



Empowered lives.
Resilient nations.

UNITED NATIONS DEVELOPMENT PROGRAMME
**PEOPLE, PLANET,
PROSPERITY**

**UNDP Indonesia Illustrated Results Report
2014-2016**

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PEOPLE, PLANET, PROSPERITY

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Cover Photo: Rinto lives on the outskirts of Tangkoko conservation forest in North Sulawesi, where UNDP plans to implement a livelihoods programme to incentivize farmers to protect the forest. (Photo: Fauzan Ijazah)

UNDP partners with people at all levels of society to help build nations that can withstand crisis, and to drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in more than 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.

UNDP has been operating in Indonesia since 1954 through the UN Technical Assistance Board, and a standard agreement on operational assistance between the Government of Indonesia and UNDP was signed in 1969. Since its inception, UNDP and its partners in the country have accomplished key results in the areas of governance, poverty reduction, climate change and disaster resilience, as well as achievement of many of the Millennium Development Goals (MDGs). UNDP is engaged with various Government agencies and partners to strive toward a common goal of economic and social development in Indonesia.

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FOREWORD



Over the last decades, Indonesia has made significant progress in human development. Its Human Development Index has increased from 0.528 in 1990 to 0.689 in 2015, placing the country in the medium human development category.

At the current stage of its national development, Indonesia remains faced with a number of challenges. Poverty has reduced by more than half from 24 percent in 1999 to under 11 percent in 2016. However, 27 million people still live below the national poverty line. With robust economic growth, average income has increased, and so have inequalities particularly between rural and urban areas. Gender disparities remain wide and UNDP calculated that while the Human Development Index for Indonesian men is at 0.712, it is at a lower rate

for Indonesian women at 0.660. Economic development has also taken a heavy toll on the environment and natural resources.

UNDP works with the Government and the people of Indonesia to address these challenges, and improve human development for the whole population. We support Indonesia's objective to take a sustainable development path — where it can generate the growth level necessary to address poverty and inequality, while at the same time protecting its abundant natural resources. To achieve this, UNDP works in close partnership with central and local governments, civil society, the private sector, and communities to implement projects and to provide policy advice as well as development services throughout the country.

UNDP's work in Indonesia is anchored in the 2030 Development Agenda and the Sustainable Development Goals (SDGs), which were adopted in September 2015. We support the development of the national and local action plans for the SDGs and the forging of inclusive partnerships for the SDGs. As a champion of innovation, UNDP also explores new approaches and instruments for financing the SDGs, including social and blended finance.

This publication shows the results that UNDP together with its partners has achieved at

the policy and grassroots levels. These results include improving access to public services and social protection as a critical component of poverty reduction, and reducing inequalities, with a focus on gender. They also include addressing climate change, while supporting sustainable economic growth. Results achieved also contributed to building responsive and accountable governance institutions to support democracy, justice and public participation. The achievements described here have been made using data and innovation to solve development challenges, and reflect our commitment to evidence-based solutions and scaling up their impact.

I would like to express my most sincere thanks to Bappenas, as the coordinating authority for UNDP programmes in Indonesia, for their continuous trust, cooperation and support. I would also like to thank all UNDP partners, national and international, in Jakarta and in the provinces of Indonesia, who have worked closely with us and supported us. This report is a testimony of the strength of partnerships and their far-reaching development impact.

Christophe Bahuet
Country Director
UNDP Indonesia

PREFACE



In recent years, Indonesia has shown remarkable achievements in development. The country has the 16th largest economy in the world and is set to attain the 7th by 2030. Moreover, Indonesia has experienced steady economic growth with an average of 5.5 percent within the last 7 years, despite the recent global financial crisis. Human Development has significantly increased within the last 20 years, and according to the Human Development Index (HDI), has reached 68.9 percent in 2016 following the increasing of HDI component indicators i.e. GNI-per capita, life expectancies, and literacy rates.

These achievements have resulted from the collective actions of many stakeholders, built upon the strong foundations of partnership and collaboration with the government of

Indonesia. Among these stakeholders, UNDP is a key development partner. Since its presence in 1966, UNDP has played a role in supporting the Government especially in areas where UNDP has a comparative advantage. As part of the UN system in Indonesia, UNDP programs and activities are designed with close consultation with the government and align with the government's targets and priorities as stipulated in the National Medium Term Development Plan (RPJMN). The equal and participative partnership we have so far with UNDP is a positive manifestation of the efforts to improve the development of aid effectiveness, as globally committed in the Paris Declaration and the Global Partnership for Effective Development Cooperation.

As a result of the equal and participative partnership between the government and UNDP, we can identify a number of products that have been produced regularly, including the Human Development Index and Indonesia Democracy Index. These products are nationally acknowledged and have become a point of reference for policy makers. Programs and activities such as local economic development, community development and empowerment, as well as the establishment of thematic platforms for environmental protection and disaster and resilience issues, have contributed to innovative models that

can be potentially scaled up and replicated in the future. We highly appreciate UNDP's initiative to publish this report as it not only provides snapshots of the cooperation we have had over the past few years—reflecting the ever-improving transparency of UNDP activities in Indonesia—but can also inspire others by displaying lessons learned, innovative programs, and breakthroughs to provide solutions for development. Along with the changing dynamics of the global landscape, Indonesia is committed to becoming a forefront pioneer to achieve the global development agenda by 2030. Beyond the issue of advancing strategic partnerships and programs in the future, the Government of Indonesia and UNDP share one strong common value, that development will let no one left behind.

Bambang P.S. Brodjonegoro
Minister of National Development Planning/
Head of Bappenas

HIGHLIGHTS 2014–2016

Policy making



25

national policies enacted or drafted with UNDP's support and inputs.

Sustainable employment



400,000

people benefited from livelihoods incentives for more sustainable peat and forest management.

Income Generation



14,267

people benefited from livelihoods support in the poorest areas of Indonesia.

Access to social protection



145,813

people tested for HIV, helping to close the gap between real and reported number of infected individuals.

Access to basic services



300

households in East Nusa Tenggara with access to electricity thanks to UNDP's partnership with Bank NTT.

Sustainable natural resource management



110,000

hectares of forest in West Sumatra covered by social forestry permits that incentivize environmental protection.

Increased resilience



500

villagers receiving access to clean water from solar powered water pump built through UNDP's crowdfunding campaign.

Enhanced access to justice



91%

satisfaction rate of the customary (*adat*) justice system, which benefit mainly women and the poor.

More responsive, inclusive and accountable public institutions



1,195

low-income justice seekers received legal assistance in the formal court system.

THE NATIONAL CONTEXT OF UNDP IN INDONESIA

Indonesia is a middle-income country with an economy growing robustly at around 5 percent annually, mainly from the rapid expansion of the communications, transportation and service sectors. By 2015, its performance against most Millennium Development Goals (MDGs) indicators was strong: the proportion of people living on per-capita income of less than \$1 per day had dropped by about 15 percentage points to 10.3 percent in 2016, and the goal of achieving universal primary education was achieved by 2015. Further, the country's Human Development Index has continued to improve.

Nevertheless, Indonesia has not achieved MDG targets for reducing malnutrition, HIV/AIDS, and maternal mortality, as well as for increasing forest cover and rural access to safe drinking water and sanitation. Broader challenges include wide and growing inequality and persistent poverty, with nearly half the people living on less than \$2 a day. Urban poverty is becoming one of the country's most pressing issues. Public service delivery also needs to be enhanced. Unemployment, particularly of young people, is high. Climate change and over-exploitation of natural resources also mean that about 65 million poor people face significant barriers to improving their livelihoods and remain vulnerable to shocks.

These issues are reflected in the Government's National Medium Term Development Plan (RPJMN) 2015-2019. This national plan has mainstreamed the Sustainable Development Goals, in an aim to improve welfare and prosperity while reducing inequality and ensuring that development does not damage the environment.

Development inequalities can be seen in the streets of Jakarta
(Photo: Brian Sumito)





CHAPTER 1

UNDP in action: built on a foundation of partnerships and collaboration

A focus on improved quality of life for all, including the most vulnerable.

UNDP is committed to delivering sustainable development solutions that serve citizens and their governments, in an era where the global Sustainable Development Goals (SDGs) and the 2030 Agenda have re-set global development aspirations. In all its endeavors, UNDP works with various stakeholders and in close partnership with the Government of Indonesia, particularly the National Development Planning Agency (Bappenas) as the direct counterpart.

On the ground in more than 170 countries and territories, UNDP combines global perspectives with local insights to empower lives and build resilient nations. UNDP engages at the policy level, working overall to:

- reduce development inequalities, including by gender, to ensure that no one is left behind;
- improve access to social protection as a critical component of poverty reduction;
- address climate change mitigation, while supporting sustainable economic growth through low-emission and more resilient manufacturing, agricultural and energy technologies and systems; and
- develop inclusive, responsive democratic government institutions and active citizens.

Herlinda Devi of Gapong village, Flores, East Nusa Tenggara received training from UNDP's SPARC programme to sustainably farm long beans. (Photo: Fauzan Ijazah)



CASE STUDY Banking on the Future

A first-ever partnership energizes eastern Indonesia.

East Nusa Tenggara is one of the poorest provinces in Indonesia, with a poverty rate almost 10 percentage points higher than the national average and electricity from the grid accessible by barely half the people. The province is also one of the driest parts of the country, and livelihoods are overwhelmingly dependent on climate-sensitive subsistence agriculture.

In March 2016, Bank Nusa Tenggara Timur (Bank NTT) became the first state-owned bank to partner with UNDP through a \$150,000 Corporate Social Responsibility contribution to the programme Strategic Planning and Action to Strengthen Climate Resilience of Rural Communities (SPARC). This contribution, which includes innovative approaches to development, is being used to fund a micro-hydro power plant in East Manggarai on Flores island, among other key projects. In turn, this new access to electricity, which is being provided to 300 households, is expected to enhance livelihoods by allowing more time for home-based income-generating activities, as well as strengthening children's education because they have more time to study.

Bank NTT's contribution not only extends sustainable and tested technical solutions to areas in need, but also is demonstrating

the difference that novel forms of development financing and successful multi-stakeholder partnerships can make to people's lives. UNDP is working to develop similar partnerships with other local development banks and state-owned enterprises across Indonesia with the intention of meeting the SDGs.

“UNDP is an internationally known organization with credibility in the development sector, and we felt that this partnership would be beneficial for the NTT people.”

Daniel Tagu Dedo, former Director of Bank NTT

◀ A micro-hydro power plant in Mengkang village, Bolaang Mongondow, North Sulawesi (Photo: Fauzan Ijazah)

In Indonesia, all this requires maximizing synergies among outcomes from different development priorities, and has resulted in some two dozen national and subnational policies being enacted with UNDP support. It also requires the efforts of many actors, especially in remote areas, to improve infrastructure and connectivity, the regulatory framework for public and private investment, and livelihood opportunities.

UNDP therefore focuses on building cross-sectoral partnerships, including collaborations with governments, other United Nations Agencies, bilateral and multilateral institutions, civil society organizations, the private sector, academic institutions, and philanthropy.

UNDP plays a particularly important role in supporting the Government to move forward strategically from the paradigm of donor-recipient relationships into partnerships for development effectiveness. Support has been provided to facilitate the Government's role as co-chair of the Global Partnership for Effective Development Cooperation, as well as its participation in the Group of Twenty (G20) and in promoting South-South and Triangular Cooperation (SSTC). For the latter, UNDP has been pivotal in supporting the process to establish a single agency to consolidate Indonesia's contributions to SSTC, which had been scattered across various institutions.

UNDP Indonesia's poverty-reduction agenda focuses on a multidimensional understanding of poverty, risk and resilience. It is informing economic, development and

social protection initiatives, helping to reverse biodiversity losses and protecting the environment. Examples of the agenda's positive impact include progress in governance, deeper political participation and the establishment of the Indonesia Democracy Index. Further to this, the agenda is supporting national commitments to international conventions on climate change and protecting the ozone layer.



A New Platform for Philanthropy

Fostering a proactive approach by an expanded set of non-state actors.

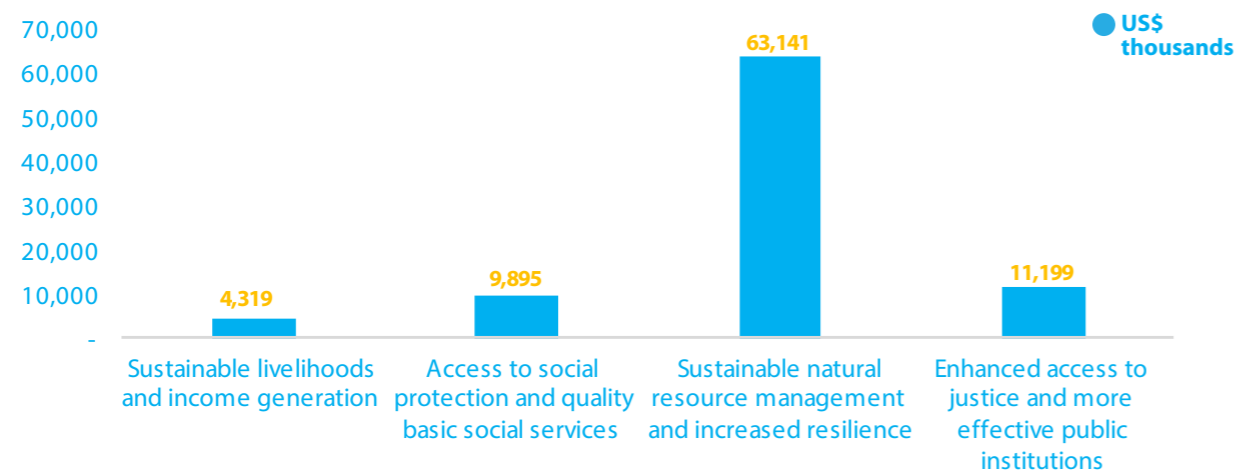
Development funding in Indonesia is expected to grow as the economy continues to expand and domestic tax revenues increase. But while adjusted fiscal allocations from the central government to local governments are expected to close funding gaps at the local level, philanthropic contributions in particular are also expected to play a larger role, especially in remote areas and regions subject to natural disasters and food insecurity. Foundations have enormous potential to contribute technical knowledge, skills and energy, focusing on developing integrated solutions aligned with the SDGs. In turn, this can revitalize the social compact that makes sustainable social protection available to everyone in need.

The SDG Philanthropy Platform, launched in Indonesia and three other countries in 2014 by UNDP, the Foundation Center and Rockefeller Philanthropy Advisors, aims to build new connections between UN organizations, governments and the philanthropic sector. Ultimately, governments are accountable for achieving the 2030 Agenda, but all elements of society will be required to work together to attract new partners with fresh expertise to generate systemic change in how businesses, civil society, governments and markets operate.

Indonesia's philanthropic and business sectors also are collaborating through the 'Forum Philanthropy and Business – Indonesia for SDGs', which has assisted in localization and implementation of SDGs in several districts in Riau Province. With a membership of 11 associations representing more than 700 organizations, the forum, initiated by Filantropi Indonesia in partnership with UN Global Compact Indonesia, is working with the Government to (1) involve philanthropy at every stage of the policy cycle; (2) provide incentives through mechanisms such as tax incentives; (3) improve coordination and communications; and (4) apply inclusive principles to all aspects of SDG planning, implementation and monitoring. Already, results are being seen in the localizing of the SDGs in three districts of Riau, including the city of Pekanbaru, with other efforts under way in Lampung, Jambi and other provinces and cities.

The Governments of Norway and Canada are among the donors supporting UNDP's partnership with the Peatland Restoration Agency (BRG). Representatives visited the programme in Kalimantan with the head of BRG, Nazir Foead (pictured stepping on a wooden stake in a demonstration of canal blocking). (Photo: Fauzan Ijazah)

Figure 1: Expenditure in UNDP Indonesia by Area of Work, 2014-2016



Source: Expenditure data as of 31 December 2016

\$88

Million dollars of development programmes delivered by UNDP

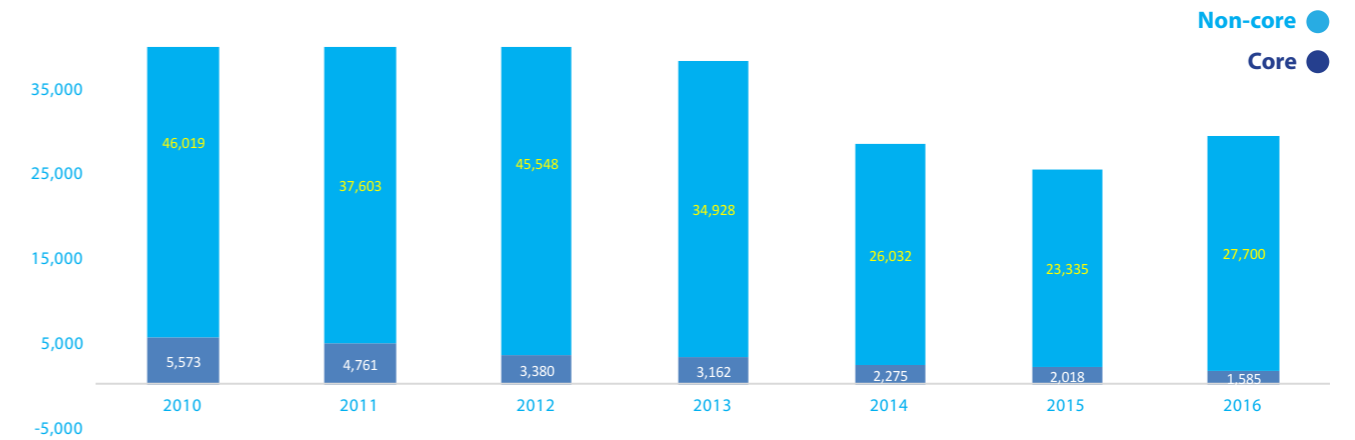
78

Organizations partnering with UNDP

24

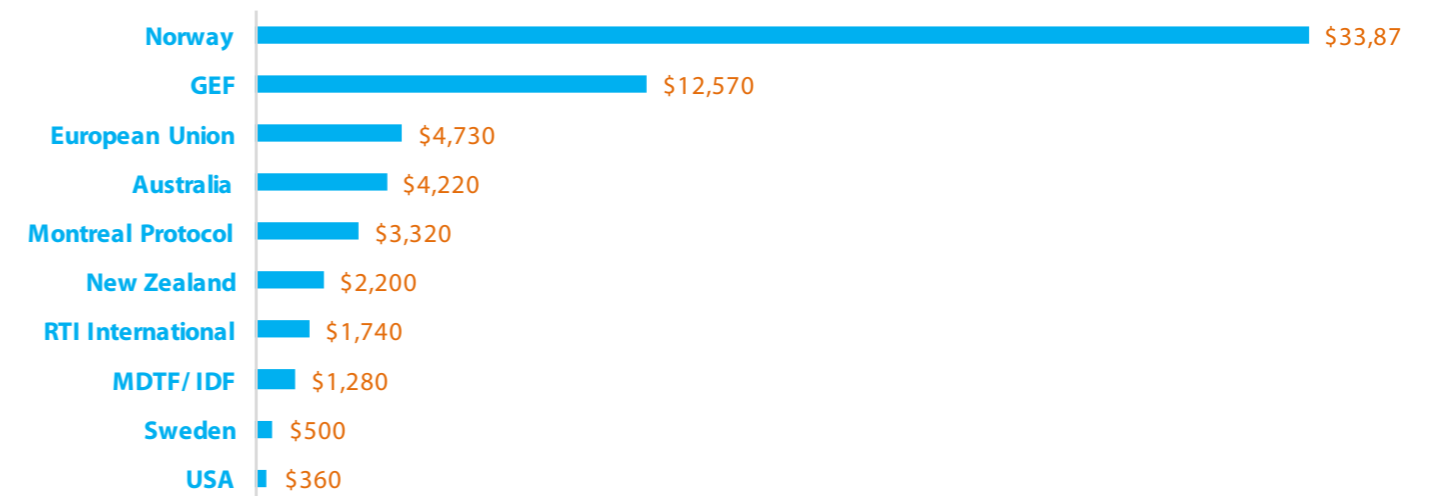
National and subnational policies enacted with UNDP support

Figure 2: UNDP Indonesia Expenditure (US\$ thousand), 2010-2016



Source: Expenditure data as of 31 December 2016.

Figure 3: Top Donors to UNDP Indonesia (US\$ thousand), 2014-16



Source: Expenditure data as of 31 December 2016.

Figure 4: Summary of policies and results

Programme	Policies	Key Areas of Results
Peace Through Development in Disadvantaged Areas (PTDDA)	<ul style="list-style-type: none"> Government Regulation Number 2/2015 Minister of Home Affairs Regulation Number 42/2015 Presidential Regulation Number 13/2014 	<ul style="list-style-type: none"> Establishment of social conflict framework Establishment of coordination mechanism for social conflict Establishment of national framework on conflict management as well as protection of women and children in conflict areas
Support Facility to Peatland Restoration Agency	<ul style="list-style-type: none"> Presidential Regulation Number 1/2016 Joint Regulation 2013 	<ul style="list-style-type: none"> Establishment of Peatland Restoration Agency Joint regulation of the Ministry of Environment and Forestry, the Attorney General's Office, the police and the Financial Transaction Analysis and Reporting Centre on the adoption of a multisectoral approach in combating forest-related crimes
Sustainable Palm Oil Initiative	Minister of Agriculture Regulation Number 11/Permentan/ OT.140/3/2015	Establishment of ISPO principles, criteria and certification
Sustainable Development Goals	Draft Presidential Regulation on SDGs Framework	Framework for localizing and implementing the SDGs
Wind Hybrid Power Generation	<ul style="list-style-type: none"> Draft Feed-in-Tariff (Fiscal) Policy Draft National Standard of Indonesia 	<ul style="list-style-type: none"> Policy mechanism designed to accelerate investment in renewable energy technologies Design requirements for small wind turbines and power performance measurements of electricity production
Disaster Risk Reduction Based Rehabilitation and Reconstruction	Draft Disaster Management Standard Minimum of Service	Establishment of standards of service in disaster management
The Indonesia Climate Change Trust Fund Facility	Law Number 37/ 2014 on Land and Water Conservation	Policy to reduce the loss of productive land and control land conversion while protecting ecosystem services
Strengthening Access to Justice	<ul style="list-style-type: none"> Draft Presidential Regulation Number 76/2013 Government Regulations on the implementation guidelines of customary justice in Aceh, Central Sulawesi, and West Kalimantan Draft legal aid fund transfer mechanisms as by-law to Law Number 16/2011 Draft eligibility criteria for legal aid providers as by-law to Law Number 16/2011 Draft minimum service standards as by-law to Law Number 16/2011 	<ul style="list-style-type: none"> Management of public complaints within public services Implementation of customary justice in Aceh, Central Sulawesi, and West Kalimantan Establishment of legal aid fund transfer mechanisms Establishment of eligibility criteria for legal aid providers Establishment of minimum service standards for legal aid providers

Programme	Policies	Key Areas of Results
Reduction of Releases of Polybromodiphenyl Ethers and Unintentional Persistent Organic Pollutants	Draft Social Impact of Climate Change Mitigation Policies	Deepened understanding of climate change social impact
Reducing Emissions from Deforestation and Land Degradation	<ul style="list-style-type: none"> Draft National REDD+ Strategy Draft National REDD+ Action Plan Draft REDD+ Provincial Strategy and Action Plans for 11 Provinces (Aceh, West Sumatra, Riau, Jambi, South Sumatra, West Kalimantan, Central Kalimantan, East Kalimantan, Central Sulawesi, Papua, West Papua) Draft National Standard Operating Procedures for Forest/Land Fires Prevention and Management Draft Presidential Instruction Number 10/2011 Regarding Suspension of Granting of New Licenses and Improvement of Governance of Natural Primary Forest and Peatland Concept of One Map initiative in Assuring Better Delivery of National Development Goals. Development of REDD+ National Registry System Development of National Online System for Social Forestry License Application Issuance of Constitutional Court No. 35/2013 related to the protection and recognition of indigenous community on forest area 	<ul style="list-style-type: none"> National REDD+ Strategy National REDD+ Action Plan REDD+ Strategy and Action Plan for 11 provinces National Standard Operating Procedures for Forest/Land Fires Prevention and Management Suspension of granting of new licenses and strengthened governance of natural primary forest and peatland Establishment of One Map initiative in Assuring Better Delivery of National Development Goals. REDD+ National Registry System Establishment of online system for social forestry license application Protection and recognition of indigenous communities in forest areas.

Source: UNDP's Results Orientation Annual Report Database 2014-2016



CHAPTER 2

Innovation defines UNDP's approach to delivering cost-effective operations

This is central to drive implementation of the 2030 Agenda.

Between 2014 and 2016, UNDP delivered programmes valued at about US\$88 million in Indonesia. UNDP's experience in support of pro-poor planning, budgeting, monitoring and reporting during this period and the overall Millennium Development Goals (MDGs) era (2000-2015) achieved notable results – including an increase of up to 20 percent in provincial budgetary allocations for service provision to the poor in Indonesia – and positioned the organization well to support Indonesia's achievement of the SDGs. Specifically, in Indonesia's diverse, decentralized system, further 'localizing' the SDGs – determining how they can provide a framework for local development policy, and how local and regional governments can support their achievement – is a priority.

Embracing innovation is especially critical in driving implementation of the 2030 Agenda, given the complex inter-linkages among development, humanitarian and environmental challenges facing the world today. As new forms of development financing emerge, including mixes from government and private sector partners, UNDP globally is developing new platforms that aggregate funding from multiple sources to achieve common goals. In Indonesia, it has successfully used crowdfunding for the 'Bring Water for Life' campaign. Critically, UNDP has helped establish the SDGs Philanthropy Platform, which connects philanthropists in Indonesia to the 2030 Agenda and provides innovative financing models that draw on traditions

▶ *Thirty new solar-powered water facilities supply more than 500 households in East Sumba, East Nusa Tenggara*
(Photo: Fauzan Ijazah)

of community work, charitable giving and volunteering, and encourage Corporate Social Responsibility activities by business.

Achieving the SDGs in Indonesia will not only require new approaches to development financing mechanisms, but also using data and technology such as the Internet and other Information and Communication Technologies (ICTs) effectively, which are widespread. Data or

evidence-based policy and planning is at the heart of UNDP's work. In all areas we see to ensure that research and analysis informs decision-making so that policies and programmes are formulated using accurate understanding of the situation, needs and how to create positive change.

UNDP has also developed an initial design for a database that matches investors and social enterprises to invest in, and has

introduced a concept of online resources for social enterprises that can serve as a repository of information for such initiatives as developing business plans. Further, it is nurturing young innovators, such as through support to the Big Ideas Competition for Sustainable Cities.

Liquid Assets

Crowdfunding provides clean water in one of Indonesia's driest areas.

Crowdfunding, which uses small amounts of capital from a large number of individuals to finance an initiative or business venture, is an innovative approach to raising money that has the potential to deliver significant resources for development. UNDP's first crowdfunding campaign in Indonesia, 'Bring Water for Life,' was launched in March 2016 on World Water Day, and raised more than IDR 368 million (US\$25,000) to provide a solar-powered water pump system for Napu, a remote village in East Sumba. Installing solar-powered water pumps replicates a best practice from the delivery of similar systems elsewhere in East Nusa Tenggara.

More than 500 people in Napu now have clean water at home, making the village more resilient toward climate change and drought – constant threats in one of the country's driest areas. UNDP SDG Movers Reza Rahadian and Eva Celia, along with student supporters, were instrumental in raising awareness, and donations arrived from nearly 400 concerned individuals and private companies, including the state-owned Bank NTT.

“Achieving the SDGs needs new thinking, and our successful crowdfunding campaign is a good example of innovation,”
Christophe Bahuet, UNDP Indonesia Country Director

Total Crowdfunded (IDR)
368 million
amount raised by UNDP's 'Bring Water for Life' crowdfunding campaign.

271
number of participants at the Big Ideas Competition for Sustainable Cities

Andreas Gandhi explaining his idea of an app to help people with disabilities.
(Photo: Brian Sumito)

CASE STUDY Big Ideas for Sustainable Cities

Private businesses and philanthropic organizations committed to supporting young people with creative ideas have been encouraging innovation through prize contests. In 2016, UNDP joined in by supporting the Big Ideas Competition for Sustainable Cities – the brainchild of the UN innovation hub Pulse Lab Jakarta.

UNDP and Pulse Lab facilitated a mentoring session for 14 of the best innovators from the contest. Consultants from Angel Investor Network Indonesia coached the college-age participants on how to sell their ideas to potential partners and investors. The next day, the participants had

the chance to present their ideas to more than 70 people from UN Agencies, donors, start-up incubators and social venture capitalists.

The ideas addressed issues that ranged from basic service delivery, sustainable energy and transport, to natural disaster and climate change resilience. What they all had in common was the use of technology to solve development challenges. One idea, called 'Discover,' was selected to compete in the UNDP Regional Bureau Asia Pacific's Asian Youth Innovation Forum 2016.

Andreas Gandhi, 24, led the Discover team,

whose mission, he said, was to “deliver a borderless life for people with disability.” Gandhi's team created an app that allows users to rate the accessibility of public places like libraries, hospitals, and even coffee shops. The more places the users rate, the more coupons they can collect. Besides competing in the Innovation Forum, Discover also won first place at the regional Ideation Challenge Asia-Pacific and is now hard at work to create a prototype to be open to a sample of users. The team's hope is to gain more investor support to make the project a social enterprise applicable to any urban setting.

Even so, innovation is not necessarily about new ideas: The best starting point toward agile and effective development solutions often is to scale up existing initiatives that have proven successful, thereby covering a larger area and more people. Scaling up means that risks are reduced, and that existing tools, platforms, frameworks and learning can be built on, with modifications if necessary. Scaling up for UNDP in Indonesia also involves (1) mainstreaming pilot projects and approaches that have proven successful into Government budgeting and planning, with potential benefits for the entire population, such as the mainstreaming of the framework and method of the UNDP-supported disaster recovery programme into various regional/national regulations; and (2) transferring learning and knowledge gained in one part of the country to another part, or to another country entirely.

Knowledge products initiated by the Peace Through Development in Disadvantaged Areas (PTDDA) programme, including a Conflict Resilience Index and Post Conflict Needs Assessment, have been adopted by the Government of Indonesia with the enactment of Government Regulations Number 2/2015 on Social Conflict Framework. The Government has also expanded pilot projects from the programme from 50 to 122 districts.

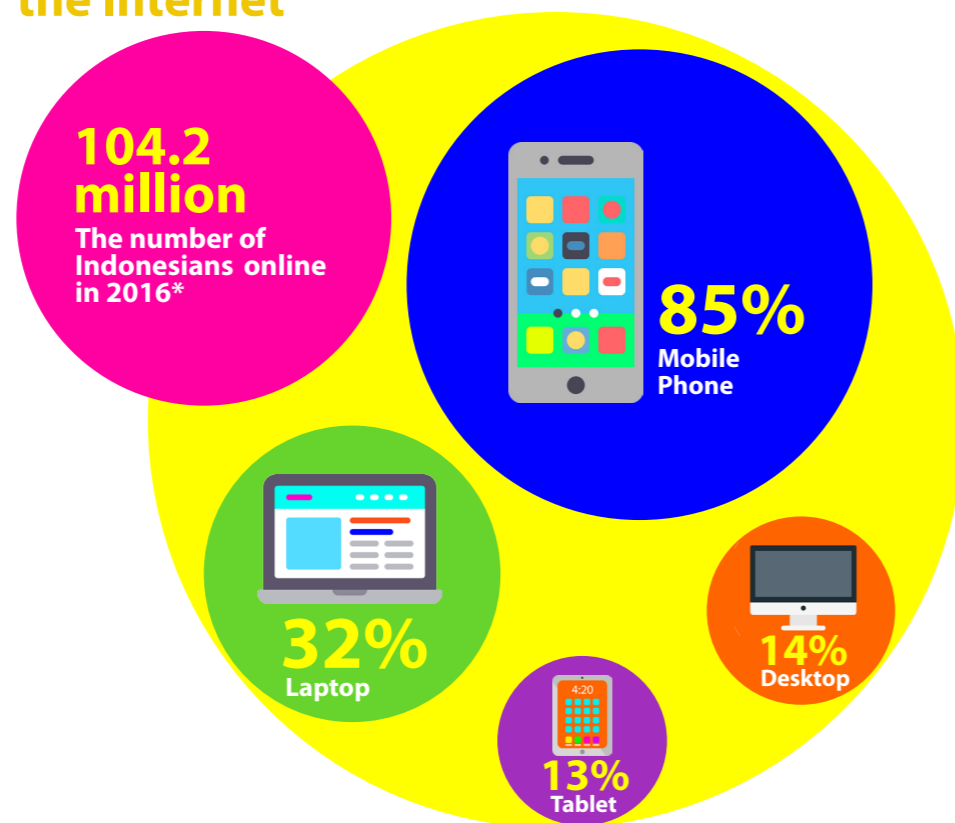
In all, from UNDPs perspective, innovation has an important social aspect. It can be used, for example, to redesign public service delivery for 'smart cities,' to develop new techniques to enhance development

planning, and to exploit behavioural insights in policymaking. It also is an important element in society's development, as more and more people, particularly young people, engage as citizens to work toward their vision of an improved future.

For UNDP, therefore, social innovation – enabling citizens to design and implement solutions to the challenges they see as important – is as vital as technological innovation in delivering progress.

Figure 5: The criticality of information and communication technologies for innovative solutions

Gadgets used to access the Internet



*Some people use more than one device, so that the total exceeds 100 percent.
Source: Asosiasi Penyelenggara Jasa Internet Indonesia, <https://apjii.or.id/survei2016>.

Makassar: 'Smart City'

Using social innovation to improve public transport systems.

Like many cities in Indonesia, Makassar, with a population of around 1.5 million, is experiencing a rapid increase in road traffic and worsening congestion. To address this, the city plans to develop a 'smart,' user-friendly public transport system. Experiences from other countries have shown how social innovation approaches can improve public services, and in 2016 UNDP Bangkok Regional Hub and UNDP Indonesia, working in partnership with the Seoul Metropolitan Government, launched the City-I-LEAPS initiative, a collaboration with the UN innovation hub Pulse Lab Jakarta, the Department of Transportation (DISHUB), and local partner BaKTI, a non-governmental organization specializing in innovation and knowledge sharing.

With a focus on developing user-centred solutions, a mobility study was first conducted to elicit users' attitudes, experiences and preferences. In November 2016, a three-day workshop brought together more than 40 participants including DISHUB officials, academics, design experts, transport operators, users and students to develop a set of prototype solutions that were field-tested during the workshop. Promising solutions emerging for incubation focus on enhanced school transport, bus feeder routes, and bus schedule information systems, as well as on designing routes to meet users' needs, 'nudging' private drivers and service providers to follow traffic laws, and improving access to public transport information.

The workshop also demonstrated how innovation can provide a valuable entry point for developing a broader, phased approach to strengthening local institutions and their service delivery systems, while bringing governance challenges to the fore. In Makassar, such challenges include low public engagement, a need for strengthened data, and a need for enhanced coordination between different tiers of government, according to the results of a City-I-LEAPS study. Now, the provincial Department of Transportation has requested another innovation workshop, this time focusing on strengthening inter-city and regional transport systems.

"The innovation approach helps us to engage with local institutions better than the traditional capacity-building approach."

Paavani Reddy,

UNDP Asia Pacific/Bangkok Regional Hub

Motorcycle taxi drivers in Jakarta browse their mobile phones.
(Photo: Brian Sumito)



CHAPTER 3

Livelihoods and Social Protection

Building climate-resilient communities and sustainable institutions.

More than 100 million people in Indonesia face daunting livelihoods challenges, compounded by issues of geography and remoteness, climate variability, and governance. In particular, people living in the eastern regions of the country – specifically Papua, West Papua and East Nusa Tenggara – remain the poorest, with significantly lower access to employment and social services. In these areas, subsistence-based and rain-fed agriculture is the norm. At the same time, women everywhere in Indonesia continue to have lower access than men to education, employment and services. Urban poverty is also becoming one of the country's most pressing development issues. In response, UNDP is focusing in these impoverished areas, and others such as strengthening sustainable employment, livelihoods and social protection alike.

Narti (right) is a casual employee for one of the largest palm oil companies in West Kalimantan. A UNDP gender mission found that like many women in her village, she is often tasked with spraying pesticides and fertilizer without safety apparel, and as a result develops skin irritations. Long-term inappropriate use of such chemicals is particularly harmful for pregnant women or those who may become pregnant in the future as chemicals can be transmitted to the fetus unknowingly (Photo: Nicholas Hurt)

Slum Life

Urban poverty is becoming one of Indonesia's most pressing challenges.

While the overall number of people living in poverty in Indonesia is declining, the number of poor and near-poor in urban areas is increasing. Nearly 30 million people live in urban slums, mainly on Java, with 11 million lacking access to sanitation and 9 million lacking access to safe water. The root cause lies in the accelerating movement of people from rural to urban areas, and urban governments' challenge to keep pace in providing basic services. Moreover, the problem looks set to grow: In 2015, 54 percent of Indonesians lived in urban areas, a figure projected to reach 82 percent by 2045. By 2020, the number of urban poor is anticipated to surpass the number of rural poor.

The launch of the SDGs provides an important entry point to take forward UNDP Indonesia's agenda on eradicating poverty and reducing inequalities, including in urban areas. Already, for example, UNDP has carried out a poverty analysis in partnership with Statistics Indonesia to determine the most vulnerable poor people by analyzing patterns of moving in and out of poverty. UNDP has also assisted the Greater Jakarta Area in developing a Multidimensional Poverty Index as well as carried out a poverty analysis to better understand the urban poverty situation in the nation's capital. Its support to localization of the SDGs in the city of Pekanbaru, supported by the Ford Foundation and Tanoto Foundation, focused on reducing poverty and inequality as well as mitigating and adapting to climate change. Lastly, UNDP's assistance to the city of Makassar in designing better urban public transportation through the development of several prototypes is also expected to result in improved basic infrastructure and access to services, particularly for new arrivals. UNDP is also exploring related issues such as poverty and urban waste in the follow-up to requests from Makassar and Jakarta authorities.

For example, in Papua and West Papua – Indonesia's two poorest provinces, with poverty rates of 28 percent and 26 percent respectively – UNDP's People Centred Development Project (PCDP), which ended in 2015, emphasized supporting local economic development and sustainable livelihoods by empowering local communities to develop business opportunities in five regencies (Sarmi, Boeven Digoel, Jayapura, Fakfak, and Wamena). This project was supported by the Government of Indonesia and New Zealand Aid (NZAID). At the same time, UNDP, working with the International Labour Organization, promoted the economic and social empowerment of

women under the programme GET (Gender and Entrepreneurship Together Ahead) by providing training in business skills such as bookkeeping.

In the Wamena highlands, for example, UNDP has helped start or strengthen nutmeg and honey production by improving the processing and marketing of the end products, resulting in some farmers earning as much as IDR 120 million annually (\$9,000) – a significant amount in a remote area that has no roads to link it to other districts or the sea. UNDP has also supported local farmers to develop new business lines such as rearing rabbits and processing fish.

In Sarmi, where the production of coconuts outstrips demand and much product goes to waste, the PCDP programme helped establish two small factories that process raw coconuts into oil and soap, in turn packaging and marketing the output. In 2014 alone, monthly production was around 250 litres of virgin oil, 7,000 litres of cooking oil and 1,000 bars of soap. With traders keen to distribute the product, households now have additional income and are better able to meet the costs of schooling, transport and other daily needs.

With a poverty rate of 23 percent, East Nusa Tenggara is almost as poor as Papua and West Papua. Likewise, development progress is slow, communication infrastructure remains undeveloped, and critical public services such as health care and education are often lacking. Targeting nine vulnerable villages in three districts of East Nusa Tenggara, a Global Environment Facility (GEF)-funded UNDP programme Strategic Planning and Action to Strengthen Climate Resilience of Rural Communities (SPARC) has served as a powerful example of how livelihoods, resilience and climate change adaptation can converge for positive development results.

The programme has worked effectively at multiple levels: At the national level, it has worked with a range of Government institutions to review and prioritize climate adaptation action. At provincial level, it has been successful in integrating climate change issues into official development plans and budgets, and at district level it has provided training aimed at improving the abilities of key stakeholders to incorporate climate change adaptation and climate financing plans into daily work.

“The PCDP has improved prosperity in Papua through successful business development and the marketing of locally made products.”

**Ambassador Trevor Matheson,
New Zealand**

In Fakfak in West Papua, nutmeg fruit that used to be discarded is now being made into juice and syrup as part of a local development program supported by UNDP. The locally made nutmeg juice and syrups are providing extra income to farmers who used to depend on middlemen to sell the mace and seeds. (Photo: Fakhurrazi)



In particular, SPARC has provided resources for communities to identify opportunities and apply climate knowledge, adaptive technology and financing schemes focused on gender-specific vulnerabilities. As a result, 120 villages have developed community-based climate risk information systems, and 40 communities have adapted farming practices to take account of increasingly variable and extreme climatic conditions. This has made households more resilient by allowing them to diversify

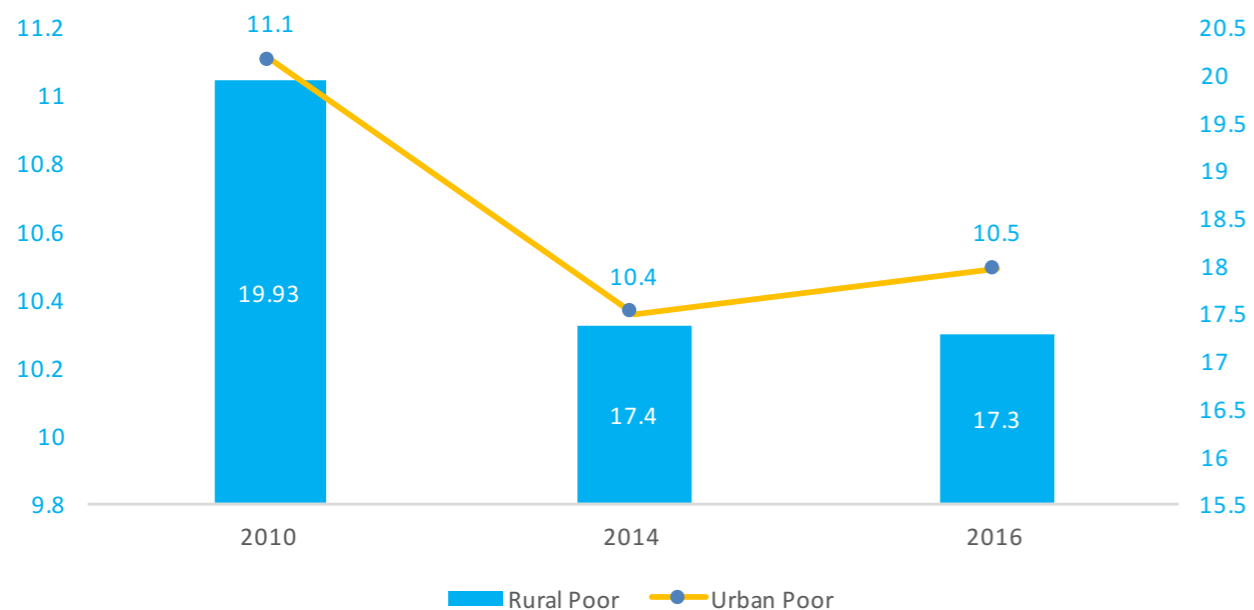
to sources of income that are less sensitive to climate change, thereby strengthening food and water security while reducing related livelihoods vulnerabilities. With a financial contribution from the state-run Bank NTT's Corporate Social Responsibility programme, the programme is now being extended to improve access to electricity and water to poor communities vulnerable to climate change, further diversifying sources of income and improving economic productivity.

13%
People without safe access to water

39%
People without access to improved sanitation

22%
Urban population living in poverty

Figure 6: Number of urban vs. rural poor, 2014-2016



Source: Statistics Indonesia, 2016.

As the proportion of urban population continues to increase rapidly, from 49.8 percent to 53.6 percent between 2010 and 2016 alone, the number of poor people in urban areas is rising, while the number of poor in rural areas is falling.

Wilhelmus Pantur, Yustina Diu, Feni Kurniati (left to right) of Gapong Village in East Nusa Tenggara received training from UNDP to sustainably plant what they called "city vegetables" like carrots, broccoli, and long beans. (Photo: Fauzan Ijazah)

CASE STUDY Food for Thought



Horticultural training empowers village women.

It is common in East Nusa Tenggara to find women who label themselves as kelas rendah (lower class) or orang kecil (little people). In marriage, some still see wives as their husbands' property, since men follow the customs of paying a dowry or a bride price. In family life, women often work on the farm, while men control any income.

Horticultural training has helped 45-year-old Yustina Diu from Gapong village in Flores become financially independent. Yustina, her husband and three children used to live off rice and pig farming. They particularly struggled in 2015, when a year-long drought – likely linked to climate change – hurt the rice harvest.

Yustina and her women's social group, known as an arisan, signed up for training

facilitated by UNDP and the Ministry of Environment and Forestry, which provided seeds of vegetable plants that can grow during the dry season. They also learned how to cultivate different plants on their landslide-prone land, which had been idle for 20 years, including planting grass to prevent landslides.

Before the training, villagers in Gapong were highly unfamiliar with 'new' vegetables such as carrots and broccoli. In a village meeting on nutrition, many questions were asked about carrots' nutritional value, and even whether they were edible. Yet once these issues were resolved, the women started growing carrots and other vegetables, including broccoli, corn and string beans. Initially, they did not expect to make money and faced scepticism from the men of the village as to whether their land would even produce.

But the carrots and broccoli grew surprisingly well and provided the women with an income that was their own to manage. The new skills also allowed them to grow different plants during the rainy and dry seasons, giving them continuous harvests. Extra income has allowed Yustina to help pay the fees required for her son to graduate from university, and he now teaches at a local elementary school.

Vegetables from Gapong village have become so well known in a nearby city that traders travel to the village, saving the women a one-hour trip by motorcycle, and giving each of them a steady income of about IDR 2 million (about \$150) per harvest season. By helping people cope with the impact of climate change, UNDP has simultaneously helped improve gender equality as well as providing new economic opportunities.

SPARC has also built on a joint research effort with Malaysia, Nepal and Zambia that was designed to introduce and test the practice of enhancing acidic and dry soils by adding biochar, or charcoal produced from waste biomass. This project too was implemented in East Nusa Tenggara, as well as in Central Sulawesi, which faces similar challenges.

In East Nusa Tenggara, Ministry of Agriculture tests have shown that corn grown on soil to which biochar has been added yields twice the dry grain of plants grown on untreated soil. The addition of biochar also helps improve the quality and availability of water, since the charcoal fixes nutrients in the soil. This increases the effects of chemical fertilizers and helps combat land degradation and deforestation, the source of a significant proportion of national emissions. Importantly, using charcoal produced from waste plant matter also sequesters carbon dioxide in the soil and reduces the amount of the gas in the atmosphere, which also is a major contributor to climate change. Thus, UNDP has empowered rural communities in some of the poorest parts of Indonesia to use a simple, cost-effective means to improve crop yields and livelihoods, replenish soil carbon pools, and contribute to national emissions reduction.

“Adding biochar more than doubled the production of our corn crop. We have seen the results, and we’re happy.”
Otnial Nuban, village head in Oebau, East Nusa Tenggara

For strengthened social protection and poverty reduction, access to health care likewise is as central as access to livelihoods and food security. Led and coordinated by UNDP, and supported by the Government of Japan, the Access and Delivery Partnership (ADP) focuses on providing low- and middle-income countries with technical skills and expertise to tackle shortfalls in research and development, as well as in access to treatment for tuberculosis (TB), malaria and neglected tropical diseases. The programme works not only in Indonesia, but also in Ghana, Tanzania and Thailand, and emphasizes collaboration with partner country governments and stakeholders.

Key successes in Indonesia have included facilitating greater coherence in the policy and legal frameworks for new health technologies, improved safety monitoring, and enhancing capacity for health technology assessments, all of which are important elements in achieving the national goal of universal health coverage. These successes have included collaboration with the National Drug Regulatory Agency and the World Health Organization to ensure early detection and proper management of adverse drug reactions. Other positive results have involved partnering with the Ministry of Health to launch pilot evaluations that ensure new health technologies provide the best value for money, along with work with the Ministry of Law and Human Rights on patent law, and with the Indonesian Anti Trust Agency on using competition law and policy to ensure access to affordable medicines.

“I am confident that the work of the [Access and Delivery] Partnership will make an important contribution to the efforts of the Government.”
Prof. Agus Purwadianto, Former Senior Adviser to Indonesia’s Minister of Health



◀ *A child who was suffering from malaria at a clinic in eastern Indonesia. Approximately 97 percent of all malaria cases in Asia occurred in India, Indonesia, and Myanmar. UNDP has distributed more than 9.9 million pieces of insecticide-treated nets throughout Indonesia (Photo: UNDP MTAF)*

Further, UNDP works in partnership with the Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM) to support programmes targeting the three diseases in low- and middle-income countries, including Indonesia. Since 2003, the Global Fund has committed more than US\$693 million to Indonesia, with US\$302 million allocated in 2014-2017 for work that includes broader health system strengthening as well as directly combating disease. About 90 percent of the 3 million TB cases notified in the country have been successfully treated, in part because UNDP, as part of the ADP, has supported the introduction of bedaquiline, a new treatment for multi-drug-resistant TB (MDR-TB), thereby working to meet a gap in treatment for more than 300,000 MDR-TB patients.

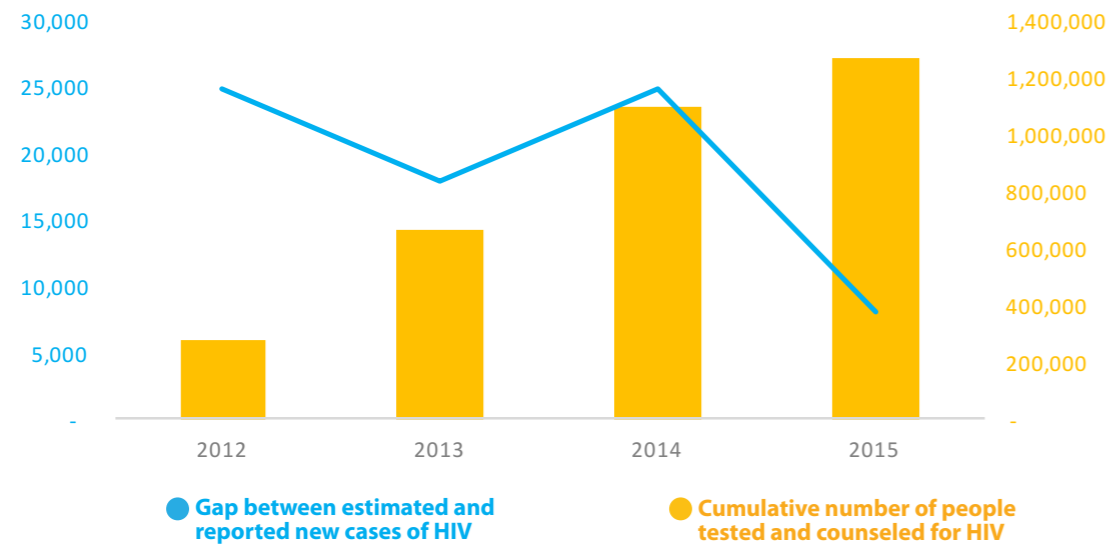
At the same time, more than 750,000 people a year contract malaria and, critically, an estimated 690,000 people in the coun-

try still live with HIV – although this “hidden population” far exceeds the officially reported number of HIV cases, at 208,920 people, and has been the focus of increasing Government efforts. In response, UNDP has supported a move to increase access to and lower the price of antiretroviral (ARV) therapy in the country, which costs an estimated 3 to 5 times more in Indonesia than in the global market. In particular, UNDP assisted the Government by analyzing the efficiency of ARV procurement and marketing and providing solutions.

UNDP’s programme on Management and Technical Assistant Facility (MTAF) to Strengthen the Implementation of Global Fund Grants in Indonesia, which concluded in 2014, also assisted Global Fund recipients to develop capacity assessments and consolidated management plans for technical assistance, and helped supply an online database of local management and

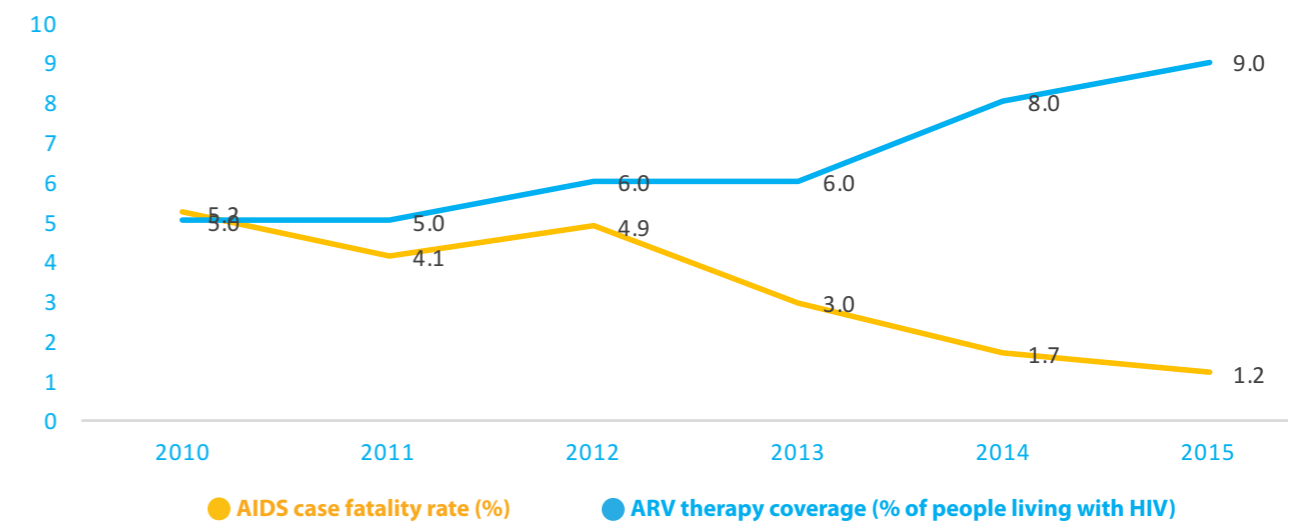
technical assistance providers to the Ministry of Health. Now, based on the MTAF model, work is continuing with Indonesia’s GFATM Coordination Mechanism on preparation of a new concept note for 2018-2019, and on ensuring that current grants are optimized.

Figure 7: Closing the gap between estimated and reported HIV/AIDS cases



Source: Pusat Data dan Informasi, Ministry of Health

Figure 8: Increased access to ARV is helping to reduce fatality rate



Source: Pusat Data dan Informasi, Ministry of Health

145,813

Number of people tested for HIV with UNDP support starting 2014

9,963,515

Mosquito nets provided by UNDP to prevent malaria

66,134

People who received treatment for TB and ARV through UNDP



CHAPTER 4

Climate Change, Natural Resources and Resilience

Reducing emissions, preserving natural resources and ensuring sustainable livelihoods.

UNDP recognizes that environmental sustainability is intimately linked with economic sustainability, such that it is helping to mainstream environment and energy concerns in national development efforts, expanding access to environmental and energy services for the poor, and identifying policies that minimize the impact of natural disasters on the poorest. The changes that are required in land use, manufacturing, agriculture and energy to deliver more resilient and lower-emission systems and technologies not only protect and sustain the environment, but also offer income-earning opportunities. This work demonstrates a broad move by UNDP away from facilitating technical assistance toward an approach focused on providing policy research, analysis and inputs to support effective policy decisions, planning and implementation.

Because good governance is central to effective natural resources management, UNDP gives special attention to strengthening institutions to be inclusive of young people, women and ethnic and religious groups, and to improving women's economic and political participation overall. In turn, addressing governance issues such as strengthening regulatory enforcement not only reduces environmental degradation and related conflicts, but also expands economic opportunities, as a UNDP-supported milestone of collaboration in Indonesia's palm oil industry has shown.

UNDP-built tree house in Sungai Buluh, West Sumatra, turned the forest into a tourist destination, providing earning opportunities for the locals and incentivizing them to protect the environment. (Photo: UNDP Indonesia)

As part of continuing efforts to meet national emissions reduction commitments – more than half of which emanate from deforestation, land degradation and peatland fires – Indonesia needs to encourage sustainable land management practices that preserve the country's natural resources and protect the livelihoods of poor communities. Working with the National Council on Climate Change, now part of the Ministry of Environment and Forestry, the Reducing Emissions from Defor-

estation and Land Degradation (REDD+) programme funded by Norway, has contributed to these objectives by developing institutional capacity and enhancing strategic partnerships and implementation practices across Indonesia. Through the programme, UNDP has supported the creation of the National REDD+ Strategy and National REDD+ Action Plan. UNDP has also assisted the development of the National Standard Operating Procedures for Forest/Land Fires Prevention and Management, as

well as the REDD+ Strategy and Action Plan in 11 provinces.

Priority REDD+ results have included developing a system that provides near-real-time information to combat peatland fires, protecting the customary land rights of vulnerable indigenous peoples, and expanding the use of participatory forest governance assessments to implement recommendations at subnational levels.

A model of collaboration

Ensuring Indonesia's palm oil meets national and international standards.

“This study marks a turning point in the international community's effort to support and work with Indonesia's laws and regulations relating to the palm oil sector,”

Herdradjat Natawijaya, Chair of the ISPO Secretariat

The growth of Indonesia's palm oil sector highlights the challenges of improving livelihoods through economic growth while maintaining healthy ecosystems and communities. Accounting for more than half of all global exports, Indonesia is currently the world's largest producer of palm oil. However, plans to double production by 2020 threaten the country's remaining forests and peatlands, along with the communities that depend on them, along with national commitments to reduce emissions.

Following the launch of the Indonesia Palm Oil Platform in 2014, UNDP has encouraged optimization of the Indonesian Sustainable Palm Oil (ISPO) national certification scheme, which requires producers to comply with environmental management regulations and legal responsibilities to workers and communities. But initially, it was unclear how ISPO would differentiate itself from the requirements of the international body Roundtable of Sustainable Palm Oil (RSPO).

In 2016, therefore, UNDP facilitated a joint study aimed at clarifying the differences and commonalities of the two schemes, with the intention of identifying collaborative opportunities. Broadly, both schemes aim to improve the sustainability in the palm oil industry and reduce forest loss and degradation; however, while RSPO is a voluntary initiative, ISPO is legally binding. Critically, in Indonesia this means that ISPO ensures that all palm oil producers – not just those that engage in foreign markets – comply with Government regulations.

The study showed how ISPO and RSPO can complement each other. It identified opportunities to use common elements to conduct joint ISPO audits and RSPO certification. Now recognized as a milestone in the formal collaboration between the two standards, as well as a model of international collaboration, the study represents a significant step toward ensuring the future sustainability of Indonesian palm oil.



Marni (left) and Endang are part of an all-female group supported by UNDP that is responsible for weighing the fresh fruit oil palm bunches before they are collected for processing in the mill.
(Photo: Nicholas Hurt)

Through REDD+ programmes, UNDP has also facilitated the issuance of social forestry permits covering 110,000 hectares of land in 10 districts of Sumatra. Following UNDP advocacy, similar policies are in place for improved forest-related conflict resolution, with 177 areas with potential conflicts identified and two priority national parks affected by land conflicts protected.

An integrative, holistic approach has also helped to generate refreshed national commitment and a renewed sense of urgency on the environment, as demonstrated by the President's announcement of the establishment of the Peatland Restoration Agency (BRG) in December 2015 at the Climate Change Conference in Paris (COP21), along with his statement that no more licenses would be given for forest concessions beyond 2015. UNDP's support was instrumental in the establishment of the BRG through Presidential Regulation Number 2/2015 and helping the new agency become quickly operational. A national climate change trust fund was also successfully established with UNDP support, and UNDP's Maps for Indicative Allocation of Social Forestry programme again supported the issuance of social forestry licenses, with the objective of achieving 12.7 million hectares of community-managed forests. In addition, in 2014 a new law on land and water conservation (Law Number 37/2014) was passed with UNDP advocacy and support that is expected to reduce the loss of productive land and control land conversion while protecting ecosystem services and watersheds.



◀ Villagers block a drainage canal in Sungai Tohor, Riau province, to prevent peatland fire. The work is part of a UNDP programme supporting the Peatland Restoration Agency. (Photo: Fauzan Ijazah)

600,000
Hectares of peatland re-wetted
to prevent fire

400,000
Number of people trained
in fire prevention actions

CASE STUDY Hazed out

Restoring degraded peatlands and preventing peatland fires.

Forest and peatland fires have occurred nearly every year in Indonesia since 1998 and made world news. In 2015 alone, four months of fires engulfed Sumatra, Kalimantan, and Indonesia's neighbouring countries in toxic smoke and haze. A total of 19 people died, half a million suffered related respiratory infections, and the cost to the country's economy was estimated to be at least US\$16 billion. In an attempt to stop the annual disaster once and for all, the Government established the Peatland Restoration Agency (BRG) in late 2015, with the mandate to restore 2 million hectares of degraded peatlands in seven provinces over a five-year period.

Within one year, the BRG, with support from UNDP and the Government of Norway, has dug 350 deep wells in Sumatra and Central Kalimantan to re-wet peatland and put out fires promptly. The agency also ensures that nearby communities are involved in these efforts: For example, in Pulau Pisang, Central Kalimantan, 12 community-based fire brigades are now operational, comprising 120 fishermen and farmer volunteers. Work is under way to scale up the fire brigades to cover 40 villages.

BRG has also supported farmers to use peatland sustainably, thereby incentivizing them to protect it. A pilot initiative to breed cattle, using peatland grasses as feed, is expected to generate income for the farmers and contribute to upkeep of the fire brigades. Other sustainable agriculture op-

tions on peatland include growing dragon fruit and sago, as well as duck and chicken rearing.

A further key element of protecting peatland is to block the canals that many companies, and some communities, have built to drain the land so it can be planted. Thus far, BRG has blocked more than 40 canals in three provinces, with plans to block more. In addition, a BRG pilot project in Riau has shown that a vast area that was drained and burned in 2014 can be revitalized by regulating the water levels through the canal blocks. Today, villagers in Sungai Tohor, one of the pilot sites, live off sago, a native plant that thrives in the wetland. Sago production has been so successful that 14 processing sites have been built in the village, with another planned.

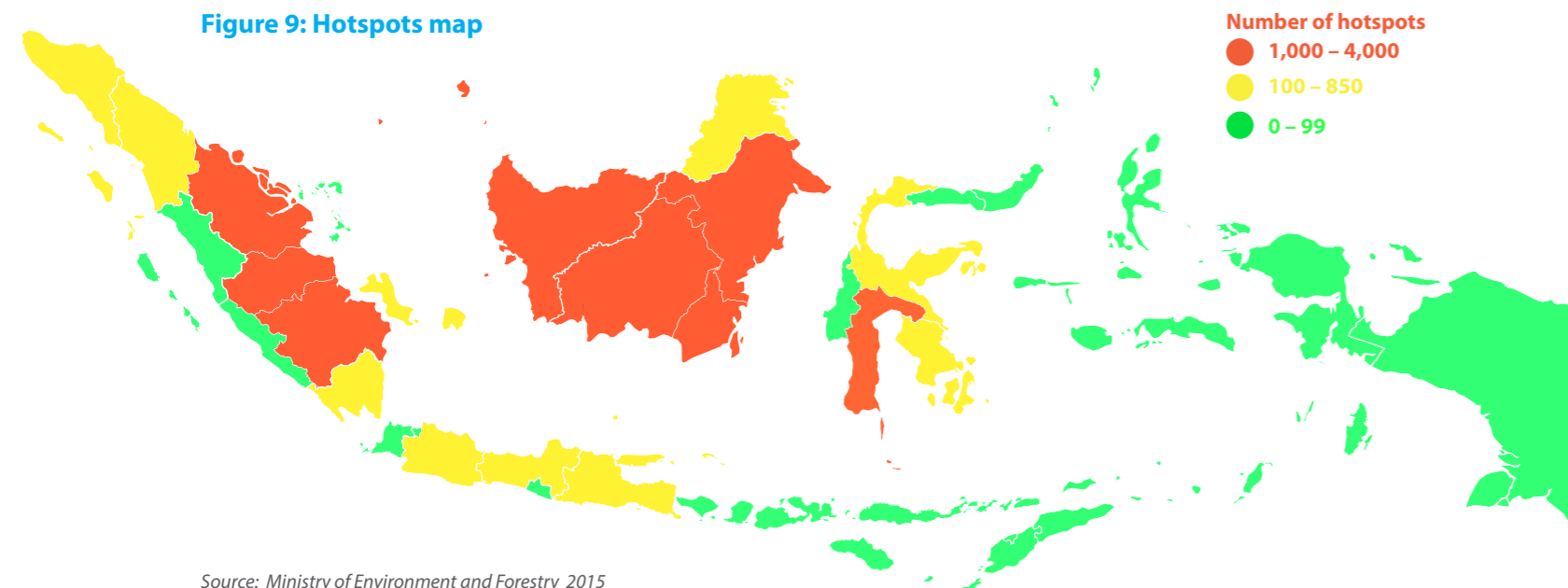
Challenged by extreme vulnerabilities

Tens of millions can benefit from sustainable management of resources.

Largely because of a 2010 moratorium on the issuance of new forest logging/cultivation permits, Indonesia is regarded as a world leader in addressing the challenges of deforestation, forest degradation and emissions reduction – critical in a country that is home to the world's third-largest tropical forest (138 million hectares). Nonetheless, peatland and forest degradation and fires, along with fossil fuel reliance, make the country one of the world's largest greenhouse gas emitters. National economic growth in recent decades has also taken precedence over sustainable management of the natural resources that are essential to the economy, livelihoods and future prosperity. About 65 million Indonesians remain highly vulnerable to climate-related shocks and natural disasters, with more than 10 million of the 48 million people living in and near forest areas categorized as poor.

Indonesia is also a vital center of endangered terrestrial and marine biodiversity while standing as one of the world's most disaster-prone countries, vulnerable to natural hazards ranging from volcanoes, tsunamis and earthquakes to floods, landslides and forest fires. Land degradation and deforestation, rapid urbanization, rising sea levels, and the increasing risk of disasters exacerbated by climate change all add to existing vulnerabilities.

Figure 9: Hotspots map



Source: Ministry of Environment and Forestry 2015

In addition to hosting a large proportion of the world's tropical forests, Indonesia supports an incredible variety of plant and animal life, but this extraordinary biodiversity is under threat from pollution, climate change, forest fires and legal and illegal exploitation. The action-oriented Indonesian Biodiversity Strategy and Action Plan (IBSAP) 2015-2020, developed in collaboration with the National Development Planning Agency (Bappenas), the Indonesian Institute of Sciences and the Ministry of Environment and Forestry, provides an outline of how the country can exploit economic development opportunities while also meeting the objectives of the Convention on Biological Diversity and its 20 Aichi Biodiversity Targets, which include protecting 17 percent of the earth's lands and 10 percent of the seas by 2020.

The IBSAP provides Indonesia with a solid

“Preservation of biodiversity is closely associated with the local economy, and ultimately, with national development.”

Dr. Ir. Imron Bulkin, Principal Secretary, National Development Planning

base to build understanding about the importance of protecting biodiversity, and the social, economic and environmental benefits that follow. In particular, it aims at promoting incentives to stimulate the sustainable management of selected ecosystems, building awareness of the economic value of ecosystem services, and improving methodological expertise in watershed management and biodiversity loss in coral reefs. With revised targets on sustainable biodiversity management for terrestrial and marine ecosystems now included in the National Medium Term Development Plan (RPJMN) 2015-2019, UNDP is placing

emphasis on supporting the development of financial strategies and boosting investment to protect biodiversity across the archipelago.

UNDP has also provided support to the operationalization of the Indonesia Biodiversity Clearing House Mechanism, which will enable progress to be monitored against relevant SDG indicators by establishing baseline data on key priority species and ecosystem health at six national parks. Through the Enhancing Protected Areas System of Sulawesi (E-PASS) programme funded by GEF (Global Environment Facility), UNDP has enhanced institutional capacity to protect biodiversity and endangered species in areas extending over 513,772 hectares in Sulawesi, in addition to supporting the establishment of a new national park, Taman Gandang Dewata.



UNDP's EPASS project supports conservation in Bogani Nani Wadabone National Park in North Sulawesi, which is one of the sanctuaries for the maleo, birds with highly unusual reproductive behaviors, that have been saved from extinction. (Photo: Fauzan Ijazah)

Along with environmental degradation, the absence of energy infrastructure is a significant cause of economic disparity. Indonesia's electrification ratio of 90 percent means that around 25 million people, mainly poor and in remote areas, live without electricity. UNDP is therefore working to increase access to energy services, improve energy efficiency, and achieve the essential shift from fossil fuels to renewable energy. This builds on work such as the Low Emission Capacity Building (LECB) programme, which strengthened Government capacities to adopt low-carbon, green economy approaches, and encompasses scaling up renewable energy pilots and brokering financing to stimulate private sector investments in wind and hydroelectric projects.

The UNDP programme Wind Hybrid Power Generation (WHyPGen) Market Development, which ran from 2012 to 2016, worked to increase the share of renewable energy in Indonesia's national supplies. WHyPGen, run in cooperation with the Agency for the Assessment and Application Technology (BPPT) and partly funded by the Global Environment Facility, worked multidimensionally to demonstrate the advantages of commercial wind hybrid power generation, develop Government and private sector cooperation and financing mechanisms, and support positive Government policies. Practical action involved conducting mapping and wind resource assessments at 19 locations, along with 10 feasibility analyses.

In addition, in 2015 WHyPGen facilitated establishment of the first Indonesia Wind Power Association, involving 25 wind power project developers, technology providers and investors; so far, 15 potential manufacturers have been identified to receive training in installing, operating and maintaining wind power turbines.

Other initiatives UNDP has supported are directed at reducing industrial pollution, toxic chemicals and hazardous wastes, and encouraging the adoption of environmentally friendly production processes. Specifically, UNDP has supported the Government in ensuring adherence to relevant international conventions focusing on reducing persistent organic pollutants (POPs) such as the insecticide DDT and producing a National Implementation Plan, along with a complementary monitoring system.

Working with the Government, World Bank and UNIDO, UNDP is also supporting implementation of a national plan to phase out hydrofluorocarbons, which have largely replaced ozone-depleting chlorofluorocarbons as coolants, propellants, solvents and fire suppressants, but which themselves now need replacement because of their acute global warming potential -- 1,400 times greater than carbon dioxide. Aside from supporting the development and oversight of new regulations, the Hydrofluorocarbons Phase Out Management Plan has been working with some of the largest air-conditioning and refrigeration system manufacturers and foam producers to redesign their processes to adopt more envi-

ronmentally friendly production methods. Awareness activities on hydrofluorocarbon alternatives and their availability have also been conducted in industry, with the media targeted by outreach events.

Meanwhile, the Government has prioritized the development of pre-emptive disaster risk reduction (DRR) and mitigation measures, based on comprehensive cross-sectoral planning and preparedness, given Indonesia's proneness to natural disaster. UNDP's programme Safer Communities through Disaster Risk Reduction in Development which ran from 2013 to 2016, worked with the National Agency for Disaster Management (BNPB) to make DRR an integral part of core development activities. In so doing, it emphasized community involvement, since this is where the most practical action can be taken to reduce vulnerability. As a result, the number of districts classified as high-risk fell from 322 in 2013 to 234 in 2015.

Get Airports Ready for Disaster training conducted by Deutsche Post DHL Group and UNDP at Bali's Ngurah Rai International Airport (Photo: Brian Sumito)



Incorporation of disaster management and DRR into the National Medium Term Development Plan (RPJMN) 2015-2019 as a national development priority was also an important result. In this regard, UNDP provided input to the new DRR National Action Plan, which offers policy guidance and tools to promote risk management in planning and investment decision making. The Action Plan is now set to become a standard reference for Government planning, and will expedite risk-responsive planning and budgeting.

Critically, UNDP is increasingly integrating previously separate activities addressing

climate change, environmental protection and disaster management. To support the new National Plan on Disaster Management 2015-2019, for example, UNDP is moving to an approach focused on prevention, mitigation and community resilience. This involves strengthening the capacities of subnational governments and disadvantaged groups to manage, adapt to and monitor climate change, while providing technical assistance to help integrate climate change adaptation and DRR into a common methodology to inform national and subnational policies, programmes and spatial plans. Village-level planning and training, building on and reinforcing

existing social networks and coping mechanisms, has also been specifically encouraged, meaning that villages can react more quickly in the event of a natural disaster. UNDP also supported the establishment of a web-based Village Information System (VIS) in Central Java, home to the highly active volcano Mount Merapi, which has likewise transformed the ability of village and district governments to prepare for and react to disasters. Although UNDP involvement in the VIS ended in 2014, the system is now being rolled out across Central Java and used as a model in other disaster-prone areas.



CHAPTER 5

Democracy and Access to Justice

“Democracy evolves with strength and weaknesses. It makes gains and it also experiences reversals. Democracy needs to be protected, defended and improved for the benefit of the people and the stability of the country;” Christophe Bahuet, UNDP Indonesia Country Director

Much has been achieved in building democratic systems in Indonesia since 1998, when the country's transformation to an open and stable democracy began, including the successful holding of direct presidential elections in 2004, 2009, and 2014. Local leaders such as governors, majors and district heads have also been directly elected since 2005. Further, the National Long Term Development Plan 2005-2025 aims to achieve a consolidated democracy by 2025. Yet many of the benefits of good governance, including increased accountability, reduced corruption, improved service provision and strengthened public voice, remain elusive, especially for disadvantaged groups. Specifically, the capacity of numerous subnational parliaments remain to be strengthened to overcome frequent legislative delays, while improving ability of political parties to propose candidates who can drive effective parliamentary processes, expanding the representation of women in parliaments, and developing new models of constituent relations are also recognized as important priorities.

▶ *A colourful wallpaper has been installed in a juvenile court room in South Jakarta to make it less intimidating to children.
(Photo: UNDP SUSTAIN)*

For the judiciary, critical issues include enhanced integrity, institutional capacity and public access. Although an ambitious national reform programme has strengthened the quality and effectiveness of many Government bodies, fully transparent, accountable and efficient institutions are still required.

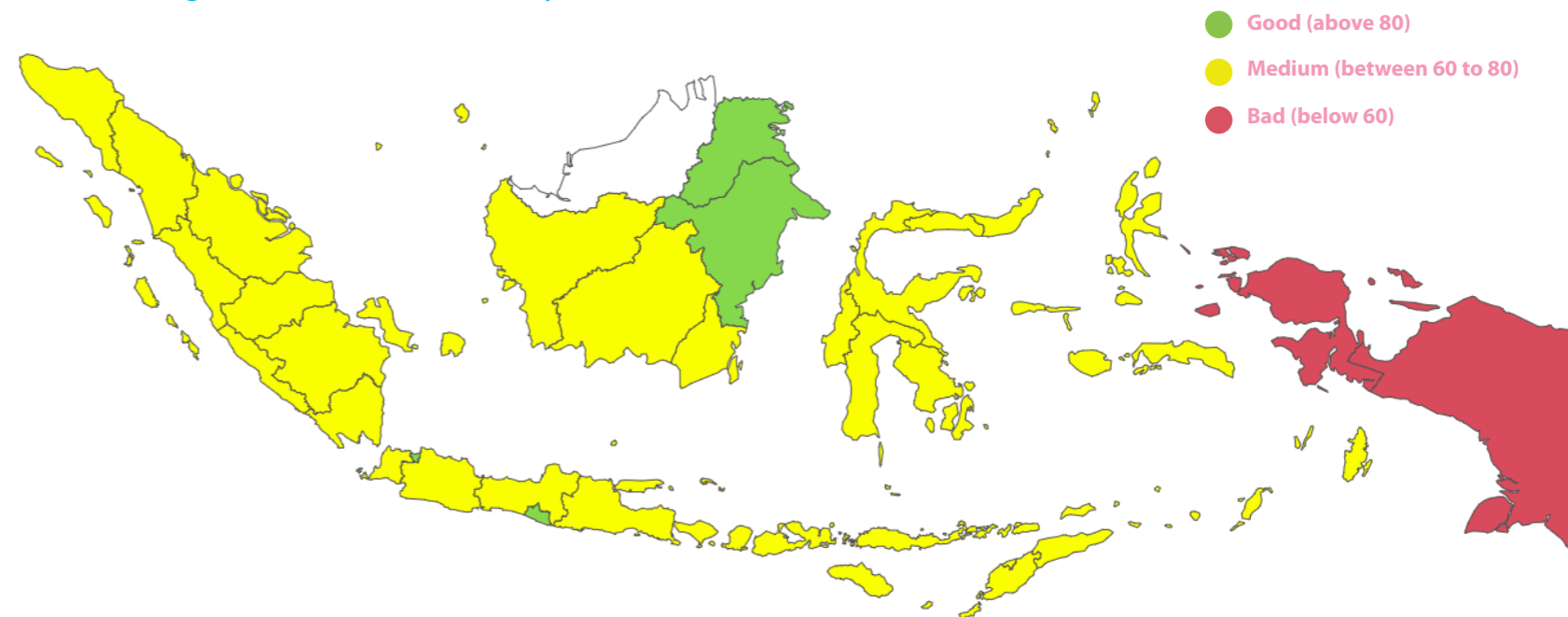
UNDP Indonesia's work in particular has focused on (1) enhancing political participation and civic engagement, particularly women's participation, and enabling civil society, academia and other stakeholders to scrutinize democratic development and foster debate; (2) promoting justice sector reform; (3) supporting the clarification of roles and responsibilities of Government, especially at subnational level; (4) increasing the capacity for effective public expenditure budgeting and control; and (5)

promoting transparency and the right to information, while also enhancing statistics and data management. All have been undertaken from a rights-based approach that seeks to eliminate barriers that prevent vulnerable populations from accessing rights and services. In turn, addressing key governance challenges can result in broader and more extensive development gains, such as poverty reduction, improved livelihoods and enhanced environmental sustainability.

For example, UNDP's efforts toward development of the Indonesia Democracy Index (IDI) by national and provincial governments, with the support of Australia's Department of Foreign Affairs and Trade, has introduced a tool that measures overall progress toward democracy and allows for deeper political participation and en-

gagement. Unlike other indexes, the IDI includes subnational indicators, which is enabling better-informed subnational planning, policymaking and programming, as well as enhanced national policy planning. Positive results have included use of the IDI to provide targets and indicators for the National Medium Term Development Plan 2015-2019 (RPJMN), along with a \$3.3 million Government budget commitment to support the Index through 2019. Out of 20 targeted provinces, 12 have used the IDI to adjust their policies and programmes to address underperforming indicators; nine have used it to formulate Provincial Medium Term Development Plans (RPJMD) and annual workplans; and three have used it in annual work planning thus far. The IDI was also used to help integrate the UNDP-supported National Strategy on Access to Justice (NSA2J) into the RPJMN.

Figure 10: Indonesia Democracy Index (IDI) 2015

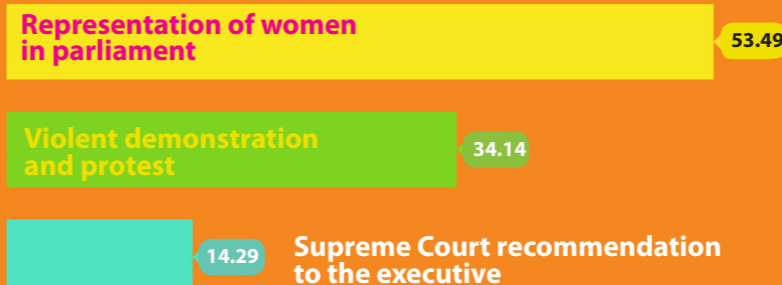


Source: Statistics Indonesia, 2016

The launch of the 2015 Indonesia Democracy Index, a benchmark that has been used in national development plans and 11 regional development plans. (Photo: UNDP Indonesia)



Lowest-scoring IDI national indicators



Highest-scoring IDI national indicators



72.82
Indonesia's IDI score for 2015

Critically, although legislation requires political parties to include women as at least 30 percent of candidates in their electoral lists, females remain underrepresented in politics and public life in Indonesia. Despite recent gains, along with a record number of female candidates in the 2014 legislative elections, the proportion of women elected has fallen to 16.8 percent from a high of 18.2 percent in 2009. To address this issue, UNDP's Strengthening Women's Participation and Representation in Governance in Indonesia (SWARGA) programme with a contribution from Norway, which ran from 2011 to 2015, promoted best practices in gender-sensitive policymaking and programming. It trained 333 women parliament members on issues such as budgeting, communications, decentralization and oversight; and established a web-based women's parliamentary network. It also helped to institutionally strengthen the Indonesian Women Parliamentarian Caucus (KPP-RI), which includes all 136 women members of the House of Representatives and House of Regional Representatives, through support to critical elements for effective strategic planning (e.g., annual work plan), thereby bolstering a shared vision among caucus members. The programme also engaged civil society by establishing a Civic Education Centre and initiating a public campaign promoting the election of women candidates, focusing on the candidates' integrity and the attention they pay to day-to-day concerns.

In advance of the 2014 elections, the programme also trained 490 female candidates on key issues such as calculating

voter targets, creating individual action plans, and personal branding, all of which enabled these women to improve their political skills, enhance their outreach to constituents, and strengthen coordination with civil society and non-governmental organizations. Nationally and in nine provinces, UNDP Indonesia also helped promote female candidates through the media, which paid off: Election results showed that in these nine provinces, the number of women elected to provincial and district parliaments increased by 22 percent compared to 2009, from 379 to 464 representatives. Further, in subnational parliaments the proportion of women elected was 3 percentage points higher than in the national parliament (20.2 vs. 17.3 percent), with targeted provincial parliaments electing 1 percentage point more women than the national average, and district/city parliaments 3.2 percentage points more. Despite these successes, however, the project showed that regulatory changes are not enough to advance women's role within politics, with concrete initiatives to influence behavioural changes among the electorate also being required moving forward.

1,300
Supreme Court officials and judges trained in areas including anti-corruption, mediation to enhance access to justice, and gender awareness

490
Number of UNDP-trained female candidates for Parliament in 2014

16.8%
Proportion of women in Parliament

Women and vulnerable groups have also been the focus of the Strengthening Access to Justice in Indonesia (SAJI) programme also funded by Norway, which builds on successes and learning from earlier programmes on legal empowerment and assistance for the disadvantaged and on justice in Aceh. UNDP Indonesia has worked in collaboration with the National Development Planning Agency (Bappenas) in this regard, with positive results including mainstreaming NSA2J into the National Medium Term Development Plan, and strengthening the capacity of the service providers now obliged to implement NSA2J. Related information on the strategy has been disseminated to more than 8 million people, thereby improving awareness of formal legal processes.

Building on networks developed in Aceh since 2008, SAJI has worked particularly closely with the Aceh Customary Council (MAA) to strengthen *adat* (informal) justice systems, which handle 75 percent of disputes, and to enhance these systems' synergy with formal justice systems. This is particularly important in Indonesia's remotest areas, where many people – particularly women and the poor – lack access to formal justice or have no financial resources to obtain legal advice and pay court fees in the event of disputes. *Adat* dispute resolution methods have long been viewed as faster, cheaper and more trusted ways to obtain justice than from a distant and abstract formal system. Now, UNDP Indonesia's support has strengthened public satisfaction with judicial results, particularly in petty criminal cases and family and com-

munity disputes, with 91 percent of petitioners saying they are satisfied with the informal justice system, as opposed to 46 percent being satisfied with the formal system. Overall, 3,956 small cases were settled through enhanced *adat* justice systems in Aceh during 2012-2015.



▲ Yusra (left) is an *adat* leader in her village in Aceh Besar. She received training from UNDP's SAJI project to help resolve conflict in her village. Asnawayiah (right) is one of her cases. She experienced domestic violence and was able to settle the dispute with Yusra's help. (Photo: UNDP Indonesia)

Gender Equality Strategy

In 2016, UNDP Indonesia participated in the corporate Gender Equality Seal certification programme for which it obtained 'Silver' status. This Gender Seal process enabled teams to collectively and systematically build the foundation for a gender transformative environment in the Country Office, and the areas in which UNDP works.

As a result, a strategy was set in motion. The Gender Equality Strategy and Action Plan that UNDP launched in March 2017 challenges and guides UNDP to build on this work for the period 2017-2020. It is aligned with the UNDP Indonesia Country Programme Document 2016-2020, building on UNDP Indonesia's efforts to enhance equality, inclusiveness and sustainable development.

