Annual Report 2023
UNDP Indonesia

#progressthatmatters

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List of acronyms

AI	Artificial Intelligence
AIDS	Acquired Immunodeficiency Syndrome
AIS	Archipelagic and Island States
BAZNAS	National Board of Zakat for the Republic of Indonesia
BGSi	Biomedical and Genome Science Initiative
BNPB	*Badan Nasional Penanggulangan Bencana* (National Agency for Disaster Countermeasure)
CIPP	Comprehensive Investment and Policy Plan
CMMIA	Coordinating Ministry for Maritime and Investment Affairs
CO	Country Office
CO2e	Carbon Dioxide equivalent
COVID19	Coronavirus Disease 2019
CPD	Country Programme Document
EV	Electric Vehicle
GHG	Greenhouse Gas
HPV	Human Papillomavirus
IEF	Indonesian Environment Fund
JETP	Just Energy Transition Partnership
KUSUKA	*Kartu Pelaku Usaha Kelautan dan Perikanan* (Fisheries Business Actor Card)
ME-SMILE	*Waste Management in Sistem Monitoring Imunisasi Logistik secara Elektronik* (Health Care Waste Management in Electronic Monitoring System for Immunization and Logistics)
MoEF	Ministry of Environment and Forestry
MoEMR	Ministry of Energy and Mineral Resources
MoF	Ministry of Finance
MoH	Ministry of Health
MoMAF	Ministry of Marine Affairs and Fisheries
MRA	Micro Risk Assessment
MSME	Micro, Small, and Medium-size Enterprises
MURENBANG	*Musyawarah Perencanaan Pembangunan* (Regional development planning meetings)
NAP	National Action Plan
NDC	Nationally Determined Contributions
NS-BHR	National Strategy on Business and Human Rights
PETRA	Programme for Earthquake and Tsunami Infrastructure Reconstruction Assistance
PV	Photovoltaics
REDD+	Reducing Emissions from Deforestation and Forest Degradation
RPJMN	*Rencana Pembangunan Jangka Menengah Nasional* (Mid-Term National Development Plan)
RPJPN	*Rencana Pembangunan Jangka Panjang Nasional* (Long-Term National Development Plan)
SDG	Sustainable Development Goals
SMILE	*Sistem Monitoring Imunisasi Logistik secara Elektronik* (Electronic Monitoring System for Immunization and Logistics)
SP4N LAPOR	*Sistem Pengelolaan Pengaduan Pelayanan Publik Nasional Layanan Aspirasi dan Pengaduan Online Rakyat* (National Complaint Handling System)
SPO	Sustainable Palm Oil
STRIVE	Sustainable Transformation for Inclusive Village Empowerment
TB	Tuberculosis
UN	United Nations
UNDP	United Nations Development Programme
UNGPs	United Nations Guiding Principles on Business and Human Rights
UNSDCF	United Nations Sustainable Development Cooperation Framework
$	United States Dollar

The first-ever high-level meeting of the AIS Forum was organized in Bali on 11 October 2023. Attended by 32 leaders from AIS participating countries, the summit concluded with the AIS Leader's Declaration, emphasizing the solidarity of AIS countries to strengthen their commitment to collaboration through the AIS Forum. Several side events include the AIS Youth Conference, the RnD conference, the Blue Economy High-Level Dialogue, and the Startup Blue-Business Summit. Credit: UNDP Indonesia - AIS Forum Secretariat

A year of impact and progress

Indonesia, the largest economy in Southeast Asia, has demonstrated strong resilience to shocks. The country recovered steadily from the COVID-19 pandemic, achieving a growth of 5% in 2023. Over the years, the country has also made immense progress in reducing poverty, from over 40% in 2000 to 2.5% in 2022,[1] and advancing human development, joining the high human development category.[2]

Yet, the country faces a myriad of challenges including economic and geographical inequalities leading to unequal distribution of development gains. Indonesia is also particularly vulnerable to the effects of climate change and natural disasters which is exacerbated by heavy reliance on fossil fuels. Underlying these challenges is a $1.7 trillion financing gap for the Sustainable Development Goals (SDG).[3]

In response, Indonesia has committed to pursue a low carbon development pathway by enhancing its Nationally Determined Contributions (NDCs) and facilitating a Just Energy Transition, demonstrating strong leadership within the Group of 20 and Association of Southeast Asian Nations. It is also dedicated to promoting equitable human development by expanding public service delivery to reach the most vulnerable population and achieve high-income status by 2045.

The United Nations Development Programme (UNDP) in Indonesia supports government endeavors to meet the country's complex development priorities, through a combination of policy, programme, and knowledge sharing initiatives. It does so by implementing interventions from national to community levels to amplify its impact on people, planet, and prosperity. In 2023, UNDP delivered $108 million in programme results—thanks to partners'

generous contributions—driving transformative changes in climate, energy, governance, economy, and building resilience, all enabled by innovative finance and digital technology. Notable results include reducing emissions in the forestry sector (REDD+) through results-based payments, contributing to the formulation of the $97.1 billion Comprehensive Investment and Policy Plan (CIPP) for the Just Energy Transition Partnership (JETP), enhancing healthcare services utilizing digital technology, and advancing the blue economy agenda through the Archipelagic and Island States (AIS) Forum. UNDP's programming is guided by the Country Programme Document (CPD) 2021-2025, which outlines four strategic priorities: i) inclusive human development; ii) economic transformation; iii) climate resilience; and iv) innovation for the SDG acceleration, all within the overarching framework of the UN's Sustainable Development Cooperation Framework.

Total: $108 million
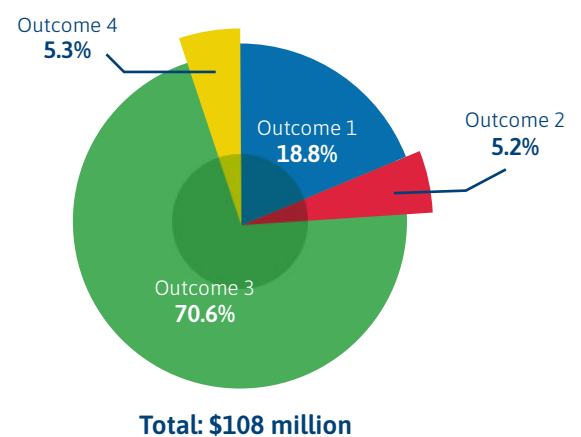
Figure 1. Delivery by outcome, 2023

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[1] from over 40% in 2000 to 2.5% in 2022 as per international poverty line of $2.15PPP (World Bank).

[2] Source (BPS): https://webapi.bps.go.id/cover.php?f=RxP9kuJOLuuBxYEPo+WfMHZ1yrhGOyCrj9kEOZfOt4TyPBQNjmaBzIfGMsLLnPO4mtRO1lLXvAeCds34RRLkCs5i2 MLHEAcXAC8J/mRC29jqZ UbS56oFSV5+6xQ7juZm

[3] Source (BAPPENAS): https://www.bappenas.go.id/en/berita/percepat-capaian-tpb-sdgs-bappenas-bersama-undp-luncurkan-integrated-national-financing-frame-work-B0V4K https://sdgs.bappenas.go.id/sdgs-financing-hub-mempercepat-investasi-dalam-sdgs/

Our initiatives are firmly rooted in the principles of gender equality. Having achieved a Gold Gender Equality Seal, UNDP Indonesia continues to demonstrate commitment, expertise, and effectiveness in protecting and advancing women's rights and gender equality through all our programmes.

In all these efforts, UNDP strives to go beyond the metrics to deliver impact, empower the most vulnerable to ensure no one is left behind and the benefits of development are shared equitably while harnessing the potential of nature without harming it—towards **progress that matters**.

Gold gender equality seal

UNDP Indonesia was awarded the Gold Gender Equality Seal, becoming the first country office (CO) in Asia-Pacific to receive the seal for its efforts in mainstreaming gender into its programmes and contributing to gender outcomes within the country. The Seal is a corporate certification process that recognizes COs' efforts and performance in delivering transformational results in gender equality. The seal is awarded based on a certification process that rigorously evaluates adherence to 32 criteria across seven key areas: management, capacities, enabling environment, communication and knowledge management, programmes and projects, partnerships, plus results and impact. Furthermore, the application of gender seal certification programme extends beyond UNDP to include both public institutions and private sector. For instance, the seal is rolled out in more than 90 public institutions in 23 countries and has certified 517 enterprises across 13 countries.

Where we are—halfway through the country programme cycle (2021-2025)

2021   **2023**   **2025**

Climate

- **87.4 million tonnes of CO2e** mitigated and avoided for a healthier planet and people.
- **15.5 million hectares of land** preserved from deforestation and degradation.
- **32 million people** reached through green financing, improved natural resource management, and strengthened environmental governance.

Resilience

- **476,000 people** benefited from disaster resilient infrastructure, **48% of whom were women and girls.**
  a. 13 health facilities, 7 schools, and 2 bridges.
- **Equipped 2,500 MSMEs** to respond to economic shocks.

Finance

- **$6.7 billion** mobilized through sovereign and corporate thematic bonds (Green Sukuk, SDG, and Blue Bond, Social Bond/Sukuk); On average $5.8 billion of annual public expenditure aligned towards climate action.
- **48 million people** benefitted including **5.9m girls through scholarships**, 5 million people through social protection, and 30 million children through vaccines.

Governance

- **450 million doses** of Covid-19 vaccines, **375.3 million doses** of routine vaccines delivered across Indonesia and 13 million malaria drugs delivered to 30 districts in Eastern Indonesia significantly improving healthcare service, reaching the last mile.
- **33 public hospitals** equipped with One Stop Gender Based Violence Service Centers benefitting survivors in Jakarta and West Sumatra Region.

Energy

- **134,000 people** gained access to clean, affordable, and sustainable energy in East Nusa Tenggara, South-East Sulawesi, and Central Kalimantan, **49% of beneficiaries being women.**

Digitalization

- Inclusive digital transformation policies, on digital divide, digital ethics, polarization.
- Transforming healthcare service delivery through SMILE.
- Empowering the voices of local communities through STRIVE.
- Enhancing civic engagement and government accountability through SP4N LAPOR.
- Strengthening MSMEs through the enhancement of digital literacy.
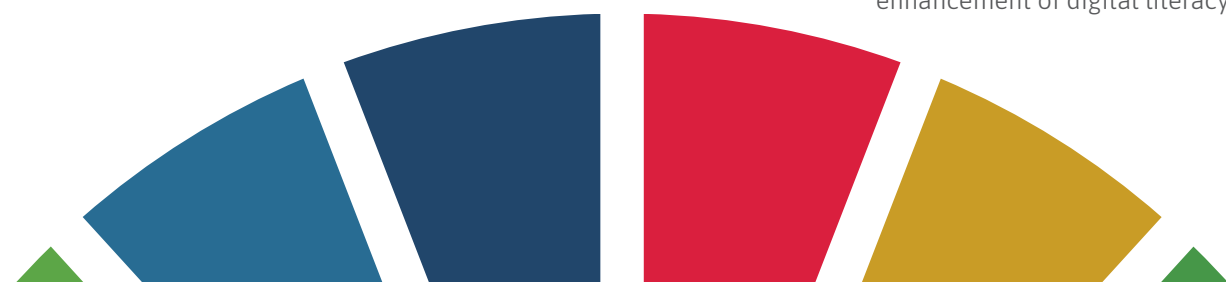
Development impact in 2023

Breaking the silos

UNDP has embraced an integrated approach to deliver tangible impact and respond to complex and multifaceted development challenges in Indonesia. Leveraging on our strengths, UNDP has focused on delivering results in climate action, energy transition, governance, and building resilience, enabled by financing and digitalisation. This strategic shift allows for cross connections and interlinkages among the various focus areas and stems from a thoughtful reflection on how best to align efforts with Indonesia's national development blueprint—envisaging an advanced, inclusive, and sustainable economy.

Nature's tranquility in the heart of Kalimantan's rainforest. Credit: UNDP Indonesia - Kalimantan Forest (KALFOR) Project.
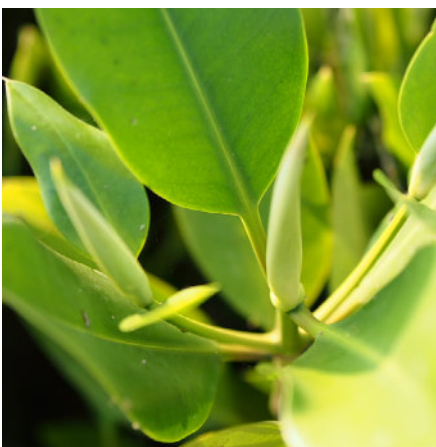
Pioneering a green pathway

Indonesia faces significant impacts of climate change exacerbated by high levels of greenhouse gas (GHG) emissions, rising sea levels, and pollution. The complex nature of climate change calls for a multi-faceted approach encompassing green and blue agendas. UNDP has responded to this through long-term policy levers and immediate adaptation and mitigation programmes that help communities adapt to the changing environment.
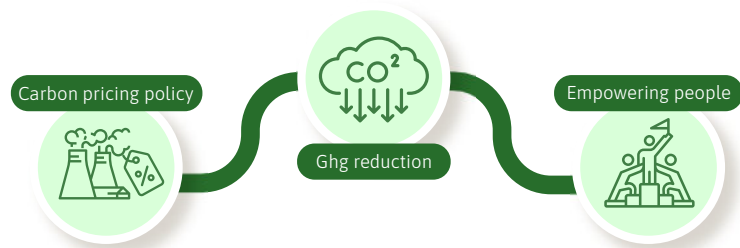

Mangrove seeds. Credit: UNDP Indonesia.

Figure 2. A green pathway

Fostering a low carbon development pathway

In collaboration with the Ministry of Environment and Forestry (MoEF), Ministry of Energy and Mineral Resources (MoEMR), and Ministry of Finance (MoF), UNDP played a pivotal role in *shaping carbon pricing policies*, contributing to the introduction of emissions cap for coal power plants, development of a carbon tax roadmap, and establishment of a national emissions registry system to facilitate carbon credit certification. These led to the introduction of Indonesia's domestic carbon trade, complemented later by the launch of Indonesia Carbon Exchange.[5]

Likewise, UNDP's work contributes towards the country's ambitions contained in the Forest and Other Land Use Net Sink 2030 Operational Plan which is a significant driver to attain the enhanced NDCs. Under the leadership of Indonesian Environment Fund (IEF), UNDP facilitated Indonesia's receipt of $103.8 million from the Green Climate Fund's Reducing Emissions from Deforestation and Forest Degradation (REDD+)[6] *results-based payment* to incentivise emissions reduction in the forestry sector. To date, a total of $83

million has been disbursed to IEF including $55 million in 2023. Through the REDD+, UNDP helped establish robust institutions and effective monitoring, reporting and verification processes. It improved legal frameworks to enforce and devolve land rights to communities, implemented programmes focusing on sustainable alternative livelihoods, promoted sustainable forest management, fostered stakeholder engagement, and empowered local communities in conservation efforts demonstrating its impact on social environmental outcomes. Following its success, REDD+ provincial strategies and action plans have been implemented in 11 provinces to scale up the initiative, strengthened by the integration of gender considerations throughout the process.

Additionally, in partnership with various stakeholders, UNDP trained over 2000 smallholder palm oil farmers in *sustainable agricultural practices*, established a legal tracking database for the supply chain, and supported operationalisation of the Secretariat of national action plan on sustainable palm oil (SPO). Efforts included the

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[5] Source (IDXCarbon): https://www.idxcarbon.co.id/document/share/49/a8164f5c-7659-47a6-81ca-6b156c92002e
[6] As per UNFCCC, 'REDD' stands for 'Reducing emissions from deforestation and forest degradation in developing countries'. The '+' stands for additional forest-related activities that protect the climate, namely sustainable management of forests and the conservation and enhancement of forest carbon stocks.

formulation of seven provincial and 19 district SPO action plans and 26 regulations. These initiatives aim to safeguard and manage 138,481 hectares of high conservation value and high carbon stock areas across nine provinces, enhancing sustainability and legal compliance in the sector.

UNDP also worked with the MoEF in strengthening the *policy framework for biodiversity conservation*, which includes the issuance of the Ministerial Decision on forest moratorium—a policy that bans clearing of forests—to curb deforestation and strengthen forest governance. This resulted in the preservation of 665,000 hectares of land in 3 provinces of Kalimantan and avoidance of 71.5 million metric tonnes of CO_2e in emissions. Furthermore, communities in Kalimantan and Aceh provinces also benefitted from trainings in alternative economic livelihood such as horticulture and ecotourism to reduce their dependence on unsustainable livelihood practices. Through these initiatives, 2,289 people benefitted, including 560 women. To sustain the change and encourage wider community participation in conservation efforts, UNDP worked with the private sector in Aceh and Bengkulu, where eight local businesses successfully integrated conservation practices into their operations.

Marine protection and advancing blue economy

Why

Challenges[7]	Opportunities[8]
Annual inflow of **1.29 million** metric tonnes of plastic waste into the oceans	Nature based tourism revenues (coral reefs) **US$3.1 billion/year**
	Fisheries revenues **US$2.9 billion/year**

How

Implementing National Action Plan (NAP) on marine debris management

Issuance of the ministerial decree no.5 of 2023

Promoting inclusive governance and women's role in natural resource management.

Result

Incorporation of blue carbon considerations into government policy

Public awareness on marine debris and waste management
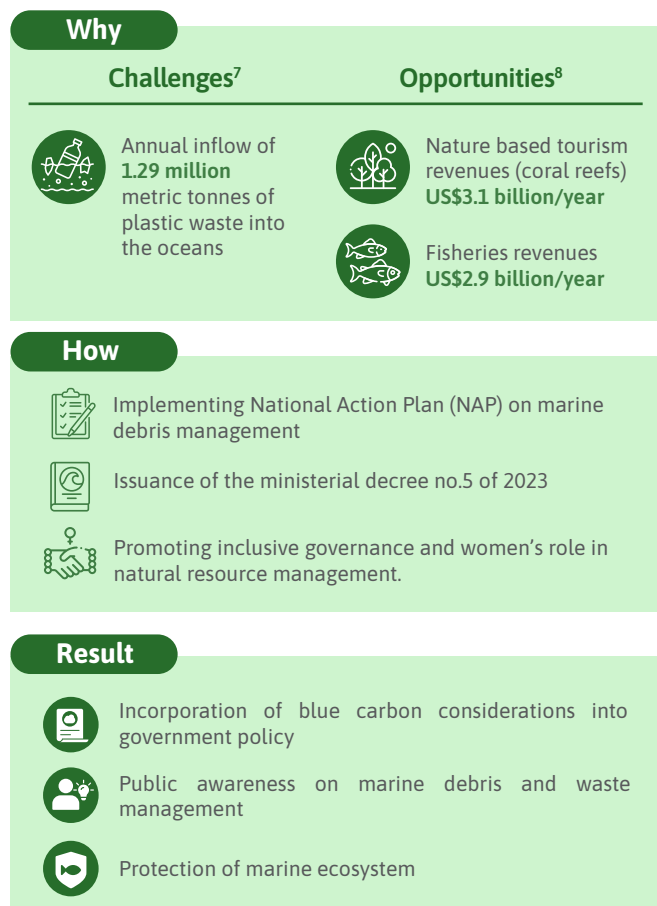
Protection of marine ecosystem

Figure 3. Strategy in protecting the marine ecosystem

In line with government priorities, UNDP has intensified its efforts and contributions to advancing the blue agenda, both in terms of harnessing its potential for inclusive development and safeguarding its natural richness.

UNDP is closely engaged on the *Archipelagic and Island States (AIS) Forum*, spearheaded by the Coordinating Ministry for Maritime and Investment Affairs (CMMIA) in cooperation with Ministry of Foreign Affairs. In 2023, the AIS Summit, chaired by the President of Indonesia, successfully brought together heads of states and senior officials from 32 countries and organisations, culminating in the adoption of the AIS Leaders' Declaration, which marked a collective commitment to enhancing collaboration in addressing common priorities such as ensuring sustainable marine livelihoods.

To further enhance the *sustainability of marine ecosystem*, UNDP collaborated with 18 Ministries, including the CMMIA and MoEF, to implement the National Action Plan (NAP) on Marine Debris Management. This collaboration involved technical assistance to the Marine Plastic Litter Secretariat, MoEF, in drafting the Presidential Report on the implementation of the NAP and formulating associated policies and regulations to increase public awareness on marine debris and waste management. A significant achievement was the contribution to the issuance of the Ministerial Decree No.5 of 2023 by the Ministry of Marine Affairs and Fisheries (MoMAF), which was a critical step towards creating a Marine Protected Area in Merauke District. Acknowledging the crucial role of women in natural resource management, UNDP worked with village governments and communities, especially in remote areas, to promote the inclusion of women in various initiatives. These interventions strengthened their ability to leverage alternative sources of income, increasing their access to finance from the village budget to scale up their enterprises in East Nusa Tenggara. In addition, UNDP's assistance in seagrass conservation facilitated the establishment of a *blue carbon baseline* through comprehensive data collection and analysis. This initiative will assist the Government in incorporating blue carbon into its second NDCs.

Furthermore, to demonstrate the potential of *marine circular economy initiative,* UNDP collaborated with the MoEF, and MoMAF to support a waste to energy project. The construction of waste processing units equipped with advanced technology in locations such as Labuan Bajo, enabled the community to manage plastic waste sustainably by recycling it into pyrolysis oil, which is now used as fuel for fishing boats, resulting in reduced fossil fuel demand and zero waste.

[7] Source (UNDP): https://www.undp.org/indonesia/blog/sailing-towards-sustainable-future-undps-endeavor-marine-debris-management
[8] Source (World Bank): https://www.unep.org/ietc/resources/policy-and-strategy/national-plastic-waste-reduction-strategic-actions-indonesia

Powering energy transition

Indonesia's heavy reliance on fossil fuels, constituting 86% of its energy mix and accounting for 34.5% of GHG emissions, presents a formidable challenge for the country's net zero ambition. To support government endeavours especially in its effort towards a just energy transition, UNDP has provided crucial assistance for policy setting, as well as facilitating tangible initiatives that ensure last-mile access to sustainable energy in remote communities.

Just transition

Building on its experiences in the energy sector, UNDP chaired the Just Energy Transition Working Group within the JETP. Together with partners, UNDP contributed actively in the development and finalisation of the CIPP. The plan, with an estimated investment of $97.1 billion, is the first coherent *energy transition roadmap* for Indonesia designed to ensure that the transition is just, inclusive, and future fit.

Likewise, UNDP played a pivotal role in paving the way for Indonesia's emissions trading system by assisting the MoEMR in *introducing the mandatory emissions cap* for 99 coal-fired power plants equivalent to 33.6GW, covering 81.4% of the total on-grid plants, and working with the MoF in developing the carbon tax implementation roadmap.[9]

Through energy transition initiatives, 134,000 people (97% in rural areas) including in Jambi, East Nusa Tenggara, and Riau, *gained access to clean energy* from mini-hydro power plants and rooftop solar PV. Approximately 200 local operators, including 34% women, were trained to independently operate and maintain the power plants, and local consumers were empowered to participate in local government decision-making in relation to energy policies including tariff decisions. In anticipation of potential waste from new energy sources, the operators were trained on proper management and disposal of electronic waste and mercury produced from lamps to reduce the transition's impact on the environment.

Other *energy efficiency measures* such as energy efficient street and building lightings in Dharmasraya and West Lombok Regency implemented through public private partnership schemes saved 63.4 GWh annually—enough to power approximately 54 thousand homes. Overall, initiatives across renewable energy and energy efficiency measures, have contributed to reduction in emissions by 62,635 tonnes of CO_2e.

134,000 people gained access to clean energy

$97 billion planned investment until 2030 for decarbonisation of power sector

81.4% of all coal-fired power plants with emissions cap for carbon trading

63.43GWh saved from energy efficiency measures– enough to power 54,000 homes

62,635 tonnes of CO_2e reduced from just energy transition initiatives

Figure 4. Key energy results.

E-mobility

UNDP in collaboration with MoEMR *promoted green mobility* by creating the ecosystem for electric vehicles. The initiative helped design location-based charging service tariffs—using population density to determine fees wherein low-density areas were charged lower rates and vice-versa—and its implementation, which was facilitated through a Ministerial Decree, to enable equitable access to e-transportation services. This resulted in the installation of 2,626 charging and battery swap stations for electric vehicles and motorcycles across the Java region. In addition, to ensure long-term impact of interventions, UNDP facilitated training and certifications to equip local mechanics with skills to convert internal combustion engine motorcycles to EVs.

Solar PV hybrid battery swapping station & private electricity installation for Solar PV hybrid electric motorcycle. Credit: UNDP Indonesia – ENTREV Project.


Selected local operators from target villages were trained on Solar PV related skills. Credit: UNDP Indonesia – ACCESS Project.

[9] https://icapcarbonaction.com/en/news/indonesia-launches-emissions-trading-system-power-generation-sector;
   https://www.reuters.com/business/energy/indonesia-launches-carbon-trading-mechanism-coal-power-plants-2023-02-22/

Leaving no one behind

Indonesia has made significant strides in its development journey, yet a spectrum of challenges persists including the daunting task of taking public service to its highly dispersed population. UNDP has been a committed partner to the Government in driving significant improvements in public service delivery while ensuring a peaceful, just, and inclusive society.
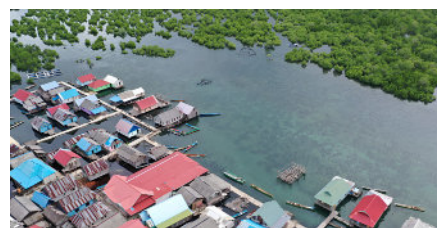
Nature's tranquility in the heart of Kalimantan's rainforest. Credit: UNDP Indonesia - Kalimantan Forest (KALFOR) Project.

Enhancing public service delivery

To make health services more accessible, UNDP worked with the Ministry of Health (MoH) to develop *SMILE, a vaccine logistics monitoring application*. The application has transformed vaccine supply chain by digitizing stock data to streamline distribution process and temperature logging of vaccine to ensure its quality and effectiveness. This has facilitated access to 4.9 million doses of critical medicines for malaria, TB, and AIDS, reaching underserved communities in Eastern Indonesia. Additionally, the initiative has ensured the delivery of 213.7 million routine vaccines (hepatitis, ratovirus, HPV) to people across Indonesia, further to the 450 million COVID-19 vaccines delivered nationwide from the previous years. SMILE is further expected to be integrated into the Government's One Health Dashboard (Satu Sehat), which is a comprehensive integrated healthcare data platform.

Building on its success, UNDP has worked with the MoH to develop the ME-SMILE application which enables the tracing and monitoring of medical waste (for details refer to the text box).

Ibu Dora, a pharmacist, and Ibu Jouke, a daily SMILE user, submitting data to the SMILE app for real-time vaccine stock update. Credit: UNDP Indonesia – SMILE Project.

ME-SMILE: A leap in indonesia's medical waste management

Why?

382 **tonnes** of medical waste daily (60% from health facilities)

Serious risk to **human health** and the **environment**

What is ME-SMILE?

SMILE
SISTEM MONITORING IMUNISASI DAN LOGISTIK SECARA ELEKTRONIK

A web-based platform that enhances the monitoring and traceability of medical waste using QR-coded waste bags, digital scales, and real-time data for end-to-end tracking.

QR Coded

Key data analytics on SIRAJA system

500 **health specialists** trained

30 **hospitals** utilising the system

Ministry of Health plans to expand to **3,000 healthcare facilities** by the end of 2025

Results

800-900 **kg** of infectious medical waste properly managed daily

Turn around time reduced by **89%**

Group work done by a **single person**

Unsafe disposal practices reduced by **20%**

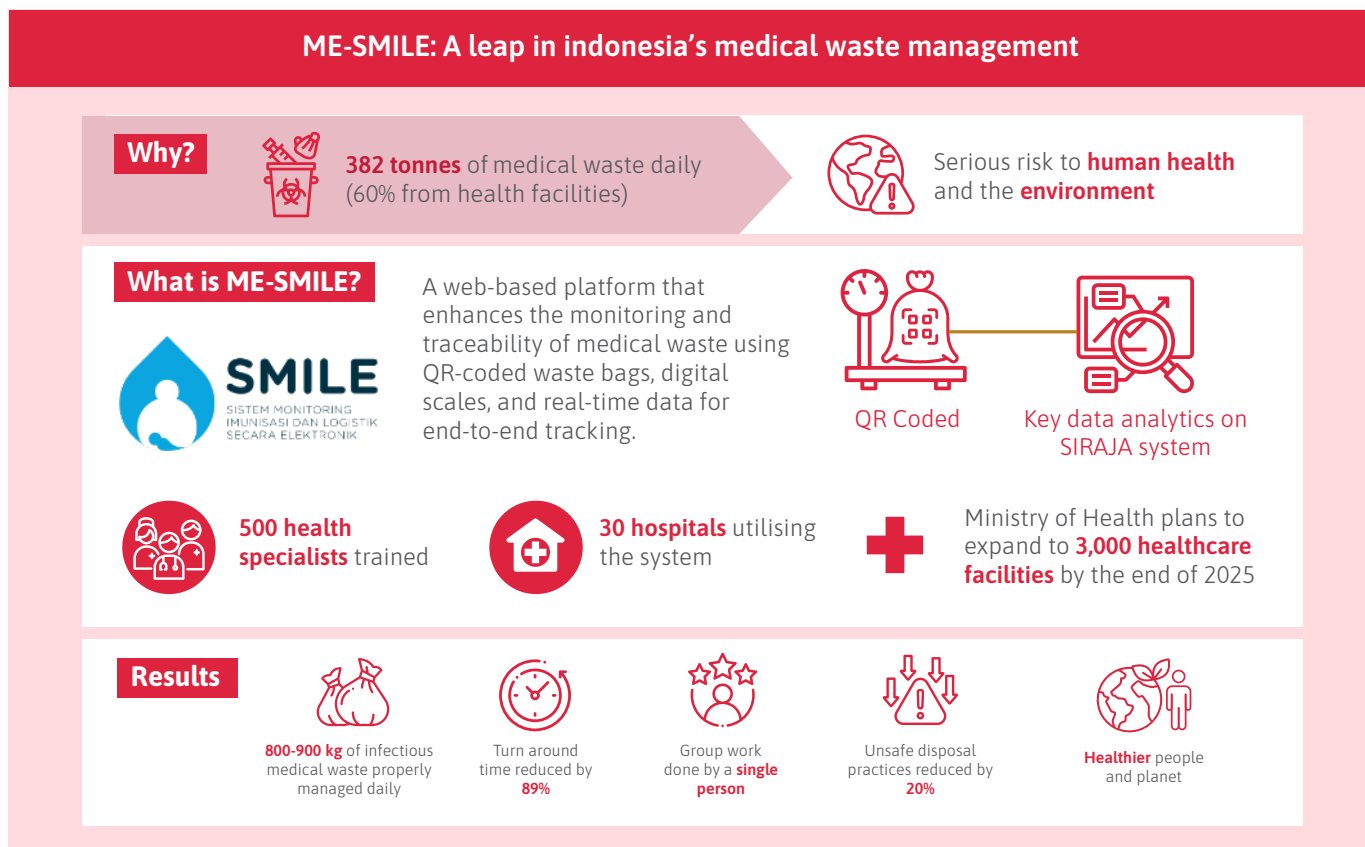**Healthier** people and planet

Figure 5. Infographic on medical waste management project (ME-SMILE)

Inclusive and responsive governance

UNDP supports inclusive governance across national and sub-national levels. To strengthen and enhance civic engagement and government accountability, UNDP's technical assistance improved *SP4N-LAPOR!, an online platform where citizens can provide feedback on public services,* and expanded its adoption to 84 more local governments bringing the total to 544, achieving a connectivity rate of 98% across local governments. As a result, the time required to handle the complaints were significantly reduced from 14 days to 5 days (i.e., by more than 62.8%), and led to large improvements in making the platform accessible to the unreached, including persons with disabilities.

At the local level, UNDP developed a participatory planning method, *Social Innovation Platform (SIP), an inclusive planning process* using a systemic approach emphasizing active community engagement and stakeholder collaboration. SIP identifies key issues, and brings together stakeholders to co-create solutions and develop integrated initiatives within portfolios aimed at socio-economic transformation while safeguarding the environment. In addition to supporting the Government's effort for inclusive local development planning, it is also expected to help target the use of the Village Fund (approximately $5 billion/year) more effectively. With the ongoing successful testing of the method, it is expected that the implementation of the method will be scaled up and applied across the country by integrating it into the MUSRENBANG (development planning process). Using artificial intelligence capacity, through application of AI called STRIVE, the SIP will make it easier for communities to participate in public discourse and co-creation of development solutions by enabling multiple inputs such as from social media, photo, text, and speech.

Recognizing the crucial role and obligation of both public and private businesses in safeguarding human rights and promoting environmental sustainability in their operations, UNDP in collaboration with the Ministry of Law and Human Rights developed the *National Strategy on Business and Human Rights* (NS-BHR) which was endorsed through a Presidential Decree issued in September 2023. Anchored around the United Nations Guiding Principles on Business and Human Rights (UNGPs), the NS-BHR serves as a framework for preventing and addressing the serves impacts of businesses on human rights and the environment. To ensure effective implementation, 40 public and private businesses were trained on the nexus of business, human rights, and environment.

To further address the needs of *diverse marginalised groups* such as migrant workers, UNDP, through a UN Joint Programme,[10] supported the Indonesian Migrant Workers Union by providing essential technical support in identifying policy gaps in safeguarding the rights of returnee migrant workers. This initiative forms a crucial building block in developing an inclusive migrant worker policy by leveraging the identified policy gap.

Civic participation for people with disabilities will create an inclusive future for all. Credit: UNDP Indonesia.

Participants responded the panellists on a public dialogue on responsible business practices for clean water. Credit: UNDP Indonesia - Business and Human Rights Project.

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[10] Migration Governance for Sustainable Development Joint Programme

Empowering lives

Achieving the Golden Indonesia 2045[11] vision to become a high-income country by the centenary of its independence requires building resilience of communities to multiple and often unexpected shocks. Central to UNDP's programming is the fortification of communities' resilience to a spectrum of adversities through a comprehensive approach that not only addresses immediate impacts but also future shocks.

The Omu Market after reconstruction. The market was damaged due to the earthquake in Palu in 2018. Credit: UNDP Indonesia – PETRA Project.

Resilience to climate shocks

In strengthening the resilience of communities to climate shocks UNDP partnered with MoMAF to undertake a comprehensive assessment of *insurance and risk financing landscape.* This aims to improve long-term resilience of the country and community by facilitating access to integrated insurance, risk finance and investment solutions. As a result, the first coral reef insurance initiative—a sovereign risk financing—will be piloted in select areas across Indonesia to protect the country's natural resources from the impacts of climate change.

Likewise, to *enhance economic resilience of rural communities* who are dependent on unsustainable livelihood practices, UNDP collaborated with MoMAF, MoEF, and the National Board of Zakat for the Republic of Indonesia (BAZNAS) to equip them with alternative economic livelihood skills. A total of 3,673 beneficiaries, including 1,171 women, gained from the training and village-level business pilot initiatives. For example, in Rote Ndao, East Nusa Tenggara, four community groups received interest-free loans from Bank NTT under a memorandum of understanding to expand alternative community-based enterprises, thus reducing their dependency on overfishing. In Sintang and Ketapang Regency, farmers were trained in horticulture, sewing, and food processing to move away from deforestation-linked farming. Additionally, women and youth groups in Bukit Tempurung and Lubuk Bangkar acquired agri-business skills such as coffee processing, ecotourism, and creative economy to bolster their income. Moreover, over 300 women from the fishing communities in Aru Archipelago, Rote Ndao, and Merauke, were supported in accessing Government livelihood assistance through the registration of KUSUKA card,[12] which serves as a single identification document for fishing industry actors and enables easier access to government support programmes. This was achieved by opening outlets to facilitate KUSUKA Card (fishers' identity card)

registration. In addition, it also facilitated a joint workshop between national and district fisheries officers to strengthen communication between them on the implementation of KUSUKA and ensure policy and regulation alignment with national standards.

A local resident in Tuva Village crossing the bridge after being renovated. The two villages were disconnected due to the damaged bridge during earthquake in Palu in 2018 Credit: UNDP Indonesia – PETRA Project.

Resilience to disasters

UNDP collaborated with the National Agency for Disaster Countermeasure (BNPB) to enhance the capabilities of InaRISK—a *risk data collection and analysis platform*—by developing and incorporating the Micro Risk Assessment (MRA) tool and expanding its adoption in 156 villages. The integration of MRA tool facilitated production of granular data enabling household level disaster risk assessment previously only available at national level. The availability of comprehensive household data by gender, age, disabilities, education, and income levels has significantly improved the Government's capacity to anticipate and implement targeted risk response measures for the most vulnerable groups and further their ability to formulate effective disaster management plan and policies.

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[11] Source (BRIN): https://www.brin.go.id/en/news/113066/to-achieve-golden-indonesia-2045-brin-initiates-scientific-reference-to-build-advanced-indonesian-economy-1

[12] The KUSUKA card replacing previous maritime and fisheries business actor cards issued by the MoMAF, serves as a single identify card for fisheries sector business actors-- including fishermen, fish cultivators, salt farmers, fish marketers, processors, and fish delivery service entrepreneurs-- for unified database for social protection and empowerment programmes including subsidies. It includes essential information and a QR code for additional data, available in individual and corporate versions to integrate data across the sector.

Moreover, in continuation to the *rehabilitation efforts* for the communities affected by the 2018 earthquake in Palu and Lombok, recovery of critical disaster resilient public infrastructures has benefitted 450,000 people. This includes reconstruction of 13 health facilities, 7 schools, water facilities, and bridges in 2023 benefiting 5,300 farmers, 2,700 students and 535 micro-businesses. The restoration was guided and informed by gender-sensitive and inclusive post-disaster needs assessments, ensuring the new infrastructures cater to specific needs of women and persons with disabilities. In addition, the infrastructure was designed to be climate resilient through integration of efficient water management systems and other environmental considerations.

Herlinda, Site Engineer, PETRA Project—the project supported the transition of Sulawesi and Lombok communities affected by the 2018 earthquake from immediate disaster response to longer-term recovery.

"I am an inspector at two reconstruction projects. Since the beginning, PETRA has promoted gender equality at the workplace, and it has motivated me to achieve my full potential. This project, to me, is remarkable because I have been able to use my knowledge and skills in civil engineering and contribute to a high quality and earthquake-resistant building plan which will increase the community's resilience."

Resilience to economic shocks

UNDP supported 56 *MSMEs* in blue, green, and digital sectors to bolster their resilience to unexpected shocks by providing training, seed funding, market linkages, and networking opportunities. For example, through the AIS Business Acceleration 2023, four start-ups, Azura Indonesia, Kee Farms, Robo Marine, and Containder, received $20,000 each in seed funding to deploy climate resilient innovations, selected through a competitive pitch. Furthermore, UNDP fostered y*outh and women leadership* in business and innovation by establishing platforms and tailored programmes such as Youth Co:Lab, the Asia-Pacific's leading youth social entrepreneurship initiative. This programme trained 354 entrepreneurs, including 86 youth-led (58% women-led) enterprises, in entrepreneurship related activities through bootcamps and workshops. The programme not only showcased innovations from rural communities but also facilitated solutions to support the marginalised groups and 51 strategic partnerships and collaborations to amplify its impacts.

Resilience to health shocks

UNDP partnered with the MoH to *enhance the health system's resilience and anticipatory capacity to respond to unexpected health crises* by establishing the National Laboratory Network for Diseases Surveillance, and Biomedical and Genome Science Initiative (BGSi). The Network links 29 laboratories across Indonesia which allows health facilities and professionals to

rapidly share information related to diseases, and which can help to accelerate the development of vaccines and treatments. The BGSi is Indonesia's first national programme for early disease detection through genome mapping and is focused on delivering precision medicine by ensuring targeted treatments for patients in a timely manner. To this end, UNDP has supported with the deployment of cost-effective sequencing tools across 21 surveillance laboratories and eight National General Hospitals. They serve as inaugural Hubs for precision medicines in areas such as cancer, infectious diseases, genetic disorders, and metabolic diseases among others. By the end of 2024, the initiative targets to sequence 10,000 human genomes to map most prevalent genomic variants among the Indonesian population. This effort is expected to enable public health sector to tailor treatments and allocate healthcare funding more efficiently for overall improvement in healthcare outcomes.
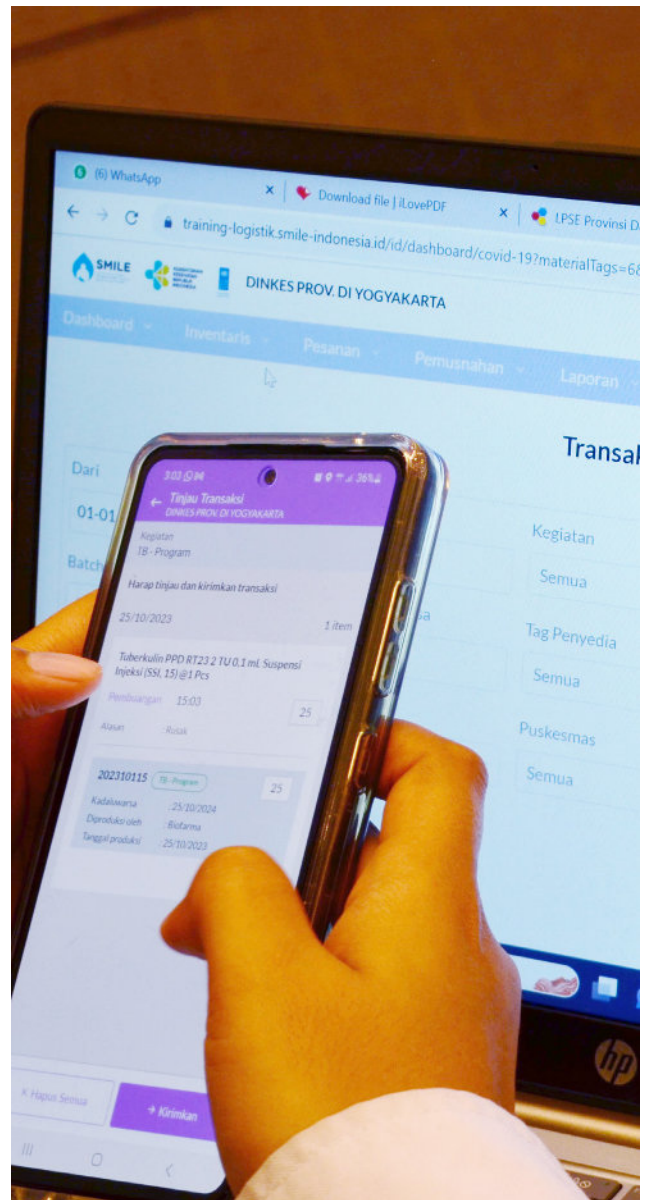
A health staff accessed the SMILE app for regular monitoring of vaccine stock. Credit: UNDP Indonesia – SMILE Project.

Accelerating finance for development

Against the backdrop of these results, UNDP has played a pivotal role in assisting the Government close the $1.7 trillion financing gap for the SDGs. Together with MoF, UNDP assisted in establishing the thematic framework to define blue, green and SDG linked sectors, identifying project pipeline aligned with the framework and generating impact reports on the proceeds of Sovereign Bonds. The collaboration paved the way for Indonesia to become the *first country globally to issue both the Sovereign Green Sukuk in 2018 and Sovereign Blue Bonds in 2023* to finance social environmental outcomes, while it issued the SDG Bond in 2021. By leveraging innovative financing mechanisms and fostering partnerships across public, private, and social sectors, UNDP facilitated the mobilisation and alignment of resources to SDGs. It has also contributed to strengthening the national financing framework and polices through the UN joint programme,[13] including the Integrated National Financing Framework and the Government SDG Securities Framework.

Women in Lombok, West Nusa Tenggara, support the waste sorting process at a Blue Finance Accelerator finalist waste center. Credit: UNDP Indonesia - ASSIST JP.

Innovative financing mechanisms for SDGs

In 2023, UNDP worked closely with MoF, resulting in the mobilisation of $2.2 billion *through thematic bonds to accelerate the achievement of SDGs.* These include, $1.6 billion mobilised through the Green Sukuk—a sharia-compliant alternative to conventional bonds, $482.3 million raised through SDG Bonds, and $149 million from the inaugural Sovereign Blue Bonds in the Japanese capital market. As evidenced from experiences in previous years, these resources are expected to be invested in projects with social and environmental impact including fostering sustainability of marine ecosystems and community development. For instance, the $2.8 billion mobilised through Green Sukuk and SDG Bonds in 2022 contributed to the reduction of annual GHG emissions by 130,316.4 tonnes CO_2e through renewable energy, improved living standard of 3.7 million people through better municipal waste management and benefitted 3.0 million under-privileged families through social protection, 1 million students (0.5 million girls) in scholarships, and 470,000 farmers through enhanced nutrition.
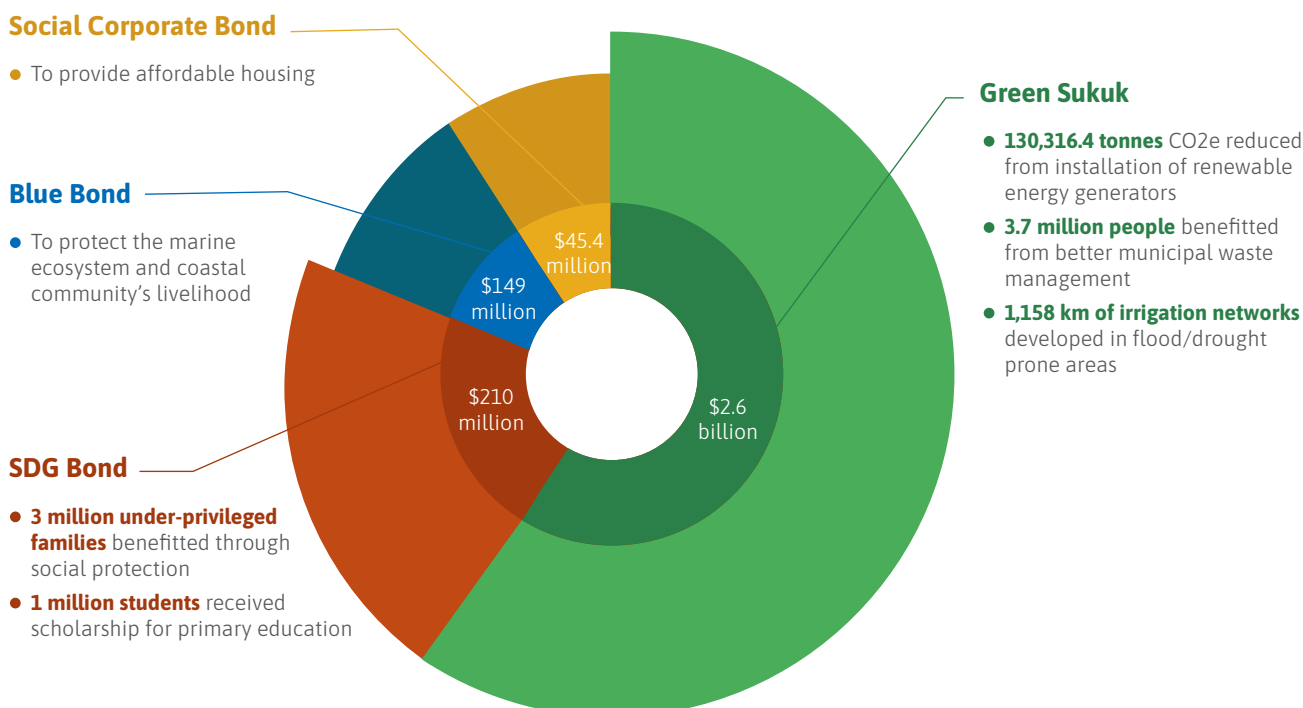
Social Corporate Bond
- To provide affordable housing

Blue Bond
- To protect the marine ecosystem and coastal community's livelihood

SDG Bond
- **3 million under-privileged families** benefitted through social protection
- **1 million students** received scholarship for primary education

Green Sukuk
- **130,316.4 tonnes** CO2e reduced from installation of renewable energy generators
- **3.7 million people** benefitted from better municipal waste management
- **1,158 km of irrigation networks** developed in flood/drought prone areas

(Pie chart values: $45.4 million, $149 million, $210 million, $2.6 billion)

Figure 6. Fostering impact through innovative financing mechanism, 2022-2023

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[13] Accelerating SDGs Investment in Indonesia (ASSIST Joint SDG Fund)

UNDP continued to pioneer innovations in financing, *unlocking private capital* for social protection through corporate social bonds and impact financing. For example, UNDP's technical assistance to PT Sarana Multigriya Finansial, a state-owned secondary finance company, led to the issuance of Indonesia's inaugural Social Corporate Bond amounting to $45.4 million, which aims to finance social initiatives such as affordable housing. Likewise, UNDP supported the operationalisation of Indonesia Impact Fund, the country's first private impact investment fund focusing on early-stage social startups. Its assistance included impact advisory support, creating an impact framework for the fund, evaluating potential startups for their impact, and providing training on impact measurement and management to ensure investments were aligned to social outcomes. Consequently, it not only helped the fund expand its portfolio by investing in four SDG impact startups but also raised its investment value by up to 230% from its initial value over 18 months.

Additionally, UNDP partnered with BAZNAS to *leverage the vast potential of Islamic finance* for equitable development. The fund was used to empower micro-enterprises in Lubuk Bangkar and Jambi by enhancing their business management skills and promoting responsible and sustainable practices in coffee farming, eco-tourism, and creative economy. In addition, as part of the post-earthquake rehabilitation, 200 villagers and 25 MSMEs in Sambik Elen received training in market access and digital marketing to bolster their resilience.

To *accelerate financing for climate action* and biodiversity conservation, UNDP helped align $6 billion of state budget in 2023 alone to climate related investments through innovative fiscal instruments such as climate-budget-tagging. The tool which helps government better monitor and plan climate action while aiding resource mobilisation was implemented in 18 sectoral national ministries and piloted in 22 subnational governments. Furthermore, to strengthen gender response in climate action, UNDP, together with the Ministry of Women Empowerment and Child Protection and Ministry of Finance launched the Technical Guidance Document on Gender Responsive Climate Budget Tagging, which increases financing for gender action by helping to identify and implement gender-responsive climate programmes.

UNDP is actively *empowering MSMEs* given their significance in the Indonesian economy, constituting about 99% of the total enterprises and contributing to 61% of the GDP, by enhancing their access to finance and amplifying their impact for innovation and job creation. In collaboration with the CMMIA, Installer, a social impact advisory, and other development partners, UNDP launched the Blue Finance Accelerator initiative. This 6-month accelerator programme expanded the capacities of 12 blue startups including Conplas, a sustainable waste management enterprise, and Komodo

water, a social enterprise providing clean water access using renewable technology, helping them expand their operations and impact.

Yolanda Hadi, young entrepreneur from Surabaya, East Java province, showcased the product as a local pride brand. Credit: UNDP Indonesia

Moreover, UNDP in partnership with Creatella Impact and other partners, launched SheDisrupts Indonesia to advance gender equality and inclusivity in entrepreneurship. The initiative, a startup competition and pre-accelerator programme, was designed for 26 women-led businesses such as OKE Garden, Tenang, and DonASI. It offered entrepreneurship training, workshops, one-on-one mentoring and networking opportunities for start-ups that focus on gender issues and women's economic empowerment. Participants reported that the programme not only helped create social impact but also boost their confidence as women leaders and opened up new market opportunities, including the potential and know-how to access sustainable finance.

> *"The key is how we communicate and build confidence in together with the community, making them feel that this change is not difficult as long as we are together and committed to making a better life. No one shall need to feel left behind. Everyone and every community have the potential to grow, something different that they couldn't see before."*
>
> - Shana Fanita, Founder and CEO of Komodo Water

Bridging the divide

Digital transformation, driven by rapid technological advancements, has permeated all aspects of life, underscoring both the potential to significantly advance the SDGs and risk of increasing inequality. Both as a phenomenon in itself and an enabler of development, UNDP is committed to harnessing the benefits of digital technology while helping Government shape inclusive digital policies and integrate digital solutions across its initiatives to ensure no one is left behind.

Social Innovation Platform (SIP)

SIP is a system that helps integrate solutions across different levels and create long-term and sustainable impact.

3 core cmponents of SIP:

Deep Listening

Co-Creation

Portfolio

5 levels of interventions:

Level 1
Community Initiatives

Level 2
Small Mid-scale Entrepreneurship

Level 3
Large-scale Initiatives

Level 4
Public Service Redesign

Level 5
New Regulations

Figure 7. Introduction to the social innovation platform

A facilitator showing a digital application to a local community in Citali, Sumedang West Java Province, during a dissemination event. Credit: UNDP Indonesia.

Inclusive digital transformation

To foster inclusive digital transformation, UNDP assessed the digital landscape of Indonesia by examining critical questions such as cause and impact of digital divide, role of ethics and standards in creating a safe digital environment that empowers grassroot users of technology, and influence of digitalisation on societal polarisation. This has spurred public discourse on digital transformation by bringing together various stakeholders including policy makers, private sector, and social media industry. It also highlighted the need for political commitment and effective *policies and regulations* to ensure equitable access and inclusiveness to benefit from the opportunities of digitalisation.

As an *essential enabler of public service delivery,* UNDP actively develops and applies digital technology to promote inclusion and deliver essential public services. In the health sector, working with the Ministry of Health, UNDP developed the digital application, SMILE, which digitalised logistics data scattered in health facilities across Indonesia for timely and efficient delivery of vaccines and treatments. Building on its success, the collaboration developed the ME-SMILE application, which strengthened the monitoring and traceability of medical waste creating efficiency, and a

healthy environment for all. SMILE will be further integrated into MoH's One Health (Satu Sehat) Platform, facilitating the consolidation of multiple digital health service functions to a one-stop digital service mechanism.

Enhancing civic engagement and government accountability, UNDP assisted the Ministry of Administrative and Bureaucratic Reform, to improve SP4N LAPOR!, an online national citizens complaint handling and management system. This digital platform reached 1.9 million users across Indonesia, enabling efficient communication between the government and citizen to facilitate a more responsive and transparent public service complaints handling process, consequently reducing the turnaround time by 62.8%. A survey on user satisfaction found that the percentage of respondents willing to continue to use the platform increased annually, reaching 84% in the latest survey.

Embracing the full potential of artificial intelligence (AI), UNDP developed STRIVE, an AI tool that identifies challenges and opportunities from a myriad of data collected directly from the local people to design tailored development programmes. The technology

enables the users to provide inputs through a diverse range of methods including text, photos, and speech, empowering the voices of those who are excluded from conventional decision-making processes. Generated analysis reflects the unique needs of each local group, providing the foundation to translate aspirations into actionable plans through inclusive local government planning and policymaking.

Beyond government partners, UNDP recognizes the *potential of digital technology to transform business ecosystem of MSME and startups* that constitute about 99% of Indonesia's businesses and complement public service delivery to reach the unreached. Recognizing the challenges MSMEs face, particularly during the recent shocks like the pandemic, UNDP facilitated capacity building efforts to help them leverage digital technology for improved business operations. Furthermore, acknowledging the potential of startups to deliver critical services, UNDP collaborated with impactful startups across various sectors to utilize technological innovation to deliver essential public services such as clean drinking water to rural communities, and bridging mental health support accessibility gap.

Female participants at one of training sessions for MSMEs under "Bisnis Lestari" Program held in Surabaya, East Java Province. Credit: UNDP Indonesia

Looking forward to an inclusive future

UNDP will continue to be a committed partner to Indonesia in achieving its vision of Golden Indonesia 2045 and supporting the achievement of national development objectives as reflected in RPJPN and RPJMN. Our policy and programme interventions will be responsive to development needs of Indonesians especially in reducing inequalities, empowering the people, mitigating impacts of climate change, and bridging the substantial financing gaps for SDGs.

Strategic priorities for the near future include bolstering just energy transition support that seeks to expand energy access and increase renewable share in the energy mix; scaling innovative financing mechanisms for SDGs acceleration; pursuing higher climate ambitions such as promoting decarbonisation and maturing the domestic carbon market; advancing the potential of blue economy; and strengthening public service delivery to promote equity and leave no one behind, all enabled and accelerated by digital technology.

In delivering these ambitious agenda, we will continue to collaborate with our partners across diverse sectors, ensuring that every intervention is designed with a strong focus on gender equality and grounded in the principles of leaving no-one behind. UNDP Indonesia remains committed to accelerate sustainable development and ensure that the benefits of development are shared equitably with the most vulnerable and underserved communities, delivering progress that matters.

UNDP is working toward an inclusive future with support from partners. Credit: UNDP Indonesia.

UNDP expresses its sincere gratitude to all our partners

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