



2022 Annual Report

**A Snapshot of Key Progress and
Achievements in Indonesia**

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2022 THE YEAR THAT WAS

Indonesia, like the rest of the world, was hit by multiple and simultaneous crises. The COVID-19 pandemic has left lingering impacts on Indonesia's progress on the SDGs, yet its key economic indicators have managed to stay on track. GDP growth in 2022 bounced back to 5.31 percent, from 2020 when it contracted to 2.07 percent¹ and GDP per capita in 2021 reached USD 4,332.7, a 10 percent increase from 2020 where GDP per capita was USD 3,894².

According to the latest Human Development Index (HDI), Indonesia, while dropping a few places in the rankings³, retained its high Human Development category. Indonesia also recorded good success on its COVID-19 vaccination drive, with 75 percent of target populations receiving the second dose of vaccine, according to the Ministry of Health as of October 2022⁴.

Despite these impressive domestic efforts and results, the country was also grappling with the roll-over effects of the Ukraine war, with rising food and commodity prices, and high levels of inflation. Indonesia saw a 30 percent increase in fuel prices in 2022. Similarly, the country saw a 5.83 percent hike in food prices in the same year⁵.

Underlying these more recent shocks, climate change impacts keep exerting protracted effects, underscoring existing vulnerabilities and inequalities

across the country. Recognizing this persistent challenge, the country submitted an enhanced National Determined Contribution (NDC), increasing its 2030 emission reduction target from 29 percent to 31.89 percent (unconditionally) and from 41 percent to 43.2 percent (conditionally), compared to a business-as-usual (BAU) scenario⁶.

This complements the national priority on enabling a just energy transition, which is a critical aspect of meeting its climate objectives by reducing the levels of harmful emissions. In addition, the government has committed to carbon emissions cap, and establishing a carbon tax. Indonesia brought these issues to the forefront when it presided over the G20. The global gathering – though marred by global tensions – enabled Indonesia to showcase its global leadership on key development processes and issues, which will continue during its role as Chair of the Association of Southeast Asian Nations (ASEAN) in 2023.

Moreover, Indonesia has been a global and regional pioneer for sustainable finance. In realizing its ambitions for a holistic financing strategy, the Government of Indonesia developed the Integrated National Financing Framework (INFF) in 2022. It facilitated a structured dialogue and commitment among ministries and the private sector to inform the sustainable financing landscape while leveraging innovative tools and resources for SDGs financing.

1) <https://setkab.go.id> 2) <https://www.worldbank.org/> 3) UNDP Human Development Report 4) <https://vaksin.kemkes.go.id> 5) <https://www.bps.go.id/> 6) <http://ppid.menlhk.go.id>



Building on the existing successful fundraising experience in capital markets, Indonesia scaled up its efforts on debt for financing the SDGs. Last year, Indonesia raised approximately USD 2.5 billion in Green Sukuk and USD 210 million in domestic SDG Bond.

Amid these nationally driven efforts, UNDP contributed, through tactical support, to Indonesian stakeholders based on key approaches focused on (i) strengthening the enabling environments required for changes at scale while empowering key actors; (ii) innovative solutions building on the opportunities provided by digital technologies and new financing solutions; and (iii) placing sustainability and resilience to drive results in every sector, from health to climate change and biodiversity efforts, while leaving no one behind. While many activities were affected by restrictions to limit the spread of COVID-19,

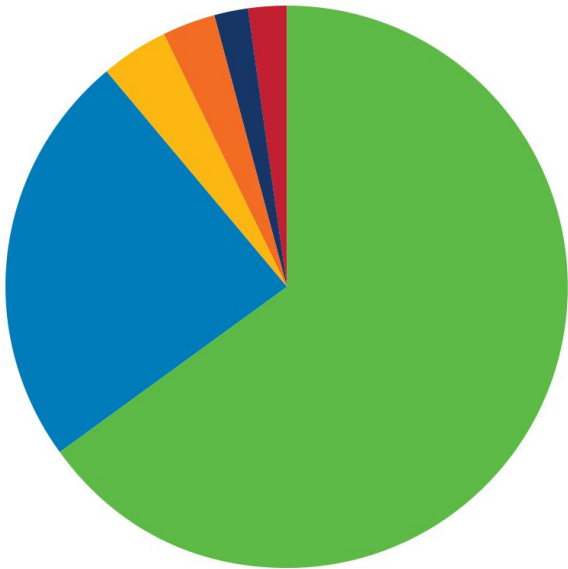
UNDP Indonesia nonetheless managed to make some significant progress.

