



**Republic of Indonesia**

# **MAIN MESSAGES**

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## **VOLUNTARY NATIONAL REVIEWS (VNRs)**

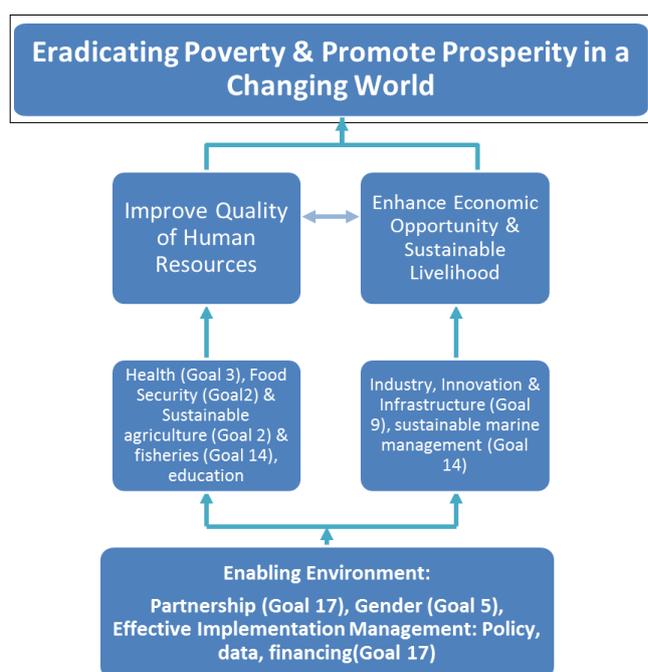
**HIGH-LEVEL POLITICAL FORUM ON  
SUSTAINABLE DEVELOPMENT (HLPF)  
2017**

## MAIN MESSAGES

### VOLUNTARY NATIONAL REVIEWS (VNR) 2017

#### Introduction

The HLPF SDGs 2017 Theme is “*Eradicating poverty and promoting prosperity in a changing world*”. Indonesia has made many efforts in poverty alleviation in the past 10 years, and has successfully reduced the percentage of population living in poverty from 17.75 percent (2006) to 10.7 percent (2016). Not only in terms of number, the poverty severity and depth index have also decreased, even though the absolute number of poverty is still significant (22.76 million people). In line with the theme, the great challenge currently faced by Indonesia is how to further reduce poverty and to improve the welfare of the population. Considering the seven goals reported in VNR 2017 related to the HLPF theme, Indonesia formulates the interconnectedness between the Goals and theme as follows:



Based on the theme of poverty eradication and improving prosperity that is Goal 1 of the SDGs, Indonesia’s VNR report focuses on two main aspects, namely (1) **Improving the quality of human resources** and (2) **Enhancing economic opportunities for sustainable livelihood**. Improving the quality of human resources focuses on achievements in the Health sector (Goal 3), Food Security and Sustainable Agriculture (Goal 2), and Education (Goal 4). Although education is not the main focus of VNR 2017, it is nevertheless important for and is closely related with poverty alleviation efforts. Furthermore, improving economic opportunities for sustainable livelihoods is achieved through increased efforts in the industrial sector, innovation and

infrastructure (Goal 9) as well as marine ecosystem conservation and its sustainable use (Goal 14). The two main aspects can be achieved with the support of enabling factors, namely gender (Goal 5), as well as partnerships in various sectors, data, and financing (Goal 17).

The main messages conveyed by Indonesia for this VNR 2017 are as follows: 1) creating national ownership through an inclusive and participatory process, 2) systematic framework of the SDGs implementation in Indonesia; 3) Indonesia's development achievements in line with the current theme of the HLPF that covers seven interconnected sectors, 4) enabling environment of the SDGs implementation, 5) and the way forward.

## **1. Creating National Ownership through an Inclusive and Participatory Process**

With regard to the SDGs, one of Indonesia's strengths is the involvement of all stakeholders throughout the process, from planning, implementation, as well as monitoring and evaluation processes. The partnership that involves all stakeholders is forged long before the adoption of the SDGs at the global level, specifically since the deliberations of the post-2015 agenda with the appointment of Indonesia by the UN Secretary General as one of the Co-chairs for the High Level Panel of Eminent Persons (HLP) for the Post 2015 Development Agenda (2012 – 2013). Indonesia was also a member of the Open Working Group on Sustainable Development Goals (2013-2014) and has actively engaged in all inter-governmental negotiations of the Agenda 2030 for Sustainable Development . Indonesia had also appointed a Special Envoy of the President for the HLP. During the deliberations of the Agenda under the HLP, Indonesia has succeeded in bringing to attention and promoting the importance of global partnership for the implementation of sustainable development. As one of the countries that promote this issue, Indonesia also actively applies the multi-stakeholder partnership approaches in the preparation and implementation of SDGs. The Ministry of the National Development Planning/"Bappenas" is assigned to coordinate the entire process of planning, implementation, monitoring as well as evaluation and reporting by involving all stakeholders.

