

(2) HOLISTIC HUMAN DEVELOPMENT



UNITED NATIONS INDONESIA

# COMMON COUNTRY ANALYSIS – CCA

OCTOBER 2019



MULTISECTORAL APPROACH

DECENT WORK CAREER DEVELOPMENT

Leveraging resources incl public-private Partnership & innovative Financing mechanism

INNOVATIVE

SERV

DELIVERY

CIVIC

HUMAN CAPITAL DEVELOPMENT

ENVIRONMENTAL PROTECTION

ENVIRONMENTAL CLIMATE CHANGE DISASTER PREVENTION RESILIENCE WETLANDS MANAGEMENT

Inclusive Economic Growth  
Sustainable Employment  
Inclusive Growth  
Inclusive Economic Growth  
Transition - Infrastructure  
2. Inclusive Development  
=> - Urban  
- Gender  
- Environment  
- Energy

Inclusive Economic Growth

Sustainable Employment  
Inclusive Growth

Transition - Infrastructure

2. Inclusive Development

=> - Urban  
- Gender  
- Environment  
- Energy

ENVIRONMENT THAT SUPPORTS QUALITY OF LIFE

EDUCATION HEALTH CHILD RISK FACTORS

HUMAN CAPITAL DEVELOPMENT

N. 4 D B.

LATED

SOURCES

PER A

Inclusive Economic Growth

Sustainable Employment  
Inclusive Growth

Transition - Infrastructure

2. Inclusive Development

=> - Urban  
- Gender  
- Environment  
- Energy

BLEND

HUMAN CAPITAL DEVELOPMENT

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## *Acronyms*

AMR Antimicrobial Resistance	IDR Indonesia Rupee
APEC Asia-Pacific Economic Cooperation	IMR Infant Mortality rate
APFSD Asia Pacific Forum on Sustainable Development	InaTEWS Indonesian Tsunami Early Warning System
ASGM Artisanal Small Gold Miners	IOC Intergovernmental Oceanographic Commission
BOBLME Bay of Bengal Larine Ecosystem	IPCC Intergovernmental Panel on Climate Change
BKSAP Parliamentary Body for Inter-Parliamentary Cooperation	IRBI Indonesian Disaster Risk Index
BMI Body Mass Index	ISIS Islamic State of Iraq and Syria (“Da-esh”)
BNPB National Disaster Management Agency	IUU Illegal Unregulated and Unreported
BRI Belt and Road Initiative	IWRM Integrated Water Resources Management
BPBD Local Disaster Management Agency	JCJSA Juvenile Criminal Justice System Act
BPS Central Bureau of Statistics	JHT Old Age Savings With Disability Benefit
BRG Peatland Restoration Agency	JKK Work Injury Compensation
CAT Convention Against Torture and other Cruel Inhumane or Degrading Treatment or Punishment	JKM Survivors’ Benefit
CCA Common Country Analysis	JKN Healthcare Insurance
CED Convention for the Protection of All Persons from Enforced Disappearance	JP Elderly Pension
CEDAW Convention on the Elimination of All Forms of Discrimination against Women	JSM Java Spatial Model
CICL Children in Conflict with Law	LGBT Lesbian, Gay, Bisexual and Transgender
CMW International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families	LFPR Labour Force Participation Rate
COPD Chronic Obstructive Pulmonary Disease	LME Large Marine Ecosystem Approach
CRC Convention on the Rights of the Child	LULUCF Land-Use Change and Forestry
CRPD Convention on the Rights of Persons with Disabilities	MAB Man and the Biosphere Programme
CSO civil society organizations	MoEF Ministry of Environment and Forestry
CSR Corporate Social Responsibility	MIC Middle–Income Country
DBM Double Burden of Malnutrition	MMAF Ministry of Marine Affairs and Fisheries
DDP Desirable Dietary Pattern	MMR Maternal Mortality Rate
DPD Regional Representative Council	MPR People’s Consultative Assembly
DPR House of Representatives	MPA Marine protected areas
DRM Disaster Risk Management	MSM Men Who Have Sex With Men
EU European Union	MW Mega Watts
FBD Foodborne Disease	NEET Not in Employment, Education or Training
FDI Foreign Direct Investment	NCD Non-Communicable Disease
FHH Female-Headed Households	NDC Nationally Determined Contributions
FGM Female Genital Mutilation	NFMS National Forest Monitoring System
FSW Female Sex Workers	NO2 Nitrogen Dioxide
GBV Gender Based Violence	NRM Natural Resources Management
GCCF Governance of Climate Change Finance	OHCHR Office of the High Commission for Human Rights
GCM Global Compact for Safe, Orderly and Regular Migration	OOS Out of School
GDP Gross Domestic Product	PAUD Early Years Pre-Education
GHG Greenhouse Gas (emissions)	PINA Private Investments (domestic and international) Government Non-Budget Investment Funding
GII Gender Inequality Index	PIP Program Indonesia Pintar
GNI Gross National Income	PoC People of Concern
HDI Human Development Index	PWID People Who Inject Drugs
HFA Hyogo Framework for Action	PKH Program Keluarga Harapan
HIV/ AIDS Human Immunodeficiency Virus	PLHIV People Living With Human Immunodeficiency Virus
HLPF High-Level Political Fora	PPP Purchasing Power Parity
HRH Human Resources for Health	PPP Public Private Partnerships
IACEPA Indonesia-Australia Comprehensive Economic Partnership Agreement	RAD Regional Action Plans
ICCPR International Covenant on the Civil and Political Rights	RAN National SDG Action Plan
ICESCR International Covenant on Economic, Social and Cultural Rights	RAN-API National Action Plan for Adaptation to Climate Change
ICPD International Conference on Population and Development	RCEP Regional Comprehensive Economic Partnership Agreement
ICT Information, Communications and Technology	RIBASIM River Basin Simulation
	RPB Disaster Management Plans
	RPJMD Mid-Term Regional Development Plan
	RPJMN Indonesia’s National Medium-Term Development Plan
	RPOA-IUU Regional Plan of Action to Promote Responsible Fishing Practices Including Combatting

Illegal Unreported and Unregulated Fishing in the Region  
SBA Skilled Birth Attendant  
SDG Sustainable Development Goal  
SFDRR Sendai Framework for Disaster Risk Reduction  
SGBV Sexual and Gender Based Violence  
SIDIK Sistem Informasi Data Indeks Kerentanan  
SME Small-Medium Sized Enterprise  
SO<sub>2</sub> Sulfur Dioxide  
SOGIESC Sexual Orientation, Gender Identity, Gender Expression and Sex Characteristics  
SRH Sexual and Reproductive Health  
SSTC South-South and Triangular Cooperation  
STEM Science, Technology, Engineering and Mathematics  
TB Tuberculosis  
TFR Total Fertility Rate  
TG Transgender Persons  
TKD Regional Coordination Teams  
TSP Tsunami Service Provider  
TVET Technical and Vocational Training

UNCBD Convention on Biological Diversity  
UNCT United Nations Country Team  
UNDRIP United Nations Declaration on the Rights of Indigenous Peoples  
UDHR Universal Declaration on Human Rights  
UNESCAP United Nations Economic and Social Council for Asia and the Pacific  
UNFCCC United Nations Framework Convention on Climate Change  
UNGP United Nations Guiding Principles on Business and Human Rights  
UPR Universal Periodic Review  
VAW Violence Against Women  
VNR Voluntary National Review  
WASH Water, Sanitation and Hygiene  
WDP Qualified Satisfactory Audit  
WPF World Parliamentary Forum  
WPP Fisheries Management Areas  
WTP Non-Qualified Audit Performance  
WWF World Wildlife Fund

## *Executive Summary*

- i. In line with the global 2030 Agenda, the Government of Indonesia has placed ***inclusive, transformative and sustainable development*** at the heart of its national planning framework. The SDGs and 105 of its targets and indicators (to date), have been integrated into the National Development Plan (RPJMN) and into monitoring mechanisms at the national and sub-national level. The two Voluntary National Reviews (VNRs) for 2017 and 2019 have been presented at the High-Level Political Fora (HLPF). The Government also recently launched a more detailed SDG Roadmap elaborating various targets, gaps and interventions needed to attain its 2030 goals. Not least, a growing partnership exists, which includes parliament, the private sector, civil society, academia, development partners and the United Nations.
- ii. The President has recently reaffirmed the national commitment to prioritize several areas. These include ***maternal and infant mortality***, reduce ***high levels of stunting***, and make investments in infrastructure, water, sanitation and electricity to address ***regional inequalities*** which are apparent across the nation. Efforts have also been made to strengthen the policy and legal frameworks to reduce discrimination - yet more extensive efforts are needed to prevent segments of the population being 'left behind' through poverty and inequality of access to services and opportunities.
- iii. The United Nations is evolving its cooperation in line with Indonesia's ***rapidly changing context***. Mindful of its comparative advantages, the United Nations is now striving to identify key areas where it can add greatest value to the Government and people of Indonesia on the path to 2030. To commence a process of consultation, analysis and prioritization<sup>1</sup>, the United Nations hosted a series of multi-partner stakeholder consultation exercises in Jakarta in May and July 2019. From these consultations across the 'people', 'prosperity', 'planet' and 'peaceful societies'<sup>2</sup> pillars of the 2030 Agenda and within the framework of the Sustainable Development Goals (SDGs), several issues emerged:
  - Persistent poverty, inequalities and discrimination (SDG 1, SDG 5, SDG 10 and SDG 16);
  - Securing access to food, nutrition, water and sanitation for all Indonesians (SDG 2, SDG 5 and SDG 6)
  - Gender inequality and violence against women and girls (SDG 5);
  - Increasing human development through education, skills, health and adequate social protection (SDG 3, SDG 4, SDG 5 and SDG 6);
  - The acceleration of effective economic transformation (SDG 6, SDG 8 and SDG 9);
  - Sustainable natural resource and bio-diversity management (SDG 5, SDG 11, SDG 12, SDG 13, SDG 14 and SDG 15);
  - Climate change and resilience to natural disasters (SDG 5, SDG 7, SDG 9, SDG 11 and SDG 16);
  - Rising intolerance, identity politics, conservatism and the threat of radicalization (SDG 4, SDG 5, SDG 6, SDG 10 and SDG 16);
  - Inclusive, effective, accountable and corruption-free governance at the national and sub-national levels (SDG 5, SDG 6 and SDG 16).
- iv. These issues, as well as others, are outlined within the development snapshot below and analysed within the main body of this Common Country Analysis (CCA). Strategically, the CCA identifies ***five inter-linked and over-arching drivers or inhibitors of change*** in Indonesia today:
  - ***Demographics*** - the opportunity, and risk, of a growing population, especially youth, who can drive economic transformation and deliver on the demographic dividend. Most critically, this requires an increased and sustained investment in human capital to fully realize its full potential.

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<sup>1</sup> Which started with the preparation of the United Nations Common Country Analysis for Indonesia.

<sup>2</sup> Broadly relating to i) social; ii) economy; iii) environmental; and iv) governance.

- ***Economic transformation and industry 4.0*** – can drive sustained growth and generate revenue for reinvestment in the SDGs. This is most dependent on a stable, consistently applied policy and fiscal environment, investment in science, research, technology, engineering, digital transformation, data, innovation, connectivity, infrastructure and planned urbanization, education and skills, and which can leverage stronger public/private partnerships and help strengthen open and good governance institutions.”
  - ***Environmental sustainability*** – the pressure exerted on natural resources by the current model of economic development is immense and unsustainable. Issues of unsustainable production and consumption, especially in energy generation, industry and agriculture is impacting water quality and quantity and air pollution, which is in turn negatively affecting human health and wellbeing. Resilience against climate change and disasters is a high priority.
  - ***Gender inequality*** – the opportunity lost through unequal participation of women and girls in the social, economic, political and policy life of the country at all levels and in all regions, driven by strong social and cultural norms, represents a significant irrecoverable loss to GDP and human development.
  - ***Poverty and inequalities*** – while overall levels of poverty are decreasing, well over half of the population is vulnerable to poverty, which takes diverse manifestations and which perpetuates wide inequalities across regions and populations. Inequalities are most apparent in the very measurable lack of universal access to high quality services, including access to bank accounts for those most at risk of being left behind. Access to such services and to adequate social protection could otherwise prove transformative. In addition, discrimination against population cohorts at greatest risk of being left behind is troubling. Poverty and inequality are also a brake on higher levels of economic growth and prosperity for all.
- v. In terms of ***Leave No One Behind***, the central tenet of the 2030 Agenda, although education is near universal and more Indonesian’s have better access to health care, clean water and justice than ever before, still large cohorts of the population experience ***poverty, inequality, discrimination and exclusion***. Fewer than 10 per cent of the population are below the national poverty line and less than 5 percent live in extreme poverty, reflecting steady progress over the past two decades.
- vi. Considerable ***inequalities*** exist both in income and access to quality services - Indonesia being the sixth most unequal country in the world by income, with wide ***regional and entrenched gender inequalities***. Despite improvements in standards of living around 80 million Indonesian’s (around a third of the population) are either poor or moderately poor at a threshold of PPP of US\$ 3.1 per day, and around two-thirds of the population at a PPP of US\$ of 5.5 per day. Groups at greatest risk of being left behind can be grouped by i) socio-economic status; ii) discrimination; iii) vulnerability to shocks; iv) geography, and; v) ineffective governance.
- vii. The CCA revealed that ***poverty and unequal access to services and resources*** are both a determinant and a consequence of being left behind. Specific groups most at risk are:
- ***Poor people*** in general and those close to the poverty line. The poor are the least protected by the legal framework and the least informed of their rights. They represent the largest households, lowest income, poorly educated and weakest in health.
  - ***People living in remote areas***, and in particular in rural contexts or coastal regions where they are more vulnerable to shocks. Geographically these tend to be located in the eastern side of the country.
  - ***Children*** - 14 percent of children live below the official national poverty line, this number increases to 60 percent when the poverty line is doubled (against a national average of 9.66 percent. Furthermore, half of all children in Indonesia live in a household with less than US\$2 per day which

defines them as poor and vulnerable. Stunting affects over 30 percent of children up to five years of age.

- **Women and girls.** Gender inequality is a significant factor in reducing opportunities for advancement. Men's GNI is almost double that of women (US\$ 13,391 vs US\$ 6,668) and only 51.88 percent of women participate in the labour force, compared to 82.7 percent of men. High maternal mortality rates persist as does gender-based violence, child marriage practices and other forms of open discrimination embedded in a patriarchal culture.
- **Elderly people.** High rates of poverty exist among the elderly, since only around one in eight older people receive pensions.
- **People living with disabilities.** To date no universal dataset regarding persons with disabilities exists. Disability is a barrier to access education and jobs: only 18 percent of disabled children enjoy access to education. Disability is also a barrier to accessing basic health care.
- **Groups of people affected by stigma and/or discrimination.** These include People Living with HIV, people of different SOGIESC (sexual orientation, gender identity, gender expression and sex characteristics). Intolerance and the rise of conservatism has also contributed to a sharp rise in attacks against populations of religious, ethnic and sexual or gender minority.
- Due to their legal status and mobility, **migrant workers, refugees and asylum seekers** are also at risk of being left behind. Indonesia hosts 14,000 people of concern. And, of the large number of Indonesians seeking jobs abroad (around 6.5 million people), it is estimated that 60 percent are susceptible to human trafficking and exploitation.
- **Urban pockets of vulnerability** in Indonesia's rapidly growing cities create another group of people at risk of being left behind. For example, in the past few years urban poverty has increased by 2 percent in Jakarta City, despite the downward trend nationwide.

- viii. The **root causes** as to why people are at risk of being 'left behind', is linked to **rising inequalities**, and closely related to **unequal access to quality education, health, social protection and bank accounts**. National systems lack both **data and capacity** to effectively target and co-ordinate comprehensive, multi-sectoral, inclusive growth and poverty alleviation strategies.
- ix. In relation to the **economy**, Indonesia has made impressive strides forward over the past 30 years. In that period real GDP has nearly quadrupled from US\$ 794 billion in 1990 to over US\$ 3 trillion in 2018. Real GDP is projected to keep growing and will reach over US\$ 5 trillion by 2030, which will place Indonesia among the five largest economies in the world. With a per-capita GNI of US\$ 3,840 in 2018<sup>3</sup>, Indonesia is close to reaching the Upper-Middle Income threshold. In the period 2014 – 2018 the economy grew by 5 percent annually and in the same period the unemployment rate decreased to 5.3 per cent and around 9.38 million jobs were created. Remittances generated by an estimated 6.5 million Indonesian migrant workers<sup>4</sup> reached an all-time high of US\$ 11.2 billion<sup>5</sup> in 2018, equating to around half of total Foreign Direct Investment (FDI) and play an important role in migrant worker household economies. Notwithstanding these gains, Indonesia still faces its share of challenges.
- x. In 2018, almost 20 percent of **young people**<sup>6</sup> were unemployed - the highest youth unemployment in ASEAN<sup>7</sup>. A large portion of workers (around 54 percent) are still engaged in the **informal sector**,

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<sup>3</sup> World Bank, 2018.

<sup>4</sup> [https://tbinternet.ohchr.org/Treaties/CMW/Shared%20Documents/IDN/CMW\\_C\\_IDN\\_1\\_6902\\_E.pdf](https://tbinternet.ohchr.org/Treaties/CMW/Shared%20Documents/IDN/CMW_C_IDN_1_6902_E.pdf)

<sup>5</sup> <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

<sup>6</sup> (15-24 years old)

<sup>7</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

predominantly women. As noted above, the *women's labour force* participation rate is significantly lower than that of men and their hourly earnings are lower.

- xi. The main economic challenge to Indonesia is being able to manage its economic transformation, fully leverage industry 4.0 and implement the economic component of the 2030 development agenda from a position of relatively low levels of productivity. The *primary causes* of these challenges are due to: i) low quality of human capital; ii) limited institutional capacities, overlapping regulations and weak policy implementation; iii) inefficient tax system; iv) quality of infrastructure; v) under-developed financial markets; vi) the need for enhanced levels of innovation; and, vii) the need to strengthen upstream-downstream economic linkages, including support for SME development.
- xii. Regarding *education*, Indonesia boasts the fourth largest system in the world. And whilst the Government has invested heavily in education since the 2002 Constitutional amendment mandated a total (central, plus sub-national spending) budget allocation of at least 20 per cent to education, the system has yet to yield the outcomes anticipated. The Out of School (OOS) population remains high – with an estimated 4.4 million children<sup>8</sup> not in school in 2015. Teacher quality remains the most significant factor in determining learning outcomes and teacher absenteeism is also an issue, especially in the eastern regions.
- xiii. The *health profile* of the nation is also changing rapidly. Low coverage of immunization<sup>9</sup> has also led to the re-emergence of diseases. Indonesia also has one of the highest rates of *malnutrition* in the world, with some 2.4 million children under five wasted. Stunted individuals are more likely to suffer from NCDs as well as cognitive development, human capital, productivity, earnings, and the intergenerational transmission of poverty<sup>10</sup>. For these reasons, the Government of Indonesia has prioritized stunting in recent years and made efforts to combat it. In terms of communicable diseases, Indonesia ranks the third highest TB incidence rate (319 (291–348) per 100,000 pop) in the world, claiming the lives of an estimated 100,000 people each year. Indonesia is experiencing an increase in new HIV infections, with an estimated 640,000 people living with HIV/ AIDS (PLHIV), with 49,000 new cases and 39,000 AIDS-related deaths in 2018 - a 25 percent increase between 2010 and 2018. There are also well documented gaps in women and adolescent's access to reproductive health services.
- xiv. In terms of *social protection*, overall coverage remains low. In 2017, overall investment in social assistance schemes that offer income support amounts to 0.35 per cent of GDP<sup>11</sup> and only 1.2 percent of GDP in social protection in total<sup>12</sup>. This is low in relation to investment in other countries and sectors, such as infrastructure. Indonesia's current investment in social protection is still below what is expected of a middle-income country, resulting in major gaps in coverage, particularly regarding young children, the elderly, people with disabilities and most of the population on middle incomes – the so-called 'missing middle' – who are still vulnerable to risks and shocks, as mentioned in the poverty section above.
- xv. Indonesia's *environment* is an integral and substantive component of the national vision and path to inclusive prosperity, economic transformation and sustainable development. It is the world's largest archipelago of 17,000 plus islands and supports a tremendous biodiversity of life within its various ecosystems. Forests cover fifty percent of Indonesia, yet the country is one of the *world's largest emitters of greenhouse gases*. This is largely due to high rate of deforestation and forest degradation, forest and peat fires, and, increasingly, the installation of coal-fired power plants.

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<sup>8</sup> between seven and eighteen years of age who were not in school

<sup>9</sup> On the demand side, there is resistance against immunization for various reasons. While on the supply side, only 70 percent of cold chain facilities are in prime condition, 18 are adequate and 12 percent are in need of improvement.

<sup>10</sup> Victora et al. 2008 – cited in 'Improving Service Levels and Impact on the Poor A Diagnostic of Water Supply, Sanitation, Hygiene, and Poverty in Indonesia', World Bank Group, 2017.

<sup>11</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

<sup>12</sup> Inputs in support of the Common Country Analysis for the United Nations Sustainable Development Framework For Indonesia', ESCAP, 11 September 2019.

- xvi. The Government has ratified the Paris Agreement and has adopted significant conservation measures and to secure reductions in its carbon footprint, as well as tackling marine plastic debris. This, and other sources of **air and water pollution**, including from chemicals, present a serious concern to human health and well-being. Indonesia's upward development trajectory also faces risks from its environment. Located in the Pacific 'Ring of Fire', including over 500 volcanoes the archipelago is highly **vulnerability to natural disasters and climate change** impact. Losses from disasters remain high. Strengthening community empowerment and management approaches to NRM<sup>13</sup> and DRM<sup>14</sup> would enhance resilience efforts.
- xvii. Regarding governance, access to justice and human rights Indonesia continues to gradually consolidate its democracy. The democracy index increased slightly from 72.11 (2017) to 72.39 (2018) and the anticorruption behaviour index increased from 3.59 (2015) to 3.66 (2018) – albeit corruption is still regarded as a priority. The Government has taken promising steps towards open governance, improved data and digitization within the public sector. And although some human rights issues need further attention, consultations on these matters are increasingly open and constructive through the mechanism of the Universal Periodic Review (UPR). The majority of core United Nations Human Rights Conventions, Treaties and Protocols have either been ratified or acceded to or which are otherwise enshrined within Indonesia's constitution. The full realization of these rights however is still work in progress across the SDGs and central to the realization of the 2030 Agenda. For example, birth registration now covers over 83 percent of all children, but only 77 percent of children in the poorest households, and 72 percent of those under-five (2018). Legal aid has been recently extended to more poor people than ever, yet, strengthening the rule of law and the justice system is central to the consolidation of democracy and stability in Indonesia.
- xviii. A more cohesive **policy framework and sharpened budgetary** focus, backed up by more **incisive data**, is required to ensure the poorest and most vulnerable people are better targeted for assistance – lest they be left behind. Fully integrating and accelerating **SDG implementation at the local level** is required with only 10 years of the 2030 Agenda remaining. **South-South and Triangular Cooperation** (SSTC) has been strengthened with more partner countries than ever before. Regarding the primary funding source for the goals - **domestic revenues** - these are low by international standards. The IMF and World Bank indicate that Indonesia needs to increase tax revenue to the benchmark of Middle-Income countries (closer to 20 percent of GDP, instead of Indonesia's current tax revenue of around 12 percent). On the other hand, Indonesia leads other countries in terms of its innovation on development financing.
- xix. At the level of **underlying causes** of **all** of these issues across the social, economic and environmental pillars, can be found a number of **common themes**:
- **Unequal access to quality services** (education, health, social protection, WASH, legal systems and financial services);
  - Lack of **awareness, affirmative action** and **incentives** (social, policy, regulatory, legal, fiscal etc) i.e. for gender equality or anti-discriminatory practice, or sustainable consumption and environmental protection;
  - **Inadequate regional and spatial planning** for balanced nationwide and urban development (especially in light of the rapid urbanization that is currently taking place), including access to infrastructure (roads, energy, internet etc.);
  - Access to **affordable nutritious food and safe water** – for women and children in particular;
  - **Legal and policy** gaps – including full and consistent implementation, compliance, monitoring and enforcement;
  - Insufficient **generation** and ineffective use governing the **allocation of resources**;
  - Relatively speaking, a '**low education, low productivity, low skill, low wage, high informal economy**', suffering from a **skills/jobs mis-match**, including lack of modern skills for innovation, critical

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<sup>13</sup> NRM – Natural Resources Management

<sup>14</sup> DRM - Disaster Risk Management

thinking, adaptive and creative skills-sets, ICT, and STEM skills demanded from a rapidly structurally transforming economy and industry 4.0;

- The issues of *rising intolerance* and the risk of radicalization;
- Insufficient *data and evidenced-based planning*.

xx. The main *root causes* cutting across many of these issues include:

- *Rapid urbanization*;
- *Ineffective bureaucratic governance*, including policy and legal co-ordination and consistency (including corruption);
- *Social norms which discriminate against women and girls*, and other groups;
- *Climate change* and *'the ring of fire'*.

## 1. Country Context

Indonesia, with 266 million inhabitants, is the world's fourth most populous nation, the world's 10th largest economy in terms of purchasing power parity, and a member of the G-20. An emerging middle-income country, Indonesia has made enormous gains in poverty reduction in the last decade, cutting the poverty rate to more than half since 1999, to 9.8 percent in 2018. It is also one of the world's largest democracies. Its population is predominately Muslim (85 percent), making it the world's largest Islamic country. Other religions include Christianity (11 percent) and Hinduism, Buddhism and Confucianism (4 percent). Indonesia is a secular state. Its national motto, "Unity in Diversity", reflects the many ethnic and cultural backgrounds of its population (Bahasa Indonesia is the national language).

2. Indonesia is also the world's largest archipelago-state, consisting of some 17,000 islands – all straddling the equator. These include five major islands: Sumatra, Java, Kalimantan (Indonesian Borneo), Sulawesi, Papua and West Papua, which neighbours Papua New Guinea. The distance from west Indonesia to east Indonesia is 5,150 kilometres. The capital of Indonesia, Jakarta, is located on the island of Java. The country is endowed with vast natural resources, including oil and natural gas, coal, tin, copper, nickel ore, bauxite, copper, coal, silver, and gold as well as timber.
3. Indonesia was massively impacted during the 1997/98 Asian financial crisis. It is also situated in one of the most disaster-prone locations in the world. Its heaviest losses were sustained in the December 2004 tsunami which claimed over 200,000 lives and displaced over 300,000 people. More recently, in 2018, a series of earthquakes affected Lombok Island, Nusa Tenggara Barat (NTB) Province, and a magnitude 5.8 earthquake and subsequent tsunami struck Sulawesi Province in September 2018. The Lombok crisis resulted in the deaths of approximately 500 people, with an identified 218,530 affected while the combined effects of the Sulawesi earthquake, liquefaction and tsunami led to the deaths of at least 2,100 people. The 2018 Sulawesi Earthquake Humanitarian Response Plan identified 1.5 million people in need and recorded extensive damage to infrastructure and facilities.

\* \* \*

4. Since independence from colonial rule in 1945, Indonesia's seven presidents have served both as the Head of State and the Head of **Government**. Authoritarian rule formally ended in 1998 and the first direct Presidential elections were held in 2004. The constitution provides the foundation for promoting peace, human rights and justice for all. As a constitutional republic, the country is governed through its executive, judicial and legislative branches of government. Indonesia is headed by a directly elected executive President and Vice President and assisted by appointed cabinet. The national legislative structure consists of three bodies; the House of Representatives (DPR), the Regional Representative Council (DPD), and the People's Consultative Assembly (MPR). The MPR's structure consists of the members of the DPR and DPD.
5. Following the end of authoritarian rule in 1998, Indonesia's transition to **democracy** continued into the 2000s. In that period the country has enjoyed nearly two decades functioning as a democratic system, including successfully holding legislative and presidential elections in 2004, 2009, 2014 and 2019. The country continues to develop its capacity for organizing free, fair, and peaceful elections.
6. However, **intolerance and conservatism** has been rising significantly in the past decade driving identity politics and deepening political division and polarisation in Indonesia that can potentially exacerbate a number of Indonesia's persistent and emerging development challenges including exacerbating gender inequalities and discrimination against women and undermine efforts to promote female representation and leadership in parliaments and political parties<sup>15</sup>.

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<sup>15</sup> See, Dyah Ayu Kartika, New Mandala, "An Anti-Feminist Wave in Indonesia's Election?", 14 April 2019

7. In the 2019 elections, President Joko Widodo was re-elected. Thriving in local politics as the former Governor of Jakarta and previously Mayor of Surakarta, President Widodo is recognised from his effective leadership style and is the first Indonesian President who did not come from the military or political elites and/or political commentators. President Widodo recently outlined his priorities for Indonesia which confirmed his commitment to a sustainable path to development based on human resource development and the upholding of a pluralistic and democratic society (see further section 2 below).
8. Administratively, the Indonesian archipelago is divided into 34 provinces consisting of 416 districts and 98 municipalities. There are 7,145 sub-districts and 82,395 villages. Within this mighty land and seascape, the nation possesses *tremendous diversity*, ethnicity, language, belief, culture and lifestyle. While such richness is a great asset, it makes the pursuit of development goals appreciably more complex and sophisticated. Highly localized strategies are needed to implement the SDGs. Since 1999, Indonesia has also undergone a nationwide process of decentralization<sup>16</sup>. This has witnessed the transfer of control of large segments of public expenditure and service delivery from the central government to provincial and local governments. Since 2005, heads of local government (governors, regents and mayors) have been directly elected by popular election.
9. The transition from authoritarianism to democracy and decentralization has facilitated the *growth of civil society organizations* (CSOs), as well as the growth of the freedom of media, embedding them within Indonesia's evolving political and social landscape. As the country has become more democratized, media and academic freedoms have developed in parallel. Public discourse on governance, accountability, transparency and corruption in public institutions is occurring.
10. Open discussion on *human rights*, gender inequality, religious and other civil and political freedoms takes place, but can be more limited in certain politically-sensitive areas. With respect to human rights, an analytical framework has been designed and supported by the United Nations Country Team (UNCT) as a tool to monitor their progress, which is integral to the developmental objectives of 2030 agenda<sup>17</sup>. Nine SDGs have been initially prioritized for analysis linked to specific national human rights obligations<sup>18</sup>. For a systematic review of the relationship between human rights and the SDGs see Annex 1, plus Annex 6 regarding Indonesia's core human rights Convention agreements.
11. Regarding local *conflict* and social context, Indonesia faced a number of separatist conflicts almost immediately after its independence. It also had to struggle with *ethnic and religious conflicts*, including in the initial phase of democratic transition. The drivers for conflicts in Indonesia have some unique characteristics at the community level. As such, they demand solutions that are tailored to each locality, informed by indigenous knowledge and shaped by those directly affected. Yet at the same time, such solutions must also be consistent with national policies and actions. They need to be part of the national agenda. Developing such solutions is difficult. It requires one to simultaneously work at the grassroots level while also engaging at the highest levels of national policy. Women's leadership and their potential as agents for peace is critical drive towards 'community-owned' solutions to prevent violence, promote tolerance and advance social justice in Indonesia.
12. However, unlike other multi-ethnic countries Indonesia has been relatively successful in brokering peace among the conflicting groups, particularly in the case of the Aceh peace process in the early 2000s. Indonesia has also been quite active in mediating conflicts within the immediate region, particularly in Mindanao<sup>19</sup>. In addition, Indonesia is also host to around 14,000 refugees, mostly from Afghanistan, Somalia and Myanmar.

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<sup>16</sup> Enactment of the law on local autonomy in 1999 marked the beginning of decentralization in Indonesia.

<sup>17</sup> [http://www.unesco.org/new/en/jakarta/about-this-office/single-view/news/linking\\_sustainable\\_development\\_goals\\_and\\_human\\_rights\\_in\\_in/](http://www.unesco.org/new/en/jakarta/about-this-office/single-view/news/linking_sustainable_development_goals_and_human_rights_in_in/)

<sup>18</sup> These are further elaborated in Annex 1

<sup>19</sup> The Quest For Impactful Paths: Enhancing Indonesia's Role On Global SSTC Platform, July 2018.

13. The two provinces of Papua and West Papua ('Papua') have experienced low intensity conflict since the 1960s with human rights violations reported during this period. Women and girls in Papua and West Papua are among the most marginalised groups in Indonesia and performed well below the national average across all SDG indicators. After his election in 2014, President Widodo embarked on fostering comprehensive engagement in Papua economic development and other initiatives.
14. In 2018, the Government invited OHCHR to visit Papua and OHCHR is awaiting confirmed dates. Several UN agencies are currently engaged in social development programmes in West Papua. The flare up in protests and violence across Papua in August 2019, sparked by incidents of racism against Papua students in Java, is a reminder of the deep-rooted issues around discrimination, inequality and underlying political grievances. The recent intensification of the situation in Papua has reportedly led to the displacement of the civilian population and further reports of alleged human rights violations.

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15. Indonesia's large *population* will change considerably over the next 30 years, both in terms of its size and its qualitative characteristics. Its changing population age structure presents both opportunities and challenges for sustainable development. According to the official projections (2015-2045), the population of Indonesia is expected to increase by 63 million people between 2015 – 2045, compared to an increase of more than 91 million during the last 30 years (1985-2015) (Figure 1.1 below). Most of this growth is due to population momentum, not high fertility.

**Figure 1.1. Population change during 1985-2015 and 2015-2045, Indonesia<sup>20</sup>**

	1985	2000	2015	2030	2045	Per cent change '85-'15	Per cent change '15-'45
Population size (thousands)							
<b>Total population</b>	<b>164,629</b>	--	<b>255,588</b>	<b>293.7</b>	<b>318,961</b>	<b>55.7</b>	<b>24.8</b>
TFR	3.48	2.27	2.37	2.10	2.10	-31.9	-11.4
Age structure (thousands)							
0-14	63,932	--	66,425	--	65,982	3.9	-0.7
15-64	95,081	--	174,660	--	207,992	83.7	19.1
65 & over	5,616	--	14,503	--	44,987	158.2	210.2
Dependency ratio	73.1	--	46.3	--	53.4	--	--

16. The population change underway in Indonesia today can be described in terms of four major megatrends: population growth, changing age structure, urbanization, and the 'rise of the middle class'. Together they define a fundamental transformation of Indonesian society. How well the country manages and adapts to this transformation will to a large extent determine whether Indonesia realises its vision — by 2045<sup>21</sup>. The vision calls for Indonesia to reach middle-income status by around 2035 and GDP per capita in 2045 to reach close to US\$ 30,000 (nominal dollars)<sup>22</sup>. Therefore, population development policies are needed to expand, improve and diversify the stock of human capital and to make sure the country "rides the wave" of the demographic bonus successfully. This will improve people's welfare and quality of life and will make the economy more productive and competitive.
17. While Indonesia's overall rate of population growth will be steadily declining, the growth of different age groups within the population will vary considerably. The last 30 years saw the working-age population increase by more than 80 per cent while children under 15 only increased by around 10 per cent. The resulting change in the child-dependency ratio stimulated interest in a potential 'demographic dividend'. These changes

<sup>20</sup> Data from BPS 1988 and 2018, (BPS estimates and projections)

<sup>21</sup> Berdaulat, Maju, Adil dan Makmur (an Advanced, Just and Prosperous Indonesia)

<sup>22</sup> (Brodjonegoro 2017)

in age structure are favourable to accelerating economic and social development so long as supporting policies (regarding education, job creation, labour force participation, etc.) are in place. This first demographic dividend will continue into the future, but will be essentially exhausted by 2030.

18. On the one hand an increase in the proportion in the working ages and a decrease in the proportion of dependent children raises the potential for the production of more wealth per capita and higher investment; and on the other, the increase in the proportion of elderly raises the possibility of increasing poverty rates and of overwhelming health and social services. Based on the 2010 Population Census data, female-headed households (FHH) are gradually on the increase and it is estimated that there are 8,538,400 households (or nearly 14 percent) out of a total of 61,157,592 households<sup>23</sup>.
19. Meanwhile the over-65 population grew the fastest during 1985-2015, by more than 150 per cent according to BPS figures, but from a very small base. It is expected to grow even faster during the next 30 years, and soon the growing numbers of elderly will have a major impact on the total dependency ratio. The size of the under-15 population, on the other hand, will be almost the same in 2045 as it was in 2015, and the working-age population will increase by only about 20 per cent. The earlier demographic dividend (the 'first demographic dividend') will be over. However, a new 'second demographic dividend' is possible, if at that time the economy is sufficiently advanced so that people can save for their old age (either through private insurance or public pension schemes) and the savings are invested<sup>24</sup>.
20. These projections have several important implications for planning. For example; i) Numbers of primary and secondary school-aged children will continue to increase. As Indonesia aims to reach 9, and then 12 years universal education, the challenge of raising enrolment ratios at the more expensive middle and upper secondary levels of education will be great; ii) Numbers in the younger working ages will continue to increase, but the increase will be much greater in the mature working ages (30-64 years), with implications for employment, labour productivity, economic and labour force planning; iii) Increasing numbers of elderly will require attention to the needs of this most rapidly growing segment of the population (pensions, health care, etc.).
21. In summary, Indonesia's age structure is changing profoundly, with repercussions for economic and social development via multiple pathways. These changes can also involve and affect males and females differently. For example, older women experience greater vulnerability due to greater longevity and lower incomes across their lifetime due to caregiving responsibilities. This presents a challenge for Indonesia to avoid getting stuck in the so-called 'middle income trap'. The challenge at this stage is not to try and control the changes in age structure per se, but to manage the following on effects these demographic changes will have on the social and economic structure of society.

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22. In relation to the *economy*, Indonesia has made impressive strides forward over the past 30 years. In that period real GDP has nearly quadrupled from US\$ 794 billion in 1990 to over US\$ 3 trillion in 2018<sup>25</sup>. Indonesia's real GDP is projected to keep growing and will reach over US\$ 5 trillion by 2030, which will place Indonesia among the five largest economies in the world. This notable economic progress is evidenced in Figure 1.2 below, which has resulted in an improvement in standards of living and a reduction in poverty.

**Figure 1.2. Real GDP per Capita (million IDR) and Real GDP per Capita Growth (percent)<sup>26</sup>**

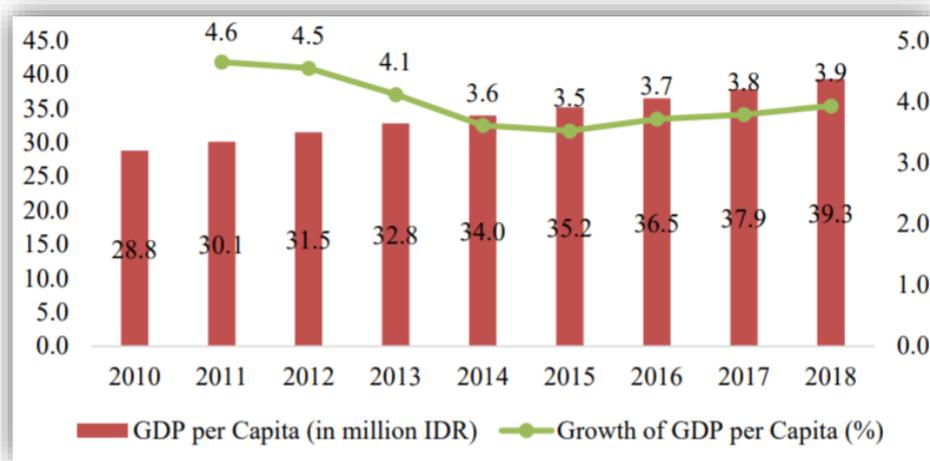
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<sup>23</sup> Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

<sup>24</sup> See Figures 1.11 and 1.13 in the Technical Annex.

<sup>25</sup> OECD, 2019

<sup>26</sup> Statistics Indonesia, Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.



23. In the first four years of RPJMN (National Medium Term Development Plan) implementation (2015 - 2019) the domestic economy grew at an average of around 5 percent per year, slightly higher than the world average of 4.5 percent per year. This steady growth was set against the broader backdrop of uncertainty and external economic headwinds. Political and trade issues affected, and continue to subdue world markets, such as the US-China trade relations, Brexit and the rebalancing of the Chinese economy. For Indonesia, the period also marked the end of the commodity boom era<sup>27</sup>.
24. Sustained growth has been underpinned by macroeconomic stability, reflected in stable inflation of around 3.3 percent per year and steady exchange rates. Indonesia's foreign exchange reserves increased from US\$ 111.9 billion in 2014 to US\$ 117.2 billion by November 2018<sup>28</sup>. Investment grew at an average 5.7 percent per year over the same period and proved to be a key driver of economic growth.
25. Remittances contribute significantly to the Indonesian economy, from around 9 million Indonesian's working overseas<sup>29</sup>, reaching record highs of US\$ 11.2 billion in 2018 (nearly half of total FDI)<sup>30/31</sup>. Sustained investment growth was largely attributed to improvements in the investment climate, infrastructure and services. Household consumption also grew at an average 5.0 percent per year and government consumption grew by an average of 3.1 percent per year, despite pressure from declining state revenues, which is significant for budgetary allocations to the SDGs. Exports and imports of goods and services grew by an average of 3.1 percent annually<sup>32</sup>. In addition, more than 9 million jobs were created in the 2015 – 2018 period. The official unemployment rate fell from 5.94 percent in 2014 to 5.34 percent in 2018<sup>33</sup> (see figure 1.3 below). GDP per capita continued to increase from US\$ 3,531 in 2014 to US\$ 3,920 in 2018, putting Indonesia on the threshold of being a high middle-income country.

**Figure: 1.3. Unemployment Rate by Sex (left) and Location (right)<sup>34</sup>**

<sup>27</sup> RPJMN (2020-2024) (provisional translation).

<sup>28</sup> RPJMN (2020-2024) (provisional translation).

<sup>29</sup> World Bank: <http://pubdocs.worldbank.org/en/357131511778676366/Indonesias-Global-Workers-Juggling-Opportunities-Risks.pdf>.

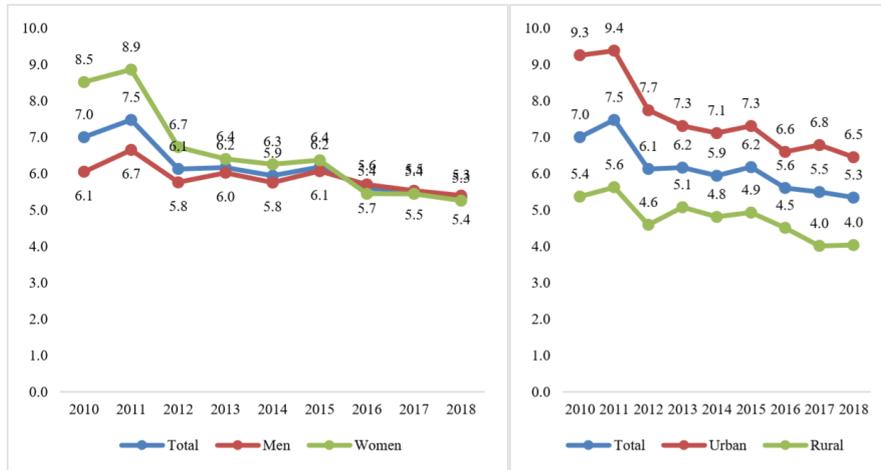
<sup>30</sup> <http://www.worldbank.org/en/topic/migrationremittancesdiasporaissues/brief/migration-remittances-data>

<sup>31</sup> See Figure 1.18 in the CCA Technical Annex

<sup>32</sup> <https://www.imf.org/en/News/Articles/2019/05/16/pr19169-indonesia-imf-staff-completes-2019-article-iv-consultation-mission>, Internatioal Monetary Fund, 2019

<sup>33</sup> Statistics Indonesia, Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>34</sup> Statistics Indonesia, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.



26. The main challenge to Indonesia being able to implement the economic component of the 2030 development agenda stems from relatively low levels of productivity. The primary causes are due to: i) low quality of human capital; ii) limited institutional capacities, overlapping regulations and weak policy implementation; iii) inefficient tax system; iv) quality of infrastructure; v) under-developed financial markets; vi) the need for enhanced levels of innovation; and, vii) the need to strengthen upstream-downstream economic linkages<sup>35</sup>. Another consideration for low productivity in Indonesia is related to low female labour force participation and gender gaps in access to skills development training. Many of these causes are reflected in the consolidated problem tree – see Figure 1.29 below). More generally, the women’s labour force participation rate is significantly lower than of men at 51 percent compared to 82.5 percent (Figure 1.4 below).

**Figure 1.4. Labour Force Participation Rates (LFPR) by male and female, Indonesia 2015-2017<sup>36</sup>.**

	August 2015	August 2016	August 2017
<b>LFPR female</b>	<b>48.87</b>	<b>50.77</b>	<b>50.89</b>
LFPR male	82.7	81.97	82.51
Total	65.8	66.34	66.67

27. Looking ahead, uncertainty and unpredictability present the greatest risks in the development of the world economy and to Indonesia’s rising place within in it. Economic growth and world trade are expected to slow with each projected at 3.6 and 3.8 percent per year. The price of Indonesia's main international commodity exports is also forecast to decline, including coal and palm oil<sup>37</sup>. This could impact revenue earnings, which as a percentage of GDP, as mentioned, are already low - a key marker for SDG 17 - for financing the SDGs.

28. In terms of economic competitiveness, Indonesia was ranked 45<sup>th</sup> out of 140 countries in 2018, up from 47<sup>th</sup> out of 135 countries in 2017<sup>38</sup>. Meanwhile its ‘innovation readiness’, is less favourable, as shown by the Network Readiness Index, which ranks Indonesia 73 out of 139 countries compared to peer countries Malaysia (ranked 31), Turkey (48), China (59), Thailand (62). And while Indonesia compares well in the ‘ranking of innovation’<sup>39/40</sup>, being ahead of Thailand, yet behind Malaysia, its ‘readiness to adopt’ and exploit digital technology to drive digital transformation across all sectors needs strengthening – as confirmed by it being positioned 59<sup>th</sup> out of 63 countries in the World Digital Competitiveness Ranking.<sup>41</sup>

<sup>35</sup> RPJMN (2020-2024) (provisional translation).

<sup>36</sup> Source: BPS. National Workforce Survey, 2015-17

<sup>37</sup> RPJMN (2020-2024) (provisional translation).

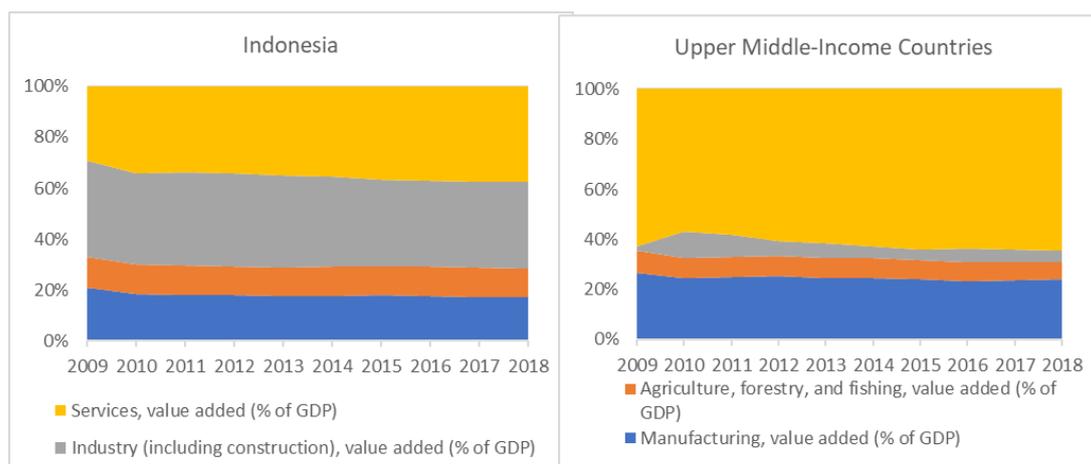
<sup>38</sup> <http://reports.weforum.org/global-competitiveness-report-2018/country-economy-profiles/#economy=IDN>

<sup>39</sup> Global Competitiveness Report WEF, various editions – cited in Voluntary National Review (VNR) ‘Eradicating Poverty and Promoting Prosperity in a Changing World’, Republic of Indonesia, 2017.

<sup>40</sup> See also Figure 1.36 in the CCA Technical Annex.

<sup>41</sup> RPJMN (2020-2024) (provisional translation).

**Figure 1.5. GDP Added Value by Sector 2009-2018<sup>42</sup>**



29. Like other developing countries, Indonesia is undergoing structural transformation. This entails a gradual shift from agriculture to manufacturing and services. Indonesia’s relatively high economic growth has been driven from across all primary sectors. Industry has grown at an average of 4.3 percent annually and agriculture at an average of 3.7 percent during the period 2015-2018. The largest contribution to growth has been derived from the information and communication services sector and from transportation and warehousing, growing respectively at 9.2 and 7.6 percent annually. The structure of Indonesia’s overall real economy has not shifted significantly in the last few years as evidenced in Figure 1.5 (above) and the share of services per GDP, although growing, is still significantly lower than the aggregated middle-income countries. Growth in services however was primarily at the low-end of the value chain – hence, having a large share of services in the economy itself does not necessarily translate into an effective structural transformation and better welfare.
30. Whilst the economy has grown significantly over the past couple of decades there have been social and environmental costs. Income and geographic inequalities have widened considerably, see below, and greenhouse gas emissions are high. Indonesia’s natural environment has been negatively affected with natural forest cover being halved over the past 50 years and approximately 60 percent of all rainforest fauna and flora species are endangered or threatened with extinction. The Government is making great efforts to ensure that the next era of growth is based on increasing investment and partnerships that promote open governance, digital transformation, scientific research and technological innovation, rooted in the principles of sustainable and inclusive growth.”

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31. In terms of *human development*, Indonesia’s Human Development Index (HDI)<sup>43</sup> has continued to climb over the past decade, most recently from 68.9 in 2014 to 71.38 in 2018 ranking it at 116 out of 189 countries with improvements recorded in all three HDI dimensions of income, education and health. Indonesia’s 2017 HDI is above the average of 0.645 for countries in the medium human development group, but below the average of 0.733 for countries in East Asia and Pacific<sup>44</sup> (see figure 1.6 below).

**Figure: 1.6. Indonesia’s 2017 Human Development Index (HDI) compared with other ASEAN countries.**

<sup>42</sup> Data from database: World Development Indicators

<sup>43</sup> HDI value includes: i) life expectancy at birth (years); ii) expected years of schooling, iii) mean years of schooling, iv) Gross National income \$PPP.

<sup>44</sup> [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/IDN.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/IDN.pdf), accessed May 28, 2019



32. Human development in Indonesia is constrained by gender inequalities. Discrimination against women and gender inequalities are prevalent across Indonesia. This is evidenced in the Gender Development Index for Indonesia (see Figure 1.7 below), as compared to a selection of countries shows female HDI to be 0.666 compared to male HDI of 0.715<sup>45</sup> wherein females benefit from almost one full year less of schooling than their male counterparts and will earn considerably less.

**Figure 1.7. Indonesia's Gender Development Index for 2017 relative to selected countries and groups<sup>46</sup>**

Country	Life expectancy at birth		Expected years of schooling		Mean years of schooling		GNI/ capita		HDI Values		F-M Ratio
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	GDI Value
<b>Indonesia</b>	<b>71.6</b>	<b>67.3</b>	<b>12.8</b>	<b>12.8</b>	<b>7.5</b>	<b>8.4</b>	<b>7.259</b>	<b>12.365</b>	<b>0.666</b>	<b>0.715</b>	<b>0.932</b>
<b>China</b>	78.0	74.9	14.0	13.6	7.6	8.3	12.053	18.295	0.735	0.769	0.955
<b>Philippines</b>	72.8	65.9	12.9	12.3	9.5	9.2	7.582	10.705	0.699	0.698	1.000
<b>East Asia &amp; Pacific</b>	76.7	72.8	13.5	13.2	7.6	8.3	10.689	16.568	0.717	0.750	0.957
<b>Medium HDI</b>	71.1	67.2	12.2	11.8	5.6	7.9	3.673	9.906	0.598	0.680	0.878

33. As the economy has grown, *poverty* has declined. The national poverty rate has been reduced from 17.75 percent in 2006 to 9.66 as per September 2018<sup>47</sup> and the percentage of people living in extreme poverty (i.e. below US\$ 1.90 per day) was 4.6 per cent (see figure 1.8 below).

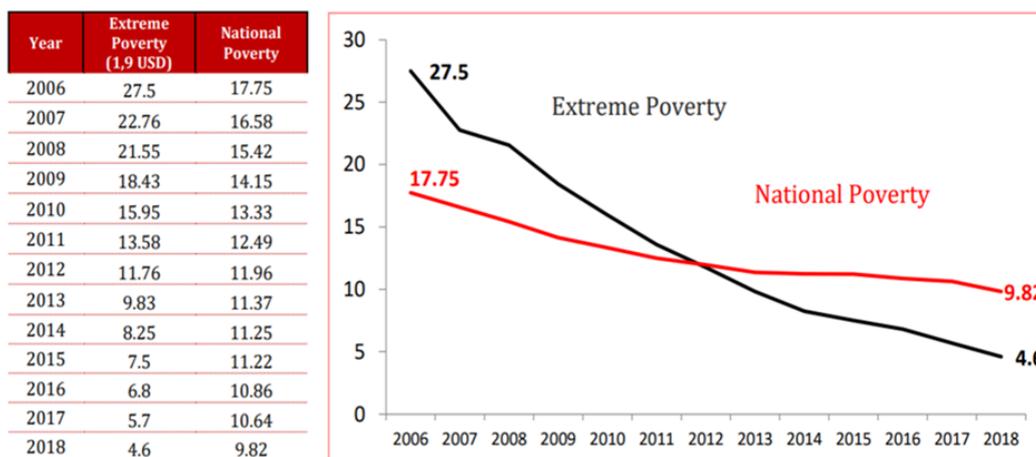
**Figure 1.8. Trends of Poverty Reduction based on Extreme Poverty and National Poverty Lines, 2006-2018<sup>48</sup>**

<sup>45</sup> [http://hdr.undp.org/sites/all/themes/hdr\\_theme/country-notes/IDN.pdf](http://hdr.undp.org/sites/all/themes/hdr_theme/country-notes/IDN.pdf), accessed May 28, 2019

<sup>46</sup> Human Development Report, 2018 – cited in Gender Analysis Report for the Development of the Country Common Assessment (CCA), L. Cattleya and D. Fatimah, August 2019.

<sup>47</sup> World Bank and BPS-Statistics Indonesia (Figures of September 2019).

<sup>48</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.



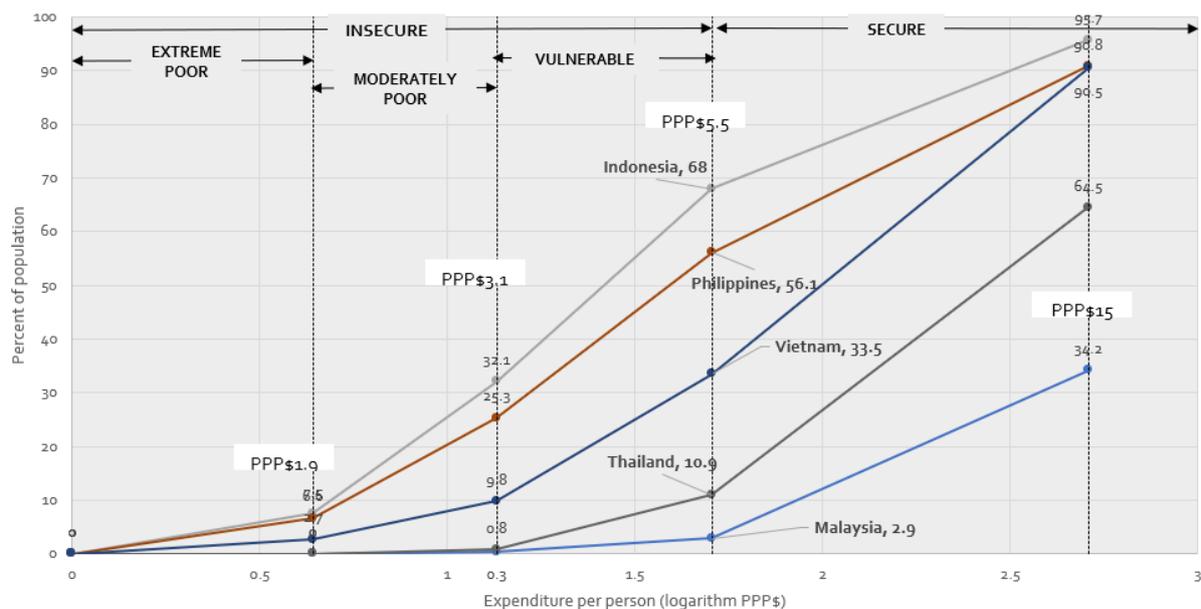
34. In addition, Figure 1.9 below indicates that about 25 per cent of Indonesia’s are either poor or ‘moderately poor’ based on a PPP of US\$ 3.1 per day, equal to around 80 million people. Therefore, a further 30 percent of the population, based on a PPP of US\$ 5.5, are in fact vulnerable to poverty<sup>49</sup>.
35. Indonesia’s large population means that, relatively speaking, large numbers of people still either live in poverty, are moderately poor, or vulnerable to poverty. This is despite poverty rates having fallen impressively in recent years. Furthermore, the Central Bureau of Statistics (BPS) suggests that 60 percent of the female-headed households in 2014 were considered poor and below the poverty line. Hence, whilst poverty impacts all negatively, it places women and girls in worse situations as compared to men, compounded further by gender inequality in the labour market which makes women more likely to be economically inactive or more likely to be in low-quality, low-paid jobs, further exacerbating gender-based poverty gaps. High rates of child marriage, high maternal mortality, the feminization of migration and SGBV are also faced by women and girls in Indonesia.
36. In addition to this, reporting on number of people living in poverty by sex is challenging because income poverty measures in Indonesia, like many countries, are generally based on household survey data, where aggregate household-based income and consumption estimates are used to calculate per capita income. These measures are often calculated with the assumption that resources are evenly distributed among household members and do not reflect the gender dimensions of poverty, including the unequal sharing of household resources between women/girls and men/boys, inequalities in time use as a function of the disproportionate burden of responsibility borne by women and girls within their households and communities when it comes to care and domestic work, or women’s lack of voice or control of household income.<sup>50</sup>

**Figure 1.9. Cumulative Distribution Function (CDF) of expenditure per person (PPP US\$) of ASEAN-5 2015<sup>51</sup>**

<sup>49</sup> See Figure 1.18 in the CCA Technical Annex

<sup>50</sup> See, Chapter 2, ADB and UN Women. 2018. Gender Equality and the Sustainable Development Goals in Asia and the Pacific: Baseline and pathways for transformative change by 2030. Bangkok: UN Women

<sup>51</sup> Arief Anshory Yusuf, SDGs Center Universitas Padjadjaran, UN in Indonesia Common Country Analysis Experts Group Meeting, Jakarta, July 10, 2019



37. **Poverty and drivers of inequality** are multi-dimensional and widespread across Indonesia. Both are not only related to the lack of income or consumption, but also caused by multi-dimensional issues such as access to basic rights, information, food, water, sanitation, social protection, education, skills, health, markets, finance, communications and decent work that cause people to remain stuck and unable to escape from poverty and inequality. These issues are complex, overlapping and mutually reinforcing across political, environmental, social, cultural, spatial, and knowledge dimensions as well as gender dimensions related to discrimination and bias. Unequal access between rural and urban areas to infrastructure such as electricity and good quality transportation compounds spatial inequalities.
38. Whilst regional inequalities affect many countries, Indonesia, due its geography, adds to the challenge and the costs of moving goods across large distances and islands. Hence, economic development can be expected to advance more swiftly in urban areas and larger cities. With Java being largely urban and many provinces in other islands still being largely rural, this will exacerbate regional inequalities.
39. Poverty rates are highest in eastern Indonesia (for example 30 percent in Papua) (see figure 1.10 below<sup>52</sup>). Poverty rates are also highest for households living in and on the edge of forests and amongst those living in coastal areas. But all areas are impacted. Even relatively well-off Java and Bali, which account for about 60 percent of the total population, are home to just over half of Indonesia's poor<sup>53</sup>. In 2015, Indonesia's Food Security and Vulnerability Atlas found that food security had improved in two of every three rural districts since 2010. However, poverty, volatile food prices and limited infrastructure hinder access to food, especially in remote areas where 58 of 398 rural districts were found to be highly vulnerable to food insecurity.