THE UNDP COUNTRY PROGRAMME DOCUMENT (CPD)

The CPD reflects UNDP’s efforts to contribute to the development priorities of the Government of Indonesia as set out in the Medium-Term National Development Plan (RPJMN). This strategy has been developed through a series of consultations with the government, non-governmental stakeholders, and partners. It consists of four programme outcome areas focused on equal access, inclusive economic transformation, climate action and innovative and integrated innovation to SDGs.

UNDP’s total programme expenditure was at USD 78.1 million in 2022. This graph represents the range of UNDP’s interventions.

78.1
MILLION USD



- 65% Environment & Climate
- 24% Governance for Peaceful, Just, and Inclusive Society
- 4% COVID 19 Response
- 3% Resilience and Reconstruction
- 2% Innovative Financing
- 2% Other



ANTARA FOTO, Aloysius Jarot Nugroho

Outcome 1: People living in Indonesia, especially those at risk of being left furthest behind, are empowered to fulfil their human development potential as members of a pluralistic, tolerant, inclusive and just society, free of gender and all other forms of discrimination.

To address the root causes of inequality and exclusion that impede human development, UNDP seeks to anchor inclusive practices and principles across all its initiatives, while encouraging its partners to do the same. This paves the way to ensure that everyone, without exception, including those in Indonesia's disadvantaged areas, receives the benefits of development, and can engage meaningfully in processes that affect their lives.

RESPONSIVE INSTITUTIONS

For instance, responsive and effective public services are a prerequisite to meet the needs of diverse communities across Indonesia. UNDP Indonesia supported a strategy and an action plan to strengthen the capacity of institutions in two provinces (West Sumatra and Yogyakarta) and three districts (Tangerang, Sleman, Badung) responsible for complaint handling, which is part of the nationally-led SP4N-LAPOR programme. The online citizen feedback system has garnered strong satisfaction rate at 73.5 percent among its users.

Likewise, UNDP contributed to enhancing awareness of public institutions on inclusion, responsiveness and increased public participation through the G20 Policy

Note on Gender Mainstreaming. This document was developed together with the Ministry of Women Empowerment and Child Protection to promote gender mainstreaming in public infrastructure initiatives.

A PLURALISTIC AND DIVERSE SOCIETY

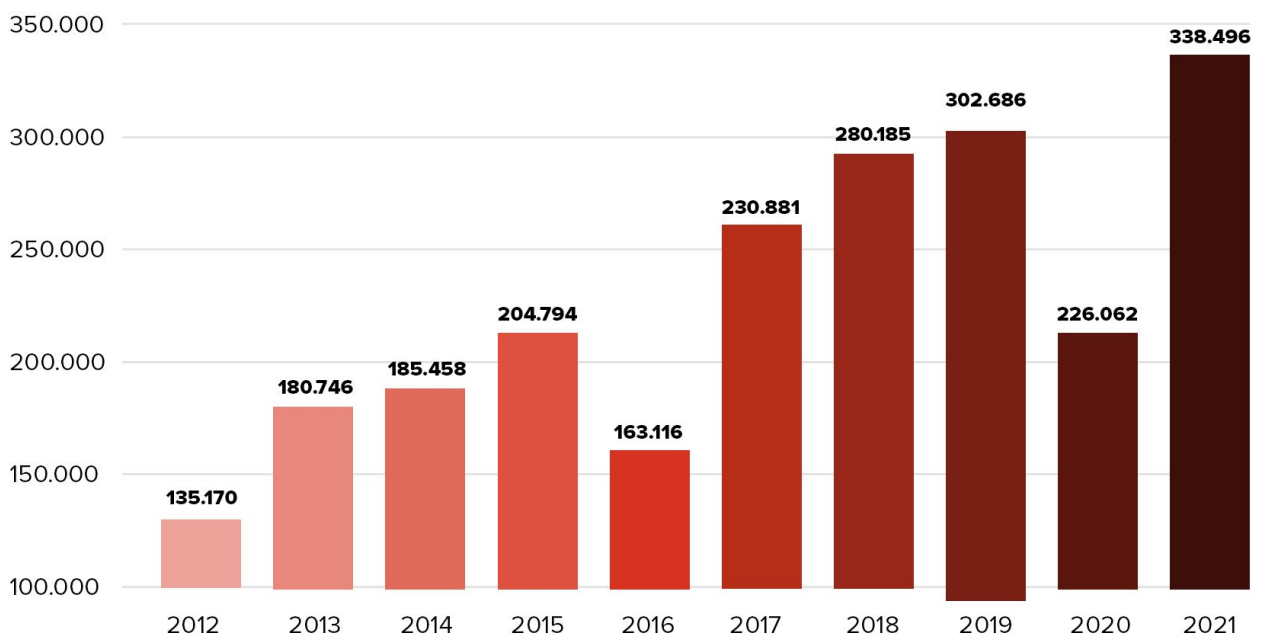
As part of efforts to promote peace, tolerance, and inclusiveness, UNDP has worked with communities in four cities in East Java (Lamongan, Jember, Surabaya, and Malang) and provided technical assistance to 1,057 community members (422 of whom were women) in developing peace narratives, such as unity and social harmony through the lens of cultural and religious values. Furthermore, 168 teachers (93 of whom were women), 180 religious leaders (including 84 women) were trained on countering misinformation and disinformation by identifying incorrect facts and accessing more reliable sources.

