

# Statement By:

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> On Presenting Indonesia's 2017 Voluntary National Review

at the High-Level Political Forum 2017 on Sustainable Development, United Nations

New York, 17 July 2017



### SPEECH OF THE MINISTER OF NATIONAL DEVELOPMENT PLANNING/ HEAD OF NATIONAL DEVELOPMENT PLANNING AGENCY

# on Presenting

### INDONESIA'S 2017 VOLUNTARY NATIONAL REVIEW AT THE HIGH-LEVEL POLITICAL FORUM 2017 ON SUSTAINABLE DEVELOPMENT, UNITED NATIONS

NEW YORK, JULY 17th, 2017

H.E. Mr. Frederick Shava, President of the ECOSOC H.E. Mr. António Guterres, Secretary-General of the United Nations

(H.E. Mr. Wu Hongbo, Under-Secretary-General of Economic and Social Affairs, United Nations)

H.E. Mr. Serge Telle, Minister of State, Head of Government of the Principality of Monaco

H.E. Mr. Fumio Kishida, Minister of Foreign Affairs of Japan

Distinguished Delegates,

- 1. I wish to thank the President of ECOSOC and the UN Secretary General for convening this important Forum. I welcome the theme of "Eradicating Poverty and Promoting Prosperity in a Changing World", which is at the heart of Indonesia's development agenda. In this regard, I would like to share Indonesia's experience, learning and insights in implementing the SDGs.
- 2. To begin, I am very pleased to announce an important milestone. The President of the Republic of Indonesia has enacted a Presidential Decree Number 59 Year 2017 on the SDGs this month. This serves



as our legal basis for SDGs implementation and establishes an inclusive National Coordination Team, under the President's direct leadership.

- 3. As the largest archipelagic country with the world's fourth largest population, Indonesia has its distinct challenges. One of them is ensuring inclusive growth and shared prosperity for all Indonesians. The SDGs offer a useful framework for this effort – hence its relevance to Indonesia's development.
- 4. It is heartening that Indonesia has enjoyed a relatively high economic growth despite recent global economic donwturn. We have also enjoyed low inflation and stable exchange rates, reduced unemployment and gini ratio, and increase Human Development Index. However, the pace of progress has been uneven, and inequality occurs across the regions, gender and economic status.
- 5. Indonesia's efforts to implement the SDGs are built on our previous experience on MDGs. We successfully achieved 49 out of 67 indicators, while 18 indicators were off track mainly because the principle of inclusiveness had not been fully adopted then. MDGs was mainly implemented by the government.
- 6. Learning from that, now Indonesia, as mandated the Presidential Decree, involves all stakeholders. These consist of 4 participation



platforms, namely, the Government and Parliament, Philanthropy and Business, CSOs, Academics and Experts.

### Mr. President,

- The universality of the SDGs must lead to the advancement of all nations. The advancement of a country requires involvement and cooperation of neighboring countries.
- 8. Therefore, the SDGs should serve as catalyst for advancement of nations and international cooperation. This shared ownership derives from the nature of the SDGs, which offers a comprehensive, integrated and indivisible framework across the three dimensions of economic, social and environmental development.

- Indonesia has mapped out the interconnectedness between the main theme of HLPF and the seven goals under review into two main aspects: improving the quality of human resources, and enhancing economic opportunities for sustainable livelihood.
- The first aspect of human resources focuses on achievements in the health sector ; food security, sustainable agriculture; and education.
  We have included education for its relevance to poverty alleviation.



- 11. The second aspect of sustainable livelihoods is achieved through increased efforts in the industrial sector, innovation and infrastructure as well as sustainable use and conservation of marine ecosystems.
- 12. These two main aspects are further enhanced by enabling factors, including gender; partnerships and data quality.
- 13. In terms of poverty alleviation, Indonesia's strategy focuses on 3 areas: *first*, comprehensive social protection, *second*, the provision and improved access to basic services, and *third*, sustainable livelihood. This has resulted in a decreased proportion of population living below the national poverty line, from 17.75% in 2006 to 10.70% in 2016. Both poverty severity and depth index have also decreased.
- 14. On providing comprehensive social protection, one major effort is the implementation of the National Social Security System in Health Sector. In 2016, the number of beneficiaries was around 172 million people or 66.4% of the population, becoming one of the largest in the world. Social protection has also been expanded to the education, welfare, and employment sectors.
- 15. A major issue is Maternal Mortality Ratio (MMR), which remains high at 305 in 2015. Efforts to reduce the MMR include the implementation of the Universal Delivery Care and a Minimum Service Standard in the health sector.

