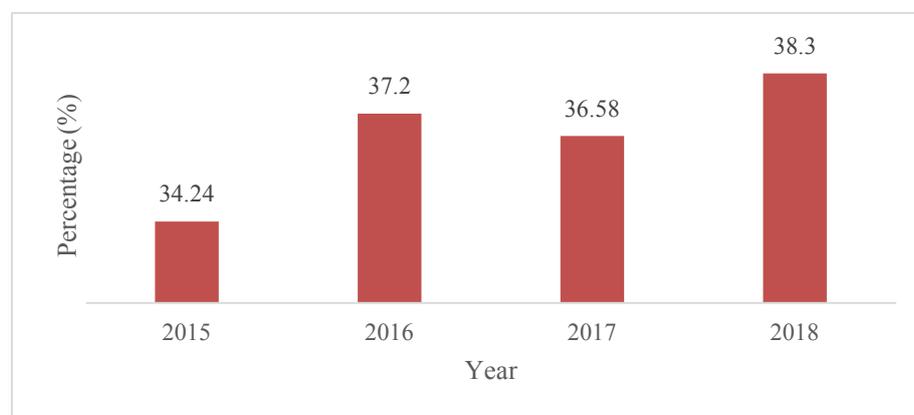


Figure 130. The proportion of households living in adequate housing in 2015-2018.

Source: Statistic Indonesia

##### B. Challenges

The challenges faced in the development of sustainable cities and communities are (1) provision of adequate and affordable housing, especially for low-income groups; (2) infrastructure and basic services for settlements that are often inadequate, thus triggering the expansion of slums; (3) provision of land for housing, especially for low-income groups in urban areas; and (4) limitation in financing housing for low-income groups; (5)

inadequate inter- and intra-city connectivity; and (6) subprime efforts to provide open green space/public space in urban areas have not been optimal to meet 30% of the total area.

### **C. The Way Forward**

Improving access to adequate and affordable housing, especially for low-income groups by several strategies, include: (1) Facilitate the provision of adequate and affordable housing; (2) Facilitate the improvement of housing quality; (3) Facilitate the financing for low-income groups housing; and (4) Facilitate the housing quality improvement in order to obtain a city without slums.



#### **4.2.9 Goal 12. Responsible Consumption and Production**

The discussion of Goal 12 in Indonesia is focused on the implementation of sustainable consumption and production patterns in Indonesia, which is measured by several indicators, such as: (1) the number of “Proper” participants who achieve a minimum blue rank; and (2) the number of companies that apply SNI certification of ISO 14001.

##### **A. Trend And Analysis**

###### **a) Proper Program**

The company performance rating program (Proper) is a program to assess the level of company’s role in environmental management. There are five Proper categories, namely Gold, Green, Blue, Red and Black, which are in order of company performance from the best/consistent to the lowest. During the period of 2002-2016 there was an improvement of the proportion of companies that are contributed positively to environment, from 60% (2002-2003) to 85% (2015-2016). In the 2015-2016 period there were 12 companies with the title of Gold, 172 Green, 1,422 Blue, 284 Red, while only 3 companies received the Black category.

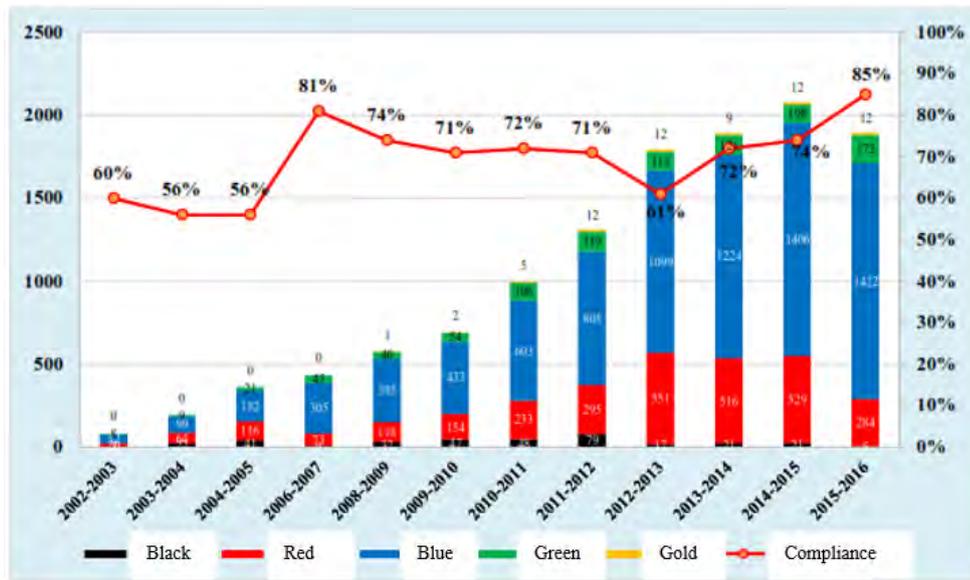


Figure 131. The number and level of compliance of companies that follow the Proper, Year 2002-2016.

Source: Ministry Environment and Forestry

### b) Application of SNI ISO 14001 Certification

SNI ISO 14001 is an internationally agreed specification in implementing requirements for environmental management systems. During the period of 2010-2017 the number of companies in Indonesia who have received ISO 14001 certification has increased from 1,028 (2010) to 2,197 companies (2017).

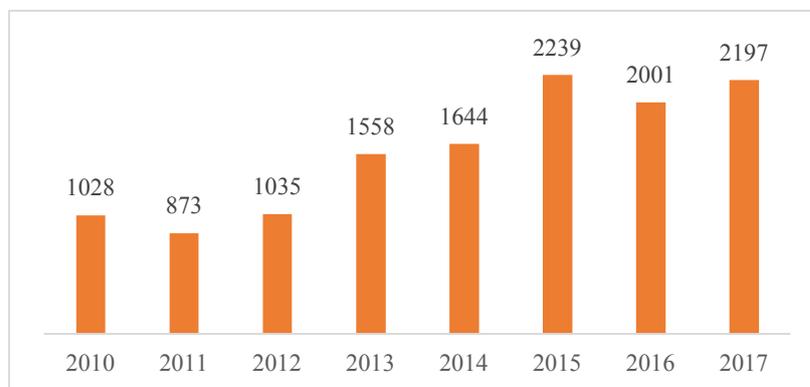


Figure 132. Number of companies that apply SNI ISO 14001 certification in 2010-2017 (source: <https://isotc.iso.org/livelink/>)

## B. Challenges

The challenges faced in developing sustainable production and consumption patterns are (1) the need for intervention of operational policies regarding the implementation of the sustainable consumption and production (SCP) principles in the business cycles and processes of government, private sector and society, in a comprehensive manner including in terms of funding; (2) the need to eliminate the negative relations between economic growth, which often drains the quality of

environment and natural resource reserves; (3) the need to implement sustainable production and consumption patterns to replace unsustainable development practices (decoupling) into sustainable development.

### C. The Way Forward

Supporting innovative approaches and solutions, includes policy innovation, stakeholder collaboration, on the ground operational change of practices, through: (1) Increasing driver of responsible consumption and production by creating demand through green public procurement policy for central and local government start at 2019 and educating sustainable lifestyle for communities in public facilities; (2) Developing Indonesia SCP resource poll as good practice sharing platform for stakeholder collaboration; (3) Strengthening SCP communication to public in improving communities of practices.



#### 4.2.10 Goal 14. Life Below Water

The discussion of Goal 14 is focused on the conservation and sustainable use of the oceans, seas and marine resources for sustainable development in Indonesia, which is measured by: (1) increasing the vast number of marine conservation areas; and (2) the sustainable establishment of 11 fisheries management areas (WPP).

##### A. Trend Analysis

###### a. Marine Protected Area (MPA) and its Sustainable Use

During the period of 2015-2018, there was an increase in marine protected areas every year. Marine protected areas increased from 17.30 million ha (2015) to 19.30 million ha (2018). This consistent increase shows that Indonesia is optimistic about achieving the target of 20 million ha of marine protected area by 2019.

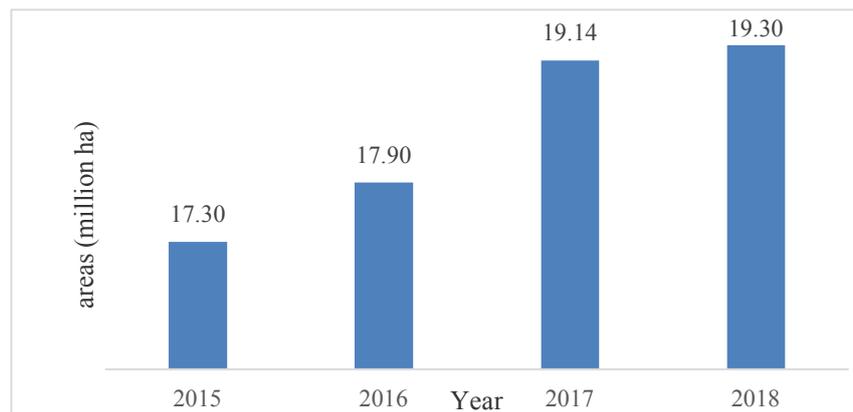


Figure 133. Marine protected areas, Year 2015-2018  
Source: Ministry of Marine Affairs and Fisheries

###### b. Fisheries Management Areas

In the effort to encourage the use and management of sustainable fisheries resources, Indonesia has divided fisheries management into 11 Fisheries Management

Areas (WPP), which are stipulated in the Minister for Marine Affairs and Fisheries Decree No.18 Year 2014. Moreover, the Fisheries Management Plan (RPP) for all WPP has been determined through the Ministerial Decree of Marine and Fisheries Affairs<sup>8</sup>

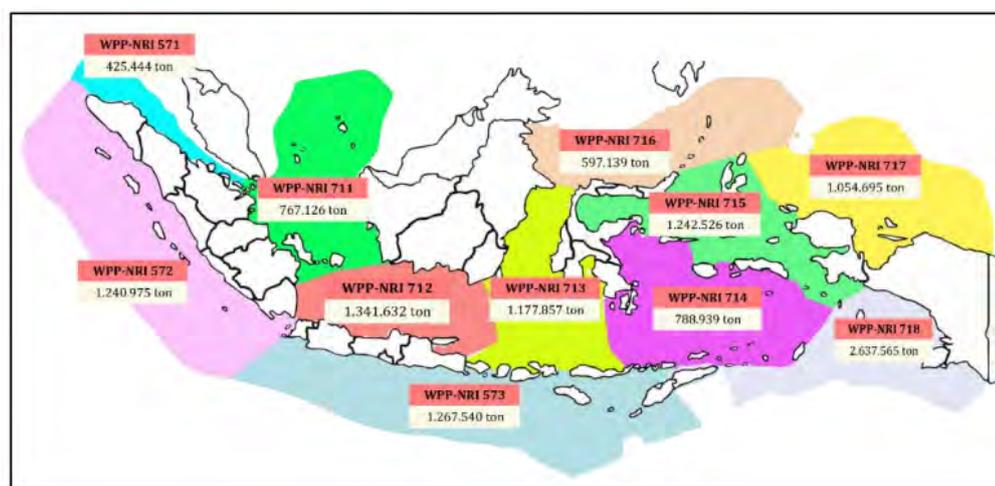


Figure 134. Map of potential fisheries in Fisheries Management Areas (WPP).  
Source: Ministry of Marine Affairs and Fisheries

## B. Challenges

The challenges of ensuring the realization of sustainable fisheries management models include: (1) the right, effective, and efficient structure as well as mechanism of WPP governance to achieve good fisheries management; (2) inclusive involvement of all fisheries actors in utilizing the fisheries potential legally and in a reported and regulated manner; (3) capacity building and operational capacity as well as strengthening of fishers institutionally; and (4) drafting appropriate regulations for the use of funds and technical assistance for small-scale fishermen and the management of capture areas.

## C. The Way Forward

Increasing community resilience to coastal and marine disasters as well as inter-regional and international cooperation in marine conservation, through: (1) management of marine services in the context of economic development; (2) revitalization of traditional and local communities on small islands; (3) expansion of the scope of marine cooperation at regional and global levels; and (4) strengthening cooperation in inter-regional sea management.

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<sup>8</sup> (Ministerial Decree of Marine and Fisheries Affairs: No. 75/2016 (WPP 571), No. 76/2016 (WPP 572), No. 77/2016 (WPP 573), No.78/2016 (WPP 711), No. 79/2016 (WPP 712), No. 80/2016 (WPP 713), No. 81/2016 (WPP 714), No. 82/2016 (WPP 715), No. 83/2016 (WPP 716), No. 84/2016 (WPP 717), dan No. 54/2014 (WPP 718).



#### 4.2.11 Goal 15. Life on Land

Achievement of Goals 15 is focused on the proportion of forest cover to the total land area.

##### A. Trend Analysis

###### a. Forest and Land Cover

During the period of 2011-2017, Indonesia's forest and land cover area experienced decline. Nationally, the proportion of forest and land cover decreased from 52.22% (2011) to 50.18% (2017). This is attributed to various factors, both human activities and natural disasters which exert pressure on the area of forest and land cover in Indonesia.

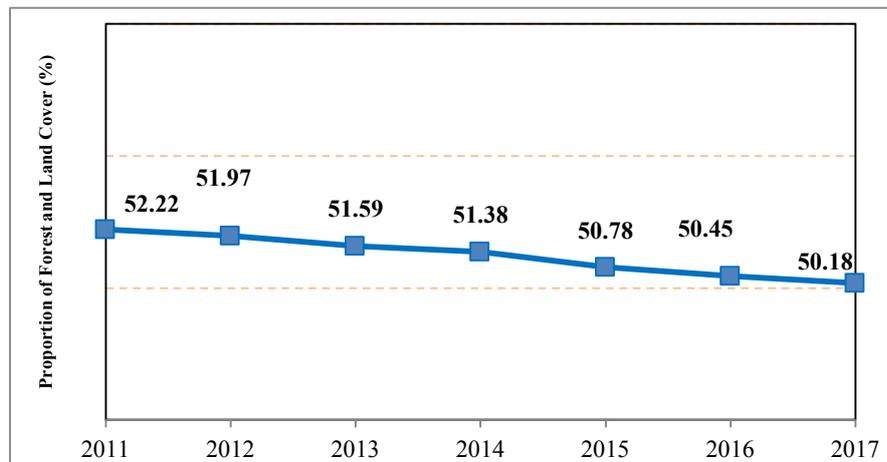


Figure 135. Proportion of forest and land cover in 2011-2017  
Source: Ministry of Environment and Forestry

##### B. Challenges

Environmental damage, especially in terrestrial ecosystems was caused by the existence of legal violations in the natural resources sector and the environment, such as illegal logging, forest and land fires, illegal mining, and non-procedural forest exploitation. In addition, the shrinking of the ideal habitat for endangered species on four major islands (Sumatra, Java, Kalimantan and Sulawesi) was driven by an increase in the area of monoculture plantations which increasingly suppress forest cover and can result in increased biodiversity loss if not immediately addressed.

##### C. The Way Forward

Increased conservation, as well as preservation and utilization of biodiversity, are carried out through: (1) increasing conservation of forest resources and forest governance; (2) preservation and development of the use of the biodiversity economy; and (3) increasing the protection and security of forest ecosystems, biodiversity, and genetic resources.

## CHAPTER 5

### MEANS OF IMPLEMENTATION

In the middle of dynamic global and domestic challenges, Indonesia has shown its progress to achieve the post-2015 agenda's targets. This is certainly not rooted in a single factor nor actor, but an interdependent policy mix designed and implemented by various stakeholders at different levels and spaces. The integration of the SDGs into the national and subnational policy agenda has made the SDGs planted and rooted in development technocracy processes and practices. The following describes the policy mix, started from a concise explanation of national policy umbrella and followed by a set of selected sector policies.

#### 5.1 General Policy Umbrella

The post-2015 agenda is not solitary and separately implemented, but hand in hand with the national development policy agenda. The implementation of national development agenda, therefore, is also the implementation of SDGs; and in its substance, the achievement of SDGs targets is mirrored in the achievement of national development targets, and the other way around.

The Presidential Regulation (PR) No. 2 Year 2015 on RPJMN 2015-2019 clearly shows this connection. The RPJMN contains the SDGs substances, and the two documents are harmonically corresponded in their essence. The correspondence is strengthened even more when the RPJMN is elaborated into the government annual plans (RKPs) as indicated by (a) PR No. 60 Year 2015 for the 2016 RKP under the main theme of "Physical Infrastructure as the Foundation for Good Development Quality", (b) PR No. 45 Year 2016 for the 2017 RKP ("Physical Infrastructure for Employment Generation, Poverty Alleviation, and Inequality Reduction"), and (c) PR No. 79 year 2017 for the 2018 RKP ("Investment and Physical Infrastructure for Growth and Equality"). The current 2019 RKP (PR No. 72 Year 2018) takes even more obvious interconnected theme, "Equality for Good Quality of Growth".

The correspondence does not stop here, as a special PR—namely PR No. 59 Year 2017 on "Implementation of SDGs"—was released to echo the correspondence of the RPJMN, the RKPs, and the SDGs. This PR specifically instructs the government not only to align the SDGs and the coming long-term national development plan (*Rencana Pembangunan Jangka Panjang Nasional*, RPJPN) and RPJMN but also, to design the SDGs Roadmap 2017-2030, followed by the National Action Plan (*Rencana Aksi Nasional*, RAN) 2017-2019, and a series Subnational Action Plans (*Rencana Aksi Daerah*, RAD). The technocratic process of these plans is further guided by the Minister Regulation (MR) of Bappenas No. 7 Year 2018 on "Coordinating, Planning, Monitoring, Evaluating, and Reporting SDGs Implementation".

Clearly, the strong nexus has been set, by design, even since the early stages of SDGs initiative. This unites all stakeholders at different levels and spaces to take their pertinent and compatible parts—not only the line ministries, national and subnational government institutions, as well as state auxiliary bodies, but also private corporates, philanthropies,

academia, and civil society organizations. On this landscape, as ‘no one is left behind’, the country’s SDGs have become ‘everybody’s business’.

## 5.2 The Means of Implementation

The means of SDGs implementation are reported in an interrelated structure. Following the section of Methodology, at the top of this structure Goal 10 is set as the end of intention. This is supported by Goals 4, 8, and 13 as the underlying determinants, assumed to affect the intention. Meanwhile, Goals 16 and 17 buttress those-mentioned goals as the enabling environment. Since the goals are set in an interrelated structure, one goal bears upon another conjointly.

As reported in the previous sections of this VNR, Indonesia has been able to reduce inequality. Albeit the inequality, measured by Gini ratio, is still at the moderate level and its reduction is comparably small, the declining trend in the last four years is obvious. A set of factors explains the progress.

### *Policy Coherence*

#### **a. Social Inclusion**

In the past, the radar of policy discourses did not capture well two neglected, socially excluded, groups—disabled community and women group—into policy alert. In the past, policy formulation was irresponsive to these groups. Nowadays, however, policy attention has shifted to these groups. Law No. 8 Year 2016 on Disability had been signed by the president to substitute the former one, Law No. 4 Year 1997. The new law is the back-bone of the group to be more involved in various social-economic activities as it shifts the view from charity-based perspective to rights-based participation.

In the meantime, consciousness is also raising that the most important disability issues are not about the physical, biological, and psychological constraints of the disabled community, but the unfavorable socio-economic environment around the community. Therefore, the advocacy agenda needs to be directed to create a favorable socio-economic environment for the community. For this purpose, the law also instructs the government to establish a national committee for disability, called National Committee for Disability (*‘Komite Nasional Disabilitas’, KND*), to monitor the implementation of the law, where the deadline for the committee formation is the year 2019 at last. At the same time, the disability issues have also been captured in the National Action Plan of Human Rights (2015-2019) due to PR No. 33 Year 2018 replacing PR No. 75 Year 2015. The master plan of inclusive development for disabled community is also currently being deliberated at various fora. In line with this, it is also important to note that in the year of 2018 the government had officially opened for the first time an opportunity for this group to follow the selection in the government officer process of recruitment, as some posts had been made available.

## **Box 42.**

### **Towards More Empowered Life: A Learning Experience from OHANA Association**

People with disabilities are often regarded as unproductive and dependent, but through various programs conducted by OHANA Association, people with disabilities have better hopes, along with the implementation of capacity building and policy advocacy programs.

The OHANA Association is located in the Special Region of Yogyakarta (DIY). It works on regional and international cooperation on Disabled Person Organizations in Indonesia and works with non-profit organizations in disability such as Global Mobility from USA and Hope Haven Guatemala. OHANA Association carries out collaboration in the fields of promotion, innovation, technology education. It also has an advocacy program in the field of user-friendly mobility aids through the Seating Clinic program and Training of Wheelchairs Machine Shop in Indonesia. OHANA Association received support from the German Embassy in Indonesia to the tune of IDR 350,000,000.00 (± USD 25,000) to implement the Seating Clinic program and Training of Wheelchairs Machine Shop in Vietnam.

This partnership is aimed at increasing the welfare of people with disabilities by providing technical assistance to establish wheelchair machine shops. The goals of this program are as follows: (1) to enable people with disabilities to establish wheelchair machine shop outlets in DIY and Central Java (2) to empower people with disabilities so they could carry out activities both inside and outside the home with mobility aids according to the needs, and (3) enable transfer of technology in any activities related to the use, maintenance, and repair of mobility aids. The collaboration also opens up new opportunities for cooperation with ASEAN countries, which could increase diplomatic cooperation and the welfare of people with disabilities.

(Source: OHANA Association)

On gender equality, the view has also changed. It is no longer about woman emancipation, but two folds. First, gender equality—equal rights, opportunities and responsibilities—is about human rights and social justice; second, better gender equality matters for sustainable, people-centered, development. Gender-responsive budgeting is a good illustration for this view. It has a long root of journey, started from Presidential Instruction No. 9 Year 2000 on Gender Mainstreaming Strategy, captured in PR No. 2 Year 2015 on RPJMN 2015-2019, and instructed in Minister of Finance Regulation 94/PMK.02/2017. The last-mentioned regulation relates to gender-responsive budgeting that needs to be included in the annual budget of line ministries. Between these years of issuance of the regulations, there is also another regulation issued by the Ministry of Home Affairs on the implementation of gender-responsive budgeting at sub-national level. On top of these regulations, the RPJPN 2005-2025 has documented a set of policy directions on women empowerment, namely (1) to improve of the quality of life and the role of women in various development sectors; (2) to decrease the number of violence, exploitation and discrimination of women; and (3) to strengthen institutionalization and network of gender mainstreaming.

Issues on social inclusion can also be extended to other marginal groups, especially to their accesses to socio-economic resources. There are a big number of farmers with no access to land; and there are two parallel programs to deal with the issue. First, land certification under agrarian reform program; and, second, social forestry program. The former is governed by the National Land Agency (*Badan Pertanahan Nasional*, BPN), while the later by the Ministry of Forestry and Environment (*Kementerian Lingkungan Hidup dan Kehutanan*, KLHK). The Agency has handed over about 40 percent of 126 million pieces of land certificate to distribute during 2017-2019. At the same time, the ministry has released a huge hectare of land to be distributed to the farmers under social forestry program. Knowing the importance of land for the farmers, the President himself are very active in implementing the agrarian reform and social forestry programs.

While farmers with no land now have access to land, other poor groups are also targeted to have access to a program called 'Family Hope Program' (*Program Keluarga Harapan*, PKH), governed by the Ministry of Social Affairs. Under this program, each poor family receives Rp1.89 million (US\$137.40) worth in assistance every year since 2015. The money is distributed in four phases per year, that is Rp500,000 each in February, May and August, and Rp390,000 in November. The financial assistance is transferred to the families' bank accounts by members of the 'Association of State-Owned Banks' (*Himpunan Bank Negara*, Himbara), which includes Bank Rakyat Indonesia (BRI), Bank Mandiri, Bank Negara Indonesia (BNI) and Bank Tabungan Negara (BTN).

## **b. Economic Policies**

Economic policies—macro and micro—are responsible for the progress of SDGs achievement as the policies provide a favorable environment for economic actors to do commercial businesses. Albeit external pressures are almost exogenous to the span of policy control, sound macroeconomic policies—prudent monetary and fiscal management—have been quite successfully formulated and implemented to make a stable ecosystem for the economy to work. There is no doubt that external pressures have serious direct and indirect impacts on the country economy; therefore, a harmonized combination of monetary and fiscal policies is always needed; and, even, has become a standard integrated macroeconomic management of the country.

From the monetary side, the central bank has successfully kept the domestic economy to adjust with external dynamics by formulating BI 7-day Reverse Repo Rate (BI7DRR), deposit facility, and lending facility at the controlled acceptable rates—subsequently 5-6%, 4-5%, and 6-7%—along with close-monitoring of the country's balance of payment. The policy has become an industry standard in monetary arena to attract domestic financial market, to respond to the deficit of current account, and to adjust with the recent and coming global interest rates. Such a macro policy, by and large, protects the welfare level of low-quantile economic population to suffer from transmitted price pressures. The impacts are obvious. Inflation rates during 2017-2018 were relatively stable at around three percent. The rates are considered the lowest in the last 15 years. The rates were favorable for the implementation of anti-poverty programs, as evidenced through the declining poverty rates from about 11% in 2014-2015 to 10% in 2016-2017; even, for the first time of the country's development history, in 2018 the poverty rate reached a single digit of nine percent.

From the fiscal side, apart from remarkable increase in the government spending on physical infrastructure to speed-up the development of 'outer island' of Java, another portion of government expenditure has been designed to boost domestic consumption and provide safety nets for the left-behind groups. The total budget allocated to the construction of various infrastructure projects has increases at about 17% per year during 2015-2018, from Rp 256 trillion (2015) to Rp 410 trillion (2018). This amount includes the budget channeled through sub-national governments as the implementation of fiscal decentralization, namely Special Allocation Fund ('*Dana Alokasi Khusus*', DAK) on infrastructure, Village Fund ('*Dana Desa*') on infrastructure, and General Transfer ('*Transfer Umum*') on infrastructure. There are still another series of special budget allocated to three special provinces, namely Aceh, Papua, and West Papua, through the so-called '*Dana Tambahan Infrastruktur*' (Additional Fund for Infrastructure Development), with an increasing trend. In 2015, Aceh provinces received about Rp 2.1 trillion, while Papua and West Papua provinces received, consecutively, Rp 7.1 trillion and Rp 4.9 trillion. In 2018, the *Dana Tambahan Infrastruktur* for three provinces increased to Rp 2.4 trillion, Rp 8.0 trillion and Rp 5.6 trillion, respectively for Aceh, Papua, and West Papua provinces.

At the microeconomic level, a long series of economic policy packages has resulted in positive effects on the good and service markets. At almost every quarter the government releases the policy packages since the year of 2015. Now not less than 16 economic policy packages have been released covering a huge number of activities at micro-economic level. The packages promote industrial competitiveness, business climate, law enforcement, investment attraction, interest rates, etc. The packages include also policies directly addressing equality issues. It is a special credit scheme for SME, called *Kredit Usaha Rakyat* (KUR). In the past time, the credit was released with an interest rate of 22%. Now the policy significantly reduces the interest credit rate for SMEs to only 12%. The KUR also expands the beneficiaries. It is no longer exclusively directed to support SMEs, but also designed to benefit Indonesia's migrant workers under three categories: those who are going to work abroad, those who return home, and the worker's families. Furthermore, there is also another policy attention to SMEs. Not only is to provide access to financial market, the policy attention to SMEs also more strengthened by a new Government Regulation (GR) No. 23 Year 2018 replacing GR No. 46 Year 2013. The new GR stipulates that the tax rate to SMEs is reduced from 1% to 0.5% of the total sales.

The progress does not end here. The policy packages are added subsequently by another policy in labor market, especially on the minimum wage. The proposal of minimum wage formula had been very slowly deliberated and had taken about 12 years with no significant progress. Through the economic policy packages, now the current government sets the minimum wage to be fair, simple, and predictable, using a formula taking the rates of regional inflation and economic growth into consideration. The provincial governors are tasked with significant responsibilities to regularly monitor and adjust the minimum wage with the basic cost of living in a definite schedule.

## **Partnership**

### **a. Innovative Financing**

Indonesia has developed a wide range of non-traditional mechanisms to mobilize funds for development, commonly known as innovative financing (IF). For the relatively big scale of IF, some initiatives have been created; among others, they include the Non-State Budget Investment Financing (*'Pembiayaan Investasi Non-Anggaran Pemerintah'*, PINA) and the Government Cooperation with Business Entity (*'Kerja Sama Pemerintah dan Badan Usaha'*, KPBU). The PINA is a scheme for infrastructure financing focusing on projects yielding Internal Rate Return (IRR) above 13%. Under the PINA Center management that was established in the beginning of 2017, the scheme is directed to not only narrow gap financing, but also is to develop a set of valuable cooperation among investors and investees from domestic and international markets. Utilizing several financial instruments of PINA—pension fund, insurance, state wealth, and strategic investment company—Indonesia had facilitated a series of collaborations among investors and investees to finance various projects such as toll road, airport, renewable energy, and others with a total of investment about USD 2,3 billion. The PINA also contributed to pipelining on 33 projects such as plantation, aviation, tourism, and others with an investment of USD 39 billion.

The KPBU is another type of infrastructure financing, where the projects are specified to include the line ministries, state-owned enterprises, and local governments. Until now, there are 19 projects under KPBU scheme. At the same time, to enhance the government guarantee and to attract investors, the government established a joined-office of KPBU as one-stop service and became a coordination forum among the stakeholders of KPBU which has seven members of line ministries. To date, 13 projects with value about USD 8.9 billion had been funded through the solicited scheme. These 13 projects are the part of National Strategic Projects (*'Proyek Strategis Nasional'*, PSN) that include construction of toll road, energy, telecommunication, and water provision. One of the successful stories is Drinking Water Provision System (*'Sistem Penyediaan Air Minum'*, SPAM) in Umbulan, East Java.

As mentioned above, PINA and KPBU are basically two collaborative projects among various concerned-stakeholders. One of the stakeholders is PT Sarana Multi Infrastruktur (SMI) taking a part into these projects under a platform called 'SDG Indonesia One'. PT SMI is a state-owned enterprise (SOE) mandated to accelerate infrastructure development and to support the implementation of Public Private Partnership (PPP) schemes. The mandate has two focuses, namely (1) optimization of the economic and social benefits for the communities; and (2) support for the achievement of SDGs as well as mitigation of the climate changes. PT SMI is a *special mission vehicle of the Ministry of Finance to generate new sources of development financing*. The 'SDG Indonesia One' integrates public and private funds through blended finance schemes; channeled them into SDGs-related investment projects.

One example to illustrate is green bond that refers to the regulation of POJK No. 51/POJK.03/2017 on the Implementation of Green Financing for Financial Institution, Emitted and Public Company and POJK No. 60/POJK.04/2017 on Green Bond issued by the Financial Service Authority (*'Otoritas Jasa Keuangan'*, OJK) Indonesia. In the year of 2018, PT SMI has issued the first green bond in Indonesia, called 'Sustainable Green Bond

I of SMI'. This is to accompany another bond issued previously, called 'Sustainable Sukuk Bond I of SMI'—an Islamic *shari'a* financing in money market. Together with Islamic-type of contribution called *zakat* and *wakaf*, the green bond and sukuk have formed an innovative finance lab for the country SDGs. Meanwhile, the Center for Sustainable Finance Knowledge-LPPI has delivered sustainable finance materials in "national compulsory training" of bank officials and other related institutions.

Furthermore, in the Global Progress Report of the Sustainable Banking Network, Indonesia is considered as one among eight countries that has reached an advanced stage in having implemented large-scale reforms and put in place systems for results measurement in sustainable finance. The report positively underscores Indonesia's Financial Services Authority (OJK)'s comprehensive Sustainable Finance Roadmap, which includes 19 medium and long-term activities to be conducted between 2015 and 2024 of all financial services institutions to implement sustainable finance.

As the most generous country according CAF World Giving Index, the efforts do not stop here. For example in July 2018, a special book explaining *fikih zakat* on SDGs (literally, legal basis for contribution to SDGs for Muslim) was released to the public. This guideline was initiated by the National Amil Zakat Agency (BAZNAS) in collaboration with Baznas, Indonesian Ulama Majlis, Indonesian Philanthropy, Islamic State University of Syarif Hidayatullah, supported by the Ministry of National Development Planning of Bappenas and the Ministry of Religious Affairs. This guideline is considered as the first attainment in the world of Islamic financing. The implementation of this guideline is reflected through a blended finance scheme among the Ministry of Energy and Mineral Resources, BAZNAS, Jambi Bank and UNDP to build a Micro Hydro Power Plant in Jambi Province in Sumatera. This micro hydro power plant provides electricity to four remote villages for 803 households and give impact to 4,448 people.

Among VNR report 2016 and 2017, Indonesia is selected as one of six best countries of concreteness in SDGs investment plans, investment gaps, priority gaps, priority projects and sectors. Indonesia's innovative financing initiatives have brought the country to be one of the countries in the globe selected by the UN to join in SDGs Investment Fair at the UN Head Quarter in April 2019. Indonesia presented some potential projects that can be done through collaborated innovative financing for SDGs.

Another IF scheme that can also be evidently seen is e-commerce. E-commerce in the country is a melting pot of bulk young and big demography with a strong mobile-oriented life style, remarkable cashless payment, and most importantly—from equality perspective—huge SMEs participation. At the same time, it also attracts the economically inactive population cohort to integrate into digital economy through various platforms that did not occur in the past

E-commerce is a new increasing financial industry in the country, utilizing two interactive factors. From the demand side, there is a consistent growing income level of the population dominated by young and technology savvy demography who rapidly adjust themselves to new technology. From the supply side, there is also an enlarging smartphone and internet penetration with continuous growth. The development of e-commerce strongly reflects the development of digital economy that has considerably lifted the use of cashless money for financial transactions in the country. Indonesia is now jumping from branch to mobile banking and skipping desktop banking. This development

is not only about services to the clients but also mobilization of resources to narrow financing gap, where in turn responding to the SDGs

It is interesting to note that Bukalapak, Gojek, Tokopedia, and Traveloka are the country's four astonishing unicorns in mobilizing resources and connecting market players. Gojek now even has expanded its e-commerce business to the East Asia region—the Philippine, Singapore, Thailand, and Vietnam. Some of these digital platforms have also been playing important as digital philanthropy for development donation. Their unlimited market has created borderless universe even for donation and contributing to development.

It is also important to note here that these unicorns have brought a huge amount of SME to get online. These e-commerce businesses have not only opened, but also have proven to lift-up a wider range of SMEs integration in various market places and value chains—driving the inclusive growth as well as helping SMEs gain access to financial services through online and mobile payments. It also evident that e-commerce has supported productive activities, entrepreneurship, and decent jobs.

## **b. Climate Action**

Climate action has been in the policy discourses for a quite long time. It started from PR No. 61 Year 2011 on Greenhouse Gas Action Plan and PR No. 71 Year 2011 on GHG Emission, where special emphasis was given to climate mitigation; to the Bappenas' National Action Plan on Climate Adaptation (2014) on climate adaptation. Under the umbrella of Law No. 32 Year 2009 on Environmental Protection and Management, climate action is further translated into Government Regulation (GR) No. 46 Year 2016 on Strategic Environmental Assessment (SEA).

A further action had also been made at the subnational level as the Minister of Home Affairs issued MR No. 7 Year 2018 on Implementation of SEA. The MR instructs the subnational governments to incorporate SEA in their RPJMD. This is to follow the previous regulations issued by the Minister of Environment No. 9 Year 2011 and the Minister of Home Affairs issued MR No. 67 Year 2012 that instruct the sub-national governments to incorporate SEA in their spatial plan of RTRW (Rencana Tata Ruang Wilayah). A series of stakeholder consultations has been made by the subnational governments to respond to MR No. 7 Year 2018. The results of consultations will be documented in the Subnational Medium Development Plans (RPJMD) 2018-2023 or 2019-2024.

The implementation of SEA is not separated from an accompanying action called 'Low Carbon Development Initiatives' (LCDI). For the first time in the country's history, low carbon is seriously taken into account. Working with the subnational governments, two pilot projects are now being implemented to serve LCDI. First, the Indonesia Climate Change Trust Fund (ICCTF) project in Central Java. The project combines climate action with income generation through investment in bio-digesters which produce bio-slurry and compost that could improve the quality of soil and ecosystem. Second, the signing of sustainable province commitment by the West Papua provincial government on International Conference on Biodiversity, Ecotourism and Creative Economy held in Manokwari, West Papua (2018). The commitment was very much in the spirit of the LCDI and signified a very auspicious start to the country.

## Box 43. Community-Based Forest Fire Control



In the initial 3 years of SDGs implementation, the area coverage of forest and land fires in all regions of Indonesia has decreased. Based on Landsat satellite images, in 2015 fires reached 2,611,411 ha of forest and land, consisting of 891,275 ha peatland and 1,720,136 ha mineral land. Furthermore, in 2018 fires reached 510,564 ha of forest and land consisting of 125,340 ha peatland and 385,224 ha mineral land.

The number of hotspots in Indonesia has also decreased. Based on observations from Terra/Aqua (NASA) satellites in 2015 there were 70,971 hot spot while in 2018 only 9,245 hot spot.

The prevention of fires has helped reduce the extent of forest fires and CO<sub>2</sub> emissions into the atmosphere. The best way to control forest fires is to prevent fires directly at the source. Efforts were made with integrated patrols with relevant stakeholders, including the community. The female in the local community is also actively involved in activities on forest fire control.

The number of targeted villages continues to be increased to ensure more accurate early detection, rapid response and increased awareness. In 2018, the distribution of integrated patrols reached 72 districts, 349 sub-districts, 1255 villages in 8 provinces prone to forest fires in Indonesia. Targeted villages are selected through the level of vulnerability in which the data is closely monitored through satellite images. Patrol is conducted at specific times, in accordance with analysis by the Meteorology and Geophysics Agency.

In parallel, the capacity of the community is also strengthened by encouraging land management without burning and preventive efforts by maintaining water levels through peat restoration.



Forest fire control on the field  
and by helicopter



Checking the coordinates of  
hotspots in the field



Women in forest fire suppression

(Source: Ministry of Environment and Forestry)

### c. Data Cooperation

Indonesia acknowledges that data is very important for development. In Indonesia official data is provided by the 'Statistics Indonesia' (*Badan Pusat Statistik*, BPS). To support SDGs, the BPS has played its roles, by preparing and developing the indicators relevant to the country and comparable to the global measures. Through a series of data consultations and publications, the roles are also expanded; not only to support national government, but also subnational governments. Prior to these supports, the BPS had also been active in a number of international statistical sessions. Among others, in 2017 under the Framework for the Development of Environment Statistics (FDES) a serial session had been made in preparation for pilot ecosystem, energy, material flows, land, and water accounts as a part of UN System SDGs Action Database.

Along with the 15 year-implementation of SDGs (2015-2030), Indonesia will have two important events, namely population censuses 2020 and 2030 under the responsibility of BPS. The coming censuses will be different from the previous ones as digital technology has remarkably grown affecting the ways of the data collection. Knowledge has been accumulated and learned from the previous censuses, including surveys, thus BPS capacity now is much higher.

In 2018 the BPS and the Australian Bureau of Statistics (ABS) had signed a milestone for five-year agreement on a closer co-operation between the two national statistical agencies. The new MoU focuses not only on economic statistics, but also social statistics, human resources as a part of the bureaucracy reform process at the BPS, and the preparation of the 2020 Population Census, as well as IT transformation. The BPS's position has now changed. The BPS is no longer as the recipient of technical assistance from the ABS like in the past, but to be able to equally cooperate.

The BPS also collaboratively worked with the UNICEF and Bappenas to support their work in developing SDGs Baseline Data on Children. The work was published in 2017, under a title '*Laporan Baseline SDG tentang Anak-Anak di Indonesia*' (literally, 'Baseline SDGs Report in Indonesia's Children'). In 2015, working also collaboratively with UNICEF, BPS published an analysis on child marriage. Titled '*Kemajuan yang Tertunda: Analisis Data Perkawinan Usia Anak di Indonesia*' ('Delayed Progress: Analysis on Child Marriage Data in Indonesia'), the analysis was made on basis of the 2008-2012 National Socio-Economic Survey' (*Survey Sosial-Ekonomi Nasional*, SUSENAS) and the '2010 Population Census (*Sensus Penduduk*, SP).

In the year of 2017, a similar support was also given to UNFPA, Bappenas, and the Ministry of Youth and Sport Affairs to result in '*Indeks Pembangunan Pemuda Indonesia*' (literally, 'Indonesia's Youth Development Index'). Also, with UNFPA, the BPS is now preparing to do the 2020 Population Census. In the meantime, again in 2017, another work had been cooperatively done between BPS and FAO on capacity building for indicator creation on Prevalence of Undernourishment (POU) and Food Insecurity Experience Scale (FIES).

BPS' commitment to support the implementation of SDGs also reflects on the efforts to provide disaggregated data, namely through a technic of Small Area Estimation (SAE) to obtain data at district level, a pilot study to develop instrument for specific survey to obtain SDGs data, and effort to change the proxy indicators to be matched with global

indicator. Cooperation with IHME (International for Health Monitoring and Evaluation) and University of Washington for measuring the indicator of cause of death as the indicator that is still difficult to be estimated in Indonesia.

The BPS always share knowledge, experiences, and lessons learned with other countries, especially the developing ones, as a part of the country commitment to engage in and support the South-South Cooperation. Notice also, the BPS receives study visits from other countries, such as Nepal, Bangladesh, Albania, and many others.

### ***Communication Technology***

Albeit the country is big in geographic size, 'digitalizing the archipelago' is still a doable mission. As mentioned previously, the so-called 'Palapa Ring' project connects about 500 districts and cities through a gigantic broadband network and offers faster communication services throughout the country. The 'Palapa Ring' unites the archipelago through Submarine Cable *Communication System (Sistem Komunikasi Kabel Laut, SKKL)* and *Optical Fiber Communication System (Sistem Komunikasi Serat Optik, SKSO)*. Two of three regions in the country—the west and the central wings—have already been connected by the end of 2018, while the east wing now is about 96% achievement from the target. 'Palapa Ring' also answers the challenge of digital gap in the hinterland jurisdictions in the country, characterized by the '3Ts' - *Terdepan, Terluar, and Tertinggal* (borderline frontier, outermost, underdeveloped) regions. For this purpose, the universal telecommunication and internet access program has been designed for rural populations. The program provides accesses to internet in schools, training centers, health centers, village halls, government offices, including those living and situated in the '3T'-jurisdictions. The expansion of services to the '3T'-jurisdictions cannot only be seen as an effort to narrow digital divide, but also to bring these jurisdictions together with other jurisdictions to dynamically follow the era of ITC. With an increasing trend of ITC literacy in the '3T'-jurisdictions, digital development is directed to support commercial businesses, social interactions, and public services.