**Figure 1.10. Percentage of People Living below the Poverty Line, by province<sup>54</sup>**

<sup>52</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

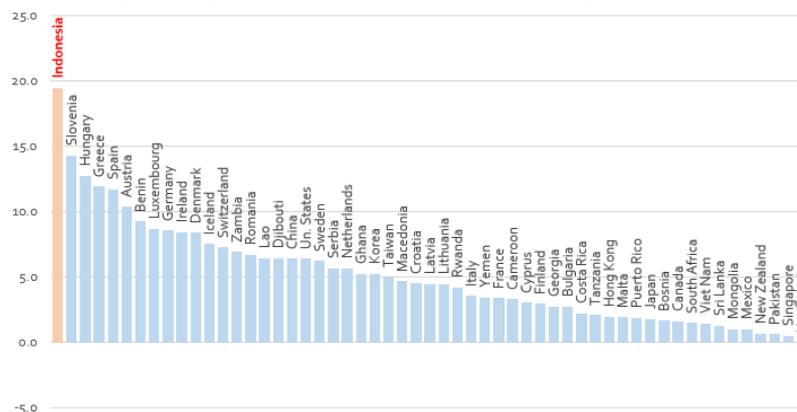
<sup>53</sup> See also Figure 1.19 in the CCA Technical Annex.

<sup>54</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.



40. The nutritional status of children aged 5-12 also shows greater vulnerability in rural areas<sup>55</sup>, for example, depending on the area, up to 51 per cent of children come to school without breakfast with the highest percentage in Yogyakarta<sup>56</sup>.
41. Reducing inequality is particularly important for women, because they are the ones usually at a disadvantage as a result of gender-based discrimination, and because gender intersects with many other types of discrimination, resulting in greater inequality among women. Gender gaps are shown below in education, political and economic empowerment and in health, among others.
42. In terms of income inequality, the Asia and the Pacific region’s population-weighted income inequality as measured by the Gini coefficient, has increased. This trend, which goes contrary to almost all other regions in the world, largely reflects increases in the Gini coefficient in populous countries, such as Indonesia. Between 1990 and 2014, Indonesia registered a rise of 8.2 points of the Gini coefficient<sup>57</sup>.
43. One of the main domestic concerns is the widening gulf between ‘the richest’ and ‘the rest’ since Indonesia has the sixth highest inequality of wealth in the world. Furthermore, in the period 2000-2002 until 2013-2015 Indonesia’s Gini coefficient increased more than any other country<sup>58</sup> (Figure 1.11 below).

**Figure 1.11. Percentage change in Gini coefficient from average 2000-2002 to average 2013-2015<sup>59</sup>**



<sup>55</sup> Basic Health Research (RISKESDAS) 2018

<sup>56</sup> Hardinsyah Research, 2012

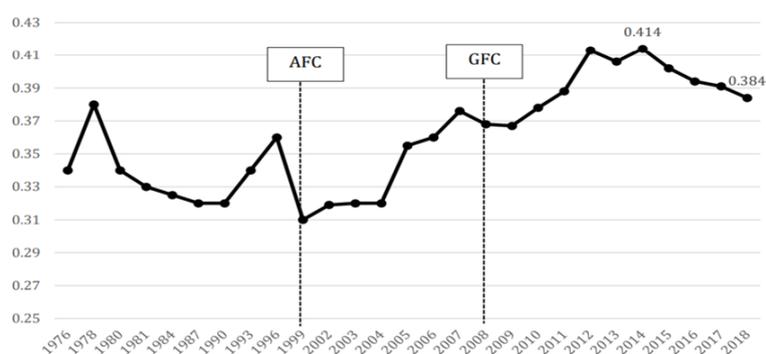
<sup>57</sup> Inputs in support of the Common Country Analysis for the United Nations Sustainable Development Framework For Indonesia, ESCAP, 11 September 2019.

<sup>58</sup> Credit Suisse, 2016, and Oxfam, 2017

<sup>59</sup> Standardized World Income Inequality Database (SWIID), As presented by Arief Anshory Yusuf, SDGs Center Universitas Padjadjaran, UN in Indonesia Common Country Analysis Experts Group Meeting, Jakarta, July 10, 2019

44. More specifically, the Gini coefficient recorded an increase over the past 25 years, from 0.34 in 1976 to a high point of 0.414 in 2014, and then a slight decrease to 0.384 in 2018<sup>60</sup> (see Figure 1.12 below).

**Figure 1.12. Long Term Inequality Trend (Gini Ratio), 1976-2018<sup>61</sup>**



45. Indonesia's *Gender Inequality Index* (GII) reflects gender-based inequalities in three dimensions – reproductive health (maternal mortality and adolescent birth rates), empowerment (share of parliamentary seats held by women and attainment in secondary and higher education by gender) and economic activity (labour force participation rate for women and men). The result of GII for Indonesia can be interpreted as a loss of human development, due to inequality between female and male achievements in all three GII dimensions. Indonesia's GII value of 0.453, ranks it 104 out of 160 countries in the 2017 index as illustrated in Figure 1.13 below<sup>62</sup>.

**Figure 1.13. Indonesia' GII for 2017 relative to selected countries and groups<sup>63</sup>**

Country	GII Value	GII Rank	Maternal Mortality Ratio	Adolescent birth rate	Female seats in parliament (percent)	Population with at least some secondary education (percent)		Labour force participation rate	
						F	M	F	M
<b>Indonesia</b>	<b>0.453</b>	<b>104</b>	<b>126<sup>64</sup></b>	<b>47.4</b>	<b>19.8</b>	<b>44.5</b>	<b>53.2</b>	<b>50.7</b>	<b>81.6</b>
<b>China</b>	0.152	36	27	6.4	24.2	74.0	82.0	49.6	76.1
<b>Philippines</b>	0.427	97	114	60.5	29.1	76.6	72.4	49.6	75.1
<b>East Asia &amp; Pacific</b>	0.312	-	-	22.4	19.8	67.8	75.5	60.1	77.3
<b>Medium HDI</b>	0.489	-	-	41.3	21.8	42.9	59.4	36.8	78.9

\* \* \*

46. The structure of *employment* in Indonesia has changed markedly over the past two decades, reflecting the structural transformation in the economy discussed previously. A significant decrease in employment in agriculture has taken place, from around 50 percent in 2010 to under 30 percent in 2018. Industry has shown a slight increase, climbing towards 20 percent of total share of employment and services now account for over 50 percent of the workforce (see Figure 1.14 below).

<sup>60</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

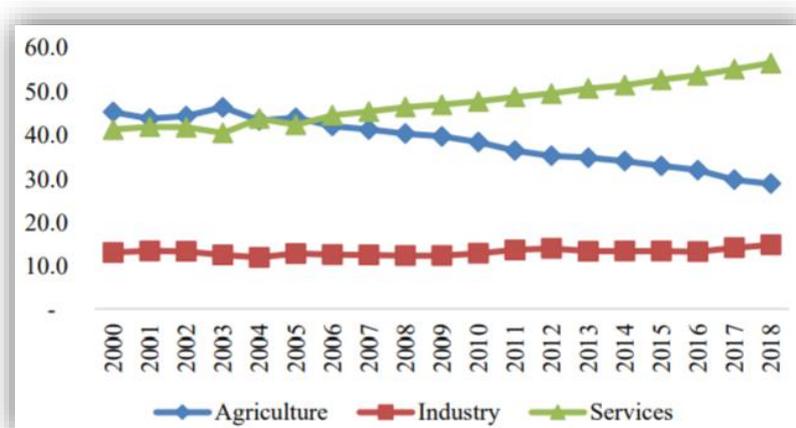
<sup>61</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>62</sup> Human Development Report, 2018 – cited in Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

<sup>63</sup> Human Development Report, 2018 – cited in Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

<sup>64</sup> Please note – Government records show MMR in 2015 as being 305 deaths per 100,000 live births.

**Figure 1.14. Proportion in Total Employment (per cent)<sup>65</sup>**



47. Meanwhile Indonesia’s official *unemployment* rate is low at 5.3 percent in 2018. However, there is still a significant gap between men and women<sup>66</sup>, in the labour participation rate, which stands at 82.7 percent for men and 52 percent for women. Urban unemployment is still the largest contributor for total unemployment, but the trend has tapered in the last four years. People with disabilities struggle to gain access to education and jobs, for example, there are 1.6 million disabled children in Indonesia but only 18 percent enjoy access to education.
48. Some economic analyses suggests that Indonesia is experiencing premature de-industrialization. Subdued growth of manufacturing over the last decade has weakened the capacity of the Indonesian economy to generate jobs including relatively low-skill jobs. Thus there have been missed opportunities to reduce poverty further and address income inequality. There has also been a disjoint between manufacturing growth and job growth, leading to the phenomenon of “jobless growth”. Basically, subdued growth in manufacturing during the last decade has contributed to inequality, poverty and jobless growth.
49. One of the major economic challenges is the *quality of employment* available for Indonesians, especially for women. Despite impressive sustained economic growth, the prevalence of informal and vulnerable employment remains as the main concern of policy makers. One observes persistent gender-based occupational segregation by gender in industries and occupations, with women concentrated in lower paid and lower quality jobs. Indonesian women are also more likely to be in casual or vulnerable employment such as domestic workers, own-account workers and contributing family workers. These types of employment are often characterized by poor working conditions, a lack of legal and social protection and economic insecurity. Other key issues include redistribution of unpaid care and domestic work which are indispensable for Indonesia to deliver on poverty reduction (Goal 1) and inequalities (Goal 10) to achieve gender equality (Goal 5) as well as to promote inclusive and sustainable economic growth, full and productive employment and decent work for all (Goal 8).
50. “Over the next two decades, the application of scientific discoveries, digitization and technological advances including automation, digitization and robotics, will significantly change jobs and enterprises in Indonesia. On the one hand, if Indonesia manages to successfully leverage the power of science, engineering and technology at scale, the transformative impact could be enormous. On the one hand, if Indonesia manages to successfully leverage the power of science, engineering and technology at scale, the transformative impact could be enormous. On the other hand, estimates also show that up to 56 percent of employment (over 60 million jobs) face a high risk of automation in Indonesia. As many women are employed in low skilled jobs

<sup>65</sup> Statistic Indonesia, cited in Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

<sup>66</sup> See also Figure 1.39 in the CCA Technical Annex.

and jobs that involve tasks that are highly repetitive and predictable, such as assembly line manufacturing, they are more likely to face risks of automation. It is estimated that women are 20 per cent more likely than men to lose their job because of automation. Therefore, it is an urgent task to shift workers from jobs that are at risk of automation to jobs in emerging and growing sectors such as automotive and ICT sectors or jobs that require a high level of socio-emotional and human-centric skills - education, health care, and hospitality. In addition, skills shortages exist in science, technology, engineering and mathematics (STEM) related occupations. Improving access for girls and women to these occupations would alleviate skills shortages as well as addressing gender imbalances in the labour market.

51. Lack of employment opportunities in the formal economy for women has been one of the major push factors for the high number of Indonesian women migrating overseas in search of employment<sup>67</sup>. The number of registered labour migrants from Indonesia has decreased from 429,874 in 2014 to 283,640 in 2018<sup>68</sup>. During the same period, the share of documented female migrant workers has increased from 57 percent to 70 percent<sup>69</sup>. Women migrant workers, although predominantly working in low-wage sectors such as domestic worker and caregivers, earn up to 6 times as much as they could earn in Indonesia. As noted above, the remittances from Indonesian migrant workers reached US\$ 2.9 billion in 2018<sup>70</sup>.
52. Although the *youth unemployment* rate has declined over the past nine years, almost 20 percent of young people (15-24 years old) were unemployed, the rates being doubled for young women. In addition, youth ‘not in employment, education or training’ (NEET) remains high at 22.5 percent in 2018 (see Figure 1.15 below). The causes include a long transition between leaving school and finding the first job, lack of successful vocational training and apprenticeship schemes, insufficient private sector engagement in skills development, and, more fundamentally, skills mismatch, whereby the rapidly evolving needs of the labour market are not being met by the education system. Furthermore, in 2016, the World Bank estimated that there are approximately 9 million Indonesians (7 percent of the country’s labour force) who worked overseas, 84 percent of whom were working in Malaysia, Hong Kong SAR, China and Taiwan<sup>71/72</sup>. The bulk of these migrant workers are typically women in low-skilled jobs and face challenges of safety, protection and abuse of rights.

**Figure 1.15. Percentage of young people (15-24 years) not in work by age, gender, location, and income<sup>73</sup>.**

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<sup>67</sup> See also Figure 1.14 and 1.15 in the CCA Technical Annex.

<sup>68</sup> According to the National Agency for the Placement and Protection of Indonesian Migrant Workers (BNP2TKI) data, t

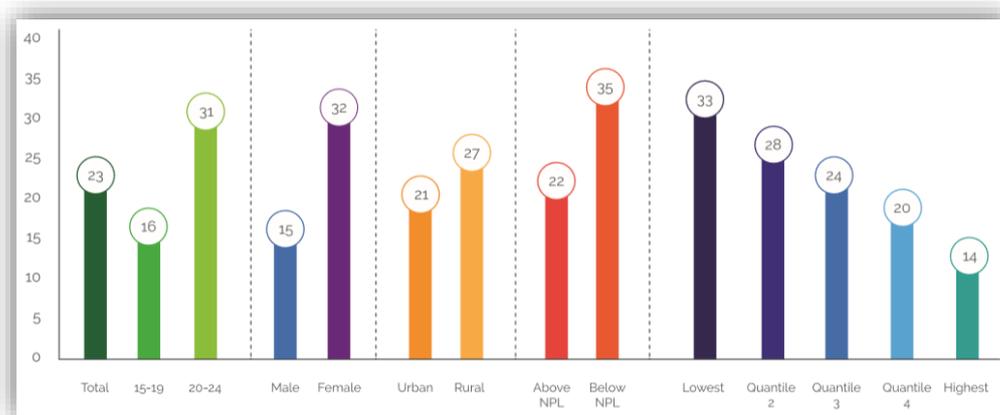
<sup>69</sup> “Data Penempatan dan Perlindungan TKI Periode 1 JANUARI S.D 31 DESEMBER 2018,” last updated January 16, 2019. Available online at [http://www.bnp2tki.go.id/uploads/data/data\\_12-03-2019\\_094615\\_Laporan\\_Pengolahan\\_Data\\_BNP2TKI\\_2018.pdf](http://www.bnp2tki.go.id/uploads/data/data_12-03-2019_094615_Laporan_Pengolahan_Data_BNP2TKI_2018.pdf)

<sup>70</sup> (UN Women 2017. Policy Brief No.2, and see also Figure 1.16 in the CCA Technical Annex.

<sup>71</sup> Indonesia’s Global Workers: Juggling Opportunities & Risks, A World Bank Indonesia Report, 2017.

<sup>72</sup> For further information on international migration to/from Indonesia, see figure 1.14 and 1.15 in the CCA Technical Annex.

<sup>73</sup> Susenas (March 2017) – cited in ‘The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018’.



53. **A large informal economy** operates in Indonesia, which incorporates 54 percent<sup>74</sup> of all the national employment which, among others, includes non-salaried and casual workers. Informality is a complex issue often resulting from a combination of low skills, weak entrepreneurship and development of SMEs, and lack of coherence economic governance to incentivize formality. Informality can also be related to poor quality of economic growth that creates insufficient formal jobs, weakness in business and tax registration and compliance systems, lack of access to finance and business support, etc<sup>75</sup>. This is on the one hand a safety net, but on the other, is holding the country back from achieving higher skill, higher quality growth. For Indonesia to utilize its demographic dividend the gravity of public policy must continue to shift towards developing intellectual capital from its vast human resource base for economic transformation.
54. The proportion of informal employment in the agricultural sector is more than twice the non-agricultural sector. Likewise, the informal economy in rural areas is also significantly greater than in urban areas, because the agricultural sector is the dominant sector in rural areas. Women in rural areas are more likely to be working in the informal economy. The lack of formal employment opportunities for women, particularly in rural areas, is one contributing factor for high numbers of women going into labour migration overseas. According to BNP2TKI, 60 percent of migrant workers, especially women, are exposed to unsafe migration, human trafficking, limited access to information and vulnerability to extremism and radicalization. Papua, NTT and NTB are areas with a large informal economy, especially in the agricultural sector. Improving education, especially the average years of schooling is one of the drivers of reducing informal employment in Indonesia<sup>76</sup>.
55. The gradual trend toward formal employment is positive, up from 42.2 percent in 2015 to 43.2 percent in 2018, although gender gaps in the share of formal employment have been widening in recent years. The informal economy in rural areas is also significantly larger than in urban areas, due principally to agriculture, where women are much more likely to take jobs. This has also been a motivational pull factor for migrant workers, which also has its downside, since sixty percent of migrant workers, especially women, are exposed to unsafe migration<sup>77</sup>, human trafficking and poor access to information and rights<sup>78</sup>. Most Indonesian women migrant workers are from poor rural areas where there is a lack of job opportunities.
56. Hourly average earnings have increased from IDR 11,389 in 2015 to IDR 15,318 in 2018 as shown in figure 1.16 below. Although growth has shown a decline in the past two years, the figure is still higher than the annual inflation rate. However, significant differences between men and women in terms of hourly income still occur and, if anything, the gap has actually widened in 2015 compared to 2018<sup>79</sup> (see figure 1.16 below).

<sup>74</sup> 54 per cent is a national proxy of informal employment, which does not follow the international standard definition

<sup>75</sup> See ILO R204: [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:R204](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:R204)

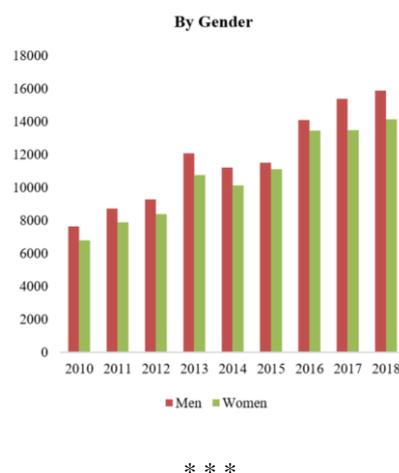
<sup>76</sup> Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

<sup>77</sup> Some are also reported to be vulnerable to extremism and radicalization.

<sup>78</sup> National Board for the Placement and Protection of Indonesian Overseas Workers (BNP2TKI),

<sup>79</sup> Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

**Figure 1.16. Average Hourly Earnings (IDR)<sup>80</sup>.**



57. Indonesia boasts the fourth largest *education* system in the world. The Government has invested heavily in education since the 2002 Constitutional amendment mandated a total (central, plus sub-national spending) budget allocation of at least 20 per cent to education. This policy was used to hire more teachers, however, the sector suffers from chronic problems of poor infrastructure, high inequality in access to books, labs and computers, and lack of in-service training to improve the skills of teachers. And, while there has been progress in gender equality in education, this has not translated in closing the gender gap in employment participation outcomes in Indonesia.
58. National *education expenditure* increased nearly eleven-fold in nominal terms and quadrupled in real terms over the 2001-2016 period, bringing total expenditures up to 3.3 per cent of GDP<sup>81</sup>. As a result, significant gains have been made in education in terms of access to primary and secondary education over the past few decades. With an estimated school age population (7-18 years) of 54 million, and a pre-primary population (3-6 years) of 19 million in 2015, more Indonesian children are now starting school earlier and staying in school longer than they ever have before. Education lies at the heart of Indonesia’s aspirations to conquer the 2030 agenda for sustainable development and ensure an effective economic transformation in the digital age.
59. Access to *primary education* is well on track with primary net attendance rates for both girls and boys at 99 percent. Net attendance rates stand at 87 percent and 57 percent for junior and senior secondary education respectively. The national completion rate for primary education is 96 percent, while the completion rate for junior secondary education is 76 percent, and 56 percent for senior secondary education<sup>82/83</sup>. In some provinces, females are more likely than males to complete secondary schooling and in others the situation is reversed<sup>84</sup>. In addition, over the last decade Indonesia has dramatically increased enrolment of over 12 million children in early years pre-education (PAUD centres).
60. *Literacy* rates of population above 15 years of age reached 95.5 percent in 2017, close to the national target of 96.1 percent in 2019. But there is still a gender gap between the literacy rates of women (93.76 percent) compared to that of men’s (97.25 percent). Illiteracy is found higher in rural (6.9 percent) compared to that in the urban area (2.43 percent). In 2017, there was still a gender gap of almost a year, where men are able to receive education for 8.56 years and women for 7.65 years<sup>85</sup>.

<sup>80</sup> Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

<sup>81</sup> Improving Quality of Spending In Indonesia, Education Sector PER II, World Bank Group 2017.

<sup>82</sup> SUSENAS 2015, cited in the SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017.

<sup>83</sup> See also Figures 1.41, 1.42 and 1.43 in the CCA Technical Annex.

<sup>84</sup> SUSENAS 2015, cited in the SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017.

<sup>85</sup> Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

61. **Out of school children** (OOSC) remains a big challenge for Indonesia. There were an estimated 4.4 million children between seven and eighteen years of age who were not in school in 2015<sup>86</sup>. The cause of such high OOSC rates are due mainly to the place of residence (with those living in mountainous and rural regions being more likely to drop out) as well as poverty and children in ‘employment’<sup>87</sup>. Ninety five percent of the entire population is literate with gender parity.
62. The Government’s vision is for Indonesia to transform from the emerging economy it is today into an advanced economy, based on the principles of open and sound governance. For this to happen it is essential that a rising proportion of the 4 million or so young people who enter the working ages every year are well-educated and find skilled jobs in higher value added scientific, research, engineering and technology driven sectors, including “green Jobs”. It is important therefore that the added wealth resulting from the current demographic dividend is reinvested in human capital, labour force participation and labour productivity.”
63. Many of those entering the labour force today can be expected to be working for another 40 years or more. If their education and skills levels are not compatible at the time they enter the labour force then they will in effect be a drag on Indonesia’s competitiveness for decades to come. This means that people will need to extend the amount of time they spend in education and training prior to employment – entering the workforce in their early twenties rather than their mid-teens. They will also need to be productive, whether in salaried employment or in productive activity long after the current low official government retirement ages – and this means ensuring physical fitness well past 65. Now, at a time when Indonesia’s labour force is still growing and school-age cohorts are beginning to decline, is the best time to accelerate investment in population development of young people and the enhancement of healthy aging. If such investment is made after the current youth bulge ages it will have far less impact.
64. However, as the country moves towards high middle-income status and pursues higher skilled structural transformation it will require higher scores from international comparative assessments that measure proficiencies in reading, mathematics and science. These measures repeatedly show that Indonesian students lag behind compared to adolescents of a similar age around the world. This is not only an issue with functional skills but with the lack of transferable skills. In short, the education system does not prepare graduates for the jobs for the future. Based on the Global Human Capital Index<sup>88</sup> Indonesia's is ranked 65 out of 130 countries compared to Malaysia (rank 33), Thailand (rank 40), and Vietnam (rank 64). Despite notable improvements, such as more than 1.5 million teachers having been certified by 2015<sup>89</sup>, **teacher quality** remains the most significant factor in determining learning outcomes.
65. Regarding access to core social services, continuous improvement has been made in respect to both access to clean **water and sanitation**, up from 59 percent of households in 2015 to 61 in 2018, and up from 68 percent in 2015 to 80 percent in 2018 respectively<sup>90</sup>. Similar improvements have been recorded in school access to basic sanitation, clean water and hand washing facilities<sup>91</sup>. Water quality, however, remains a serious concern, demanding innovative approaches such as incorporation of water safety plans within daily operation of water systems, in addition to current ways of water treatment and purification. Apart from households increasing access and reliability of water, sanitation and hygiene in healthcare facilities is imperative to upgrade the quality of services and reduce hospital acquired infections. In the digital age around one-third (32 percent) of Indonesian households now possess a computer and slightly higher (36 percent) access to the internet<sup>92</sup>.

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<sup>86</sup> SUSENAS 2017, cited in the National Strategy for Addressing the Issue of Out Of School Children in Indonesia (2020 – 2030), 2018.

<sup>87</sup> See also Figures 1.44, 1.45 and 1.46 in the CCA Technical Annex.

<sup>88</sup> World Economic Forum (WEF) 2017,

<sup>89</sup> See also Figures 1.47 and 1.48 in the CCA Technical Annex.

<sup>90</sup> See also Figures 1.26 and 1.30 in the CCA Technical Annex.

<sup>91</sup> See also Figures 1.27, 1.28 and 1.29 in the CCA Technical Annex.

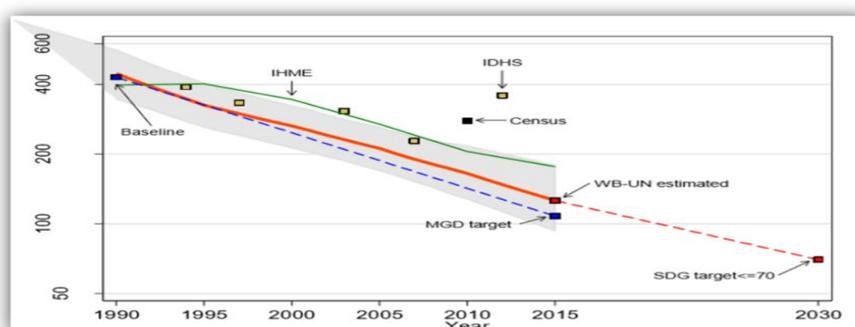
<sup>92</sup> See also Figure 1.37 in the CCA Technical Annex.

66. Internet and computer availability at schools varies between 40 percent for primary schools to 79 percent for senior level secondary schools<sup>93</sup>. Electricity at schools is almost universal<sup>94</sup>.

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67. Along with education and access to social services gains, **health** indicators also showed significant progress. Life expectancy at birth has increased to 69 years in 2015, steadily up from 63 years in 1990 and only 49 years in 1960. The Maternal Mortality Rate (MMR) and Infant Mortality rate (IMR), under-five children stunting, and the burden of communicable disease have all decreased. MMR decreased slightly from 346 deaths per 100,000 live births in 2010<sup>95</sup> to 305 deaths per 100,000 in 2015<sup>96</sup> (see Figure 1.17 below<sup>97</sup>). IMR has fallen from 32 deaths per 1,000 livebirths in 2012 to 24 deaths per 1,000 live births in 2017<sup>98</sup>.

**Figure 1.17. Maternal Mortality Ratio 1990-2015<sup>99</sup>**



68. Despite progress in recent decades and the increase of access to antenatal services from 63 percent to 79 percent 2012-2017<sup>100</sup>. Indonesia's **maternal mortality** ratio (MMR) remains high. Every six hours a woman dies from the complications of pregnancy, amounting to around 6,400 maternal deaths among 5 million live births in 2015<sup>101/102</sup>.

69. The Paradoxes in maternal health are as follows: i) High proportion of deliveries by skilled birth attendants (SBAs) increased to 95.8 percent<sup>103</sup>, predominantly midwives (60.9 percent) (evidence shows that deliveries by SBAs (as per definition) by more than 80 percentage can reduce maternal mortality ratio to below 200); ii) High proportion of facility deliveries – increased 79.4 percentage (predominantly in the private sector by 53.1 percent, in private poly clinics or private practices or the homes of village midwives). The standards and quality of these facilities, skills of providers and ability to provide skilled care during normal delivery, recognition of complications and arrangements for timely referral is not known; iii) Continuing high home deliveries – reduced to 17.3 percent and deliveries by SBAs reduced to 7 percent.

70. The continuing high MMR despite almost universal coverage of deliveries by Skilled Birth Attendants (SBA) and increased institutional delivery points to health system gaps. The 'three delays' are still relevant in describing underlying causes of stagnating and unacceptably high MMR. Delay 1 is related to the decision to

<sup>93</sup>See also 1.50 and 1.51 in the CCA Technical Annex.

<sup>94</sup> See also 1.48 and 1.49 in the CCA Technical Annex.

<sup>95</sup> Population Census, 2010.

<sup>96</sup> SUPAS 2015

<sup>97</sup> Joint WB-UN estimates; Indonesian Census; Indonesia Demographic Health Survey (IDHS); Institute of Health Metrics and Evaluation (IHME)

<sup>98</sup> Indonesia Demographic Health Survey (IDHS), 2017

<sup>99</sup> Joint WB-UN estimates; Indonesian Census; Indonesia Demographic Health Survey (IDHS); Institute of Health Metrics and Evaluation (IHME)

<sup>100</sup> See also Figure 1.52 and 1.58 in the CCA Technical Annex.

<sup>101</sup> See also Figure 1.57 in the CCA Technical Annex.

<sup>102</sup>See also Figure 1.53 in the CCA Technical Annex.

<sup>103</sup> (IDHS 2017).

seeking care, delay 2 is related to reaching the facility and delay 3 is related to delay in timely and appropriate care at the facility.

71. It is estimated that up to 30 percent of Indonesia's maternal deaths are due to unintended pregnancies among adolescents. Underlying the recent data, i.e. 2015 SUPAS (Intercensal Population Survey) and DHS, half a million births are among 15-19 years and one third of maternal deaths are among adolescents. Adolescent pregnancy poses a threat to both and new-born because adolescent girls are not physically mature and may be entering pregnancy malnourished and anaemic. These findings have implications for the high levels of neonatal deaths and stunting in Indonesia. In addition, the availability of and access to good quality emergency obstetric services, poor supply-side service readiness and quality of health care, and a significant share of non-institutional deliveries take place, particularly in remote areas<sup>104</sup>. Especially in Papua, Sulawesi, Maluku and Nusa Tenggara Provinces, maternal health lags behind other parts of Indonesia<sup>105</sup>.
72. Indonesia, once among the global leaders in *family planning*, has faced several challenges in recent years, including limited access to modern contraception and barriers to accessing sexual and reproductive health services for unmarried women and girls. The adolescent fertility rate is reported to have reduced to 36 (births per 1000 women ages 15-19)<sup>106</sup> with significantly higher levels among the rural population and the poor. Access to reproductive health education and services is still an issue, partly due to restrictive laws and partly due to health system and socio-cultural constraints which has implications for reaping the benefits of the demographic dividend. Provinces such as West Papua, Maluku, Gorontalo, Central Sulawesi, Central Kalimantan, South Kalimantan, West Kalimantan, NTB, Banten, Bangka Belitung, Jakarta, Yogyakarta, Riau Islands and East Java report higher levels than national average<sup>107</sup> among married women from 8 percent in the early 1970s to 63 percent in 2017<sup>108</sup>. During the same time period the total fertility rate (TFR) was reduced by more than half from 5.0 to 2.3 in 2017<sup>109</sup>.
73. Further evidence of progress can be seen in the *Infant Mortality Rate* (IMR), which continues to decline, from 32 deaths per 1,000 livebirths in 2012 to 24 deaths per 1,000 live births in 2017<sup>110/111</sup>. Nonetheless, there are still gaps based on geographic inequalities, health status, social-economic conditions, and between urban and rural areas. IMR among the lowest quintile households (52 per 1,000 livebirths) is far higher than that of the highest quintile households (17 per 1,000 livebirths). Similar disparities exist between urban and rural areas. The root causes of IMR were preterm births (36 percent), asphyxiation and birth trauma (22 percent), and congenital disorders (17 percent). Tackling these causes are the main challenge in achieving the 2030 SDG target to reduce IMR to 12 per 1,000 livebirths.
74. Despite the increase of comprehensive *vaccination* coverage from 52 per cent in 2002 to 70 percent in 2017<sup>112</sup>, recent studies suggest that a decline has recently taken place in 2018. This places Indonesia fourth in the world in terms of the largest number of unimmunized children. Low coverage of immunization<sup>113</sup> has also led to the emergence of diseases such as measles, diphtheria, and vaccine-derived polio. The decrease in immunisation is linked to issues of rising vaccine hesitancy. The country is yet to introduce or scale-up critical life-saving vaccines for pneumonia and diarrhoea (pneumococcal conjugate and rotavirus vaccines).

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<sup>104</sup> Revealing the Missing Link: Private Sector Supply-Side Readiness for Primary Maternal Health Services in Indonesia. Also see Report of the Special Rapporteur in the right of everyone to the enjoyment of the highest attainable standard of physical and mental health on his mission to Indonesia 22 March to 3 April 2017, A/HRC/38/36/Add 1

<sup>105</sup> See [http://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/IDN/INT\\_CEDAW\\_IFN\\_IDN\\_26445\\_E.pdf](http://tbinternet.ohchr.org/Treaties/CEDAW/Shared%20Documents/IDN/INT_CEDAW_IFN_IDN_26445_E.pdf)

<sup>106</sup> (IDHS 2017)

<sup>107</sup> IDHS 2012

<sup>108</sup> Statistics Indonesia et al., 2013

<sup>109</sup> Statistics Indonesia et al., 2013

<sup>110</sup> Indonesia Demographic Health Survey (IDHS), 2017

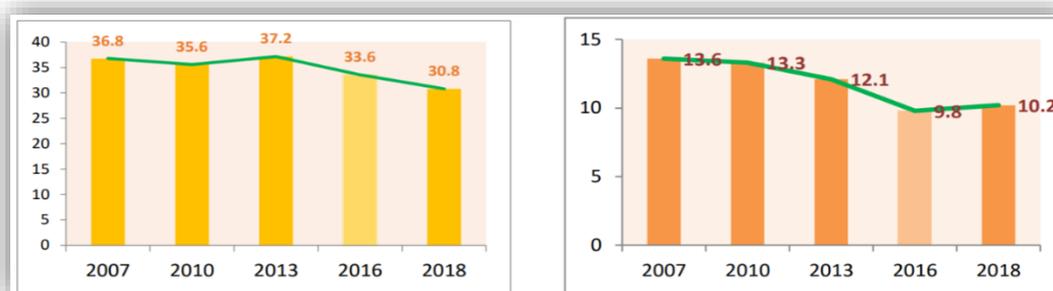
<sup>111</sup> See also Figure 1.54 in the CCA Technical Annex.

<sup>112</sup> Indonesia Demographic Health Survey (IDHS), 2002 and 2017.

<sup>113</sup> On the demand side, there is resistance against immunization for various reasons. While on the supply side, only 70 percent of cold chain facilities are in prime condition, 18 are adequate and 12 percent are in need of improvement.

75. The prevalence of *stunting*<sup>114</sup> in children under five years of age has declined over the last 10 years, from 36.8 percent in 2007 to 30.8 percent in 2018 (equal to 23.8 million children) and the prevalence of *wasting*<sup>115</sup> in children under five years of age also decreased from 13.6 percent in 2007 to 10.2 percent in 2018<sup>116</sup> (equal to 2.4 million children)<sup>117</sup> (see Figure 1.18 below<sup>118</sup>). However, large disparities are found at the sub-national level<sup>119</sup> with the percentage of stunting in 2018 ranging by province from 17.7 percent in DKI Jakarta to 42.6 percent in East Nusa Tenggara<sup>120</sup>).
76. Even with these improvements, Indonesia has a high rate of acute *malnutrition*, with some 2.4 million children under five wasted. This is more in line with the poorest countries in the world than the vast majority of middle-countries<sup>121</sup>. Stunting is often referred to as the non-income face of poverty and is regarded as one of the best indicators of overall human development since it results in lifelong adverse consequences for physical development and health, as stunted individuals are more likely to suffer from NCDs as well as cognitive development, human capital, productivity, earnings, and the intergenerational transmission of poverty<sup>122</sup>. For these reasons, the Government of Indonesia has prioritized stunting in recent years and made efforts to combat it, including by elevating levels of key micronutrients (vitamin A, iron and zinc). This programme is currently under inter-ministerial discussion led by Bappenas.

**Figure 1.18. The Prevalence of Stunting in Children under Five Years of Age, 2007-2018 (left) and the Prevalence of Wasting in Children under Five Years of Age, 2007-2018 (right)**



77. Stunting is higher in rural areas than urban areas and much higher among the lowest compared to the highest wealth quintiles<sup>123</sup>. Nevertheless, 29 percent of children in the highest wealth quintile are stunted illustrating that this is not only linked to poverty. Although stunting rates are higher in rural areas, research has shown that slum populations are particularly at risk—more so than rural and other urban populations.
78. Child malnutrition therefore remains a major challenge in Indonesia. The three main underlying causes of malnutrition are identified as: inadequate access to food (both in terms of quantity and quality) linked to food insecurity<sup>124</sup>; sub-optimal healthcare for women and children<sup>125</sup>; and lack of a healthy environment<sup>126</sup>. The main drivers of stunting are thereby complex and in addition to income and access to food as well as clean water and sanitation, child marriage and pregnancy (leading to low birth weight), lack of adequate food intake

<sup>114</sup> Stunting is chronic undernutrition—defined as a child whose length/height is below minus 2 standard deviations of the median height for a child of the same age from the reference population

<sup>115</sup> Low weight for height

<sup>116</sup> Basic Health Research Indonesia (Riskesdas) 2007-2018, National Health Indicator Survey (Sirkesnas), cited in the Basic Health Research Indonesia (Riskesdas) 2007-2018, National Health Indicator Survey (Sirkesnas) 2016.

<sup>117</sup> Ministry of Health data.

<sup>118</sup> Basic Health Research Indonesia (Riskesdas) 2007-2018, National Health Indicator Survey (Sirkesnas), cited in the Basic Health Research Indonesia (Riskesdas) 2007-2018, National Health Indicator Survey (Sirkesnas) 2016.

<sup>119</sup> See also Figures 1.23, 1.24 and 1.25 in the CCA Technical Annex.

<sup>120</sup> Basic Health Research Indonesia (Riskesdas), 2018

<sup>121</sup> Country Partnership Framework, World Bank, February 2015.

<sup>122</sup> Victora et al. 2008 – cited in ‘Improving Service Levels and Impact on the Poor A Diagnostic of Water Supply, Sanitation, Hygiene, and Poverty in Indonesia’, World Bank Group, 2017.

<sup>123</sup> See also Figures 1.23 and 1.24 in the CCA Technical Annex.

<sup>124</sup> WFP & Bappenas, 2017.

<sup>125</sup> Nutrition Capacity Assessment in Indonesia, UNICEF 2018.

<sup>126</sup> As set out in UNICEF’s conceptual framework on Malnutrition, (UNICEF, 1990).

during pregnancy, inappropriate breastfeeding practices, including failure in early initiation of breastfeeding and six months of exclusive breastfeeding. Poor maternal nutrition, including maternal anaemia and thinness/underweight, has intergenerational effects on their children's nutritional status.

79. There is also a link between stunting and non-communicable diseases which occur later in life (e.g. diabetes, high blood pressure). Affordability of food as well as availability of healthy, nutritious food is also a major cause of food insecurity in Indonesia<sup>127</sup>. As well as this, and despite high wasting and stunting rates, around 7.6 percent of children under five are in fact overweight<sup>128</sup> - the so called, 'double burden' of malnutrition (DBM).
80. The *quality of food consumption* has improved over time, indicated by higher scores in the 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. Overweight (BMI  $\geq 25$  -  $< 27$ ) and obesity (BMI  $\geq 27$ ) rates among adults now represents one of the largest future health challenges in Indonesia, with the prevalence of *overweight and obesity* in 2018 is 35.4 percent and the prevalence of obesity alone is 21.8 percent in 2018. The consumption of processed food rich in oil, sugar and salt and lack of physical exercise by children and adolescents are considered important causes.
81. Women play a critical role in food production, processing and distribution. However, they tend to have unequal access to and control over economic and productive resources. Unequal gender relations often leave them trapped in domestic and subsistent type of activities. At the household level, women and girls often become 'shock absorbers' when crises hit or food prices rise, reducing their own intake of nutritious food in favour of their families and spending more time and energy to secure and process food for domestic consumption.

\* \* \*

82. In terms of **communicable diseases**, Indonesia is in the WHO list of 30 high **tuberculosis (TB)** burden countries and ranks the third highest TB incidence rate (319 (291–348) per 100,000 pop) in the world. TB claims the lives of an estimated 100,000 people each year. In 2018, there were an estimated 842,000 TB cases and 23,000 drug resistant TB cases. Treatment success rates for drug resistant TB are less than 50 percent. In general, antimicrobial resistance (AMR) is considered a serious challenge to communicable disease outcomes in Indonesia. Out of the five key risk factors of TB in Indonesia, smoking and under nutrition are the ultimate driving factor<sup>129</sup>. There has also been a steady decline in malaria cases over the past decade – with half of the country's districts declared malaria free during 2018.
83. On the other hand, Indonesia is experiencing an increase in new *HIV infections*, with an estimated 640,000 people living with HIV/ AIDS (PLHIV). There were 49,000 new cases in 2018 and 39,000 AIDS-related deaths in 2018<sup>130</sup> – (a 25 percent increase between 2010 and 2018 in terms of PLHIV) (see Figure 1.19 below<sup>131</sup>)<sup>132</sup>. Young people are at risk: (i) the proportion of new infections is higher among adolescent girls (57 percent); (ii) a significant proportion of men who have sex with men (MSMS) and female sex workers (FSW) are young people; (iii) only 40 percent of 15-19 years and 54 percent of 20-24 have comprehensive knowledge about HIV prevention<sup>133</sup>; and (iv) level of knowledge is also low among school children.

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<sup>127</sup> WFP & Bappenas, 2017.

<sup>128</sup> RISKESDAS, Presentation of Main Results, 2018 – cited in 'Nutrition in Indonesia Background Paper for the Health Sector Review' 2018, Watson et. al.

<sup>129</sup> Tobacco is currently the fourth leading risk factor for premature death and disability in Indonesia, which also has the world's highest daily smoking rates for males. Indonesia has yet to sign the WHO Framework Convention on Tobacco Control—the only country in Asia and one of only nine worldwide not to do so (On the road to universal health care in Indonesia, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016, Lancet 2018).

<sup>130</sup> Source: UNAIDS' Indonesia Country Snapshot, 2018 -AIDS data hub.

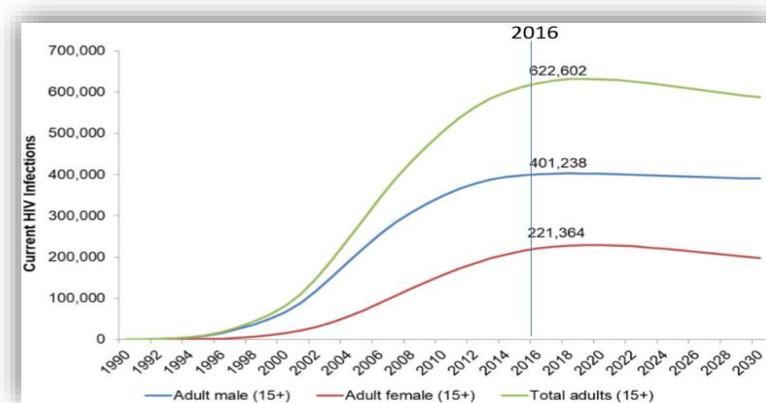
<sup>131</sup> 'Reviewing the 2017 HIV Modelling Update Results', November 2017.

<sup>132</sup> See also Figure 1.55 and 1.56 in the CCA Technical Annex.

<sup>133</sup> (IDHS 2017)

84. Over the past decades, there has been serious commitment on the part of the authorities to fight the spread of the infection and to provide access to testing and treatment for PLHIV, including by addressing mother-to-child transmission through targeted prevention and treatment programmes. However, while HIV testing in Indonesia has substantially increased overall, numbers are still low and coverage for antiretroviral treatment is among the lowest in the region<sup>134</sup>.

**Figure 1.19. Number of People Living with HIV, 1990-2030<sup>135</sup>**



85. Regional variations are wide – West Papua and Papua have the highest HIV case rates compared to other provinces, at nearly 8 and 15 times greater than the national case rate. HIV prevalence is mostly concentrated FSWs and MSM, transgender persons (TGs) and people who inject drugs (PWID). There is a low, generalised epidemic in Papua. Rather than being largely limited to key populations, a much higher proportion of young women live with the disease. Gender inequality, violence against women and stigma and discrimination contribute to new HIV infections. Among these populations, prevalence is as high as 30 percent - nearly 100 times higher than the general adult (0.3 percent)<sup>136</sup>. Stigma and discrimination, inequalities in gender and access to services, as well as gaps between HIV testing and sustained treatment present challenges in reaching SDG 3.3, ending the AIDS epidemic. Furthermore, there is a gap in reliable data related to labour migration as a contributing risk factor to communicable diseases, especially HIV/AIDS and tuberculosis.

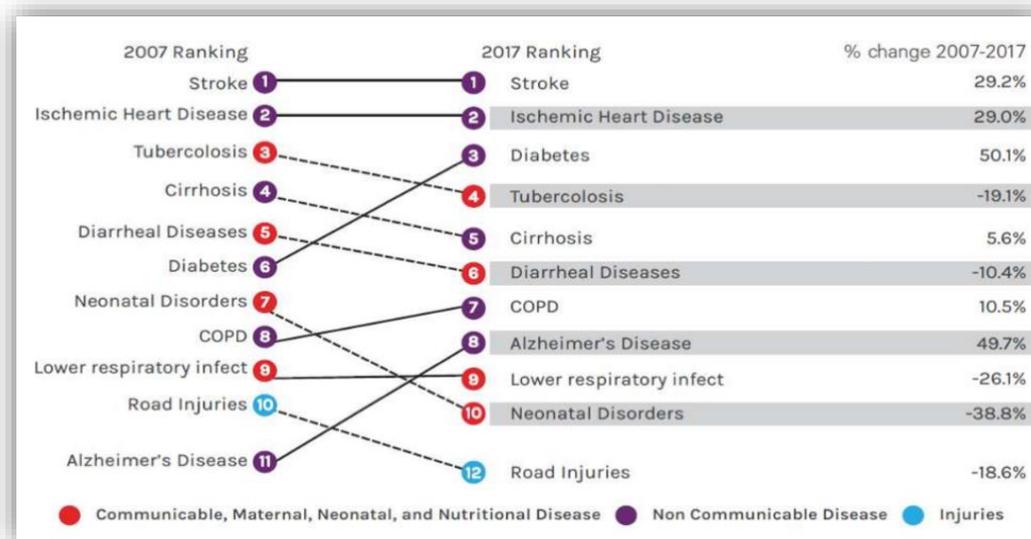
**Figure 1.20. Top 10 causes of death in 2017 and percent change, 2007-2017, all ages, number<sup>137</sup>.**

<sup>134</sup> United Nations Office on Drugs and Crime (UNODC), Country Programme 2017–2020: Indonesia, p. 22); cited in the report by the SR on Health.

<sup>135</sup> ‘Reviewing the 2017 HIV Modelling Update Results’, November 2017.

<sup>136</sup> Only 42 percent of PLHIV knew their status in 2017, and only 14 percent of these PLHIV were receiving ART. Viral load testing and early infant diagnosis is largely absent in Indonesia, while only about 10 percent of HIV positive pregnant women receive ARVs, which is the lowest in the region. Barriers in accessing services for HIV prevention, testing, and treatment due to high stigma and discrimination mean that these high-risk group may experience limited access to treatment in the future.

<sup>137</sup> Source: Institute for Health Metrics and Evaluation: Indonesia Country Profile IHME. Global Burden of Diseases Compare: Indonesia. 2018.



86. In line with a general trend towards a healthier nation, Indonesia's demographic and epidemiological transition has seen a shift from communicable to *non-communicable diseases* (NCDs) (see figure 1.20 above<sup>138</sup>). As the country moves towards 2030 and the SDGs, NCDs are now the main cause of death in Indonesia. The mortality rate due to NCDs has risen from 37 percent in 1990 to 73 percent in 2016. Stroke, ischemic heart disease and diabetes are the major causes of NCD-related deaths<sup>139</sup>. The trends of risk factors are equally alarming. More than a third of the population are smokers, a third of the population is hypertensive, and one in ten persons is having above normal blood sugar levels<sup>140/141</sup>. Obesity affects one in five persons, and diets high in salt, sugar and fat paired with lack of physical activity contribute to the rise in NCDs.
87. Cerebrovascular diseases were the leading cause of death, with a 29 percent increase between 2007 and 2017<sup>142</sup>. The potential economic loss caused by five domains of NCD (cardiovascular disease, cancer, COPD, diabetes, and mental health conditions) between 2012-2030 is estimated to reach US\$ 4.47 trillion – 5.1 times greater than the 2012 Indonesian GDP<sup>143</sup>. As mentioned above, unhealthy lifestyles driving these changes include imbalanced diets, physical inactivity, exposure to pollutants and smoking. Other factors include, lack of regulation, fiscal restrictions the rampant marketing of tobacco, and foods high in fat, sugar and salt (particularly, targeted towards children and adolescents), while also being one of the leading risk factors for children under the age of five, contributing to poor respiratory, cardiovascular and cognitive outcomes<sup>144</sup>.

<sup>138</sup> Source: Institute for Health Metrics and Evaluation: Indonesia Country Profile IHME. Global Burden of Diseases Compare: Indonesia. 2018.

<sup>139</sup> Consolidated Report on Indonesia Health Sector Review 2018

<sup>140</sup> Riskesdas 2018.

<sup>141</sup> [http://www.depkes.go.id/resources/download/info-terkini/materi\\_rakorpop\\_2018/Hasil%20Riskesdas%202018.pdf](http://www.depkes.go.id/resources/download/info-terkini/materi_rakorpop_2018/Hasil%20Riskesdas%202018.pdf)

<sup>142</sup> Consolidated Report on Indonesia Health Sector Review 2018

<sup>143</sup> The World Economic Forum (2015)

<sup>144</sup> <https://www.vitalstrategies.org/wp-content/uploads/import/2018/07/Vital-Strategies-Air-Pollution-Evidence-Brief-Indonesia.pdf>

**Figure 1.21. Key health financing indicators for Indonesia and comparators<sup>145</sup>**

Health financing indicators	Indonesia	ASEAN	BRICS	Low income	Lower middle income	Upper middle income
Total health expenditure per capita	US\$126	US\$502	US\$581	US\$41	US\$141	US\$494
Total health expenditure (share of GDP)	3.6%	4.3%	6.9%	6.3%	5.9%	7.0%
Public share of total health expenditure	40%	52%	46%	40%	54%	63%
Social insurance share of total health expenditure	13%	8%	14%	2%	7%	18%
OOP share of total health expenditure	46%	41%	34%	41%	38%	29%
External share of total health expenditure	1%	8%	1%	33%	14%	4%

88. Human health and well-being and the environment are inextricably linked with environmental conditions being major determinants of morbidity and mortality. In 2018, around 55 percent<sup>146</sup> of Indonesians reside in urban environments, which are estimated to grow to 70 percent by 2050. People who live in urban areas have a high exposure to pollution from motor vehicles, coal-fired electric power generation, hazardous chemicals, uncontrolled waste generation and disposal, dust, open burning, biomass burning, and second-hand tobacco smoke. Twenty four percent of the total burden of disease in Asia Pacific is attributable to environmental risk factors<sup>147</sup>.

89. Associated with the demographic transition, the growing burden of degenerative diseases affecting the elderly rose from around 940,000 in 2010 to over 1.1million cases in 2016 at an estimated cost of US\$ 1.8 billion in 2015 alone<sup>148</sup>. Regarding overall levels of national public health spending, this has increased in recent years to around 3.6 percent of the country’s gross domestic product (GDP). However, benchmarks indicate that the country’s health system remains significantly under-resourced, particularly when compared against similar countries (see figure 1.21 above<sup>149</sup>). For additional information on the institutional challenges confronting the health sector see Annex 4). Impressive strides have been made in recent years, with 215 million people (81 percent of the population) now participating in Healthcare Insurance (JKN) - making it currently the largest single payer system in the world<sup>150</sup>. The government has set 2019 as its target for the enrolment of 95 percent of the population—the functional achievement of universal health care<sup>151</sup>.

\* \* \*

90. In terms of *social protection* systems, these are developing, and consist of two schemes – social assistance and social insurance (for a summary discussion on the relationship of social protection to the SDGs, see Annex 5).

**Figure 1.21. Levels of investment in social protection across a range of low-income and middle-income countries, excluding civil service pensions<sup>152</sup>**

<sup>145</sup> Revealing the Missing Link: Private Sector Supply-Side Readiness for Primary Maternal Health Services in Indonesia

<sup>146</sup> <https://data.worldbank.org/indicator/sp.urb.totl.in.zs>

<sup>147</sup> Discussion Document for Session 4 Environment and Health Linkages in Asia Pacific - First Forum of Ministers and Environment Authorities of Asia Pacific Bangkok (19-20 May 2015), United Nations Environment Programme Regional Office for Asia and the Pacific, 2015.

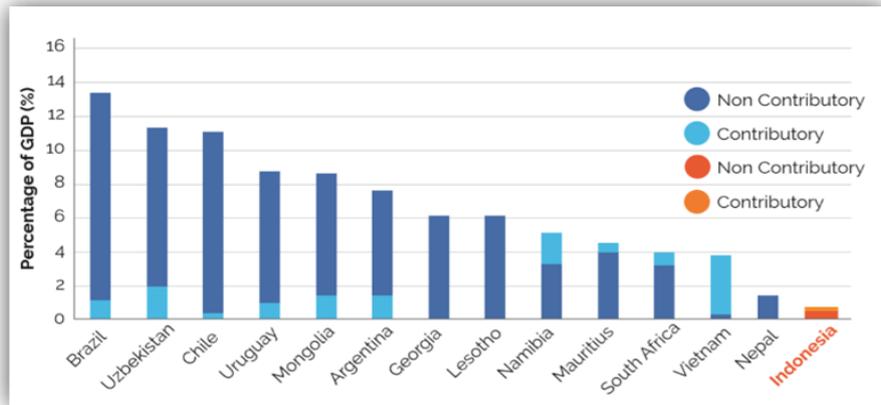
<sup>148</sup> Consolidated Report on Indonesia Health Sector Review 2018

<sup>149</sup> Revealing the Missing Link: Private Sector Supply-Side Readiness for Primary Maternal Health Services in Indonesia

<sup>150</sup> See also Figure 1.59 in the CCA Technical Annex.

<sup>151</sup> On the road to universal health care in Indonesia, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016, Lancet 2018.

<sup>152</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.



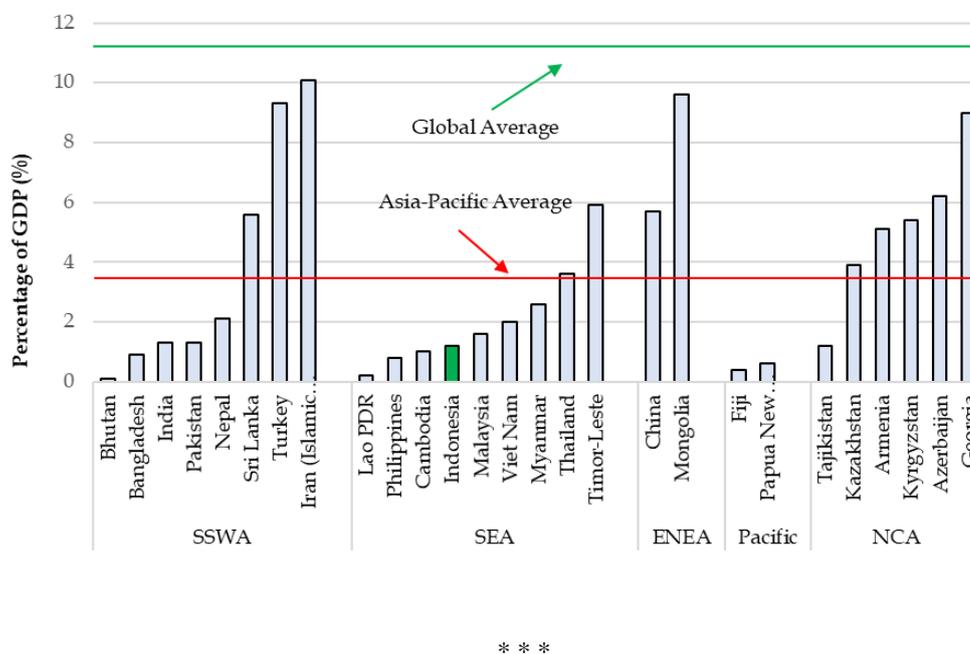
91. Social assistance is non-contributory and financed through the government budget while social insurance, consisting of health insurance and employment insurance, is financed through the contributions of its members. The social health insurance scheme is currently a hybrid, with a government-financed component for the poor and a contributory component for those who can afford it. The national social security system (SJSN) regulates five social security programs: (i) health insurance (JKN); (ii) work injury compensation (JKK); (iii) old age savings with disability benefit (JHT); (iv) elderly pension (JP); and (v) survivors' benefit (JKM).
92. The RPJPN (2005–2025) shows the government's commitment to expanding the national social protection system. The plan states that social protection and social insurance mechanisms to fulfil people's basic rights and ensure they have access to services must be in place by 2025. In meeting the RPJPN target includes significant steps in developing the legal regulations to extend health insurance (JKN) to most of the population.
93. To ensure the plan is achieved, Indonesia has increased social protection spending to 0.73 per cent of gross domestic product (GDP) resulting in significant expansion of social assistance schemes, such as the conditional cash transfer program for poor families, Program Keluarga Harapan (PKH) and the cash transfers for poor students, now known as Program Indonesia Pintar (PIP). However, overall coverage remains low. In 2017, overall investment in social assistance schemes that offer income support will amount to 0.35 per cent of GDP<sup>153</sup>. This is low in relation to investment in other countries and sectors, such as infrastructure. Indonesia's current investment in social protection is still below what is expected of a middle-income country (see Figure 1.21 above), resulting in major gaps in coverage, particularly regarding young children, the elderly, people with disabilities and most of the population on middle incomes – the so-called 'missing middle' – who are still vulnerable to risks and shocks, and as discussed earlier in the section.
94. By 2045 close to 15 per cent of the population will be 65 and over, and the group will be growing at a much faster rate than the population as a whole. Moreover, the proportion of older persons living alone increases with age and is higher among females. The proportion of older persons left to live alone can therefore be expected to increase with ageing of the older population. And, given the continuing feminization of ageing, there will be a larger number of older women than older men who will need care and attention. Hence feminization of ageing<sup>154</sup> should be considered when addressing issues relating to older persons.