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- 16. On the other hand, Infant Mortality and Under-five Mortality Rates continue to decrease. Between 1991 to 2012, infant mortality rate has decreased from 68 to 32, while that for under-five from 97 to 40.
- 17. In the food and nutrition sector, Indonesia has made progress in the self-sufficiency of food production. In 2015, rice production reached 75.4 million tons and maize 19.6 million tons. Protein resources, consisting of beef, chicken, eggs and fish, have also increased. These have led to increased quality of food consumption, as marked by the Desirable Dietary Pattern Score.
- 18. The nutritional status of pregnant women, infants and under-five indicate improvement, albeit still below expectation. The prevalence of under-five stunting has decreased from 36.8% in 2007 to 33.6% in 2016. To address this issue, we have intensified the implementation of the First 1,000 Days of Life Movement.
- 19. The nutritional status of children is linked to education due to the impact from parenting behavior and eating patterns. It is also related to household access to clean water and sanitation, which in 2016 increased to 62% and 54%, respectively, for the poor and vulnerable groups.

### Mr. President,

20. As our welfare improves, our GDP per capita has also increased from USD 1,420 in 2006 to USD 3,605 in 2016, while national



unemployment rate has declined from 10.3% to 5.6%. Our effort to increase economic opportunities for sustainable livelihoods is supported by infrastructure, industrial development and connectivity. Steady road conditions reached 94% in 2014, railway lengths increased by almost 100% in the last four years, and ports increased by 244 during the last three years. To reduce inequality, extra effort is accorded for our eastern regions and remote and frontier areas.

21. In the industrial sector, our manufacturing industry employs more than 12% of total workforce, and is the largest contributor to the GDP. To further grow this sector, Indonesia has promoted publicprivate partnerships, developed alternative financing schemes, established new industrial zones, and promoted pro-poor industries.

- 22. As an archipelagic nation, the ocean is vital not only for its resources but also for connectivity. Marine transport and logistics infrastructure will facilitate inclusive industrial and equitable development.
- 23. Indonesia's enormous marine resources have the potential to ensure sustainable livelihood, eradicate poverty, and promote prosperity. Establishment of Fisheries Management Areas will help fishers to sustainably use fisheries resources, by giving wider authority to local governments, engaging local communities, and promoting local wisdom.



24. Indonesia has also declared 17.9 million hectares of ocean as Marine Protected Areas (MPAs), and is committed to combat illegal, unreported and unregulated fishing. To support small-scale fisheries, we have increased micro-credit access, which has grown by 10% annually during 2012 – 2016. Other efforts include insurance assistance, certification, cooperatives establishment, and information systems.

- 25. To effectively alleviate poverty and improve welfare, we must have a strong enabling environment, namely, partnership, gender equality, financing and data availability.
- 26. We are advancing partnership across all stakeholders and at all levels. This has led to many innovative mechanisms. For example, partnership with the banking and retail sectors has introduced the use of cashless mechanisms through an integrated card for implementing the Healthy Indonesia, Smart Indonesia, Welfare Indonesia, and Family Hope Programs. This has increased target accuracy, reduced fraud, and encouraged financial inclusion.
- 27. Gender equality and equity is another crucial enabling factor. This has been fully integrated into Indonesia's development agenda, from the planning to the budgeting mechanisms.



- 28. In the political sphere, legislation mandating affirmative action with a target of 30% women in the House of Representatives was enacted since the 2004 election. Yet, women are still under represented at 17.3% in 2014. More needs to be done through continuous dissemination, as well as grooming and capacity building for women candidates. Meanwhile, in the executive sphere, the proportion of women having managerial positions in government agencies shows an increased trend during 2011-2015.
- 29. On financing aspect, Indonesia continues to improve the quality of government spending. To increase government revenue, we have implemented Tax Amnesty Law. Alternative financing is mobilized from philantrophy and business, as well as religious social funds. To further support the sustainable finance program, guidelines has been prepared for green banking and green financing.
- **30.** Finally, having valid and reliable data is a key prerequisite to making informed policies. To ensure data updating and synchronization as well as effective poverty reduction program, our Unified Database is continuously verified and validated. We are also developing a One Data portal to be shared across ministries.

# Mr. President,

31. Mainstreaming the SDGs into national development plan is the first strategic step, through which we establish full national ownership of the goals. Our current Medium-Term Development Plan has



incorporated 94 out of 169 SDGs targets. The forthcoming one will include all relevant targets. Thus, for Indonesia, the SDGs equals our own national development agenda.

- 32. Effective SDGs implementation requires revitalized international partnership based on several criteria. First, it must support national SDGs implementation based on actual needs and priorities of each country. Second, it must improve means of implementation to support developing countries. Third, it needs coherence of various international processes and activities.
- 33. As a middle income country, Indonesia stands ready to contribute to other developing countries through our South-South and Triangular Cooperation program. The limited source of domestic funding is being addressed by establishing triangular schemes of partnerships with various development partners.
- 34. Finally, I wish to acknowledge that Indonesia's 2017 VNR is only made possible through active involvement of various stakeholders, including Indonesian CSOs, philanthropy and business, academics, as well as relevant government ministries and agencies. Therefore, on behalf of the Indonesian Government, I would like to thank all of those who have contributed to the formulation of Indonesia's VNR.

Thank You.

New York, July 17<sup>th</sup>, 2017

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