To ensure accountability, and measurable activities, new gender-sensitive corporate tools and frameworks maintain quality results-based programming. The tools explicitly promote gender mainstreaming, reinforcing fair assessment, diligent planning, monitoring and evaluation mechanisms. These tools and frameworks also reinforce UNDP's accountability to governments, citizens, partners, stakeholders, and donors.

The strategy accelerates gender equality through four outcome areas:

- Sustainable employment and income generation;

- Equitable access to quality social services and social protection;
- Sustainable natural resource management and increased resilience;
- Enhanced access to justice and more responsive inclusive and accountable public institutions.

In addition, the strategy addresses three key areas for mainstreaming gender equality across UNDP's work:

- Programming;
- Operations;
- Institutional arrangements and practices.

The result of mainstreaming gender equality in programming includes a specific design to promote the economic and social empowerment of women by providing training in business skills, which was done by the People Centered Development Programme (PCDP) in Papua.

On the operations side, UNDP's corporate tools and platforms for Results-based Management, Quality Assurance, reporting, and accountability, systemically maintain standards for gender mainstreaming.

UNDP Indonesia communications promote gender equality through quantitative means (ensuring a gender balance where relevant), qualitative means (challenging stereotypes and promoting diverse roles for men and women), and execution

(through public events, public interactions, expression and wording).

UNDP Indonesia has also instituted a Gender Focal Team, headed by Deputy Country Director, with members from both Programming and Operations, demonstrating the Country Office's commitment that gender mainstreaming is not primarily a technical exercise in Programming, but has fundamental implications for the office.

CASE STUDY Female judgment



▲ Asnaini Mirzan (Photo: UN Women)

Changing gender roles in Indonesia's justice sector.

In addition to being a married mother of three, Asnaini Mirzan spends her time championing women's rights, and settling village disputes using *adat* justice systems. As the first female village head in Pegasing, Aceh, Asnaini is a respected role model who is challenging gender stereotypes and shaping what it means to be a female leader in Indonesia.

Traditionally, women have a domestic role in Indonesian households, while men dominate leadership, adjudicative and policing roles. Failure to conform to these norms often means that the concerns of wom-

en, such as not having family registration cards and birth certificates, are overlooked. Asnaini not only challenges these attitudes, but actively works to reverse them in her role as a village leader, judge and advocate. One of Asnaini's motivations is to demonstrate to her children that a woman with little education can still have power. Another is a sense of civic responsibility and personal pride. "I didn't receive any schooling beyond high school and I never intended to be a village leader, but when people put their trust in me, I knew that I must run for head of the village council," she says. Initially, many doubted her qualifications, but this changed as she demonstrated adept leadership skills, which the Aceh Women's Centre acknowledged with an award in

2012. To strengthen her dispute resolution skills, Asnaini participated in a training of trainers workshop on customary justice, supported by UNDP. The workshop focused on improving decision making, particularly where women are involved in disputes, and encouraged networking among aspiring women leaders. This event proved to be valuable for Asnaini, given that she regularly deals with female cases in a male-dominated sector. "Now I have the opportunity and knowledge to act as a mediator to settle disputes in my village," she says. "I can advocate for women's rights, while delivering justice."

Survey results also indicate women are increasingly involved in *adat* justice service provision, particularly in cases involving gender-based violence and discrimination, and/or disputes relating to marital rights. Through SAJI, UNDP strengthened the roles of 12 female *adat* leaders in Aceh and more broadly raised the importance of women in customary dispute settlement. Similar approaches have now been replicated in Central Kalimantan and Central Sulawesi, where UNDP also enhanced the capacity of 1,120 women customary judges—28 percent of the total number of customary judges, in formulation of village regulations and development of common guidelines for the *adat* justice system.

Critically, the programme has helped to strengthen coordination among justice service providers, clarify overlapping jurisdictions and minimum service standards for Public Complaints and Grievance Handling Mechanisms (PCMs), and support the increased use of free and competent legal aid among the poor by facilitating a regulation enhancing such aid. In 2014, for example, less than one-fifth of the legal aid budget was used to provide services to the poor, mainly because of the complexity of accessing state legal aid funds and low management capacity. By 2016, however, around 600,000 people were estimated to

have benefited from strengthened PCMs, where complaints about public service are being addressed more quickly and service providers are more accountable to citizens, according to results of a 2015 programme evaluation. Further, 11,155 poor seekers of justice were enabled to access legal aid services funded by the National Law Development Agency – a service that previously did not exist – while 1,195 poor people were directly supported by UNDP to take forward court cases.

Overall, an exemplary judicial system instils public trust in the wider state apparatus as well as in law enforcement, and institutional reforms in the judiciary, prosecution services and police are key components in any government reform agenda. The Support for Reform of the Justice Sector in Indonesia (SUSTAIN) programme, which is a five-year initiative running from 2014 funded by the European Union, is thus focusing on strengthening human resource management and improving case management to enhance the quality of justice services and strengthen the rule of law by increasing the transparency, integrity and accountability of the judiciary.

The programme, implemented in partnership with the Supreme Court, has particularly underpinned the capacity of the

Supreme Court training academy, which works to improve judge and court staff skills, along with providing enhanced judicial supervision and oversight mechanisms. In 2016, the training programme, which includes a gender module, was delivered to 300 female and 1,000 male participants working as judges, registrars and bailiffs. The programme has also supported the introduction of a case management system that streamlines data handling. In addition, a performance management database now provides transparent position and task analysis, and helps to ensure that standard operating procedures and human resource policies are implemented.

Weak rule of law and limited access to justice are known to exacerbate environmental degradation and conflict over land and resources all over the world. In Indonesia, the National Medium Term Development Plan 2015-2019 emphasizes strengthened governance of forests as well as peatlands as vital to protect biodiversity, support livelihoods and contribute to national emissions reduction commitments. Launched in May 2015, the UNDP-supported Forest Governance Index supports this objective by providing reliable data that enable the strengths and weaknesses of forest governance to be identified, robustly analyzed and addressed, thereby informing Govern-



Staff shows the Supreme Court whistleblowing system, a UNDP-supported programme to increase accountability of the judiciary (Photo: UNDP SUSTAIN)

ment policymaking and planning with evidence and strengthening accountable forest governance. The Index, developed in collaboration with FAO and the UN-REDD programme, covers two districts in each of 12 provinces, comprising more than half of Indonesia's forested area. It is also used to monitor and adjust policies and interventions that are not having the intended positive effect.

Lastly, although communal violence has declined significantly since 2004, Indonesia continues to face challenges to peace and stability. UNDP's Peace Through Development (PTD) programme, implemented in Maluku, North Maluku and Central Sulawesi from 2011 to 2015, addressed these issues strategically by integrating conflict sensitivity into mainstream development processes. The programme particularly promoted Government leadership and

targeted high-risk areas in a decentralized multi-stakeholder approach.

Now, the Peace Through Development in Disadvantaged Areas (PTDDA) programme builds on these achievements, best practices and lessons learned to scale up and extend into Aceh and East Nusa Tenggara, which are prone to violent outbreaks, and where women and children remain especially vulnerable. PTDDA also promotes possible synergies between conflict prevention, disaster risk reduction, access to justice and poverty reduction efforts. Its successes thus far include building a commonly agreed Conflict Prevention Framework (CPF), nationally and in target areas, that ensures a clear division of roles and responsibilities. The Government has committed to endorse the CPF through national policy, for which UNDP Indonesia is providing legal expertise and facilitating

a participatory formulation process. The programme has also assisted 278 communities to apply conflict prevention tools and mechanisms that promote social cohesion, with conflict-sensitive budgeting tools delivered in 50 disadvantaged districts and later adopted in 122 more. Based on UNDP's work, the Ministry of Villages (Kemendes) produced the first Conflict Resilience Index for these 122 disadvantaged districts in 2016, which in turn supported more informed decision making. Further, UNDP has trained 131 peace building facilitators in Makassar, Samarinda, Banda Aceh and Bandung, along with supporting capacity building in development of a peace education curriculum among 150 state civil apparatus employees. The programme is also expanding women's role in peace building in the country, with 18 women representing subnational community organizations supported to build their capacities as trainers, through a partnership with N-PEACE, the multi-country network of peace advocates in Asia seeking to advance women, peace and security issues. Subsequently, these women trained 80 more women peace activists in Aceh, North Sumatra, East and West Nusa Tenggara, and Papua.

600,000

People who benefited from improved Indonesian Public Complaint Handling Mechanisms (PCMs)

11,155

Number of poor justice seekers accessing legal aid services funded by the National Law Development Agency following a UNDP-facilitated regulation enhancing legal aid for the poor

4,000

Number of customary judges benefiting from UNDP training in areas including anti-corruption, mediation to enhance access to justice, and gender awareness

MOVING FORWARD

Rising to the challenges of the Sustainable Development Goals.

Drawing on the energy of the SDGs, UNDP Indonesia remains focused on offering innovative, agile and user-friendly solutions and financing strategies, and scaling up what works for maximum impact. Working to its strengths, UNDP's strategic priority will be to continue to see Indonesia's development from a wide perspective.

In addressing the interlinked vulnerabilities and needs of people and the environment, UNDP Indonesia is increasingly adopting an approach that recognizes not only poverty's multidimensional nature, but also the profound connections among climate change adaptation, disaster risk management, resilience and sustainable livelihoods. Critically, governance will still be at the fore of much of UNDP's work, with the organization's acknowledged experience and expertise in promoting justice, peace and tolerance.

Around the world, development practitioners know that building diverse partnerships is key to hitting the SDG targets. This means that reinvigorated interactions with governments at all levels are anticipated, including in Indonesia, as well as with civil society, academics, philanthropists and the

private sector. 'Localizing' the SDGs – carefully targeting them and integrating them into existing development plans – likewise is fundamental to success, and must be accomplished in collaboration with the widest possible range of partners and stakeholders.

UNDP Indonesia has also initiated a social finance initiative by developing a capital finder database. In 2016, UNDP signed an MOU with the Indonesia Financial Services Authority (OJK) to work towards SDGs in Indonesia. UNDP will take this initiative forward by developing a road map report on how to promote social finance. UNDP will also explore the possibilities of engaging the private sector in the development of inclusive finance and access to banking, including mobile money, as well as other opportunities provided by digital economy and e-commerce.

As part of expanding engagement with the private sector and regional development banks, UNDP Indonesia's ambitions extend beyond established Corporate Social Responsibility practices, to determining how public and private sector funds can solve development issues. UNDP's vision is of a country where social enterprise can thrive, help alleviate poverty and inequality, and enhance biodiversity and the environment. Indonesia is actively engaged in the global

and regional development discussions and fora, including the G20 and the Global Partnership for Effective Development Cooperation, as well as in the Association of South East Asian Nations (ASEAN). Indonesia is also an important provider of South South and trilateral cooperation through which it shares its rich experience of national development and democratic transition. UNDP will continue to work closely with Indonesia to support this active engagement and promote international and regional cooperation.

Moving forward, UNDP is determined to continue supporting Indonesia's development, delivering new partnerships, new sources of funding, and efficient resource coordination, along with fresh thinking, long-standing experience, and effective, clearly directed action. Working constantly to increase synergy among programmes, UNDP Indonesia will engage in innovative strategies and thereby help Indonesia achieve the global SDG targets while meeting its national aspirations.



A busy commercial district in Central Jakarta shows the vibrancy of Indonesia's economy. UNDP envisions Indonesia with thriving social enterprises and reduced inequality. (Photo: Brian Sumito)

Promoting social finance for development

Achieving the SDGs requires new approaches to financing development, using data and technology, and testing new ways to eradicate poverty. This is why UNDP is exploring social finance—a way to bring capital or investment to enterprises that produce social and environmental benefits as well as profits. Social finance can be in the form of crowdfunding, angel investors, impact investors, or venture capitalists. UNDP can support in the following roles:

1. **Connector** and broker of partnerships between national and local levels and between different actors including government, ensuring information is shared between stakeholders;
2. **Policy advisor** to the government on the role of social impact investment and making the regulatory environment conducive;
3. **Quality assessor to investors**, bringing tools and knowledge on social and environment safeguards and local context;
4. **Development of pipeline of initiatives** that offer environment and social benefits in poor regions to become investment ready;
5. **Ensuring quality design** of entrepreneurial initiatives through introduction of innovations and scaling strategies.