<sup>153</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

<sup>154</sup> Women presently constitute 54 per cent of older persons. This share is expected to increase with rising and higher life expectancy among women. Life expectancy at birth among women is projected to increase from 74.5 years in 2015 to 76.4 years in 2030 to 77.3 years in 2045. The corresponding data for men is 70.6, 72.8 and 73.7 years. There are also older widowed women among older age-groups. For instance, 56 per cent of older women are widowed compared to 16 per cent of older men. This reflects older women's social and economic vulnerability which is compounded by lower labour participation rates and lower educational attainment. Thus, older women would be more likely to depend economically on their children than older men (50.2 per cent for older women versus 28.6 per cent (Source: Susenas, 2017)

95. Adequate social security mechanisms will need to be in place. In the past, the elderly were supported by their adult children. This will continue, but inevitably to a lesser extent. The new ‘social contract’ emerging between the generations requires adults to invest heavily in their children so that they are equipped to earn enough during their working years to save for their old age as well as investing heavily in their own children. Both public and private intergenerational mechanisms will need to be involved. The challenge for the Government is to manage this transition successfully so that intergenerational equity is maintained and the rights and living standards of the elderly – both men and women – are protected. It also does not cover those in the informal sector in Indonesia, in which women workers are disproportionately represented.
96. Social protection coverage has the greatest potential to reduce poverty and levelling the playing field by ensuring minimum guarantees over the life cycle. ESCAP research shows that if Indonesia were to increase its public expenditure in social protection to meet the global spending average of 11.2 per cent of GDP by 2030, it would eradicate extreme poverty (\$1.90 per day) by 2030 (see Figure 1.22 below).

**Figure 1.22. Public spending on social protection (% GDP), Asia and the Pacific<sup>155</sup>.**



97. The *environment* is an integral and substantive component in Indonesia’s vision and path to economic prosperity and sustainable development. As the world’s largest archipelago of 17,000 plus islands, Indonesia spans two bio-geographic regions - the Indo-Malayan and Australasian - and supports tremendous biodiversity of animal and plant life in its mosaic of forests, wetlands, coastal and marine ecosystems<sup>156/157</sup>. Animal species consist of iconic fauna as the Sumatran tiger, the Sumatran elephant, Sumatran and Javan rhinoceros, Kalimantan and Sumatran orangutan, midget buffalo, Komodo dragon and bird of paradise<sup>158</sup>. Fifty percent of Indonesia is forested<sup>159</sup> (see Figure 1.23 below<sup>160</sup>).

**Figure 1.23. Extent of land cover types in forest area and non-forest area in Indonesia (2017)<sup>161</sup>**

<sup>155</sup> ESCAP calculations, based on International Labor Organization (2017).

<sup>156</sup> comprising 13 land-based ecosystems and 6 aquatic ecosystems (including both freshwater and marine ecosystems).

<sup>157</sup> Kartawinata (2013) in IBSAP 2015-2020, cited in ‘The State of Indonesia’s Forests 2018, Ministry of Environment and Forestry Republic of Indonesia’.

<sup>158</sup> The State of Indonesia’s Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>159</sup> (Kawasan Hutan)

<sup>160</sup> The State of Indonesia’s Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>161</sup> The State of Indonesia’s Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

Land cover	Forest area* (in million hectare)							Non-Forest Area (APL)	Grand Total	%
	Permanent Forest					HPK	Total			
	HK	HL	HPT	HP	Total					
(1)	(2)	(3)	(4)	(5=1+2+3+4)	(6)	(7=5+6)	(8)	(9=7+8)	(10) <sup>a</sup>	
A. Forested	17.3	23.9	21.3	17.0	79.6	6.3	85.8	8.1	93.9	50.0
- Primary forest	12.5	15.2	9.7	4.7	42.2	2.5	44.7	1.5	46.1	24.6
- Secondary forest	4.7	8.4	11.3	9.7	34.0	3.8	37.8	5.4	43.1	23.0
- Plantation forest <sup>b</sup>	0.1	0.3	0.3	2.7	3.4	0.0 <sup>c</sup>	3.4	1.3	4.7	2.5
B. Non-forested	4.8	5.8	5.5	12.2	28.2	6.5	34.7	59.3	94	50.0
<b>Total Terrestrial Area</b>	22.1 <sup>d</sup>	29.7	26.8	29.2	107.8	12.8	120.6	67.4	188	100
<b>% Forested Area<sup>e</sup></b>	<b>78.5</b>	<b>80.6</b>	<b>79.4</b>	<b>58.3</b>	<b>73.8</b>	<b>49.1</b>	<b>71.2</b>	<b>12.0</b>	<b>50.0</b>	

Notes: HK – Conservation Forest; HL – Protection Forest; HPT – Limited Production Forest; HP – Permanent Production Forest; HPK – Convertible Production Forest; APL – Other Use Area/Non-Forest Area.

98. The country's rich natural resource base is a significant contributor to Indonesia's GDP and Government budgets. Agriculture, forestry, and mining sectors combined contribute to around 25 percent of Indonesia's GDP and about 30 percent of the overall Government revenue<sup>162</sup>. If tourism were to be included in this mix, which is often either directly or indirectly linked to the country's environment, an additional 4-5 percent of GDP, could be added<sup>163</sup>.

99. Indonesia's *forest area* currently totals 1.2 million km<sup>2</sup> and accounts for 63 percent of the country's total land area. Indonesia also has a greater expanse of tropical peatlands than any nation in the world. There is over 15 million ha of peatlands, which support 12 percent of its forested lands and are found right across Indonesia's Islands of Sumatra, Kalimantan, Sulawesi and Papua. With the third largest area of tropical forest in the world, Indonesia's forests play a significant role in climate change mitigation at the national and global level. Because of its rich and extensive forests, Indonesia is one of the 17 'mega-biodiverse' countries of the world, with 2 of the world's 25 'biodiversity hotspots'<sup>164</sup>, 18 World Wildlife Fund (WWF) 'Global 20' eco-regions, and 24 of Bird Life International's 'Endemic Bird Areas'. It also possesses 10 percent of the world's flowering plant species and ranks as one of the world's centers for agro-biodiversity of plant cultivars and domesticated livestock. For Fauna diversity, about 12 percent of the world's mammals occur in Indonesia, ranking it second, after Brazil, as the global level<sup>165</sup>.

100. Up until 2018, Indonesia experienced the highest *deforestation* rates in the world. From 2000 to 2015, Indonesia lost an average of 498,000 hectares of forest each year, making it the world's 2nd ranked country after Brazil in rate of primary forest loss. The major drivers of this deforestation are linked with several key economic sectors and activities, including the pulp and paper industry, legal logging, mining and the oil palm industry. Linked to the country's deforestation and ecosystem degradation issues, Indonesia's biodiversity is under threat due to severe degradation and loss of habitat, coupled with the pressures from the thriving global illegal wildlife trade. Approximately 60 percent of all rainforest fauna and flora species in Indonesia are endangered or threatened with extinction<sup>166</sup>, including 140 species of birds, 63 species of mammals and 21 species of reptiles<sup>167</sup>. Indonesia has become the largest supplier of

<sup>162</sup> World Bank, August 1 2014, World Bank and Environment in Indonesia: <https://www.worldbank.org/en/country/indonesia/brief/world-bank-and-environment-in-indonesia>

<sup>163</sup> Ministry of Tourism & Creative Economy / International Labour Organization (2012), Strategic Plan: Sustainable Tourism and Green Jobs for Indonesia

<sup>164</sup> (Conservation International)

<sup>165</sup> Convention on Biodiversity (CBD), Indonesia Profile: <https://www.cbd.int/countries/profile/default.shtml?country=id>

<sup>166</sup> Sidik, Frida, 2016/17 ASEAN-US Science and Technology Fellowship: Biodiversity Indonesia: [https://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga\\_181024.pdf](https://sites.nationalacademies.org/cs/groups/pgasite/documents/webpage/pga_181024.pdf)

<sup>167</sup> CBD, Indonesia Country Profile: <https://www.cbd.int/countries/profile/default.shtml?country=id>

wildlife products in Asia, both legal and illegal<sup>168</sup>. Coal mining is a new and growing threat to Indonesia's forested areas, and its biodiversity. Mining permits now cover roughly 6.3 million hectares of Conservation Forest and Protected Forest areas, despite laws against such activities, according to Indonesia's Corruption Eradication Commission<sup>169</sup>. Greenpeace Southeast Asia estimates that 1.1 million hectares of rainforest are under immediate threat from coal mining concessions, of which 85 percent are located in East and South Kalimantan<sup>170</sup>.

101. The Indonesian Government takes this situation and the magnitude of the threat to its future seriously, and has enacted sweeping legislation and instructions to halt these trends in primary forests loss and ecosystem destruction and degradation, and biodiversity loss. The country has established over 490 legally designated terrestrial protected areas since its independence that span approximately 23 million hectares. These include 43 National Parks, 239 Nature Reserves, 70 Game Reserves, 13 Hunting Parks, 22 Grand Forest Parks, and 103 Nature Tourism Parks. To significantly halt the rate of deforestation and land clearing, starting in 2011, then President Susilo Bambang Yudhoyono signed a decree putting into effect a two-year moratorium on issuing new permits for the use of primary natural forest and peat land. The moratorium was then extended for another two years in 2013, again in 2016, and again in 2018 by President Widodo,<sup>171</sup> including an added suspension measure stopping government procurement from companies involved in deforestation, forcing the provincial and district authorities to consider more sustainable policies and plans.

102. A National Forest Monitoring System (NFMS)<sup>172</sup> has been put in place, as have dedicated Protection Forest Management Units<sup>173/174</sup>. Sustainable forest management is vital for local poverty reduction and contributes substantially to national economic development. The involvement of local communities is a critical factor. *Social forestry* is recognized as a fundamental form of sustainable forest governance<sup>175</sup>. Currently there are about 25,863 forest-based villages, and 70 percent of them depend on forest resources for livelihoods. There are an additional 10.2 million poor people that depend on forest resources for their livelihoods but lack the necessary legal status, access to capacity building and market to ensure their access managed sustainably<sup>176</sup>.

103. Indonesia has intensified its commitment to more *community-oriented strategies* in an effort to democratize management and utilization of forest resources, which also aims at stopping illegal logging, illegal trade in wildlife, encroachment, and forest fires<sup>177</sup>. The social forestry programme is a cornerstone of the policy of Government of Indonesia on agrarian reform, which many consider essential to improving environmental and social outcomes. In addition to promoting sustainable forest management, the social forestry programme is expected to strengthen women's access to forest natural resources, enhance women's experience, skills and knowledge on forest management and actively involve women in planning and implementing the proposed programme on social forestry.

104. Indonesia has made international commitments towards the conservation of key forest biodiversity. More than 5,000,000 hectares of forests are protected under the 1972 World Heritage Convention through the designation of four world heritage sites: *Tropical Rainforest Heritage of Sumatra*, Ujung Kulon, Lorentz and Komodo. Among the four, the *Tropical Rainforest Heritage of Sumatra* site is currently included on the list of World Heritage sites in danger due to encroachment and other development pressures.

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<sup>168</sup> UNDP Ecosystems & Biodiversity, May 7, 2019.

<sup>169</sup> Stockholm Environment Institute, June 2018, Five downsides to Indonesia's rapid coal expansion: <https://www.sei.org/featured/downsides-indonesias-coal-expansion/>

<sup>170</sup> "Escaping the resource curse: East Kalimantan at the tipping point," The Jakarta Post, January 17, 2013

<sup>171</sup> The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>172</sup> The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>173</sup> (Kesatuan Pengelolaan Hutan Lindung, or KPHL)

<sup>174</sup> The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>175</sup> At the ministerial level, social forestry is supported by the Ministry Regulation No. P.83/MENLHK/SETJEN/KUM.1/10/2016 on Social Forestry.

<sup>176</sup> FAO, Country Gender Assessment of Agriculture and the Rural Sector in Indonesia, *forthcoming 2019*

<sup>177</sup> See also Figure 1.61 in the CCA Technical Annex.

105. Indonesia also has a greater expanse of *tropical peatlands* than any nation in the world. There are over 15 million ha of peatlands, which support 12 percent of its forest land and are found right across Indonesia's Islands of Sumatra, Kalimantan, Sulawesi and Papua. These peatlands are also under threat and are administratively designated as the Peat Hydrological Unit<sup>178</sup>, covering a total area of 24.14 million hectares<sup>179</sup>. Indonesia also has 25 per cent of the mangroves of the world, the restoration and protection of which is essential. Not least, *Illegal logging* continues as a major concern, as does the perpetuation of the *illicit wildlife trade*<sup>180</sup>.
106. *Natural resource management* is a major concern with respect to the sustainability of Indonesia's development path and its global impact on climate change. The Government has ratified the Paris Agreement and has adopted significant measures to protect forests and peatlands, including the creation of a Peatland Restoration Agency (or BRG) in January 2016 that is planned to run until 2020 –and the signing of a palm oil moratorium on 18<sup>th</sup> September 2018. Whilst Norway has provided around US\$100 million for the initial phase of the BRG – the larger task of restoration of the degraded areas is estimated to be in the billions<sup>181</sup>.
107. Greater efforts are being made to counter these activities through enforcement – still the problem is significant. Local capacities need further strengthening to meet the scale of the challenge. Weaknesses in the management of resources, the environmental degradation through over-exploitation of natural resources and questionable concessions to private companies are having a negative impact on indigenous communities and the preservation of a diverse ecosystem on which they rely. Furthermore, the increased targeting of those involved in raising awareness of and defending the environment is of concern.
108. Though the loss of forest and commons affect both women and men, the impact is felt differently due to underlying gender roles and differences in the nature of their dependence on these resources for their livelihoods. Women, particularly those from landless and land-poor households, use forests mainly for the collection of short-gestation products such as firewood, fodder, food items and other non-timber products (due to their roles in cooking, cattle care, supplementing household nutrition and related tasks). Research demonstrates that women's participation in community forest management bodies led to positive results for both forest sustainability and gender equality. Therefore, women's participation in the governance of natural resources is crucial for sustainable development in Indonesia.
109. While women farmers contribute to 70 percent of total agriculture production (see Figure 1.24 below), women lack land ownership such that they don't have any control to land<sup>182</sup>. This influences women's lack of control over the family's food and nutrition – reported to be made worse still by the impact of climate change.

**Figure 1.24. The Number of Male and Female Farmers in Indonesia**<sup>183</sup>

<sup>178</sup> (Kesatuan Hidrologis Gambut, KHG)

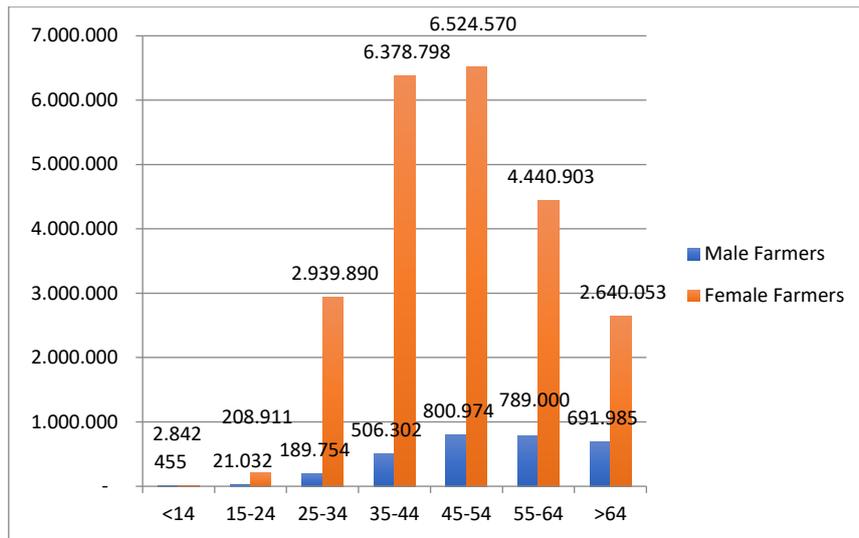
<sup>179</sup> The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>180</sup> See also Figure 1.61 in the CCA Technical Annex.

<sup>181</sup> Murdiyarso, D., et al. (2019). "Tropical peatlands under siege: the need for evidence-based policies and strategies." Mitigation and Adaptation Strategies for Global Change.

<sup>182</sup> FAI, 2010, cited in Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

<sup>183</sup> (BPS 2013) – cited in Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.



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110. As the **largest archipelagic country in the world**, Indonesia possesses a rich sea and **marine biodiversity**.

This serves as an important source of livelihoods for coastal communities as well as economic development. An unhealthy marine ecosystem however threatens the loss of over 6 million tons of marine products per year, affecting up to nearly 6 million individual fishers and fish farmers, including seaweed production valued at approximately US\$ 843 million as of 2015<sup>184</sup>. It also destroys coral seagrass, coral reef, and mangrove ecosystems, which are vital for living marine organisms due to unsustainable practices and massive marine debris.

111. The **fisheries sector** plays an important role in supporting national food security as well as national employment. Around 54 percent of Indonesia's animal protein supply comes from fish and seafood, and Indonesia supplies about 10 percent of global marine commodities<sup>185</sup>. Further, it is estimated that some 14 to 16 million people are directly employed in coastal and marine related activities. The contribution of the coastal and marine related activities to the national economy, both from renewable and non-renewable extraction, is estimated to be 20 to 25 percent of Indonesia's GDP<sup>186</sup>.

112. Indonesia's coastal and marine environment is experiencing intense pressure from a mixture of converging factors, including high population density in coastal areas, population growth, coastal land conversion, urbanisation and the growing impacts from by land-based and offshore marine and coastal pollution. Indonesia is ranked as the second-largest contributor to marine plastic pollution after China. It is estimated that there is about 3.2 million tons of plastic waste floating in Indonesian waters (2010), with 1.29 million tons of plastic waste leakage flowing to the oceans annually<sup>187</sup>. In 2018, the Government of Indonesia issued a presidential regulation to tackle marine plastic debris/litter up to 70 per cent in 2025. It is an ambitious target and requires smart and innovative approaches such as via the circular economy and blue economy financing instruments.

<sup>184</sup> (FAO, 2016)

<sup>185</sup> UNDP, 8 June 2016; <http://www.id.undp.org/content/indonesia/en/home/presscenter/articles/2016/06/08/8-facts-about-indonesia-s-ocean.html>.

<sup>186</sup> Government of Indonesia, Indonesian National Plan of Actions of Coral Triangle Initiative on coral reef, fisheries and food security (CTI-CFF), 2009. [http://www.coraltriangleinitiative.org/sites/default/files/resources/Indonesia%20NPOA\\_Final.pdf](http://www.coraltriangleinitiative.org/sites/default/files/resources/Indonesia%20NPOA_Final.pdf)

<sup>187</sup> Laurent C. M. Lebreton, Joost van der Zwet, Jan-Willem Damsteeg, Boyan Slat, Anthony Andrady & Julia Reisser, River plastic emissions to the world's oceans, Nature Communications, Volume 8, Article number: 15611 (2017)

113. Indonesia's *mangrove forests*, which comprise nearly a quarter of the world's mangroves, has been reduced from what it had in 1993 (i.e. 3.7 million ha to around 1.5 million ha in 2005), mainly due to the spread of aquaculture shrimp farms<sup>188</sup>. Of the remaining forests, nearly 70 percent are "in critical condition and seriously damaged"<sup>189</sup>. Coastal-marine resource degradation and/or depletion is also being driven by the global demand for seafood products. Indonesia's coral reefs and fisheries are some of the most threatened in the world due to destructive Illegal Unregulated and Unreported (IUU), over-fishing, use of cyanide and blast fishing, etc<sup>190</sup>. It is estimated that Indonesia is suffering US\$ 20 billion in economic losses per year because of IUU Fishing, which also threatens 65 percent of Indonesia's coral reefs as well as the economic livelihoods of small-scale fishermen<sup>191</sup>.
114. The Government of Indonesia has made it a priority to protect its coastal and marine resources, particularly because Indonesia's future economic and social development goals are directly linked to the health and sustainability of its coastal and marine resources. There are 17 natural resources management laws related to coastal and marine management, 15 laws on natural resources management and ocean activities, and 2 national laws for the ratification of international conventions<sup>192</sup>. One tangible action has been the increase in marine protected areas (MPAs), which are being managed through an integrated coastal zone ecosystem management approach<sup>193</sup>. Indonesia appears to be on track to achieve its MPA target of 20 million hectares by 2020. According to Ministry of Marine Affairs and Fisheries (MMAF), the country had set aside 19.30 million hectares of MPAs as of 2018<sup>194</sup>.
115. In 2014, the MMAF introduced policy changes for managing the country's fisheries resources, including banning fishing using foreign capital and the use of destructive fishing gear, along with utilising marine spatial planning in the sustainable management of its 11 Fisheries Management Areas (WPP)<sup>195</sup>. The enactment of the policies and new integrated science and participatory community-based methods has led to increased fish stocks and improvement in the prosperity of fishermen and coastal communities, according to figures for 2016 and 2017<sup>196</sup>. In 2015, the MMAF issued Ministerial Regulation No. 2/2015, banning all types of fishing trawl and seine nets effective January 1, 2017<sup>197</sup>.
116. In May 2016, Indonesia ratified the Port State Measures Agreement, joining 34 countries plus the EU in blocking access of IUU fishing products to the legal market<sup>198</sup>, and in June 2017, Indonesia became the first country in the world to publicly share the positions of its fishing fleets on the public online platform Global Fishing Watch, which uses satellite technology to give real-time tracking information for 70,000 of the world's largest fishing boats<sup>199</sup>. Further positive action continued in 2018 with the Indonesian tuna industry, the world's largest<sup>200</sup>. Indonesia is also working closely with regional countries (Malaysia, Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste) to put into action the 10-year, five-point CTI-CFF (2010- 2020) Regional Action Plan for improving management of the region's coastal and marine resources, with the goal to ensure food security and sustainable livelihoods for all people of the Coral Triangle, and to protect the region's ecosystems and the marine species<sup>201</sup>.
117. During the period of 2015-2018, there was a year on year increase in marine protected areas as conservation and the sustainable use of coastal and marine resources are implemented through better

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<sup>188</sup> USAID, 2008.

<sup>189</sup> NASA Earth Observatory: <https://earthobservatory.nasa.gov/images/47427/mapping-mangroves-by-satellite>

<sup>190</sup> ADB, Indonesia: Country Environment Analysis, August 2005.

<sup>191</sup> Santosa, Mas Achmad, Presidential Task Force to Combat Illegal Fishing (Task Force 115)

<sup>192</sup> ADB, 2014.

<sup>193</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>194</sup> CEA, 2018.

<sup>195</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>196</sup> Summers, H., January 15, 2019, 'One fish at a time': Indonesia lands remarkable victory, The Guardian Newspaper: <https://www.theguardian.com/environment/2019/jan/15/one-fish-at-a-time-indonesia-lands-victory-tuna-msc>

<sup>197</sup> CEA, 2018.

<sup>198</sup> CEA, 2018.

<sup>199</sup> Summers, 2019.

<sup>200</sup> Summers, 2019.

<sup>201</sup> ADB, The State of Coral Triangle: Indonesia, 2014.

marine spatial planning and the sustainable management of 11 Fisheries Management Areas (WPP)<sup>202</sup>. This helps to combat illegal, unregulated, unreported (IUU) fishing<sup>203</sup>. Based on data from the Ministry of Marine Affairs and Fisheries, there were 684 cases of fishery crime from 2015 until 2018. Marine protection is on the increase and now consists of 165 areas covering 17.30 million ha (2015) to 19.30 million ha (2018)<sup>204</sup>.

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118. In addition to progress in the sustainable utilization of Indonesia's natural resources and marine life, the prospects of sustainable energy in Indonesia are tremendous. Whilst the portion of *clean energy* in the national energy mix has so far only reached 8.4 percent, the future is much more promising, with an 'EBT mix' target of 23 percent by 2025<sup>205</sup>. Potential sources of alternative and renewable includes a combination of different renewable energy mixes, biofuels, geothermal, biomass, water, solar, and wind energy<sup>206</sup>. This is significant, since many air pollution problems are attributable to the combustion of carbons in energy use<sup>207</sup>.

119. Indonesia is already experiencing *climate change* impacts, with more frequent droughts, heat waves, landslides and floods, all of which are likely to pose increasing threats to the country's development and its citizen's wellbeing. Food security is a high climate change risk priority due to the country's dependence on the production of rice – the primary staple food - and fish, which are both projected to decrease because of climate change impacts, especially with regards to water availability. Climate change threatens to exacerbate hydro-meteorological risks such as recurring floods and drought in the country. Rural coastal areas will increasingly feel the impacts of climate change as coastal zones become inundated<sup>208</sup>. Hence, it is extremely important for Indonesia to reduce climate related disaster risk and increase disaster resilience among its coastally linked communities.

120. Prolonged drought in turn is projected to worsen the impacts of forest fires, natural and man-made. Climate change will also decrease food security as production patterns and outputs change due to shifts in rainfall, evaporation, run-off water, and soil moisture.<sup>209</sup> Given that agriculture accounts for nearly 14 percent of GDP and the livelihoods of 42 percent of the employed working population as well as accounting for 80 percent of Indonesia's water consumption, climate change impacts could lead over the long run to an estimated 17.9 percent decrease in total agricultural productivity per unit area by the 2080s<sup>210</sup>.

121. Indonesia is both one of the major global emitters of greenhouse gases and, and because of population and human settlement densities along and near its coastal areas, geographic location, economic sectors, and landscape characteristics, is also extremely vulnerable to the impacts of climate change. Indonesia emissions stem from deforestation and peatland megafires<sup>211</sup> and, to the burning of fossil fuels for energy. The country's annual greenhouse gas emissions were 2.4bn tonnes of CO<sub>2</sub> equivalent (GtCO<sub>2</sub>e) in 2015.<sup>212</sup> The figure includes emissions from land use, land-use change and forestry (LULUCF). The highest levels of deforestation rates were recorded in the period from 1996 to 2000 (see Figure 1.25 below<sup>213</sup>).

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<sup>202</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>203</sup> Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

<sup>204</sup> See also Figures 1.62, 1.63 and 1.64 in the CCA Technical Annex.

<sup>205</sup> National Mid-Term Development Plan (2020-2024), Middle – High Income, Prosperous, Just and Sustainable Indonesia, (provisional translation 2019).

<sup>206</sup> Government Regulation No. 79 of 2014 on the National Energy Policy: <http://peraturan.go.id/pp/nomor-79-tahun-2014.html>.

<sup>207</sup> See also Figure 1.65 in the CCA Technical Annex.

<sup>208</sup> World Bank, April 2011.

<sup>209</sup> World Bank, April 2011.

<sup>210</sup> MoFA, 2018.

<sup>211</sup> See also Figure 1.60 in the CCA Technical Annex.

<sup>212</sup> Carbon Brief (July 2019): Indonesia Profile: <https://www.carbonbrief.org/the-carbon-brief-profile-indonesia>

<sup>213</sup> The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

Figure 1.25. Indonesia Deforestation Trends, 1990-2017<sup>214</sup>

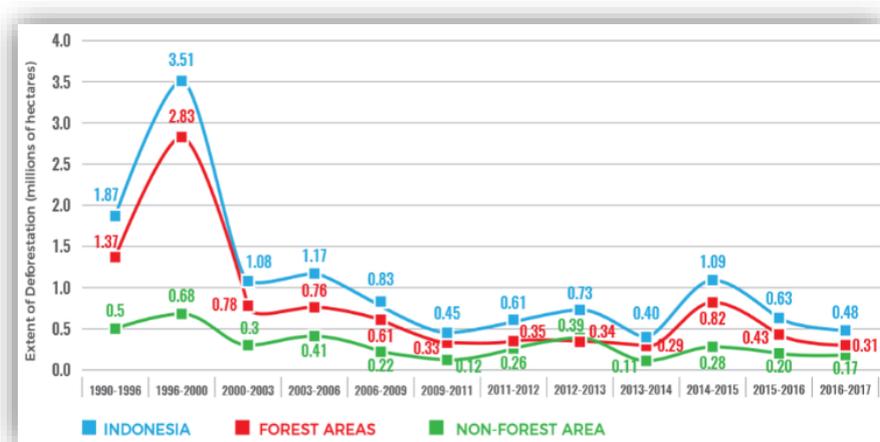
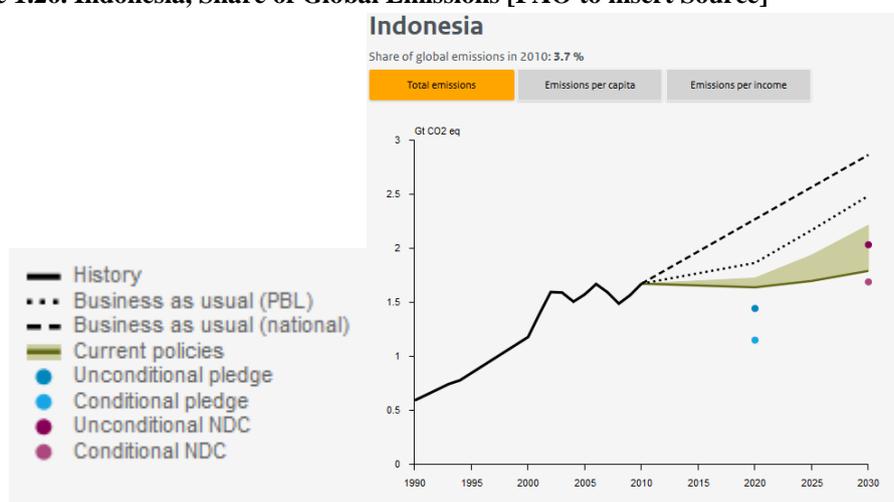


Figure 1.26. Indonesia, Share of Global Emissions [FAO to insert Source]

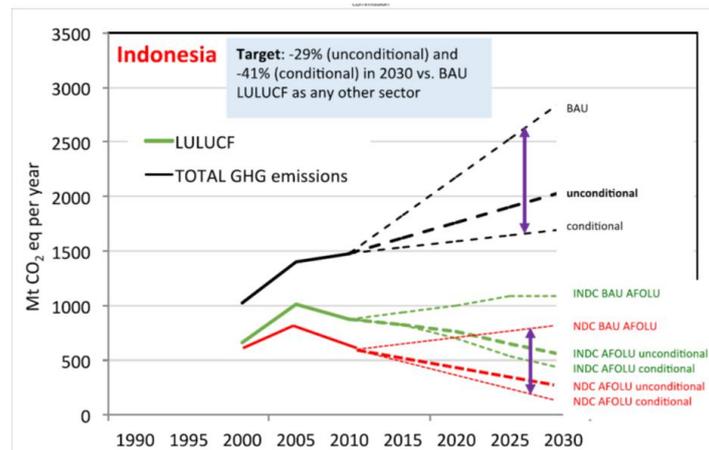


122. As part of the global effort, the Government of Indonesia is committed to implementing the International Agreement on Climate Change. Figure 1.26 (above) shows clearly the trends in GHG emissions that are rapidly going up in most sectors. This is the opposite of what most people think when they hear that Indonesia's emissions will be reduced by 29 percent (unconditional = Indonesia's own efforts) or 41 percent conditional on international support. These are usually understood wrongly that the emissions will be going down whereas they are going down only in relation to a rapidly increasing 'Business as Usual' increasing trend (dashed line in Figure 1.27 below).

Figure 1.27. Indonesia's increasing emission baseline and proposed Nationally Determined Contributions (NDC) reductions<sup>215</sup>.

<sup>214</sup> The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

<sup>215</sup> <https://themasites.pbl.nl/climate-ndc-policies-tool/>



123.Indonesia’s emissions represented **4.8 percent of the world’s total global emissions** in 2010<sup>216</sup>. Its per-capita emissions were 9.2 tonnes of CO<sub>2</sub>e that year; larger than the global average (7.0 tonnes of CO<sub>2</sub>e) and the average in China (9.0 tonnes of CO<sub>2</sub>e), the UK (7.7 tonnes of CO<sub>2</sub>e) and the EU (8.1 tonnes of CO<sub>2</sub>e)<sup>217</sup>. Independent analyses show that Indonesia is close to on track to achieving its unconditional NDC (2 out of 3 studies), with overall GHG emissions showing an increase compared to 2010 levels<sup>218</sup>. One study<sup>219</sup> found that if Indonesia implements existing policy measures, its 2030 carbon dioxide emissions from the land-use and energy sectors will overshoot [be above] the target associated with the country’s unconditional commitment to a 29 percent reduction<sup>220</sup>. The unconditional commitment will still allow an increase in emissions by around 30 percent in absolute terms from about 1,500 Mt/yr in 2010 to around 2,000 Mt/yr in 2030. The implementation of the NDCs is hampered by identified bottlenecks that include sub-optimal coordination, lack of mainstreaming in sectoral policies, insufficient law enforcement and insufficient financial allocations.

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124.Indonesia’s **natural disasters** that have occurred from 1982-2012 have been dominated by flooding (4.121), landslides (1.983), Storm (1.903) and dryness (1.414), all of which are climate related<sup>221</sup>. The Ministry of Environment and Forestry (MoEF) recognises that climate change adaptation measures can be integrated with disaster prevention into development planning, which will make budget implementation become more efficient. This will also strengthen cooperation between sectors in implementation of an action plan for adaptation to climate change<sup>222</sup>.

125.Indonesia has begun taking several important mitigation and adaptation steps to address the challenges presented by **climate change**. As outlined above, the Government has made formal commitments in its NDC to reduce unconditionally its greenhouse gas emissions by 26 percent by 2020, and with adequate international assistance, it is further committed to a reduction of 41 percent by 2030, as measured against a 2010 ‘business as usual’ baseline<sup>223</sup>. Most of this goal (87 percent) is to be achieved by reducing emissions from deforestation and peat land conversion, with the energy sector the second main area for reductions (11 percent), with five prioritized sectors identified for action at both national and subnational levels to reduce Greenhouse gas emissions; they are: (i) Forest and Peatlands; (ii) Agriculture; (iii)

<sup>216</sup> Carbon Brief (July 2019)

<sup>217</sup> Carbon Brief (July 2019)

<sup>218</sup> den Elzen, M., et al. (2019). "Are the G20 economies making enough progress to meet their NDC targets?" Energy Policy 126: 238-250.

<sup>219</sup> World Resources Institute (WRI)

<sup>220</sup> Wijaya, A., et al. (2017). How Can Indonesia Achieve its Climate Change Mitigation Goal? An Analysis of Potential Emissions Reductions from Energy and Land-Use Policies. Working Paper. Jakarta, Indonesia, World Resources Institute: 36pp.

<sup>221</sup> National Agency for Disaster Management (BNPB – Badan Nasional Penanggulangan Bencana), May 2014.

<sup>222</sup> National Agency for Disaster Management, 2014.

<sup>223</sup> MoEF (2017): Third NDC.

Energy and Transportation; (iv) Industry; and (v) Waste<sup>224</sup>. Indonesia is updating its NDC by identifying more potential mitigation actions in forestry, energy, waste, and IPPU sectors. Indonesia is also preparing its 2050 climate change vision to be submitted to UNFCCC by 2020.

126. The Government has also developed a National Action Plan for *Adaptation to Climate Change* (RAN-API) targeted at building economic, energy and food resilience, establishing livelihood resilience, maintaining environmental service resilience, and strengthening vulnerable areas' (e.g. urban, coastal and small islands infrastructure) resilience, along with supporting systems. The Ministry of Environment and Forestry has developed tools for assessing the level of vulnerability at the village level called SIDIK (Sistem Informasi Data Indeks Kerentanan – Vulnerability Index Information System), which has been utilized by local governments in developing adaptation action plans. SIDIK Assessment of vulnerability at national level indicates that about half of the villages in Indonesia fall under the category of medium to very high vulnerabilities. Communities with high to very high vulnerability levels are mostly located in Papua Province<sup>225</sup>. For example, Krawang and Subang districts may face up to a 95 percent reduction in local rice supply (or approximately 300,000 tons), while maize production in these districts is also projected to decline by 10,000 tons. Saltwater intrusion will also impact the availability and quality of freshwater supply during the dry season and damage agricultural lands, such as rice fields, and damage key infrastructure as well as aquaculture<sup>226</sup>. Indonesia's rural and urban poor, who often spend more than 50 percent of their income on food, will likely be heavily affected by increasing food prices due to climate change<sup>227</sup>. The fishery sector is also expected to experience negative effects from sea level rise, which will disrupt coastal fish and prawn farming in addition to impacting marine species distributions, which will make fish catches less reliable. Indonesia is expected to experience some of the largest decreases in marine fish stocks across the globe, with maximum catch potential decreasing by 23 percent between 2005 and 2055<sup>228</sup>.

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127. The country has a number of natural resource efficiency and management issues with which it has struggled to deal with comprehensively. These concern *solid and hazardous waste* reduction and management and *urban air quality*. Both need immediate attention. Opportunities to shift toward circular integrated approaches do not yet exist at any substantive level. Solid waste generation is increasing with the expanding economy and increasing household incomes, while at the same time Indonesia as a whole has made very little progress in municipal solid waste management and waste reduction. Current estimates show that about 85,000 tons of *waste* is generated daily in Indonesia, with an expected increase of 150,000 tons produced daily by 2025, representing a 76 percent increase over the next 10 years<sup>229</sup>. There is virtually no city level enforcement of solid waste laws and standards<sup>230</sup> and recycling is largely an informal sector activity, collecting about 10-15 percent of the total waste generated, while the formal recycling system captures less than 5 percent of waste produced<sup>231</sup>. There does not currently exist any financial mechanism or institutional architecture for developing an effective private recycling industry in Indonesia, although there are some positive examples of formal sector involvement in the collection, transportation and disposal mechanism. The reality is that the cost of investment is too high for private sector investors without government assistance<sup>232</sup>.

128. In terms of *hazardous waste*, it is estimated that the total amount of hazardous waste generated within Indonesia is approximately 229,907 tons annually<sup>233</sup>. This presents a problem as the country has only

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<sup>224</sup> Ministry of Foreign Affairs (MoFA), April 2018, Indonesia Climate Change Profile.

<sup>225</sup> Widyarissantie, A., Inventory System Of Climate Vulnerability Index, Climate Change Adaptation Unit, Ministry of Environment and Forestry

<sup>226</sup> MoFA, 2018.

<sup>227</sup> MoFA, April 2018.

<sup>228</sup> MoFA, April 2018.

<sup>229</sup> World Bank (2012): What a Waste: A Global Review of Solid Waste Management.

<sup>230</sup> World Bank, April 2018, Indonesia Marine Debris Hotspot.

<sup>231</sup> World Bank, 2018.

<sup>232</sup> UN Environment, 2017.

<sup>233</sup> Widyatmoko, H., *Management of Hazardous Waste in Indonesia*, IOP Conf. Series: Earth and Environmental Science 106 (2017) 012032.

one treatment plant that meets international treatment standards<sup>234</sup>. Therefore, it is almost impossible to treat, store and dispose of the full amount of hazardous waste that is generated in the country safely. Total mercury releases to the environment are estimated at 340 metric tonnes per year, of which 57.5 percent (~195 tonnes) originates from the country's Artisanal Small Gold Miners (ASGM) sector, of which 60 percent is being emitted to the air, 20 percent to water, and the remaining 20 percent to land<sup>235</sup>. Indonesia is among the top 3 global emitters of mercury because of the ASGM situation<sup>236</sup>.

129. In 2018, Jakarta's *air quality* was ranked as the most polluted city in Southeast Asia with an annual mean of 45.3 PM<sub>2.5</sub> (µg/m<sup>3</sup>). Monitoring of ambient air quality parameters such as particulates, sulfur dioxide (SO<sub>2</sub>), nitrogen dioxide (NO<sub>2</sub>), carbon monoxide (CO) and hydrocarbon (HC) in cities indicates dangerous conditions. In July 2019, Jakarta experienced some of the world's worst air quality ever, with levels of PM<sub>2.5</sub>, reaching "unhealthy" concentrations.

130. Indonesia has the highest *energy consumption* growth rate in the world and is now a net importer of fuel oil<sup>237</sup>. From 2000 to 2017, energy demand rose by 48 percent. By 2040 the country will see an estimated 75 percent increase in energy demand<sup>238</sup>. Electricity access throughout the country has improved significantly over the past decade, reaching 96 percent in 2018<sup>239</sup>. Currently, more than 90 percent of the energy mix comes from fossil fuels, with coal power plants still the main source of electricity. Based on the *Brown to Green Report* published by Climate Transparency, coal use is expected to double from 2017 to 2025<sup>240</sup>. The Governments' energy mix target for 2025 is to see fossil fuel consumption make up 65 percent of total energy generation, with renewable targeted to increase from 8 percent today to 23 percent of primary energy mix, and later to 31 percent by 2050<sup>241</sup>.

131. Currently in terms of *renewable energy* generated electrical power, geothermal is the biggest source of renewable power in the country, with a total installed capacity of 1,950 MW, followed by bioenergy generation at 1,850 MW<sup>242</sup>. Energy efficiency improvements in Indonesia since 2000 has helped to prevent 9 percent of additional energy use in 2017<sup>243</sup>. Indonesia was able to offset 23 percent of the impact of energy consumption increases thanks in large part to energy efficiency improvements between 2000 and 2017, particularly in the larger industrial sector, buildings and transportation<sup>244</sup>. The result of all of this is that 65 Mt CO<sub>2</sub>-eq emissions were prevented as was 6 percent of additional oil imports<sup>245</sup>.

132. In ratifying the Paris Agreement, the Government has committed to reduce at least 11 percent of its GHG emissions from the energy sector by 2030<sup>246</sup>. However, due to its growing population and economic development aspirations, energy expansion and electricity access are priorities<sup>247</sup>. The Government is targeting to reach 100 percent electrification by 2020<sup>248</sup>. However, access to electricity is still an issue for 9,028 villages (approximately 10.4 million people) most of which are located in rural remote inland areas and on small islands not served by the national electricity grid of PLN<sup>249</sup>.

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<sup>234</sup> Damanhuri, November 2017.

<sup>235</sup> Dewi, Kania and Yuyun Ismawati. 2012. Inventory of Mercury Releases in Indonesia. BaliFokus Foundation.

<sup>236</sup> <http://www.mercurywatch.org/>

<sup>237</sup> Yudha and Tjahjono, 2019.

<sup>238</sup> International Energy Agency (IEA), Energy Efficiency in Indonesia: <https://www.iea.org/topics/energyefficiency/e4/indonesia/>

<sup>239</sup> Angaindrankumar Gnanasagaran, The ASEAN Post, 16 February 2018, Bringing Electricity to Rural Indonesia: <https://theaseanpost.com/article/bringing-electricity-rural-indonesia>

<sup>240</sup> VOA, 2018.

<sup>241</sup> Satya Widya Yudha and Benny Tjahjono, Stakeholder Mapping and Analysis of the Renewable Energy Industry in Indonesia Energies 2019, 12, 602; doi:10.3390/en12040602: <http://www.mdpi.com/journal/energies>

<sup>242</sup> Climate Action Tracker, Indonesia Country Summary, 2018: <https://climateactiontracker.org/countries/indonesia/>

<sup>243</sup> International Energy Agency: <https://www.iea.org/topics/energyefficiency/e4/indonesia/>

<sup>244</sup> International Energy Agency: <https://www.iea.org/topics/energyefficiency/e4/indonesia/>

<sup>245</sup> International Energy Agency: <https://www.iea.org/topics/energyefficiency/e4/indonesia/>

<sup>246</sup> Government of Indonesia (2016), First Nationally Determined Contribution (NDC)

<sup>247</sup> Ministry of Energy and Mineral Resources, 6<sup>th</sup> June 2016.

<sup>248</sup> Angaindrankumar Gnanasagaran, The ASEAN Post, 16 February 2018, Bringing Electricity to Rural Indonesia: <https://theaseanpost.com/article/bringing-electricity-rural-indonesia>

<sup>249</sup> Gnanasagaran, 2018.

133. Indonesia has ambitious renewable energy, energy mix and GHG emission reduction targets that are not yet matched by a sufficiently prioritized policy or investment framework. Incentives to the private sector are limited, and perceived investment risk high, and the entry into the energy sector by the private sector is contested by the traditional energy sector.

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134. Indonesia, which possesses **21 percent of the world's fresh water**, is not water scarce as it has enough water to satisfy the needs of its population and economy. Water is a major determinant of the wellbeing of the people in Indonesia. As Indonesia grows, water challenges will intensify and jeopardize sustained development. However, uneven distribution, poor water management and a lack of infrastructure have left parts of the country with insufficient access to clean and affordable water.

135. Indonesia has approximately 8,000 watersheds that are managed by 131 river basin management organisations (RBOs). Five river basins (304 DAS) cross international boundaries (Malaysia, Timor-Leste, and Papua New Guinea), 29 basins (859 DAS) cross provincial boundaries, and 37 basins are considered to be of national strategic importance<sup>250</sup>.

136. **Water pollution** is a priority issue as Indonesia has some of the worst water pollution in Asia, with 80 percent of the country's rivers polluted<sup>251</sup>. The Citarum River, which supplies 80 percent of Jakarta's surface water and provides irrigation water for 5 percent of the country's rice farms, as well as being the main source of water for upwards of 2,000 factories, has not met the Government's water quality standards since they were established in 1989 and now has the designation as the most polluted river in the world<sup>252</sup>.

137. In rural areas, runoff from increased agricultural use of pesticides and fertilizers has resulted in raised **levels of toxicity** in the water supply and excessive accumulation of algae in riverbeds. The water quality for the country's 15 major lakes indicate that most of them fall into the hyper-eutrophic category<sup>253</sup>. Further, pollution of shallow groundwater aquifers is also a serious issue in all large cities of Java. For example, in Jakarta 45 percent of groundwater had been contaminated by fecal coliform and 80 percent by *Escherichia coli*<sup>254</sup>.

138. The **lack of wastewater treatment facilities** is an especially serious problem in the country's urban areas (~ 110 million people) where only around 1 percent of wastewater is properly collected and treated, and only around 4 percent of the raw sewage is safely managed and treated, while the remainder is discharged either into private septic tanks or directly into rivers or canals. In the rural areas of Indonesia (~ 130 million people), wastewater is not collected nor treated. Currently, centralized wastewater management systems are only located in 12 cities in the country, and these 12 cities have relative low service coverage (< 5 percent of total population)<sup>255</sup>.

139. The legal and institutional framework for **Integrated Water Resources Management (IWRM)** in Indonesia is already in an advanced state, based on the principle: "one basin, one plan, and one management"<sup>256</sup>. 131 RBOs have been set up and empowered to develop their own River Basin Plan

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<sup>250</sup> Asian Development Bank, Indonesia Country Water Assessment, 2016.

<sup>251</sup> Setiadi, Tjandra, Industrial Wastewater Management in Indonesia, Center for Environmental Studies, Institute of Technology Bandung.

<sup>252</sup> Dikanaya Tarahita and Muhammad Zulfikar Rakhmat, The Diplomat, April 28, 2018. <https://thediplomat.com/2018/04/indonesias-citarum-the-worlds-most-polluted-river/>

<sup>253</sup> ADB, 2016.

<sup>254</sup> ADB, 2016.

<sup>255</sup> Ir. Nusa Idaman Said, Center of Technology for the Environment Agency for the Assessment and Application of Technology (BPPT), *The Domestic Wastewater Management In Indonesia Current Situation And Future Development*,

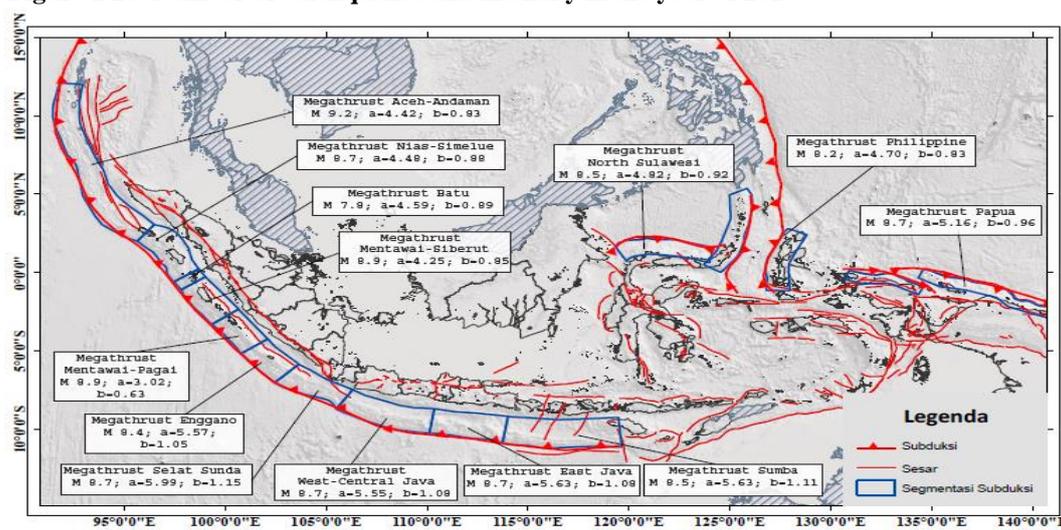
<sup>256</sup> ADB, River basin management planning in Indonesia: Policy and practice, 2016.

for IWRM<sup>257</sup>. The Government has developed a good number of highly innovative methodologies and tools that are being used to assist local stakeholders and agencies for effective IWRM, such as a River basin management decision support simulation – i.e. River Basin Simulation (RIBASIM), coupled with the practice of integrating spatial planning attributes with IWRM attributes in specific models, such as the Java Spatial Model (JSM), which leads to more robust forecasts of future developments with regard to water demand and flood protection along with space requirements for infrastructure and protection of vulnerable areas in spatial plans<sup>258</sup>.

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140. Indonesia is **highly vulnerable to the impact of climate change and climate-induced disaster risks**, as it sits on the Pacific ‘Ring of Fire’<sup>259</sup> tectonic area - one of the most disaster-prone locations in the world<sup>260</sup>, It is thereby vulnerable to other **natural hazards** like earthquakes, liquefaction, volcanic eruptions and tsunamis as well<sup>261</sup> as being highly vulnerable to the impact of climate change. With its geographical location, Indonesia lays on 295 active subduction area (which 238 of them newly activated in the past 10 years) that potentially create megathrusts. The country has 500 volcanoes and is highly vulnerable to earthquakes (Figure 1.28 below) with 127 of them active or on alert since the beginning of 2019.

**Figure 1.28. Number of earthquakes and intensity in the year of 2016<sup>262</sup>**



141. Over the period 1960–2007, over 80 percent of all people affected by droughts, floods, and storms globally reside in East Asia, the Pacific, and South Asia. In 2014 alone, natural disasters in Asian and Pacific nations cost almost US\$ 60 billion and killed 6,000 people. In Indonesia, natural disasters amounted to economic losses of 6.6 trillion IDR between 2010 and 2017. Recent natural disasters, such as earthquakes and tsunamis, have emphasized the country’s high exposure and vulnerability.

142. Since the 2004 Indian Ocean Tsunami, the Government has invested heavily in improving its state of emergency response preparedness and has integrated DRM within most of its major sectors in accordance with the Sendai Framework for disaster risk reduction. Indonesia ranks the 36<sup>th</sup> highest risk country in the world risk index<sup>263</sup>. Progress in this regard can be partly attributed to the establishment of a regulatory

<sup>257</sup> ADB, River basin management planning in Indonesia: Policy and practice, 2016.

<sup>258</sup> ADB, 2016.

<sup>259</sup> See also Figure 1.71 in the CCA Technical Annex.

<sup>260</sup> See also Figure 1.69, 1.70 and 1.71 in the CCA Technical Annex.

<sup>261</sup> See also Figure 1.69, 1.70 and 1.71 in the CCA Technical Annex.

<sup>262</sup> Earthquake Catalogue, Irsyam et al, 2016

<sup>263</sup> <https://reliefweb.int/sites/reliefweb.int/files/resources/WorldRiskReport-2018.pdf>

and institutional framework in disaster risk management, including the adoption of Law 24/2007 on Disaster Management and the creation of the national (BNPB) and local (BPBD) disaster management agencies.

143. At present, all 34 provinces have adopted Disaster Management Plans (RPB), facilitated by BNPB in 2012. However, not all provinces have updated their RPBs and there is still a significant gap when it comes to emergency preparedness and in response, as evidenced during recent back-to-back disasters in Lombok, Central Sulawesi, and Sunda Strait.

144. Disasters disproportionately affect already marginalized groups including children, older persons, persons with disabilities, women at risk, migrant workers, indigenous peoples, minorities and the poor, also pose a threat to the fulfilment of dignified basic rights. Impacts of climate change and disasters are especially pronounced for women and girls due to underlying gender inequality and socio-economic disadvantage. Furthermore, women's aspirations and needs are often neglected since they do not have equal access in decision-making related to humanitarian responses and disaster recovery, and they also face higher vulnerabilities due to lack of equal access to information and training as well as disaster preparedness<sup>264</sup>.

145. Women are more likely to rely on agriculture, be responsible for collecting water and involved in small-scale fisheries, thereby are more likely to be disproportionately affected by climate change and natural disasters, in terms of their livelihoods, income and employment prospects, as well as putting their health at risk. A longitudinal study report of Merapi eruption also reveals that disasters make both women and men lose their jobs, but a year after the disaster, men have recovered and work participation is even better than before the disaster while women's work participation a year after the disaster had improved, but the condition was still lower compared to the situation before the disaster<sup>265</sup>. Female-headed households are particularly vulnerable, particularly those with limited assets. It is difficult for poor female-headed households to address the various problems caused by climate change, such as obtaining shelter or other types of assistance, accessing credit, particularly to start new businesses, or owning land as a source of livelihood<sup>266</sup>.

146. Gender inequalities are exacerbated during disasters and crises, resulting in gender-based impacts, such as increased unpaid care work<sup>267</sup>, high risk of and prevalence of GBV, as well as lack of adequate fulfilment of gender specific needs, such as reproductive health services, breast-feeding facilities and safe toilets<sup>268</sup>. For example, widows and single mothers may have increased difficulty purchasing essential goods such as food or water and getting help to (re)construct shelters and are at high risk of sexual exploitation in exchange for such resources, while women with disabilities are at risk of sexual violence; and women caring for those with disabilities are at risk of isolation and impoverishment<sup>269</sup>. It is widely recognized that incidents of GBV in emergencies is under-reported, although violence tends to increase in these situations<sup>270</sup>. At the same time, women can also play an important role in mitigating and

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<sup>264</sup> Kasidi, Heru, et.al (2009). Women in Times of Disaster: The Integration of Gender Issues and Gender Perspectives in Disaster Management. APEC

<sup>265</sup> DR4-UNDP (2013). Pemulihan Penghidupan Warga Pasca Letusan Merapi 2010. UNDP-Surveymeter-Forum PRB DIY

<sup>266</sup> ADB and UN Women. 2018. Gender Equality and the Sustainable Development Goals in Asia and the Pacific: Baseline and pathways for transformative change by 2030. Bangkok: UN Women; and Bunnis Entwicklung Hilft. 2018. World Risk Report Analysis and Prospect 2018 <https://weltrisikobericht.de/english-2/>

<sup>267</sup> Fatimah, Dati (forthcoming, 2019). Rapid Care Analysis of Central Sulawesi Earthquake, a study commissioned by Oxfam – Jaringan Mitra Kemanusiaan,

<sup>268</sup> Cattleya, Leya & Ghazali, Haiziah (2019). Kerelawanan untuk Kesehatan Reproduksi Masa Pasca Bencana. <http://gemaalamntb.org/wp-content/uploads/2018/12/2.-KERELAWANAN-UNTUK-KESEHATAN-REPRODUKSI-MASA-PASKA-BENCANA-ilovepdf-compressed.pdf>, accessed February 10, 2019

<sup>269</sup> Cole, Heather (2018). CARE rapid Gender Analysis: Sulawesi Earthquake and Tsunami Indonesia Version 2. [https://reliefweb.int/sites/reliefweb.int/files/resources/CARE%20RGA\\_Indonesia%20Sulawesi%20Earthquake%20Tsunami\\_31%20Oct%202018.pdf](https://reliefweb.int/sites/reliefweb.int/files/resources/CARE%20RGA_Indonesia%20Sulawesi%20Earthquake%20Tsunami_31%20Oct%202018.pdf)

<sup>270</sup> Virginie Le Masson, Sheri Lim, Mirianna Budimir, Jasna Selih Podboj (2016). Disasters and violence against women and girls: Can disasters shake social norms and power relations?, ODI Working Paper, <https://www.odi.org/sites/odi.org.uk/files/resource-documents/11113.pdf>, accessed May 23, 2019

adapting to climate change and disaster risks, as well as in responding to disasters. The role of women and girls must be recognized, supported and strengthened, including in consultation, decision-making and participation, if sustainable development is to be achieved in Indonesia.

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147. With regards to the issues of **governance**, strengthening the **rule of law and the justice** system is central to the consolidation of democracy and stability in Indonesia. While the country has made strides over the last two decades, its justice sector remains in need of further reforms, particularly in terms of restorative justice system especially for Children in Conflict with Law (CICL). Although the Government of Indonesia has declared the establishment of an integrated juvenile justice system as one of the national priorities in the National Medium-Term Development Plan 2015-2019, some challenges remain. The number of juvenile crime perpetrators has continued to increase, with the Child Protection Commission of the Republic of Indonesia<sup>271</sup> reported since 2011 to 2018, CICL is the highest child related cases it has to respond to. This issue is exacerbated by the fact that the juvenile detention and rehabilitation facilities remain largely insufficient, the restorative justice approach is not properly implemented in the juvenile justice system, and the implementation of Law No.11/2012 on Juvenile Criminal Justice System Act (JCJSA) still needs major improvements, particularly on the restorative justice.

148. Widespread **corruption** remains a significant challenge in Indonesia. Transparency International's Corruption Perceptions Index 2018 ranks Indonesia 89<sup>th</sup> of 170 countries. According to Transparency International, Indonesia has a "long way to go in the fight against corruption"<sup>272</sup>, and "almost 60 percent of citizens say that corruption is a serious problem in their daily lives"<sup>273</sup>. Hence, corruption is a serious obstacle to good governance in Indonesia. It affects the functioning of institutions, citizen's confidence in them and seriously compounds inequality in access to justice and other public services, as demonstrated by a number of recent corruption cases that involved Ministers, incumbent Governors as well as high level officials of the Supreme Court, which shows the continued need to foster judicial integrity.