**Indonesia maintains a working relationship based on mutual trust between all stakeholders, consisting of the government, CSO, philanthropy and business, as well as academics. The active engagement of all stakeholders is encouraged and enhanced by their involvement and representation in the Implementing Team and Working Group within the SDGs National Coordinating Team. All stakeholders are not only involved in the implementation, but also in determining the direction of the SDGs implementation. One of the examples of multi-stakeholder involvement is the offline and online public consultations in the development of SDGs metadata and guideline for formulating the National and Sub-National Action Plans.**

Indonesia also applies the principle of inclusiveness in the preparation of the VNR<sup>1</sup>. To prepare the VNR, a technical team is established, which consists of the representation of all relevant stakeholders. The VNR formulation is conducted in several stages, namely harmonizing perception, formulating outline, adopting the schedule, formulating analysis of each chapter, establishing consultation mechanism, formulating main message, and finalizing the full VNR report. All the outcomes of the offline consultation is then communicated online via email, the website of SDGs Indonesia ([www.sdgsindonesia.or.id](http://www.sdgsindonesia.or.id)) and the social media to obtain inputs from the general public.

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<sup>1</sup>The entire process of preparing VNR Indonesia, applies 6 (six) main principles in the involvement process of the stakeholders indicating inclusiveness, namely: (1) The availability of schedules that are submitted to stakeholders; (2) Public campaign to encourage the parties to actively participate in the entire preparation process; (3) Various diverse channels, both online and offline to provide the widest space for the stakeholders to provide input; (4) Wide involvement of all stakeholders either from the government as well as non government such as academics and experts, philanthropy and business, social organizations and the media to ensure representation of all community groups or elements; (5) Documentation and publication to ensure accountability and transparency of the consultation process implemented; (6) Easy-to-understand language to reduce the information gap of the parties involved.

## **2. Systematic Framework of SDGs Indonesia Implementation**

There are three types of development planning system in Indonesia, namely long term (20 years), medium-term (5 years), and short-term (1-year) Development Plans, that serve as a basis for the formulation and allocation of the Annual State Budget. Indonesia's current Long Term Development Plan (RPJPN) is effective from 2005 to 2025, and is translated into the National Medium Term Development Plan (*Rencana Pembangunan Jangka Menengah Nasional* - RPJMN) that is currently in its third period of 2015-2019. In the future, the SDGs that span from 2015 to 2030 will be incorporated into the fourth phase of RPJMN 2020 – 2025, and will be mainstreamed into RPJPN 2025 – 2045 currently in the drafting process.

The RPJMN 2015 – 2019 has integrated various topics discussed in the 2030 Agenda and encompasses three development dimensions, namely: (1) social development, (2) economic development, and (3) environmental development, and supported by (4) the provision of access to justice and good governance. The fundamental transformation of SDGs is the environmental friendly internalization and sustainable human development into the economic development and sustainable livelihoods.

**To ensure the implementation of SDGs that are internalized in the national development agenda, Indonesia establishes a National SDGs Coordination Team that is supported by the SDGs Secretariat.** The National Coordinating Team ensures both horizontal coordination at the national level (between ministries/agencies as well as between the government and non-state actors), and vertical coordination (between governments at the national and local levels). The National Coordinating Team also ensures all stakeholders involvements so that the principle of no one left behind is fully implemented.

**The implementation of the no-one left behind principle is also reflected in the data disaggregation for Indonesian SDGs. Indonesia has already developed 87 of the total 241 global indicators,** and the rest is still being developed. In addition, to ensure alignment with its national priorities and circumstances, Indonesia also has 234 proxy indicators. The operational definitions, calculations, benefits, data sources, data collection frequencies and disaggregation of each indicator have been developed to ensure that no-one is left behind. Several disaggregations are not yet available for all indicators, for instance the disaggregation of disability groups and migration status. Indonesia will endeavour to ensure the availability of data disaggregation through various existing censuses and surveys. Data sources used in formulating the Voluntary National Review 2017 are based on BPS (Statistics Indonesia) data, data from relevant ministries/technical institutions and other sources from CSO and research institutions.