Likewise, UNDP also supported the government's efforts to address specific needs of women, particularly survivors of Gender-Based Violence (GBV). Instances of GBV increased globally during the COVID-19 pandemic, and Indonesia was no exception. From 2020 to 2021, the number of reported cases jumped by approximately 50 percent, according to the National Commission on Ending Violence Against Women (Komnas Perempuan).

Harnessing the capacity of South-South Triangular Cooperation and in collaboration with UNDP's Seoul Policy Center, UNDP Indonesia strengthened the



Number of reported cases of violence against women (2012 - 2021)



Source: Komnas Perempuan's Annual Note

Steps to UNDP-Assisted Government Integrated Service Center for GBV Survivors



*Visum et Repertum is a Latin term for 'seen and discovered' which is familiar to Indonesian audiences.

capacity of the Jakarta government's services for survivors of GBV. This was done by sharing resources, knowledge and expertise in promoting 32 One-Stop Centres to increase efficacy of integrated services for GBV survivors in Jakarta. UNDP also supported Jakarta Province to develop a model

GBV centre for replication at Tarakan Hospital. It tapped into high-level interventions by working with the Jakarta Governor to co-organize a U20 event to inform Mayors of cities within the G20 on preventing and addressing GBV concerns.



Outcome 2: Institutions and people contribute more effectively to advance a higher value-added and inclusive economic transformation.

UNDP’s approach to inclusive economic transformation in Indonesia is being addressed by supporting the green economic transition, opening new financing opportunities to vulnerable groups, strengthening MSME’s, and supporting the development of a circular economy strategy.

POTENTIAL OF A GREEN ECONOMY

UNDP works on energy transition as a key enabler of green economy. The energy transition can be addressed through the nexus of Climate Action including energy transition, carbon pricing and innovative financing. Together, they can promote a phasing out of coal, decarbonization in industries, and adoption of renewable energy at scale. For example, with the Ministry of Finance (MoF), Ministry of Energy and Mineral Resources (MEMR), Ministry of Environment and Forestry (MoEF), UNDP is supporting the development of the Carbon Tax Roadmap, Emissions Cap Roadmap, and Carbon Trade Mechanism, all of which will contribute to the Net-Zero agenda, a top priority for the government. In parallel, the shift towards low-carbon growth can generate enormous economic benefits such as 15.3 million new jobs, according to Bappenas⁷. Applying low carbon economic transition across key economic systems—energy, cities, food and land use, water and in industry—can pave the way for higher productivity, more resilient economies

and greater social inclusion. UNDP and BAPPENAS worked on developing the Circular Economic Policy, which informs the 2025-2029 National Medium Term Development Plan.

Nexus of Climate Action



As private sector and businesses become increasingly important stakeholders in enabling sustainable development, UNDP has supported them to take into account inclusion, responsiveness, and gender considerations more explicitly through the Business and Human Rights Initiative. Together with the Ministry of Law and Human Rights, UNDP supported the development of the National Strategy on Business and Human Rights, expected to pass in 2023.