149. **Public administration** reform remains a critical agenda to be pursued by the country to improve quality public services. From the World Bank data series, that measures Indonesia's performance within worldwide governance indicators, the country demonstrates progress in key indicators such as control of corruption, voice and accountability, rule of law, regulatory quality, and political stability since 1996 until 2017. Yet progress on key areas such as government effectiveness, control of corruption, voice and accountability, as well as regulatory quality are still inferior and is still far behind compared to many other countries<sup>274</sup>. The Government's effectiveness index has improved by 30 points over the past two decades, from 23.50 in 1996 to 53.85 in 2014, but has since stagnated to 52.88 in 2017<sup>275</sup>. Not least, the Government has made efforts to take a lead role in adopting digital transformation, a more robust approach to data quality and to open and good governance.

150. The need for public administration reform is further emphasized by the slow progress in **accountability** by government institutions as shown in the LAKIP<sup>276</sup> index issued by Ministry of State Apparatus and Bureaucracy Reform in 2017<sup>277</sup>. In 2017, the report showed an increase of government institutions both at the national and sub-national level gaining 'B' category, i.e. 68 percent of all ministries and 52 percent

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<sup>271</sup> (Komisi Perlindungan Anak Indonesia - KPAI)

<sup>272</sup> Transparency International (2018). Slow, Imperfect Progress across Asia Pacific. [online] [www.transparency.org](https://www.transparency.org). Available at: [https://www.transparency.org/news/feature/slow\\_imperfect\\_progress\\_across\\_asia\\_pacific](https://www.transparency.org/news/feature/slow_imperfect_progress_across_asia_pacific)

<sup>273</sup> Transparency International (2017). TI Indonesia Condemns the Attack Against the Corruption Eradication Commission (KPK) Investigator. [online] [www.transparency.org](https://www.transparency.org). Available at:

[https://www.transparency.org/news/pressrelease/ti\\_indonesia\\_condemns\\_the\\_attack\\_against\\_the\\_corruption\\_eradication\\_commiss](https://www.transparency.org/news/pressrelease/ti_indonesia_condemns_the_attack_against_the_corruption_eradication_commiss)

<sup>274</sup> [https://www.theglobaleconomy.com/Indonesia/wb\\_government\\_effectiveness/](https://www.theglobaleconomy.com/Indonesia/wb_government_effectiveness/)

<sup>275</sup> <https://lokadata.beritagar.id/chart/preview/skor-indonesia-dalam-worldwide-governance-indicators-wgi-1996-2017-1546411818>

<sup>276</sup> LAKIP stands for Laporan Akuntabilitas Kinerja Instansi Pemerintah or The Accountability Report of Government Institutions. The LAKIP index measures performance in seven category from the highest being very satisfactory (AA: scores 90-100), satisfactory (A: 80-90), very good (BB: 70-80), good (B: 60-70), sufficient (CC: 50-60), poor (C: 30-50), and very poor (D: 0-30).

<sup>277</sup> <https://rbkunwas.menpan.go.id/artikel/artikel-rbkunwas/426-akuntabilitas-menuju-indonesia-berkinerja>

of local government. With very few top performers of more than 'B' category, this means that quite a big portion of government institutions still need to improve their performance. Although the performance of accountability is still average, public financial accountability is progressing better. Based on the report from State Audit Agency in 2018<sup>278</sup>, 33 of 34 provinces (97 percent) achieved non-qualified audit performance (WTP), with one getting qualified satisfactory (WDP) (3 percent). 415 Regencies, WTP 298 (72 percent), WDP 99 (24 percent). 93 cities, 80 WTP (86 percent), and 13 WDP (14 percent).

151. While the performance from the supply side of *governance institutions* showed signs of progress, the demand side needs to be further strengthened. With so many government institutions showing slow progress as indicated above, the quality of public service is in need of reform and improvement. The Ombudsman survey report in 2018 of ministries, agencies, provincial government and local governments underlined the need for improving public service<sup>279</sup>. The report on compliance for minimum public service standard shows that 55 percent of ministries have shown high compliance, while the remaining 45 percent medium compliance. The picture is rather patchy at the *sub-national level*, with provinces showing 62.5 percent of high compliance, 25 percent medium compliance, and 12.5 percent low compliance. Districts showed only 31.66 percent high compliance, 42.22 percent medium compliance, and 24.12 percent low compliance. Taken together, this means that public service reform at the sub-national level should be further improved, noting the fact that based on Law 23 of 2014 on decentralization the primary mandate for basic public service delivery has already been devolved to the local level. The rate of national and sub-national adoption of digital solutions in the public sector is likely to yield a significant improvement in public services and effectiveness over the next five years.

152. Concerning the *consolidation of democracy*, it is quite encouraging to see the latest Indonesia Democracy Index 2018<sup>280</sup> slightly increase to 72.39 compared to 72.11 in 2017 but it is still much less than the achievement of 73.4 of 2014. IDI measures democracy in three major pillars namely civil liberty, political rights, and democratic institutions. The overall quality of democracy remains medium, with key indicators that are still lagging behind within the three pillars, such as the emerging threat of violence against freedom of expression, the remaining concerns on women's political participation in parliament and the expression of demonstration with violence, and the lack of initiatives of local parliaments in legislation making. Given that members of parliaments are recruited through political parties, further efforts to improve political party governance are still required to support democracy consolidation in Indonesia.

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153. *Leaving no one behind* is at the core of the 2030 Agenda and the leading programming principle for the UN. Placing this as the main challenge to be addressed, together with sustainable environmental management, this section explores its immediate, underlying and root causes thus drawing the *inter-linkages across the three main dimensions of sustainable development* (economic, social and environmental). For an analysis of the groups who are at risk of or are being left behind and related factors see section 4 of this document.

154. This *causal analysis* stems from the outcomes of the United Nations series of consultative workshops held in May 2019 with the participation of a high number of stakeholders. From these consultations eight major challenges emerged, respective causes and effects were analysed and summarised in problem trees (see Figures 1.77 to 1.84 in the CCA Technical Annex). Further analysis was then carried out to explore the interlinkages across the eight challenges, their interdependence and hierarchy, thus constructing a consolidated problem tree as reported in Figure 1.29 on the next page. The arrows in the tree indicate the cause-effect relationship between the different elements. The description below will not cover all the

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<sup>278</sup> <https://www.bpk.go.id/news/opini-wtp-atas-lkpd-terus-meningkat>

<sup>279</sup> [https://ombudsman.go.id/produk/unduh/231/LP\\_file\\_20190204\\_100051.pdf](https://ombudsman.go.id/produk/unduh/231/LP_file_20190204_100051.pdf)

<sup>280</sup> <https://www.bps.go.id/pressrelease/2019/07/29/1552/idi-nasional-2018-mengalami-peningkatan-dibandingkan-dengan-idi-nasional-2017.html>

linkages indicated in the problem tree (which are multiple and complex), but will focus on key streams of causes.

155. Although Indonesia has made impressive strides in reducing levels of poverty over the past few decades, ***persistent poverty, extensive vulnerabilities and inequalities*** exert a brake on the overall development of the country. As Indonesia moves forward in its aspiration to fulfil the 2030 agenda and the SDGs the main challenges will indeed be ensuring that these goals become a reality for all and that are reached in an environmentally sustainable way.

156. Vicious cycles of ***poverty and discrimination***, defining inequalities, are mainly linked to ***poor nutrition and health, low levels of education***, as yet, non-universal coverage of ***social protection systems, lack of access to bank accounts***, and some forms of ***socio-economic exclusions*** (especially with regards to women and girls, but also due to legal status, mobility, and at times ethnicity, religion and gender orientation<sup>281</sup>), limited job opportunities especially in the formal economy and an overall ***failure in tapping women's potential*** to contribute to the economic and social development of the country. Progress in ensuring a sustainable use of resources and environmental protection is hindered by ***patterns of unsustainable production*** (including natural resources management) as well as consumption, together with the stark proneness to disasters induced by natural hazards.

157. As we move to analyse the elements that underpin such immediate causes, we can see that they start cutting across the different dimensions of development and the main challenges identified. The interlinkages become stronger as we unearth the root causes of these overarching challenges.

158. ***Poverty and inequality*** hold back populations from being able to participate in the life of society, including its political, social and economic dimensions. This has negative consequences for Indonesia's growth. The poor and most vulnerable often inhabit rural or remote areas making access to education, health, social protection, information, finance, infrastructure, markets, jobs and livelihoods more difficult. This serves to reinforce the cycle of poverty from one generation to the next (through also, more specifically, maternal health and child nutrition). The livelihoods of poorer rural and coastal communities are closely tied to agriculture, forestry and fisheries, which in turn are dependent on a high-quality environment. However, in many instances, the natural assets have not been managed sustainably, increasing the risks to poorer communities from disasters, waste and pollution, and climate change.

159. Furthermore, ***disasters induced by natural hazards*** frequently disrupt Indonesia's food systems and economic sustainability, hence affecting access to nutritious food and contributing to a high prevalence of stunting among children. Whilst the immediate causes of malnutrition are inextricably linked to maternal health, the prevalence of anaemia, information on child care practices in the first 1000 days and women's health status in general, there are broader causes to stunting derived from a mixture of social, cultural and environmental factors. These include agricultural production and the costs associated with providing a sufficiently nutritious diet, as well as high food transportation costs in rural areas. Its effects are felt strongly in the social and economic domains as stunting impacts the life-long chances and cognitive ability of children, causing their education, and ultimately their economic prospects, to be negatively affected. Access to clean water and sanitation is also a challenge which has proven effects on child development, educational outcomes and economic wellbeing. Unequal access to health services, includes reproductive health services which, if not universal, hinder women and girls from making informed decisions about family planning and hence limiting their opportunities to enter the labour market and contribute to the economy and well-being of their families and communities.

160. While ***economic transformation***, transiting to industry 4.0, is a pre-requisite to expand job opportunities and sustain growth, this cannot take place if the education system does not deliver the right skills and competencies needed for such a transformation. Early years education is widespread and primary and secondary enrolments are near universal, however, drop out and the out of school populations are high. Numeracy and literacy outcomes are unsatisfactory and there is a mismatch between skills and the labour market. In addition, the challenge of advancing industry 4.0 driven by public and private sector

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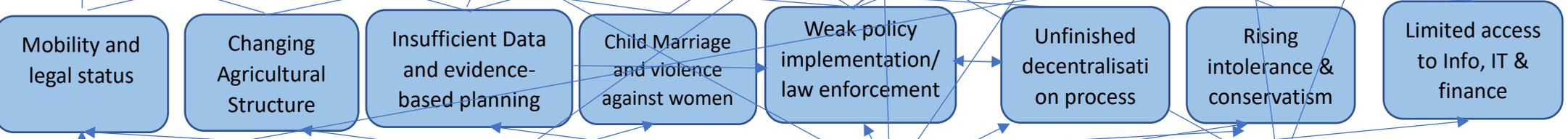
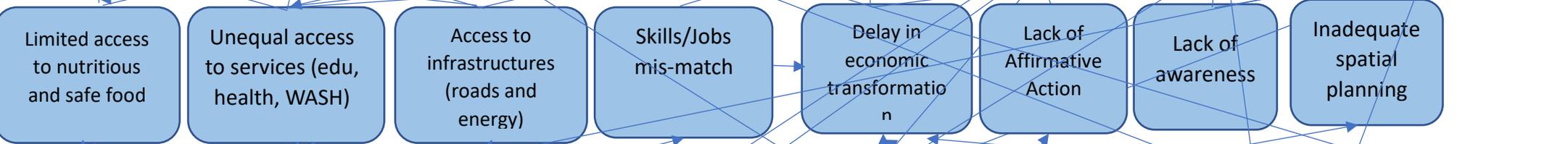
<sup>281</sup> See section 4 for an analysis of the determinants of left behind or risk of being left behind groups.

investment in science, research, digitalization, engineering and technological progress requires adaptive, creative, analytical and problem-solving capabilities in tandem with good internet and digital competence in order for the country to keep up with its ASEAN neighbours and BRICS peers.

161. There is ***an untapped women's potential***. If unleashed, this could significantly contribute to the socio-economic development of the country and significantly reduce inequalities. Patterns of exclusion and discrimination against women and girls underpin low levels of female workforce participation, constraining economic growth. Formal and informal male dominated structures and social norms are at the root of this issue, which means that women are discriminated against in most walks of life. As a result, violence against women and children, child marriage and forms of FGM occur. One in three women in Indonesia have experienced physical and/or sexual violence in their lifetime. Being left behind in most human development indicators, women are also the ones more likely to be affected by another underlying cause of disparity, i.e. mobility. Around 70 percent of Indonesian overseas workers are women and, as noted in above, many are at risk of being trafficked, exploited and lack access to social services.

Some groups of people being left behind

Environmental degradation

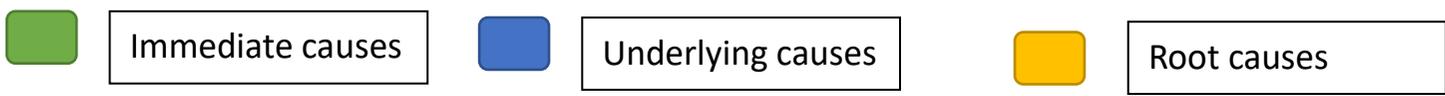


Rapid urbanisation

Social norms discriminating against women/girls and other groups

Ineffective governance, bureaucracy and legal norms/accountability

Climate Change & 'ring of fire'



162. Indonesia's ***natural resources and bio-diversity management*** is also closely tied to both human and economic development. Much of Indonesia's economic prosperity over the past two decades has been founded upon a natural resource-based commodities boom. On the one hand commodities are susceptible to global market price changes and on the other natural resources, bio-diversity, air and water are becoming degraded, depleted, deforested or polluted. As we now know, unsustainable economic activity contributes to climate change and to the country's increased susceptibility to disasters. But even in a sustainable economy, the effects of disaster may halt or unravel hard won development gains which require additional investment for rehabilitation, reconstruction and recovery. Human health is dramatically affected by air and water pollution – which can represent a challenge in the short term with unhealthier urban conditions and rapid urbanisation matched with inadequate spatial planning.
163. As we move beyond immediate causes and go deeper into ***underlying causes***, we find that several run across several of the specific elements listed above through factors related to ***governance***. In particular, we find that ***capacities for policy implementation and law enforcement***, together with the outstanding shortcomings of the decentralisation process and the insufficient availability and granularity of ***data for decision-making, corruption/lack of accountability*** are underpinning most of the factors affecting the three dimensions of sustainable development. Governance<sup>282</sup>, peace and partnerships clearly define the enabling environment for the achievement of sustainable development. These outstanding challenges are coupled with emerging ones, such as ***rising intolerance and violent extremism***. Likewise, limited access to information, IT and finance linked to governance, have an impact both in the pace of economic transformation as well as in supporting patterns of social exclusion.
164. ***Climate change*** is both an effect of unsustainable production and consumption as well as the root cause of vulnerability to disasters, internal migration and rapid urbanization. It also influences a changing agricultural structure, which affects access to food and hence malnutrition. Climate change and Indonesia's disaster-prone profile have a direct impact in the country's ability to proceed in its structural transformation. Regular and frequent natural disasters translate into significant economic losses, affecting government's resources, infrastructure, livelihoods, etc.
165. An important challenge that was identified during the May 2019 consultations regards the ***rising levels of intolerance*** and conservatism. In this framework this in fact represents a risk rather than a major challenge per se and, if not carefully managed, has the potential to upset the progress towards all of the SDGs and roll back Indonesia's impressive recent democratic and development trajectory. This is possibly fuelled by some of the factors outlined above, i.e. extremes in wealth and poverty, social and economic injustice, and is further analysed in the risk analysis section of this document.

## 2. National Vision for Sustainable Development

166. The 'Nawacita' – is the vision and mission of the President and Vice President of the Republic of Indonesia, articulating Indonesia's path towards a politically sovereign, economically independent, and culturally strong nation. On being re-elected in 2019, President Widodo outlined his vision grounded in the national ideology, '*Pancasila*', 'united in diversity', which has been the fundamental source of norms and value that encompasses various aspects of Indonesian citizens: (i) the development of infrastructure; (ii) the development of human resources, health and education with a focus on women and children to address specific issues of stunting, maternal mortality and child mortality; (iii) investment for job creation; (iv) Bureaucratic reform, so that institutions are simpler and agile; and (v) a more focussed and targeted state budget<sup>283</sup>.

<sup>282</sup> To view Indonesia's progress in regard to some of the main governance performance indicators, such as the democracy index, the civil liberties index, the political rights index, ease of doing business index, corruption perception index and the government competitiveness index, see Figures 1.73, 1.74 and 1.75 in the CCA Technical Annex.

<sup>283</sup> Karina M. Tehusjarana, "We can be one of the strongest countries in the World: Jokowi's full speech", The Jakarta Post, 15 July 2019

167. Indonesia's National Medium-Term Development Plan (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), are further elaborated into relevant national development agendas.
168. In 2017 the Presidential Decree No. 59/2017 was issued, containing the formulation of SDGs targets in the development planning framework. The RPJMN 2015 - 2019 captured 105 out of 169 targets. 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.
169. The emergent RPJMN 2020-2024 articulates four pillars, seven priority areas, three development principles and five mainstreamed cross-cutting issues. The four pillars consist of: i) Political and legal institutions; ii) Advancing people's well-being; iii) An advanced and solid economy structure through competitive economy; and, iv) Creating biodiversity. The Seven Priority Areas encompass: i) Advancing qualified and competitive human resources; ii) National character building; iii) Strengthen the economic resilience for a quality growth; iv) Regional developments to reduce gap and ensure equitability; v) Strengthen the infrastructure; Supporting economic development and basic; vi) Strengthen the political, law, defense and security and transforming public services; vii) Build living environment, increasing disaster resilience and climate change. The three development principles are founded upon: i) Building independence; ii) Ensuring Justice; iii) Keeping sustainability. Finally, the five mainstreaming issues concern: i) Gender equality; ii) Governance; iii) Disaster vulnerability and climate change; iv) Socio-cultural capital; v) technology and digitally based solutions.
170. Regarding *gender mainstreaming*, the Government has been seeking to adhere to this commitment through the formulation of issues, directions, strategies and targets for gender equality policies in both the RPJMN II (2010-2014) and RPJMN III (2015-2019). In the RPJMN III (2015-2019), for example, emphasize on gender perspectives occurred in all fields and stages of the national development, with the aim of improving the quality of life for women, increasing role of women in various fields of development, integrating gender perspectives in all stages of development, and strengthening gender mainstreaming institutions. These occurred at both at the central and the regional levels<sup>284</sup>. Translating these policies into fully blown implementation plans still requires considerable efforts across the economic, social, governance and environmental dimensions.
171. The national plan makes clear linkages between its social and the economic dimensions. Priority 1 of the RPJMN 2020-2024 seeks to advance qualified and competitive human resources to form a more resilient, productive, competitive economy. The plan recognises that quality education, skills development and good human health lie at the heart of economic transformation, moving from a natural resource and commodity- based economy to one that is driven by scientific discovery, digital solutions and technological adaptation, ideas, creativity, innovation, and services through the intellectual capital of its citizens. Some important ground-breaking initiatives have also taken root to demonstrate leadership in open and transparent governance, as well as integrating clean energy and responsible consumption within the public sector, state owned enterprises and the private sector.
172. The linkage between *sustainable development and enduring peace and security* is also embedded in the plan, promoting personal self-improvement and work ethics, good manners, an appreciation of culture and sports, and the cultivation of religious values. The principle of 'Unity in diversity' is already under strain from identity politics, rising intolerance and conservatism. Maintaining a strong focus on national character building, which promotes values and celebrates Indonesia's rich cultural diversity will be more

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<sup>284</sup> Gender Analysis Report for the Development of the Country Common Assessment (CCA), L, Cattleya and D, Fatimah, August 2019.

important for promoting inclusive, tolerant, just and peaceful societies than ever. Indonesia has taken conscious step to mainstream culture in its approach to the SDGs, which is reflected in the adoption of the 2017 Law on Advancement of Culture.

173. The positioning of governance, as a mainstreamed, cross-cutting issue is a central feature of the RPJMN 2020-2024. It aims at enhancing delivery of quality public services, accountability, and efficiency of the bureaucracy through a strong focus on digital solutions, technology and the pursuit of open governance, utilizing ICT as a driver of public sector reform. Putting robust preventive measures to address corruption in the public sector will help prevent both corruption as well as address the people's concerns about unfair treatment from the government. Measures should address, at minimum, the following: systems for recruitment, hiring, retention of civil servants, political party funding, public reporting, and transparency in public administration and public finance management. Gender equality and reducing inequalities feature prominently in the RPJMN 2020-2024 outline. For example, Priority 6 of the national plan pays important attention to the scale and scope of development and connectivity that is needed to ensure greater regional equity. Gender equality is listed as the number one area for mainstreaming and recognises the equal contribution that women make to all aspects of the social and economic life of the nation.

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174. Regarding oversight of the SDG agenda, the *President of Indonesia* leads in its implementation as Chair of the of SDG Steering Committee. The Minister of National Development Planning/Head of BAPPENAS is the implementing coordinator, with additional responsibilities for planning, monitoring, evaluation and reporting at the national and regional level, as well as the identification of financing for the SDGs. The Presidential Decree 59/2017 referred above emphasizes the importance of applying an inclusive principle by involving four participatory platforms, consisting of 'Government and Parliament', 'Academics and Experts', 'Philanthropy and Business Actors', Community Organizations and Media.

175. The National *SDGs Action Plan* (RAN) 2017-2019 was officially launched by the Vice President in June 2018. The 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, in July 2019, the Government launched its *2030 Agenda Roadmap* that contains analyses and projections of all of its key SDG targets and indicators. Replicating the national level, the involvement and role of all stakeholders in the SDG localization is consistent throughout the regions, with 19 Regional Coordination Teams (TKD) having been established across the 34 provinces of Indonesia. As of July 2019, 19 Regional Action Plans (RAD) integrating the SDGs covering 19 provinces have been formalized. A further 15 provinces are still in the process of completing their RAD. In addition, nine university-based SDG centres have also been established at universities around the country, while the *UN Global Compact Network* facilitates an over-arching role in engaging business in the 2030 agenda for sustainable development.

176. The *Indonesian Parliament* periodically organises and hosts the World Parliamentary Forum (WFP) on Sustainable Development (since 2017) and is appraised of 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 on the SDGs. In preparing the 2017 and 2019 VNRs, both of which have been presented at the High Level Political Forum in New York, 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 and regularly conveys inputs and recommendations to Parliament regarding the legislation, budgeting and oversight of the SDGs.

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177. Implementation of the RPJMN 2020-2024 will be based on *continued strong economic growth* at an annual average rate of around 5 percent in the 2020-30 period. By 2030 GDP per capita will reach

US\$10,850 as Indonesia retains its position as the largest economy in the region. Over the next 10 years, improvements in the business and operating environment should support growth which will be led by the manufacturing and services sectors, as opposed to agriculture, natural resources and the primary extractive industries of the past two decades. Technology will be a major game-changer for economic growth and Indonesia's relatively young population, if investments are made now into optimizing this demographic dividend. In the social sectors, the Government is seeking to expand the quality of education and health as well as extend social protection to all segments of the population in need. Further investments will be made in infrastructure and energy and well as sanitation and clean water to address some of the regional inequalities that remain apparent.

178. As Indonesia plays an enhanced role in institutions of *global governance and regional co-operation* (see further Section 5 below), issues of climate change, disaster risk reduction, (with more focus on preparedness, response and resiliency) cleaning the oceans, water and air quality are likely to feature more prominently in the plan ahead. There is heightened awareness that Indonesia is particularly vulnerable to the effects of climate change and natural disasters, induced by natural hazards. In the coming decades it will experience rising sea levels, floods and extended drought conditions, which will disproportionately affect the rural and coastline poor communities and other vulnerable populations. Volcanic eruptions, earthquakes and tsunamis will remain a real and constant threat whilst global warming will increase the frequency and intensity of natural disasters, leading to an increase in direct and indirect health risks. Global temperatures are expected to increase by approximately 0.8°C by 2030, whereas the latest Intergovernmental Panel on Climate Change (IPCC) report aims to keep global temperatures below 1.5 degrees<sup>285</sup>. As a result, rising sea levels will have an impact on the population, infrastructure and fertile agricultural coastal zones, disproportionately affecting vulnerable populations. Urbanization and the impact of air pollution will present new challenges for the population's health as indicated above. In addition, throughout 2017-2018, the Government of Indonesia was a proponent of the Global Compact for Safe, Orderly and Regular Migration (GCM) during inter-governmental negotiations under the auspices of the United Nations.

179. South East Asia's largest democracy also faces a threat from pockets of *violent extremism* and acts of terrorism and other forms of transnational crime. Indonesian authorities continue to be on the front foot in foiling a myriad of prospective attacks since 2012, yet the threat remains. Home grown and/or returning extremists receive support from international networks such as ISIS ("Da-esh"). This underlines the need to combine counter-terrorism with a *preventive approach* to violent extremism. As uncomfortable as it may be, the risk posed by violent extremism is real and in the worst scenario threatens to undermine the country's remarkable progress in human and social development. Exacerbating these challenges are the threats posed by transnational organised crime groups which regularly breach the borders of the country with commodities such as illicit drugs, trafficking in forest and wildlife products and humans.

180. At the regional and global levels, Indonesia has played an increasingly prominent role in *advancing regional and international peace and security*. At the global level, it is currently a member of UN Security Council and has been active in addressing issues of preventing and countering violent extremism. At the regional level, the issue of radicalization and violent extremism has gained momentum within fora for dialogue in ASEAN. Along with the Philippines, Indonesian has been playing a prominent role in ASEAN to drive the regional effort in addressing this issue. ASEAN has made specific efforts to adopt the Manila Declaration to counter the Rise of Radicalisation and Violence Extremism in 2017.<sup>286</sup> This has led to development of the Regional Plan of Action on Prevention of Violence Extremism which will be finalized in 2019, with a plan to enhance cross sectoral collaboration. This is closely linked to the implementation of the ASEAN Joint Statement on Women Peace and Security in ASEAN adopted in

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<sup>285</sup> <https://www.ipcc.ch/sr15/>

<sup>286</sup> ASEAN, Manila Declaration to Counter the Rise of Radicalisation and Violent Extremism <https://asean.org/storage/2017/09/Manila-Declaration-to-Counter-RRVE-Adopted-by-the-11th-AMMTC1.pdf>

November 2017, which highlights women's participation and leadership in peace processes as well as prevention of violence extremism.<sup>287</sup>

181. Given the cross-cutting nature of the issues, ASEAN has made efforts to enhance its cross sectoral collaboration across three key pillars: ASEAN 'Political Security Community', 'Socio-Cultural Community' and 'Economic Community'. ASEAN Vision 2025 prioritized peace and stability as one of the main goals.<sup>288</sup> It is fully aligned with stronger democratic governance institutions, promotion and protection of human rights and gender equality to foster more inclusive peaceful societies – the overarching aim of SDG goal 16 and ASEAN complementarity initiative between ASEAN Vision 2025 and the Agenda 2030 for Sustainable Development. The Blueprint also highlighted, that promoting tolerance and moderation to bridge differences including countering violent extremism would in effect strengthen democracy, good-governance, the rule of law, and the promotion and protection of human rights and fundamental freedoms. Nevertheless, the rise of 'identity politics' which characterized the recent Presidential election, conservatism, rising intolerance and the prospect of returning jihadi fighters, will mean that greater efforts will be needed at all levels to foster inclusive, peaceful societies – the overarching aim of SDG 16.

### 3. Country Progress Towards the 2030 Agenda

182. Given its commitment to accelerate the achievement of the 2030 agenda and '*leave no one behind*', Indonesia needs to place *human rights and gender equality and empowerment of women and girls* at the heart of the implementation of the sustainable development goals (SDGs), which are interlinked and indivisible. The achievement of full human potential and of sustainable development is not possible if one half of the Indonesian population continues to be denied its full human rights and opportunities. Gender equality must be reflected as both a stand-alone and cross-cutting priority in the SDGs in all its dimensions: economic, social and environmental. It is the key to accelerate Indonesia's progress towards the 2030 Agenda.

183. The Government's Roadmap for the SDG's issued in July 2019 highlighted the progress that has been achieved so far and the main interventions necessary to accelerate implementation. Regarding SDG 1, *no poverty*, sound progress has been recorded in reducing poverty from a baseline of 11.22 per cent in 2015 to under 10 per cent in 2018. The high intervention scenario gauges that poverty in Indonesia could be reduced to the range 4 – 4.5 per cent by 2030. It also points out however, that greater exertions will be needed to reduce poverty in Papua, where the poverty rate is presently 25.4 per cent. As demonstrated in the previous sections, the gender dimension of poverty is one of the most prominent challenges in Indonesia (SDG 5). It is most evident in persistent gender gaps in labour force participation and gender wage gaps. Women also make up a disproportionate percentage of workers in informal and vulnerable employment in Indonesia. Unequal responsibilities of unpaid care and domestic work also limit women's economic participation as well as a key contributing factor to poverty and inequality, gaps in social protection and old age pension, where women are less covered compared to men.

184. With regard to SDG 2, *zero hunger*, the challenge is arguably greater. Taking stunting in children as an example, the rate in 2018 is just below 31 per cent. Without intervention, predictions suggest by 2030 stunting will have reduced to 22.3 per cent. With sharpened intervention the rate could be lowered to 10 per cent. But the challenge to achieve this is considerable.

185. Overall trends in SDG progress for *health* (SDG 3) and *education* (SDG 4) are positive on average. However, the challenges lie at the disaggregated level, where women and girls of marginalised groups have been left behind. Inequality of access to health and education largely intersect with gender and other

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<sup>287</sup> Joint Statement on Promoting Women, Peace and Security in ASEAN, November 2017. Available at [https://asean.org/wp-content/uploads/2017/11/8.-ADOPTION\\_Joint-Statement-on-Promoting-Women-Peace-and-Security-in-ASEANACWC-Endorsed\\_rev2.pdf](https://asean.org/wp-content/uploads/2017/11/8.-ADOPTION_Joint-Statement-on-Promoting-Women-Peace-and-Security-in-ASEANACWC-Endorsed_rev2.pdf)

<sup>288</sup> ASEAN Vision 2025 Blueprints, which comprised of Political and Security Community Blueprints, Economic Community Blueprints, and Socio-Cultural Community Blueprints. See, ASEAN. 2015. *ASEAN 2025: Forging Ahead Together – one vision, one identity, one community*. Jakarta: ASEAN.

types of discrimination (SDG 5). One of the main challenges in health relates to the high rates of maternal mortality (MMR), currently at 305 deaths per 100,000 live births. Substantial efforts to ensure access and enhance the quality of safe delivery services will be needed to reduce the national MMR target to 131 deaths per live birth by 2030. Significant legal, policy and programmatic intervention will also be needed to tackle smoking, TB, HIV and obesity. Regarding education, progress is also steady. The emphasis to 2030 will be on reducing the out of school population, increasing the number of tertiary level graduates and focussing on higher quality outcomes from the education system.

186. Concerning SDG 5, *gender equality and the empowerment of women and girls*, the Government has chosen to prioritise reducing the number of child marriages which occur. Early childbearing also hinders women's attainment of education, employment and empowerment and contribution to GDP. The number of adolescents who have begun childbearing (more than 10 percent) are in West Papua, West Sulawesi, Central Sulawesi, Jambi, West Kalimantan, Central Kalimantan, South Kalimantan, South Sumatera, Lampung, Bangka Belitung, West Java, NTB, East Kalimantan, Gorontalo, North Maluku and Papua. Reducing proportion of child marriages is one of Indonesia's SDG indicators. One in nine girls are married before the age of 18 years. The legal age at marriage is 21 for both boys and girls; however, for girls with parental consent minimum age is 16 years and even lower with permission from religious and district courts and contradicts Indonesia's Law on Child Protection that prohibits marriage under 18 from 11.2 per cent in 2018 to 6.94 per cent by 2030, which assumes an increased level of intervention to support that target. The prevalence of FGM and rates of Violence Against Women are also at the forefront of concerns in progressing SDG 5.

187. On SDG 6 – access to *water and sanitation* – Indonesia continues to make good progress however making the shift to safely managed services, required by the SDGs will require a paradigm shift. With intervention, households with access to basic water could leap from 61 to 100 percent by 2030, and from 68 to 100 percent for sanitation. This would reflect a remarkable accomplishment. Applying the more comprehensive definitions of the SDGs that require quality, functionality and accessibility, these numbers drop dramatically and progress is likely to remain stagnant. A 2015 study<sup>289</sup> showed that despite high levels of access to improved water supply, over 60 percent of households' water supply was fecally contaminated suggesting issues of cross contamination resulting from poor sanitation and hygiene. Shifting toward safely managed sanitation will be daunting as currently only 7 percent of wastewater is treated in Indonesia with one of the lowest funded sanitation sectors in the world (as a percentage of GDP).

188. With respect to *clean energy*, SDG 7, access to energy remains a concern, although the long-term direction of renewables succeeding fossil fuels is promising. The present scenario shows the contribution of renewables to the energy mix being 12.1 per cent by 2025, and 14.9 per cent by 2030, reaching 26.1 per cent by 2030 subject to increased levels of incentive and support.

189. For SDG 8, *economic growth and decent employment*. Even though growth is forecast to continue at between 4.4 and 5.4 per cent per year between now until to 2030, this does not necessarily translate into increased availability of *decent employment*. Unemployment is forecast to fall to 3.8 in the best scenario. Given the existing gender inequality in the labour market, women more likely to be economically inactive or more likely to be in low-quality, low-paid jobs, further exacerbating gender-based poverty gaps (SDG 5 and 8). Greater attention however is needed to skills development, tackling youth unemployment and the under-representation of women in the labour market. The Government of Indonesia has also improved its legal provision to strengthen the protection of Indonesian migrant workers, particularly women who make up the overwhelming majority through the revision of law No.18 Year 2017 regarding the Protection of Indonesian Migrant Workers.

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<sup>289</sup> UNICEF

190. SDG 8 targets will be underpinned by the SDG 9 intention of having the whole population served by **technical infrastructure of broadband** by 2030 – up from 12.5 per cent currently. In addition, strengthened **connectivity** will be pursued under the President Jokowi’s slogan (“Jalesveva Jayamah (in the ocean we triumph)”, which seeks to establish Indonesia’s position as a maritime power in the Indo-Pacific region. The Indonesian’s initiative on the “maritime highway” (often referred to as *tol laut*, meaning “sea toll road”), represents maritime connectivity and infrastructure strengthening to effectively link all regions of Indonesia.

191. Through its inclusive growth strategy outlined in the RPJMN (2020 – 2024) the Government is seeking to more assertively **reduce inequalities** (SDG 10). SDG target 10.1 calls on countries to “progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average”. Based on current trends, Indonesia is off track in achieving target 10.1 as the income of the bottom 40 per cent of the population had a lower growth rate when compared to the overall population<sup>290</sup>. If recent trends continue, the income gap will not only continue to widen, but it will do so at a faster pace.

192. Inequalities can also be addressed through the pursuit of SDG 11, **sustainable cities and communities**. Herein the Government intends to increase affordable housing from 34 per cent to between 50 and 70 per cent, subject to the level of intervention granted to the housing sector. This will also enable local authorities to tackle some of the slum issues that have arisen through rapid urbanisation. There are also various efforts to improve urban mobility in urban areas including the implementation of Transportation Master Plan of Jabodetabek (2018-2029) which was promulgated by the recent Decree of the President.

193. Indonesia has set ambitious targets to cut in half the intensity of its **GHG emissions**, from 703.79 (ton CO<sub>2</sub>e/Billion Rupiah) in 2018 to 367.78 by 2030, or with a higher level of intervention, to 261.06<sup>291</sup>. That would represent significant progress in SDG 13 - **climate action**. Regarding **life on land and below water**, rates of deforestation will be reduced, such that proportion of forest cover to total land area, which is 50.9 per cent presently, will be 40 per cent, or 45.46 per cent by 2030 depending on the level of intervention provided<sup>292</sup> and marine protected areas increases. These targets will need close monitoring at critical junctures on the route to 2030. The adoption of national and local disaster risk reduction strategies have also been expanded.

194. On SDG 16, the Government has made steady progress across a range of governance performance indicators. The most significant improvement over recent years has been the increase in access to legal aid, particularly for the most vulnerable groups such as children and people with disability. More broadly, the Government has set its sights on playing a lead role in the Open Government Partnership and will seek to accelerate improvements to efficiency, effectiveness and accountability through increasingly digitizing many of its services, relying to a greater extent on higher quality data and analytics. More efforts are required to expand women’s role in political participation and leadership in democratic governance institution and decision-making processes to ensure inclusive governance and peaceful society. This includes promoting justice to for women and marginalised groups both in formal and informal justice systems (SDG 5). The Supreme Court has also made noticeable progress in terms of oversight mechanism, case management and public complaint mechanism. One of Government’s primary functions, linking SDG 16 and 17, partnership for the goals is in the area of resource mobilization for the SDGs. Here the Government has also been increasing its expenditure on education, health and social protection, and on infrastructure projects aimed to reduce regional inequalities.

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<sup>290</sup> See Figure 1.76 in the technical annex which shows that the bottom 40 per cent of the population growth is significantly lower than the average.

<sup>291</sup> SDG Roadmap – Highlights, 2019.

<sup>292</sup> SDG Roadmap – Highlights, 2019.

195. Political and policy leadership is required across all sectors and at all levels to *expand women's roles* in political participation and leadership in democratic governance institutions and decision-making processes to ensure inclusive governance and peaceful society (SDG 5) and (SDG 16). While one of the key indicators is the *tax revenue to GDP* ratio, which has been declining for the past few years, from 10.7 in 2015, to around 10 in 2018, targets to 2030 are ambitious and entail an increase in the range of 13.5 to 15.1. A more detailed summary of the status, progress and challenges of each SDG is presented in Technical Annex 3.

#### 4. Leave no one behind

196. Leaving no one behind is at the core of the 2030 agenda and the leading programming principle for the UN. Groups *most at risk of being left behind* emerged from the above description of the country context. Following the suggested diagram developed in the Interim UN-CCA Companion Document (DCO 31 July 2019), the groups identified lie at the cross-section of five clusters of factors, following also the inputs provided by the multi-stakeholder consultations held in May and July 2019 in Indonesia. Diagram in figure 4.2 below summarised key factors in grouped by Discrimination, Vulnerability to Shocks, Geography, Socio-economic Status and Governance<sup>293</sup>. It should be noted that poverty and unequal access to services and resources are both a determinant and a consequence of being left behind.



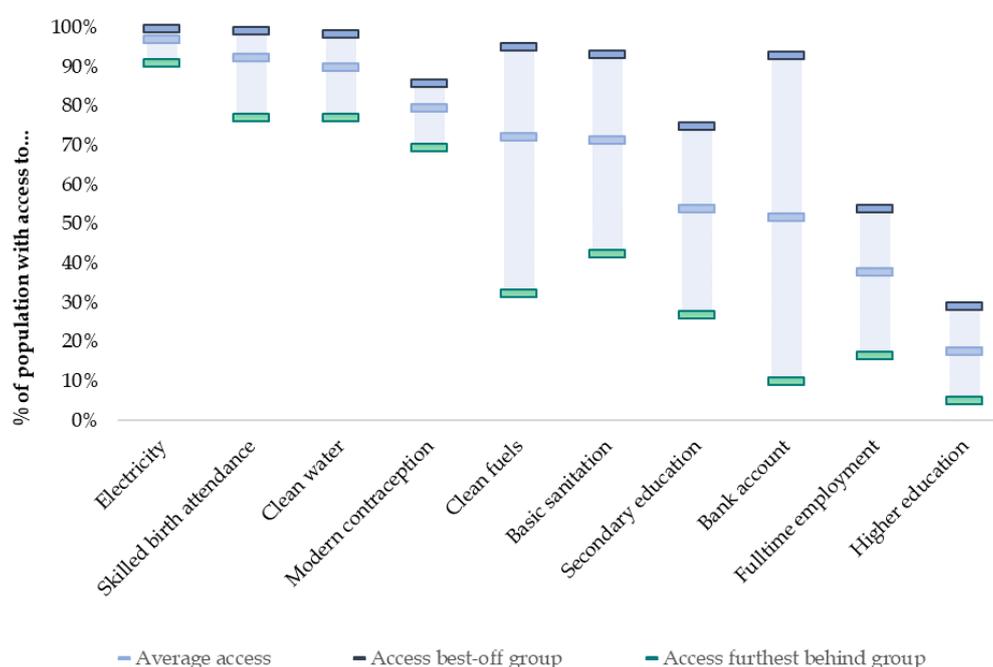
Figure 4.2 Five Factors of Leaving No-one Behind  
(diagram based on the interim CCA companion document, 2019)

197. As noted in section one above, large gaps exist in Indonesia between the best-off and the furthest behind groups in access to different opportunities. Access to bank accounts, clean fuels, basic sanitation, and completion of secondary education are the most unequally distributed opportunities, with access gaps

<sup>293</sup> This is also supported by recent studies on poverty show that those classified as poor are called “the last”, “the least”, “the lowest” and “the losers” - basically the “4L”. They are always “the last” in receiving various opportunities, receive “the least” benefit from development, have the “lowest level” of social life, and always “lose” choices and opportunities. In Indonesia the 4L group who were poor in March 2017 stood at around 27.8 million. Fifty percent of them or about 14 million people work in the agricultural sector as farm workers, casual labourers and small-scale farmers. About 7 percent or about 2 million people work in household activities as workers with very low incomes, about 4 million people do not have jobs, and the remaining 8 million are construction workers in cities, street vendors, or casual labourers in urban areas. On average, their households consist of five members, led by the head of the household who only has an elementary school education or less [Excerpt from ‘Understanding Poverty and Poverty Data in Indonesia’ – ESCAP Stats Brief, October 2017].

between the best-off and the furthest behind groups reaching above 47 percentage points (see Figure 4.1 below).

**Figure 4.1. Gaps in access to opportunities and basic services, Indonesia 2017<sup>294</sup>**



198. Analysis to identify the furthest behind in access to a range of basic services, ownership of a bank account has the largest access gap at 52 per cent. Disaggregating the sample by household wealth, ownership levels drop to 23 per cent among households in the bottom 40 of the wealth distribution and rises to 73 per cent among those in the top 60<sup>295</sup>. The specific groups that emerge from the analysis are:

199. **Poor people in general and those close to the poverty line** - whilst poverty has been successfully reduced to 9.66 percent of the total population, as noted above, around 25 per cent of Indonesia's are either poor or 'moderately poor' based on a PPP of US\$ 3.1 per day, equal to more than 92 million people. A large cohort of the entire population remain vulnerable to falling into poverty. Without sufficiently targeted and co-ordinated intervention measures to tackle it, poverty becomes a self-fulfilling prophecy. In addition, the poor are the least protected by the legal framework and the least informed of their rights. They represent the largest households, lowest income, poorly educated and weakest in health.

200. **People living in remote areas**, and in particular in rural contexts or coastal regions where they are more vulnerable to shocks. Geographically these are located in the eastern side of the country. The average distance to health services in Indonesia is 5 km, but the average in Papua Province, for example, is as far as 30 km. Remoteness also implies limited access to a nutritious diet, if 38 percent of the national population is unable to afford it, this percentage rises to 68 in remote areas such as NTT where the costs of transporting food are high. If you are a child or an adolescent living in a rural area you are almost twice as likely to be out of school should compared to your peer living in urban areas. Across Tanah Papua (West Papua and Papua province) the overall rate of teacher absenteeism is 33.5% - or one in three teachers. In West Papua Province the rate was 26% compared to 37% in Papua Province. And these are just a few examples. People living in rural areas are also more likely to be engaged in the informal sector and work as farmers which represent 50 percent of those most at risk of being left behind. Remoteness also means people of different ethnicities and languages, which sometimes do not have access to

<sup>294</sup> ESCAP calculations, using data from DHS 2017 and the Gallup World Poll, cited in 'Inputs in support of the Common Country Analysis for the United Nations Sustainable Development Framework For Indonesia', ESCAP, 11 September 2019.

<sup>295</sup> Inputs in support of the Common Country Analysis for the United Nations Sustainable Development Framework For Indonesia', ESCAP, 11 September 2019.

information in their own local language regarding child health care and other important practices for their development and well-being.

201. **Among children**, while 14 percent currently live below the official national poverty line, this number increases to 60 percent when the poverty line is doubled (against a national average of 9.66 percent). Furthermore, half of all children in Indonesia live in a household with less than US\$2 per day which defines them as poor and vulnerable. The most common reason for children aged 7-18 years to not go to school is due to shortage of funds (31 percent) and having to work for money (21 percent), both of which are related to poverty<sup>296</sup>. Not least, the 24 million Indonesian children lack birth certificates<sup>297</sup>, which in turn is linked to increased school drop-out, risk of child trafficking, child labour, and reduced access to health, social services and education. This places them at high risk of being left behind<sup>298</sup>. Finally, there are about 16,000 street or homeless children spread across 21 provinces,<sup>299</sup> with Jakarta having the largest proportion of street children. They are mostly in urban areas, and do not have a fixed address<sup>300</sup>. Furthermore, the data shows an increase in the past few years in the number of children that are in conflict with law<sup>301</sup>.

202. **Women and girls**. Gender inequality is a significant factor in reducing opportunities for advancement. Women are less likely than men to achieve tertiary education, be represented in national and local governments, hold managerial positions in the business sector, and are more likely to be poor. For example, men's GNI is almost double that of women (USD 13,391 vs USD 6,668) and only 51.88 percent of women participate in the labour force, compared to 82.7 percent of men (although the gap used to be higher and is improving)<sup>302</sup>. Women are also twice as likely to be in vulnerable employment than men<sup>303</sup>. Persistently high maternal mortality rates show how women are vulnerable during this crucial stage of their lives and the need to further improve their access to health services and care. These gaps are exacerbated by persistent gender-based violence, child marriage practices, FGM and other forms of open discrimination embedded in a patriarchal culture. Almost 2 out of 10 women (18.2 percent) aged 15-64 years have been physically and or sexually abused by their husband or partner and 14.4 percent experienced sexual violence from a non-partner over their life time<sup>304</sup>. Clearly a woman that is also affected by the other factors will be the person at risk of being left furthest behind.

203. **Elderly people**, given the high rates of poverty among the elderly, and only around one in eight older people receive pensions<sup>305</sup>. Most older people in work engage in low-paid and part-time jobs – often self-employed – in areas such as petty market trading, construction, crafts, domestic service and agriculture. As families represent their support system, elderly living alone are particularly vulnerable.

204. **People Living with Disabilities**<sup>306</sup> - To date no universal dataset regarding persons with disabilities exists with figures varying across ministries and agencies<sup>307</sup>. The prevalence of people with disabilities is around 12 percent<sup>308</sup>. Disability is a barrier to access education and jobs: only 18 percent of disable children enjoy access to education. Disability is also a barrier to accessing basic health care. In the case of women and girls with disabilities, they face a 'double burden' of discrimination due to gender and

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<sup>304</sup> Indonesian National Women's Life Experience Survey (2016 SPHPN): Study on Violence Against Women and Girls, Key Findings.

<sup>305</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

<sup>306</sup> See CCA Technical Annex 1.16 and 1.22

<sup>307</sup> Participatory Data Collection Methodology for Disability-Inclusive City Profile: Guideline, UNSECO, 2018.

<sup>308</sup> SUSENAS 2012; SUPAS, 2015; Sakernas, 2016.

disability, and in particular are not able to access SRH and realize their sexual and reproductive rights. Women and girls with disabilities are also at higher risk of SGBV, and are subject to additional forms of abuse and neglect such as withholding of medical care and medications, forced sterilization, etc.

205. **Groups of people at risk of being left behind as affected by stigma and/or discrimination.** These include People Living with HIV, people of different SOGIESC (sexual orientation, gender identity, gender expression and sex characteristics) and others. There were 640,000 people living with HIV in Indonesia in 2018<sup>309</sup> - a 25 percent increase between 2010 and 2018<sup>310</sup>. Most affected and at risk include sex workers, people who inject drugs, men who have sex with men and transgendered populations<sup>311</sup>. Misinformation, social and institutional discrimination, (in)formal criminalisation, penal laws and an increasingly intolerant environment<sup>312</sup> have all contributed to increasing the barriers to services and care<sup>313</sup>, leaving behind these vulnerable populations. Intolerance and the rise of conservatism has also contributed to a sharp rise in attacks against populations of religious, ethnic and sexual or gender minority.<sup>314</sup> Indigenous communities' lives and livelihoods are also impacted by environmental degradation due to over-exploitation of natural resources, and limited accountability in the management of these resources.

206. Due to their legal status and mobility, **migrant workers, refugees and asylum seekers** are also at risk of being left behind. Indonesia hosts to some 14,000 people of concern, of whom 3,223 are asylum-seekers and 10,793 are recognized as refugees. Of the total Persons of Concern (PoC) population, 4,079 are children<sup>315</sup>. Although Indonesia is not party to the 1951 Refugee Convention and its protocol, a 2016 Presidential Decree does require that people stranded at sea should be brought into the country and given assistance. However, Indonesia does not offer any legal pathways for them to naturalise, and does not allow them to work during their stay. Consequently, asylum seekers and refugees live for years in a state of limbo with a lack of formal rights and limited access to services, such as education or health<sup>316</sup>, and being more likely to adopt negative coping mechanisms such as early marriages, prostitution, survival sex and so on. Of the large number of Indonesians seeking jobs abroad (around 6.5 million people), it is estimated that 60 percent are susceptible to human trafficking and exploitation. Despite government's efforts they are likely to fall through protection gaps and being left behind. Of these, women migrants represent 70 percent of the total and many migrate irregularly into informal employment sectors, where they can face high job insecurity, low pay and unsafe working conditions. Lack of access to information is still a major constraint to becoming documented.

207. **Urban pockets of vulnerability** in Indonesia's rapidly growing cities create another group of people at risk of being left behind. For example, in the past few years urban poverty has increased by 2 percent in Jakarta City, despite the downward trend nationwide, largely because of high rural to urban migration. Roughly 54 percent of Indonesia's population resided in urban areas in 2015, and it is anticipated that this will rise to 69 percent by 2045 (2015-2045 Indonesian Population Projection). People in poor urban areas are exposed to pollution, persistent flooding, social challenges and sometime face issues related to

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<sup>309</sup> It is also important to note that during the same period (2010-2017) number of new infections showed 19 percent decline. Source: UNAIDS' Indonesia Country Snapshot 2018, AIDS Data Hub - UNFPA

<sup>310</sup> Country factsheets, Indonesia – UNAIDS, 2017.

<sup>311</sup> Review of the National Health Sector Response to HIV in the Republic of Indonesia, WHO 2017.

<sup>312</sup> Restrictive laws and regulations relating to expression of sexual orientation and gender identity contribute to increased stigma and harassment in healthcare settings for SOGIESC persons seeking treatment and services for sexual health, including barriers or outright refusal of admission or services and a lack of comprehensive health services tailored to their needs. Furthermore, this community face serious risks in light of proposed amendments to the criminal code.

<sup>313</sup> Healthcare to PLHIV is generally poor. The UNAIDS '90-90-90' target by 2020, where 90 percent of all people living with HIV should know their HIV status, 90 percent of people diagnosed with HIV infection should receive sustained antiretroviral therapy (ART), and 90 percent of people receiving ART should have viral suppression. However, a wide gap exists, since only 42 percent of PLHIV knew their status in 2017, of these only 14 percent were receiving ART, while viral load testing and early infant diagnosis is largely absent in Indonesia, and only about 10 percent of HIV positive pregnant women receive ARVs, which is the lowest in the region.

<sup>314</sup> "Scared in Public and Now No Privacy" Human Rights and Public Health Impacts of Indonesia's Anti-LGBT Moral Panic, Human Rights Watch, 2018.

<sup>315</sup> Findings of the Age, Gender, and Diversity Mainstreaming Participatory Assessment in Indonesia February – March 2019, UNHCR.

<sup>316</sup> Refugee-led Education in Indonesia, Thomas Brown, FMR Review, June 2018.

land property/use. In the absence of adequate planning and due to inadequate capacity of local government to track spatially multidimensional vulnerability as well as limited cross-sectoral collaboration, rapid urbanization creates even greater challenges for the effective delivery of services, the absence of which contributes to widening inequalities. Proximity to such tangible inequalities can generate perceived injustice and stoke social friction. As noted, such outcomes at the margins of society can foster conditions that ultimately threaten social harmony and the sustainability of the growth process<sup>317</sup>.

208. The *root causes* as to why people are at risk of being ‘left behind’, which is linked to rising inequalities, are closely related to unequal opportunities in education, health and social protection<sup>318</sup>. As the main hurdle to access services is linked to income status, ESCAP suggests an increase of government investments in *social protection* (now at 1.2% of GDP). Social protection coverage has indeed the greatest potential to reduce poverty and levelling the playing field by ensuring minimum guarantees over the life cycle. As noted above, ESCAP research shows that if Indonesia were to increase its public expenditure in social protection to the global spending average of 11.2 per cent of GDP by 2030, it would eradicate extreme poverty (\$1.90 per day) by 2030<sup>319</sup>. To make this realistic and attainable, *revenue collection* systems need strengthening and *corruption* will need to be tackled more assertively. National and sub-national institutions lack both data and capacity to effectively target and co-ordinate poverty alleviation strategies. In sum, the improved outreach of high-quality core public services would go a long way to addressing these human risk factors. Furthermore, deep-rooted behaviours and attitudes and traditional gender and cultural norms, work against women, but also beset marginalized groups and indigenous communities.

209. To enhance the analysis of the specific marginalised groups at risks of being left behind in the context of Indonesia, more efforts are required to improve data collection and disaggregation across different dimensions (including income, sex, age, religion, ethnicity, geographic locations, marital status, among others). The challenges remain in data production and analysis, particularly gender data and statistics, given that several SDG indicators are relatively new and require further investment to enhance the production of new data and analysis of multiple deprivations based on existing data from national statistics and surveys.

## 5. *Commitments under International Normative and Regional Frameworks*

210. From a human rights perspective, Indonesia is one of the most progressive states in ASEAN, although challenges certainly remain. The country has ratified 6 main core UN Covenants<sup>320</sup> and acceded to a number of other core conventions and protocols (see Annex 6) and has made plans to ratify the OPCAT and the Convention for the Protection of All Persons from Enforced Disappearance. Reporting compliance to the various human rights treaty bodies systems have however been slow, with some reports overdue (CERD report since 2010, CAT report since 2012). The Government has embraced the Sustainable Development Goals within its *National Human Rights Action Plan*<sup>321</sup>. The country has also made considerable progress on the realisation of the right to health, expanding universal health coverage and provided the space and resources for Komnas Ham and Komnas Perempuan to be strong, independent national human rights institutions.

211. Equally, the Government reaffirmed its commitment to protect human rights and support UN human rights mechanisms during Indonesia’s May 2017 *Universal Periodic Review (UPR)*. Of the 225

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<sup>317</sup> UN Habitat 2008, quoted in ‘Improving Service Levels and Impact on the Poor A Diagnostic of Water Supply, Sanitation, Hygiene, and Poverty in Indonesia’, World Bank Group, 2017.

<sup>318</sup> According to the World Bank, Indonesia is one of highest wealth concentrations in the world where the richest 1 percent own half of all the country’s wealth (World Bank 2016, “Indonesia’s Rising Divide”).

<sup>319</sup> ESCAP, Social Outlook for Asia and the Pacific: Poorly Protected (United Nations publication, Sales No. E.19.II.F.2)

<sup>320</sup> CRC, CEDAW, CERD, CAT, ICCPR and ICESCR

<sup>321</sup> Opening remarks by UN High Commissioner for Human Rights Zeid Ra’ad Al Hussein at a press conference during his mission to Indonesia, Jakarta, 7 February 2018

recommendations received, Indonesia accepted 167 of them and noted a further 58 recommendations, including on abolishing the death penalty, addressing past human rights violations and repealing the blasphemy law. In addition, advocacy on mainstreaming human rights principles within the business practices in Indonesia has been growing in the past years, initially championed by National Commission on Human Rights<sup>322</sup> and later led by the Government. Working with various stakeholders, the Government intends to formulate National Guidelines on Business and Human Rights in Indonesia that is in line with the United Nations Guiding Principles (UNGP) on Business and Human Rights, which will serve as a reference by government, CSOs, and the private sector in promoting responsible business practices in the country.

212. The UPR's of 2012 and 2017<sup>323</sup> called for greater efforts by the Government "to prevent child labour, trafficking and other forms of violence against women and children, enforce labour standards and worker rights as well as to better protect religious and social minorities, prisoners and detainees". It also noted that "further progress must be made in order to adhere fully to the Convention on the Rights of the Child (CRC), Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention on the Rights of Persons with Disabilities (CRPD) and ILO Convention No. 169 on Indigenous and Tribal Peoples, as well as the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) by the United Nations General Assembly in 2007".

213. More strenuous efforts are required to bridge the gap on *child marriage* and other forms of gender discrimination. Law No. 1/ 1974 on Marriage (the 'marriage law') permits females to legally marry at age 16 and males at 19 with parental consent. However, as noted previously, parents can also petition marriage officers or district-level religious courts for an exemption to marry their daughter earlier, with no minimum age limit. At present women aged 20-24 who were married or in union before age 18 is 22.12 percent and before age 15 is 1.11 percent<sup>324</sup>. Indonesia has not yet accepted the SDG Target 5.3. to eliminate all forms of harmful traditional practices, including FGM/C. The Ministry of Health Regulation no.1636/2010 allowing medical professionals to perform FGM has been removed. In addition, a significant proportion of child marriages are preceded by adolescent pregnancy. The law on Population no 52/2009 states that contraceptives only be made available for married people.

214. Whilst the Government has encouraged tolerance towards *PLHIV*, its application is uneven at different levels of society. The legal and policy framework for PLHIV is intended to be protective and favourable for the purposes of accessing services, the actual implementation and enforcement of it is inconsistent, thereby undermining access to health services<sup>325</sup>. Stigma and discrimination against PLHIV and the groups at higher risk are still issues of concern, feeding the growing HIV epidemic in Indonesia referred to in section 1 above. In addition, populations affected by HIV, are not aware of their rights and are unclear as to where to turn if their rights have been violated<sup>326</sup>.

215. At the sub-national level, in a number of *provinces and districts local laws* do not conform with the national and international legal standards, and which frequently discriminate against minority populations. Despite the presence of rights-based institutions, Indonesia still faces challenges in promoting non-discriminatory norms and practices and to ensure equal access to justice for women, children, and vulnerable groups. At the last count, there were still 421 regulations at the national and regional levels identified as discriminatory against women, children and vulnerable groups<sup>327</sup>.

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<sup>322</sup> <https://www.komnasham.go.id/files/20180214-rencana-aksi-nasional-bisnis-dan-SDH79.pdf>

<sup>323</sup> United Nations Country Team Indonesia, Report for the Universal Periodic Review of Indonesia, 27th Session, April-May 2017.

<sup>324</sup> See Figure 1.35, 1.77 and 1.78 in the CCA Technical Annex.

<sup>325</sup> Government of Indonesia AIDS Response Report 2014.

<http://www.unaids.org/sites/default/files/country/documents/Indonesia%20NCPI%202013.pdf>;

<http://www.unaids.org/sites/default/files/country/documents/Indonesia%20NCPI%202013.pdf>; National Consultation on Legal and Policy Barriers to Access to HIV in Indonesia (2013), available at: <http://www.aidsdatahub.org/sites/default/files/publication/rbap-hhd-2015-national-consultation-legal-policy-barriers-hiv-indonesia.pdf>

<sup>326</sup> Scaling up Programs to Reduce Human Rights-Related Barriers to HIV and TB services, The Global Fund, April 2018.

<sup>327</sup> Komnas Perempuan 2016.

216. The Government is also encouraged to undertake greater oversight to ensure *mining and logging* by large corporations, agribusiness, and infrastructure development projects do not contravene human rights conventions to which Indonesia is party. By and large, large projects have often been approved in the past and implemented without meaningful consultation with the local communities and their participation in decision making activities. Land grabbing, environmental degradation, contamination of water supplies and other livelihoods and health hazards have occasionally ensued. Other problems include the preservation of coastal areas and fishing grounds, the rights of farmers to their land in rural areas, the rights of urban residents to decent housing, forced labour, as well as threats to environmental human rights defenders.

217. In addition to this overview of the main corpus of human rights instruments, Indonesia is also party to a number of development-oriented Conferences and Agreements. The status and progress of the main international agreements is set out at Annex 6 and includes the International Conference on Population and Development (ICPD), the United Nations Framework Convention on Climate Change (UNFCCC), the Sendai Framework for Disaster Risk Reduction (SFDRR), the Hyogo Framework for Action (HFA), the UN Convention on Biological Diversity (UN CBD) and the Minamata Convention on Mercury.

## **6. Cross-boundary, Regional and Sub-Regional Perspectives**

218. As a challenge to sustainable development, threats are rising from *transnational organized crime* in Southeast Asia and becoming more deeply integrated within Indonesia, neighbouring countries and the wider region. At the same time, criminal networks operating in Southeast Asia have achieved global reach, trafficking unfathomable quantities of high-profit methamphetamine, massive consignments of wildlife and forest products, and an increasing range of counterfeit consumer and industrial goods. They also continue to engage in the smuggling of migrants and trafficking in persons for the purposes of sexual and labour exploitation<sup>328</sup>. Governments are stretched to capacity to keep pace, and Indonesia struggles in particular with local levels of monitoring, enforcement and compliance, given its vast and largely maritime borders.

219. Indonesia has played a historic role dating back to 1955 Bandung Asia-Africa Conference and founding of the Non-Aligned Movement in bridging the interests and facilitating strategic alliances between developing countries. This has been strengthened through international fora, including the ASEAN, the G20<sup>329</sup>, MIKTA<sup>330</sup> the Bali Democracy Forum<sup>331</sup> and the Global Partnership for Effective Development Cooperation<sup>332</sup>. The country has built its credentials by taking a leading role in *South-South and Triangular Cooperation (SSTC)* ('Kerja Sama Selatan/Selatan dan Triangular', KSST) by its hosting of a high-level forum on knowledge exchange involving more than 300 policymakers and practitioners from 46 countries in Bali in July 2012. Then, in 2013 the UN Secretary-General's report on the State of South-South Cooperation<sup>333</sup>, identified ASEAN as the most sustained success story concerning SSTC in any region. Indonesia has also played its part in ASEAN, helping to deepen economic and political stability in large parts of East and South Asia. During the period 2010 - 2012, Indonesia provided more than 700 activities within South-South Cooperation and between 2014 to 2018 it ramped up SSTC from 26 to 59 interventions in multiple country settings.

220. Indonesia has recently issued a Government Regulation 48/2018 on *international cooperation*, concerning Development Grants to Foreign Governments and 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

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<sup>328</sup> Transnational Organized Crime in South-East Asia: Evolution, growth and Impact, UNODC, 2019

<sup>329</sup> Group of Twenty (G20); website <https://www.g20.org/>

<sup>330</sup> The partnership between Mexico, Indonesia, South Korea, Turkey and Australia.

<sup>331</sup> Bali Democracy Forum; website: <http://bdf.kemlu.go.id/>

<sup>332</sup> Global Partnership for Effective Development Cooperation; website: <http://effectivecooperation.org/>

<sup>333</sup> UN Secretary-General Report on The State of South-South Cooperation, 2013.

as a donor country and a ‘Southern provider’ in KSST. Indonesia has evolved as a major player on the international stage, and has been an active provider of South—South cooperation, sharing its experience in development as well as democratic transition, and having established an aid agency.

221. Apart from being a MIC, Indonesia’s role in the global arena has put the country into the rank of the world’s largest economies in terms of nominal GDP. Being a member of the **G20**, Indonesia is now part of the twenty nations that constitute 85 percent of the world’s GDP in which they have a central role in determining global economic policies. As a G20 member, Indonesia feels a great responsibility to contribute to the global economy as a representative of countries from the Global South. Indonesia was elected to a two year non-permanent member of the UN Security Council and has been very active in a number of important areas that include peace-keeping and peace building among others.
222. In terms of **regional economic cooperation**, there is significant potential from the preparations for the Regional Comprehensive Economic Partnership Agreement (RCEP), whose negotiations are expected to conclude in 2019. The RCEP will be the world’s largest regional pact covering 47.4% of the world’s population, 32.2% of the global economy, 29.1% of global trade and 32.5% of global investment flows. Bilateral cooperation with **Australia**, the recent signing of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) promises the possibility of significant economic cooperation. The IA-CEPA will erase the 100% goods tariff rate from Indonesia to Australia, and 94% goods tariff rate from Australia to Indonesia. Greater access to the Australian market is expected to spur Indonesia’s automotive and textile industries and boost exports of timber, electronics and pharmaceuticals.
223. The potential for cooperation with **China** can be seen from the fact that in 2018, Indonesia’s trade with China grew by 22.2% to \$77.4 billion, the fastest of the 10 ASEAN member states. In particular, sales in China of imports from Indonesia grew significantly to 19.6%, a rate only second in ASEAN to the sales in China of imports from Vietnam. Collaboration with China on the Belt and Road Initiative (BRI) contributes to Indonesia’s strategy to mobilize infrastructure development and to improve industrial development, and particularly to improve domestic and international connectivity.
224. Indonesia also plays a role in other **regional organizations**, within and beyond ASEAN. For example, the Asia-Pacific Economic Cooperation (APEC). APEC is the premier Asia-Pacific economic forum, which strives towards sustainable economic growth and prosperity in the Asia-Pacific region. Building a dynamic and harmonious Asia-Pacific community by championing free and open trade provides a strong basis for supporting implementation of the 2030 agenda. The goals of investment, promoting and accelerating regional economic integration, encouraging economic and technical cooperation, enhancing human security, and facilitating a favourable and sustainable business environment are at the heart of both the APEC and sustainable development agenda. Indonesia is a strong supporter of both.
225. The ASEAN Consensus on the Promotion and Protection of the Rights of Migrant Workers supports gender-responsive labour migration policies which will make a significant difference to the living and working conditions of women and men migrant workers, and their families.
226. From an environmental perspective Indonesia is located at the epicentre of at least 4 internationally significant environmental sustainable development transboundary issues: i) Transboundary Haze Pollution; ii) Plastic Marine Debris; iii) Illegal Wildlife Trade; iv) Carbon Emissions from Peatland.
227. Forest and land clearing fires are common in Indonesia, especially in peat forests, resulting in a noxious smoke haze that has been the cause of periodic economic and public health crises not only in Indonesia, but also in several other ASEAN countries as the smoke and haze regularly cross international borders.
228. From a maritime perspective, as recorded in the previous section, improving the management of the region’s coastal and fishing resources has been on the agenda. In 2009, Indonesia, along with Malaysia,

Papua New Guinea, the Philippines, Solomon Islands, and Timor-Leste, adopted a 10-year, five-point CTI-CFF Regional Action Plan for improving management of the region's coastal and marine resources. The Plan aims to ensure food security and sustainable livelihoods for all people of the Coral Triangle, and to protect the region's ecosystems and the marine species<sup>334</sup>. Indonesia participates with 7 other countries in the Large Marine Ecosystem Approach (LME) projects for Bay of Bengal Larine Ecosystem (BOBLME<sup>335</sup>), Sulu Celebes LME and Indonesia Sea LME for a coordinated programme of action designed to improve the lives of the coastal populations through improved regional management of the Bay of Bengal environment and its fisheries. Furthermore, Indonesia and 10 other countries under the Regional Plan of Action to Promote Responsible Fishing Practices Including Combatting Illegal Unreported and Unregulated Fishing in the Region (RPOA-IUU) committed to enhance and strengthen the overall level of fisheries management in the region in order to sustain fisheries resources and the marine environment. Evidence suggests that criminal groups are using the platforms provided by IUUF to ply other forms of transnational crimes.

229. During the *World Oceans Summit* in February 2017, Indonesia pledged up to US\$ 1 billion each year to reduce the country's plastic waste by 70 percent over the next eight years. Indonesia has submitted a draft resolution to UNEA 4 on "protection of the Marine Environment from Land-Based Activities". This has been adopted as resolution 12 at UNEA 4 by the member states<sup>336</sup>. As a Tsunami Service Provider (TSP) for the Indian Ocean, the Indonesian Tsunami Early Warning System (InaTEWS) offers web access to ocean-wide tsunami warning products. This is part of the integral Global Tsunami Warning and Mitigation System, established and coordinated by the Intergovernmental Oceanographic Commission (IOC).

230. As noted above, Indonesia, as one of the world's top 10 'mega biodiverse' countries, is the largest supplier of wildlife products in Asia, both 'legal' and illegal. Endangered species – or their parts – are traded nationally and internationally and they include pangolins, tigers, rhinos, elephants, helmeted hornbills, orangutans, manta rays and many more. For agarwood, Indonesia is a primary source of detected illegal shipments, and for reptile skins, Indonesia is one of the top five source countries from which illegally traded reptile skins are recorded. It is estimated that the value of illicit animal trade is at 13 trillion rupiah (US\$ 910 million) a year. Factoring in the existing unsustainable legal trade, this represents an enormous economic, environmental, and social loss. These international profits are considerable and international wildlife trading and trafficking are expanding. Indonesia is also becoming an important transit point for illegal wildlife from Africa to East Asia, such as African Ivory. The consequence of the unsustainable trade is a massive threat to globally important wildlife<sup>337</sup>.

231. Indonesia has played an active role in the Asia Pacific Forum on Sustainable Development (APFSD), the main mechanism for follow-up and review at regional level. As an annual, inclusive and multi-stakeholder Forum, it is organized as a preparatory event to the HLPF. The Forum supports the presentation of VNRs and assesses progress made with regard to the regional road map for implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific. At sub-regional level this process is informed by the South East Asia SDG Forum, also organized annually. Over the past years, Indonesia has played an active role in these mechanisms at regional and sub-regional level and always sent high-level delegations to these two forums.

232. At the regional level, the Regional Roadmap for Implementing the 2030 Agenda for Sustainable Development in Asia and the Pacific, endorsed by the UNESCAP Commission in 2017, serves as the guiding framework for regional cooperation in the implementation of the 2030 Agenda. The Road Map outlines eleven priority areas including 6 thematic areas and 5 means of implementation in which Member States in Asia and the Pacific committed to strengthen cooperation and actions and Indonesia

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<sup>334</sup> ADB, *The State of Coral Triangle: Indonesia*, 2014.

<sup>335</sup> The Bay of Bengal Large Marine Ecosystem (BOBLME) Project [https://www.boblme.org/project\\_overview.html](https://www.boblme.org/project_overview.html)

<sup>336</sup> Indonesia's Transboundary Environmental Issues, prepared by UNEP for the CCA, 2019

<sup>337</sup> Indonesia's Transboundary Environmental Issues, prepared by UNEP for the CCA, 2019

has at different occasions reiterated its support towards regional cooperation and partnerships towards full implementation of the Regional Roadmap.

## 7. Financing Landscape and Opportunities

233. As noted, Indonesia's national development strategies and medium-term plans are designed to reach the SDGs and annual VNR Reports highlight how these are being pursued and, to a certain extent, financed. While a full-fledged Integrated National Financing Framework (as called for in the Addis Ababa Action Agenda) has not been developed as yet, the latest RPJMN 2020-2024 and the Roadmap of SDGs Indonesia provides an overview of total investment required and available financing sources. The Roadmap also provides different scenarios and related financing, which would be as high as US\$ 4.710 billion for the period 2020-2030 in the so-called "high intervention" scenario.

234. Financing sources can be grouped under four main categories: domestic public resources (comprising Non-grant government revenue, portfolio equity, government borrowing domestic, and remittances), domestic private financing, international public resources (government borrowing international, ODA, OOFs) and international private financing (private borrowing and FDI). Overall trends in these four groupings are summarised in the below figure. Data beyond 2015, although not available in the same format as reported in the graph (see Figure 7.10 below) confirm the highlighted trend, with domestic private financing becoming more relevant over the years. This is also acknowledged in the SDG Roadmap where it is estimated that the financing gap will be disproportionately covered by non-government resources.

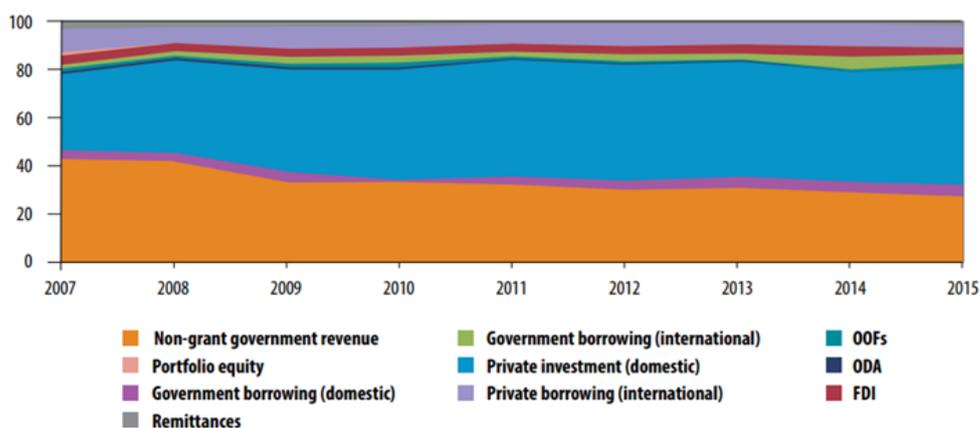


Figure 7.10 - Sources of Financing for Development

235. Of the estimated US\$ 2.720 billion needed to finance the growth rates planned for in the period 2020-24, the RPJMN foresees that only less than 20 percent will be covered by government spending and State-Owned Enterprises.

236. The Roadmap for SDGs put forward 4 main implementing financing strategies, namely:

- Strengthening the quality of the budget, including the efficiency and effectiveness of public expenditures and their alignment with national priorities;
- Deepening domestic resource mobilization with attention to its economic, social and environmental impacts;
- Scaling up private sector investment behind national priorities, including SDGs intervention.
- Establishing SDG Financing Hub

237. Indonesia has demonstrated a strong fiscal discipline in the last decade, maintaining government debt under 30 percent of GDP and government deficit under 3 percent of GDP. However, domestic revenues, as the primary source of funds for the SDGs, have been declining, constraining government spending including in sectors that are crucial to foster sustainable development (namely health, education and

partly infrastructure). Indonesia's tax-to-GDP ratio is the lowest among its emerging market peers, such as China, India and other ASEAN countries. Overall government revenues have declined in the last decade including the non-oil related ones. Despite a reportedly successful tax amnesty programme, there is an opportunity to further expand the tax base and increase revenues through reforms and 'growth friendly' taxes such as property and indirect taxes. The government's Roadmap for the SDGs also aims at improving the quality and efficiency of public spending, including enhancing results-based budgeting and stronger collaboration with development partners.

238. Domestic private contribution to sustainable development, as noted, has been expanding over the years, but has slowed down recently in conjunction with lower economic growth rates. It is recognised as the most important potential financing source, which is not fully and effectively tapped into. In particular, the RPJMN acknowledges six main non-government funding sources: public private partnerships (PPPs), private investments (domestic and international), Government Non-Budget Investment Funding (PINAs), Corporate Social Responsibility (CSR), Philanthropy, and Religious Funds. The Roadmap lays out strategies to scale up private sector investments for national priorities including creating an enabling environment (including for innovative SDG-related instruments); providing tax incentives; strengthening financial inclusion; and promoting flows of private investment through PPP, CSR, Remittances, NGOs, Philanthropy, Zakat, etc.
239. Within the latter sector, it is fundamental to diversify financial flows towards investments that promote sustainable development as well as explore innovative financing options. Significant pioneer initiatives have been spearheaded in Indonesia in this regard including with the support of the UN. These often combine Impact Investment with Islamic Finance, which feature a potential strong and effective alliance. Social and ethical ethos, asset-linked and risk-sharing features of Islamic finance are conducive financing SDGs and climate related infrastructure projects. Islamic finance has an enormous potential, estimated to exceed US\$ 3 trillion globally in 2020. In 2018 in Indonesia the Ministry of Finance issued a sovereign Green Sukuk, or green Islamic bonds in US dollars. There are also ongoing efforts to establish a first Sovereign Wealth Fund in Indonesia at regency level, and exploring the potential of Islamic Finance for the SDGs (through the collection of zakat and waqf - endowments - for the SDGs).
240. Impact investments, as well as broader social financing is coupled with the (slow but steady) growth of social enterprises in Indonesia. Under the broad classification of social entrepreneurship, an important niche is defined by innovation technology start-ups that through the use of communication technology can address a number of development challenges in a much more efficient, effective and granular way than traditional development projects. Social financing and entrepreneurship in Indonesia are growing. Sectors like micro-finance, housing, sustainable tourism, agriculture, textile, software and energy attract businesses investments that also aim at solving sustainable development challenges.
241. More concerted efforts are needed to fully leverage alternative financing and social businesses to achieve the SDGs in Indonesia supported by a holistic and coherent policy framework. In this direction, the Roadmap for SDGs foresees the establishment of an SDGs Financing Hub under Bappenas, mandated to "coordinate, facilitate, and align SDGs innovative financing".
242. Last, but not least, international public and private resources will continue to play a role in supporting the realisation of sustainable development in Indonesia. While official development assistance (loans and grants) (see Figure 18 above) are minimal and declining overall, international private investments are possibly underleveraged. As for the analysis of domestic private financing there is a potential to attract alternative financing and investments, provided that current bureaucratic and structural bottlenecks are removed (these imply improving infrastructure and education quality and streamlining regulations to enhance the business climate).
243. Resources for SDGs financing are in principle available and ongoing efforts to increase their access and improve their efficiency are promising. Government with the technical support of development partners

can leverage both internal and external sources of financing to bridge the estimated financing gap. For example: the government expenditure tagging for climate change (covering 23 ministries as of 2019) could be expanded to other sectors; Islamic SDGs financing is potentially huge and could be better incorporated in the national financing framework and facilitated by enhancing information sharing and capacities for projects identification and selection; social enterprises and impact investment would benefit from a more conducive business environment, addressing the needs of risk adverse investors, and the capacities of potential social entrepreneurs.

## **8. Analysis of Risks**

244. This section lays out the main risks that lies ahead of Indonesia's sustainable development path and progress towards the SDGs. In line with the UNSDG's Companion Piece on CCA formulation, a multidimensional risk analysis has been carried out highlighting the following main elements to be kept into consideration for future programming. While the analysis below covers all dimensions relevant to the Indonesian context, the two main clusters of risks that can significantly impact Indonesia's path to the 2030 Agenda are environmental (being a disaster-prone country) and political, in view of the rising intolerance and possible radicalization/violent extremism.

245. Indonesia is a disaster-prone country, exacerbated by the effects of climate change. Food systems, livelihoods, infrastructure and overall economic growth are impacted by the effects of tsunamis, earthquakes, volcanic eruptions, floods, landslides and droughts that are likely to strike. Despite the tremendous progress made to prepare, respond and recover from disasters induced by natural hazards and building resilience, challenges remain and filling the gaps is constrained by the change in the nature of disaster risks, the landscape of the government structure and budgeting, the profile of stakeholders involved in disaster management, and the localization in disaster management. Further, there is a growing need to address the high-frequency low-impact events and risks that can be prevented only through a risk-informed development approach. All these will continue to pose threats to development gains, making these risks key elements to be considered in any programming for sustainable development. Aside from disasters, there are severe environmental impacts arising from agriculture and exploitation of natural resources, associated with deforestation, draining and burning of peatlands, degradation of watersheds, destruction of mangroves, and over-exploitation of freshwater bodies.

246. Under the overall dimensions related to the political environment, security, non-discrimination and regional/global influences, a current and future threat is posed by the rising intolerance which could hinder the country's efforts to leave no one behind and close the democratic space. An augmented risk is that of radicalization and violent extremism, albeit it from a tiny minority, fuelled perhaps by extremes in wealth and poverty, social and economic injustice, an under-governed social media and internet, through which alien ideologies are cast. These unwelcome streams are a direct challenge to Indonesia's long cherished inclusive, progressive, pluralistic society as set out in the Pancasila.

247. The grievances and human rights concerns which drive the conflict in Papua and other outstanding localised ethnic and religious tensions also represent a potential hurdle if not addressed in accordance with international norms and standards. Likewise, issues linked to land tenure and empowerment of indigenous communities will continue to threaten a smooth and sustainable natural resources management. Accountability and impunity for past human rights violations should also be factored into the analysis of risk.

248. In terms of social cohesion and gender equality, as outlined in this document, a major risk to SDG attainment is the persistent unequal opportunities for women and violence against women and girls. Rising extremism and intolerance only exacerbates this risk, which underpins all SDGs. Conservatism and intolerance for example risks limiting access for women and girls to SRHR as well as undercut the fulfilment of other fundamental human rights. Women and girls lag significantly behind most of human development indicators, and if gaps are not breached, not only this will imply not achieving the SDGs

for this segment of the population, but it will also undermine progress towards economic transformation and enhancement of human capital. With 32 percent of its population under 24 years of age, Indonesia can enjoy the demographic dividend if opportunely leveraged. However, this can also represent a risk if not well managed in the years to come.

249. In the economic and public finance management it should be noted that Indonesia can sustain the investment needed to advance the 2030 Agenda if it continues to mobilise domestic resources for reinvestment into core public investment programmes of health, education and social protection as part of a rights-based approach to economic transformation. This is not a given, and will depend upon the actual pace of economic transformation and fiscal policy reforms. Infrastructure and access to social services is a key factor, as noted in section 4, in leaving a significant number of Indonesians behind, posing a risk to the fulfilment of the core principle of the 2030 agenda. This is linked to availability of roads and transport to adequately reach remote areas, as well as the actual delivery of quality social services in remote areas.

250. In terms of displacement and migration, it should be noted that a significant number of Indonesians seeks job opportunities abroad (especially women) and these can be vulnerable to exploitation and human trafficking. Access to social services and protection is not always guaranteed, depending on the country and their legal status. Likewise, people of concern (refugees and asylum seekers) in Indonesia have limited access to services. Finally, internal displacement caused by natural disasters continue to pose risks with regards to the timely access to humanitarian support, exclusion from or involuntary relocation to settlements and camps (and related security and safety issues-, access to education, social protection and property rights).

251. As noted in the section 2 above, low coverage of immunization has also led to the emergence of diseases such as measles, diphtheria, and vaccine-derived polio in recent year. Resurgence of or failing to curb such diseases can pose a threat to the country's human capital development in the medium and long term.

## **9. Gaps and Challenges Towards Achieving the 2030 Agenda**

252. While national averages for some SDGs are promising, a major challenge will be reaching the goals at *sub-national level* and across *all groups of people* living in Indonesia. Greater efforts are required to enhance interlinkages between gender and other goals across the SDG monitoring framework that is tailored to the specific local context of Indonesia. Across all the key development challenges, gender is a cross cutting issues that are often missed in the discussion of poverty, food security, access to social services, including education, health and social protection and many other key development indicators.

253. **Legal, policy, regulatory and enforcement frameworks** need strengthening in a number of areas, especially related to gender equality and the empowerment of women and girls. Capacities for policy implementation at sub-national level are also needed. *Access to quality public services* including education and economic opportunity due to poverty and remoteness of locations remains a significant gap at the local level. Not all public services comply with national standards and not all are applied without discrimination. Finally, the *availability of adequate, up-to-date and disaggregated data* and information as a basis for inclusive development planning and targeted assistance to the most-poor is also gap.

254. In relation to each SDG, the following challenges, bottlenecks and gaps remain. These are in addition to those prioritized in the RPJMN: gender equality, governance, disaster resilience and climate change adaption, social and culture assets, and digital transformation.

255. **Goal 1. No Poverty.** There are a number of gaps that need to be addressed for the next generation of poverty reduction measures to be successful. This gap includes the need for sharper disaggregated data, which would shed the light on multiple deprivations and illustrate how intersectionality between gender and other types of discrimination result in greater poverty among specific population groups in Indonesia. It will also enable the various social protection and insurance schemes to improve their targeting to the

beneficiaries that are at risk of being left behind and improve their coverage towards universal social protection. The Government is already seeking to provide a common database for the operation of a universal the social protection system, including increased use of digitization. Other measures include: increasing the social protection budget and ensuring that all at risk groups are covered would help close the gap on poverty; continuing to increase legal aid and access to justice for people living in poverty; support local communities, especially indigenous, from being evicted from their traditional pasture, forestry or fishing grounds; strengthening the empowerment of the poor with the basic factors of production. In addition, climate change is affecting rainfall patterns, which increases the risk of weather-related events resulting heavy damage to livelihoods and pest and crop disease. Farmers are likely to see changes in yields and productivity, which may undermine their resilience. Adaptive strategies, stronger early warning monitoring systems and water management will become increasingly necessary.

256. **Goal 2. No Hunger.** Though the prevalence of stunting and wasting have declined in the past 10 years, for a country aiming towards a high-quality human capital as the driver of an era of economic transformation, close attention to stunting, wasting and overweight challenges will need to remain at the forefront of initiatives on the journey to 2030. (The Government has implemented the policy directive for the issue of malnutrition and the provision of food through several initiatives including on accelerating the improvement of community nutrition, strengthening food security towards food self-sufficiency by increasing staple food production, stabilizing food prices, improving the quality of food consumption, mitigating disruptions to food security, and improving the welfare of food businesses, especially farmers, fishermen and fish farmers. Issues of health-care, access to food and adequate child nutrition including nutrition of school-aged children remains the main gap. Indigenous peoples (customary local communities), women and children need to be given special attention in the fulfilment of their right to food considering their particularly vulnerable situations. The fundamental cause of food insecurity is the day to day lack of sufficient access to safe and nutritious food to meet dietary need for an active and healthy life for a large segment of the population – especially for women and young children. This could be the result of supply side issues associated with production availability, application of food preparation/production practices, the cost of staple foods, availability of clean (not contaminated) water or other conditions. Regarding food security, deeper issues related to the changing structure of agriculture, which includes the reduced number of farmers, an occupational migration from farming, as well as land diverted from agriculture. Land impacted by natural disasters and climate change are also certainly a factor. An underlying principle appears to be the lack of exposure of farmers and the agricultural sector more broadly to modern practices, knowledge, co-operative structures, access to finance, skills and wherewithal through which to increase productivity yields, resilience and sustainability within the agriculture sector. Underlying factors from other challenges would suggest that Government policies and inter-department coordination and collaboration are not working as effectively as they should. The immediate effects of food insecurity are revealed in the high incidence of Foodborne Disease (FBD) both acute and chronic diseases that may lead to death or permanent disability. Diarrheal FBD reduces the bioavailability of nutrients in vulnerable consumers which accelerates the development of high levels of malnutrition and stunting that occurs among Indonesian children. Low nutritional intake not only retards physical development, but also mental. The knock-on consequences are witnessed in poor educational outcomes and poor-quality human resources, so vital for a dynamic ‘transformative’ economy. Food insecurity as indicated by the presence of food safety hazards is not only a public health issue but it is also a trade issue which will affect market access of food. Market failure that reduces export revenue could be associated with food safety. The ultimate consequence of food insecurity is a significantly under-performing economy, perpetuated inequalities within a country within which a sizable cohort of the population is at risk of being ‘left behind’. The primary risk is that whole population segments are not only left behind, and are deprived of contributing their optimum human potential to the development of the country, but that they also remain extremely vulnerable to Indonesia’s predicament as a country exposed to frequent devastating natural hazards.)

**257. Goal 3. Good Health.** The most compelling gap to be addressed in the health sector relates to the maternal mortality rate. To do this the Government will need to continue to focus attention on improving the quality basic maternal healthcare services and human resources dedicated to maternal care. To address many of the higher prevalent communicable diseases improved outreach and uptake of immunization is required. Increasing logistical, human resources and funding is needed to fend off the rising risk of an HIV/ AIDS epidemic as well as reduce the burden of TB. There is also a gap in information, funding, policies and sound fiscal strategies since 2 out of 3 people with an NCD do not know that they had one. This can be expected to rise further with the burden of disease shifting towards NCDs and an increase in mental health challenges associated with an ageing population. There are well documented gaps in women and adolescent's access to reproductive health services, partly due to restrictive laws and partly due to health system and socio-cultural constraints which has implications for reaping the benefits of demographic dividend. Gaps continue to exist in the Universal Health Coverage, particularly, around quality health services although considerable efforts have been made by the Government in recent years. There is an unmet need for family planning as an indicator of poor progress towards achieving the SDG's. Further, that universal access to SRHR is a catalyst towards the 2030 Agenda. Prevention of high risk pregnancy with contraceptive use is a means to ensure good maternal health status.

**258. Goal 4. Quality Education.** The Government has achieved an enormous amount in education over the past two decades. However, the major gaps that remain in education tend to hit the poorest hardest. Children from less well-off backgrounds are more likely to drop out of school at secondary level. In tertiary education, the gap of education between economic status is still considerable. Provision of higher education services have not fully been able to reach people from the lower socio-economic backgrounds. Relatively high levels of out of school children is also a challenge. These issues perpetuate inequalities. In addition, serious gaps remain in terms of integrating the disabled more fully into mainstream education and training. There is also a more perplexing gap between educational outcomes given the recent number of teacher directives issued in support of improvements in the quality of education. In overall terms, the low productivity rates of workers indicate lower levels of educational background in Indonesia compared to other ASEAN countries.

**259. Goal 5. Gender Equality.** There is a legal and policy implementation gap. This is largely the case for gender based violence and harmful practices including child marriage and FGM. Zooming out, greater political leadership is needed to begin to address the wider issue of discrimination against women in society in general. Stepping up policy incentives and leading advocacy campaigns that promote women's equality and higher levels of women's participation in the workforce and public service, including the breaking of some gender roles and norms that exist in education and training. There is also gap in term of coordination between key ministries to ensure gender responsiveness in labour migration policies and programme. Although there is an Presidential Instruction No.9/2000 on Gender Mainstreaming to realizing Gender equity and equality in the Indonesia Development, the recommendation from the preliminary consultation meeting still showed the importance of building sense of urgency and capacity of each actors to elevate the basic understanding on gender responsiveness labour migration governance in regard to the implementation of Law 18/17, promoting gender and women migrant workers' rights amongst stakeholders, and providing services that meets with women migrant workers specific experiences, needs and barriers throughout the migration process. It is also the important to strengthen the services and coordination of each key actors at village up to national level.

**260. Goal 6. Clean Water and Sanitation.** Significant regional disparities still exist with populations that have limited access to clean water and improved sanitation. Alignment with more ambitious SDG targets which emphasize universality, functionality and accessibility will require significant investment and institution/policy levels shifts. Current national programs focus on elimination of open defecation and provision of basic household services (i.e. self-supply). With current rates of urbanization and density of population greater focus on communal and city level services and treatment options will require improved planning, budgeting and options for service delivery.

261. **Goal 7. Clean Energy.** In the context of reducing GHGs the major gap is potentially in the rates at which alternative and renewable energy supplies can be integrated into the mainstream energy mix. Regarding access to electricity, there are still some regional gaps where the electrification ratio is below under 65 percent. There are also a small minority of schools and colleges unconnected to grid electricity, which prevents internet connectivity.

262. **Goal 8. Decent Jobs and Economic Growth.** Gaps in the ability to create decent jobs and sustain economic growth are linked both at the productive structure of the country and the mis-match of skills. Regional disparities are also significant and the Government has prioritized balanced regional development in the RPJMN (2020 – 2024). The bulk of economic activity, trade and investment has been traditionally concentrated in Java and Sumatra. In terms of the structure of the economy, there is a gap between current levels of productivity, value-added and competitiveness with the country's planned trajectory. High-technology exports as a proportion of total manufactured exports has fallen from 12.87 per cent in 2009 to 5.43 per cent in 2017 and the economic complexity index has not increased during that period.

263. Therefore, in terms of the over-arching goal of accelerated structural transformation, Indonesia needs to strive more readily towards a more scientifically orientated, increasingly digitized and technologically advanced, diversified and high value-added economy. Quality education (goal 4) is one of the means to achieve this, as is a more conducive investment environment made possible through improvements in governance (goal 16). A major gap referred to earlier in this CCA relates to women's equal participation in the formal economy. This is only serving to hold Indonesia back from reaching its full economic potential. There is a noted absence to opportunities for livelihood for refugees, asylum seekers, as well as other marginalised groups, which results in these populations not being able to get out of the vicious circle of poverty and not be able to use their potential and capacity to the benefit of the local markets.

264. Concerning the skills mis-match, while the number and range of vocational courses have increased, when it comes to employability, greater efforts are needed to narrow the gap between the skills demanded from the labour market and those supplied through the training system. There is also space of the private sector, academia and industry and commercial associations and networks to become more directly involved in scientific, engineering, technology, data analytics and research-based skills training, including through a more comprehensive apprenticeship offer. Often, young people report of a long period of waiting after leaving school or college and getting a job.

265. There is also a gap in terms of enabling migrant workers access TVET. This is reflected in the high youth unemployment figures. The challenge of high levels of youth unemployment appears as a major risk factor. This not only acts as a break on economic growth and prevents the country taking advantage of its demographic dividend, but could also manifest deeper social difficulties if young people, young males in particular, are without a vocation in life for months, or even years, at a time. With 200,000 – 300,000 Indonesians deployed yearly to work overseas, there is a gap in protection afforded to these workers, as well as to their re-integration in the local workforce upon their return

266. **Goal 9. Innovation and Infrastructure.** There are a range of gaps in both innovation and infrastructure that can be readily filled through greater private sector participation. There is a general gap in both quantity and quality of resilient infrastructure across Indonesia's vast archipelago. Efforts have been made in the previous political cycles to invest more heavily in infrastructure that improves the connectivity of Indonesia. A gap, or opportunity, exists for greater levels of public-private partnership in fulfilling Indonesia's need for still greater levels of investment in infrastructure. According to UN consultations with business leaders, a stronger legal framework and improved transparency and mutual accountability on the part of Government is needed. Regarding innovation, recently announced tax incentives are serving to increase the amount of private sector investment in R and D. A gap however exists in driving creative, adaptive, innovative and critical thinking skills into the heart of the latter years

education curricula in order to produce the next generation of school graduates able to help drive industrial revolution 4.0 and accelerate economic transformation. This will provide the foundations for higher quality human capital, increased productivity and improved competitiveness.

**267.Goal 10. Reduced Inequalities.** Multiple gaps exist when we scrutinize that challenge of inequalities. Regardless of whether inequality is measured as a result of inequality between income groups or regional inequality, there is a gap for people effected by either or both in terms of access to income, opportunity, infrastructure, information, justice, finance and services. These gaps also exist in terms of outcomes - economic, educational or health related. Those most affected by inequalities face multi-deprivation. A further manifestation of inequality takes the form of increased costs associated with meeting basic needs, as food and transportation costs tend to be higher the further populations are from main markets and points of connectivity. One of the main gaps is a more pro-active policy intervention that empowers and supports local communities to become more self-reliant, ensuring they are legally empowered to govern communal assets, such as forests and water sources prudently and fairly based on principles of subsidiarity and sustainable development. There is also a gap in pursuing planned, well-managed migration policies and a lack of unified, reliable migration data. The multiple regulations at the national and regional levels identified as discriminatory against women, children and vulnerable groups is a further obstacle to reducing inequalities. Removing discriminatory regulations and combatting stigma and discriminatory practices will be important to further equality.

**268.Goal 11. Sustainable Cities and Communities.** Rapid urbanization has exposed gaps in urban planning and service delivery, with additional gaps and challenges following in their stead. Insufficient attention has been paid to the spatial planning associated with the expansion of Indonesia's largest urban centres, including the need for public open green spaces. This has triggered the spontaneous informal expansion of a number of underserved areas (slums) consisting of poor connectivity, poor basic services, based on insecure tenure and often using makeshift structures. There is a gap in the housing market, especially for low-income groups inhabiting urban areas. Public services are overwhelmed and struggling to cope with the increased levels of demand placed on them. Inadequate water and sanitation exist in many locations. There are also gaps in terms of inter- and intra-city connectivity. Urban air and water quality are sub-optimal.

**269.Goal 12. Responsible Consumption and Production.** There are significant gaps in the consumption and production patterns in Indonesia. All sectors need to review their means of consumption and production, with a view to reducing waste, enhancing recycling, improving efficiencies and consuming greener sources of energy. There is still a need for greater information, knowledge and awareness. There are undoubtedly legal and regulatory guidelines that could be strengthened. There is also a reported gap in national and local authority capacity when it comes to waste and pollution monitoring, compliance and enforcement.

**270.Goal 13. Climate Action.** Whilst the Government has made significant progress in integrating disaster risk strategies across the major sectors, expansion of these strategies and actions plans is now needed to incorporate the impact of climate change. In particular, greater attention to climate change is needed at the provincial levels. In addition, based on the Governance of Climate Change Finance (GCCF) assessment significant climate financing gaps were identified (of US\$ 6 -11 billion per year from public finance and US\$ 7.5 – 14.2 billion per year from private sources).<sup>338</sup>

**271.Goal 14. Life Below Water.** Although marine conservation and fisheries management areas are expanding there are significant gaps that need to be addressed to achieve a better life below water. Regulation and compliance are needed, since around 40 percent of domestic sewage in Indonesia is discharged directly or indirectly into its rivers. Social campaigns to eliminate plastic bags and water bottles need to be underpinned with legislation and promotion, since Indonesia is the second-largest

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<sup>338</sup> UNDP, Governance of Climate Change Finance Indonesia Update

contributor to marine plastic pollution after China. Strict enforcement is needed to prevent the further depletion of Indonesia's mangrove forests. Not least, Indonesia's coral reefs and fisheries resources are some of the most threatened in the world due to destructive IUU damaging practices, and in need of better stewardship.

272. **Goal 15. Life on Land.** One of the main gaps that exists in seeking to protect Indonesia's natural resources asset bases relates to monitoring, compliance and enforcement capacities and powers of local authorities to prevent encroachment, illegal logging, illegal wildlife trade and forest fires (which have cross-cutting impacts on biodiversity, environment and human health, education and livelihoods). Greater attention and powers are needed to highlight these challenges and prevent further destructive losses.

273. **Goal 16. Peace and Justice.** Multiple gaps are evident in the consideration of the broad issue of governance and the reach and access to public services. These have been well documented above and relate principally to reach and quality of public services, to data and capacity gaps, and to the fair and equal application of justice. After legal aid, a birth certificate is a must-have basic identity for all children to bridge one of the core civil registration and vital statistic gaps. Rising intolerance ultimately pose a threat to Indonesia's pluralistic principles.

274. In order to monitor the implementation of SDGs, through the target indicators, ***quality indicators should be ideally derived from quality data.***<sup>339</sup> The fact: only about 42 percent of SDGs target indicators could be provided by BPS and Ministries in which quality data are ensured, will leave the need to address the remaining need of data either its availability or its quality. UN needs to get involved to address this issue, at least to the extent of technical assistance to meet the gap of data availability and quality.

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<sup>339</sup> Data should be collected with a human rights based approach and enable disaggregation by grounds of discrimination prohibited by international human rights law.

# **TECHNICAL ANNEX**

## Outline of the CCA Technical Annex

This technical annex has been prepared to accompany the Common Country Analysis. It provides important supplementary information in relation to human rights and the SDGs, further details on Indonesia's prioritized SDG indicators within the national planning framework, additional information concerning the progress of the SDGs in Indonesia, summary issues relating to institutional arrangements in the health and social protection sectors as they relate to the SDGs, an overview of Conventions, covenants and protocols entered into by Indonesia and a further elaboration of risks as they relate to some of Indonesia's more prominent development challenges, which were generated from multi-partner stakeholder consultations hosted by the UNCT in Jakarta in May 2019. A more extensive list of figures referred to in the main document is also included.

### Annex 1. Human Rights and the SDGs – A Summary Review

Human rights and the SDG are mutually reinforcing, but it is ultimately access to rights that provide the universal foundation upon which the complex and multidimensional goals of the 2030 Agenda will be attained. As a certainty, the 2030 agenda and SDGs will remain unattainable unless and until human rights are firmly embedded in laws, policies and delivered through assertive implementation. On the other hand, the SDGs can serve as a tangible, results-oriented instrument for the realization of human rights. Indonesia is making progress in this regard, but not nearly quickly enough. As a country aspiring to take a pioneer role in implementing the 2030 agenda for sustainable development greater emphasis, realignment and catch up is required from a human rights perspective. This imperative cuts across many of the SDG that have been incorporated into national targets and plans.

Selected in consultation with the key national and international stakeholders, the following SDGs have the most direct implications for the human rights recognized under the core international instruments. Particularly the Universal Declaration on Human Rights (UDHR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the International Covenant on the Civil and Political Rights (ICCPR). All 17 SDGs have important human rights implications.

Poverty (SDG 1) is a major impediment for the enjoyment of human rights. People who live in poverty are not only deprived from their right to an adequate standard of living, but in Indonesia there is strong evidence to show they are prone to other human rights deprivations such as lack of access to education, healthcare services and social protection. Poor people are at greatest risk of being left behind. They are also liable to exclusion from political participation processes or denial of access to information and justice, making them more vulnerable to be victims of violence, arbitrary law enforcement, child marriage, trafficking, torture and other violations of the civil and political dimension of human rights.

Social protection plays an important role in poverty reduction (SDG 1) and in fulfilling social security as a basic human right. Article 9 of the ICESCR states the requirement to “recognize the right of everyone to social security, including social insurance.” Moreover, the guarantee of social protection is also enshrined in the Indonesian constitution of 1945<sup>340</sup> “Every person shall have the right to social security in order to develop oneself fully as a dignified human being.” These benefits can be in cash or in kind, without discrimination in order to secure protection, inter alia, from (a) lack of work-related income caused by sickness, disability, maternity, employment injury, unemployment, old age, or death of a family member; (b) unaffordable access to health care; (c) insufficient family support, particularly for children and adult dependents.” Whilst Indonesia runs its social security system through various ministries and agencies, still, the unavailability of a single window service in managing the social protection system has created issues of coordination and overlapping programs. Lack of targeting and insufficient budgetary allocation compromise the system, in addition to it being conditional, low value, very expensive to administer, and having no positive impact on reducing poverty or child poverty rates<sup>341</sup>.

The right to adequate food (SDG 2 no hunger) is a fundamental human right. Food is an essential necessity for human survival. The right to food is enshrined in the ICESCR, Article 11 paragraph (1) states it is: “the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right.” The right to food embodies three main pillars, namely availability, accessibility and adequacy<sup>342</sup>. The right to food is also enshrined within the 1945 Constitution, but as yet to be

<sup>340</sup> Article 28H paragraph 3.

<sup>341</sup> UNPDF 2016 - 2020, page 17.

<sup>342</sup> General Comment No. 12/1999 on the right to adequate food, adopted by the Committee on Economic, Social and Cultural Rights.

realized. Indonesia has some of the highest malnutrition rates found anywhere in the world and is far from achieving adequate, accessible and affordable nutritious food for its population. On this basis, a large cohort of the population, in particular children, risks being left behind.

Good health (SDG 3) is fundamental for every human being to live to his/her full potential - it is indispensable to human life that it is recognized as a basic human right. The right to health is enshrined in the Universal Declaration on Human Rights, Article 25 paragraph (1) and in the International Covenant on Economic, Social and Cultural Rights (ICESCR), Article 12, which states it is the “right of everyone to the enjoyment of the highest attainable standard of physical and mental health”. It obliges States Parties to achieve the full realization of this right through: “(a) The provision for the reduction of the stillbirth-rate and of infant mortality and for the healthy development of the child; (b) The improvement of all aspects of environmental and industrial hygiene; (c) The prevention, treatment and control of epidemic, endemic, occupational and other diseases; (d) The creation of conditions which would assure to all medical service and medical attention in the event of sickness”. The ICESCR includes not only include timely and appropriate health care but also to the underlying determinants of health, such as “access to safe and potable water, adequate sanitation, an adequate supply of safe food, nutrition and housing, healthy occupational and environmental conditions, and access to health-related education and information, including on sexual and reproductive health.”

The right to education (SDG 4) has been universally recognized as a human right for decades. The Universal Declaration on Human Rights (UDHR), lays the groundwork for the notions that education, as a human right, shall be made free, especially at the elementary level, and that higher education shall be made equally accessible on merit basis<sup>343</sup>. The international legal framework on the right to education is then further elaborated in the ICESCR Article 13 and 14; the Convention on the Rights of the Child (CRC) Article 28 and 29; and the Convention on the Rights of Persons with Disabilities (CRPD) Article 24. The ICESCR contains the essential elements of availability, accessibility, acceptability and adaptability of education. Indonesia has been a State Party to the ICESCR since 2005. Moreover, the right to education is also guaranteed in the 1945 Constitution. Article 31 not only recognizes education as a right, but also lays the obligation of the State to allocate a minimum of 20percent of the State Budget to provide education for all. As a baseline, and from a human rights-based perspective, Indonesia will be closer to meeting its 2030 targets in education than any other domain. However, low levels of public investment in education, school completion rates, out of school rates, quality of education, quality of teaching, quality of school environment, including access to water, separate sex toilets, electricity and to the internet, as well as to the new range of soft skills demanded of the modern day economy are all significant challenges to be address on the road to 2030.

Efforts to achieve gender equality and eliminate discrimination and violence towards women and girls (SDG 5) is central to many human rights instruments. These include the International Bill of Human Rights, consisting of the Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR). In 1979, the UN Convention on the Elimination of All Forms of Discrimination<sup>344</sup> against Women (CEDAW) was officially adopted<sup>345</sup>. At the domestic level, Indonesia has ratified the majority of the international human rights instruments containing prohibition against discrimination on the ground of sex (ICCPR, ICESCR, CEDAW, CRC, CRPD and ICRMW). Although the 1945 Constitution does not specifically prohibit gender-based discrimination, it does prohibit discrimination on any grounds<sup>346</sup>. Law number 39/1999 on Human Rights dedicates a special section on women’s rights, recognizing women’s rights as human rights<sup>347</sup>. In addition, a National Commission on Violence Against Women (Komnas Perempuan) has been established. A law on domestic violence was adopted in 2004.

Notwithstanding a basically sound legal framework now in place, and despite some progress, however, Indonesian women face continual discrimination in all walks of life. Thousands of women/girls each year are victims of sex

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<sup>343</sup> UDHR, Article 26 paragraph (1).

<sup>344</sup> CEDAW defines sex-based discrimination as any difference in treatment on the grounds of sex which: Intentionally or unintentionally disadvantages women; Prevents society as a whole from recognizing women’s rights in both the private and the public spheres; Prevents women from exercising the human rights and fundamental freedoms to which they are entitled

<sup>345</sup> See, OCHR, Women’s Rights Are Human Rights, 2014, page: 6. Available at:

<http://www.ohchr.org/Documents/Events/WHRD/WomenRightsAreHR.pdf>  
UDHR

<sup>346</sup> See, 1945 Constitution, Article 28I paragraph (2), available at:

[https://portal.mahkamahkonstitusi.go.id/eLaw/mg58ufsc89hrsg/UUD\\_1945\\_Perubahan.pdf](https://portal.mahkamahkonstitusi.go.id/eLaw/mg58ufsc89hrsg/UUD_1945_Perubahan.pdf)

<sup>347</sup> (Article 45). Moreover, the human rights law also provides, inter alia, a guarantee for women’s representation in all governmental branches (Article 46), women’s right to education at all levels (Article 48), as well as women’s rights to work and at workplace (Article 49)

trafficking. Indonesia is among the countries with the highest rates of Female genital mutilation<sup>348</sup>. The outlook for Indonesia being able to meet its 2030 commitments for SDG 5 are challenging.

The right to water and sanitation (SDG 6) are regarded as core elements for the right to an adequate standard of living and the right to health as per the ICESCR<sup>349</sup>. More recently, the Committee of the CESCR has adopted the explicit right to water, which also includes the right to sanitation<sup>350</sup>. Access to a dependable source of clean drinking water is still inaccessible for a significant minority of the Indonesian population and a large segment of the still practice open defecation. Pollution, catchment degradation, over-exploitation and poor management are the main factors threatening water quality and security, as well as accessibility. Whilst Indonesia is making progress, there is still some long way to go before the SDG 6 2030 targets can be fully secured.

Decent Work (SDG 8) is a human Right. The right to work is promulgated in the ICESCR<sup>351</sup>. As not only the legal recognition to work as a human right, but also as an obligation for States to enable access to just and favourable conditions for employment for everyone. This includes fair wages without distinction, a decent living, safe and healthy working conditions, limitation of working hours and periodic holidays with pay. It also permits the collective right of workers to form and join trade unions of their choice. Indonesia is at a crossroads in implementing SDG 8. The Indonesian economy is less competitive than its regional rivals. By comparison it is a lower skill, lower wage, lower productivity destination. And whilst the official unemployment rate is relatively low, youth unemployment is high and rising. Women's participation in the labour market is also low. A skills mis-match forestalls a more dynamic labour market. The private sector is distant from school and college graduates.

Inequality (SDG 10) is one of the biggest obstacles in the realization of human rights anywhere in the world, and Indonesia is no exception. The Indonesian Government has invested significantly in seeking to reduce the levels regional inequality that exists. The impacts of inequality to the society can be damaging as it can contribute to poverty, marginalization and, eventually, social contest, crime and conflict. Seven dimensions of inequality have been mapped: economic inequality; social inequality; cultural inequality; political inequality; environmental inequality; spatial inequality; and, knowledge inequality<sup>352</sup>. One dimension of inequality very likely creates another form of inequality. For example, in Indonesia, geographically (spatially) remote poor communities, who are already become victims of cultural and economic inequality, face bigger obstacles in accessing resources, knowledge, markets, education, healthcare and social protection. This affects their life chances, ability to make informed decisions, access rights and participate politically in any policy-making processes which affect their lives. Women are especially disadvantaged due to powerful social norms. As mentioned above, inequalities can lead to social and political disenfranchisement, a sense of injustice. This can create a milieu within which certain population segments, such as young unemployed males are targeted for radicalization and extremism, which is a growing concern in Indonesia.

The civil and political dimensions of human rights (SDG 16 - peace and justice). It includes the right to life, the right to be free from torture and slavery, the right to freedom of information, the right to political participation, the right to legal personality, as well as the right to access to justice. These rights are embodied in the Universal Declaration of Human Rights, International Covenant on Civil and Political Rights and other international human rights instruments, most of which have been ratified by the Government of Indonesia. Most of these civil and political rights are also enshrined in the 1945 Constitution, as well as in the Law number 39/1999 on Human Rights. Regarding the right to access to justice, Indonesia has passed a law on legal aid (Law no. 16/2011), which has been officially implemented since 2013. The law sets out legal aid as a right and guarantee the right to free legal aid for the poor. The numbers of legal aid cases have increased enormously. The World Justice Index 2019 scored Indonesian 62 out of 126 countries<sup>353</sup>.

Also under SDG 16, but cutting across a number of sectors and goals, access to land is a basic human right. As for land tenure, despite the fact that 83 percent of households own their own home, there are still 40 percent of uncertified lands in Indonesia due to the complicated land adjudication processes. Sixty nine percent of the land

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<sup>348</sup> Jakarta Post, FGM in Indonesia hits alarming level, 6 February, 2016, available at: <https://www.thejakartapost.com/news/2016/02/06/fgm-indonesia-hits-alarming-level.html>

<sup>349</sup> Article 11 ICESCR) and (Article 12 ICESCR)

<sup>350</sup> General Comment No. 15

<sup>351</sup> particularly in articles 6, 7 and 8.

<sup>352</sup> UNESCO, World Social Science Report, Challenging Inequalities: Pathways to a Just World, 2016.

<sup>353</sup> <http://data.worldjusticeproject.org/>

is owned by approximately 16 percent of the population. Moreover, limited information on zoning plans and regulations have also created difficulties in registration process and increasing the risks of evictions. Therefore, security of land tenure is extremely important, but often tenuous for the poor, since land does not only provide shelter, but also a source of livelihood for them. Indigenous peoples are among the most vulnerable groups facing tenure insecurity. Despite the legal recognition of customary land (tanah ulayat), collective ownership of land cannot be registered, deterring indigenous communities from applying collectively for land certificates. As a result, 33,000 indigenous villages, with approximate population of 48 million people, located within or around forest estates, are labelled as illegal or squatters and prone to forced eviction<sup>354</sup>.

Finally, the right to equality guarantees, first and foremost, that all persons are equal before the law – an integral part of SDG 16, peace and justice. The right to equality and the principle of non-discrimination are among the most fundamental elements of international human rights law. In practice this means that the law shall be formulated in general terms applicable to every individual and shall be enforced in an equal manner. And, that all persons are entitled to equal protection under the law against arbitrary and discriminatory treatment by private actors. In this regard, the law shall prohibit any discrimination and guarantee to all persons equal and effective protection against discrimination on the grounds of race, colour, sex, language, religion, political or other opinion, national or social origin, property, birth, disability and health status, including HIV age, sexual orientation or other status<sup>355</sup>. This principle has far reaching consequences in Indonesia, in particular for poor, marginalized or indigenous communities, especially concerning access to land rights and justice. Inequalities and discrimination occur against women, religious minorities, the disabled and, more recently, intolerance to people based on sexual orientation.

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<sup>354</sup> See, UN Special Rapporteur on Adequate Housing, paragraph 48-4

<sup>355</sup> OHCHR, Principles and Guidelines for A Human Rights Approach To Poverty Reduction Strategies, 2012, page: 9. Available at: <http://www.ohchr.org/Documents/Publications/PovertyStrategiesen.pdf>

## **Annex 2. Indonesia's Prioritized Goals and Indicators.**

Indonesia's Roadmap for the SDGs focuses on 43 priority goals and indicators which are most relevant to Indonesia's current development challenges<sup>356</sup>. This exercise has distilled down a broader range of 94 of the 241 SDG indicators which have been adopted by the Government for inclusion within the RPJMN. The national targets and indicators are listed below and prioritize health, education, social protection, food security and sustainable agriculture, infrastructure, – including basic infrastructure such as water and sanitation, telecommunication, and green energy– ecosystem services and biodiversity. Importantly, this includes financing for the SDGs.

### **Goal 1. No Poverty**

- Percentage of people living below the national poverty line.

### **Goal 2. Zero Hunger**

- Prevalence of population who experienced food insecurity at moderate or severe levels based on food insecurity experiences scale (FIES).
- Prevalence of stunting in children under five.

### **Goal 3. Good Health and Well-being**

- Maternal mortality per 100,000 live births
- Infant mortality per 1,000 live births
- Tuberculosis (tb) incidence per 100,000 population
- Percentage of smoking in adolescent (people aged 10-18 year old)
- Prevalence of obesity in adult population (age 10-18 years)
- Total fertility rate (TFR)
- Coverage of national health insurance

### **Goal 4. Quality Education**

- Proportion of children: (a) at fourth grade who achieve minimum proficiency in (i) reading and (ii) mathematics
- Proportion of adolescents: (c) at ninth grade who achieve minimum proficiency in (i) reading & (ii) mathematics
- Gross enrollment rate, pre-primary
- Gross enrollment rate, higher secondary
- Gross enrollment rate, tertiary
- Net ratio of girls to boys (3) higher secondary & in (4) tertiary education
- Net ratio of girls to boys in (3) higher secondary, and (4) tertiary education

### **Goal 5. Gender Equality**

- Proportion of women aged 20–24 years who were married or in a union before age 18 y.o

### **Goal 6. Clean Water and Sanitation**

- Percentage of households having access to an improved drinking water services.
- Percentage of households having access to an improved sanitation

### **Goal 7. Affordable and Clean Energy**

- Electric power consumption per capita
- Renewable energy mix

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

- Growth rate of real GDP per capita
- Unemployment rate

### **Goal 9. Industry, Innovation and Infrastructure.**

- Proportion of population served by mobile broadband service

### **Goal 10. Reduced Inequalities**

- Gini coefficient

### **Goal 11. Sustainable Cities and Communities**

- Proportion of households with access to decent and affordable housing

### **Goal 13. Climate Action**

- Intensity of the green house gas (GHG) emissions

### **Goal 15. Life on Land**

- Proportion of forest cover to total land area

### **Goal 17 Partnerships for the Goals**

- Tax revenue to GDP ratio
- Proportion of individuals using internet

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<sup>356</sup> Roadmap of SDGs Indonesia – A highlight, 2019.

### **Annex 3. Brief Outline of the Status and Progress of Indonesia's SDGs.**

#### **Goal 1. No Poverty**

Extreme poverty (US \$ 1.9 per day) has been reduced from 7.5 percent in 2018 to 4.6 percent in 2018. Similarly, the national poverty rate fell from 11.22 percent in 2015 to 9.86 percent in 2018<sup>357</sup>. To accelerate poverty reduction, a restructuring of social assistance was initiated to ensure that families with the lowest socioeconomic status gain access to basic services. In 2018 the Family Hope Program (PKH) has expanded to an additional 10 million poor families<sup>358</sup>. However, as of March 2018, at least an additional 20.2 percent of the population are vulnerable to poverty<sup>359</sup>.

#### **Goal 2. No Hunger**

Rates of stunting among children are reducing, but levels of stunting are still very high. The prevalence of stunting in children under five years of age has declined over the last 10 years, from 36.8 in 2007 to 30.8 percent in 2018. Meanwhile, good progress has also been achieved in reducing wasting in children under five years of age from 13.6 percent in 2007 to 10.2 percent in 2018<sup>360</sup>. Wasted and stunted children are in and of themselves an indicator of populations who are at great risk of being left behind. In numerical terms, the numbers are significant. The quality of food consumption is improving, indicated by higher score of desirable dietary pattern from 75.7 in 2009 to 90.7 in 2018. This shows that food availability, food diversity, community knowledge on food and nutrition, physical and economic accessibility has improved from time to time. However, as an ongoing cause of wasting and stunting, food affordability remains key to many poor families.