## **3. Interconnectedness between the Theme and Goals**

As mentioned above, for the purpose of aligning with the theme of HLPF 2017, Indonesia has identified two central aspects, namely (1) **improving human resource development** and (2) **enhancing economic opportunities for sustainable livelihoods**, with relevant areas reflected in the Goals within SDGs that is the main focus of VNR 2017. The poverty alleviation strategy in Indonesia in RPJMN 2015-2019 is based on 3 aspects, i.e. comprehensive social protection, the provision and improved access to basic services, and sustainable livelihoods. Achievements of the interconnected goals are as follows:

### **3.a. Improving Human Resources Development**

Referring to the Goals that are the focus of VNR 2017, human resources development in Indonesia is achieved by development efforts in three main areas, namely: food security and nutrition (Goal 2), health and well-being (Goal 3) and education. Although education (Goal 4) is not included in the discussion of VNR 2017, it is necessary to emphasize the importance of education for poverty alleviation and welfare improvement.

**The Government of Indonesia has implemented various efforts in the health sector**, among others, by developing the National Social Security System (*Sistem Jaminan Sosial Nasional* - SJSN). One of the implementation of this system is the National Health Insurance (*Jaminan Kesehatan Nasional*- JKN) enacted in 2014 through the issuance of the Indonesia Health Card (*Kartu Indonesia Sehat* - KIS). JKN provides health insurance for the poor (Premium Assistance Beneficiaries or *Penerima Bantuan Iuran* - PBI), for which the contribution is paid by the government. The number of Health Cards (KIS) recipients in 2016 was 171.9 million people (66.4 percent of the population), an increase from 51.8 percent in 2014. It has become one of the largest social health insurance schemes in the world.

The challenges of JKN implementation are, among others, the still less than optimum data in the Integrated Database (*Basis Data Terpadu* - BDT) as a reference for poverty alleviation program. Moreover, the JKN coverage is yet to be widened to reach informal workers and wage laborers. Several measures have been taken to improve the system, among others the development of the Integrated Services and Referral System (*Sistem Layanan dan Rujukan Terpadu* - SLRT) scheme and the self-registration mechanism (*Mekanisme Pemutakhiran Mandiri* -MPM) with the involvement of the local governments.

To improve health and well-being, one of the important health programs implemented in Indonesia is the program to accelerate the reduction of maternal mortality. The Maternal Mortality Ratio (MMR) has decreased from 346 maternal deaths (Population Censal 2010) to 305 per 100,000 live births (Inter Censal Population Survey 2015). Several efforts to reduce the MMR include the implementation of the Universal Delivery Care (*Program Jaminan Persalinan*- Jampersal) that has been integrated into the National Social Security System (SJSN) and the establishment of the Minimum Service Standard (*Standar Pelayanan Minimal* - SPM) in the health sector.

The Infant Mortality Rate (IMR) and Under Five Mortality Rate (*Angka Kematian Balita*-AKBa) are constantly decreasing. The IMR has decreased from 68 in 1991 to 32 in 2012 (Indonesia Demographic and Health Survey – IDHS) per 1000 live births. In the same period, the under five mortality rate (AKBa) has decreased from 97 in 1991 to 40 in 2012 (IDHS). The greatest challenge faced in reducing the Maternal Mortality Ratio (MMR) and Under Five Mortality Rate is the quality of maternal health care including the competency of health care providers, and adequate availability of health care facilities, delivery equipment and hospitals.

Another comprehensive effort is the implementation of the Conditional Cash Transfer program which targets the poor and vulnerable families, through the Family Hope Program (*Program Keluarga Harapan* - PKH). The coverage of the PKH has increased almost 6-fold from 1.1 million families in 2011 to 6 million families in 2016.

**As an achievement in the food and nutrition sector, Indonesia has managed to reduce the insufficiency of food consumption.** In 2015, rice production reached 75.40 million tons and maize 19.61 million tons. At this production rate, in aggregate, Indonesia has been able to meet the need of rice as a staple food. Beef production in the period of 2006-

2015 grew by 3.11% per year, and egg production by 4.50% per year. In addition, chicken meat production in the period of 2010-2015 grew by 5.74% per year.