⁷ Low Carbon Development: A Paradigm Shift Towards a Green Economy in Indonesia p.8



To accelerate the transition, and ensure no one is left behind, UNDP inked an agreement with the Indonesia Chamber of Commerce (KADIN), the umbrella group for all enterprises in Indonesia, including MSMEs, to encourage more sustainable business operations as part of the green transition. The partnership includes works on Environment, Social and Governance (ESG) principles; SDGs-related investments; climate change actions and a just energy transition and building resilience of local MSMEs business ecosystem to crisis and disaster.

MSMEs FOR SUSTAINABILITY

Micro, Small and Medium Enterprises (MSMEs) played a very important role during the pandemic and continue to be drivers of growth, contributing 90 percent of business activities in Indonesia⁸. Through the G20 Development Working Group, UNDP supported the development of the *G20 Roadmap for Stronger Recovery and Resilience in Developing*

Countries in LDCs, and SIDS. This multi-year initiative aims to accelerate the recovery of developing economies in a post pandemic context, focusing on enhancing productivity and competitiveness, resilience, and access to finance among others.

UNDP extended support to 4,753 MSMEs as part of these efforts, including enhancing their capacity to withstand and overcome the impacts of COVID-19 on businesses through digital literacy and digital marketing strategies. In creating an ecosystem of MSMEs that emphasises sustainability, they were also trained on creating business models that produce less waste and emissions. To ensure that the support to MSMEs were inclusive and opportunities were provided to a diverse group of entrepreneurs, UNDP facilitated focused training for persons with disabilities, women-led businesses, business owners from disadvantaged areas, as well as young entrepreneurs.

⁸) <https://setkab.go.id>





UNDP has also enhanced the role of youth in the country's economic development, especially given that 65 million (28 percent) of Indonesia's 260 million population are youth (classified as those between 10 and 24 years of age). Through the Youth Co:Lab, UNDP has provided skill upgrading to 50 youth-led

social enterprise and financial grants to five selected startups to upscale their businesses and impact in 2022. In addition, over 350 youth were equipped with new knowledge of business operations to increase job opportunities and social impact in their communities nationwide.

Youth Co:Lab Indonesia aimed to be



Benefit more than 1000 youth social enterprises



Deepen mentorship capacity for youth entrepreneurs through the Youth Co:Lab programme.



Engage ecosystem partners in the development of young people's 21st century skills.



Advance policy solutions to strengthen the enabling environment for youth entrepreneurship in the region.

250+

enterprises supported
per Dec 2021

1000+

youths empowered directly
per Dec 2021

17000+

beneficiaries reached
per Apr 2021

100+

business ideas launched
per Dec 2021

820M+

rupiah invested to YCL enterprises
per Apr 2021





Outcome 3: Institutions, communities and people actively apply and implement low carbon development, sustainable natural resources management, and disaster resilience approaches that are all gender sensitive.

UNDP supported the people of Indonesia to adapt better to the ever-changing climate, both by assisting communities to better respond and withstand the impacts of climate change, while also working at the upstream, policy level to galvanize change in a systemic manner. Being in the Pacific Ring of Fire, Indonesia is especially vulnerable to the impact of natural disasters, such as earthquakes and tsunamis. Furthermore, being an archipelagic country, sea level rises are particularly dangerous for its large coastal populations.

PROTECTING NATURAL ECOSYSTEMS

UNDP contributed to the country's Forest and Other Land Use (FOLU) Net Sink 2030. FOLU Net Sink refers to the condition where the level of absorption of greenhouse gases is equal to or higher than the 2030 emissions level through the FOLU sector. In 2022, UNDP contributed to the Government's efforts for the protection of 663,777 hectares in three provinces, and disbursed USD 46 million through

a Performance Based Payment Modality to the Indonesian Environment Fund (BPDLH). This is in the context of the USD 103 million Green Climate Fund awarded to Indonesia as a result of its past success in emissions reductions from forestry sector in 2014 and 2016 which will accelerate REDD+ implementation (see Box 1).

The USD 46 million introduced USD 2 million as a bonus payment for recognizing the government's efforts in incorporating gender aspects in their activities, such as availability of disaggregated data illustrating women's participation. Part of the funds will be reinvested in Indonesia's Social Forestry Programme which is aimed at poverty alleviation efforts, halting deforestation, and ending forestland tenure conflict.