The Presidential Instruction (*Instruksi Presiden, Inpres*) No. 9 Year 2015 on Public Communication Management has made the country connectivity available from island to island thus ensures the equality of access to information that narrow the challenge of digital divide (i.e., digital gap) across the country. This Inpres supports GR No. 96 Year 2014 on National Broadband 2014 -2019, further elaborated in Joined Circular Letter (*Surat Edaran Bersama, SEB*) of the Ministry of Communication and Informatics and the Ministry of Home Affairs on Joined Development and Utilization of Passive Telecommunication Infrastructure that opens possibilities for sub-national government to involve. As the project also involves sub-national government, the Minister of Finance Regulation (*Peraturan Menteri Keuangan, PMK*) 129/PMK.08/2016 replacing 265/PMK.08/2015 on Preparation and Implementation KPBU Infrastructure Project facilitates the financing mechanism for the parties at the sub-national level to join.

### ***Institutional Capacity***

The government commitment to implement good governance is clearly stated in the RPJMN 2015-2019. The commitment is translated into a set of agenda to build clean, effective, democratic, and trusted governance, where the specific sub-agenda is to build transparency and accountability of government performance. This is further elaborated



into three main strategies, namely (a) improving management system with integrated, credible, and accessible government institutions performances' report; (b) applying e-government to support government business process and modest, efficient, transparent, and integrated development; and (c) applying open government to support the realization of open, participatory, and accountable government in public policy making and supervising its implementation.

Good governance is basically not a new value since a series of policy has long been formulated as a part of the government technocratic processes in the areas of planning, budgeting, and information dissemination. National and subnational plans and budgets are not only openly and regularly publicized as the government reports, but also since the beginning of the planning and budgeting process, the documents are accessible to the public. More than this, on the public sector budget, the Audit Board of the Republic of Indonesia (*Badan Pemeriksa Keuangan, BPK*) also offers accessible information to the public to scrutinize the results of the national and sub-national budget audits. These relate to Law No. 8 Year 2008 on Public Information Openness that had been released about 10 years ago and followed two years later by GR No. 61 Year 2010 to translate further the law into technocratic process.

In addition to this, electronic planning and budgeting are being implemented at both national and subnational levels. On the later, Regulation of the Ministry of Home Affairs No. 8 Year 2014 on Information System of Sub-national Governance (*Sistem Informasi Pemerintahan Daerah, SIPD*) has provided a solid foundation for e-planning and e-budgeting. Regulation on e-procurement has also been in public since 2010 through PR No. 54 Year 2010, then later replaced by PR No. 4 Year 2015. Later, e-procurement has also its legal foundation through PR No. 16 Year 2018 on Government Procurement of Goods and Services.

Open Government Indonesia (OGI) is not a new policy either. Indonesia had involved in Open Government Initiative together with Brazil, England, Mexico, Norway, the Philippines, South Africa, and the United States of America in 2011 along with the launch of Open Government Partnership (OGP) initiative. The initiative has its root in Law No. 14 Year 2008 on Public Information Disclosure, and Law No. 25 Year 2009 on Public Service Delivery. It then continues to the issuance of PR No. 13 Year 2014 on the Determination of Indonesia's Membership in Open Government Partnership as Indonesia legal basis of its involvement in the multi-sector partnership. On public complaint handling mechanism, the *Layanan Aspirasi dan Pengaduan Online Rakyat* or 'LAPOR!' ('Report it!' or Public's Online Complaint and Aspiration Service) has been officially established as a National Public Service Complaint Management System (*Sistem Pengelolaan Pengaduan Pelayanan Publik Nasional/SP4N*) through PR No. 76 Year 2013. This is further accompanied by regulation of the Ministry of State Apparatus and Bureaucracy Reform 13/2017 on Public Services Information System (*Sistem Informasi Pelayanan Publik/SIPP*).

Recently, OGI has released the action plan on Open Government 2018-2020. This is the fifth action plan since the country joined the OGP. Among others, the action plan includes public consultation forum initiated by the Minister of Administrative and Bureaucratic Reform through MR No. 16 Year 2017 on Guidelines on Public Consultation Forum in the Public Service Unit which was also supported by Circular Letter (CL) No. 56 Year 2017 as a platform for opinion exchange between the public service administrators and civil society through various forms of media. Also, recently, to further implement

clean, effective, democratic, and trusted governance as demanded by the RPJMN, the President released GR No. 54 Year 2018 on National Strategy on Corruption Prevention. The anticorruption movement now goes hand in hand with OGI.

To conclude, the challenges to implement SDGs are not few, while the required resources are not small either. Indonesia recognize such a situation, therefore integrating SDGs into national development policy agenda is strategic seen from two points of view: effectiveness of planning and efficiency of financing. For these reasons, the country has built a path-way: implementation of SDGs is also implementation of national development agenda—and the other way around.

## CHAPTER 6

### WAY FORWARD

Adhered to the 2019 HPLF theme ‘Empowering People and Ensuring Inclusiveness and Equality’, development in Indonesia is implemented by upholding the principle of ‘*no one left behind*’, to ensure that the SDGs is implemented by all stakeholders and the results are enjoyed by all people of Indonesia. Towards that end, the following actions are needed to complete the achievement of the SDGs:

1. Reduce inequality through promoting inclusive and sustainable economic growth. Inter-region disparity will be reduced by strengthening connectivity and maritime sector. High quality economic growth will be accelerated through increased economic values and employment creation in various sectors including; agriculture, small and medium industries, tourism and other productive services. Indonesia has developed Inclusive Economic Growth Index, which will be the reference for national as well as sub national government in developing policies to accelerate the process towards prosperous Indonesians.
2. Increase quality of human capital by reducing poverty and increased access to quality basic services. In education sector, efforts will be made to focus on quality education while increasing access and reducing disparity, especially for the 12-years mandatory and early childhood education.
3. Adopt the low carbon development planning to achieve sustainable economic growth which integrates and interlinks the SDG goals. Disaster Management and climate change effects are managed through a massive and structured policy and implementation of Risk Management, adaptation and mitigation of the Climate Change.
4. Continuously foster bureaucracy reforms towards accountable and transparent governance by adopting information technology, for example in fighting corruption. Public participation will be reinforced by increasing the Indonesia Democracy Index and ensuring involvement of minority and vulnerable groups in policy development, hence ‘no one left behind’. Reliable disaggregated data is therefore necessary.
5. Ensure that SDGs in Indonesia are implemented with vibrant involvement of all stakeholders, in which integration of SDGs into national and local development plans is a critical step. More than half of the provinces already have developed their SDGs Action Plans, and thus moving forward, the remaining provinces will be the priority for assistance.
6. It is clear that public funds alone are not adequate to fund all SDGs, and thus Indonesia has established ‘Financing Hub’ at the Ministry of BAPPENAS, to facilitate various new and innovative financing mechanisms, either from private sectors, philanthropy or other potential partners, both foreign and domestic, in ensuring adequate funds for the achievement of SDGs.

## CHAPTER 7

### CONCLUSION

For the Republic of Indonesia, implementing national development agenda is implementing SDGs. The SDGs are institutionalized from the highest national level to subnational entities, and integrated into national and subnational development planning. This is a massive and collaborative endeavor between government and non-state actors designed to serve 264 million people – a third of which are children – comprising 1,300 ethnic groups across 17,000 islands.

The 2030 Agenda for Sustainable Development developed at the global level coincided with the period of Indonesia's 2015-2019 RPJMN. Some of the focuses of the two documents are in line, among others: poverty, hunger and malnutrition, health development, education and gender equality, efforts to reduce income inequality, and inequalities across regions. The SDGs have been mainstreamed into the National and Subnational Medium-Term Development Plan (RPJMN, RPJMD), which is further elaborated in the National and Subnational Annual Work Plan (RKP, RKPD). Localising SDGs in Indonesia is a reflection of Indonesia's highest commitment, as it reinforces national development agenda. Another commitment was shown by the establishment of a National Coordination Team for the implementation of the SDGs led directly by the President of the Republic of Indonesia. In addition, several regions have also formed regional coordination teams to implement SDGs at the subnational level.

Indonesia is not only committed to implement SDGs, but is determined to be a pioneer and role model for the implementation of SDGs in an effort to foster a more just, prosperous and a more peaceful society, as a manifestation of Indonesia's free and active foreign policy. Indonesia also seeks as much as possible to find a variety of financing sources to fund SDGs implementation, both conventional and innovative financing schemes. The sources of finance may come from optimization of state revenues; sources of non-government financing; and other legitimate and non-binding sources.

The experiences of formulating 2017 VNR is insightful for Indonesia to determine focus, increase inclusiveness and deepen involvement of all stakeholders, both the implementers and target beneficiaries that include persons with disabilities in drafting the 2019 VNR. Inclusiveness and leaving no one behind in the preparation of 2019 VNR are the main principles that are consistently applied. During the review all SDGs' stakeholders which are the government, academic and experts, philanthropists and business, as well as civil society organizations, are represented. The 2019 VNR timeline and schedule were also informed to all stakeholders to better engage them in the process of formulating the VNR. Moreover, to ensure that all stakeholders are provided with the widest possible berth to convey their inputs to the draft of the 2019 VNR, online and offline consultations were undertaken.

Indonesia has continuously been reducing inequality, complemented by sustained and inclusive economic growth and accountable governance. Poverty has been reduced to single digit for the first time in history, job opportunities and access to education increased at all levels, while GHG emission and disaster risks were reduced.

Indonesia has reduced inequality in the midst of global uncertainties, indicated by the decrease of Gini Ratio to 0,384 (2018). Reducing inequality is complemented by high and inclusive economic growth, increased job opportunities, increased education access in all levels, as well as reduced greenhouse gas (GHG) emission and reduced disaster risk supported by multi-stakeholder partnership and good governance.

As part of the G20, Indonesia experienced 5,17% economic growth, that is above than the G20 average of 2,29% and global average of 3,6% (2018). Besides, Indonesia experienced increased annual growth rate of real GDP per employed person that brings Indonesia almost to upper middle-income status.

Employment rate decreased to 5,34% with female unemployment percentage even lower (2018) and 9,38 million job creation during the period of 2015-2019. Furthermore, economic growth of underdeveloped regions is higher than the national average reflecting reduced economic regional disparity. Hence, this shows quality and inclusive Indonesia's economic growth.

Relatively high economic growth and reduced inequality is supported by increased education participation that is measured with ANAR at pre-primary education of 83,3% (5 yo) and 95,9% (6 yo), Gross Enrollment Rate (GER) at the Junior Secondary School of 91,5%, GER at the Senior Secondary School of 80,7% and GER at the Tertiary level of 30,2% in 2018. Gender inequality at all levels is almost non-existent, while access to Primary and Junior Secondary School is almost equal across income groups. However, the gap is still wide for access in Senior Secondary School and Tertiary level. Almost half of youth participates in formal and non-formal education, including training increased from 34,65% (2009) to 48,7% (2018). Inequality in access to education for youth is still a challenge for the disabled.

Although education access in all levels has increased, Indonesia still faces challenges in quality of education. Program for International Student Assessment (PISA) is OECD's tool to evaluate educational systems worldwide, and the scores showed that the minimum competence of Indonesia's pupils was still low, 31% for math and 45% for reading in 2015. This result is related to pupils' socio-economic status. The minimum competence of pupils from families in the bottom 25% income percentile was 16% and 28% consecutively for mathematic and reading, in comparison to pupils from families in the top 25% income percentile scoring 54% and 65% consecutively for math and reading.

Inclusive economic growth has been sustained by improved quality of environment and sustainable natural resources, disaster risk reduction, and climate change adaption and mitigation. In the last decade (2010-2017), Indonesia has reduced its GHG emission to 21,46%, and its intensity to 25% or  $\pm 430$  tonne CO<sub>2</sub>e/billion rupiah). Within the same time period, disaster risk has been reduced, rate number of deaths, missing persons and persons affected by disaster per 100.000 people has decreased from 0,8 (2010) to 0,14 (2017). This is aligned with decrease in direct disaster economic loss in relation to GDP as much as 7 trillion rupiah and decrease in Disaster Risk Index (Indeks Risiko Bencana) as much as 16,81%.

Efforts in reducing inequality are supported by good governance, among others through civil society participation in decision-making. As the third largest democratic country, Indonesia's Democracy Index (Indeks Demokrasi Indonesia) score is 72,11



(2017) or category “Medium”. Proportion of women parliamentarians (2014) is 16,6%, 16% and 14% consecutively at national, provincial and district/city level, women in Echelon I and II at government institutions reached almost 15% (2018).

Good governance is reflected in increment of compliance to public services' standard and e-procurement at national and subnational level which requires access to internet that is conducted through the development of PALAPA Ring project and fiber optic covering all region.

The provision of access to justice for the poor and vulnerable and peaceful society is fundamental to provide education, employment, and sustainable environment programs to reduce inequality. Free legal aid is provided to the poor and vulnerable in front of law. Birth certificate to access basis services for under 5 reached 71,92% while children 0-17 years old reached 83,55% and children from the bottom 40% income percentile reached 77,4%.

Reducing inequality requires multi-stakeholder partnership. The establishment of 9 SDGs Centers at big universities is a reflection of academicians' role to SDGs. The private sector involvement through establishment of Philanthropy and Business for SDGs. Indonesia's commitment for South-South and Triangular Cooperation (SSTC) is shown with the increase in supported activities, from 26 (2014) to 59 activities (2018). Indonesia's parliament commitment is shown by conducting World Parliamentarian Forum for the last three years and the Supreme Audit Body's commitment in monitoring SDGs implementation.

Multi-stakeholder partnership is also reflected in financing for development (tax, remittances, multilateral and bilateral development partners, innovative financing). Tax ratio to GDP reached 10,3% (2018), among others, through tax amnesty. The Ministry of National Development Planning/National Development Planning Agency has been developing innovative financing through SDGs Financing Hub which coordinated the cooperation between government and community through blended financing, PPP, faith-based charity for SDGs, as well as crowdfunding.

Various achievements of SDGs implementation on the other 11 goals have also been reported. The report covers the progress of poverty eradication; hunger alleviation and nutritional intake; improving health and well-being; gender equality; access to clean water and sanitation; clean and affordable energy availability; development of industry, innovation and infrastructure; development of sustainable cities and communities; application of responsible consumption and production; as well as protection and utilization of marine and terrestrial ecosystems.

Indonesia still faces several challenges in overcoming gaps that can be classified into three categories. First, limited access to public services including education and economic opportunity due to poverty and remoteness of locations. Second, not all public services comply with national standards and are applied without discrimination. Third, the availability of adequate, up-to-date and disaggregated data and information as a basis for inclusive development planning.

In governance accountability, challenges includes corruption, which among others, is indicated by the Indonesian Anti-Corruption Behavior Index at 3.66 (on a scale of 5) in

2018; public information disclosure decreased to 39.29% in 2017 from 50,38 in 2016; birth registration has not yet covered all Indonesian children, especially children from poor and vulnerable households (bottom 40%); violence against children reached 38.62% for boys and 20.48% for girls (2013); ;and the prevalence of women aged 20-24 years who were first married or in union before age 18 is 11.21% (2018).

In education sector, the biggest challenge is to improve the quality of teaching and students' learning outcomes, as well as improve education governance including quality of spending and implementation management within the context of decentralization.

Challenges in disaster management and managing the impacts of climate change include geographical factors and the characteristics of multi-disaster threats, increased population which potentially exposed to disasters, and the lack of disaster preparedness. Big amount of critical land to be restored, lack of energy diversification and inefficient use of natural resources. Other challenges include low tax compliance, inadequacy of taxation human resources, and the need to increase the fixed broadband.

Policy framework of Indonesia's development to Empowering People and Ensuring Inclusiveness and Equality is to promote inclusive and sustainable growth through improvement of productivity by structural reformation; promote equity and poverty reduction; ensure sustainable environment; and anticipate economic disruption in the future.

Indonesia's Development priorities include strengthening human development through poverty reduction and basic services improvement; reducing regional disparities through connectivity and maritime development; increasing economic value added and job creation; and overcoming the digital divide.

In the last three years of SDGs implementation, Indonesia shows progression in all SDGs indicators. This is due to a strong regulatory framework for implementing SDGs, high ownership from stakeholders, a set of tools to localize SDGs, and mainstreaming SDGs into national and subnational development agenda. The outstanding performance is confirming that Indonesia is moving towards success full achievement of the 2030 Agenda.

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## STATISTICAL ANNEX

### GOAL 1 NO POVERTY

#### Trend of the Family Hope Program (Program Keluarga Harapan/PKH - Conditional Cash Assistance) Budget Allocation and Total Participants in 2014-2018

Year	Budget Allocation in Billion	PKH Recipient in thousand
2014	4,390	2,797.8
2015	5,580	3,511.0
2016	7,790	5,981.5
2017	12,480	6,228.8
2018	17,420	10,000.2

Source: Ministry of Social Affairs, various years reporting

### GOAL 2 ZERO HUNGER

#### The Prevalence of Stunting and Wasting in Children under Five Years of Age, 2007-2018

Year	Wasting	Stunting
2007	13,6	36,8
2010	13,3	35,6
2013	12,1	37,2
2016	9,8	33,06
2018	10,2	30,8

Source: Basic Health Research Indonesia (Riskesdas) 2007-2018, National Health Indicator Survey (Sirkesnas) 2016

#### Desirable Dietary Pattern (DDP) Score, 2009-2018

Year	Indonesia's Achievement
2009	75.7
2010	85.7
2011	85.6
2012	83.5
2013	81.4
2014	83.4
2015	85.2
2016	86
2017	90
2018	90.7

Source: Food Security Agency, Ministry of Agriculture, 2009-2018

## GOAL 3 GOOD HEALTH AND WELL-BEING

### Trend of Infant Mortality Rate (IMR), Under-5 Mortality Rate (U5MR) and Neonatal Mortality Rate (NMR)

Year	U5MR	IMR	NMR
1991	97	68	32
1994	81	57	30
1997	58	46	22
2002/2003	46	35	20
2007	44	34	19
2012	40	32	19
2015	32	24	15

Source: Indonesian Demographic and Health Survey (IDHS), Statistics Indonesia

### Trend of Communicable Diseases

Year	Annual Parasite Incidence/API	Incidence of Tuberculosis per 100.000 Population
2011	1.75	410
2012	1.69	407
2013	1.38	403
2014	0.99	399
2015	0.85	395
2016	0.84	391
2017	0.99	319
2018	0.84	-

Source: Disease Prevention and Control Surveillance Report, Directorate General of Disease Prevention and Control, Ministry of Health

### Trend of Risk Factors of Non-Communicable Diseases

Year	Smoking $\leq 18$ yo	Hypertension $\geq 18$ yo	Obesity $\geq 18$ yo
2013	7.2	25.8	15.4
2016* Health's Indicators Survey	8.8	32.4	20.7
2018	9.1	34.1	21.8

Source: Research Basic Health (Riskesdas) 2013-2018, Health's Indicators Survey (Sirkesnas) 2016, Ministry of Health

### Trend of the Contraceptive Prevalence Rate

Year	All Methods	Modern Method
1991	49.7	47.1
1994	54.7	52.1
1997		54.7
2002/03	60.3	56.7
2007	61.4	57.4

Year	All Methods	Modern Method
2012	61.9	57.9
2017	64.0	57.0

Source: Indonesian Demographic and Health Survey (IDHS), Statistics Indonesia

### Trend of Total Fertility Rate (TFR) and Age-Specific Fertility Rate (ASFR)

Year	TFR	ASFR
1991	3	67
1994	29	61
1997	2.8	62
2002/03	2.6	51
2007	2.6	51
2012	2.6	48
2017	2.4	36

Source: Indonesian Demographic and Health Survey (IDHS), Statistics Indonesia

### Trend of National Health Insurance (*Jaminan Kesehatan Nasional/JKN*) Coverage

Year	JKN Coverage
2015	61.55
2016	66.50
2017	71.80
2018	78.70

Source: Indonesian Demographic and Health Survey (IDHS), Statistics Indonesia

### Percentage of Unmet Needs for Health Services

Year	Unmet Need of Health Service
2006	9.9
2007	7.8
2008	7.6
2009	8.3
2010	7.3
2011	6.3
2012	6
2013	5
2014	5.2
2015	4.66
2016	4.33
2017	5.26
2018	4.91

Source: The National Socio-Economy Survey (Susenas). Statistics Indonesia

## GOAL 4 QUALITY EDUCATION

### Gross Enrolment Rate (GER), 2015-2018

Education Level	Year			
	2015	2016	2017	2018
Primary	110.5	109.3	108.5	108.6
Junior Secondary	91.2	90.1	90.2	91.5
Senior Secondary	78.0	80.9	82.8	80.7
Tertiary	25.3	28.0	29.9	30.2

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### GER Ratio between the Poorest Quintile and the Richest Quintile, 2000-2018

Education Level	Year						
	2000	2001	2002	2010	2016	2017	2018
Primary	1.00	1.0	1.0	0.99	1.03	1.04	1.03
Junior Secondary	0.6	0.6	0.7	0.84	0.98	1.01	1.02
Senior Secondary	0.29	0.3	0.3	0.42	0.72	0.73	0.71
Tertiary	0.03	0.03	0.03	0.05	0.14	0.17	0.17

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Out-of-School Ratio, by Age Group, 2000-2018

Age Group	Year					
	2000	2010	2015	2016	2017	2018
7-12 yo	4.76	1.98	0.63	0.71	0.67	0.79
13-15 yo	28.8	13.8	8.6	8.1	7.8	6.9
16-18 yo	50.4	33.8	30.7	24.7	23.9	22.8

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Proportion of Schools with Access to Toilet (basic sanitation facilities) by Sex, 2016-2018

Education Level	Year		
	2016	2017	2018
Primary	31.40	39.73	68.99
Junior Secondary	41.88	50.05	79.48
Senior Secondary	35.82	49.99	84.14
Vocational Secondary	41.36	53.31	83.40

Source: MoEC EMIS 2016-2018

### Proportion of Schools With Access to Clean Water

Education Level	Year		
	2016	2017	2018
Primary	42.37	86.79	87.11
Junior Secondary	43.33	86.74	87.04



Education Level	Year		
	2016	2017	2018
Senior Secondary	49.16	89.51	89.85
Vocational Secondary	48.60	91.97	92.21

Source: MoEC EMIS 2016-2018

### Proportion of Schools With Hand Washing Facilities, 2016-2018

Education Level	Year		
	2016	2017	2018
Primary	44.58	47.51	51.14
Junior Secondary	39.23	42.60	44.67
Senior Secondary	47.21	49.73	51.63
Vocational Secondary	47.03	49.28	51.65

Source: MoEC EMIS 2016-2018

### Percentage of Teachers with Minimum Qualification of S1/DIV, 2016-2018

Education Level	Year	>=S1 (bachelor degree)	<S1 (bachelor degree)
Primary	2017	51.96	48.04
	2016	52.29	47.71
Primary	2018	88.35	11.65
	2017	85.99	14.01
	2016	84.21	15.79
Junior Secondary	2018	94.45	5.55
	2017	93.16	6.84
	2016	92.11	7.89
Senior Secondary	2018	97.95	2.05
	2017	97.39	2.61
	2016	96.88	3.12
Vocational Secondary	2018	95.36	4.64
	2017	94.55	5.45
	2016	93.96	6.04

Source: EMIS, 2016-2018

### Trend of Percentage of Certified Teachers

Education Level	Year	Certified	Not certified
Pre-Primary	2018		
	2017	66.67	33.33
	2016	68.95	31.05
Primary	2018	42.81	57.19
	2017	47.8	52.2
	2016	45.03	54.97



Education Level	Year	Certified	Not certified
Junior Secondary	2018	45.75	54.25
	2017	49.43	50.57
	2016	50.07	49.93
Senior Secondary	2018	46.49	53.51
	2017	49.17	50.83
	2016	50.95	49.05
Vocational Secondary	2018	35.3	64.7
	2017	35.72	64.28
	2016	37.34	62.66

Source: EMIS, 2016-2018

### Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading and mathematics

Category	Year				
	2003	2006	2009	2012	2015
Reading	37	42	47	45	45
Mathematic	22	34	23	24	31

Source: PISA 2003, 2006, 2009, 2012, 2015 from <http://data.uis.unesco.org>

### Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading by sex, 2000-2015

Category	Year				
	2003	2006	2009	2012	2015
Reading	37	42	47	45	45
Reading (girls)	43	46	58	52	51
Reading (boys)	31	37	35	37	38

Source: PISA 2003, 2006, 2009, 2012, 2015 <http://data.uis.unesco.org>

### Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in mathematics by sex, 2000-2015

Category	Year				
	2003	2006	2009	2012	2015
Mathematic	22	34	23	24	31
Mathematic (girls)	22	30	24	23	32
Mathematic (boys)	22	39	23	25	30

Source: PISA 2003, 2006, 2009, 2012, 2015 <http://data.uis.unesco.org>

**Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in reading by Socio-Economic Status, 2000-2015**

Category	Year				
	2003	2006	2009	2012	2015
Reading	37	42	47	45	45
Reading (25% Richest)	54	62	64	59	65
Reading (25% Poorest)	26	27	35	36	28

Source: PISA 2003, 2006, 2009, 2012, 2015 <http://data.uis.unesco.org>

**Proportion of children and young people at the end of lower secondary achieving at least a minimum proficiency level in mathematics by Socio-Economic Status, 2000-2015**

Category	Year				
	2003	2006	2009	2012	2015
Mathematic	22	34	23	24	31
Mathematic (25% Richest)	39	54	42	41	54
Mathematic (25% Poorest)	13	21	13	15	16

Source: PISA 2003, 2006, 2009, 2012, 2015 <http://data.uis.unesco.org>

**Primary School Children in Grade 4 Achieving at Least a Minimum Proficiency Level in Reading, by Sex and Province, 2016**

Province	Male	Female	Overall	Gap
Sulawesi Barat	14	27	21	13
Sulawesi Utara	18	33	26	15
Gorontalo	21	31	26	10
Sulawesi Selatan	24	34	29	10
Sulawesi Tengah	20	39	30	18
Maluku Utara	21	38	30	17
Maluku	23	38	30	15
Nusa Tenggara Timur	30	39	35	10
Papua	32	45	39	13
Kalimantan Tengah	33	44	39	11
Nusa Tenggara Barat	30	49	40	19
Kalimantan Utara	31	47	40	16
Kalimantan Barat	33	49	41	17
Banten	41	54	47	13
Bali	41	60	50	18
Sulawesi Tenggara	45	55	51	11
Sumatera Utara	45	56	51	11
DKI Jakarta	43	59	51	16
Bengkulu	47	57	52	10
Lampung	43	60	52	17
Total	46	60	53	14
Jambi	46	60	54	13

Province	Male	Female	Overall	Gap
Aceh	46	61	54	15
Papua Barat	54	55	55	1
Sumatera Selatan	47	61	55	14
Kalimantan Selatan	50	62	56	11
Jawa Barat	49	64	57	15
Jawa Tengah	50	67	58	16
Bangka Belitung	49	71	60	22
Kalimantan Timur	57	69	64	12
Sumatera Barat	55	72	64	17
Riau	61	73	67	13
Jawa Timur	64	75	69	11
DI Yogyakarta	66	83	75	17
Kepulauan Riau	72	80	76	

Source: INAP 2016

### Youth Participation in Formal/ Non-formal Education and Training by Characteristic, 2018

Category	Year 2018
Total	48.7
Urban	50.9
Rural	45.7
Male	48.6
Female	48.7
Without disability	48.9
With disability	24.5

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Working / Labor Force Percentage Based on Highest Completed Education, 2008-2018

Education Level	Year										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Primary	94,3	94,4	95,4	96,1	95,9	95,9	96,0	96,0	96,4	96,0	97,1
Junior Secondary	90,0	90,6	92,5	92,1	92,1	91,8	92,6	92,9	94,2	94,6	94,8
Senior Secondary	86,3	87,6	88,1	87,4	89,5	90,6	90,9	91,8	93,0	93,0	92,8
Vocational Secondary	85,2	84,3	86,2	89,9	90,4	92,3	92,8	90,9	90,2	90,7	91,1
Vocational Tertiary	83,7	84,6	84,3	87,8	92,4	94,3	94,1	92,5	92,8	93,6	92,1
Tertiary	85,8	87,1	85,8	89,8	93,0	95,0	95,7	94,7	93,8	95,0	93,7
Total	91,5	91,9	92,6	93,0	93,6	94,1	94,3	94,2	94,5	94,7	94,9

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Participation of 5 and 6 Year Olds in Organized Learning

Age Group	Year					
	2002	2010	2015	2016	2017	2018
6 yo	59,5	83,3	95,8	94,9	94,9	95,9
5 yo	34,1	56,4	79,4	76	77,2	83,3

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

**Participation of 5 and 6 year olds in Organized Learning Based on Gender, 2002, 2010, 2015-2018**

Age Group	Year					
	2002	2010	2015	2016	2017	2018
Girls (6 yo)	60,9	84,9	96,4	95,3	95,5	96,1
Boys (6 yo)	58,2	81,8	95,4	94,5	94,3	95,6
Girls (5 yo)	35,8	58,4	80,6	78	78,4	84,5
Boys (5 yo)	32,6	54,6	78,3	74	76,1	82

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

**Participation of 5 and 6 year olds in Organized Learning based on Types of School, 2015-2018**

Age Group	Year	In Preschool	In Primary without Preschool	In Primary ever Preschool	Not in School
5 yo	2015	47	9,7	22,7	20,6
	2016	52,5	6,8	16,7	24
	2017	54,6	6,6	16	22,8
	2018	62,9	6,1	14,2	16,7
6 yo	2015	6	23,8	66,1	4,2
	2016	8,5	20,3	66	5,1
	2017	8,9	20,1	65,8	5,1
	2018	9,6	19,8	65,5	4,1

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

**GOAL 5 - GENDER EQUALITY**

**Percentage of women at 20-24 years of age were married for the first time or living together without being married at or before 15 years old and at or before 18 years old**

Year	≤15 yo	≤18 yo
2011	1.38	13.97
2012	1.15	14.02
2013	1.05	13.58
2014	0.99	13.55

Year	≤15 yo	≤18 yo
2015	0.6	12.14
2016	0.54	11.11
2017	0.48	11.54
2018	0.56	11.21

Source: Statistics Indonesia

### Trend of Median Age at First Marriage

Year	Median Age at First Marriage
1991	17.1
1994	18.1
1997	18.6
2002/03	19.2
2007	19.8
2012	20.1
2017	21.8

Source: Indonesia Demographic and Health Survey (IDHS), Statistics Indonesia

### Percentage of Women DPR Members in 1950-2014 General Election

Election Year	Women in DPR (%)
1955	5.88
1971	6.74
1977	8.04
1982	9.13
1987	11.8
1992	12.4
1997	12.5
1999	8.8
2004	11.82
2009	17.86
2014	17.32

Source: Statistics Indonesia

### Percentage of Women Civil Servants as Echelon I-IV

Year	Eselon I	Eselon II	Eselon III	Eselon IV	Eselon V
2011	9.17	8.3	15.85	25.86	24.54
2012	16.41	12.84	19.58	32.38	31.12
2013	20.09	15.04	20.6	33.39	31.18
2014	20.66	16.39	21.19	34.39	30.47
2015	15.67	13.04	19.72	33.19	32.64
2016	17.98	13.41	21.09	34.63	31.23



Year	Eselon I	Eselon II	Eselon III	Eselon IV	Eselon V
2017	15.21	13.06	22.53	36.28	28.77

Source: Statistics Indonesia/State Personnel Agency

### Proportion of Individuals Who Own a Mobile Telephone

Year	Men	Women
2015	63.4	50.4
2016	64.4	52.1
2017	67.59	57.19

Source: Statistics Indonesia

## GOAL 6. CLEAN WATER AND SANITATION

### Access to Clean Water and Sanitation, 2015-2018

Year	Indicator	
	The proportion of households with access to clean water	The proportion of household access to sanitation
2015	58.92	67.95
2016	61.12	71.78
2017	59.07	73.07
2018	61.29	74.58

Source: Technocratic Design National Medium-Term Development Plan (RPJMN) 2020 – 2024

## GOAL 7 AFFORDABLE AND CLEAN ENERGY

### Ratio of Electrification

Year	Ratio of Electrification
2010	67.2
2011	73
2012	76.6
2013	80.5
2014	84.3
2015	88.3
2016	91.2
2017	95.3
2018	97.5 (target); 98.3 (realization)

Source: Ministry of Energy and Mineral Resources

### Development of City Gas Network (Number of Household)

Year	Development of City Gas Network (Number of Household)
2014	200
2015	220.36
2016	319.51
2017	373.19
2018	463.62

Source: Ministry of Energy and Mineral Resources

## GOAL 8 DECENT WORK AND ECONOMIC GROWTH

### Real GDP per Capita (million IDR) and Real GDP per Capita Growth (%)

Year	GDP per Capita (IDR)	Growth of GDP per Capita (%)
2010	28.78	-
2011	30.12	4.65
2012	31.48	4.55
2013	32.78	4.12
2014	33.97	3.61
2015	35.16	3.52
2016	36.47	3.72
2017	37.85	3.79
2018	39.34	3.93

Source: Statistics Indonesia

### Proportion in Total Employment (%)

Year	Agriculture	Industry	Service
2000	45.3	13.0	41.3
2001	43.8	13.3	41.9
2002	44.3	13.2	41.8
2003	46.4	12.4	40.4
2004	43.3	11.8	43.8
2005	44.0	12.7	42.4
2006	42.0	12.5	44.5
2007	41.2	12.4	45.4
2008	40.3	12.2	46.4
2009	39.7	12.2	47.0
2010	38.3	12.8	47.7
2011	36.4	13.5	48.7
2012	35.2	13.9	49.5
2013	34.8	13.3	50.7
2014	34.0	13.3	51.4
2015	32.9	13.3	52.7
2016	31.9	13.1	53.7
2017	29.7	14.1	55.1



Year	Agriculture	Industry	Service
2018	28.8	14.7	56.5

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Real GDP Growth per Employment (%)

Year	Indonesia	Malaysia	Philippines	Thailand	Vietnam
2010	3.79	3.9	4.60	6.25	4.26
2011	4.15	0.43	0.29	-1.01	3.53
2012	3.93	0.98	5.02	7.04	3.00
2013	4.15	-0.23	5.25	4.06	3.72
2014	3.49		2.99	1.17	4.11
2015	5.79	2.43	4.30	4.53	5.83
2016	2.25	2.57	4.68	3.03	5.44
2017	3.7	3.67	4.15	3.65	5.46
2018	3.79	3.08	3.79	2.89	5.64

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Growth of GDP per person employed using PPP

Year	Growth of GDP per person employed using PPP
2011	6.95
2012	1.23
2013	5.32
2014	3.31
2015	4.62
2016	1.85
2017	2.8
2018	2.64

Source: World Bank

### Proportion of Formal Employment by Sex (%)

Year	Total	Men	Women
2010	32.2	34.3	28.6
2011	37.8	40.2	33.5
2012	39.8	42.8	35.1
2013	39.9	43.0	34.8
2014	40.6	43.5	35.9
2015	42.2	44.9	37.8
2016	42.4	45.0	38.2
2017	43.0	45.7	38.6
2018	43.2	46.3	38.2

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Proportion of Informal Employment in Agriculture (%)

Year	Total	Men	Women
2015	87.12	83.73	93.19

Year	Total	Men	Women
2016	88.59	85.32	94.32
2017	89.5	85.69	93.59
2018	88.27	85.2	93.8

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Proportion of Informal Employment in Non-Agriculture (%)

Year	Total	Men	Women
2015	43.37	40.66	47.84
2016	43.09	40.02	47.8
2017	43.75	40.3	49.04
2018	44.13	40.12	50.19

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Proportion of Informal Employment in Non-agriculture Sector by Education (%)

Year	Elementary	Secondary	High school	Vocational school	Diploma	University
2010	77.9	70.3	57.0	42.0	38.3	12.9
2011	68.4	50.9	35.3	30.1	12.0	6.9
2012	67.7	50.9	33.1	26.4	13.2	8.6
2013	68.4	52.4	33.9	25.7	12.8	8.4
2014	68.1	52.1	34.4	26.8	14.4	8.2
2015	67.7	52.9	34.2	26.8	14.8	8.2
2016	66.0	52.9	36.1	30.4	18.3	10.0
2017	66.7	52.6	37.0	29.1	17.7	10.5
2018	66.4	53.7	37.7	31.2	18.8	11.5

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Unemployment Rate

Year	Total	Sex		Location		Education Level				Disability	
		Men	Women	Urban	Rural	No Education	Primary	Secondary	University	Moderate/Severe	No Disability
2010	7.00	6.05	8.52	9.26	5.37	3.18	5.42	11.75	2.05		
2011	7.48	6.65	8.86	9.38	5.63	4.02	3.86	11.10	8.81		
2012	6.13	5.76	6.73	7.74	4.59	2.61	4.24	8.95	6.01		
2013	6.17	6.02	6.40	7.31	5.08	2.61	3.98	9.15	5.55		
2014	5.94	5.75	6.26	7.12	4.81	2.16	3.60	8.95	5.78		
2015	6.18	6.07	6.37	7.31	4.93	1.25	3.94	11.16	6.68		
2016	5.61	5.70	5.45	6.60	4.51	1.46	3.88	9.63	5.15	3.1	5.8
2017	5.50	5.53	5.44	6.79	4.01	1.63	3.61	9.48	5.57	3.5	5.7
2018	5.34	5.40	5.26	6.45	4.04	2.02	2.79	7.58	5.92	2.6	5.6

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Underemployment Rate by Sex

Year	Total	Sex		Location	
		Men	Women	Urban	Rural
2010	13.29	12.28	14.90	7,64	17,40
2011	11.22	10.35	12.68	8,43	13,93
2012	10.63	9.89	11.83	6,24	14,80
2013	9.15	9.82	8.05	5,95	12,21
2014	7.94	7.99	7.87	4,99	10,80
2015	8.48	8.43	8.57	5,47	11,70
2016	7.58	7.63	7.50	5,08	10,28
2017	7.55	7.46	7.71	4,91	10,52
2018	6.62	6.77	6.39	4,28	9,31

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Average Hourly Earnings

Year	Average Hourly Earnings	Growth
2011	8,462	14.93
2012	9,001	6.37
2013	11,662	29.56
2014	10,860	-6.88
2015	11,389	4.87
2016	13,888	21.95
2017	14,764	6.30
2018	15,318	3.75

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Average Hourly Earnings by Gender

Year	Men	Women
2010	7,640	6,798
2011	8,725	7,888
2012	9,288	8,392
2013	12,084	10,758
2014	11,211	10,125
2015	11,513	11,119
2016	14,101	13,458
2017	15,385	13,492
2018	15,892	14,142

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Minimum Wage Across Regions

Province	MLE	MSE	Deviation
West Java	1544	3919	2375
Banten	2099	3622	1523
Central Java	1486	2310	824

Province	MLE	MSE	Deviation
East Java	1509	3583	2074
Riau Island	2564	3523	960

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Number of Child Workers Aged 10-17

Year	Child Workers from aged 10 to 17
2015	6.0
2016	7.0
2017	7.2
2018	7.0

Source: National Labour Force Survey (Sakernas), Statistics Indonesia

### Tourism Sector Contribution to Employment (%)

Year	Tourism Sector Contribution to Employment (%)
2011	7.9
2012	8.3
2013	8.5
2014	9.0
2015	9.0
2016	10.4
2017	10.4
2018	10.2

Source: Statistics Indonesia and Ministry of Tourism

### Tourism Sector Contribution to GDP

Year	Tourism Sector Contribution to GDP
2015	4.25
2016	4.13
2017	4.11
2018 (Target)	5.25

Source: Statistics Indonesia and Ministry of Tourism

### Number of Domestic and Foreign Tourists

Year	Domestic Tourists (rhs)	Foreign Tourists (lhs)
2015	256.4	10.4
2016	264.3	12.0
2017	270.9	14.0
2018	273.5	16.2

Source: Statistics Indonesia and Ministry of Tourism

### Foreign Reserve from Tourism Sector (IDR Trillion)

Year	Foreign Reserve from Tourism Sector (IDR Trillion)
2015	175.71
2016	176.23
2017	198.89
2018 (Target)	223

Source: Ministry of Tourism

### Number of Commercial Banks and ATM per 100,000 Adults

Year	ATM per 100, 000 Adults	Commercials Bank per 100,000 Adults
2015	53	16
2016	56	16
2017	55	16
2018	56	16

Source: Bank Indonesia

### 2017 Global Index

Category\Country	Malaysia	Thailand	Indonesia	Philippines	Vietnam
Account (% age 15+)	85%	82%	49%	34%	31%
Account, male (% age 15+)	88%	84%	46%	30%	31%
Account, female (% age 15+)	82%	80%	51%	39%	30%
Account, income, poorest 40% (% ages 15+)	81%	78%	37%	18%	20%

Source: World Bank

### Proportion of SMEs with Access to Financial Services (%)

Year	Proportion of SMEs with Access to Financial Services (%)
2015	22.6
2016	25.7
2017	22.3
2018	23.6

Source: Bank Indonesia

### Proportion of SMEs Credit to Total Credit (%)

Year	Proportion of SMEs Credit to Total Credit (%)
2013	18.9
2014	20.3
2015	19.9
2016	20.0
2017	20.3
2018* (Data until October 2018)	19.7

Source: Bank Indonesia

## GOAL 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

### Percentage of Steady Road Condition 2010-2017 (%)

Year	Steady State Condition
2010	82.27
2011	87.72
2012	90.82
2013	92.95
2014	93.95
2015	93
2016	91
2017	92

Source: Ministry of Public Works and Public Housing

### Proportion of Value-Added Manufacturing Sector to GDP (%)

Year	Manufacturing Contribution to GDP	Growth
2010	22.04	3.79
2011	21.76	6.26
2012	21.45	5.62
2013	21.03	4.37
2014	21.08	4.64
2015	20.97	4.33
2016	20.51	4.29
2017	20.16	4.29
2018	19.86	4.27

Source: Statistics Indonesia

## GOAL 10 REDUCING INEQUALITY

### Long Term Inequality Trend

Year	Gini Coefficient
1976	0.34
1978	0.38
1980	0.34
1981	0.33
1984	0.325
1987	0.32
1990	0.32
1993	0.34
1996	0.36
1999	0.31
2002	0.319
2003	0.32
2004	0.32
2005	0.355
2006	0.36
2007	0.376
2008	0.368
2009	0.367
2010	0.378
2011	0.388
2012	0.413
2013	0.406
2014	0.414
2015	0.402
2016	0.394
2017	0.391
2018	0.384

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Long Term Inequality Trend in Indonesia Urban-Rural

Year	Gini Coefficient	
	Urban	Rural
1976	0.35	0.31
1978	0.38	0.34
1980	0.36	0.31
1981	0.33	0.29
1984	0.32	0.28
1987	0.32	0.26
1990	0.34	0.25
1993	0.33	0.26
1996	0.36	0.27
1999	0.33	0.26
2002	0.33	0.24
2003	0.34	0.26
2004	0.32	0.24
2005	0.31	0.25
2006	0.351	0.28

Year	Gini Coefficient	
	Urban	Rural
2007	0.35	0.28
2008	0.374	0.302
2009	0.367	0.3
2010	0.372	0.295
2011	0.382	0.315
2012	0.396	0.329
2013	0.425	0.327
2014	0.424	0.324
2015	0.433	0.336
2016	0.419	0.329
2017	0.409	0.316
2018	0.404	0.32

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Average Expenditure per Capita (Constant 2012), in Thousands

Year	Income Percentile		
	Top 20%	Middle 60%	Bottom 20%
2000	648.6882	276.9481	151.2942
2001	676.7611	283.889	156.1446
2002	864.4768	322.3378	170.8081
2003	807.0955	331.3161	178.6061
2004	782.1303	311.2569	163.9354
2005	938.3853	358.1298	178.9728
2006	936.979	348.0105	168.1045
2007	1,101.57	381.3248	179.6454
2008	1,069.039	379.4715	180.5439
2009	1,110.01	398.5688	193.6122
2010	1,311.828	449.3504	203.4063
2011	1,518.82	468.8485	212.7486
2012	1,559.512	476.7253	220.899
2013	1,633.833	490.2513	229.8092
2014	1,677.878	519.3724	243.7327
2015	1,768.909	550.5366	252.4172
2016	1,810.663	597.4196	263.06
2017	1,919.257	648.4576	278.0774
2018	1,956.718	667.6688	287.0744

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Theil Index

Year	Urban-Rural Intra-Group Inequality	Urban-Rural Inter-Group Inequality	National Inequality
2000	0.027	0.149	0.177
2001	0.0261	0.157	0.183
2002	0.052	0.198	0.249
2003	0.036	0.164	0.2
2004	0.043	0.18	0.223



Year	Urban-Rural Intra-Group Inequality	Urban-Rural Inter-Group Inequality	National Inequality
2005	0.033	0.195	0.228
2006	0.035	0.197	0.23
2007	0.036	0.231	0.267
2008	0.036	0.225	0.261
2009	0.035	0.213	0.248
2010	0.035	0.244	0.278
2011	0.04	0.304	0.344
2012	0.039	0.306	0.345
2013	0.037	0.3	0.337
2014	0.036	0.29	0.326
2015	0.028	0.305	0.333
2016	0.026	0.267	0.293
2017	0.025	0.256	0.282
2018	0.022	0.259	0.28

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Growth Incidence Curve (GIC) for National, and Urban-Rural (2014-2018)

Percentile	National		Urban		Rural	
	Total Consumption Growth	Growth Rate in Mean (%)	Total Consumption Growth	Growth Rate in Mean (%)	Total Consumption Growth	Growth Rate in Mean (%)
1	11.8	21.8	10.4	16.1	10.2	24.9
2	11.6	21.8	11.5	16.1	11.0	24.9
3	12.0	21.8	11.0	16.1	10.9	24.9
4	12.4	21.8	11.1	16.1	11.2	24.9
5	12.6	21.8	12.3	16.1	11.2	24.9
6	13.1	21.8	15.0	16.1	11.7	24.9
7	13.8	21.8	16.4	16.1	12.0	24.9
8	14.7	21.8	16.8	16.1	12.7	24.9
9	16.2	21.8	17.3	16.1	13.2	24.9
10	17.6	21.8	18.9	16.1	13.7	24.9
11	18.6	21.8	19.4	16.1	14.3	24.9
12	19.4	21.8	20.4	16.1	15.0	24.9
13	19.8	21.8	21.2	16.1	16.0	24.9
14	20.5	21.8	22.0	16.1	16.8	24.9
15	21.5	21.8	22.7	16.1	17.6	24.9
16	22.1	21.8	23.8	16.1	18.2	24.9
17	22.6	21.8	24.2	16.1	18.9	24.9
18	23.2	21.8	24.5	16.1	19.6	24.9
19	23.9	21.8	24.8	16.1	20.0	24.9
20	24.7	21.8	25.1	16.1	20.6	24.9
21	25.0	21.8	25.3	16.1	21.2	24.9
22	25.5	21.8	25.7	16.1	21.8	24.9
23	25.9	21.8	25.7	16.1	22.1	24.9

Percentile	National		Urban		Rural	
	Total Consumption Growth	Growth Rate in Mean (%)	Total Consumption Growth	Growth Rate in Mean (%)	Total Consumption Growth	Growth Rate in Mean (%)
24	26.3	21.8	25.5	16.1	22.7	24.9
25	26.3	21.8	25.7	16.1	23.5	24.9
26	26.5	21.8	25.3	16.1	23.8	24.9
27	26.6	21.8	25.1	16.1	24.3	24.9
28	26.6	21.8	25.1	16.1	24.6	24.9
29	26.8	21.8	24.9	16.1	24.7	24.9
30	27.0	21.8	24.8	16.1	24.9	24.9
31	27.2	21.8	25.0	16.1	25.4	24.9
32	27.2	21.8	25.0	16.1	25.4	24.9
33	27.2	21.8	25.0	16.1	25.4	24.9
34	27.2	21.8	25.0	16.1	25.4	24.9
35	27.0	21.8	24.8	16.1	25.2	24.9
36	26.9	21.8	24.4	16.1	25.1	24.9
37	27.2	21.8	24.5	16.1	25.0	24.9
38	27.2	21.8	24.5	16.1	25.2	24.9
39	27.4	21.8	24.3	16.1	25.5	24.9
40	27.6	21.8	24.3	16.1	25.6	24.9
41	27.7	21.8	23.9	16.1	25.4	24.9
42	27.8	21.8	23.5	16.1	25.7	24.9
43	27.8	21.8	23.4	16.1	25.6	24.9
44	28.3	21.8	23.6	16.1	25.3	24.9
45	28.4	21.8	23.9	16.1	25.2	24.9
46	28.4	21.8	23.9	16.1	25.5	24.9
47	28.3	21.8	23.6	16.1	25.9	24.9
48	28.5	21.8	23.8	16.1	26.2	24.9
49	28.7	21.8	23.8	16.1	26.2	24.9
50	28.8	21.8	23.7	16.1	26.4	24.9
51	28.7	21.8	23.8	16.1	26.6	24.9
52	28.5	21.8	23.7	16.1	26.7	24.9
53	28.6	21.8	24.2	16.1	26.9	24.9
54	28.8	21.8	24.3	16.1	27.4	24.9
55	29.0	21.8	24.1	16.1	27.7	24.9
56	29.2	21.8	23.8	16.1	28.0	24.9
57	29.4	21.8	23.4	16.1	28.0	24.9
58	29.3	21.8	23.6	16.1	28.5	24.9
59	29.0	21.8	23.9	16.1	28.6	24.9
60	29.1	21.8	23.7	16.1	28.7	24.9
61	29.2	21.8	23.1	16.1	28.8	24.9
62	29.2	21.8	23.2	16.1	29.0	24.9
63	29.5	21.8	23.3	16.1	29.0	24.9
64	29.8	21.8	23.5	16.1	29.3	24.9
65	29.8	21.8	23.0	16.1	29.4	24.9
66	29.7	21.8	22.9	16.1	29.7	24.9

Percentile	National		Urban		Rural	
	Total Consumption Growth	Growth Rate in Mean (%)	Total Consumption Growth	Growth Rate in Mean (%)	Total Consumption Growth	Growth Rate in Mean (%)
67	29.7	21.8	23.4	16.1	29.8	24.9
68	29.7	21.8	23.0	16.1	30.1	24.9
69	29.5	21.8	22.7	16.1	30.3	24.9
70	29.5	21.8	22.9	16.1	30.2	24.9
71	29.2	21.8	23.1	16.1	30.2	24.9
72	29.0	21.8	22.4	16.1	30.8	24.9
73	28.8	21.8	22.2	16.1	30.3	24.9
74	28.6	21.8	22.0	16.1	30.2	24.9
75	28.5	21.8	22.2	16.1	30.8	24.9
76	28.5	21.8	21.3	16.1	30.6	24.9
77	28.3	21.8	20.5	16.1	30.3	24.9
78	27.9	21.8	20.5	16.1	30.6	24.9
79	27.7	21.8	20.3	16.1	30.5	24.9
80	27.7	21.8	19.4	16.1	30.4	24.9
81	27.0	21.8	19.1	16.1	30.4	24.9
82	26.4	21.8	18.3	16.1	29.9	24.9
83	26.3	21.8	17.7	16.1	29.8	24.9
84	25.8	21.8	17.3	16.1	29.3	24.9
85	25.4	21.8	16.7	16.1	29.0	24.9
86	25.0	21.8	16.1	16.1	28.6	24.9
87	24.4	21.8	15.7	16.1	28.3	24.9
88	23.2	21.8	15.8	16.1	28.2	24.9
89	22.6	21.8	15.4	16.1	27.6	24.9
90	21.6	21.8	14.8	16.1	27.0	24.9
91	21.0	21.8	14.5	16.1	26.3	24.9
92	19.6	21.8	14.1	16.1	24.9	24.9
93	19.9	21.8	13.3	16.1	23.7	24.9
94	18.9	21.8	10.3	16.1	24.1	24.9
95	18.1	21.8	9.4	16.1	23.7	24.9
96	17.3	21.8	9.2	16.1	22.5	24.9
97	13.1	21.8	8.6	16.1	21.5	24.9
98	12.8	21.8	6.3	16.1	19.7	24.9
99	10.0	21.8	0.4	16.1	21.0	24.9

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Poverty Rate

Year	Poverty Rate		
	Urban	Rural	National
2008	11.65	18.93	15.42
2009	10.72	17.35	14.15
2010	9.87	16.56	13.33
2011	9.23	15.72	12.49
2012	8.79	15.1	11.96



2013	8.42	14.28	11.36
2014	8.34	14.17	11.25
2015	8.29	14.21	11.22
2016	7.79	14.11	10.86
2017	7.72	13.93	10.64
2018	7.02	13.2	9.82

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### National Poverty Rate and Percentage of Poor in Underdeveloped Regions

Year	National Poverty Rate	Percentage of Poor in Underdeveloped Regions
2015	11.22	21.68
2016	10.86	21.4
2017	10.64	20.96
2018	9.82	20.49

Source: The National Socio-Economic Survey (Susenas) and Village Potential Survey (Podes), Statistics Indonesia

### Number and Proportion of JKN Membership

Year	Proportion of JKN Membership	Categories		
		Poor and Near-Poor as Benefit Beneficiaries	Formal Workers	Informal Workers
2013	45.6	90	21	5
2014	46.54	95	26	15
2015	53.14	98	38	20
2016	60.55	109	41	26
2017	66.65	120	49	35
2018	75.88	133	51	37
May 2019	81.51			

Source: Social Security Organizing Body (Badan Penyelenggara Jaminan Sosial/BPJS)

### Number of PKH Beneficiaries and Budget Allocation for PKH

Year	Beneficiaries ('000 families)	Budget Allocation (billion IDR)
2007	500	843
2008	642	982
2009	720	1,100
2010	816	1,300
2011	1,100	1,610
2012	1,500	1,568
2013	2,400	2,951
2014	2,800	4,450
2015	3,500	5,580
2016	6,000	7,796
2017	6,200	11,340
2018	10,000	17,100
2019	10,000	34,300

Source: Ministry of Finance (State Budget 2019)

### Proportion of Households as PKH Beneficiaries by Income Quintile

Year	Income Quintile									
	1	2	3	4	5	6	7	8	9	10
2014	8.8	5.3	3.5	3.1	2.6	1.4	1.4	0.7	0.2	0.2
2018	20.6	16.7	13.8	11.1	8.7	6.5	4.8	3.1	1.0	0.3

Source: Statistics Indonesia

### Progress of Village Development

Year	Village Development Status		
	Underdeveloped	Developing	Independent
2014	19,750 (26.81%)	51,026 (69.26%)	2,894 (3.93%)
2018	13,232 (17.96%)	54,879 (74.49%)	5,559 (7.55%)

Source: Village Potential Survey (Podes), Statistics Indonesia

### Average Economic Growth in Underdeveloped Regions

Year	Economic Growth in Underdeveloped Regions
2011	6.41
2012	6.33
2013	6.25
2014	5.89
2015	6.53
2016	5.46
2017	5.31
2018	6.47

Source: The National Socio-Economic Survey (Susenas) and Village Potential Survey (Podes), Statistics Indonesia

### Proportion of Population Living Below 50% Median Income (Expenditure) (%)

Year	Proportion of Population Living Below 50% Median Income
2000	4.76
2001	4.44
2002	5.36
2003	5.27
2004	5.84
2005	7.69
2006	8.68
2007	8.98
2008	8.81
2009	8.18
2010	10.69
2011	10.09
2012	9.51

Year	Proportion of Population Living Below 50% Median Income
2013	8.69
2014	9.03
2015	10.17
2016	11.72
2017	12.8
2018	12.63

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Proportion of Population Living Below 50% of Median Income, by Gender and Urban-Rural

Year	Gender		Location	
	Male	Female	Urban	Rural
2016	11.36	12.05	7.92	15.74
2017	12.44	13.16	8.95	17.13
2018	12.31	12.95	8.4	17.74

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Proportion of Population Living Below 50% of Median Income by Disability Status

Year	Disability Status	
	Disability	Non-Disability
2018	14.17	12.23

Source: The National Socio-Economic Survey (Susenas), Statistics Indonesia

### Proportion of Social Security for Workers Members and Membership of the Social Security for Workers (in million)

Year	Proportion of Social Security for Workers Membership	Category of Workers		
		Wage Workers	Non-Wage Workers	Construction Workers
2008	11.48	8.01	0.13	3.63
2009	13.18	8.45	0.20	5.17
2010	13.03	9.59	0.18	4.33
2011	13.98	10.31	0.19	4.83
2012	16.40	11.25	0.46	6.46
2013	16.47	12.20	0.42	5.63
2014	17.20	13.07	0.55	6.10
2015	16.79	14.04	0.29	4.95
2016	19.11	14.57	1.38	6.68
2017	21.68	16.07	1.71	8.46
2018	24.56	19.43	2.39	8.64
Mar 2019		19.37	2.38	8.77

Source: Social Security Organizing Body (Badan Penyelenggara Jaminan Sosial/BPJS)

## GOAL 11. SUSTAINABLE CITIES AND COMMUNITIES

### The Proportion of Households Living in Adequate Housing in 2015-2018

Year	The proportion of households living in adequate housing (percent)
2015	34.24
2016	37.2
2017	36.58
2018	38.3

Source: Statistics Indonesia

## GOAL 12. RESPONSIBLE CONSUMPTION AND PRODUCTION

### The Number and Level of Compliance of Companies that Follow The Proper, Year 2002-2016

Year	Category					Level of Obedience (Percent)
	Black	Red	Blue	Green	Gold	
2002-2003	0	20	52	8	0	60
2003-2004	22	64	99	9	0	56
2004-2005	41	116	182	21	0	56
2006-2007	11	73	305	45	0	81
2008-2009	32	118	385	40	1	74
2009-2010	47	154	433	54	2	71
2010-2011	48	233	603	106	5	72
2011-2012	79	295	805	119	12	71
2012-2013	17	551	1099	113	12	61
2013-2014	21	516	1224	121	9	72
2014-2015	21	529	1406	108	12	74
2015-2016	3	284	1422	172	12	85

Source: Ministry of Environment and Forestry

### Number of Companies that Apply SNI ISO 14001 Certification in 2010-2017

Year	Number of companies that apply SNI ISO 14001 certification
2010	1028
2011	873
2012	1035
2013	1558
2014	1644
2015	2239
2016	2001
2017	2197

Source: <https://isotc.iso.org/livelink/>



## GOAL 13. CLIMATE ACTION

### The Impact of Natural Disasters 2010 – 2017

Year	Indicator		
	Average of Deaths & Missing Persons per 100.000 Population	Number of Directly Affected Persons Attributed to Disasters per 100.000 Population	Value of Economic Losses (in Million Rupiah)
2010	0.8	862.08	11,898,115
2011	0.18	319.5	5,047,186
2012	0.13	410.63	5,255,767
2013	0.21	872.22	9,191,016
2014	0.24	604.02	7,036,777
2015	0.11	415.62	2,647,333
2016	0.22	1436.33	7,091,397
2017	0.14	2527.92	4,742,405

Source: Technocratic Design National Medium-Term Development Plan (RPJMN) 2020 – 2024

### The Indonesian Disaster Risk Index 2015 – 2018

Year	The Indonesian Disaster Risk Index (IRBI)
2015	169.4
2016	149
2017	142.2
2018	128.8

Source: Technocratic Design National Medium-Term Development Plan (RPJMN) 2020 – 2024

### Baseline Value and Cumulative Emission Potential 2010–2017

Year	Baseline Cumulative (tons of CO <sub>2</sub> e)	Cumulative Emission Potential (tons of CO <sub>2</sub> e)
2010	1,334,000.00	1,103,670.56
2011	2,854,000.00	2,383,913.03
2012	4,424,000.00	3,575,658.57
2013	6,033,000.00	4,898,677.43
2014	7,703,000.00	6,096,406.73
2015	9,406,000.00	7,596,380.46
2016	11,170,000.00	8,687,949.38
2017	13,030,000.00	10,097,846.68

Source: RAN-GRK Secretariat of the Ministry of National Development Planning/Bappenas

### Baseline Value and Annual Emission Potential 2010-2017

Year	Annual Baseline (tons of CO <sub>2</sub> e)	Annual Emission Potential (tons of CO <sub>2</sub> e)	GHG emission reduction (%)
2010	1,334,000.00	1,103,670.56	17
2011	1,520,000.00	1,280,242.47	16
2012	1,570,000.00	1,191,745.54	24
2013	1,609,000.00	1,323,018.86	18
2014	1,670,000.00	1,197,729.31	28
2015	1,703,000.00	1,499,973.72	12
2016	1,764,000.00	1,091,568.92	38
2017	1,860,000.00	1,409,897.30	24

Source: RAN-GRK Secretariat of the Ministry of National Development Planning/Bappenas

### Baseline Value and Actual Intensity Emission 2010-2017

Year	Baseline (tons CO <sub>2</sub> e/billion rupiah)	Actual Intensity Emission (tons CO <sub>2</sub> e/billion rupiah)
2010	0.68	0.49
2011	0.61	0.54
2012	0.65	0.47
2013	0.64	0.49
2014	0.66	0.42
2015	0.61	0.5
2016	0.56	0.34
2017	0.56	0.41

Source: RAN-GRK Secretariat of the Ministry of National Development Planning/Bappenas

## GOAL 14. LIFE BELOW WATER

### Marine Protected Areas, Year 2015-2018

Year	Marine protected areas (Million Ha)
2015	17.3
2016	17.9
2017	19.14
2018	19.3

Source: Ministry of Marine Affairs and Fisheries

## GOAL 15. LIFE ON LAND

### Proportion of Forest and Land Cover in 2011-2017

Year	Proportion of forest and land cover (Percent)
2011	52.22
2012	51.97
2013	51.59
2014	51.38

Year	Proportion of forest and land cover (Percent)
2015	50.78
2016	50.45
2017	50.18

Source: Ministry of Environment and Forestry

## GOAL 16 – PEACE, JUSTICE AND STRONG INSTITUTIONS

### Number of Activities and People Received Legal Aid Services in Indonesia, 2016-2018

Year	Non-Litigation (Activities)	Litigation (Individual)
2016	1188	8005
2017	3255	14981
2018	78557	18733

Source: BPHN

### Proportion (%) of Birth Registered By Age Group and Ses in Indonesia, 2014-2018

Year	All Children	Q1+Q2 All Children	Under-5	Q1+Q2 Under-5	Under-1	Q1+Q2 Under-1
2014	77,71	68,9	71,23	62,62	53,7	47,25
2015	79,92	71,9	72,65	64,45	53,6	46,3
2016	81,68	74,3	72,54	64,36	50,9	43,05
2017	83,33	76,7	73,18	65	53,8	44,25
2018	83,55	77,4	71,92	64,45	51,8	43,95

Source: Statistics Indonesia

### Proportion (%) of Birth Registered Among Under-1 Population by Ses In Indonesia, 2014-2018

Year	Under-1	Q1+Q2 Under-1
2014	53,7	47,25
2015	53,6	46,3
2016	50,9	43,05
2017	53,8	44,25
2018	51,8	43,95

Source: Statistics Indonesia

### Proportion (%) of Birth Ownership Among Under 5 Years by Ses In Indonesia, 2014-2018

Year	Under-5	Q1+Q2 Under-5
2014	71,23	62,62
2015	72,65	64,45
2016	72,54	64,36
2017	73,18	65
2018	71,92	64,45

Source: Statistics Indonesia

### Distribution (%) of Birth Certificate Deficiency for Under-5 Population per Ses in Indonesia, 2014-2018

Year	Poorest	Q2	Q3	Q4	Richest
2014	34,2	25,7	19,2	13,6	7,4
2015	33,4	26,7	19,5	13	7,5
2016	35,1	25,4	18,9	13,5	7,2
2017	35,8	25,5	19,5	13	6,2
2018	34,7	24,7	19	14	7,6

Source: Statistics Indonesia

### Number of Legal Aid Receiver, 2013 - 2017

Year	Number of Legal Aid Receiver
2013	1040
2014	3307
2015	6533
2016	38,453
2017	49,788

Source: BPHN

### Human Rights Violation Cases Reported, 2015-2018

Year	National Commission on Human Rights	National Commission Anti Violence Against Women	Ministry of Law and Human Rights
2015	8,249	1,248	658
2016	7,188	1,353	n/a
2017	5,387	1,301	n/a
2018	6,069	1,234	n/a

Source: National Commission on Human Rights and Ministry of Law and Human Rights

### Score of Indonesian Democracy Index, 2014-2017

Year	Indonesian Democracy Index	Democratic Institution Index		Civil Liberty Index	Political Rights Index
2014	73.04	75.81		82.62	63.72
2015	72.82	66.87		80.3	70.63
2016	70.09	62.05		76.45	70.11
2017	72.11	72.49		78.75	66.63

Source: Statistics Indonesia

### Indonesia Anti-Corruption Behavior Index, 2014-2018

Year	Indonesia Anti-Corruption Behavior Index
2014	3.61
2015	3.59
2016	n/a
2017	3.71
2018	3.66

Source: Statistics Indonesia

### Primary Government Expenditures as a Proportion (%) of The Original Approved Budget, 2014-2017

Year	Primary Government Expenditures as a Proportion of The Original Approved Budget
2014	94.7
2015	91.05
2016	89.5
2017	94.1

Source: Ministry of Finance

### Percentage (%) of Unqualified Opinion of the Ministries and Local Government Financial Report, 2014-2017

Year	Level of Administration			
	National level	Provincial level	City/Municipality level	District level
2014	58	76	60	41
2015	65	85	65	54
2016	84	91	77	66
2017	91	97	86	72

Source: Supreme Audit Board (BPK)

**Percentage (%) of Government Ministries and Local Government that comply with the Law on Public Service, 2015-2018**

Year	Level of Administration				
	National level (Ministry)	National level (Agency/Body)	Provincial level	City/Municipality level	District level
2015	27.27	20	9.09	5,26	4.69
2016	44	67	39.39	29.09	17.65
2017	35.17	33.33	27.27	33.33	12.15
2018	55.56	25	62.5	36.73	31.66

Source: Ombudsman

**Percentage (%) of Women Assuming the Decision-Making Positions in Government Institutions, 2014-2018**

Year	Level of Echelon	
	Echelon I	Echelon II
2014	20.66	16.39
2015	n/a	n/a
2016	13.81	12.55
2017	24.76	15.47
2018	14.43	13.06

Source: National Employment Agency (Badan Kepegawaian Nasional/BKN)

**GOAL 17 – PARTNERSHIP FOR THE GOALS**

**Comparison of Tax Ratios among Neighboring Countries**

Year	Countries (%)					
	Indonesia	Thailand	Cambodia	Singapore	Malaysia	Philippines
2018	10,3	15,7	15,3	14,3	13,8	13,7

Source: The Ministry of Finance

**Non-Oil and Gas Export Growth, 2010-2018**

Year	Non-Oil and Gas Export Growth (%)
2010	33.08
2011	24.88
2012	-5,54
2013	-2,04
2014	-2,64
2015	-9,71

Year	Non-Oil and Gas Export Growth (%)
2016	0,18
2017	15.95
2018	6.35

Source: The Ministry of Trade

### The Weighted Mean of Tariff Rates in Six Partner Countries of FTA Members 2015-2018

Year	The Weighted Mean of Tariff Rates in Six Partner Countries of FTA Members
2015	9.31
2016	7.93
2017	6.09
2018	4.38

Source: The Ministry of Trade

### The Ratio Remittance, 2010-2018

Year	The Ratio Remittance
2010	0.89
2011	0.84
2012	0.8
2013	0.95
2014	0.98
2015	1.13
2016	0.94
2017	0.79
2018	0.86

Source: Central Bank of Indonesia

### Debt Service Ratio, 2010-2018

Year	Debt Service Ratio
2010	17.49
2011	12.48
2012	17.28
2013	18.43
2014	23.59
2015	30.57
2016	35.35
2017	25.54
2018	24.08

Source: Central Bank of Indonesia

### Percentage (%) of National Optical Fiber Backbone, 2015-2018

Year	Percentage of National Optical Fiber Backbone
2015	77.82
2016	82.49
2017	86.58
2018	92.99

Source: Ministry of Telecommunication and Informatics

### Broadband Access Penetration, 2014-2017

Year	Broadband Access Penetration
2014	1.33
2015	1.54
2016	2.01
2017	2.41

Source: Ministry of Telecommunication and Informatics

### Proportion (%) of Individuals Using the Internet, 2010-2018

Year	Proportion of Individuals using the Internet
2010	17.6
2011	22.7
2012	25.7
2013	33.0
2014	34.9
2015	43.1
2016	51.3
2017	54.8
2018	64.8

Source: Indonesian Internet Service Provider Association (Asosiasi Penyedia Jasa Internet Indonesia / APJII)

### Consumers Who Use BPS Data in National Development Planning and Evaluation, 2016-2018

Year	Consumers Who Use BPS Data in National Development Planning and Evaluation (%)
2016	20,46
2017	9,24
2018	50.36

Source: Statistics Indonesia

**Number of External Visitors Who Access Statistical Data and Information through 'Website', 2016-2018**

<b>Year</b>	<b>Number of External Visitors who Access Statistical Data and Information through 'Website'</b>
2016	1,525,766
2017	1,727,450
2018	2,322,354

*Source: Statistics Indonesia*

**Percentage (%) of BPS Consumer Satisfaction Rate of Statistical Data Quality, 2016-2018**

<b>Year</b>	<b>Percentage of BPS Consumer Satisfaction Rate of Statistical Data Quality</b>
2016	89.30
2017	96.61
2018	97.74

*Source: Statistics Indonesia*

**Percentage (%) of Consumers Using BPS Statistics Data and Information as Main Reference, 2016-2018**

<b>Year</b>	<b>Percentage of Consumers Using BPS Statistics Data and Information as Main Reference</b>
2016	91.35
2017	87.05
2018	86.91

*Source: Statistics Indonesia*

**Number of Statistics and Computer Administrator in Line Ministries, 2016-2018**

<b>Year</b>	<b>Number of Statistics and Computer Administrator in Line Ministries</b>
2016	3,728
2017	4,913
2018	5,602

*Source: Statistics Indonesia*

**Percentage (%) of Line Minister having Statistics and Computer Administrators, 2017-2018**

Year	Percentage of Line Minister having Statistics and Computer Administrators
2017	59
2018	67

Source: Statistics Indonesia

**Number of KSST Activities, 2014-2018**

Year	Number of KSST Activities
2014	26
2015	45
2016	51
2017	59
2018	59

Source: SSTC Coordinating Team

**Types of KSST Program, 2014-2017**

Year	Number of KSST Activities					
	Training	Workshop - Seminar	Expert Dispatch	Scholarship - Internship	Multi-event activities	Knowledge sharing
2014	63	7	15	7	8	-
2015	51	12	12	2	19	4
2016	49	23	10	4	13	2
2017	59	14	13	2	12	-

Source: SSTC Coordinating Team

**KSST Financing (billion Rupiah), 2014-2018**

Year	KSST Financing (billion Rupiah)
2014	79.6
2015	110.5
2016	74
2017	83.3
2018	105.6

Source: SSTC Coordinating Team