Other food source and nutrient originate from marine fishery. The government has initiated the movement to promote fish consumption (*Gerakan Memasyarakatkan Makan Ikan - GEMARIKAN*) to increase the awareness of the population on the importance of consuming fish. The production of marine fisheries has steadily increased from 4.8 million tons in 2011 to 5.3 million tons in 2014, still below the allowed fish catchment.

The quality of food consumption of the Indonesian population has increased, as marked by the Diserable Dietary Pattern Score (*Pola Pangan Harapan - PPH*), by an average of 82.9 during the period of 2009 - 2013 at. Indonesia has also increased the availability of sustainable food and agricultural productivity. This is marked by the release of 57 new superior rice varieties (*Varietas Unggul Baru - VUB*), 25 VUB of corn and 10 VUB of soybean. The challenges faced in increasing the food production include the functional shift of agricultural land. To solve the problem, the government has accelerated the issuance of Regional Regulations on the allocations of areas for sustainable food agriculture and intensified agricultural research and development activities on an ongoing basis to create agricultural technology innovation.

The nutritional status of pregnant women, infants and under-five indicate improvement, albeit still below expectation. The Basic Health Research (*Riset Kesehatan Dasar - Riskesdas*) reveals that the prevalence of wasting of under-five has decreased significantly from 13.6% in 2007 to 9.8% in 2016. The prevalence of under-five stunting (short and very short) has decreased from 36.8% in 2007 to 33.6% in 2016 (National Health Indicator Suvey or *Survei Indikator Kesehatan Nasional -Sirkesnas*, 2016). In addition, the coverage of exclusive breastfeeding for infants aged six months has increased from 15.3% in 2010 to 30.2% in 2013 (Riskesdas). Challenges faced in the improvement of food and nutrition is the lack of strong coordinated approach to improve food and nutrition across sectors. Therefore, the implementation of the First 1000 Days of Life Movement (*Hari Pertama Kehidupan - HPK*) has been intensified.

Improvement of food and nutrition is closely related to education and environmental conditions. Education impacts behavior (parenting and eating patterns), which in turn affects the nutritional status of children. Children born to parents with low educational level tend to have worse nutritional status . Therefore, access to education should be improved. The ratio of Net Enrollment Rate of females/males students in 2016 in primary schools and equivalent education program of the poor and vulnerable population groups is 99.93%; at the Junior High School level and the equivalent education program is 107.93%; and at the Senior High School level and the equivalent education program is 112.19%. These have indicated that the participation level of girls in primary and secondary education has increased over time . The nutritional status is also related to household access to clean water and sanitation. The proportion of the poor and vulnerable people (40 % of the lowest-income population) who receive clean water has increased from 61.57% in 2015 to 61.94% in 2016. In the same period, access to sanitation has increased from 47.76% to 54.12%.

**Basic social services to reduce the poverty incidence and improve population welfare are a precondition for the poor to gain a sustainable livelihood.** The provision of basic social services for the poor is the main responsibility of the government and is implemented through the enactment of affirmative policy to fulfill the basic rights of the poor. The improved access to basic services for the poor will increase health, well-being, and educational level and thus facilitate the attainment of sustainable livelihood.

### 3.b. Enhancing Economic Opportunities for Sustainable Livelihoods

Poverty reduction and welfare improvement in Indonesia is indicated by the increase in sustainable livelihood along with the decline of Indonesian population living below USD 1.25 per capita per day (PPP) from 28.32% in 2006 to 8,8% in 2015. In addition, the national unemployment rate has decreased from 10.28% in 2006 to 5.61% in 2016. GDP per capita has also increased from USD 1,420 in 2006 to USD 3,605 in 2016. This achievement was, among others, contributed by the more available economic opportunities for sustainable livelihoods.

**Infrastructure construction and industrial development supports opening of new economic opportunities.** Achievements in infrastructure construction are demonstrated by the acceleration of road infrastructure, toll roads, railways, ports and airports, particularly in the eastern regions of Indonesia to reduce poverty and inequality. The steady road conditions reached 94% in 2014, railroad lengths increased by almost 100% in the last four years, ports increased by 244 during the last three years. Assigning priority of infrastructure construction in backward, remote, and frontier areas, has reduced price disparities of everyday needs, and helps reduce the burden of the low income and poor people.

Infrastructure development is the foundation for industrial development. By 2016, 3 (three) new industrial areas has operated in Eastern Indonesia. The Indonesian industrial development is focused on labor-intensive industries and industries that process local resources. Industries in this category are able to absorb a large amount of workforce, increase value added, as well as provide multiplier effects to the local and surrounding areas. Through the development of agglomeration and deepening of industries, employments will be higher and are closely related to poverty reduction. The manufacturing industry sector is able to absorb a workforce of more than 12% of the total workforce every year. The industrial sector is the largest contributor to the GDP, followed by the agricultural sector. The contribution of the non-oil and gas processing industry to the GDP has increased since 2013, although the value is not yet significant.

The challenges of developing inclusive industries and infrastructure are, among others, limited budget that is being addressed through partnerships with the private sector and alternative financing schemes, i.e. Non-Annual State Budget (*Pembiayaan Investasi Non Anggaran Pemerintah - PINA*) investments and infrastructure financing guarantees. The challenges of the decreased contribution of the industrial sector to the GDP are addressed by the policy that recognizes the establishment of new industrial zones as a national priority. The development of pro-poor-oriented industries is realized with the development of agricultural-based industries as well as local resources, and the development of labor-intensive industries.

**Increased economic opportunities for sustainable livelihoods are also achieved in the marine sector in Indonesia.** Besides rich in terrestrial resources, as an archipelagic country with the world's largest marine area, Indonesia has enormous marine resources. By 2016, Indonesia has designated 17.9 million hectares marine conservation area consisting of 165 Marine Protected Areas (MPA), of the 20 million hectares targeted by 2020. Indonesia is also focusing the management of the MPA to ensure the improvement of the people's welfare. The MPA ensures the sustainability of nursery grounds and spawning grounds, so that the economically valuable fish can be consumed by the community in a sustainable and responsible manner. The economic values of the conservation areas are implemented through fishing activities, cultivation, marine tourism, research and education. Indonesia also explicitly combats illegal, unreported and unregulated fisheries (IUU Fishing).

To support small-scale fishermen, during the period of 2012-2016, Indonesia has provided small credits to the fisheries sector with an average increased credit volume of 10 percent per year. During the same period, the number of small credit recipients in the fisheries sector has also increased significantly from 6,644 recipients (2012) to 48,513 recipients (2016). In the framework to protect small fishermen, insurance assistance, certification of land rights of fishermen, the establishment of cooperatives and information systems for fishermen have been provided.

Challenges in the utilization of fishery and marine resources are, among others, the sometime still ineffective management of the marine conservation areas. This requires increased institutional and infrastructure facilities in the management of the marine conservation areas. Another challenge is the unavailability of the necessary support to improve fishery production after IUU fishing eradication. This include adequate facilities, infrastructure and human resources needed to utilize fishery potentials that previously was illegally taken by foreign ships. Another challenge is in providing assistance to small fishermen while preventing the occurrence of over fishing. Preparing regulation to arrange the utilization of funding aids for small-scale fishermen by maintaining the sustainable use of fish resources are issues that need to be addressed.

#### **4. Enabling Environment**

The achievement of interrelated and mutually-reinforcing goals with regard to the two aspects that lead to poverty alleviation and welfare improvement in Indonesia cannot be separated from the support of enabling environment i.e. partnership, gender equality, data availability, and financing.

##### **4.a. Partnership**

Partnership among stakeholders in SDGs implementation for poverty alleviation and prosperity improvement is very much needed because poverty is not an issue that can be solved solely by the government. The implementation of policies related to accessibility of basic social services, inclusive development, smallscale agricultural and fisheries development should be supported by private sector, social organizations and academics. Such join efforts should be complemented by synchronization of policies and synergy between stakeholders at the national and sub-national levels. Multi-stakeholders partnership is also useful to improve the capacity of all parties, including government institutions, non-state actors, and sub national governments.

Partnerships through the use of innovative mechanisms are not only useful for the implementation of SDGs, but also address Indonesia's diversity. For example, the use of cashless mechanisms that can increase target accuracy, reduce fraud, and simultaneously encourage financial inclusion has been applied in ,the Healthy Indonesia Card, Smart Indonesia Card, Indonesia Welfare Card and the Family Hope Program. The system requires partnerships between the national and sub national governments, supported by the private and banking sector in using an Integrated Database for the poor to apply the non-cash payment system. In addition, assistance for insurance premiums to protect small fishermen, has also been initiated since 2016.

#### **4.b. Gender Equality and Equity**

Gender equality and equity is an enabling factor in achieving all Goals of SDGs that has also been mainstreamed in the Indonesian development agenda through the enactment of special regulations on Gender Mainstreaming and Gender Responsive Planning and Budgeting. In the VNR 2017, gender is an enabling factor for health, basic services, education, politics and managerial, technology, financial services including micro-finance that is reflected by disaggregated data.

Child marriages is an important issue that affect the achievement of the SDGs targets. Most women who get married at a young age still live in the lowest income level households<sup>2</sup>. In 2016, 20% of womens between 20-24 years old were married for the first time before they reached 18 years old. Albeit decreasing almost 20% compared to 2008, the trend in the last eight years indicates a slower decline. A faster decline occurs to the proportion of women whose first marriage happen when they are below 15 years old. In 2016, the percentage of women between 20-24 years old married for the first time before the age of 15 has declined by one-third from 2008. The high percentage of young and child marriages have resulted to the high number of the Aged Specific Fertility Rate (ASFR) of women between 15-19 years old (i.e. 48 per 1000 females). This problem requires Communication, Information and Education program to improve public awareness.

In politics, the opportunity for women in decision making has increased. In 2004 election, the representation of women in the House of Representatives is 11.84%. This proportion was increased to 17.86% in 2009 and slightly declined to 17.3% in 2014. The proportion of women in managerial positions (Echelon I-IV) in government agencies for period of 2011-2015 also shows an increasing trend.

The low representation of women in parliament is still a gender issue, as indicated by less than 30% women representation as targeted in the affirmative action (Law Nr. 8/ Year 2012 on the General Election). Therefore, a continuous dissemination, public awareness, recruitment and capacity building on a regular basis is needed for women cadres and legislative candidates.

While the Gender Mainstreaming Regulation in Indonesia is quite strong, there are still challenges in its implementation such as lack of mindset and political will for gender mainstreaming as well as the inavailability of disaggregated data. Thus, improving understanding and knowledge, as well as identifying lessons-learned are necessary for gender mainstreaming.

#### **4.c. Data Availability**

The availability of qualified data and information is a key prerequisite to have an informed decision making and policy formulation to alleviate poverty and improve welfare, as well as to ensure that no one is left behind. The inclusive process in developing Indonesian SDGs metadata provides important lesson to formulate more measurable planning, implementation, monitoring, evaluation and reporting.

The SDGs also provide opportunities for data development, in particular to measure environmentally sustainable behaviour. One of the challenges related to data is disaggregation to ensure that no-one is left behind. At present, Indonesia is developing One data portal that is coordinated by Bappenas, Office of the Presidential Staff (KSP) and Statistics Indonesia (BPS).

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<sup>2</sup>Delayed Progress, Data Analysis of Child Marriage in Indonesia, BPS and UNICEF, 2016

#### **4.d. Indonesia's Role in the South-South and Triangular Cooperation (SSTC)**

As a lower middle income country, Indonesia would like to contribute to the effort of other fellow developing countries in advancing the SDG and has thus played a role as a “provider” country and not only as a “recipient” through its South-South and Triangular Cooperation program (SSTC – “KSST” in the Indonesian language). SSTC is a knowledge sharing framework that benefits not only the assisted country but also Indonesia itself through international cooperation. Indonesia takes an inclusive SSTC framework and therefore the Government of Indonesia has involved various stakeholders in its implementation. Indonesia's SSTC implementation is also directed to support poverty alleviation program in a wider context, in both Indonesia and other developing countries. A number of SSTC programs that support poverty alleviation include support for food security programs for farmers, animal husbandary and fishermen, assistance for agricultural equipments and machineries, expert assistance in the food crop agriculture and knowledge sharing on poverty alleviation programs such as the National Program for Community Empowerment and the aforementioned Family Hope Program (*Program Keluarga Harapan - PKH*). The Ministry of National Development Planning (Bappenas) also coordinates the Reverse Linkage program that is focused on poverty alleviation through community empowerment model, in the form of a Triangular cooperation involving Indonesia, IDB and IDB member countries.

Several training programs conducted through the SSTC scheme are, among others, the triangular program on capacity building for Timor Leste road engineers in 2014 between the Government of Indonesia, Timor-Leste and Japan International Cooperation Agency (JICA). Another example is training on development strategic partnership between faith-based organizations and Muslim leaders in Family Planning in 2014 and 2015 involving Afghanistan, Bangladesh, Ethiopia, Ghana, Nepal, Nigeria, Pakistan and the Philippines.

Challenges in the SSTC implementation include the limited source of domestic funding. To that end, the SSTC National Coordination Team has established partnerships with various parties, including development partners. The involvement of development partners is expected to support the implementation of Indonesia SSTC program more effectively and sustainably, not only in terms of funding, but also in the areas of institutional capacity building, implementation of pilot projects, and the development of innovative triangular cooperation modalities.

#### **4.f. SDGs Financing**

Indonesia continues to improve the quality of government spending, starting with a more effective and efficient planning, enhancing cooperation between the government and private sector in financing strategic projects, and promoting bank services to support development. In terms of tax revenues, various attempts are made by the government through the implementation of Law no. 16 year 2016 on Tax Amnesty. This effort is made in order to reduce dependence on assistance from development partners (Official Development Assistance/ODA).

Other alternative financing for the implementation of SDGs is from philanthropic and business funds, as well as religious social funds. The SDGs Indonesia Action Plan document will include contributions and commitments from non-state actors consisting of philanthropy and businesses and social organizations. The contribution of philanthropy and businesses will

be documented, so that it can be measured, monitored and evaluated as part of achieving SDGs in Indonesia.

Indonesia has also prepared guidelines for green banking and green financing. The Financial Services Authority has the role to support this sustainable finance program. The program involves cooperation of various stakeholders to provide financing for institutions that apply sustainable finance principles. In its implementation, it still needs increasing private awareness and supported by enabling regulation.

The challenges of domestic resource mobilization are unsustainable activities which can potentially support sustainable development. In addition, the use of CSR funds may not fully reach the right beneficiaries and suitable programs, thus the mapping of CSR activities and program to synergize with the development program is required.

## 5. Next Steps

For Indonesia, the implementation of SDGs means implementing its own national development program, since SDGs are in line with the vision and mission of the President (“*Nawacita*”) and the RPJMN 2015-2019. Most of the SDGs targets are aligned with national targets and therefore the required resources are secured. The remaining SDGs targets that have not been integrated in the RPJMN 2015-2019 but are relevant to the national development agenda will be developed in the national action plan. One of the main contributions of SDGs for Indonesia is to sharpen indicators of development achievement that are more measurable and to ensure that development benefits all. SDGs also strengthen inclusive development process through the involvement of stakeholders, including synergizing with international development partners.

**Indonesia is committed to regularly monitor SDGs achievements and conduct continuous improvements.** Indonesia is open to share its SDGs mainstreaming experiences into national development which has taken an inclusive process involving all stakeholders in all phases and in institutional arrangements with the support of the SDGs Secretariat. Indonesia is also keen to learn from other countries’ experiences on SDGs implementation.

**Indonesia is committed to implement SDGs to achieve a prosperous and just Indonesia, in accordance with its national development goals.** SDGs have provided meaningful contributions as the reference for sustainable development that is universally followed by developing and developed countries. Considering that Indonesia is the fourth largest populous country, the success of Indonesian development will contribute to the global welfare. 16.9% of Indonesia’s population is within the range of 15-24 years of age (2016), and Indonesia has thus the opportunity to benefit from the ‘demographic bonus’ in 2020-2040. Youth is therefore a great potential and investment for the sustainable development, and their involvement in the SDGs implementation process, either as beneficiary of development or as agents of change is very important.

In the process of achieving sustainable development, Indonesia is in the stage of initiating the implementation of “Circular Economy” by optimally improving resource efficiency and reducing waste. In the future, Indonesia will develop policies to encourage circular economy that ensures Sustainable Consumption and Production (SCP) is implemented in the business cycles and business processes. The challenges of the SCP are effectively implementation of the policies which requires the changing of communities’ behavior towards sustainable consumption and production.

Indonesia's challenge to achieve SDGs is enormous, in particular to ensure that no one will be left behind for its 258 million people, spread over approximately 17 thousand islands, with vast differences in cultures, ethnics, religions and languages. However, the enormous challenge is not a source of concern for the Government of Indonesia, who is remain confident in its efforts. Hence the challenge will be addressed to ensure sustainable development could improve welfare and provide justice for all. **Indonesia is also open and willing to cooperate with the global community toward the achievement of SDGs.**