In safeguarding Indonesia's natural ecosystem, UNDP contributed to the development of the National Strategy & Action Plan for Combatting Illegal and Unsustainable Trade in Endangered Species in Indonesia, the Oil Spill Early Warning System as part of Marine Sector Mitigation Action and the Guidance for Climate Change Vulnerability Assessment, and the plan to establish 356,337.90 hectares of Marine Protected Areas (MPA) in Arafura Sea.

Stronger Transparency through Performance-based Payments (PBPs)

BOX 1

PBPs are a type of agreement between UNDP and a responsible party to provide funding upon the verified achievement of an agreed measurable development result. This approach gives greater incentive to responsible parties to achieve results. Indonesia met all the stringent requirements and received the funding from the PBP modality for the reduction of emissions from the forestry sector.



The significance of a marine-based, blue economy is also increasing. UNDP worked closely with the Coordinating Ministry for Maritime and Investment Affairs to develop a Blue Financing Strategic Document, under the umbrella of the Archipelagic and Island States Forum. Through the AIS Forum and its Secretariat, UNDP supports Indonesia's continued stewardship in promoting multilateral cooperation on marine protection and blue economy for this group of countries who have a unique set of challenges and specific context.

Further, UNDP also leveraged digital technology and supported the development of three digital solutions within Indonesia's InaRISK (an application developed

by the Government of Indonesia and UNDP to alert users to potential disasters) system. These applications are currently used by the government to accelerate their planning and implementation during emergency and recovery phases.

As part of its work on crisis recovery and resilience building, UNDP supported the reconstruction of public service facilities in the provinces of Central Sulawesi and West Nusa Tenggara. 22 buildings including four schools, one primary health care centre, nine auxiliary health care clinics, and eight community halls were completed and formally handed over to the government of West Nusa Tenggara in 2022.

Government Co-Financing

BOX 2

The Government of Indonesia through the Coordinating Ministry of Maritime Affairs has extended a USD 5 million financing agreement to UNDP to facilitate and boost cooperation between archipelagic and island nations around the world under the Archipelagic and Island States (AIS) Forum. Areas of support include the blue economy, climate, marine plastic debris and good maritime governance which contributes to three dimensions of sustainable development—environment, economy, and social factors.

Likewise, the Ministry of Health has also entrusted UNDP to channel the USD 21 million it received from the Global Fund to strengthen various health services*.

Co-financing demonstrates a commitment to multilateralism, technical cooperation and South-South and Triangular Cooperation.

**Source: Blue Financing Strategic Document*



ECONOMY



ENVIRONMENT



SOCIAL
FACTORS



Outcome 4: Stakeholders adopt innovative and integrated development solutions to accelerate advancement towards the Sustainable Development Goals.

Acceleration to meet the SDGs in a way that is sustainable and resilient to unexpected shocks has become more accentuated in recent years. There were a number of successes that were achieved in 2022, showcasing Indonesia’s leadership in tackling challenges head on.

DIGITAL INNOVATION FOR HEALTH

By tapping into digital technology, UNDP supported the Ministry of Health to speed up the distribution

of over 430 million doses of COVID-19 vaccine throughout the country with the development and roll-out of the SMILE application. The digital application enabled health workers to access vaccine related data in real time, allowing them to provide adequate stocks and supplies to health care centers and to ensure the efficacy of the vaccines provided.

The success of the system has led to an overall improvement and strengthening of the public health system, acting as a catalyst to achieve other health related targets as part of the SDGs.

BOX 3



WHAT IS SMILE

The mobile and web-based application is being implemented by the Ministry of Health and supported by UNDP.



WHO IMPLEMENTS SMILE

Sistem Monitoring Imunisasi Logistik secara Elektronik (SMILE) is an innovative technological solution that aims to strengthen the immunization supply chain system in Indonesia.



HOW SMILE WORKS

SMILE was expanded during the COVID-19 pandemic to monitor vaccine cold chain systems for delivery of much needed vaccines used to safeguard communities against the pandemic. SMILE enables real-time visibility of vaccine cold chain logistics by digitizing stock supplies and storage temperature across vaccine cold chain points.