The challenges faced include 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; i) poor parenting, mainly caused by low levels of parents' education; ii) poor environmental conditions (such as access to sanitation and clean water), and, iii) 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.

#### **Goal 3. Good Health**

The Indonesia population has never been healthier, although the maternal mortality rate is still high, and rising rates of HIV infection are a serious cause for concern. Some progress has been achieved in bringing the maternal mortality rate down from 346 to 305 per 100,000 live births<sup>361</sup>. However, MMR global target of fewer than 70 per 100,000 live births by 2030 seems wildly out of reach. The infant mortality rate fell from 32 deaths per 1,000 livebirths in 2012 to 24 deaths per 1,000 live births in 2017<sup>362</sup>. Under-fives and Neonatals continue to decrease but by only very similar modest amounts. The trend of many communicable diseases in Indonesia shows a tendency to decline from year to year. Indonesia has experienced an increase in new HIV infections, with an estimated 630,000 people living with HIV (PLHIV). There were 48,000 new cases and 38,000 AIDS-related deaths in 2016 alone - a 69 percent increase between 2010 and 2017<sup>363</sup>. The decline in the incidence of tuberculosis

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<sup>357</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>358</sup> Ministry of Social Affairs, various years reporting.

<sup>359</sup> Susenas Maret, 2018.

<sup>360</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>361</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>362</sup> Indonesia Demographic Health Survey (IDHS), 2017

<sup>363</sup> UNAIDS. UNAIDS data 2018. Geneva; 2018, cited in The Consolidated Report on Indonesia Health Sector Review 2018, Bappenas.

(TB) showed a promising development of 319 incidents per 100,000 population (2017) from 410 per 100,000 population (2011). Malaria decreased from 1.75 (2011) to 0.84 per 1000 population (2018)<sup>364</sup>.

Non-communicable diseases are on the rise. Regarding non-communicable disease, the prevalence of hypertension increased from 25.8percent (2013) to 34.1percent (2018). During the same period, the obesity has increased markedly from 15.4percent to 21.8percent. Smoking, aside from unbalanced diet and lack of physical activities, contributes significantly to the increase of NCDs prevalence in Indonesia. Smoking from among the youth population (18 years) increased from 7.2percent to 9.1percent<sup>365</sup>. The improvement of reproductive health services contributed to an increase in the contraceptive prevalence rate (CPR) of all methods from 49.7percent in 1991 to 63.6percent in 2017<sup>366</sup>. The total fertility rate (TFR) has been stagnant for the last decade at around 2.40 children per 1,000 women. Strong efforts are needed to achieve the national target of 2.3 children per 1,000 women by 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)<sup>367</sup> with significantly higher levels among the rural and the poor. Access to reproductive health education and services is still an issue, partly due to restrictive laws and partly due to health system and socio-cultural constraints which has implications for reaping the benefits of demographic dividend. Universal Health Coverage (JKN). Up to December 2018, 78.7 percent of the population participate. The unmet needs for health services decreased from 9.9percent in 2006 to 4.91percent in 2018.

#### **Goal 4. Quality Education**

The development of Indonesian education shows steady improvement although out of school and school completion rates require attention. Between 2015 and 2018 junior secondary education enrolment increased from 91.2 percent to 91.5 percent, senior secondary education enrolment was up from 78 percent to 80.7 percent and in the same period tertiary educational enrolment rose from 25.3 percent to 30.2 percent. Similarly, education completion rates are up in the period from 2000 to 2018 from 88 percent to 95 percent for primary education, from 64 percent to 85 percent for junior secondary and from 38 percent to 62 percent for senior secondary education. Good news overall, however a large proportion of Indonesian school children do not complete their full course of secondary education, and in 2018 7.58 percent of all primary and secondary age school-age children were officially 'out of school'. Difficulties are greater still for disabled persons, there are 1.6 million disabled children in Indonesia but only 18percent enjoy access to education<sup>368</sup>.

Progress continues to be made in the quality of school premises, although qualitative educational outcomes remain disappointing in some areas. Steady investments are being made in the school environment through clean water, single-sex basic sanitation facilities, and basic hand washing facilities. Schools with access to the internet for learning have increased between 2016 – 2018 from 21 percent to 34 percent for primary schools and from 48 percent to nearly 70 percent for senior secondary. Over 90 percent of schools have access to electricity. The percentage of qualified teachers at the primary school level has increased by 4.14 percent, from 84.21 percent in 2016 to 88.35 percent in 2018 - an increase which is mirrored in junior and senior secondary schools. On the downside though, measurements based on the PISA<sup>369</sup> show that the proportion of students able to achieve minimum competence for mathematics and reading is still low. This will need to be addressed for Indonesia to effectively leverage the demographic dividend and economic transformation it aspires to.

#### **Goal 5. Gender Equality**

Strong cultural and patriarchal norms dominate in Indonesia. One of the country's greatest human rights challenges comes in the form of child marriage, which is prevalent. Around 22 percent of Indonesian girls are married before their eighteenth birthday and around 1 percent of those are married before their fifteenth birthday. Greater efforts are needed to prevent unintended pregnancies and child marriage help girls and women to complete their education and prevent disruption of economic activities due to pregnancy and help in generating services for education, social services, infrastructure. The practice of child marriage marginally increased between 2016 and

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<sup>364</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>365</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>366</sup> Indonesia Demographic and Health Survey (IDHS).

<sup>367</sup> (IDHS 2017)

<sup>368</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>369</sup> Program for International Student Assessment and the Indonesian National Assessment Program (INAP).

2018. Female genital mutilation (FGM) affects 51percent of girls under the age of eleven<sup>370</sup>. It is estimated that 100,000 women and children are trafficked each year in Indonesia. between 2004 and 2016, incidents of violence against women (VAW) increased from 14,020 to 321,752 cases<sup>371</sup>. Indonesian women experience violence committed by their husband/intimate partners during their lifetime: restriction (42.3percent), economic violence (24.5percent), psychological or emotional violence (20.5percent), physical violence (12.3percent) and sexual violence (10.6percent)<sup>372</sup>. Women are significantly under-represented in the labour force at 38 percent, and, on average, earn 17 percent less than men. Although increasing, in parliament they still represent less than 20 percent of seats.

### **Goal 6. Clean Water and Sanitation**

Households with access to clean water in Indonesia have continuously improved in recent years, from 59 percent in 2015 to 61 percent in 2018. Similarly, the proportion of households with access to sanitation has also risen, from 68 percent in 2015 to over 80percent in 2018. Water quality however remains a serious concern. Meanwhile there are still 47 million people defecating in the open in Indonesia and another 52 million people using sanitation that is considered unsafe, most of these living in rural areas.

### **Goal 7. Affordable and Clean Energy**

Whilst access to electricity is near universal, there are still regions with an electrification ratio under 65percent, and, whilst cleaner energy sources are in abundance, utilization in the energy mix remains low<sup>373</sup>. The main problems in the coverage of energy services and electricity are access to natural gas for households as well as access to electricity. In central and east region of Indonesia access is still limited and energy inequalities exist, largely due to challenges associated with the cost and geography of infrastructure, transportation and distribution. The other major challenge affecting both SDG 7 and SDG 13 is that the energy sector includes the high utilization of fossil energy and the low presence of renewables in the energy mix. There are also high levels of inefficiency in generation and transmission.

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

The Indonesian economy continues to trend in the right direction with stable economic growth of 5 percent having been achieved over the past five years. In the last four years economic growth has contributed to unemployment having declined to 5.3 percent in 2018. Serious efforts have been made to increase the business climate to attract investment through a range of policy measures consisting of tax incentives, liberalization, facilitation and regulatory harmonization. In the 2019 Indonesia's Ease of Doing Business Index ranked 73<sup>rd</sup>, down one place from 2018, although the latest report highlights several improvements such as substantial reform in starting businesses, registering property and attaining credit.

High youth unemployment, a large informal economy and low female labour market participation rate are dampeners on an overall expanding economy. The large informal economy absorbs a large number of workers, however they face high uncertainty and low job security. Meanwhile the trend of formal employment is upward from 42.2percent in 2015 to 43.2percent in 2018. Labour force participation for women is low, having increased marginally increased to 51.88percent from 50.9percent in 2017. Women are more likely to be employed in the informal sector and paid a lower wage compared to men. A youth unemployment of 22.5 percent, the highest in ASEAN, is still one of the major concerns for the government. In addition, the incidence of youth not in employment, education or training (NEET) also remains high. In 2018, 7percent of total workers are child laborers of between 10 to 17 years. Not least, job mismatch is quite severe in Indonesia although the trend is starting to decline.

### **Goal 9. Industry, Innovation, and Infrastructure**

Indonesia's rank in terms of global competitiveness and infrastructure has increased, however, overall commitment to innovation has been slow. Global competitiveness has improved over recent years to 36 out of

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<sup>370</sup> Riskesdas, 2013

<sup>371</sup> National Commission on Violence Against Women (NCVAW), cited in the United Nations Country Team Indonesia, Report for the Universal Periodic Review of Indonesia, 27th Session, April-May 2017.

<sup>372</sup> Indonesian National Women's Life Experience Survey (2016 SPHPN): Study on Violence Against Women and Girls, Key Findings, 2016

<sup>373</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

137 countries in 2018. Increasing ratings are also apparent in the logistic performance Index, previously 64, now up to 46 2016. Recent infrastructure investments aimed at promoting inter-regional connectivity and integration is beginning to yield results and demonstrate the government's commitment to driving competitiveness and productivity whilst reducing inequality among regions. This has led to improvements in road, rail, air and shipping, all important for assisting Indonesia's economic transformation. Sustainable manufacturing growth is also determined by science and technology, as well as innovation. Adoption capacity of science and technology innovation in Indonesia is however still low, shown by its ranking of 85 out of 126 countries within the Global Innovation Index (GII) score of 29.8 on a scale of 0-100 in 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 percent of them have doctoral degrees. Similarly, Government research expenditure as a proportion of GDP is still exceedingly low, only 0.2 percent in 2015. In terms of information and communication technology, the proportion of mobile phone owners continues to increase, from 38.5 percent in 2010 to 62.41 percent in 2018. Finally, Indonesia is the 8th largest country in the world by internet users. By 2019 Government targets are that all districts and cities will be connected to the broadband network through the Palapa Ring project to overcome the digital divide.

### **Goal 10. Reduced Inequalities**

The Government continues to make efforts to address Indonesia's various inequalities. Indonesia's Gini Coefficient, gauging the level of national inequality, reveals a widening of inequalities from 0.34 in 1976 to 0.414 in 2014. Then, in the last few years inequalities have slightly reduced to 0.384 in 2018. In 2017, Indonesia ranked 90 out of 157 countries in the 2018 'reducing inequality index', measured by indicators of policies implemented in a country, including policies on public expenditures, taxes and employment. However, there is a wide gap between the poverty rate of rural areas at 13.2 percent and urban areas 7.02 percent, although both experience declining rates.

### **Goal 11. Sustainable Cities and Communities**

The focus of goal 11 is in making cities and human settlements inclusive, safe, resilient and sustainable. One of the key indicators refers to adequate and affordable housing. The proportion of households with access to adequate housing has improved from 34 percent in 2015 to 38 percent 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.

### **Goal 12. Responsible Consumption and Production**

The focus of attention under goal 12 is the implementation of sustainable consumption and production patterns in Indonesia – especially within industry. There are five categories for rating the performance of company's environment management. In the Period 2002 - 2016 there was an improvement of the proportion of companies from 60 percent (2002-2003) to 85 percent (2015-2016). By the 2015-2016 period 12 companies had graduated to the Gold standard, 172 to green, 1,422 to Blue, whilst 284 languished in the red category and 3 remained in the black category. There are a number of categories, one of which includes the number of companies that attain SNI certification of ISO 14001 (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). Going forward, important measures will be related to reducing the amount of polluting materials in water, air and land, specialized waste management, as well as waste management through recycling centres.

### **Goal 13. Climate Action**

Indonesia is one of the highest GHG emitters globally. Trends in GHG emissions show that they are rapidly going up in most sectors. This is the opposite of what most people think when they hear that Indonesia's emissions will be reduced by 29% (unconditional = Indonesia's own efforts) or 41% conditional on international support. These are usually understood wrongly that the emissions will be going down whereas in actual fact they are actually going down only in relation to a rapidly increasing Business as Usual increasing trend (dashed line in **Error! Reference source not found.**). Independent analyses show that Indonesia is close to on track to achieving its unconditional NDC (2 out of 3 studies), with overall GHG emissions showing an increase compared to 2010

levels<sup>374</sup>. One study by WRI found that if Indonesia implements existing policy measures, its 2030 carbon dioxide emissions from the land-use and energy sectors will overshoot [be above] the target associated with the country's unconditional commitment to a 29 percent reduction<sup>375</sup>. The unconditional commitment will actually still allow an increase emissions by around 30% in absolute terms from about 1,500 Mt/yr in 2010 to around 2,000 Mt/yr in 2030.

The national Government has made formal commitments to reduce its GHG emissions by 26 percent by 2020. With adequate international assistance it is further committed to a reduction of 41 percent by 2030. Most of this goal (87 percent) is to be achieved by reducing emissions from deforestation and peat land conversion.<sup>376</sup> Advancing local government further to mitigate disaster risk, climate change mitigation and adaptation is the next step<sup>377</sup>. Concerning the energy sector, by 2030, the depletion of Indonesia's fossil fuels (oil, gas and coal) the domestic energy supply is estimated to only meet 75% of the national energy demand and will continue to decline to 28% in 2045. Greater opportunity thereby exists for optimization energy diversification by increasing the portion of new renewable energy to the mix. A strong initiative in this direction would considerably reduce GHG emissions.

Indonesia is highly exposed to natural disasters. Between 2010 and 2017 there were 887 incidents number of hydro-meteorological disasters consisting of forest and land fires (346 incidents), landslides (145 incidents), floods (105 incidents) and tidal/abrasion (17 incidents), in addition to 64 geologically triggered disasters. The number of people affected by these events rose from 862.08 per 100,000 persons in 2010 to 2527.92 in 2017 whilst the average number of deaths and missing persons per 100,000 population fell from 0.8 in 2010 to 0.14 in 2017. Average economic loss between 2010 and 2017 was 6.6 trillion IDR per year. Indonesia has shifted from a focus on emergency response after disasters to a more comprehensive and integrated preventative approach to DRR by actively restructuring its institutions, laws and policies. As a result, Indonesia's Disaster Risk Index (IRBI) declined to 128.8, representing a reduction of 23.97 percent in the period 2015 to 2018<sup>378</sup>.

#### **Goal 14. Life Below Water**

Conservation and sustainable use of the oceans, seas and marine resources are central to the life and vitality of a maritime nation. The emphasis to date has been placed on increasing the vast number of marine conservation and fisheries management areas. Since 2015 that have been incremental increases in the number of marine protected. Marine protected areas were expanded from 17.30 million ha in 2015 to 19.30 million ha in 2018. Indonesia is likely to achieve its the target of 20 million ha of marine protected area by 2019. In an to encourage the improved management of sustainable fisheries Indonesia has divided fishery areas into 11 Fisheries Management Areas (WPP). Two additional issues have been prioritized. Firstly, exploring strategies to increase the level of community resilience to coastal and marine disasters. Secondly, to strengthen inter-regional and international cooperation in marine conservation and sea management. Not least, the high level of marine pollution, especially plastic waste in the sea, adds up to around 1.29 million tons/year.

#### **Goal 15. Life on Land**

During the period 2011 to 2017 Indonesia's forest and land cover area experienced decline, from 52.22 percent to 50.18 percent and its rich bio-diversity continues to be put under stress. This is attributed principally to human activities and partially to natural disasters. In the process of deforestation, environmental damage, especially to terrestrial ecosystems has been caused. In addition, illegal logging, forest and land fires, illegal mining, and the capture and illicit trade of wildlife are perpetuated, often by criminal networks. The main pressures affecting biodiversity loss and species extinction are habitat degradation and fragmentation, landscape changes, overexploitation, pollution, climate change, invasive species, and forest and land fires. This results in shrinking the natural habitat for endangered species on the four major islands of Sumatra, Java, Kalimantan and Sulawesi.

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<sup>374</sup> den Elzen, M., et al. (2019). "Are the G20 economies making enough progress to meet their NDC targets?" *Energy Policy* 126: 238-250.

<sup>375</sup> Wijaya, A., et al. (2017). *How Can Indonesia Achieve its Climate Change Mitigation Goal? An Analysis of Potential Emissions Reductions from Energy and Land-Use Policies*. Working Paper. Jakarta, Indonesia, World Resources Institute: 36pp.

<sup>376</sup> Ministry of Foreign Affairs (MoFA), April 2018, *Indonesia Climate Change Profile*.

<sup>377</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>378</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

Furthermore, the significant increase in areas of monoculture plantations also do damage to forest cover with negative consequences for biodiversity and indigenous communities.

### **Goal 16. Peace and Justice.**

Efforts to consolidate democratic principles continue. As the third biggest democracy in the world, Indonesia is committed to deepening democracy, to respecting individual freedoms, upholding the rule of law and access to justice, the pursuit of non-discriminative practices, especially towards vulnerable groups in order to achieve inclusive development. Regarding the country's performance in democracy, liberties and rights, the democratic index has witnessed a slight reduction, from 75.81 to 72.49, the civil liberty index has shown a similar reduction from 82.62 to 78.75, whilst the political rights index has improved, from 63.72 to 66.63, all respectively between the years 2014 and 2018. The judicial system in Indonesia requires institutional strengthening and capacity building, especially at the local level in the training of judges and where the administration of justice largely takes place.

Access to justice through legal aid has improved although some discriminatory practices appear to remain. In terms of access to justice, implementation of the Legal Aid Law has proven to be transformational over the past eight years. Its associated fund has been distributed to 524 organizations representing nearly 123,000 poor people between 2015 and 2018. However, Indonesia still faces challenges in promoting non-discriminatory norms and practices and to ensure equal access to justice for women, children, and vulnerable groups. In the year 2018, there are still 421 regulations at the national and regional levels identified as being discriminatory against women, children and vulnerable groups. Additionally, the existence and constant enforcement of treason, defamation, and blasphemy laws often null the fundamental liberties of freedom of speech and freedom of the press. Freedom of the press in Indonesia is still influenced by political and economic interests, and similarly, subnational government influence on the local media remains powerful<sup>379</sup>. On the other hand, the largely ungoverned space of social media in Indonesia has been a conduit for the airing and peddling spiteful and damaging 'fake news' stories against already discriminated communities.

Notwithstanding the efforts to consolidate Indonesia's democratic credentials, corruption is still a problem. Corruption can magnify the sense of injustice, that the few in power and position benefit greatly 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<sup>380</sup>. In this vein, Indonesia was ranked 109<sup>th</sup> out of 189 economies on the indicator of corruption<sup>381</sup> at a much lower rank compared to Malaysia, Vietnam, and Thailand. In addition, corruption was classified as the leading factor hindering ease for engaging in business in Indonesia<sup>382</sup>.

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

The Government of Indonesia has established a strong partnership of stakeholders for coordination, cooperation and implementation of the SDGs. Four participatory platforms together with a number of other collaborative networks include:

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.

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<sup>379</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>380</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>381</sup> World Bank Ease of Doing Business Report, 2016.

<sup>382</sup> The World Economic Forum Global Competitiveness Report 2015-2016, cited in Asialink Business.

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.

#### **Annex 4. A summary of institutional challenges confronting the health sector**

Substantial gaps remain in the availability of Human Resources for Health (HRH) in Indonesia<sup>383</sup>. Lack of physicians, especially public health personnel, occurs at many puskesmas particularly those in the eastern regions of the country. Lack of HRH, especially specialists, also occurs at advanced healthcare facilities (hospitals). The rapid growth of private healthcare facilities in the big cities and inadequate incentives for service in underserved and remote areas have resulted in major HRH disparities, with eastern regions of the country most adversely affected. The lack of skilled professionals at the healthcare facilities results in multitasking and task-shifting both at puskesmas and hospitals, which eventually affects the quality of health services. Simultaneously, Indonesia is facing challenges in the quality of its medical professionals and higher education institutions.

The availability of pharmaceuticals and medical equipment is also a major challenge, especially in underserved areas, borders, and outermost islands (DTPK) areas. Poor management and procurement systems as well as drug management contributes to an uneven distribution of pharmaceuticals and medical equipment. Lack of in-country production limits pharmaceuticals and medical equipment availability. Many health facilities and hospitals that have yet to reach national standards. There are also gaps in the number and distribution of secondary and tertiary health facilities, referral systems and concerns regarding service quality.

Progress is still needed for Indonesia to achieve Universal Health Coverage. On a scale of 0–100, Indonesia scores 39.37 in the Universal Health Coverage Index, which measures progress toward the Sustainable Development Goal indicator of achieving universal coverage (SDG indicator 3.8) by 2030. The country is expected to continue to improve, with a projected index rating of 56 by 2030<sup>384</sup>. Although Indonesia is following a social health insurance model for attaining UHC in principle, in reality, the health system is financed through a combination of sources and disparate flows. Public funding to the health sector is very low and Out of Pocket (OOP) spending by households – a generally inefficient and inequitable financing modality – has remained in excess of 45 percent since 1995, providing the largest source of financing for health in Indonesia.

There are large regional disparities in health across Indonesia. These differences in DALYs lost between geographic areas reflect pervasive health inequalities between the eastern and western parts of Indonesia. For example, communicable diseases are the main driver in Papua, followed by Maluku and Gorontalo. Conversely, the greatest contribution of NCDs to DALYs lost exists in North Sulawesi, followed by West Nusa Tenggara, and West Sumatra. In addition to access to health facilities and professionals, relatively low availability of health promotion and education programming in eastern Indonesia contributes to the burden of disease<sup>385</sup>.

In addition, central government delivers only one-third of public health spending, with the focus being on curative rather than promotive and preventive services. Fragmentation of financing especially at SNG and (public) health facilities is also a challenge, and duplication leads to wasteful spending<sup>386</sup>. The four primary sources of health financing in the country include out-of-pocket (OOP) spending by households, government budgetary supply-side health spending, social health insurance (i.e., JKN) expenditures, and a small amount of external financing<sup>387</sup>. Such underinvestment in health can limit the depth of coverage and also undermine service delivery. International benchmarking also suggests that Indonesia can improve health outcomes by improving the quality of its health spending. As the responsibility of service delivery is decentralized to the subnational level, the central government manages only 35 percent of total public health spending<sup>388</sup>.

#### **Annex 5. The Social Protection System and the SDGs**

As Indonesia pursues the Sustainable Development Goals (SDGs) the importance of building comprehensive and effective social protection systems becomes more apparent. These systems themselves are uniquely placed to serve as a tool for connecting different goals, especially those founded upon human rights and moving the 2030

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<sup>383</sup> Riskesdas, 2017.

<sup>384</sup> On the road to universal health care in Indonesia, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016, *Lancet* 2018.

<sup>385</sup> Revealing the Missing Link: Private Sector Supply-Side Readiness for Primary Maternal Health Services in Indonesia.

<sup>386</sup> Improving the Quality of Indonesia's Health Spending in the Context of The Health Financing Transition - Health Sector Public Expenditure Review, World Bank, 2017.

<sup>387</sup> Revealing the Missing Link: Private Sector Supply-Side Readiness for Primary Maternal Health Services in Indonesia.

<sup>388</sup> Improving the Quality of Indonesia's Health Spending in the Context of The Health Financing Transition - Health Sector Public Expenditure Review, World Bank, 2017.

Agenda for Sustainable Development forward. For example, social protection policies play a critical role in reducing poverty and inequality and supporting inclusive growth. For example:

- **SDG Target 1.3** explicitly encourages the Implementation of nationally-appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable.
- **SDG Target 3.8** promotes universal health coverage, including financial risk protection, access to quality essential healthcare services and access to safe, effective, quality and affordable essential medicines and vaccines for all.
- **SDG Target 5.4** recognises and value unpaid care and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.
- **SDG Target 8.5** promulgates full and productive employment and decent work for all women and men, including young people and people with disabilities, and equal pay for work of equal value.
- **SDG Target 10.4** recommends the adoption of policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Hence, comprehensive social protection provides a vital bedrock of support for Indonesia to accelerate its progress towards the SDGs by 2030.

## Annex 5. UN Covenants, Conventions and Protocols.

Indonesia has ratified 8 of the 9 core human rights instruments acceded to a number of other core conventions and protocols:

1. **Convention Against Torture and other Cruel Inhumane or Degrading Treatment or Punishment (CAT)**. Signature date, 23 October 1885, ratification date 28 October 1998. **Optional Protocol of the Convention Against Torture, (CAT – OP)**.
2. **International Convention on Civil and Political Rights (CCPR)**. Accession date 23 February 2006. **Second Optional Protocol to the International Convention on Civil and Political Rights aiming to the abolition of the death penalty (CCPR – OP2-DP)**.
3. **Convention for the Protection of All Persons from Enforced Disappearance (CED)**. Signature date 27 September 2010, *but has not yet ratified*.
4. **Convention on the Elimination of All Forms of Discrimination against Women (CEDAW)**. Signature date: 29 July 1980. Ratification date: 13 September 1984.
5. **International Convention on the Elimination of All Forms of Racial Discrimination (CERD)**, Accession date: 25 June 1999.
6. **International Convention on Economic, Social and Cultural Rights (CESCR)**. Accession date: 23 February 2006.
7. **International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, (CMW)**. Signature date: 22 September 2004. Ratification date: 31 May 2012.
8. **Convention on the Rights of the Child (CRC)**. Signature date: 26 January 1990. Ratification date: 5 September 1990. **Optional Protocol to the Convention on the Rights of the Child on the involvement of children in Armed Conflict (CRC-OP-AC)**. Signature date: 24 September 2001. Ratification date: 24 September 2012. **Optional Protocol to the Convention on the Rights of the Child on the sale of children to child prostitution and child pornography (CRC-OP-SC)**. Signature date: 24 September 2001. Ratification date: 24 September 2012 (the Optional Protocol on Communication Procedures has not yet been ratified).
9. **Convention on the Rights of Persons with Disabilities (CRPD)**. Signature date: 30 March 2007. Ratification date: 30 November 2011. While significant progress has been made with regard to legislative provisions that uphold the rights of persons with disabilities in the form of law No. 8 on persons with disabilities (2016), this law is not in full conformity with the Convention on the Rights of Persons with Disabilities as, for example, it fails to recognize the legal capacity of persons with disabilities.”
10. **1954 Convention for the Protection of Cultural Property in the Event of Armed Conflict**. Ratification 10 January 1967. First protocol. Ratification 26 July 1967.
11. **1972 Convention concerning the Protection of the World Cultural and Natural Heritage**. Acceptance of the Convention Thursday, 6 July 1989
12. **2003 Convention for the Safeguarding of Intangible Cultural Heritage**. Ratification of the Convention on 15 October 2007.
13. **2005 Convention for the Protection and Promotion of the Diversity of Cultural Expressions**. Accession to the Convention on 12 January 2012.

#### **14. International Convention on The Protection of The Rights of All Migrant Workers and Members of Their Families**

**A number of Optional Protocols to these Conventions remain unratified.** Indonesia has yet to ratify the Optional Protocol to the Convention on the Elimination of all forms of Discrimination Against Women (OP-CEDAW), the Rome Statute of the ICC, the Optional Protocol to the Convention against Torture, and the ILO Convention n. 189 on Decent Work for Domestic Workers. Furthermore, Indonesia has still not ratified the 1951 Convention relating to the Status of Refugees and its 1967 Protocol, the 1954 Convention relating to the Status of Stateless Persons, the 1961 Convention on the Reduction of Statelessness, and the Optional Protocol to the Convention against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment<sup>389</sup>.

#### **International Conference on Population and Development (ICPD).**

Although Indonesia is a signatory of the ICPD programme of action, the national Health Law 36/2009 stipulates that access to information and services on sexual and reproductive health may only be provided to “legal partners”. Health care providers, particularly Government health care centers, therefore do not normally provide sexual and reproductive health services, including contraception and family planning to unmarried people. Thus the strong social stigma attached to premarital sex and premarital pregnancy, as well as lack of access to contraceptives, leaves young people at risk of unplanned pregnancies, unsafe abortion and STIs. Thus, the strong social stigma attached to premarital pregnancy discourages unmarried women and girls from seeking antenatal and postnatal services and leaves them at risk of unwanted pregnancies, sexually transmitted diseases, unsafe abortion and human rights abuses. There is widespread opposition to include information on sexual health and contraceptives, such as condoms, as part of health programmes targeting unmarried adolescents. National laws and policies regarding age of consent for medical interventions, in particular the Child Protection Law 2002, pose constraints on sensitive issues such as voluntary testing for HIV, as health care workers need to consult both parents and children when a decision is being made about medical testing or treatment.<sup>390</sup>

**Tobacco Convention.** Indonesia is not yet a State Party to the Tobacco Convention.

#### **UN High Level Commitment on AIDS.**

**United Nations Framework Convention on Climate Change.** Important steps to address the challenges presented by climate change with both mitigation and adaptation measures. Formal pledges have been undertaken by the Government in its National Disclosed Commitment (NDC) to reduce its green house gas emissions by 26 percent by 2020, and with adequate international assistance, a further reduction of 41 percent by 2030. Most of this goal (87 percent) is to be achieved by reducing emissions from deforestation and peat land conversion.<sup>391</sup> The Government has also developed a National Action Plan for Adaptation to Climate Change (RAN-API) targeted at building economic, energy and food resilience, establishing livelihood resilience, maintaining environmental service resilience, and strengthening vulnerable areas’ (e.g. urban, coastal and small islands infrastructure) resilience, along with supporting systems.<sup>392</sup> These initiatives are also integrated into the National Development Plan.

**Sendai Framework for Disaster Risk Reduction (SFDRR).** Indonesia’s is seeking to integrate the Sendai Framework into its institutions and policies. There are 4 priorities to be achieved on the journey to 2030: i) understanding disaster risk based on science, technology and local wisdom; ii) 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; iii) 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; iv) 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.

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<sup>389</sup> United Nations Country Team Indonesia, Report for the Universal Periodic Review of Indonesia, 27th Session, April-May 2017.

<sup>390</sup> United Nations Country Team Indonesia, Report for the Universal Periodic Review of Indonesia, 27th Session, April-May 2017.

<sup>391</sup> Ministry of Foreign Affairs (MoFA), April 2018, Indonesia Climate Change Profile.

<sup>392</sup> MoEF, TNC, 2017.

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.

**Hyogo Framework for Action.** Indonesia has transformed from a focus on emergency response after disasters to a more comprehensive and integrated preventative approach to DRR, by actively restructuring its institutions, laws and policies. The country has seen a gradual improvement in implementing Hyogo Framework Assessment priorities, seeing its score increase from 3.0 (out of 5) to 3.7 between 2013 to 2015.<sup>393</sup>

**UN Convention on Biological Diversity (UN CBD).** Twenty years after ratifying the UN Convention on Biological Diversity the Government published its national strategic plan in 2016 outlining steps to mitigate invasive species through policy, institution-building, information management, research and education, capacity-building and public awareness.<sup>394</sup>

**Minamata Convention on Mercury.** Indonesia has undertaken significant steps toward the elimination of mercury in Artisanal and Small-Scale Gold Mining (ASGM), including signing the Minamata Convention on Mercury in October 2013 and the ratification of the Convention on 22 September 2017 through the issuance of Law No. 11/2017. The law, aiming to eradicate the use of mercury in small-scale gold mining by 2025, and in the health sector by 2020, was issued in April 2019, with targets to cut the use of mercury in manufacturing by 50 percent of current levels, and cut mercury emissions in the energy sector by 33 percent by 2030.<sup>395</sup>

#### **International Convention on The Protection of The Rights of All Migrant Workers and Members of Their Families.**

Indonesia signed the International Convention on The Protection of The Rights of All Migrant Workers and Members of Their Families on 22 September 2004 and ratified the convention on 31 May 2012 through the issuance of law no 6/2012. Following ratification, Indonesia implemented significant efforts to protect and fulfil the rights of migrant worker and their family members. In 2013, the Government issued 3 regulations namely: Government Regulation No 3/2013 on the Protection of Indonesian Workers Overseas, Government Regulation No 4/2013 on the Procedures and Placement Process, and Government Regulation No 5/2013 on Assessment Procedures of Business Partners and Individuals. Further, to maximize the protection effort, GOI also established 21 Taskforces in debarkation areas to prevent non-procedural migration. The Government also developed a programme known as “Productive Migrant Villages,” or *Desmigratif* in 2017. This programme aims to enhance the protection and empowerment of the villages where migrant workers originate. To date, Government has established 402 *Desmigratif* villages. To strengthen the Government’s role in protecting migrant workers, the Government has amended Law No 39/2004 on the Placement and Protection of Indonesian worker overseas with the new law No 18/2017 on the protection of migrant workers. With this new law, GoI has established one stop service centre for migrant workers known as LTSA (Layanan Terpadu Satu Atap) which aim to provide fast response to the needs of migrant workers and avoiding the middleman role in the migration process.

Indonesia ratified the **UN Convention on Law of the Sea in 1986.**

**Indonesia engages actively with UNESCO’s Man and the Biosphere (MAB) programme and its World Network of Biosphere Reserves** counting 701 sites in 124 countries. Indonesia has successfully sought UNESCO recognition of 16 biosphere reserves, connecting some of the country’s most significant protected areas with surrounding communities through an integrated conservation and development approach supported by research, education and international networking. Indonesia hosted the 2018 MAB International Coordinating Council session in Palembang, South Sumatra.

**Indonesia contributes to the UNESCO International Geosciences and Geoparks programme and the**

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<sup>393</sup> R. Djalante et al. 2017, Disaster Risk Reduction in Indonesia: Progress, Challenges and Issues. DOI 10.1007/978-3-319-54466-3\_1.

<sup>394</sup> Satriastanti, F.E. 29 June 2015; After two decades, Indonesia publishes plan for tackling invasive species: <https://news.mongabay.com/2015/06/after-two-decades-indonesia-publishes-plan-for-tackling-invasive-species/>

<sup>395</sup> Reuters News Service, 7 May 2019, Indonesia says ramping up push against mercury in mining, industry: <https://www.reuters.com/article/us-indonesia-mercury/indonesia-says-ramping-up-push-against-mercury-in-mining-industry-idUSKCN1SD0J5>

**global network of UNESCO Global Geoparks** counting 147 sites in 41 countries, including 4 in Indonesia. Indonesia hosted the 2019 session of the Global Geoparks Council in Lombok, West Nusa Tenggara.



## Annex 6. Key Dimensions of Risks

The following table outlines the key dimensions and risk factors for Indonesia which should be monitored over time to provide early warning of potential deterioration in the human rights situation which would require early actions and changes in the response from national and local authorities and the UN.

Dimensions	Risks in Indonesia's context
<b>Political Stability; Democratic Space; Social cohesion, gender equality and non-discrimination; Regional and global influences; Internal security</b>	<ul style="list-style-type: none"> <li>• Rising intolerance (political, religious, towards sexual minorities)</li> <li>• Violent extremism, including security threats, terrorist acts</li> <li>• Youth bulge</li> <li>• Limited opportunities for women (in the economy and politics)</li> <li>• Ethnic and religious tensions in some areas</li> <li>• Indigenous groups limited power vs large economic interests</li> <li>• Corruption which compromises state interests</li> <li>• Lack of participation or exclusion of minorities</li> <li>• Election violence</li> <li>• Communal violence</li> <li>• Non-state armed groups</li> <li>• Lack of adequate legal protection against discrimination and discriminatory laws and policy</li> <li>• Sexual violence</li> <li>• Hate speech in the public domain</li> </ul>
<b>Justice and rule of Law</b>	<ul style="list-style-type: none"> <li>• Land tenure</li> <li>• Lack of accountability for past human rights violations</li> <li>• Excessive use of force/killings by security forces</li> <li>• Impunity for violations committed by security forces</li> </ul>
<b>Economic stability</b>	<ul style="list-style-type: none"> <li>• Economic and technological transformation</li> </ul>
<b>Infrastructure and access to social services</b>	<ul style="list-style-type: none"> <li>• Poor and those living in remote areas have limited access to quality social services</li> <li>• Limited road facilities and transport in remote areas</li> <li>• Some issues with health facilities and medical supply</li> <li>• Teachers' qualifications and absenteeism</li> </ul>
<b>Displacement and migration</b>	<ul style="list-style-type: none"> <li>• Indonesian migrants vulnerable to human trafficking and exploitation</li> <li>• Limited access to services for PoC</li> </ul>
<b>Public Health</b>	<ul style="list-style-type: none"> <li>• Vaccination rate in some areas are low</li> </ul>
<b>Food Security, Agriculture and Land</b>	<ul style="list-style-type: none"> <li>• Some issues with land tenure</li> <li>• Food systems affected by natural disasters</li> <li>• Changes in the availability of natural resources essential to livelihood, housing and food security.</li> <li>• Some issues with land tenure and land rights issues particular for indigenous communities</li> <li>• Food systems affected by natural disasters</li> </ul>
<b>Environment and Climate</b>	<ul style="list-style-type: none"> <li>• Disasters-prone country, ring of fire, volcano eruptions, earthquake, tsunamis</li> </ul>

	<ul style="list-style-type: none"> <li>• Climate change induced floods, droughts and landslides</li> <li>• Rising sea level</li> <li>• Exploitation of natural resources</li> </ul>
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The eight major risks to Indonesia’s progress towards the 2030 agenda for sustainable development set out below were identified through the UN led process of multi-partner stakeholder consultations in May 2019 referred above.

The first risk relates to the joint challenge of addressing persistent poverty (SDG 1) and inequalities (SDG 10) right across Indonesia. Even accounting for the considerable progress that has been made in reducing poverty, key economic and social inequalities, discrimination and marginalization of population segments remain. These include high rates of youth unemployment, which not only risks slowing or limiting economic growth, but places poverty affected populations in a more alienated position relative to the mainstream. Without sufficient opportunities or access to services these populations may become trapped and unable to escape conditions of poverty and deprivation. Economic and social isolation can become a breeding ground for grievance and perceptions of injustice which in turn can lead to anti-social, socially disruptive activities. Pockets of disenfranchised communities, in particular, though not exclusively, young males may thereby be more receptive or susceptible to alternative ideologies which seek to redress such perceived or actual injustices. As such, rising conservatism, could be an objection to mainstream excess.

Indonesia’s second risk concerns the quality of its human capital. From the position of a low education<sup>396</sup>, low skills, low productivity economy, effecting an economic transformation based on higher levels of education, skills, creativity, adaptability and innovation in the digital era will require sustained investment in education and training. The quality of teachers, teaching and schools will need to remain a priority going forward, with public investment being increased where possible. These are among the keys to achieving the SDG targets for education (SDG 4), decent work and economic growth (SDG 8). Effective investments in Indonesia should be done throughout a child’s path – from early age to adulthood – for each to achieve full potential. A recent analysis by the University of Washington’s Disease Control Priorities Project (Jamison and others 2015-18) shows that the first 1000 days – from conception to age 2 – are critical for survival and development. A continuing focus on the next 7,000 days – from ages 2 to 20 – is also necessary to help young people develop the cognitive and socioemotional skills they need to succeed. While building a human capital in Indonesia depends on quality of education, good health and nutrition are also required for children and adolescents to be able to participate and learn in school. When we improve the health and nutrition of school children in Indonesia, we transform the rests of their lives. Children who are well-nourished learn more, and as adults they earn more and are more productive. This transformation will carry through the next generation with the improved health of their own children creating a long-term cycle of economic growth and progress.

The third risk relates to health, disease and the risk to human life. There are a number of health and environmental challenges prevalent in Indonesia today which challenge the country’s ability to achieve the SDGs. These SDGs relate directly to health (SDG 3). A number of others, such as no hunger (SDG 2) and clean water and sanitation (SDG 6) have a close bearing on good health. In the health domain directly, high levels of maternal mortality and child stunting represent Indonesia’s two most conspicuous risks to SDG attainment. This is closely followed by the increasing the burden of non-communicable diseases in the HIV/AIDS epidemic. Poor water and air quality as a direct result of pollution and unsustainable and unaccountable business practices also represents a significant risk to human health and another reason why the respective SDGs may be in doubt, as suggested in the recent UNESCAP report.

The fourth major risk to SDG attainment forces a more deliberate look at progress on gender equality and violence against women and girls. This is a risk that underpins all of the others. Cultural and patriarchal norms dominate and are difficult to change without courageous and sustained Government leadership, reflected in fully aligning and implementing the legal and rights-based policy architecture. Women continue to face discrimination in nearly all walks of life. Women and girls are at risk from high levels of maternal mortality, child marriage, violence,

<sup>396</sup> See also Figure 1.38 in the CCA Technical Annex.

FGM, modern day slavery, forced labour, trafficking and exploitation. These also represent a risk to human dignity.

The fifth major risk is the ever-present challenge of natural disasters, which appear frequently and intensively when they strike. The risks are indiscriminate and incur considerable social, economic and environmental distress. Human activity can contribute to the scale of their effect or serve to mitigate their impact. Climate change, towards which Indonesia is presently one of the greatest contributors, is now known to exacerbate extreme weather events. The risks to human life and health are serious, whether through lives lost or injury, or through eco-system degradation and collapse. Only through integrating and investing more comprehensively in early warning systems, better planning and resilience at all levels can this major risk to Indonesia be better managed. The Government is well on the way to accomplishing this – though the challenge still remains. One of the challenges is the shift of focus from the international, including on technical assistance, to the government and capacity building from Indonesia due to its emerging country status. While the needs are still huge to fill in the gap, considering the change on the nature of disasters, the landscape of the government structure and budgeting needs to improve, especially at the local levels. Women and girls are especially impacted by disasters.

The sixth major risk, closely linked to the fifth, is that of climate change, natural resources and bio-diversity management. The increasing risk posed by climate change is significant at all levels, and, in all likelihood, irreversible. It is accompanied by the degradation of Indonesia's natural asset base and its rich bio-diversity. In addition, climate change has the propensity to cut across all sectors and requires a comprehensive response from the national, provincial and community level. The risk for Indonesia is that its response to climate change is not implemented sufficiently quickly in sector after sector, and province after province, and that its SDG targets are not attained.

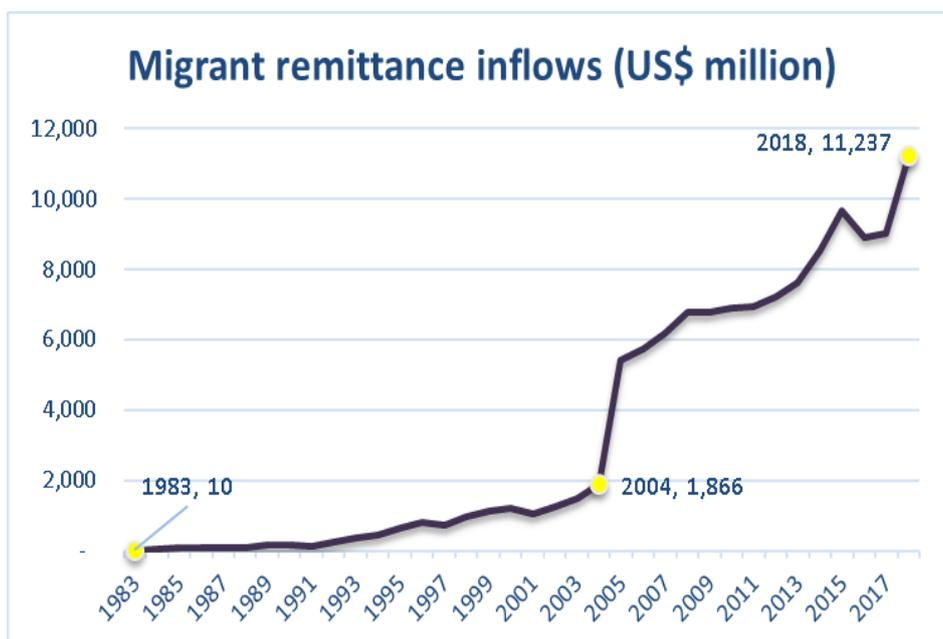
The seventh, and perhaps most foreboding risk is that from rising intolerance, identity politics and religious conservatism, which impacts on a large range of marginalised groups. This risk, if not carefully managed, possesses the ultimate potential to upset the progress of all of the SDGs and roll back Indonesia's recent democratic and development trajectory. An augmented risk is that of radicalization and violent extremism, albeit it from a tiny minority, facilitated perhaps by increasing linkages to regional and global terrorist organisations extremes in wealth and poverty, an under-governed social media and internet, through which violent ideologies are cast. These unwelcome streams are a direct challenge to Indonesia's long cherished inclusive, progressive, pluralistic society.

The eighth major risk are weaknesses which could impact on inclusive, effective and accountable governance including in relation to access to justice and accountability for human rights violations; transparency and corruption; laws and regulations; and evidence-based decision-making. These weaknesses will be further exposed should conflict flare-up (in Papua for example) or the country experience a recession or an economic downturn.

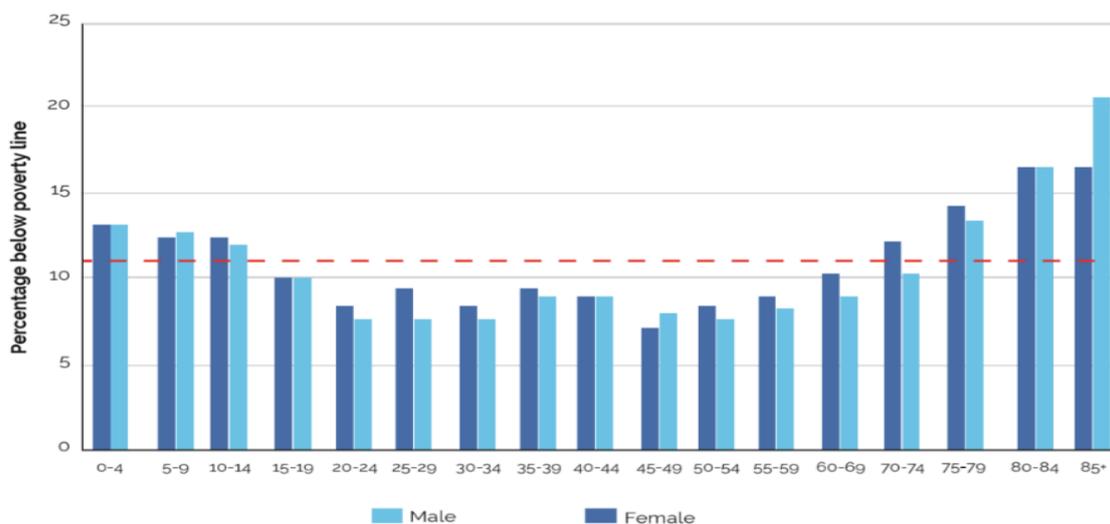
There are also risks associated with financing – revenue generation in particular - a cross-cutting challenge, insofar as it affects all the others and is the means by which they succeed or fail. The Government has set out an ambitious plan for accomplishing and financing the 2030 agenda and SDGs in Indonesia. The RPJMN (2020 – 2024) planning framework and its policy objectives are unquestionably clear and strong. The primary risks however are embodied in its delivery. Even with exemplary leadership, there are challenges associated with transforming a bureaucratic structure into an effective and efficient system for the full realization of all 94 national targets the Government has adopted under the 2030 agenda for sustainable development. The same level of economic transformation aspired from the private sector will need to be applied to public sector performance.

Governance systems also grapple with issues of coherence and co-ordination at both the national and sub-national levels, and capacity deficits for the pursuit of proper compliance, monitoring and enforcement are highlighted among the chief concerns for local authorities. The extent to which government is able to address corruption at all levels will send a powerful signal of intent to addressing one of major sub-risks in this category. The risk of sufficient revenue generation and public investment to deliver the goals is also present. In sum, the entirety of governance system is chiefly responsible for setting the enabling environment for the nation to succeed as a whole, without anyone being left behind.

**Figure 1.16. Migrant Remittance Inflows to Indonesian 1983 – 2017**



**Figure 1.18: Percentage of people below the poverty line<sup>397</sup>.**



Poverty persistence is even more acute if the national poverty line (which is set very low) is doubled. For instance, a study recently conducted by the SMERU Research Institute found that poverty increased significantly when the poverty line was increased, particularly among children. Using the current definition of poverty, 14% of children were found to live below the national poverty line, but this number increased by 60% when the poverty line was doubled.

<sup>397</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

Figure 1.11. Indonesian age pyramids (thousands), 2015 and 2045<sup>398</sup>

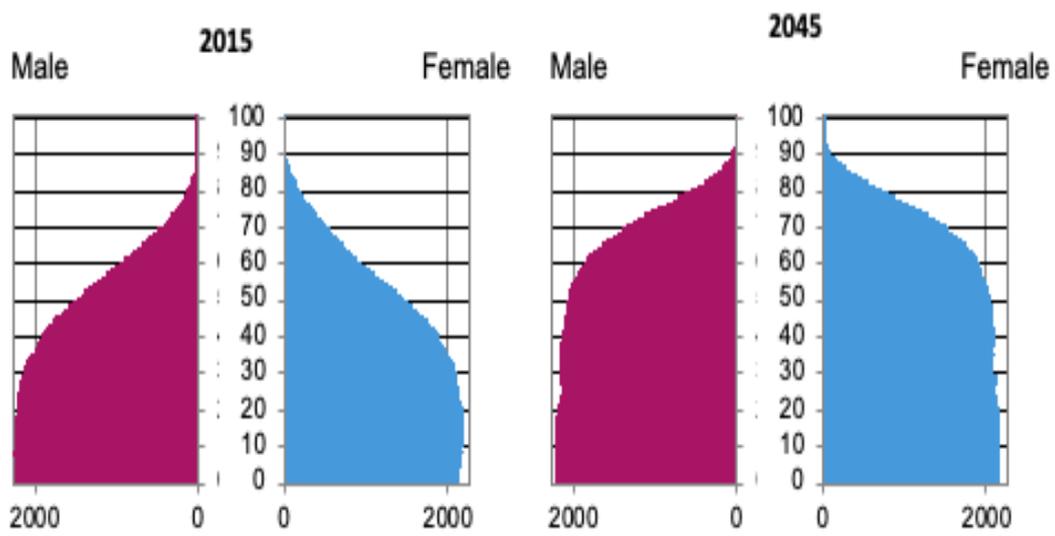
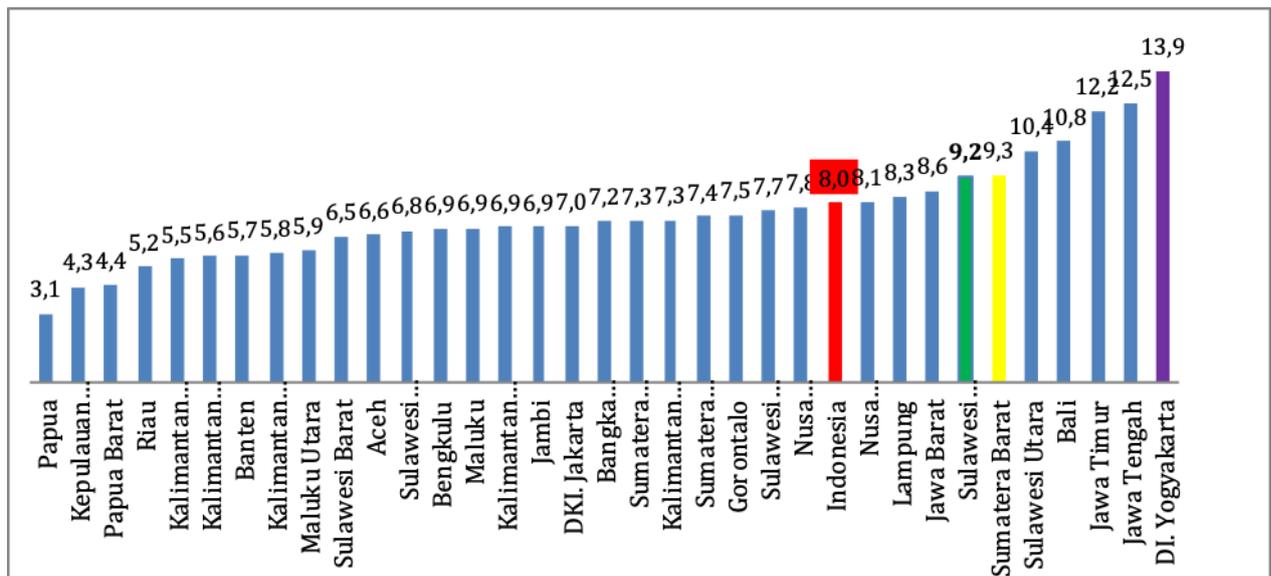


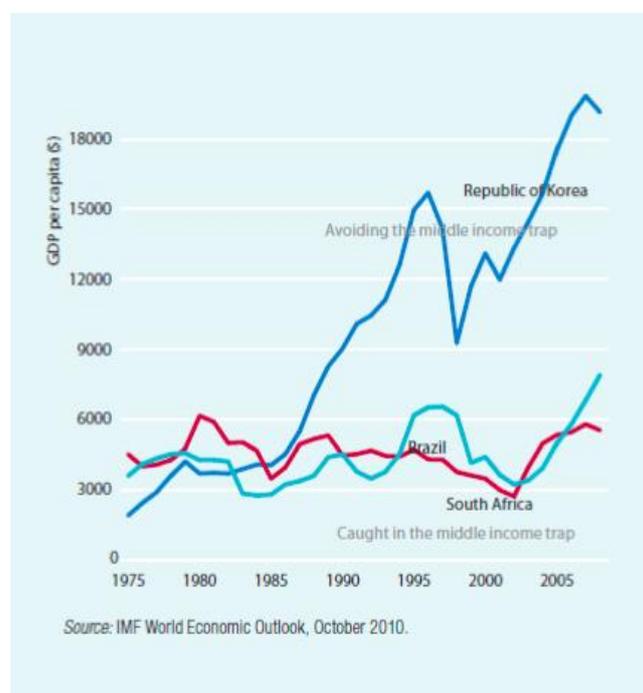
Figure 1.12. Variations in Population Ageing, Province<sup>399</sup>



<sup>398</sup> Source: Indonesia Population Projection, BPS-BAPPENAS-UNFPA, 2019.

<sup>399</sup> Source: BPS, National Socio-Economic Survey (SUSENAS), 2017

**Figure 1.13. Avoiding the middle income trap<sup>400</sup>**



**Figure 1.14. International Migrants from Indonesia: 2011 – 2018<sup>401</sup>**

Year	Total out-migrants (million)	% share of females
2011	5.87	64
2012	4.95	57
2013	5.12	54
2014	4.29	57
2015	2.76	60
2016(Jan-Sep)	1.75	62
2017(Jan-Sep)	1.85	69
2018(Jan-Sep)	2.04	69

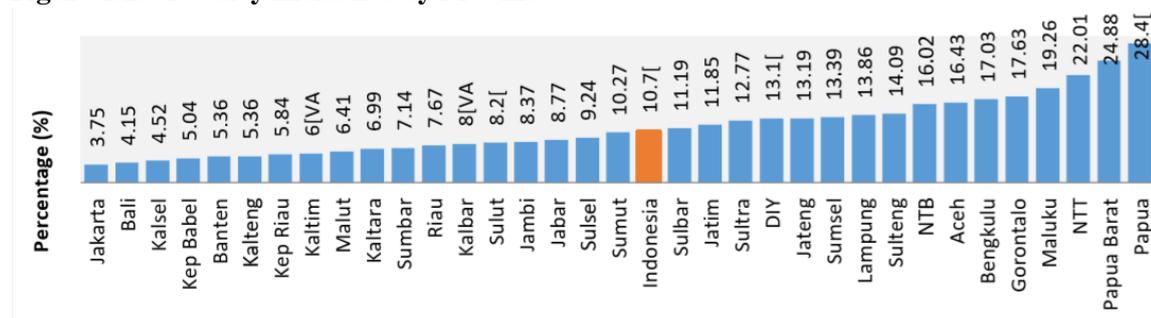
<sup>400</sup> Reproduced in ADB (2011).

<sup>401</sup> Source: data of 2011-2015 from BNP2TKI (2015); data of 2016-2018 from BNP2TKI (2018).

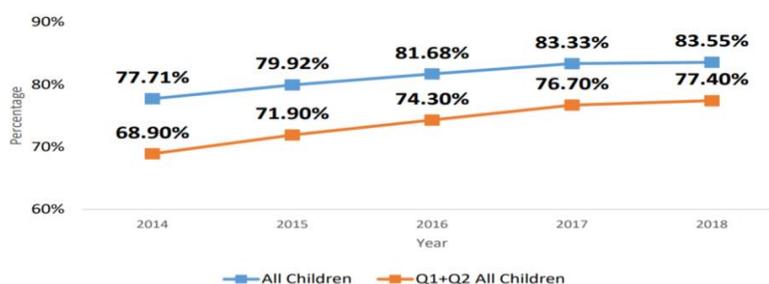
**Table 1.15. Number of Foreign Workers in Indonesia by Country of Origin, 2015 and 2016, (thousand)<sup>402</sup>**

Country of Origin	2015	2016
China	17,515	21,271
Japan	12,653	12,490
South Korea	7,590	8,424
India	5,900	5,059
Malaysia	4,305	4,138
United States of America	3,731	2,812
Thailand	3,557	2,394
Australia	3,069	2,483
Philippines	3,126	3,428
United Kingdom	2,531	2,252
Singapore	1,245	1,748
Others	3,803	7,664
Total	69,025	74,183

**Figure 1.19. Poverty Incidence by Province<sup>403</sup>**



**Figure 1.20. Proportion of Birth Certificate for Children (0-17 Year) by Social Economic Status, 2014 – 2018<sup>404</sup>**

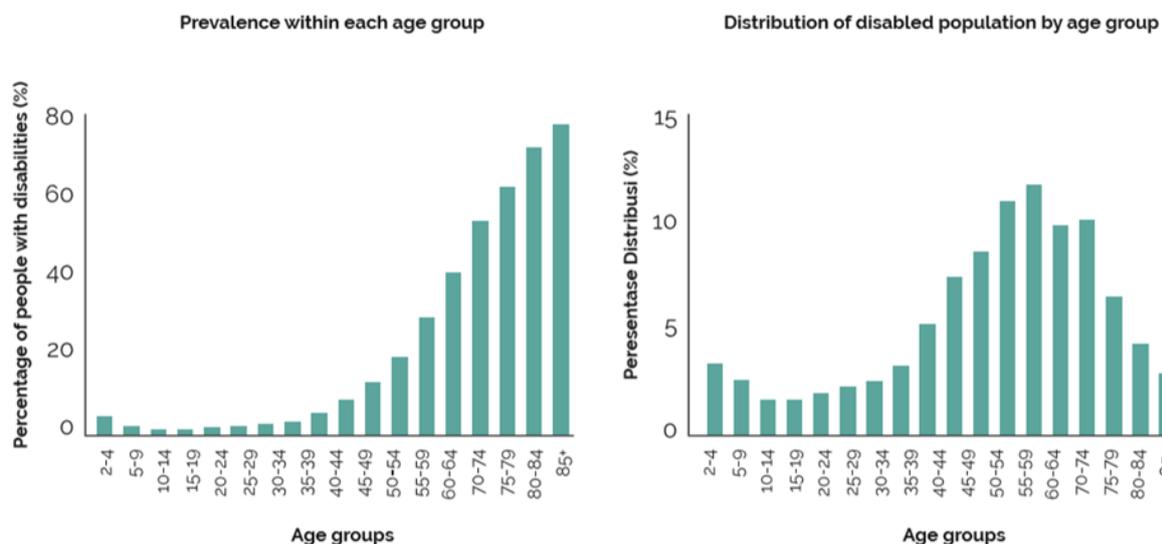


<sup>402</sup> Source: data of Binapenta-Kemnaker, cited from Badan Pusat Statistik (2017).

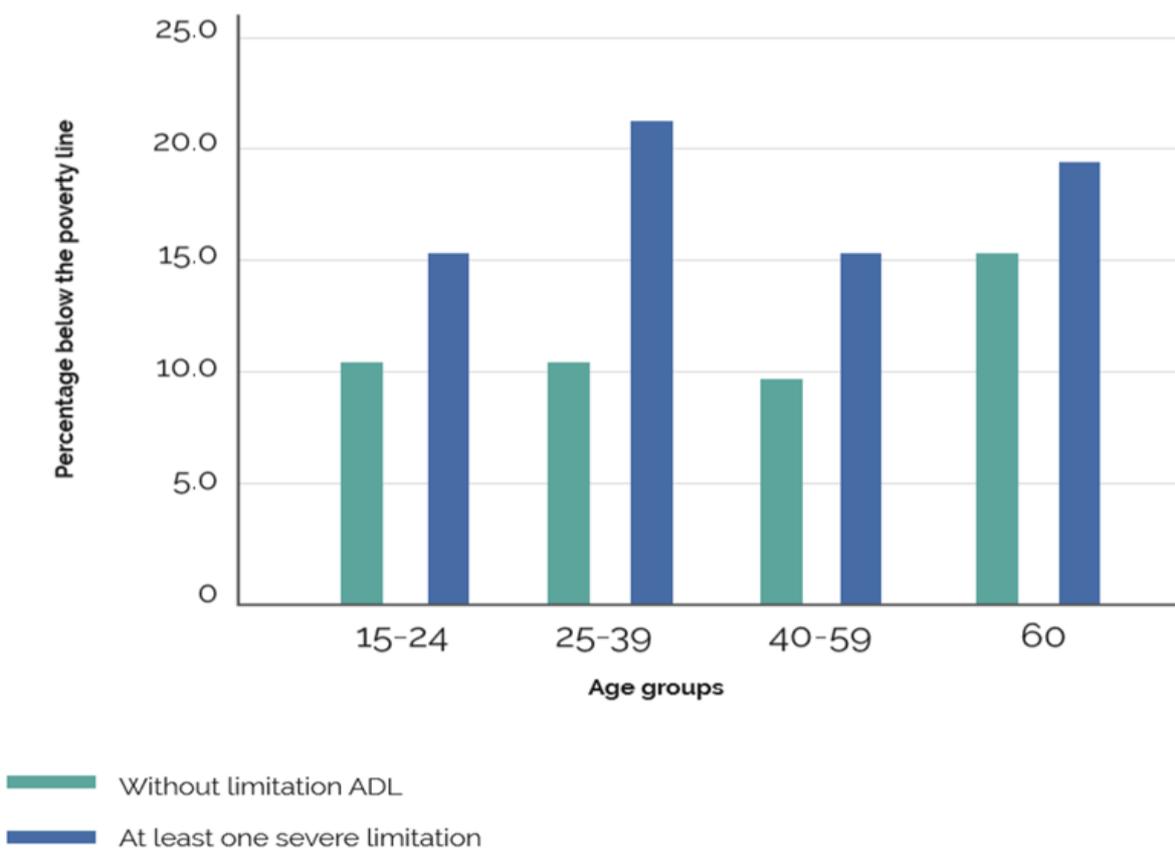
<sup>403</sup> BPS-Statistics Indonesia (September 2016) – cited in the Voluntary National Review (VNR) ‘Eradicating Poverty and Promoting Prosperity in a Changing World’, Republic of Indonesia, 2017.

<sup>404</sup> Statistics Indonesia, cited in Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

**Figure 1.21: Prevalence of disability and distribution of people with moderate or severe disabilities in Indonesia, across age groups<sup>405</sup>**



**Figure 1.22. Poverty rates in Indonesia according to disability status, by age group<sup>406</sup>**



<sup>405</sup> SUPAS 2015, cited in The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018. (SUPAS defines people with disability as having physical, mental, intellectual or sensory limitations, that in the long term can make it difficult for them to participate fully and effectively based on equal rights. SUPAS assesses the severity of disability by following the Washington Group disability question).

<sup>406</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

Figure 1.23. Prevalence of stunting among children under-five in each province<sup>407</sup>

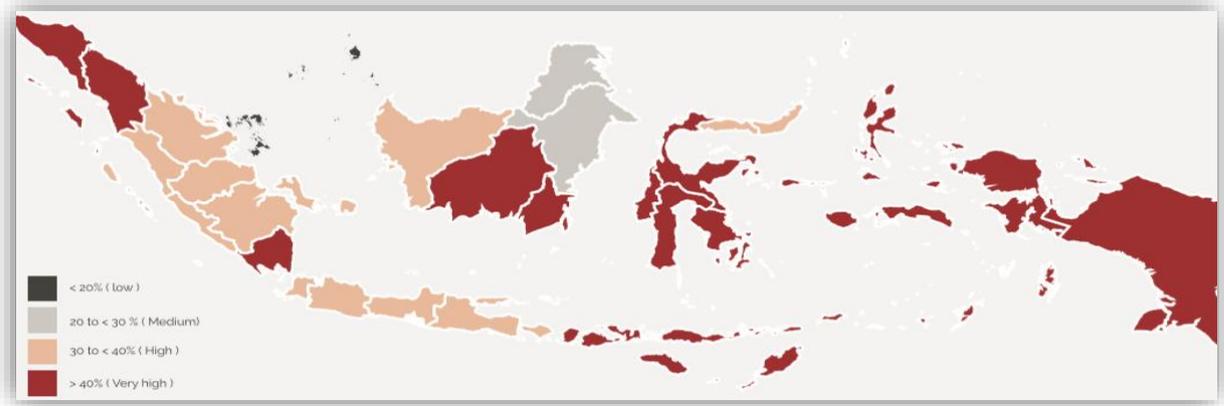


Figure 1.24. Linkage between Stunting and poverty<sup>408</sup>

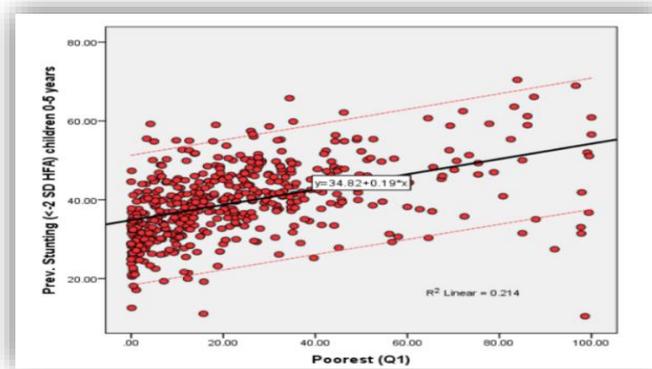
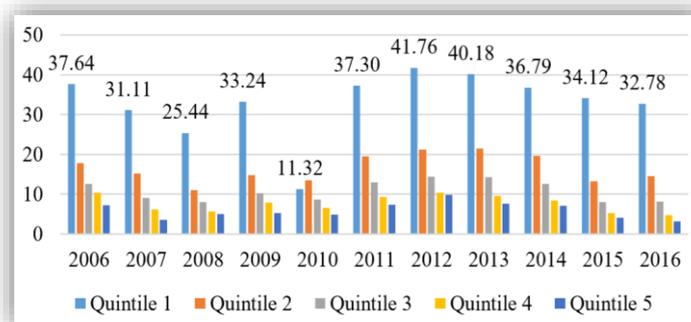


Figure 1.25. Proportion of the Population with a Calorie Intake/Capita/Day below 1400 Kcal Based on Quintile for 2006-2016<sup>409</sup>.

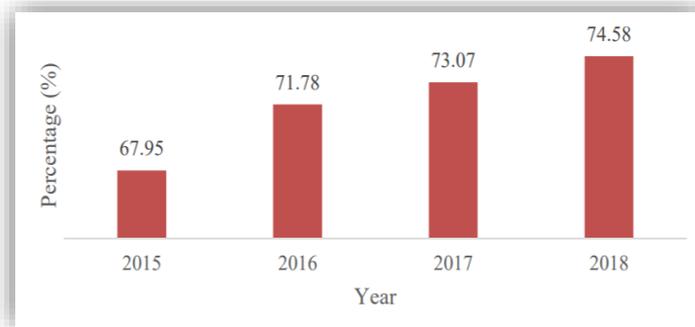


<sup>407</sup> The Future of The Social Protection System in Indonesia: Social Protection for All, Office of the Vice-President of the Republic of Indonesia, The National Team for the Acceleration of Poverty Reduction, 2018.

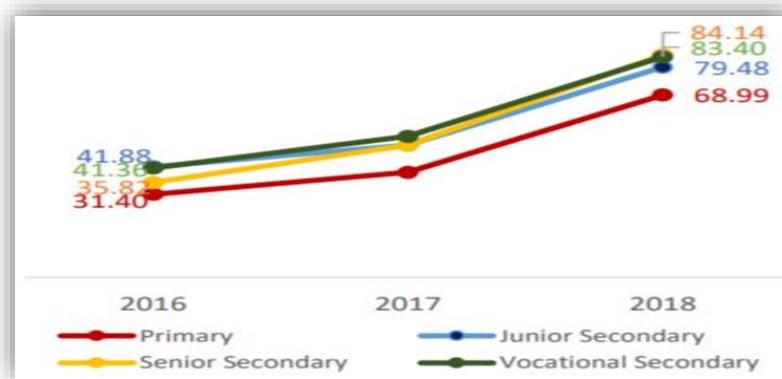
<sup>408</sup> Trihono, et al., 2015 cited in the Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

<sup>409</sup> BPS-Statistic Indonesia, Susenas. Cited in the Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

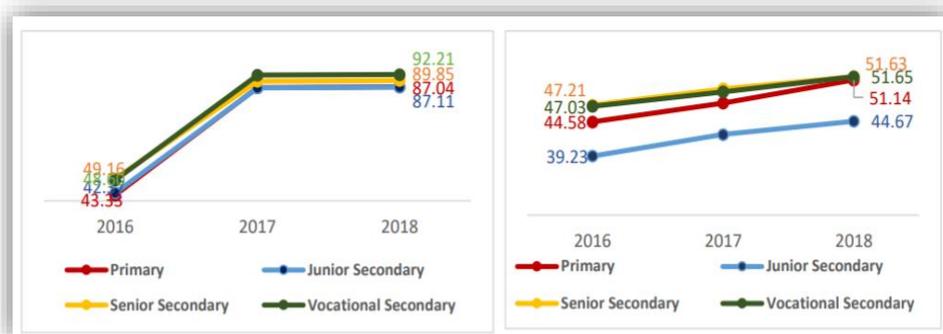
**Figure 1.26. The proportion of household access to sanitation 2015-2018<sup>410</sup>**



**Figure 1.27. Proportion of Schools with Access to Toilet (basic sanitation facilities) by Sex, 2016-2018<sup>411</sup>**



**Figure 1.28. Proportion of Schools With Access to Clean Water and Hand Washing Facilities 2016-2018<sup>412</sup>.**

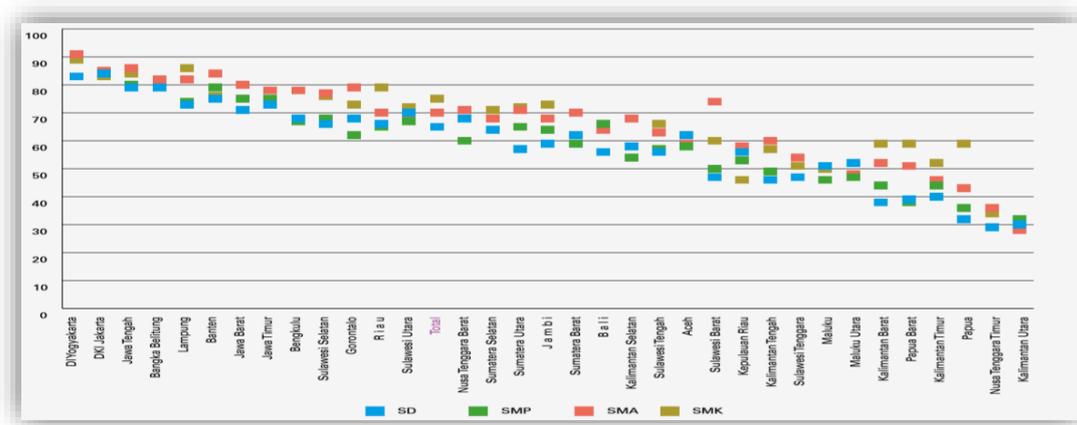


<sup>410</sup> RT RPJMN 2020-2024, cited in the Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

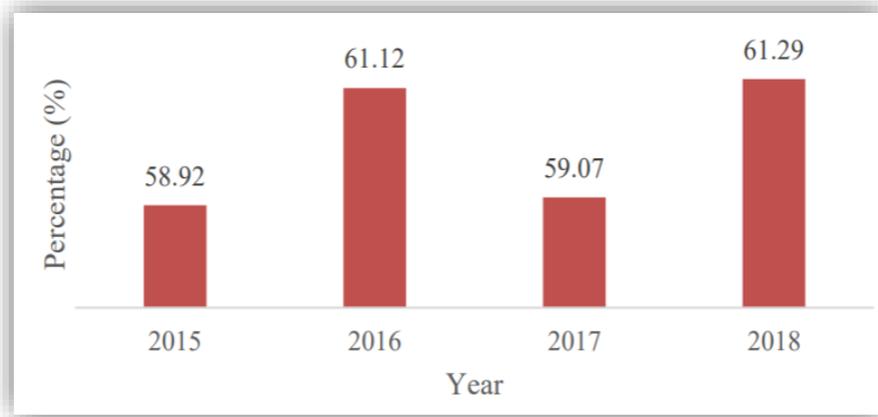
<sup>411</sup> MoEC EMIS 2016-2018 cited in Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

<sup>412</sup> EMIS (Data Pokok Pendidikan/Dapodik), 2016- 2018, cited in Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

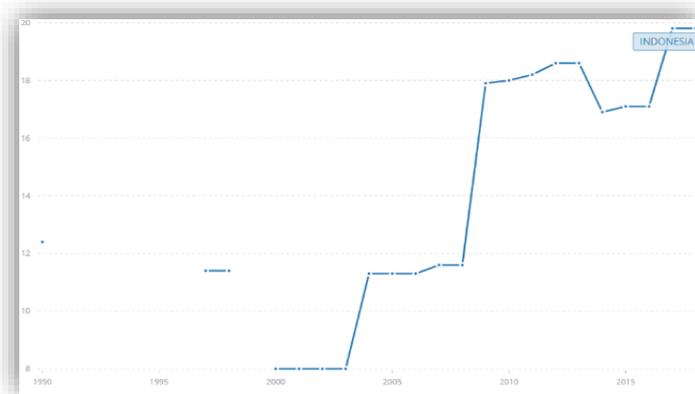
**Figure 1.29. Proportion of Schools With Access to basic handwashing facilities by province 2016-2018<sup>413</sup>**



**Figure 1.30. The proportion of households with access to clean water 2015-2018<sup>414</sup>**



**Figure 1.31. Proportion of seats held by women in House of Representatives<sup>415</sup>**



<sup>413</sup> EMIS (Data Pokok Pendidikan/Dapodik), 2016- 2018, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

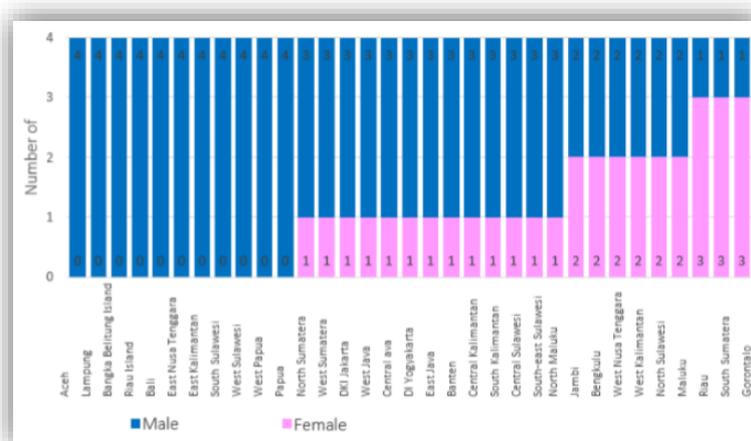
<sup>414</sup> RT RPJMN 2020-2024), cited in the Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>415</sup> <https://data.worldbank.org/indicator/SG.GEN.PARL.ZS?locations=ID>

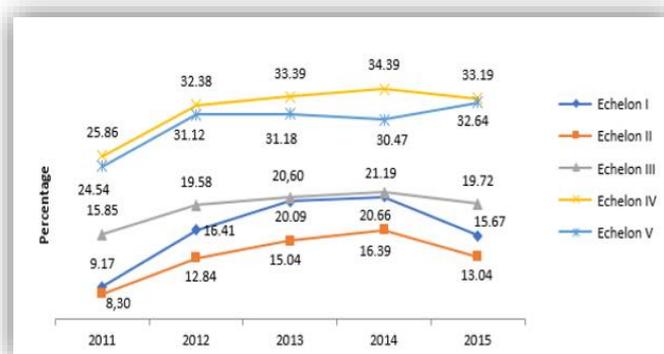
**Figure 1.32. Percentage of Women DPR Members in 1950-2014 General Election<sup>416</sup>**



**Figure 1.33. Number of Women DPD Members by Province, 2014-2019<sup>417</sup>**



**Figure 1.34. Percentage of Women Civil Servant as Echelon I-IV in 2011-2015<sup>418</sup>**

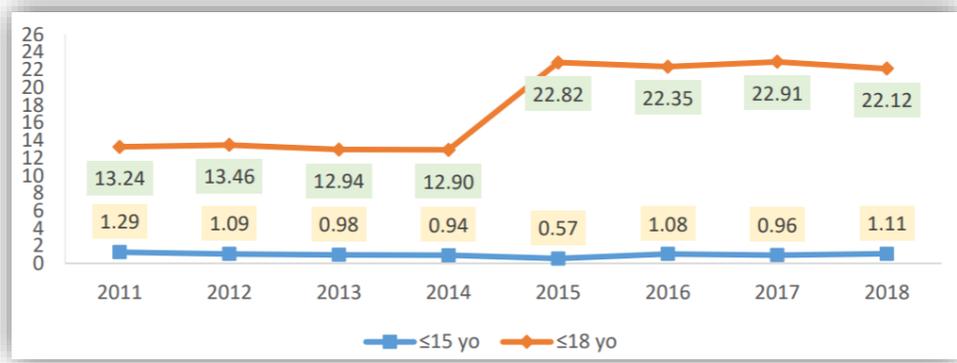


<sup>416</sup> BPS-Statistics Indonesia, 2015, - cited in the Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

<sup>417</sup> BPS-Statistics Indonesia, 2015, - cited in the Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

<sup>418</sup> Source: BPS-Statistics Indonesia 2012-2016/State Personnel Agency, - cited in the Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

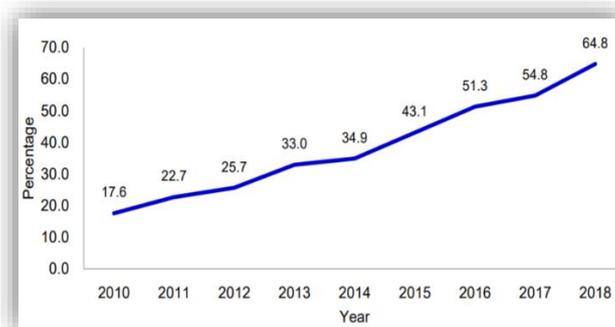
**Figure 1.35. Percentage of women at 20-24 years of age were married for the first time or living together without being married at or before 15 years old and at or before 18 years' old<sup>419</sup>**



**Figure 1.36. Ranking of Innovation<sup>420</sup>**

Country	Innovation					
	2011	2012	2013	2014	2015	2016
Singapore	8	8	9	9	9	9
Malaysia	24	25	25	21	20	22
<b>Indonesia</b>	<b>36</b>	<b>39</b>	<b>33</b>	<b>31</b>	<b>30</b>	<b>31</b>
Thailand	54	68	66	67	57	47
Philippine	108	94	69	52	48	62
Vietnam	66	81	76	87	73	73
Cambodia	85	67	91	116	122	118

**Figure 1.37. Proportion of Individuals using the Internet<sup>421</sup>**

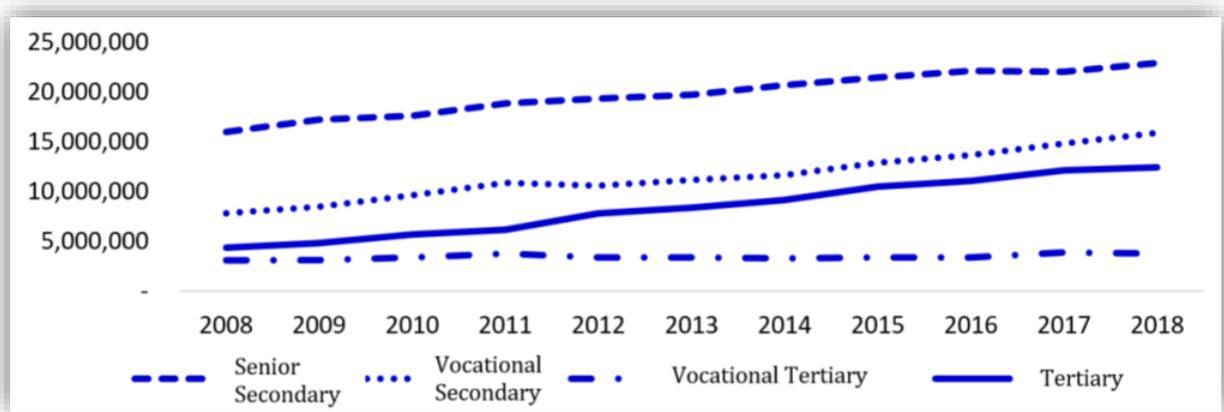


<sup>419</sup> BPS-Statistics Indonesia, cited in the Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

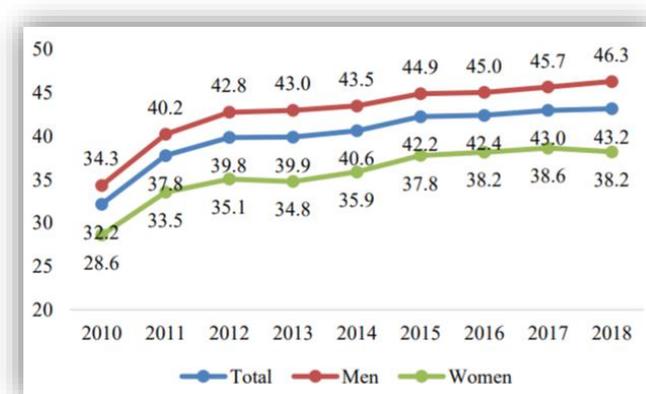
<sup>420</sup> Global Competitiveness Report WEF, various editions – cited in Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

<sup>421</sup> Indonesian Internet Service Provider Association (Asosiasi Penyedia Jasa Internet Indonesia / APJII), cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

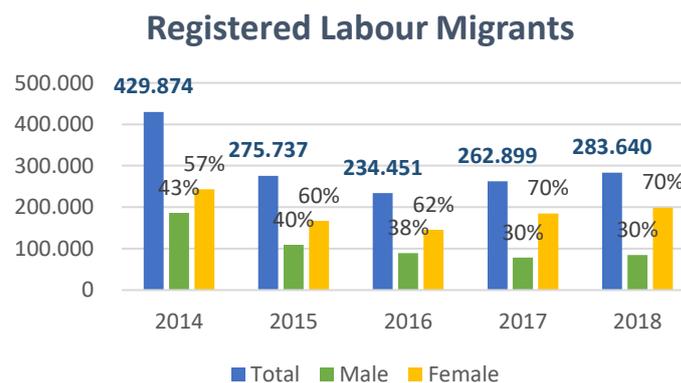
**Figure 1.38. Workforce based on Level of Education Completed<sup>422</sup>**



**Figure 1.39. Proportion of Formal Employment by Sex (%)<sup>423</sup>**



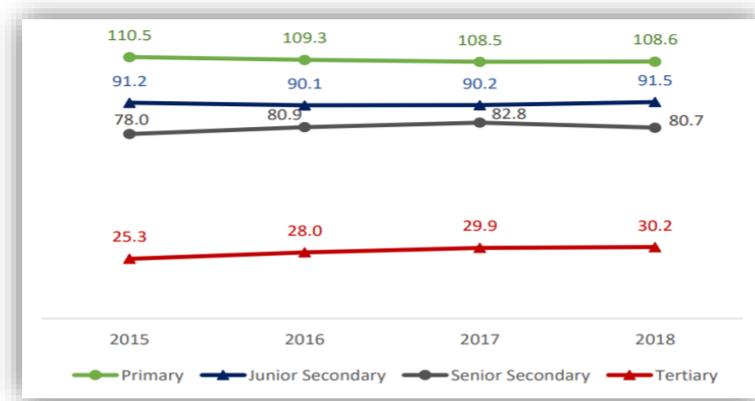
**Figure 1.40. Registered Indonesian Labour Migrants**



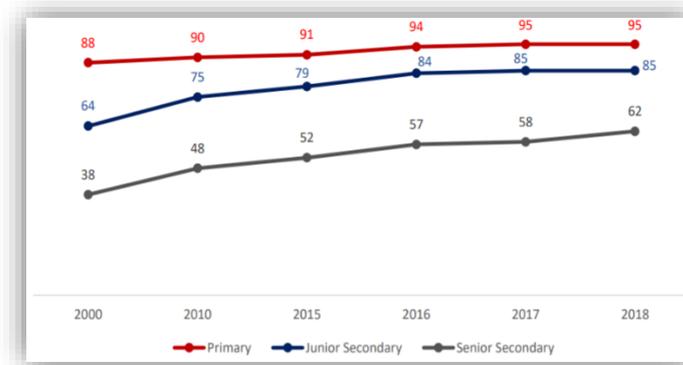
<sup>422</sup> National Labor Force Survey (Sakernas), 2008-2018 – cited in the Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

<sup>423</sup> Statistic Indonesia, cited in Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

**Figure 1.41. Gross Enrolment Rate, 2015-2018<sup>424</sup>**



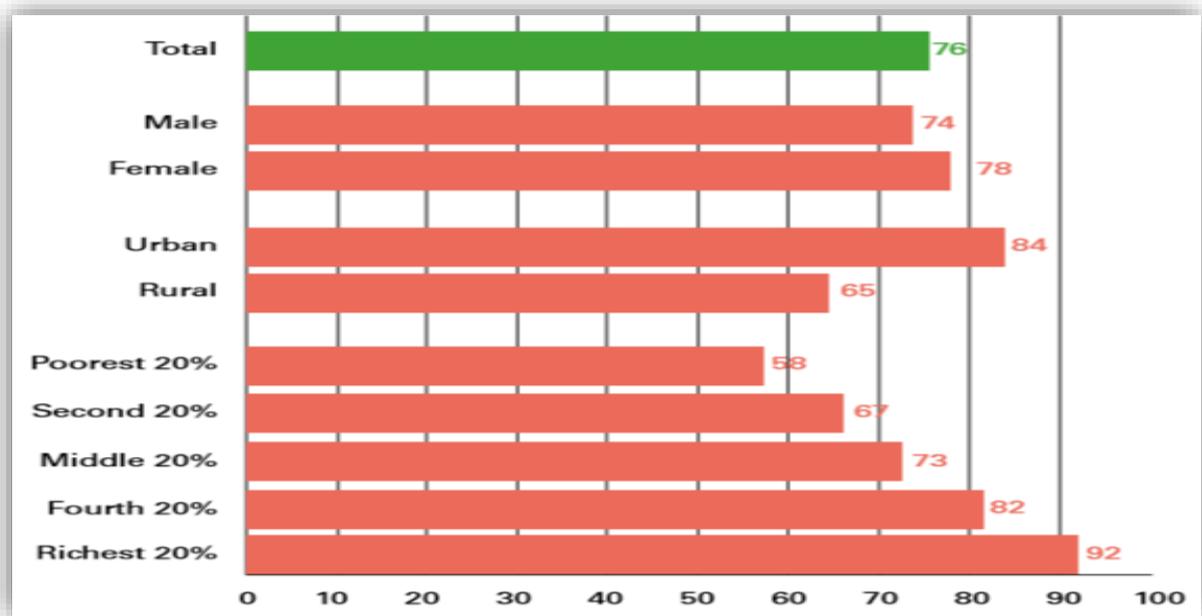
**Figure 1.42. School Completion Rate, 2000 - 2018<sup>425</sup>**



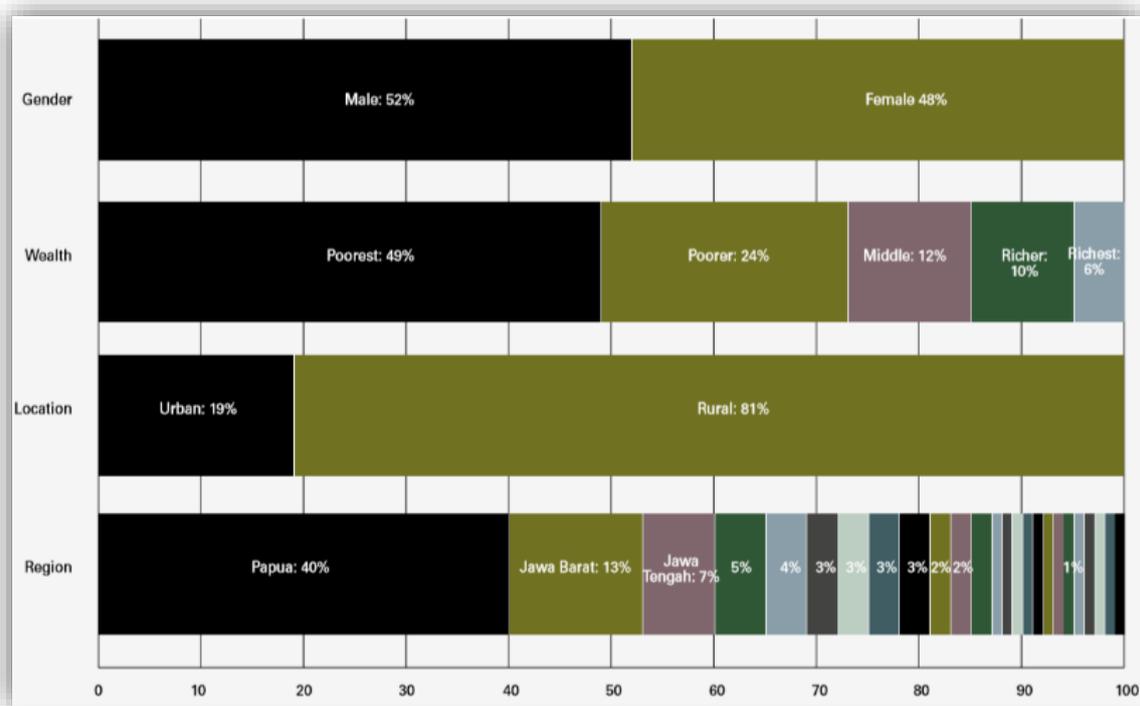
<sup>424</sup> Susenas Kor, 2000, 2010, 2015-2018, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>425</sup> Susenas Kor, 2000, 2010, 2015-2018, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

**Figure 1.43. Completion rate of junior secondary education (16-18 years), by sex, location, and wealth<sup>426</sup>**



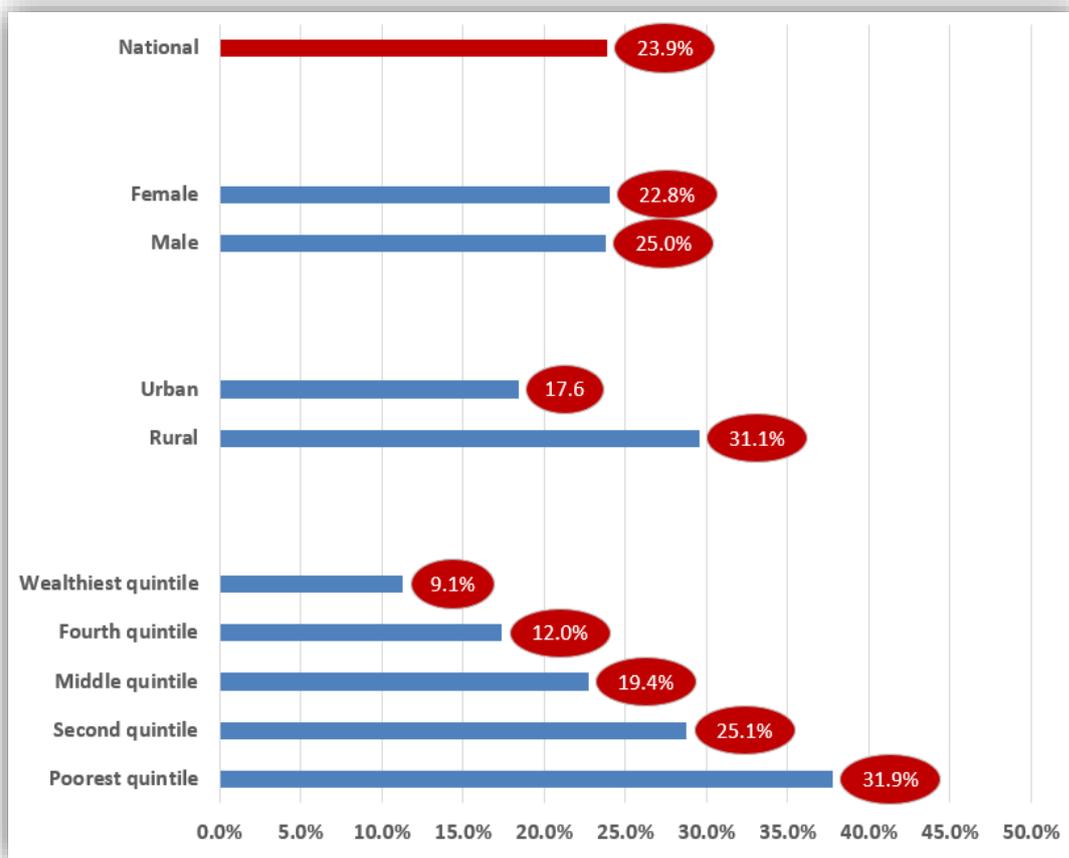
**Figure 1.44. Composition of out-of-school children in the primary school age group<sup>427</sup>**



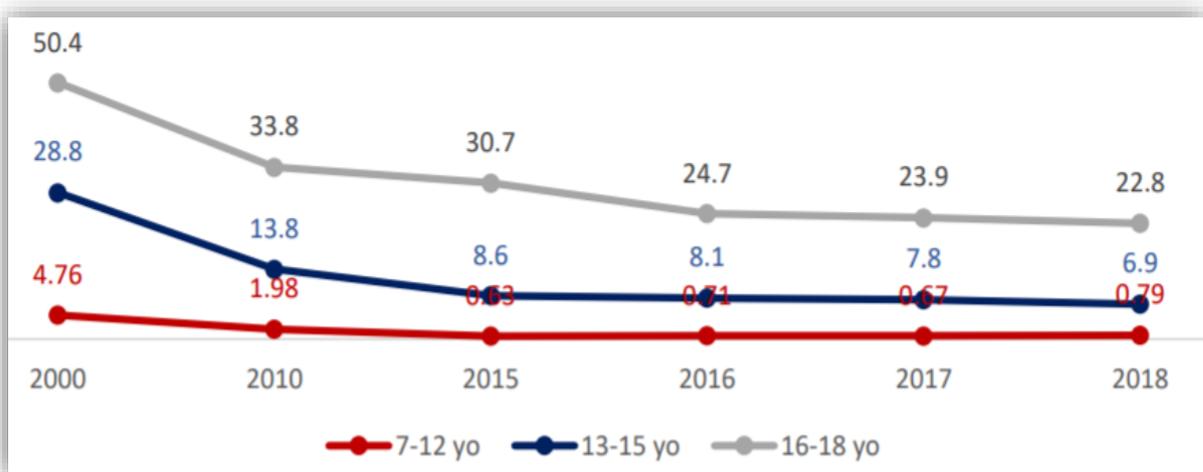
<sup>426</sup> SUSENAS 2015, cited in 'SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017'.

<sup>427</sup> SUSENAS 2015, cited in 'SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017'.

**Figure 1.45. Out-of-school ratio at upper secondary school age (16-18 years), by gender, location, and wealth<sup>428</sup>.**



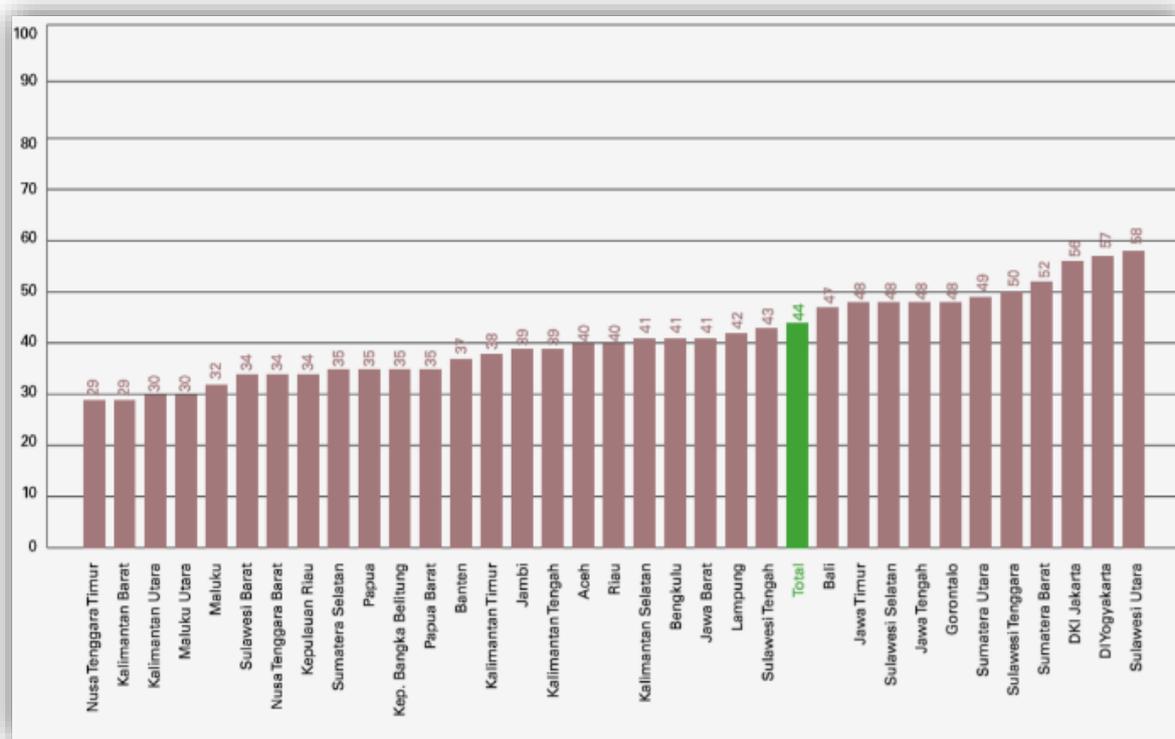
**Figure 1.46. Out-of-School Ratio, by Age Group, 2000-2018<sup>429</sup>**



<sup>428</sup> National Strategy for Addressing the Issue of Out Of School Children in Indonesia (2020 – 2030), 2018.

<sup>429</sup> Susenas Kor, 2000, 2010, 2015-2018, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

**Figure 1.47. Percentage of teachers in senior secondary education (SMA/SMK) certified to teach, by province<sup>430</sup>**



**Figure 1.48. Trend of Percentage of Certified Teachers, 2016-2018<sup>431</sup>**



<sup>430</sup> EMIS 2015, SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017.

<sup>431</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

Figure 1.48. Proportion of Schools with Access to Electricity, 2016-2018<sup>432</sup>

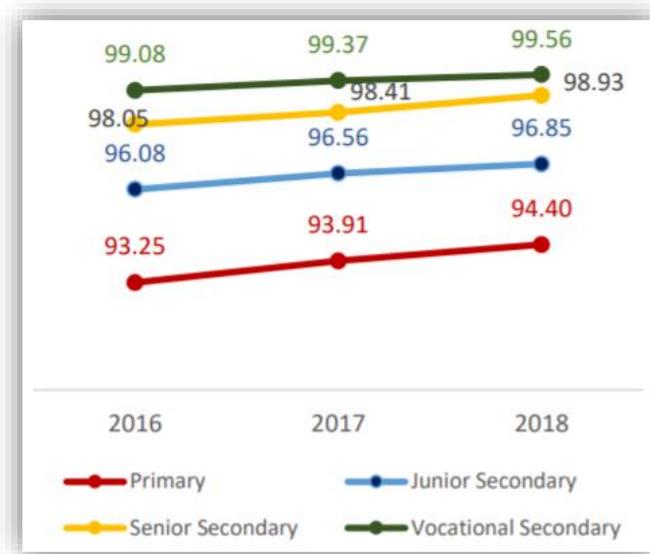
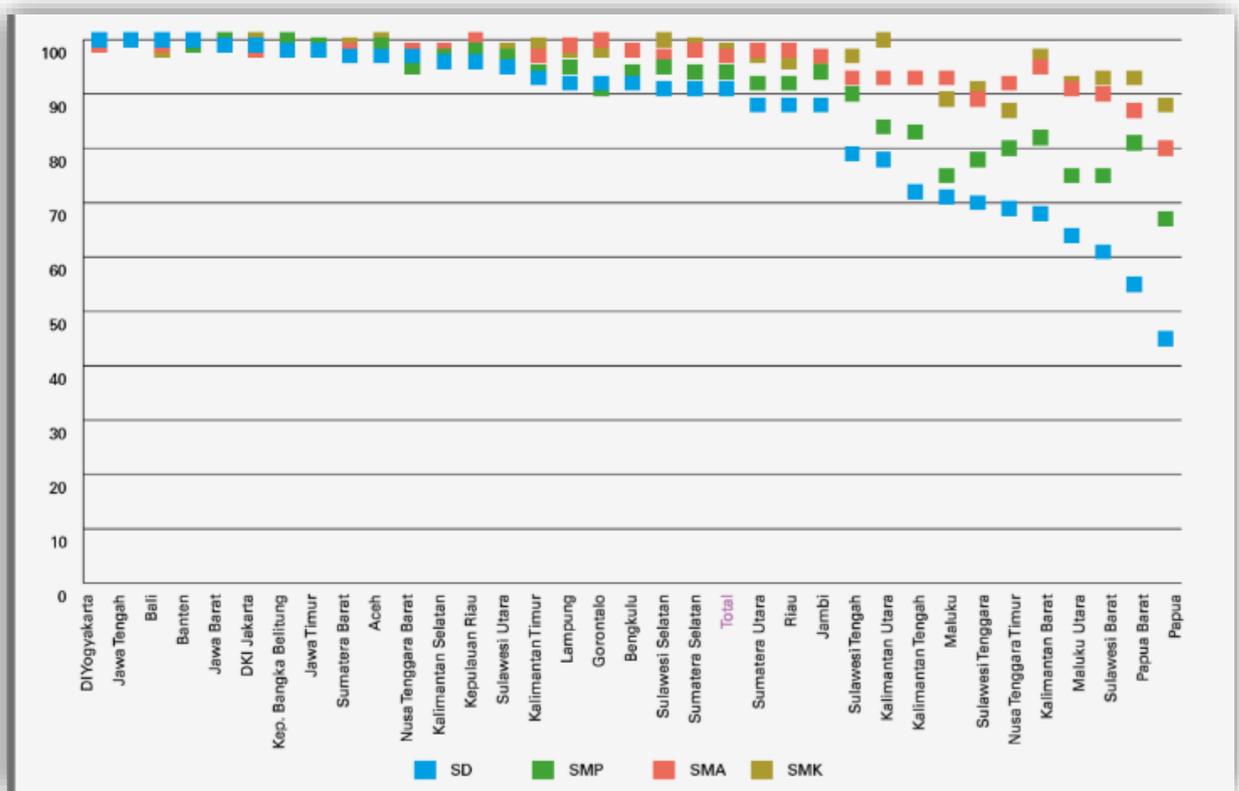


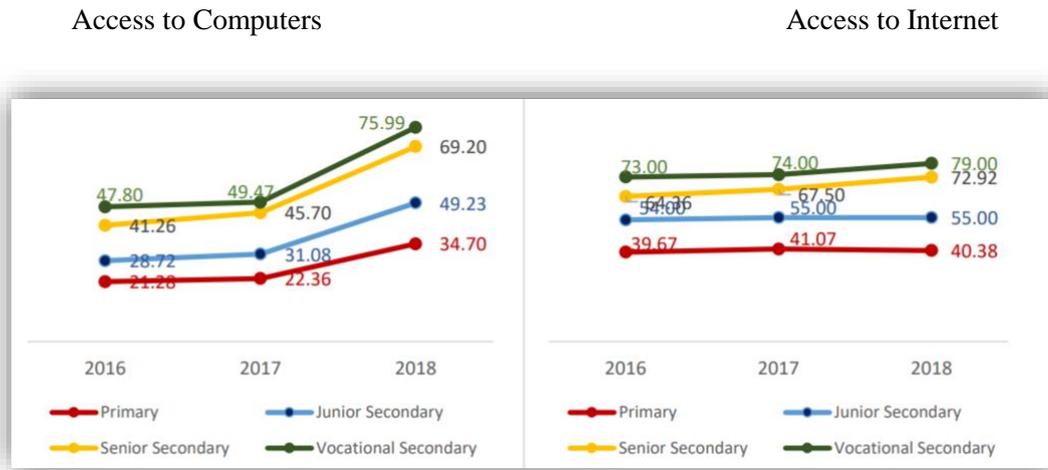
Figure 1.49. Proportion of school with access to electricity by education level and province<sup>433</sup>



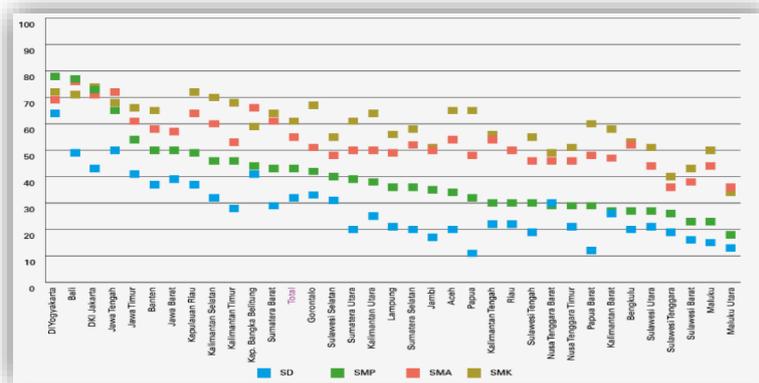
<sup>432</sup> MoEC EMIS 2016-2018, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>433</sup> EMIS 2015, cited in SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017.

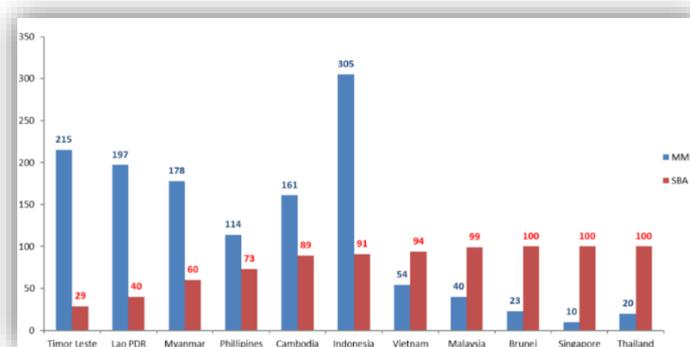
**Figure 1.50. Proportion of school with access to computers and internet for pedagogical purpose by education level<sup>434</sup>**



**Figure 1.51. Proportion of schools with access to computers for pedagogical purposes, by education level and province<sup>435</sup>.**



**Figure 1.52. Skilled Birth Attendance and Maternal Mortality Ratio ASEAN Countries<sup>436</sup>**

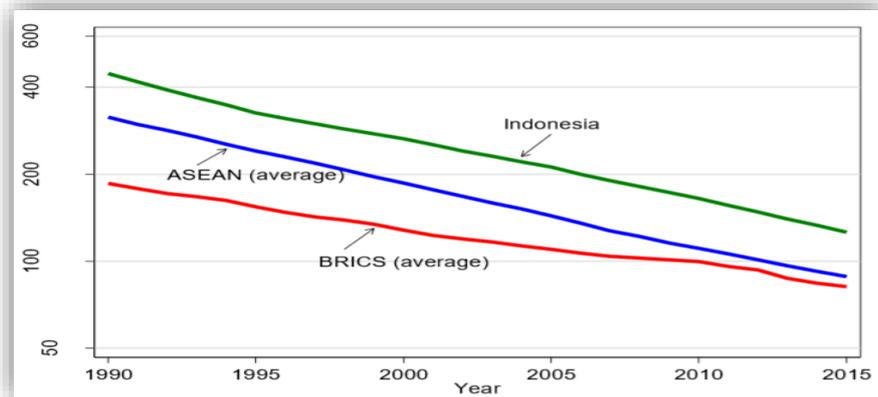


<sup>434</sup> MoEC EMIS 2016-2018, cited in Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

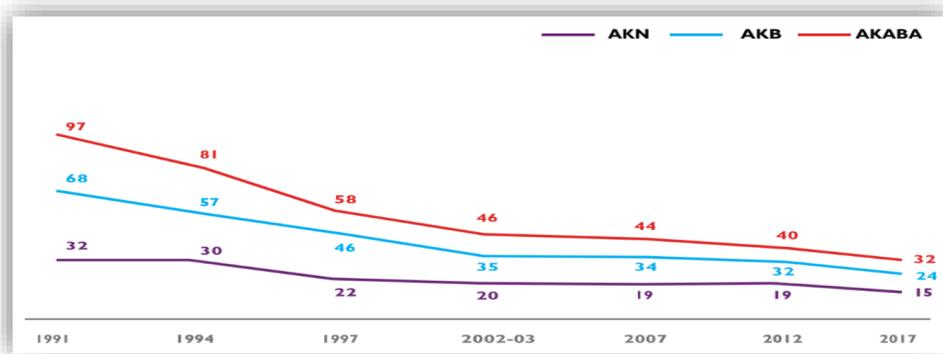
<sup>435</sup> EMIS 2015, cited in SDG4 Baseline Report for Indonesia, Indonesia Ministry of Education and Culture and UNICEF, 2017.

<sup>436</sup> MMIEG 2016, Indonesia SUPAS 2015, IDHS 2017.

**Figure 1.53. Trends in Maternal Mortality Ratio, 1990-2015: Indonesia and comparator ASEAN and BRICS countries<sup>437</sup>**



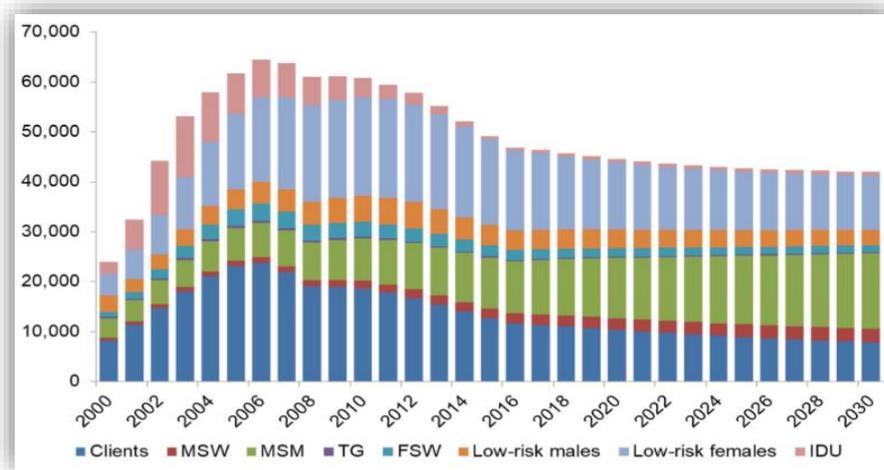
**Figure 1.54. Neonatal Mortality Rate (AKN), Infant Mortality Rate (AKB) and Under-5 Mortality Rate (AKABA) in Indonesia, 1991-2017<sup>438</sup>**



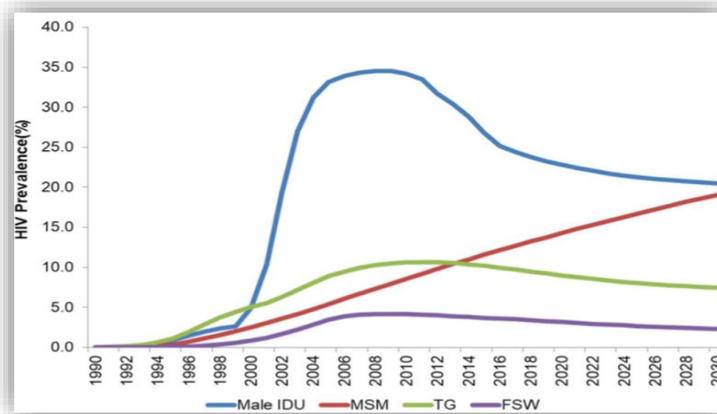
<sup>437</sup> Revealing the Missing Link: Private Sector Supply-Side Readiness for Primary Maternal Health Services in Indonesia.

<sup>438</sup> Consolidated Report on Indonesia Health Sector Review 2018.

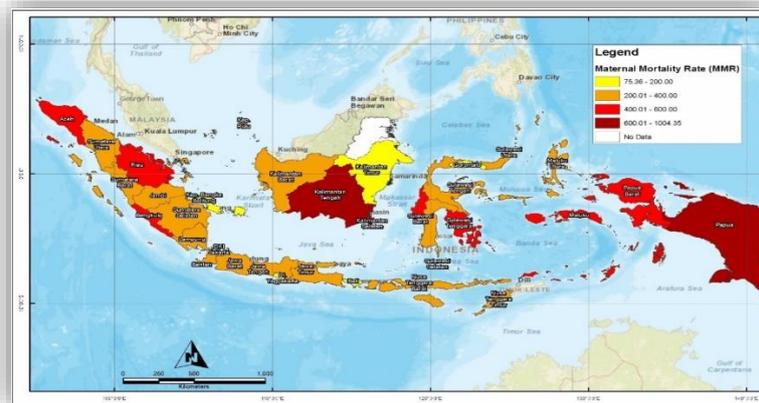
**Figure. 1.55. AEM Results: Annual New HIV Infections (including projections), 1990-2030<sup>439</sup>**



**Figure.1.56.HIV Prevalence by Key Populations, 1990-2030<sup>440</sup>**



**Figure 1.57. Maternal Mortality Rate (MMR) by Province<sup>441</sup>.**



<sup>439</sup> 'Reviewing the 2017 HIV Modelling Update Results', November 2017.

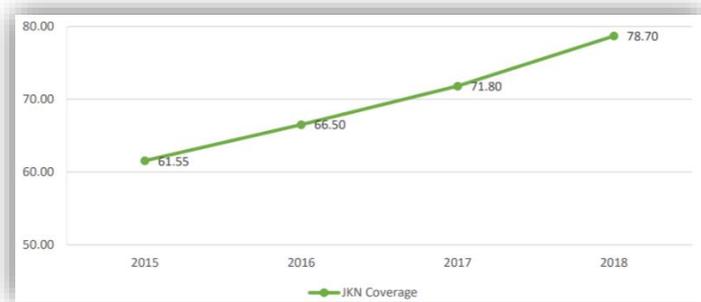
<sup>440</sup> 'Reviewing the 2017 HIV Modelling Update Results', November 2017.

<sup>441</sup> Maternal Mortality in Indonesia.

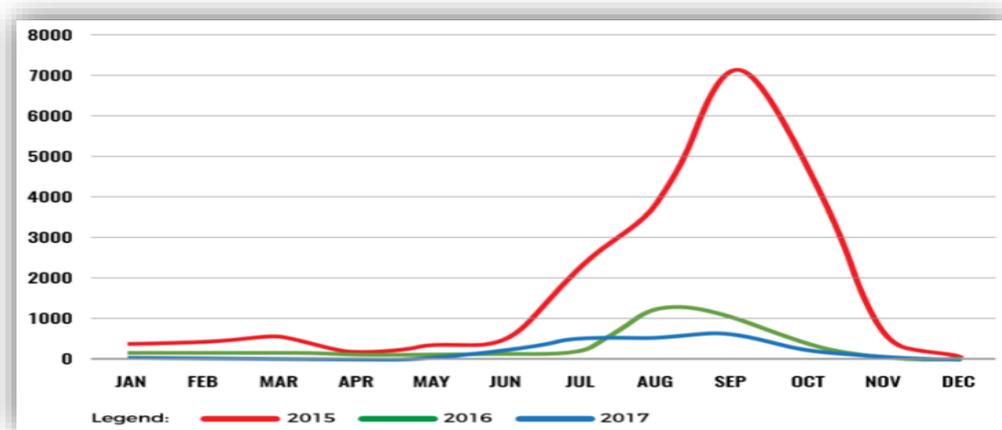
**Figure 1.58. Deliveries by Skilled Birth Attendant (SKA) below 80 percent<sup>442</sup>**



**Figure 1.59. Trend of JKN (Health Insurance) Participation, 2015-2018<sup>443</sup>**



**Figure 1.60. Number of monthly forest fire ‘hotspots’ from 2015 to 2017<sup>444</sup>**



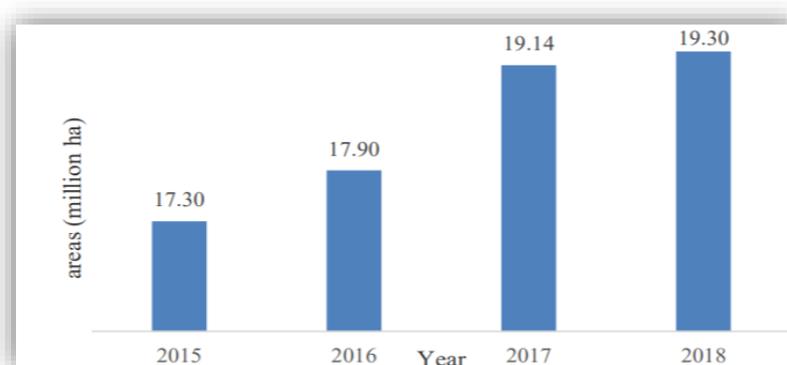
<sup>442</sup> Realizing Indonesia’s SDG 3 through accelerated, rights-based approaches to achieving universal access to reproductive health, UNFPA  
<sup>443</sup> Social Security Administration Body for Health (BPJS Kesehatan), 2016, cited in the Voluntary National Review (VNR) ‘Eradicating Poverty and Promoting Prosperity in a Changing World’, Republic of Indonesia, 2017.

<sup>444</sup> Data derived from NOAA satellites managed by ASEAN (The ‘hotspot’ data only covers the western and central regions of Indonesia) – cited in The State of Indonesia’s Forests 2018, Ministry of Environment and Forestry Republic of Indonesia.

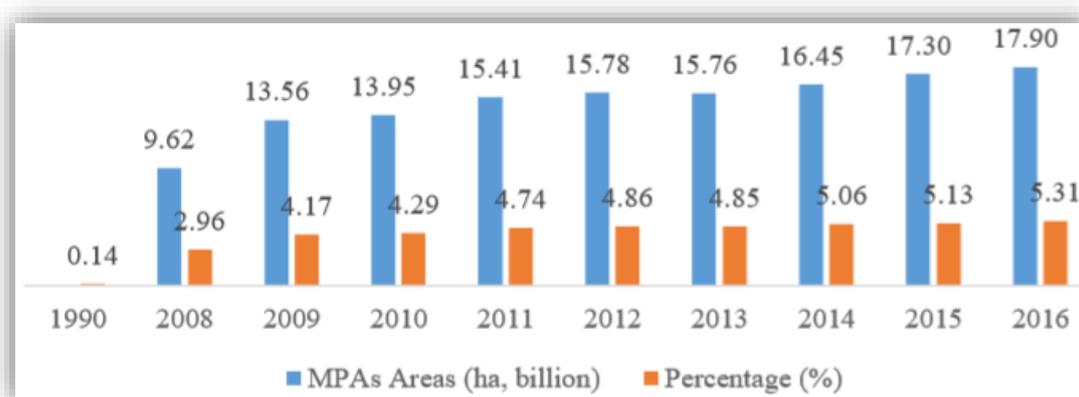
**Figure 1.61. Forest Encroachment, Illegal Logging and Illegal Wildlife activities observed in 2015-2017<sup>445</sup>**

NO	TYPE OF OPERATION	2015		2016		2017	
		NUMBER OF OPERATIONS	RESULTS OF OPERATIONS	NUMBER OF OPERATIONS	RESULTS OF OPERATIONS	NUMBER OF OPERATIONS	RESULTS OF OPERATIONS
1	Forest area encroachment	27	3,072,198 ha	18	986,529 ha	137	3,005,360 ha
2	Illegal wildlife trade	38	2,592 animals	65	6,120 animals	68	4,178 specimens
			283 specimens		5,288 specimens		4,639 specimens
3	Illegal logging	25	1,042 m <sup>3</sup>	39	3,642 m <sup>3</sup>	88	3,829 m <sup>3</sup>

**Figure 1.62 Marine protected areas, Year 2015-2018<sup>446</sup>.**



**Figure 1.63. Extent of MPAs and its ratio toward the total territorial waters<sup>447</sup>**

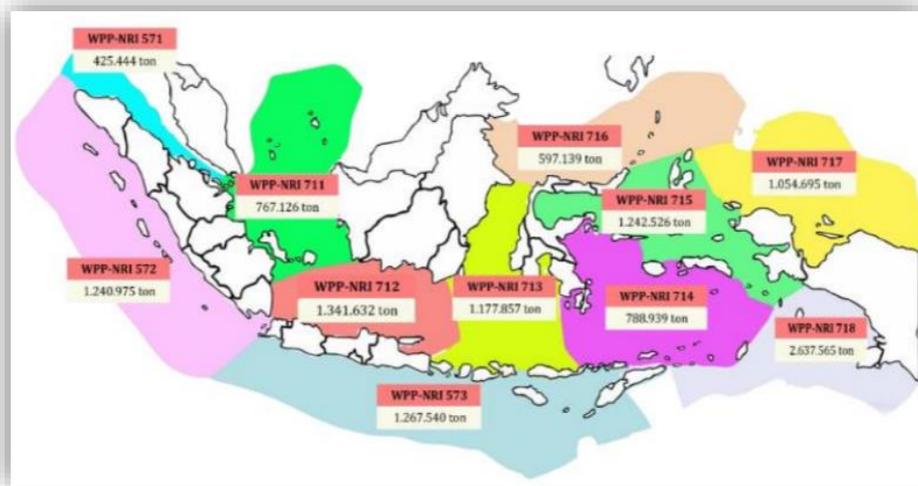


<sup>445</sup> KLHK, 2018, cited in The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia.

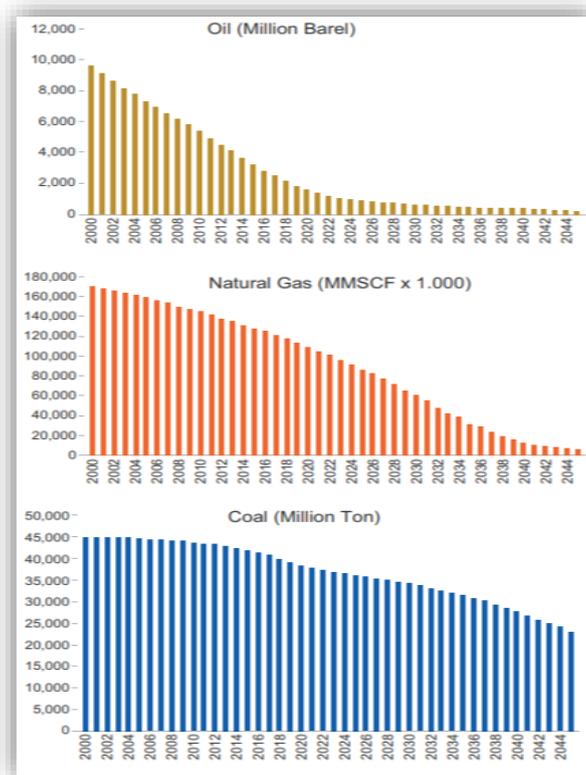
<sup>446</sup> Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.

<sup>447</sup> Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017.

**Figure 1.64. Map of Fisheries Management Areas (WPP)<sup>448</sup>**



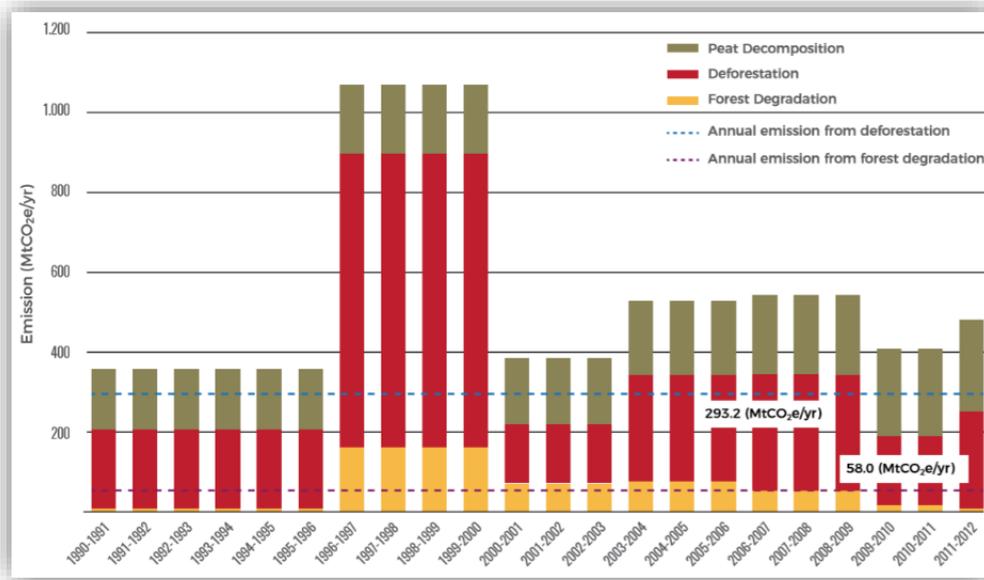
**Figure 1.65. Energy reserves projection up to the year 2045<sup>449</sup>.**



<sup>448</sup> Ministry of Marine Affairs and Fisheries, cited in the Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.

<sup>449</sup> Bappenas calculation, cited in the National Mid-Term Development Plan (2020-2024), Middle – High Income, Prosperous, Just and Sustainable Indonesia.

**Figure 1.66. Annual and average annual historical emissions from deforestation, forest degradation and associated peat decomposition (in Mt CO<sub>2</sub>e) in Indonesia from 1990 to 2012<sup>450</sup>.**



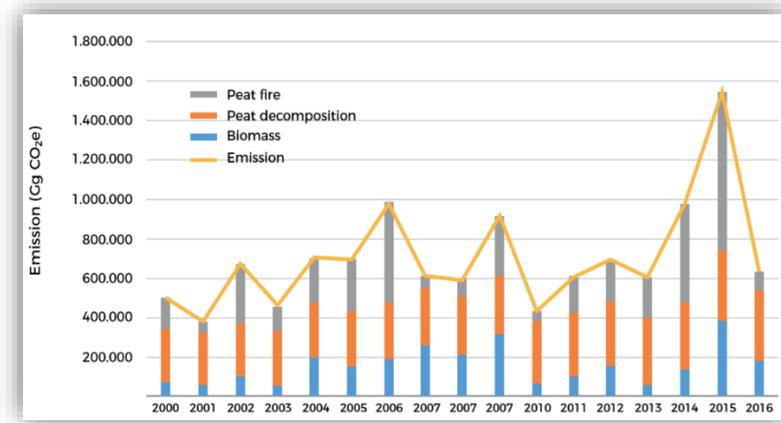
**Figure 1.67. Reductions in emissions (tCO<sub>2</sub>e) from deforestation and forest degradation from 2013 to 2017<sup>451</sup>.**

	Emission Reduction (t CO <sub>2</sub> e)					
	Deforestation	Forest degradation	Peat decomposition against the original baseline	Peat decomposition against an adjusted baseline	Total without peat	Total with peat (adjusted)
Average	61,054,319	10,570,143	-22,646,035	-7,030,866	71,624,462	60,993,597
Total	305,271,594	52,850,717	-113,230,175	-35,154,328	358,122,311	304,967,983

<sup>450</sup> KLHK 2018j, cited in The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia.

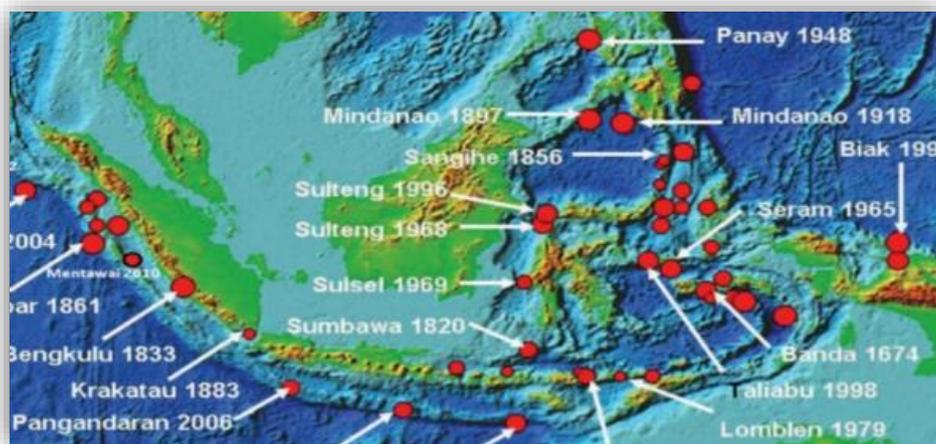
<sup>451</sup> MoEF, 2018, cited in The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia

**Figure 1.68. National emissions from the Forestry Sector and from Peatlands (2000 to 2016)**<sup>452</sup>



Notes: Gg = Gigagram 1 Gg CO<sub>2</sub>e = 1,000 ton CO<sub>2</sub>e

**Figure 1.69. Major Incidents of Volcanic Activity**<sup>453</sup>



**Figure 1.70. Tsunami Risk Map**<sup>454</sup>.



<sup>452</sup> KLHK, 2018j, cited in The State of Indonesia's Forests 2018, Ministry of Environment and Forestry Republic of Indonesia.

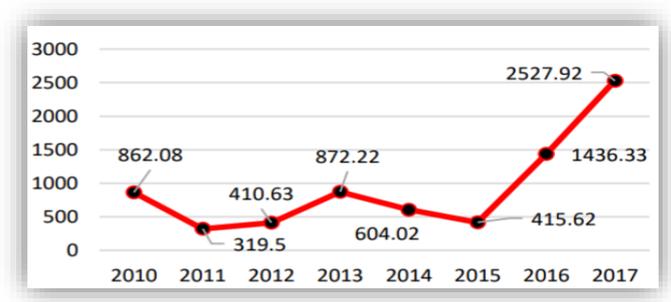
<sup>453</sup> National Mid-Term Development Plan (2020-2024), Middle – High Income, Prosperous, Just and Sustainable Indonesia.

<sup>454</sup> National Mid-Term Development Plan (2020-2024), Middle – High Income, Prosperous, Just and Sustainable Indonesia.

Figure 1.71. Map of Volcanoes<sup>455</sup>.



Figure 1.72. Number of Directly Affected Persons Attributed to Disasters per 100,000 Population<sup>456</sup>

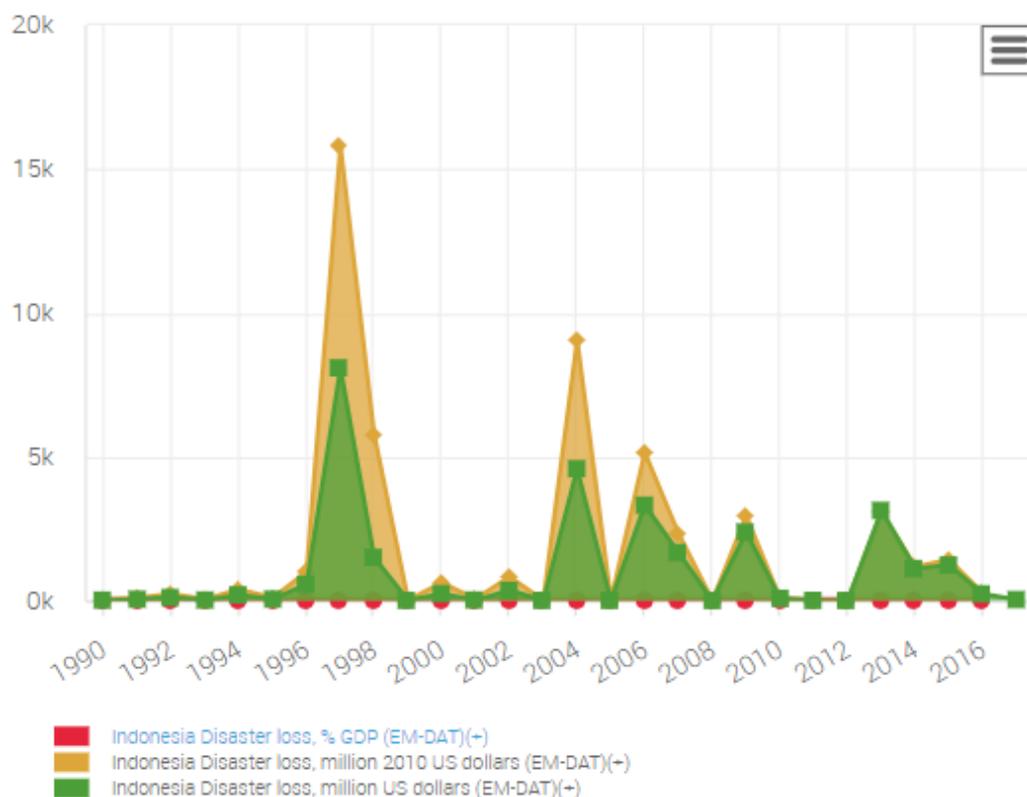


<sup>455</sup> National Mid-Term Development Plan (2020-2024), Middle – High Income, Prosperous, Just and Sustainable Indonesia.

<sup>456</sup> Voluntary National Review (VNR) ‘Eradicating Poverty and Promoting Prosperity in a Changing World’, Republic of Indonesia, 2017.

Figure 1.72. Disaster Losses 1990 - 2016<sup>457</sup>

## Indonesia



Asia Pacific SDG Partnership Data Portal (04 September 2019)

Figure 1.73. 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

<sup>457</sup> Asia Pacific SDG Partnership Data Portal, September 2019.

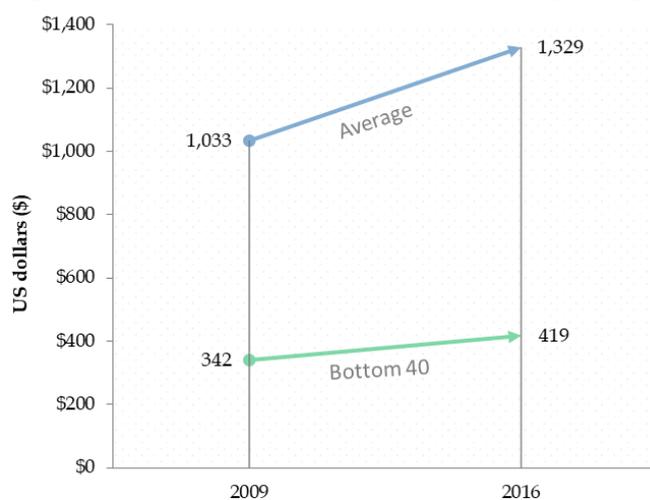
**Figure 1.74. Ease of Doing Business, Corruption Perception Index and Government Competitiveness.**



**Figure 1.75. Percentage of Government Ministries and Local Government that comply with the Law on Public Service**

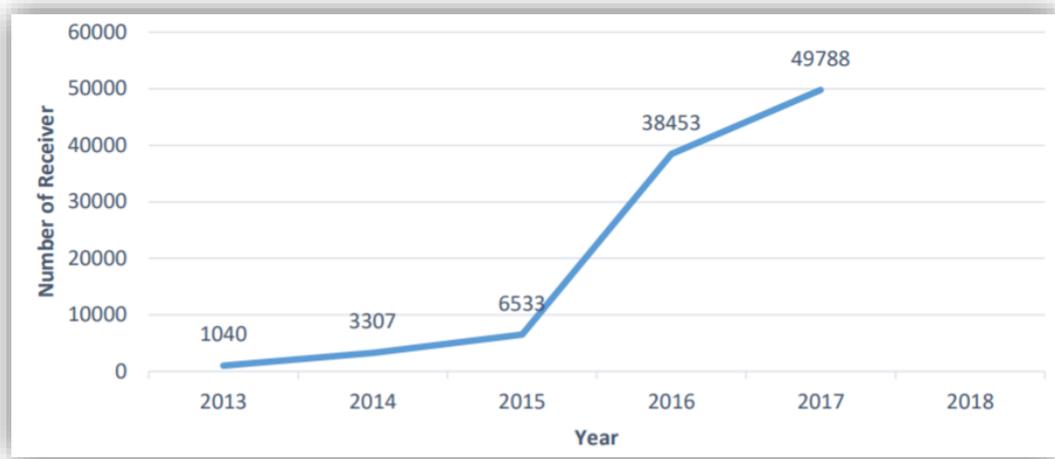
Level of Administration	2014	2015	2016	2017	2018
National level (Ministry)	n/a	27.27 %	44%	35.17%	55.56 %
National level (Agency/Body)	n/a	20%	67%	33.33%	25%
Provincial level	n/a	9.09%	39.39 %	27.27 %	62.5%
City/Municipality level	n/a	5,26%	29.09 %	33.33%	36.73 %
District level	n/a	4.69%	17.65 %	12.15%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

**Figure 1.76. Evolution of household income per capita, bottom 40 and average, Indonesia<sup>458</sup>**

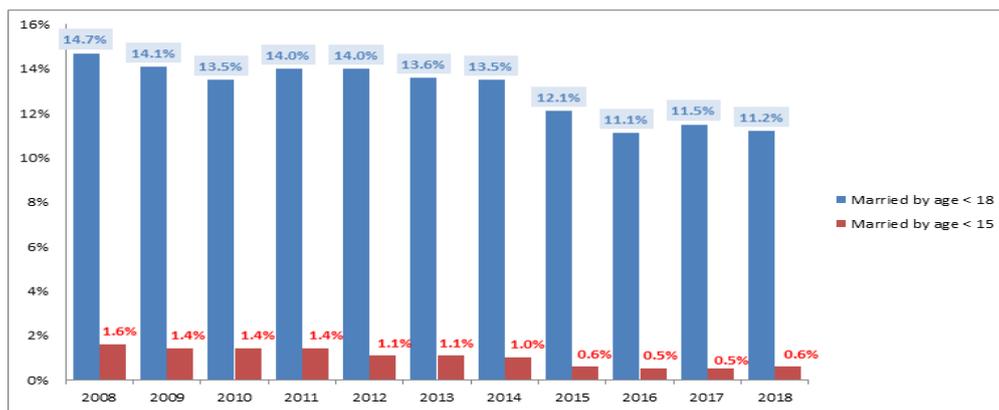


<sup>458</sup> ESCAP elaboration based on Gallup World Poll data, 2009-2016, cited in 'Inputs in support of the Common Country Analysis for the United Nations Sustainable Development Framework For Indonesia', ESCAP, 11 September 2019.

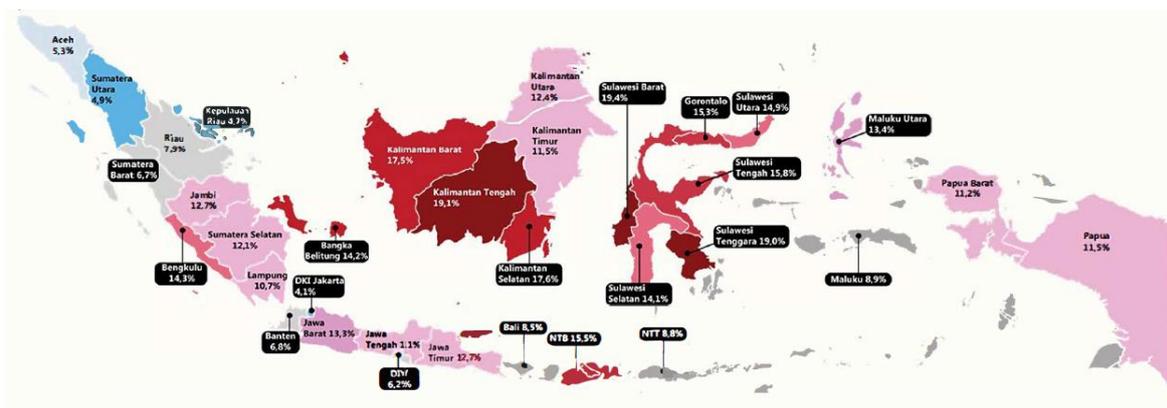
**Figure 1.76. Number of Legal Aid Beneficiaries, 2013 - 2017**



**Figure 1.77 Percentage of Women aged 20-24 who were married or in union before age 15 and age 18<sup>459</sup>**



**Figure 1.78 % of Women aged 20-24 who were married or in union before age 18, 2018<sup>460</sup>**



<sup>459</sup> BAPPENAS and BPS-Statistics Indonesia (2018), underlying 2018 SUSENAS (the National Socio Economic Survey)

<sup>460</sup> Source: BPS, 2018 SUSENAS

Figure 1.77. Problem Tree for Persistent Poverty and Inequalities

# CHALLENGE 1: Persistent Poverty and Inequalities

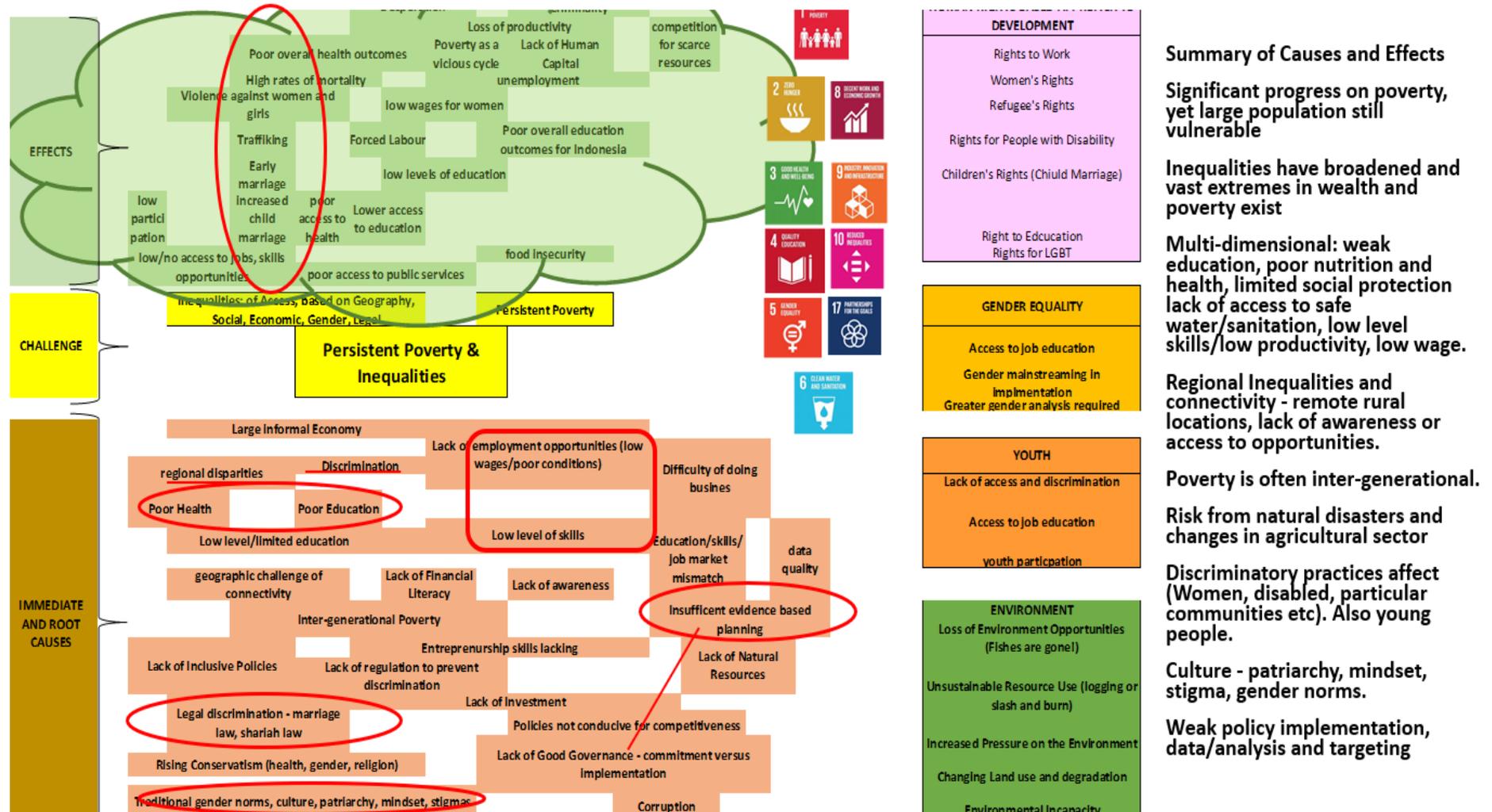
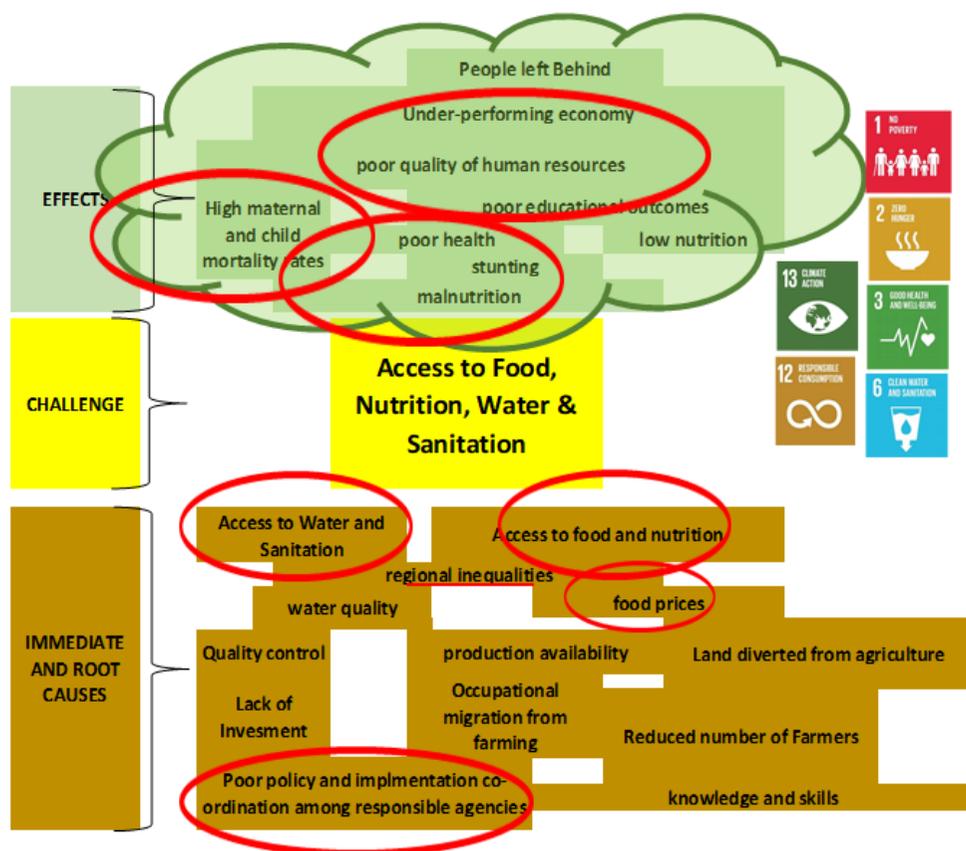


Figure 1.78. Problem Tree for Food, Nutrition, Water and Sanitation

## CHALLENGE 2: Food, Nutrition, Water and Sanitation



### Summary of Causes and Effects

Lack of sufficient access to decent nutritional food for a large segment of the population – especially for women and young children.

Lack of food security is also often the result of supply side issues associated with production availability and the conversion of agricultural land for other uses.

One of the main issues related to access, is the cost of staple foods.

Child stunting 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.

A contributory factor to high maternal and infant mortality.

Logistical infrastructure and food distribution are unequal, particularly in the eastern region.

Increasing frequency and intensity of land impacted by natural disasters and climate change (challenge 6).

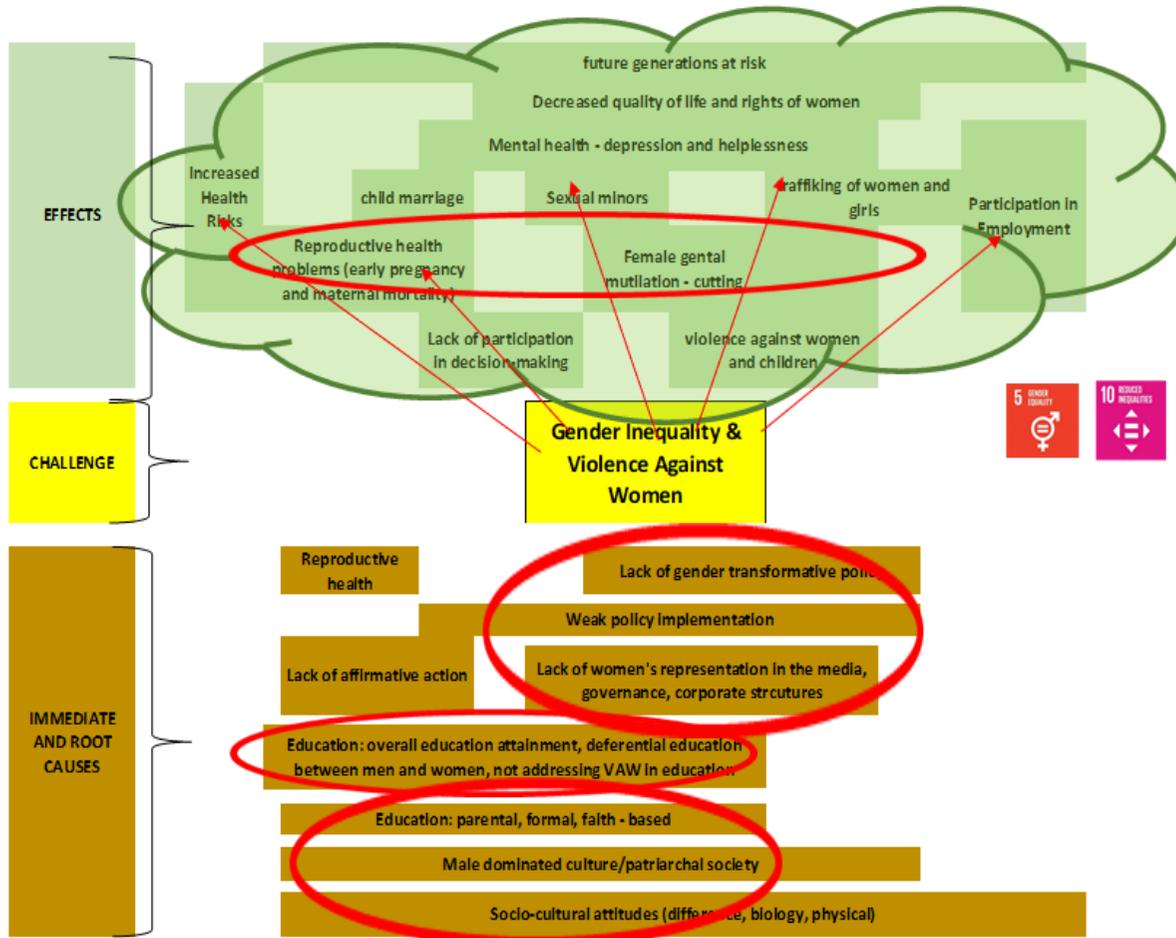
Food agriculture business is dominated by small-scale farmers who are old with relatively low formal education and lack of exposure to modern practices, knowledge, co-operative structures, access to finance, skills

Limited partnerships exist between small and large scale agricultural enterprises.

Government policies and inter-department coordination and collaboration (challenge 8) is not working as effectively as it should.

Figure 1.79. Problem Tree for Gender Inequality and Violence against Women

# CHALLENGE 3: Gender Inequality and Violence Against Women



## Summary of Causes and Effects

Lack of a strong gender transformative policy, combined weak implementation

Inadequate access to reproductive health services.

Women are under-represented in leadership and management, the media, in governance and corporate structures

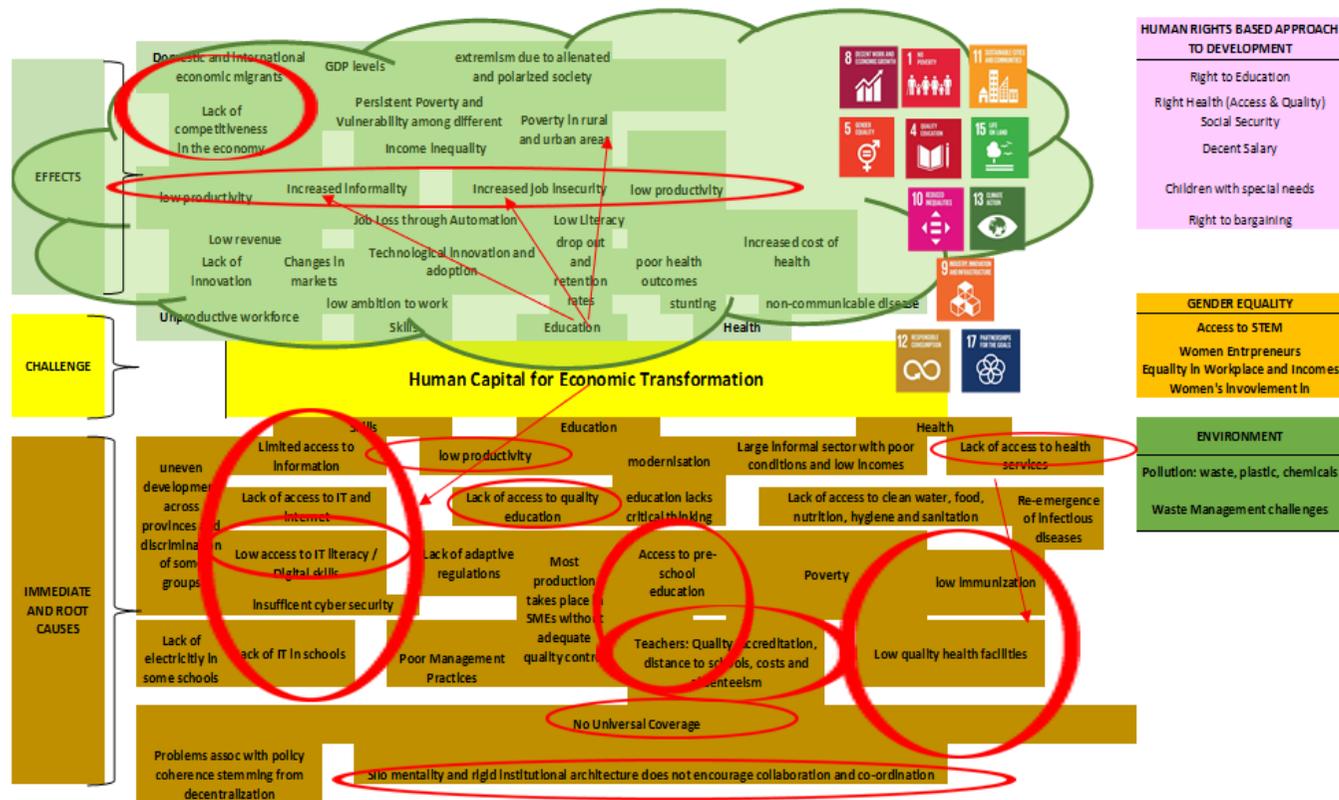
Gender inequality is reinforced by differentiated stereotypical education and employment streams (challenge 4) for boys and girls.

Poverty is also a main push factor of child marriage, especially in rural areas among less educated girls.

Underlying and root causes can be attributed to strong formal, parental societal models, often re-enforced by faith – based systems operating within a more broadly male dominated cultural and patriarchal society. These cultural attitudes can, inadvertently or deliberately serve to subjugate women.

Figure 1.80. Problem Tree for Human Capital and Economic Transformation

## CHALLENGE 4: Human Capital for Economic Transformation



### Summary of Causes and Effects

The quality of the education and skills development system, the functioning of the labour market, the quality and coverage of the health system and the universality of the social protection system are critical to Ec transformation

Internet access for all schools and colleges, including digital and technology skills for the next generation

Weaknesses exist in accessing higher standards of skills and vocational training.

Skills/job-market mismatch.

Uneven development across the provinces.

Institutional and policy disjoints prevent coherent approaches and better coordination within the education, skills sector and private sector (a deeper root cause).

Lack of universal access to adequate social protection.

Integral to the causes of deficiencies in human capital are the distances to schools and health facilities in more rural/remote areas and the challenge of having trained and motivated, qualified and certified teachers and health workers distributed across the country.

Lack of access to clean water and sufficient nutrition underpins health.

Low human capital rests with National and sub-national Government ability to provide leadership, co-ordination and resources for the effective policy and programme implementation universally.

**HUMAN RIGHTS BASED APPROACH TO DEVELOPMENT**

- Right to Education
- Right Health (Access & Quality)
- Social Security
- Decent Salary
- Children with special needs
- Right to bargaining

**GENDER EQUALITY**

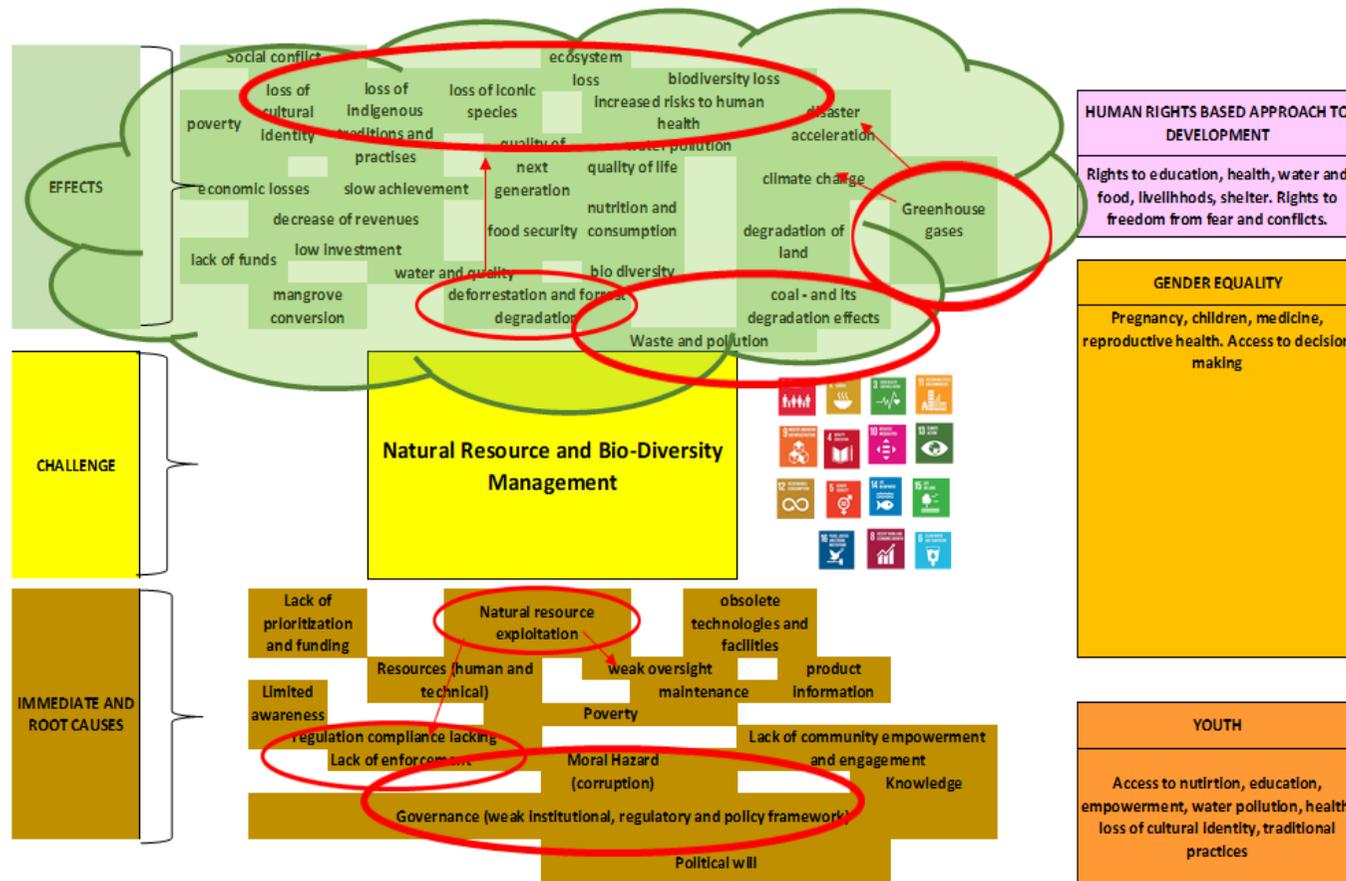
- Access to STEM
- Women Entrepreneurs
- Equality In Workplace and Incomes
- Women's Involvement In

**ENVIRONMENT**

- Pollution: waste, plastic, chemicals
- Waste Management challenges

Figure 1.81. Problem Tree for Natural Resources and Bio-Diversity Management

# CHALLENGE 5: Natural Resources and Bio-diversity Management



## Summary of Causes and Effects

Natural resources and bio-diversity have provided the basis of Indonesia's economic trajectory, but depleted at a significant rate.

Natural resource and bio-diversity endowment not being managed sustainably.

**The cause of difficulties in natural resource management is derived from a lack of knowledge and dedicated funding.**

**relate to inadequate governance and enforcement, often affected by corruption and lack of prioritization.**

**The specific cause of waste and pollution is often due to outdated and obsolete technologies, affordability, proper maintenance, monitoring and enforcement.**

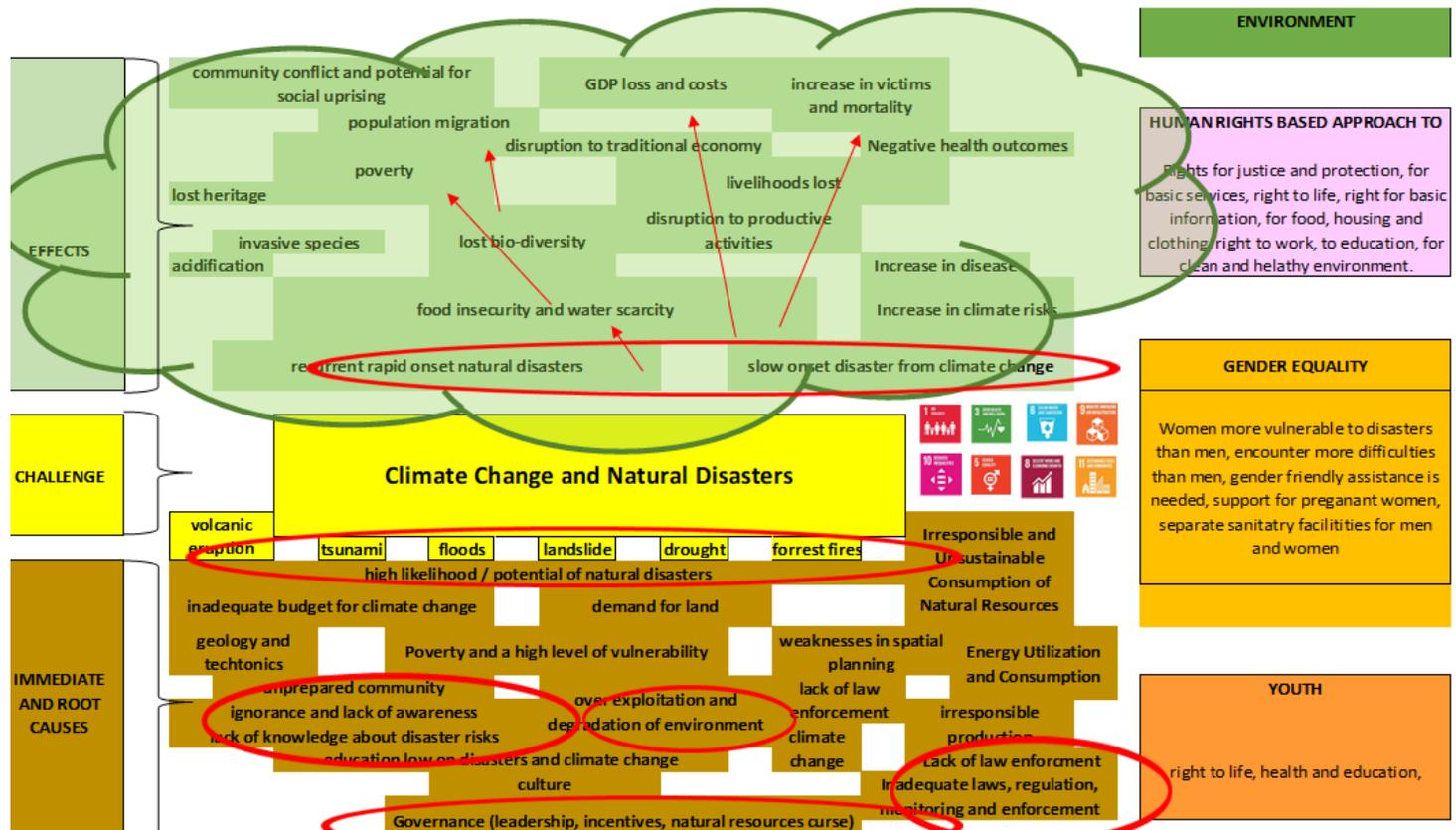
**These in turn contribute significantly to climate change through greenhouse gas emissions.**

**Structural and underlying causes points to issues around awareness, capacity, regulation compliance, enforcement, and corruption.**

**Deeper still, political will and commitment is needed.**

Figure 1.82. Problem Tree for Climate Change and Natural Disasters

# CHALLENGE 6: Climate Change and Natural Disasters



**Summary of Causes and Effects**

Climate change is affected significantly by human activity.

Lack of awareness (education) is a primary cause.

Unsustainable consumer and business consumption and production activities and choices are a large factor, including the use of unsustainable and polluting sources of energy.

Indonesia is prone to a range of natural disasters, including volcanic eruptions, tsunami, floods, landslides, drought and forest fires.

Whilst the direct cause of these events are 'natural', there are factors that contribute towards the scale of the human, social and economic impact (i.e. issues of governance, including preparedness and mitigation).

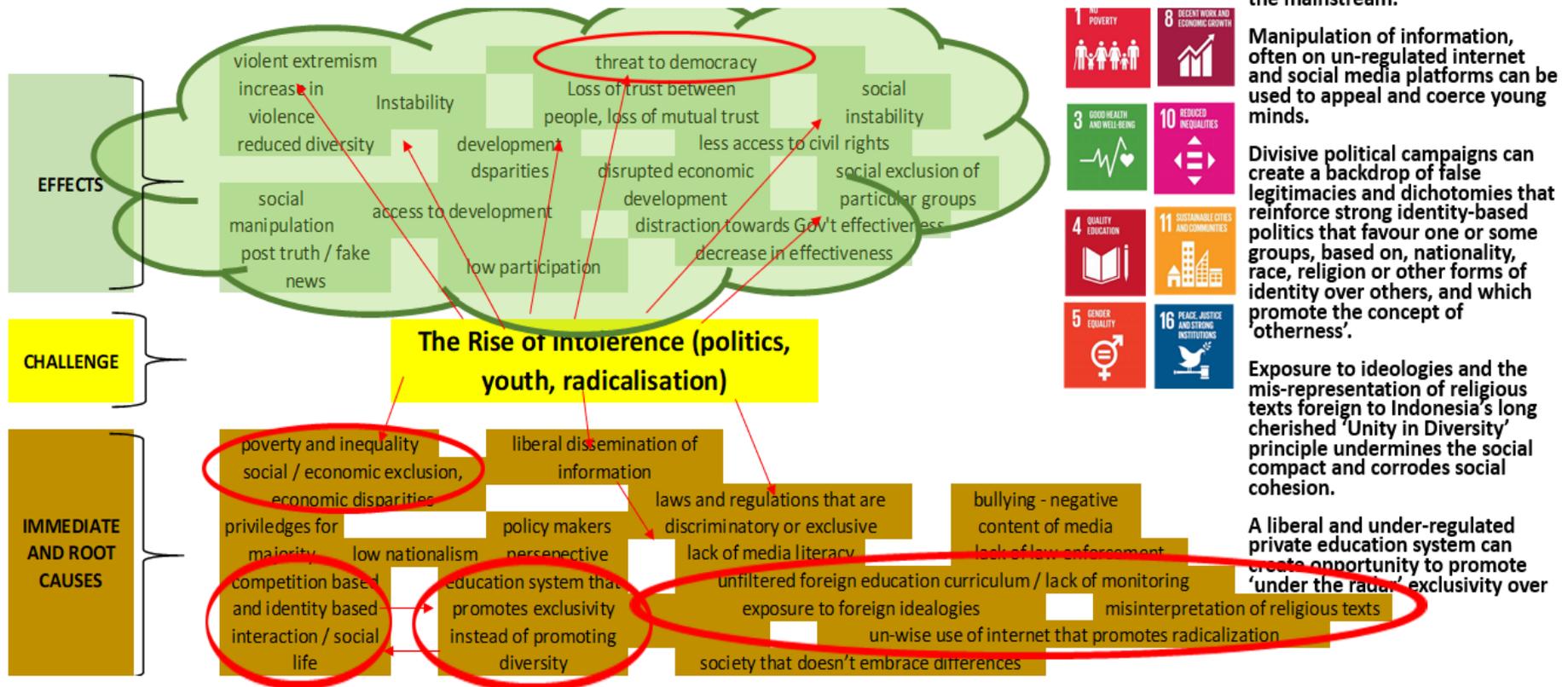
Contributory factors include weaknesses in the spatial planning system, high levels of vulnerability, unprepared communities, who often lack knowledge about disaster risks, as well as exploitation and degradation of the land, forests, water, natural resources and bio-diversity.

Structural causes point to insufficient comprehensive preparedness for disasters – and lack of 'future-proofing' and resilience within mainstream services,

Lack of legal, regulatory, incentive framework, capable of implementation and enforcement, which re-positions climate change at the centre of Government leadership and policy-making.

Figure 1.83 Problem Tree for Rising Intolerance

# CHALLENGE 7: Rising Intolerance (political, youth, radicalization)



### Summary of Causes and Effects

Persistent poverty and discrimination, alongside conspicuous social and economic disparities can create conditions of injustice, resentment and result in exclusion, and hopelessness, especially among young people who consider themselves disenfranchised from the mainstream.

Manipulation of information, often on un-regulated internet and social media platforms can be used to appeal and coerce young minds.

Divisive political campaigns can create a backdrop of false legitimacies and dichotomies that reinforce strong identity-based politics that favour one or some groups, based on, nationality, race, religion or other forms of identity over others, and which promote the concept of 'otherness'.

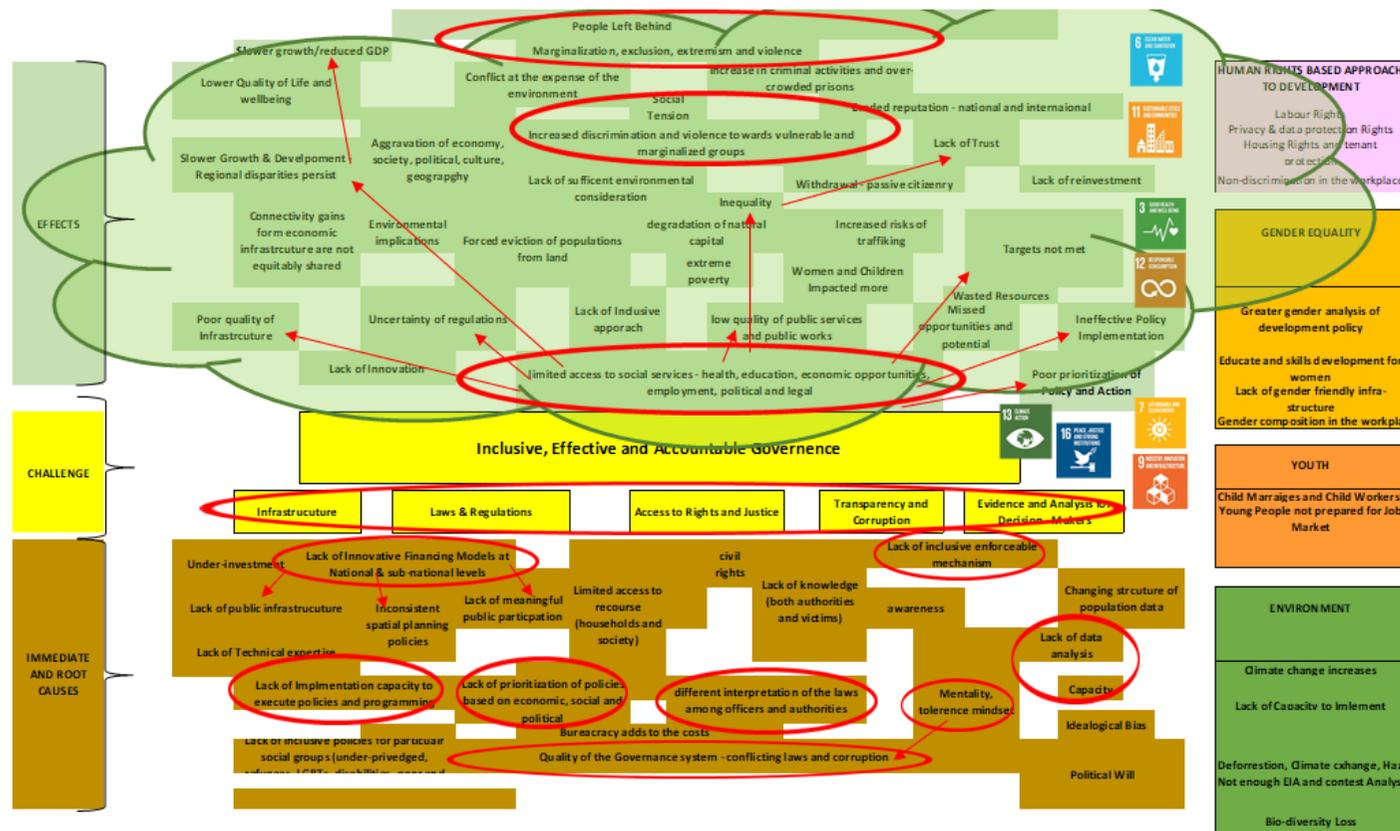
Exposure to ideologies and the mis-representation of religious texts foreign to Indonesia's long cherished 'Unity in Diversity' principle undermines the social compact and corrodes social cohesion.

A liberal and under-regulated private education system can create opportunity to promote 'under the radar' exclusivity over



Figure 1.84. Problem Tree for Inclusive, Effective and Accountable Governance

# CHALLENGE 8: Inclusive, Effective and Accountable Governance



### Summary of Causes and Effects

Many 'streams of cause' stem from issues of capacity – especially implementation and co-ordination capabilities.

Vertically, from central to sub-national structures, with implementation a particular issue at sub-national levels.

Less effective, inefficient, unaccountable governance institutions and processes are ultimately dependent upon the quality of human resources in the public sector, and include lack of finance and innovation, weak public infra-structure and under-investment in human capital and learning within a large bureaucratic system stretched across a vast geographic area.

More broadly the policy framework in place suffers from lack of prioritization and incoherence.

There appears to be a lack of rigorous monitoring of institutions to ensure they remain transparent, accountable and operate fully with integrity, which may give rise to opportunities for corruption.

It also includes the challenge of having sufficient co-ordination and enforcement mechanisms and capacities – an issue which percolates across many of Indonesia's challenges.

The causes underlying the fulfilment of full access to rights and justice relate also to capacity issues as both institutions and citizens lack information and knowledge.

Dissemination of information is challenged by Indonesia's extensive geography and differing interpretation of laws exist among officers and authorities.

At the deeper level of institutional culture, the issue of awareness, mentality, tolerance and mindset underlie the challenge of transparency, accountability, whereby corruption is occurs within institutions.