SPEARHEADING INNOVATIVE FINANCING

UNDP worked closely with the Government of Indonesia during its presidency of G20, when it facilitated the work of three working groups, including the Sustainable Finance Working Group, the Development Working Group, and the Climate Sustainability Working group. Much of the support to these groups focused on developing scoping papers and technical studies on the green and blue economies, adaptive social protection, multilateralism, MSMEs development, climate finance, carbon pricing, and ocean economy. Many of them deliberated on the need for finance as a fundamental enabler to reach results at scale.

UNDP supported Indonesia to address these at multiple levels. It did this by taking a systemic approach to enhancing the financial and regulatory ecosystem to unleash new forms of financing through critical planning and delivery tools. In 2022, this centered on the development of the Integrated National Financing Framework, in cooperation with the UN, the Climate Change Fiscal Framework and the Blue Financing Strategic Document. Not only will these overarching documents help the government to better map out their SDG investment priorities, they will also ensure the alignment of SDG investment planning with national priorities.

In identifying the financing opportunities, the emphasis on green, sustainable and climate related options were accentuated.

UNDP, in collaboration with other UN partners, supported the government to raise fresh funding in global and national capital markets. In 2022 alone, the government raised USD 1.5 billion from the Global Green Sukuk, USD 969 million as domestic Green Sukuk and capped off with a USD 210 million domestic SDG Bond. UNDP also supported the Indonesia Impact Fund to deploy USD 1 million equity investment for two SDG-oriented startups.

In addition to raising the financial resources, efforts were also taken to maximize the transparency and accountability of SDG financing. UNDP provided technical assistance on SDG impact measurement for government and private sector players such as investors and entrepreneurs. In doing so, UNDP connected the essential financial players with government financial regulators.

As a result, the government issued an Impact Report, with UNDP's support, on the use of the SDG Bond. This report provides information on the EUR 500 million leveraged with SDG Bond's issued in 2021, which would help to boost confidence as subsequent bond issuances are considered.

These activities also helped to maximize the transparency and accountability of SDG financing.



In doing so, UNDP connected the essential financial players with government financial regulators.

Recognizing that financial inclusion is key to women's economic empowerment, UNDP stressed the importance of ensuring that women had equal access to financing instruments. For example, with UNDP's support, six ministries included Gender Equality and Social Inclusion (GESI) perspectives on their climate budgets. The Ministry of Finance noted that between 2019 to 2021, approximately 38 percent of the total climate budget of IDR 280.25 trillion directly contributes to GESI.

These national efforts have supplemented the establishment of a regional Gender and Social Inclusion Reference Group to promote peer-to-peer learnings on innovative and gender-responsive climate change financing processes. The Reference Group consists of UN agencies, CSOs, research institutions, multilateral organizations, government representatives and development partners from 12 countries in the Asia Pacific region, and

was championed by the Ministry of Women and Empowerment and Child Protection in Indonesia.

To close the loop on the financing cycle, and facilitate the matching of finance with investment opportunities, UNDP also provided support for the formulation of the SDG Investor Map. This Map embeds gender aspects throughout the identification process of SDGs-aligned business opportunities in the market and provides market intelligence to investors on areas of opportunities that contribute to GESI, such as telemedicine for vulnerable populations and low-interest student loans for women and girls, thereby increasing their opportunities to access to finance and resources.

UNDP and the Asian Development Bank (ADB) developed the Blue Finance Accelerator program that supports startups and SMEs in the blue sector. From tailored curricula on innovation about blue-themed topics to mentoring by industry experts, the programme worked with select companies to ensure business growth.





LOOKING AHEAD

As we enter the halfway point in achieving the SDGs by 2030, 2023 will be another pivotal moment for Indonesia. Among key priorities will be the increased momentum on the energy transition, an invigorated focus on the potential of the blue and maritime based economy and development, and a health sector that is resilient to shocks and responsive to the needs of people. In achieving these objectives, digitalization and other innovative practices, including on diverse financing instruments will remain crucial factors to enable the changes required at scale. Taken together,

these will contribute towards the objectives that Indonesia will articulate in its long-term development strategy (RPJPN) for the 2025 to 2045 period.

UNDP will continue to support and work closely with Indonesian and other like-minded partners across the different sectors and at different scales to ensure successes in these areas. It will particularly focus on ensuring that the needs of the most vulnerable segments of the population are addressed, and that efforts are made to leave no one behind. UNDP Indonesia is committed to remain a trusted and reliable partner of choice in these endeavours.





UNDP's activities are generously funded by its core donors and:

