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Indonesia
2021-2025



GOVERNMENT OF INDONESIA AND UNITED NATIONS SUSTAINABLE DEVELOPMENT COOPERATION FRAMEWORK

Declaration of Commitment

The Government of Indonesia and the United Nations Country Team are committed to working together, and with the people of Indonesia, to make a lasting contribution to national development priorities and the Sustainable Development Goals that will support all Indonesians to reach their potential, and build healthier and more prosperous lives.



Government of Indonesia
H.E Mr. Suharso Monoarfa
Minister of National Development Planning
BAPPENAS



United Nations Country Team
Ms. Anita Nirody
United Nations Resident Coordinator
for the Republic of Indonesia

Jakarta, April 2020

SIGNATORIES

By signing hereunder, the member of the United Nations Country Team endorses this Cooperation Framework (2021-2025) and underscore their joint commitment to its strategic priorities and expected outcomes

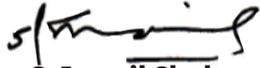
UNCT Members with country offices:


Stephen Rudgard
Representative, FAO


Ivan Cossio Cortez
Country Representative, IFAD


Michiko Miyamoto
Country Director, ILO


Louis Hoffmann
Chief of Mission, IOM


S. Ismail Shah
Area Representative, ITU


Stuart Watson
Country Director a.i, UNAIDS


Christophe Bahuët
Resident Representative, UNDP


Shahbaz Khan
Director & Representative, UNESCO


Anjali Sen
Representative, UNFPA


Anri Maymann
Representative, UNHCR


Debora Comini
Representative, UNICEF

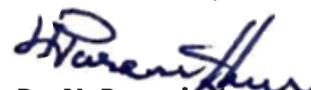

Esam Alqararah
Representative, UNIDO

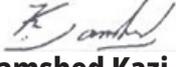

Victoria Saiz-Omenaca
Head of UNOCHA

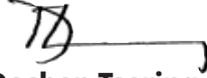

Collie F. Brown
Country Manager and Liaison to ASEAN, UNODC


Samina Kadwani
Director for Thailand, Indonesia & Pacific Countries, UNOPS


Christa Räder
Representative & Country Director, WFP


Dr. N. Paranietharan
Representative, WHO


Jamshed Kazi
Representative & Liaison to ASEAN, UN Women

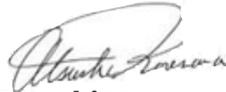

Dechen Tsering
Regional Director and Representative for Asia and the Pacific, UNEP

UNCT Members without country presence:



Loretta Hieber Girardet

Chief, UNDRR Regional Office for Asia & the Pacific



Atsushi Koresawa

Regional Representative for Asia and the Pacific,
UN Habitat



EXECUTIVE SUMMARY

This United Nations Sustainable Development Cooperation Framework 2021 – 2025 has been formulated and agreed at a pivotal juncture. Within a decade Indonesia will become one of the world's leading economies. Its large and youthful population of 266 million people makes it the fourth most populous country in the world and one of the world's largest democracies. Allied to that, Indonesia's extensive maritime state of over 17,000 islands, possessing a rich cultural, environmental and biodiversity, make it a land of extra-ordinary possibilities.

Indonesia is transforming at a rate faster than at any time in its history. With the 2030 Agenda in mind the nation is positioning towards a higher value, globally integrated, lower carbon economy. Government leadership has signalled that investments in human development are the primary means by which to deliver the SDGs and in the process accelerate industry 4.0 based on skills development, innovation, technology, and digitization. Furthermore, over the past two decades, this nascent, yet consolidating democracy, accompanied by a decentralized system of governance, has provided the foundations for a flourishing civil society, gradually improving press and media freedoms, and the realization of basic human rights.

At the same time Indonesia faces the significant challenge of inequalities. This challenges its ability to address 'Leave no one Behind' – the capstone of the global 2030 agenda. Inequalities present an impediment to SDG attainment across multiple sectors. Hence, where inequalities, vulnerabilities and discrimination exist they can best be tackled by political and policy leadership, demonstrated through the delivery of universal high-quality services in the essential areas of education, health, social protection, water and sanitation as well as access to justice. Other structural impediments include high levels of GHG emissions, corruption and gender inequality. Overarching risk factors include natural disasters and climate change and pandemics, as well as a discernible trend towards identity politics, intolerance and conservatism.

Notwithstanding these challenges, the Government is fully committed to the implementation of the SDGs and is determined to be a pioneer and role model as it plays an enhanced role in promoting peace and development through institutions of global governance and regional co-operation. The SDGs have been embedded in successive Medium-Term National Development Plans (RPJMN). There are 118 of the 164 SDG targets most-relevant to the Indonesian context have been incorporated into the RPJMN 2020-2024. Sub-national governments are also mainstreaming SDGs into the Medium-Term Regional Development Plans (RPJMD).

Starting from the first quarter of 2020, the world has been confronted with the COVID-19 pandemic both globally and in Indonesia. At the time of signing this United Nations Sustainable Development Cooperation Framework, the breadth and scope of the impact on Indonesia is not yet fully known. Amendments to the Cooperation Framework will be made during the period 2020-2024 to align with the evolving priorities of the Government of Indonesia. It is envisaged that the pandemic will strain existing social services economic activities, government's financial resources and infrastructure and likely exacerbate people's existing vulnerabilities especially low income households with limited or no access to critical healthcare services, safe and nutritious as well as affordable food, immunosuppressed people, women who have been at the frontline of the response, children, the elderly, people with disabilities, refugees without access to the banking system to receive humanitarian cash assistance and with limited livelihoods opportunities to support themselves, and migrant and informal sector workers. Those who will be hit hardest by the COVID-19 crisis are those already at risk of being furthest left behind. The COVID-19 crisis may therefore slow down the progress towards achieving of the SDGs in Indonesia.

The President of Indonesia chairs the national SDG Steering Committee, while the Minister of National Development Planning (BAPPENAS) takes the lead on implementation coordination. Two VNRs have so far been presented at the HLPF² and the BAPPENAS produced 'Roadmap of SDGs Indonesia' serves as the pathfinder document for operationalizing each SDG. It contains policy positions for delivering on 57 selected SDG indicators of a total 319 national SDG indicators as well as 'business as usual' and 'intervention scenarios', including financing gaps, which need to be addressed to achieve specific SDGs. Priority sectors identified as having a particular financing gaps are education, health, social protection, food security and nutrition, environmental protection, research and development and good governance. In order to commit additional public finances to SDG attainment, the Government has set a target of increasing its comparatively low tax revenue to GDP from 10.5 per cent in 2019 to 14.2 per cent by 2030.

The development trajectory of Indonesia is very positive. Extreme poverty (SDG 1) (based on US\$ 1.9 per day) has fallen from 27.5 percent in 2006 to 4.6 percent in 2018. Progress in child stunting and wasting (SDG 2) is steady, although figures remain stubbornly high. Impressive strides have been made in recent years, with 224 million people (83.6 percent of the population) in 2019 participating in Healthcare Insurance (JKN)³ - making it the largest single payer system in the world, although with gaps in actual coverage or availability of services. Primary health (SDG 3) and education (SDG 4) indicators since the early 1990's continue to trend in the right direction. However, these projections may need to be re-visited in light of the impacts of the COVID-19 pandemic, and the key societal

¹ *United Nations, Shared Responsibility, Global Solidarity: Responding to the Socio-Economic Impact of COVID-19, March 2020*

² *High Level Political Forum (2017 and 2019).*

³ *National Social Security Board, 2019*

vulnerabilities that this pandemic highlighted in Indonesia- including vulnerabilities in particular to gender equality inequalities, and both gender -based and other patterns of discrimination.

Ambitious targets have been set to cut in half the intensity of its high levels of GHG emissions (SDG 13). The country also faces a significant threat to its biodiversity, forests and peatlands. Greater efforts than ever before are being made to expand and strengthen conservation areas, measures and regulations to preserve life on land and below water (SDG 14 and SDG 15). Marine protected areas have been increasing and the adoption of national and local disaster risk reduction strategies have also expanded. Steady progress has also been recorded across a range of governance performance indicators (SDG 16).

The Common Country Assessment that underpins the UNSDCF, noted that legal, policy, regulatory and enforcement frameworks need strengthening in a number of areas, especially related to environmental stewardship, gender equality and the empowerment of women. Women are prejudiced against in many walks of life due to fundamental social norms that allow for child marriage, harmful practices and gender-based violence. In overall terms, space for and empowerment of women is limited within and across the country's social, economic and political life. Structural reforms and improved policies are needed to sustain inclusive economic growth.

Against this backdrop and founded on a robust theory of change, the UN development system have designed a strategic framework to support the Government of Indonesia implement the 2030 Agenda. The realization of Indonesia's impressive and compelling vision of national development and SDG attainment requires an inclusive economic transformation which must serve to reduce inequalities wherever and however they manifest. Critical investments in innovation and technology must be paralleled by upholding a low carbon, environmentally sustainable growth path. To be empowered to participate, people in Indonesia need to be healthy and well-nourished; have high quality and equal educational and skills development opportunities; be supported, as needed, by universal and comprehensive social protection schemes; have access to safe water and sanitation; and enjoy an enabling environment, free from any kind of discrimination, violence or intolerance.

For this transformation to take place, institutions and systems also need reforming. Industry 4.0 and the circular economy needs to be accelerated to bridge the gap between the population's skills and the labour market, especially for young people and women. Enhanced agriculture and rural livelihoods will contribute to a higher value-added economy, uplifting economic opportunities for those living in rural areas, together with a more competitive and productive SMEs sector. Energy policy, natural resources management and environmental protection also require a significant shift in direction. In all of these areas innovative and integrated solutions, financing and partnerships can be found to accelerate the achievement of the SDGs. Interposed across these development dimensions are Indonesia's gender inequality, governance and data challenges.

The strategic priorities of the UN system in supporting the Government and people of Indonesia over the period 2021 – 2025 have been forged from a series of multi-stakeholder consultations which took place between May and September 2019. This included four days of discussions on the sustainable development agenda pillars of: ‘people’, ‘prosperity’, ‘planet’ and ‘peace’, with ‘partnerships’ considered as a cross-cutting opportunity. The second consultation exercise witnessed a two-day visioning and strategic prioritization retreat with Government and key partners. Central to the deliberations was how to leverage the comparative advantages of the UN in Indonesia in light of the country’s rapid transformation from a low middle-income nation to that of a high-income economy within such a short timeframe.

Four strategic priorities were identified around which the UN system should mobilize its combined expertise to support Indonesia to ‘raise the bar’ and strive for dynamic economic transformation based on human rights and development for all, as follows:

1. The first strategic priority is that of **‘Inclusive Human Development’**, encompassing human capital and social development, fostering equality and social cohesion, as well as addressing gaps in health, food security and nutrition, water-sanitation and hygiene, education, skills development and social protection. UNSDCF development outcome 1 reads:

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

This first major UN programme of intervention will support the Government achieve a more just, tolerant and inclusive society where all citizens have the opportunity to develop their full human potential, free of any kind of discrimination and empowered to exercise their rights. This will translate into equal access to quality health services, access to nutritious food, safe water and improved sanitation. It will include access to quality learning, skills and finance for all, with a deliberate focus on the most marginalised. Social protection systems will target those at risk of being left furthest behind. Policy, legal and accountability frameworks will be strengthened to uphold human rights, access to justice, gender equality and reduce vulnerabilities, and build the resilience of individuals and communities to different threats and crises.

- 
2. The second strategic priority concerns **'Economic Transformation'** aimed at facilitating an accelerated shift towards industry 4.0, creating jobs, enhancing women's economic participation, leading to a more globally integrated and higher value-added economy. UNSDCF development outcome 2 reads:

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

This second segment of UN support will result in institutions and people being able and equipped to contribute to a rapidly transforming economy. It will result in the design and implementation of higher value adding economic and job creation strategies. It will also result in more effective training and skills development systems. In all sectors, across agriculture, manufacturing and services, it will witness the adoption of new technologies and innovative practices. A more advanced enabling business environment will emerge focussed on strengthening the capacity of SMEs. Inroads will be made to incorporate the large informal sector into the formal sector as well as the work to support non-discriminatory work-environment. Gender equality and women's empowerment will be fostered, and workers' rights will be promoted and include opportunities for vulnerable populations such as refugees, migrants and people living with disabilities and populations affected by HIV.

3. The third strategic priority focuses on **'Green Development, Climate Change & Natural Disasters'**. The strong prerogative being to support Indonesia's rapid transition towards low-carbon development, prioritising climate change and natural resources management alongside reducing vulnerabilities to natural hazards. UNSDCF development outcome 3 reads:

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

This third result area will be supported by the UN to promote a bold and irreversible shift towards low carbon development. This will be achieved through the combination of ambitious Government leadership at all levels and the mobilization of a broad-based partnerships involving people, business, communities and industry associations. It will also result in greater institutional and community resilience whilst securing the sustainable management of Indonesia's precious natural resources. The implementation of gender-responsive policies, strategies and action plans will reduce risks of natural hazards and counter climate change.

Awareness raising campaigns will help rebalance the move towards more sustainable production and consumption behaviours. Greater preparedness through early warning systems and response mechanisms requires a more informed understanding of differentiated risks, vulnerabilities and disaster impact on women and men, boys and girls to ensure a more effective and inclusive response. A stronger policy, regulatory and enforcement framework will enhance land management, safeguard vital ecosystems and tackle environmental degradation, including through enhanced levels of direct community management of natural resources. It will result in greater resolve through which, in partnership with the UN and regional bodies, should aim to step up efforts to tackle the degradation of the natural environment and biodiversity caused by illegal and illicit activity.

4. The fourth strategic priority is that of **'Innovation to accelerate progress towards the SDGs'**. Innovation is central for the realization of these strategic priorities and all SDGs. The UN can provide the space, expertise, networks and partnerships to facilitate the promotion and adoption of innovative solutions to achieve the SDGs, including innovative financing mechanisms, ICT tools, and data collection and analysis. UNSDCF development outcome 4 reads:

“Stakeholders adopt innovative and integrated development solutions to accelerate advancement towards the SDGs”.

This exciting result area will see the UN mainstream the adoption of innovative and integrated solutions to accelerate progress towards all SDGs. The UN system will support the Government and key stakeholders harness new and advanced formulas, big data, innovative practices, technologies and partnerships for SDG attainment. Results in this area will be secured by leveraging the UN's unparalleled reach in terms of South-South and Triangular Co-operation.

The UN is well positioned to support in the implementation of these ambitious development results. As the foremost multi-lateral organisation promoting the peace, wellbeing and sustainability, the global network of the UN makes it an indispensable partner to development. As the custodian of international treaties and conventions the UN is uniquely placed to be able to support Indonesia in the fulfilment of its obligations. The entire UN system is resolved to ensure that Indonesia benefits to the maximum extent possible by gaining access to innovative, scalable and integrated development solutions. By the same token, the UN provides an ideal platform for showcasing Indonesia's own development prototypes to the rest of the world.

Underpinning implementation of the UNSDCF, the UN has identified a number of 'enablers', i.e. strategies that the UN system will apply collectively through which to leverage its expertise. These include policy analysis and advocacy, data and analytics, and support to integrated cross-sectoral, multi-disciplinary approaches to achieve the SDGs. In addition, the UN has pledged to intensify its commitment to South-South and Triangular Cooperation.

The mobilization of strategic partnerships will be central to achieving the four UNSDCF outcomes. The UN will deepen its collaboration with the Government of Indonesia, as well as with civil society organisations, academic institutions and private sector entities. The UN will also strengthen its partnerships with regional and district authorities and with communities for the delivery of sustainable development results. In addition, the UN will expand its cooperation to include industry associations, think tanks, data managers and scientific and technology driven agencies who offer the prospect of innovation for integrated development solutions, so critical for the achievement of the SDGs.

Under the overall guidance of the UN Resident Coordinator, Results Groups have been charged to coordinate the four Results Groups and support the formulation of Joint Annual Workplans per outcome area against which implementation will be monitored. The BAPPENAS UN Forum co-chaired by the Minister and the UN Resident Coordinator takes stock of annual progress, lessons learned and adjustments. Cross-cutting thematic working groups and joint teams covering the SDGs, gender equality and women's empowerment, HIV and AIDS, human rights and youth. The UNSDCF will be subject to an independent final evaluation in its penultimate year.



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List of Abbreviations

- AADMER ASEAN Agreement on Disaster Management and Emergency Response (AADMER).
- ADB Asian Development Bank
- AIDS Acquired Immune Deficiency Syndrome
- ASEAN Association of South East Nations
- BaU Business as Usual
- BOS Business Operations Strategy
- CBO Community based Organisation
- CCA Common Country Analysis
- CEDAW Convention on the Elimination of All Forms of Discrimination against Women
- CF Cooperation Framework
- CO2 Carbon Dioxide
- CSO Civil Society Organization
- DBM Double Burden of Malnutrition
- DDP Desirable Dietary Pattern
- DRM Disaster Risk Management
- EU European Union
- FAO Food and Agriculture Organisation
- FGM Female Genital Mutilation
- FIES Food Insecurity Experiences Survey
- FSN Food and Nutrition Security
- GDP Gross Domestic Product
- GHG Greenhouse Gas (emissions)
- GII Gender Inequality Index
- GNI Gross National Income
- HA Hectares
- HACT Harmonized Approach to Cash Transfers
- HDI Human Development Index
- HIV Human Immunodeficiency Viruses
- HLPF High-Level Political Fora
- ICAO International Civil Aviation Organisation
- ICT Information Communications and Technology
- IFAD International Fund for Agricultural Development
- ILO International Labour Organisation
- IOM International Office for Migration

- IRBI Indonesian Disaster Risk Index
- ITU International Telecommunication Union
- JKN Healthcare Insurance
- JWP Joint Work Plan
- M&E Monitoring and Evaluation
- MDG Millennium Development Goal
- MoEF Ministry of Environment and Forestry
- MIC Middle-Income Country
- MPA Marine protected areas
- MSME Micro and Small and Medium Sized Enterprises
- NDC Nationally Determined Contributions
- OCHA United Nations Office for the Coordination of Humanitarian Affairs
- OHCHR Office of the United Nations High Commissioner for Human Rights
- OECD Organisation for Economic Co-operation and Development
- PISA Programme for International Student Assessment
- PoU Proportion of Undernourished People
- PKH Family Hope Program
- RCO Resident Coordinator's Office
- RPJMD Mid-Term Regional Development Plan
- RPJMN Indonesia's National Medium-Term Development Plan
- RPK Government Annual Workplan
- SDG Sustainable Development Goal
- SME Small-Medium Sized Enterprise
- SSTC South-South and Triangular Cooperation
- STEM Science, Technology, Engineering and Mathematics
- TOC Theory of Change
- TOC Transnational Organised Crime
- UHC Universal Health Coverage
- UN United Nations
- UNAIDS Joint United Nations Programme on HIV/AIDS
- UNCT United Nations Country Team
- UNDP United Nations Development Programme
- UNDS United Nations Development System
- UNESCO United Nations Educational, Scientific and Cultural Organisation,
- UNFPA United Nations Populations Fund
- UN-HABITAT United Nations Human Settlements Programme
- UNHCR United Nations High Commission for Refugees

- UNICEF United Nations Children's Fund
- UNIDO United Nations Industrial Development Organisation
- UNODC United Nations Organisation for Drugs and Crime
- UNSDCF United Nations Sustainable Development Cooperation Framework
- UN Women The United Nations Entity for Gender Equality and the Empowerment of Women
- VAW Violence against women
- VNR Voluntary National Review
- VSPR Visioning and Strategic Prioritization Retreat
- WFP World Food Programme
- WHO World Health Organisation



CHAPTER 1: COUNTRY PROGRESS TOWARDS the 2030 AGENDA

1.1 Country Context

Indonesia is rapidly emerging as one of the world's leading economies. Strong growth over recent decades has witnessed poverty rates tumble from around 30 per cent in 1980 to under 10 per cent in 2019⁴. As a result, Indonesian's are better educated and have access to better health services, food, water, sanitation and electricity than at any time in their history. A large, increasingly urban population of 266 million people with over 35 percent of population under the age of 19 in 2018⁵ makes Indonesia the fourth most populous country in the world and one of the world's largest democracies. Indonesia is also the world's largest Muslim nation. These features, combined with Indonesia's extensive maritime state of over 17,000 islands, possessing a rich cultural and natural diversity, make Indonesia a land of extra-ordinary possibilities.

A quantum shift in the Indonesian economy is occurring. The country has embarked upon a transformation that will hasten Indonesia's transition towards a sophisticated and diverse, regionally and globally integrated, higher value-adding economy, increasingly focussed on manufacturing and services. The Government has signalled a notable shift towards accelerated lower carbon economic transformation, leveraging industrial revolution 4.0, based on innovation, technology and digitization, to support Indonesia's human development goals. Significant investment in infrastructure will underpin these efforts and support comprehensive efforts that address regional inequalities.

Over the past two decades Indonesia has incrementally set about consolidating its system of governance based on democratic principles. Civil society has grown and press and media freedoms are taking root. Adherence to international standards with regard to human rights is becoming more the norm, though challenges still remain.

Food security and agricultural production have substantially improved over the past four decades but remain key priorities in the context of a growing population and climate change. Administratively, Indonesia is highly decentralized.

⁴ *Voluntary National Review (VNR) 'Empowering People and Ensuring Inclusiveness and Equality', Republic of Indonesia, 2019.*

⁵ *Calculated based on data retrieved at <https://databank.worldbank.org/source/population-estimates-and-projections/preview/on>*

Indonesia has moved into the high human development ranking⁶, although inequality persists. Inequality is among Indonesia's most significant challenges along with the task of achieving universal high-quality service delivery in areas of education, health, social protection, water and sanitation as well as access to justice. Corruption and gender inequality in particular stand out as two of Indonesia's more formidable structural impediments to true success. Nevertheless, with careful, inclusive and non-discriminatory policy leadership, improved implementation, coordination and financing, as well as mobilizing dynamic partnerships, Indonesia is capable of building impressive momentum towards SDG attainment.

In terms of exposure to risks, Indonesia is extremely vulnerable to natural disasters, being placed in the 'ring of fire' (i.e. subject to earthquakes, tsunamis and volcano eruptions); as well as to climate change induced hazards, such as floods, mudslides, droughts and storms. The country also continues to face the threat of outbreaks of pandemic and emerging infectious diseases (including zoonotic origin) that have led to large-scale epidemics and pandemics (non-natural disasters). The COVID-19 pandemic that unfolded since the first quarter of 2020 is predicted to have a major multi-sectoral impact on Indonesia. The outbreak started as a public health crisis, with an increased burden on the health system for which strengthening the health system will be key. At this same time, it is becoming increasingly clear that the national and local economy will be heavily impacted with many economic and social sectors that are highly vulnerable to the impact, including tourism, trade, manufacturing industries, health education and social protection.

1.2. National Vision for Sustainable Development

The Government has launched a long-term vision for the development of Indonesia to 2045, the centenary of national independence. That vision has provided a target for Indonesia to reach the high-income status by 2036 with a per capita GDP of around 12,400 USD in order to escape the middle-income country trap⁷.

A seven-fold increase in economic productivity is projected to catapult the country from a per capita income of US\$ 3,377 in 2015 to US\$ 23,199 by 2045. Within the same period life expectancy will increase by 5.7 years⁸. Sustainable development is intrinsically linked to population. Most of the

⁶ *Human Development Report 2019*. <http://www.hdr.undp.org/>

⁷ *Indonesia's Vision 2045 and Progress Towards the SDGs, presentation by the Minister of National Development Planning/Head of National Development Planning Agency, presented at the UN Visioning and Strategic Prioritization Meeting in Jakarta, 10 September 2019*

⁸ *Indonesia's Vision 2045 and Progress Towards the SDGs, presentation by the Minister of National Development Planning/Head of National Development Planning Agency, presented at the UN Visioning and Strategic Prioritization Meeting in Jakarta, 10 September 2019*

relevant population change underway in Indonesia today can be described in terms of four major megatrends: population growth, changing age structure (ageing population), urbanization, and the 'rise of the middle class'. These major population trends have a tremendous bearing on social and economic development and environmental sustainability.

Together these issues define a fundamental transformation of Indonesian society. Total urban population will rise from 50 to 75 percent over the 30-year timeframe⁹. Agricultural productivity is set to quadruple, meaning that food security will be achieved, alongside energy and water security. Technologies, digitization and innovation will be utilized in all sectors, especially in energy, to reduce carbon emissions and dependency. In sum, Indonesia is mobilized to advance an even greater transformation over the next 25 years than that which it has benefited from since the turn of the millennium.

Re-elected in 2019, President Joko Widodo has reinforced the vision of "Unity in Diversity" (Bhinneka Tunggal Ika) anchored in the national ideology 'Pancasila (the five principles)'. This provides the foundation for universal human rights norms, values and principles that encompasses the inclusive basis for all Indonesian's to participate in, and benefit from, development. The President's vision is to maximize Indonesia's human development potential; achieve regional equity through investing heavily in modern infrastructure development; achieve accelerated economic transformation for quality job creation; and pursue bureaucratic reform in the public service.

The RPJMN 2020-2024 articulates the vision and mission of the President and of the Government, with the 2030 Agenda for Sustainable Development at its core. Besides a focus on the priorities outlined above, the plan also aims to address stunting among children, expand access to justice, increase disaster resilience, effect a transition to cleaner sources of energy and tackle corruption. Prominent cross-cutting issues include, increased access to basic services and social protection, gender equality and digital transformation.

Indonesia is not only fully committed to the implementation of the SDGs but is determined to be a pioneer and role model in an effort to foster a more just, prosperous and peaceful society. The Government has positioned the SDGs at the heart of the National Vision 2045 and in successive National Development Plans (RJPMMN). 105 out of the 118 SDG targets most-relevant to Indonesia have so far been incorporated into the RPJMN 2020-2024. Sub-national governments are also mainstreaming SDGs into the Mid-Term Regional Development Plans (RPJMD).

⁹ *Ibid*

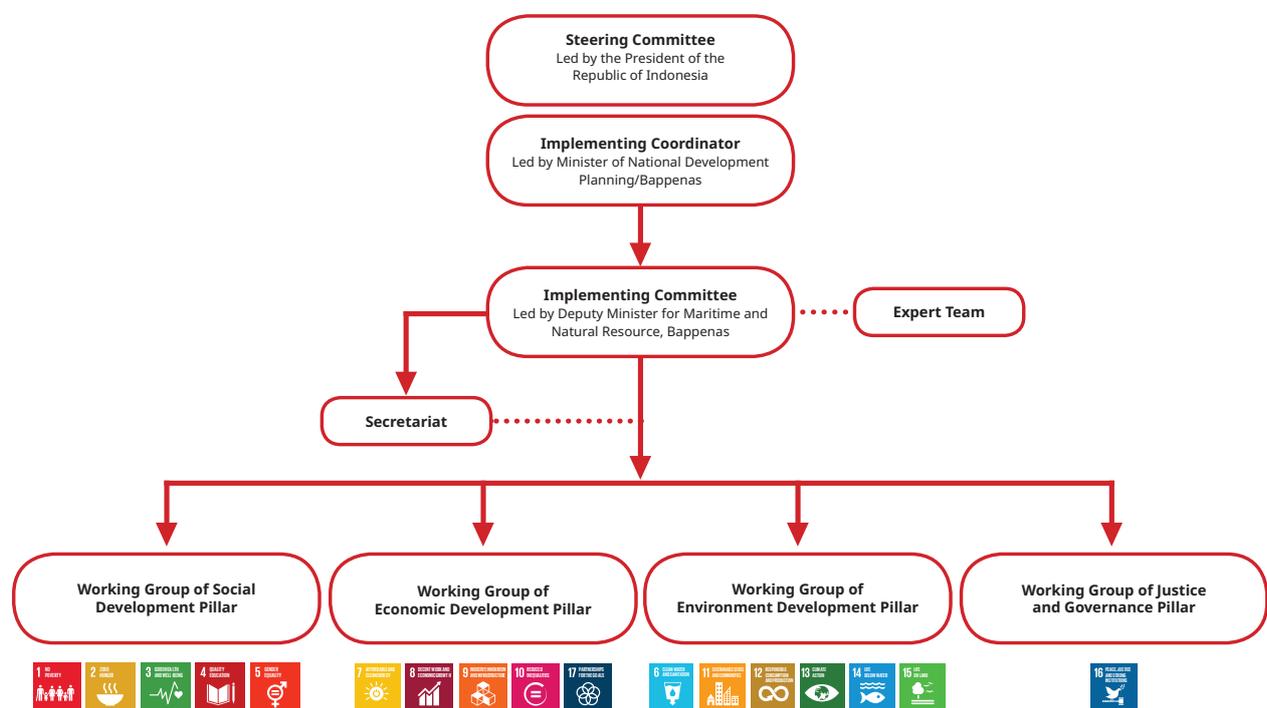
The RPJMN 2020-2024 makes important linkages between its social, economic and environmental dimensions. Most conspicuously, the RPJMN aims to significantly advance qualified and competitive human resources as the bedrock to a more advanced, resilient, productive and competitive economy. The Government of Indonesia also aims to further strengthen its international development cooperation to enhance economic growth using several strategies, which include strengthening South-South and Triangular Cooperation (SSTC) and increasing engagement with non-state actors. Education, skills development and good human health provide the catalyst for economic transformation, alongside technology and innovation - the game-changing drivers of Industry 4.0. The RPJMN has clearly asserted that it should focus on both equity and quality of education across levels along with addressing skills gap to improve productivity and competitiveness of the nation. Ground-breaking initiatives are also planned to integrate clean energy and responsible consumption within the public sector, state owned enterprises and the private sector. Not least, the Government has also placed greater weight on achieving universal social protection and to reducing inequalities, with more attention paid to the scale and scope of transportation and ICT connectivity to overcome the country's technology divide, so vital to achieving balanced regional development right across this vast archipelago nation.

As Indonesia plays an enhanced role in the promotion of peace and development within institutions of global governance and regional co-operation. Issues of climate change, disaster risk reduction, cleaning the oceans, and water and air quality are likely to feature more prominently as issues of sustainability ascend political and global agendas. There is heightened awareness both at home and abroad that Indonesia is a large emitter of Green House Gasses' (GHG) and particularly vulnerable to the effects of climate change and natural disasters. Climate change and natural disasters highly affect the Indonesian population, in particular coastal zones, disproportionately affecting vulnerable populations. Urbanization and the impact of air pollution also present an increased risk to public health. In line with these ambitious development initiatives, Indonesia can be increasingly looked upon to shoulder demonstrable positions of regional and global leadership on issues of sustainable development.

While Indonesia is data-rich and has a strong national capacity to collect and analyse data, it is critical that data and analysis are used for policy and decision-making. The availability of disaggregated, integrated data and its accessibility by the government and non-government stakeholders will promote accountability and transparency. Stronger focus on data and evidence will facilitate the monitoring of the implementation of the SDGs. Towards this end, the recent Presidential Regulation No. 39/ 2019 calls for 'One Data Indonesia', whereby government agencies are to produce accurate, up to date, integrated and accountable data accessible and usable by all.

The legal basis underpinning the vision, mission and positioning for SDG attainment in Indonesia is Presidential Decree Number 59/2017. It outlines planning, implementation, reporting and the mobilization of partnerships for accomplishing the SDGs at both national and sub-national levels. It also regulates oversight of the SDG Agenda through which the President of Indonesia is Chair of the of SDG Steering Committee (see Figure 1 below). The Minister of National Development Planning (BAPPENAS) is implementation coordinator, which includes responsibility for securing financing for the SDGs. Four Working Groups are dedicated respectively to the social, economic, environment and justice and governance pillars.

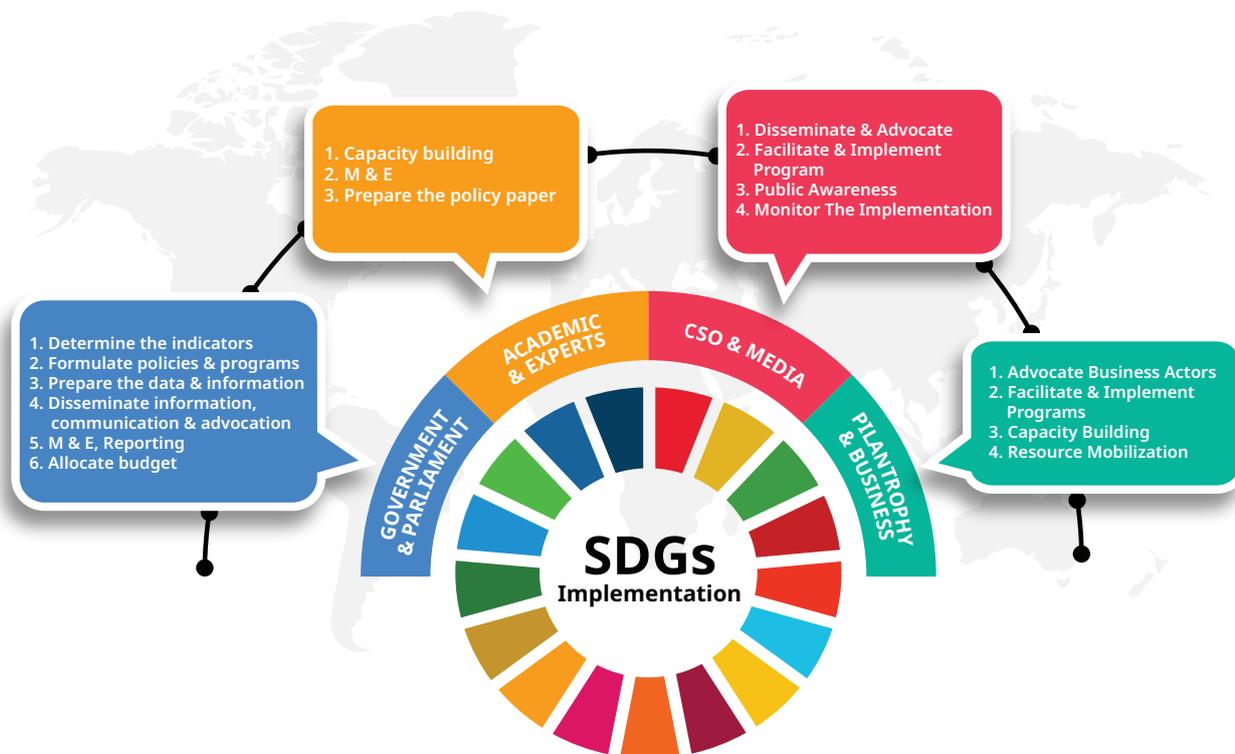
Figure 1. National SDG Coordination Committee and Working Group Structure



In addition, four partnership platforms promote various functions in terms of SDG progress, innovation, advocacy and analysis (see Figure 2 below):

- i) Government and parliament;
- ii) Academics and experts;
- iii) Philanthropy and business;
- iv) Civil Society Organizations and media.

Figure 2. Roles of Indonesia SDG platforms



In addition, 15 SDG centres of excellence have also been established in universities across Indonesia. These enhance the analytical capacity of academia and policy makers. They generate knowledge products, SDG baselines, performance criteria, local action plans, public finance management assessments and strategic prioritization of specific SDG indicators in province after province.

BAPPENAS has produced the 'Roadmap of SDGs Indonesia' as the over-arching pathway for operationalizing the primary SDG indicators for each goal. It contains policy positions for delivering on 57 selected indicators of a total 319 national SDGs indicators as well as 'business as usual' and 'intervention scenarios', including financing gaps, which need to be addressed to achieve specific SDGs. Priority sectors identified as having a particular financing gaps are education, health, social protection, food, environmental protection, research and development and good governance. In order to commit additional public finances to SDG attainment, the Government has set a target of increasing its tax revenue to GDP from 10.5 per cent in 2019 to 14.2 per cent by 2030¹⁰.

¹⁰ Roadmap of SDGs Indonesia towards 2030, BAPPENAS 2019

1.3. Progress Towards the SDGs

Few countries have lifted so many people out of poverty in such a short period of time as Indonesia. For example, extreme poverty (SDG 1) (based on US\$ 1.9 per day) has fallen from 27.5 percent in 2006 to 4.6 percent in 2018¹¹. In terms of social protection, the Family Hope Program (PKH) has expanded the number of poor families obtaining access to basic welfare support from 2.8 million in 2014 to over 10 million recipients by 2018¹² – an expression of intent that Indonesia is keen to ensure ‘no one is left behind’. Progress in child stunting and wasting (SDG 2) is steady, although figures remain stubbornly high. Affordability of food as well as availability of healthy, nutritious food is also a major cause of food insecurity in Indonesia. As well as this, and despite high wasting and stunting rates, around 7.6 percent of children under five are overweight - the so called, ‘double burden’ of malnutrition¹³.

The primary health (SDG 3) and education (SDG 4) indicators since the early 1990’s continues to trend in the right direction although the quality of educational outcomes needs further considerations. Effective investment in education, health and social protection are potential SDG multipliers and the surest means by which to ensure a more inclusive human and economic development trajectory. Child, infant and neonatal mortality rates continue to decrease¹⁴, but at a slower rate since 2007. Maternal mortality has shown only a very modest decrease, with the MDG target missed by a considerable margin¹⁵.

While the incidence of TB has declined to 319 (291–348) per 100,000 population, Indonesia still ranks the third highest TB incidence rate in the world, claiming the lives of an estimated 100,000 people each year¹⁶. Prevalence of HIV in the adult population is at 0.33 per cent, however Indonesia is experiencing an increase in new HIV infections, with 49,000 new cases and 39,000 AIDS-related deaths in 2018 - a 25 percent increase between 2010 and 2018¹⁷. There is also a significant increase in the prevalence of Non-Communicable Diseases (NCDs) as the result of a combination of unhealthy behavior, environmental pollution, genetic, and physiological factors. NCDs are diseases of long duration and generally slow progression, thus imposing a high burden in both health care and economic settings. Universal health coverage (UHC) requires an expansion in health services and social protection. Impressive strides have been made in recent years, with 224 million people (83.6

¹¹ *Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019.*

¹² *Susenas Maret, 2018.*

¹³ *WFP & Bappenas (2017) and RISKESDAS, Presentation of Main Results, 2018 – cited in ‘Nutrition in Indonesia Background Paper for the Health Sector Review’ 2018, Watson et. al.*

¹⁴ *Consolidated Report on Indonesia Health Sector Review 2018*

¹⁵ *Joint WB-UN estimates; Indonesian Census; Indonesia Demographic Health Survey (IDHS); Institute of Health Metrics and Evaluation (IHME)*

¹⁶ *Voluntary National Review (VNR) ‘Empowering People and Ensuring Inclusiveness and Equality’, Republic of Indonesia, 2019*

¹⁷ *Source: UNAIDS’ Indonesia Country Snapshot, 2018 - AIDS data hub.*

percent of the population) in 2019 participating in Healthcare Insurance (JKN) - making it the largest single payer system in the world, although with gaps in actual coverage or availability of services¹⁸. The government has set 2019 as its target for the enrolment of 95 percent of the population¹⁹.

The COVID-19 Pandemic, in addition to negatively impacting SDG 3 will also likely halt the progress made on achieving other SDGs. The response to the virus is also having a differentiated impact on segments of the population. The direct impact of COVID-19 on human development will be on health services, nutrition, education, social protection among others. Resources reallocation for responding to the pandemic will impact overall development, making it difficult to achieve many of development targets.

Indonesia has the fourth largest education system in the world. A Constitutional amendment in 2002 mandated the Government to invest in education to the tune of at least 20 per cent of the national budget each year. However, the government also should take into account the issue of quality of public spending for the betterment of education services. As a result, basic literacy and numeracy rates among Indonesian school pupils continues to improve. Moreover, critical for the purposes of accelerating structural economic transformation, the RPJMN has also mandated the new cabinet to continue the 12-year compulsory education program through which school-age children of 7 to 18 should stay in the school system. In addition to this, ensuring the completion rates of students at each level is particularly important so they would benefit from having a good education. The government's SDG Roadmap aims at raising enrolment rates in tertiary education from 25.3 percent in 2015 to 60 percent by 2030²⁰.

In terms of gender equality and women's empowerment, and despite many challenges, the status of women in Indonesian society has been improving gradually – a further potential SDG multiplier. The country Gender Development Index has slowly increased over recent years, reaching 0.937 in 2018 (from 0.923 in 2010), while the Gender Inequality Index has declined to 0.451 in 2018 from 0.486²¹. There is ample scope to expand opportunities for women in all sectors, as well as addressing the widespread issues of child marriage and gender-based violence.

Access to water and sanitation (SDG 6) right across the country has been improving although challenges such as open defecation remain. The Government's SDG Roadmap shows that with an enhanced level of intervention 100 per cent of households could gain access to clean water and improved sanitation by 2030. As in other sectors, such as health and education, ensuring both 'universal' and 'quality' services to underpin greater equality and ensure broad-based economic

¹⁸ *Social Security Administration Body for Health (BPJS Kesehatan), 2016, cited in the Voluntary National Review (VNR) 'Eradicating Poverty and Promoting Prosperity in a Changing World', Republic of Indonesia, 2017*

¹⁹ *On the road to universal health care in Indonesia, 1990–2016: a systematic analysis for the Global Burden of Disease Study 2016, Lancet 2018.*

²⁰ *Roadmap of SDGs Indonesia towards 2030, BAPPENAS 2019*

²¹ <http://hdr.undp.org/en/data>

transformation based on human development will be important. At the same time, the long-term direction towards cleaner energy (SDG 7) is promising, but requires continued and sustained actions. Furthermore, the Government of Indonesia needs to increase renewable energy utilisation as an important contribution to reduce CO₂ emissions.

Economic growth (SDG 8), as highlighted above, is projected to remain at around 5 per cent per year to 2030, generating significant prosperity in overall terms. However, these projections will need to be revisited, in light of the impacts of COVID-19, to assess the impacts on opportunities for decent work and economic productivity and innovation. Investments in infrastructure (SDG 9) continue to be prioritized, in particular to strengthen connectivity and reduce regional inequalities (SDG 10) – an overriding national challenge. On the back of better spatial planning, rapid urbanization (SDG 11) of the Indonesian population provides the opportunity to make substantial progress in efficiencies in terms of service delivery.

Indonesia has set ambitious targets to cut in half the intensity of its GHG emissions (SDG 13). While there is little doubt that Indonesia faces significant challenges in terms of the threat to its biodiversity, forests and peatlands, greater efforts than ever before are being made to expand and strengthen conservation areas, measures and regulations to preserve life on land and below water (SDG 14 and SDG 15). Marine protected areas have been increasing and the adoption of national and local disaster risk reduction strategies have multiplied, resulting in a reduction in the number of people affected despite increased number of natural disasters.

Steady progress has also been made across a range of governance performance indicators (SDG 16) within one of the world's largest democracies. Access to legal aid has increased, particularly for the most vulnerable groups such as children, survivors of gender-based violence, among trafficked persons and people with disability. Domestic financing for the SDGs (SDG 17) however is low by international standards. As a result, the Government is implementing an agenda of fiscal reforms aimed at increasing domestic revenue generation whilst simultaneously pursuing innovative sources of financing.

SDG Goal 17 emphasizes the role of partnership in driving progress towards the 2030 Agenda. Indonesia has shown strong commitment in increasing its international development cooperation activities using SSTC as means of implementation to achieve SDGs targets. In 2019, Indonesia launched Guideline for Multi-Stakeholder Partnership as an operational toolkit to initiate partnership among stakeholders for tackling development challenges at the regional and national level. Currently, Indonesia is preparing to initiate the International Year of Participation on Multi Stakeholder Partnership as a part of the UN's international year resolution in 2022. The goal is to urge the international community to foster partnerships to accelerate the achievement of the SDGs.

1.4. Gaps and Challenges

The over-arching challenge for Indonesia in the pursuit of the SDGs is reducing inequalities in all its dimensions – and increasing the resilience of communities and individuals. With astute targeting most SDGs can contribute towards the achievement of SDG 10 (reduced inequalities). But this is not a given and requires deliberate focussing of interventions that reach populations most at risk of discrimination and being left behind. The CCA profiles a number of groups are at greatest risk in this regard and includes people living in remote areas, women and children, old people, migrant workers, refugees and asylum seekers, people living with disabilities, and those marginalized through stigma and discrimination. So, whilst it is positive that the overall rate of poverty has declined to single-digit rate, it is however more difficult to reach out to these last segments of the population who are lagging behind. Determined and differentiated efforts are needed. Further, early assessments of the COVID-19 pandemic indicates that the vulnerabilities of those groups may be further deepened, and social protection mechanisms will be under significant pressure to adapt, innovate and respond to the crisis.

As evidenced in the CCA and outlined by the Government in Indonesia's SDG Voluntary National Review 2019 and SDG Roadmap, disparities across groups of people are determined by virtue of their inability to access quality services and opportunities, which in turn manifests challenges for a number of SDGs. For example, under and over nutrition (SDG 2) remain a prominent challenge, with the stunting rate in under five children remaining high at 30.8 percent in 2018, whilst at the same time 1 every 5 adults was obese²². RPJMN has underlined the urgency of reducing the prevalence of obesity amongst adult groups (target 21.8% in 2024).

Maternal mortality has fallen from 346 to 305 per 100,000 live births²³, yet the global target of fewer than 70 per 100,000 live births by 2030 appears out of reach and difficult to attain. Likewise, the incidence of TB is still very significant (SDG 3). Regarding SDG 4, OECD PISA scores²⁴ reveal that the proportion of students able to achieve minimum competence for mathematics and reading is still low²⁵, while tertiary education enrolment, while increasing, sees a stark overrepresentation of people in the higher income bracket, with only 5 percent rate among those in the lowest income group²⁶.

²² VNR 2019.

²³ VNR 2019.

²⁴ Program for International Student Assessment and the Indonesian National Assessment Program (INAP).

²⁵ Only 45 and 31 percent of students at the end of lower secondary achieved at least a minimum proficiency level in reading and mathematics, respectively (source: VNR 2019).

²⁶ Roadmap 2019

Gender inequalities are a cause for concern. Approximately, 11 percent of women aged 20-24 are married before their eighteenth birthday between 2004 and 2019, incidents of violence against women (VAW) increased from 14,020 to 406,178 cases²⁷; and women are significantly under-represented in formal labour at 38.2 vs 46.3 percent, and, on average, earn considerably less than men (SDG 5)²⁸.

A rapidly expanding population and associated demographic shifts carry many implications for the populations' long term health and economy. For example, the youth bulge provides both an opportunity and a challenge, as do ageing populations. Tackling high rates of youth unemployment (SDG 8) represents one of the Government's highest priorities. There is a widespread lack of access to decent work, due in part to the prevalence of a large informal economy. Furthermore, opportunities for women are limited and SME growth is sluggish. From a health sector perspective, the transition from communicable to non-communicable diseases, combined with people living longer will place greater costs on healthcare.

Important gaps also exist in levels of access to safe drinking water and sanitation (SDG 6), meanwhile unsustainable production and consumption patterns (SDG 12) continue to be perpetuated at the cost of the environment. While action on climate change and resilience (SDG 13) has been stepped up, there is a long way to go before Indonesia's green credentials are fully proven. Not least, are Indonesia's high rates of GHG emissions. During the period 2011 to 2017 Indonesia's forest and land cover area experienced decline, from 52.22 percent to 50.18 percent and its rich biodiversity continues to be put under great stress (SDG 15).

Indonesia is ranked 109th out of 189 economies in the global indicator of corruption²⁹. If not effectively tackled, corruption will hinder progress not only in SDG 16, but also in economic growth. The experience and perception of corruption among citizens poses a challenge to the social contract and to social cohesion. In addition, corruption was classified as the leading factor hindering ease for engaging in business in Indonesia³⁰. Of note, the country also faces a financing gap for the SDGs due to a low tax ratio (10.3 percent in 2018 compared to an average of 14.6 percent in neighbouring countries). In addition, there is also capacity and knowledge gaps among stakeholders in implementing multi-stakeholder partnerships to achieve SDG 17³¹.

²⁶ *National Socio-Economic Household Survey, 2018*

²⁷ *Catatan Kekerasan terhadap Perempuan Tahun 2018. National Commission on Violence Against Women (NCVAW).*

²⁸ *VNR 2019*

²⁹ *World Bank Ease of Doing Business Report, 2016.*

³⁰ *The World Economic Forum Global Competitiveness Report 2015-2016, cited in Asialink Business.*

³¹ *Ibid.*

A variety of both policy and legal constraints as well as implementation capacities and efficiency issues are associated with the delivery of national programs. Not all public services comply with national standards and not all are applied without discrimination. Inconsistent capacities across regions, non-universal social protection schemes, limited connectivity of remote areas, vulnerability to natural hazards, uneven resources allocation, and lack of sufficient targeting to tackle outstanding health challenges and educational achievements, all represent hurdles to overcome disparities and reduce poverty.

As a result of these challenges, balanced regional development is high on the Government agenda. This needs to be coupled with narrowing the skills-job market mismatch, ramping up investment in research and development as well pursuing a more assertive stance toward the benefits of technology and digitalization. Data, information and awareness-raising are instrumental to increase the efficiency of targeted policies and to address priority gaps and challenges, as set out in the Government's SDG Roadmap and referred above.

To make the current development path environmentally sustainable, the country faces a number of tests as it seeks to address high rates of environmental degradation and pollution. Vulnerability to natural disasters and climate change, and unsustainable production and consumption patterns are among the main challenges. Meanwhile, the utilisation of renewable energy for power plants remains low compared to fossil-based fuel such as coal. To address these challenges, awareness and commitment to address them on the part of everybody is needed – a 'whole of society' approach is called for. This entails bold leadership alongside strengthening policies and programs. These must all demonstrably expand renewable energy production, enhance local participation for sustainable natural resources management, provide a stimulus to the green economy and generate heightened awareness on waste management.

Although accurate data on the growing impacts of the pandemic are not yet available, the impact is likely to be immediate and substantial on the health sector and the economy, notwithstanding other sectors as well such as education and agriculture ,tourism, transportation, and construction among others³². To address those negative consequences, innovative and inclusive policies are required, with a focus on the most vulnerable: the poor, women, older persons, children, people with disabilities, youth, low-wage workers, people working in small and medium enterprises, the informal sector and other specific groups.

³² *United Nations, Socio-Economic Impact of COVID-19, March 2020*

CHAPTER 2: UN DEVELOPMENT SYSTEM SUPPORT TO THE 2030 AGENDA

2.1. Theory of Change

Indonesia stands poised to deliver a comprehensive and ambitious transformative agenda to fulfil the 2030 Agenda for Sustainable Development. Realization of Indonesia's impressive and compelling vision of national development and attainment of the SDGs means, first and foremost, advancing a people-centred, inclusive, and equitable growth. Economic transformation will aim at reducing inequalities wherever and however they manifest – and building the resilience of individuals and systems as needed, including data innovation, investing deeply in innovation and technology, whilst upholding a low carbon, environmentally sustainable growth path. UN support to Indonesia for the implementation of the 2030 Agenda will align with Indonesia's national priorities as outlined in the RPJMN 2020-2024. The UN will also be guided by the May 2018 UN General Assembly Resolution on Repositioning the UN Development System that calls for the UN system to step up its capacities to support Governments in leveraging partnerships, financing, data and policy integration to take the SDGs to scale. The UN understands that fulfilling these ambitions will require an unprecedented level of collaboration by all sectors in society.

Due consideration will need to be given to the demographic 'youth bulge' the country is currently enjoying. To this end there are four strategic changes to be pursued, identified in this CCA/UNSDCF process:

- i) Repositioning inclusive human development and people's empowerment as the principal driver of sustainable development, with the assumption that only if people's rights and potentials are fulfilled development gains can be sustained across generations and resilience to external and endogenous risks strengthened;
- ii) Transforming the economy through the adoption of skills, technologies and policies that incentivize the generation of greater added value from across a broader base of the population, including in particular women and other segments of the society that are currently more at risk of being left behind;
- iii) Development should become more intensively concerned and characterised by low-carbon

private and public enterprise, and for natural resources to be managed in a much more sustainable manner, fostering resilience to natural disasters and climate change, while building on people's and communities' knowledge and rights.

- iv) Innovation can provide cost-effective and people-centred solutions to outstanding and emerging development challenges. It is hence mainstreamed into all development endeavours, sectors policies and initiatives, crafting new partnership and financing approaches for SDG accelerators and integrated development solutions.

To be empowered, people in Indonesia need to be healthy and well-nourished; have high quality and equal access to educational and skills development opportunities; be supported, as needed, by universal and comprehensive social protection schemes; have access to safe water and sanitation; and enjoy an overall enabling environment, free from any kind of discrimination, violence or intolerance. Women in particular are systematically lagging behind their male counterparts in social, economic and political life; people living in rural and remote areas do not have equal opportunity to reach the same educational achievements or health as those residing in urban areas; children and older people are more likely to be poor; and a number of other groups are also at risk of being marginalized and left behind due to their ethnicity, beliefs, mobility or sexual orientation.

A healthy, resilient, empowered, educated and skilled population will ensure sustainability of the country's social and economic developments. It can foster the transformation of the current economic system, which in turn will provide a sustainable source of jobs and livelihood opportunities. For this transformation to take place, institutions and systems require changes. Industry 4.0 and the circular economy needs to be further developed, together with bridging the gap between population's skills and the labour market. Enhanced agriculture and rural livelihoods will contribute to a higher value-added economy, uplifting economic opportunities for those living in rural areas and reducing the urban/rural gap, together with a more competitive and productive SMEs sector. This, along with increased resilience to natural disasters and climate change, will contribute to economic resilience and sustainability.

It is also crucial to unleash women's potential to back the country's economy and reduce gender-based inequalities, by ensuring equal earnings and opportunities, while promoting workers' rights in an inclusive job market. Realizing the development potential from the high number of Indonesians migrating within the country and abroad, while ensuring their protection and access to services, could generate significant contribution to household economies and the country's overall growth. Without these changes, economic growth will continue, but not at the same pace. With these changes, investment in human development will not only accelerate economic transformation, but also yield a reduction in inequalities and foster a stronger and more resilient society. The key assumption

is that sufficient revenues will be raised and reinvested into human capital development, and for those investments to be managed effectively, considering the upholding of people's rights for the maximum possible good.

In order to pursue a sustainable path to development, energy policy, natural resources management and environmental protection needs a significant shift in direction. The health hazards posed by a polluted environment, underpinned by fast urbanization and carbon heavy energy production³³, are of major concern. Similarly, Indonesia can become more adept at both conserving and leveraging its considerable biodiversity for future generations³⁴, countering the risks arising from climate change impact and deepening its resilience to natural hazards. Changes are afoot to increase resilience to climate change and natural hazards, reduce GHG emissions, extend protection to vital ecosystems and enhance land management and spatial planning in preparation for Indonesia's highly urbanized, sustainable, low-carbon future.

Last, but not least, Indonesia has the opportunity to adopt innovative and integrated solutions to accelerate all these changes for the achievement of the SDGs by 2030. ICT is already a key driver of Indonesia's economy. Digitalisation also allows for leveraging communication technology for innovative, people-centred and cost-efficient development solutions. Likewise, the highly developed private sector and experiences in innovative SDGs financing, including blended financing and Zakat for SDGs, provide a fertile ground for the further expansion of innovative partnerships. This should be supported by policies and incentives that promote innovative practices and technologies, new financing instruments and partnership, as well as the production of high-quality data for effective decision-making.

Good governance nationwide, the rule of law, access to justice, human rights and a reduction in all forms of discrimination are foundational for transformation, modernization and sustainable development. These form the basis of a fair and inclusive society within which all people and communities are enabled to flourish. Patterns of exclusion and discrimination against women and girls however underpin low levels of formal female workforce participation, constraining economic growth as well as hindering their participation in the political and social life of the nation. At the root of this situation, as highlighted in the CCA, are deeply entrenched social norms that inform practices, stereotypes and behaviours, that will require robust legislation policies.

³³ Currently, more than 90 percent of the energy mix comes from fossil fuels, with coal power plants still the main source of electricity. Based on the Brown to Green Report published by Climate Transparency, coal use is expected to double from 2017 to 2025.

³⁴ Indonesia emissions stem from deforestation and peatland megafires and, to the burning of fossil fuels for energy. Its per-capita emissions were 9.2 tonnes of CO₂e in 2015; larger than the global average (7.0 tonnes of CO₂e) and the average in China (9.0 tonnes of CO₂e), the UK (7.7 tonnes of CO₂e) and the EU (8.1 tonnes of CO₂e).

Corruption and inefficiency in public administration are also regarded as key underlying causes³⁵. Although the overall performance of government effectiveness index has been increasing by almost 30 points over the past two decades, it has actually slowed more recently³⁶. Compounding these inefficiencies is the insufficient availability and granularity of data for decision-making and the prosecution of more highly targeted interventions. Data collection and disaggregation across different dimensions (including income, sex, age, religion, ethnicity, geographic locations, marital status, migration status, among others) is not always available and challenges remain in data production and analysis, particularly gender data and statistics.

This broad Theory of Change, underpinned by a robust CCA, acknowledges the particular risks that are likely to impinge on the desired strategic pathways that are intended. Foremost among these is Indonesia's vulnerability to natural disasters, since the country is positioned within the 'ring of fire'. The nation is also vulnerable to climate-related hazards – a double jeopardy. In addition, rising intolerance ultimately presents a threat to an otherwise generally peaceful, cohesive and diverse national community. Reasonable assumptions suggest that these risks will not reduce or subside without constructive and sustained engagement. Enhancing society's inclusion, reducing inequalities, working towards eliminating damaging discriminatory practices and building resilience will help to address these risks systematically and comprehensively. Each and all of these major risks and assumptions will continue to be carefully considered in the elaboration of UN programmes under this cooperation framework.

2.2. Strategic Priorities for the UN Development System

Two important strategic consultation exercises were hosted by the UN in formulation of this Cooperation Framework. The first entailed a multi-stakeholder discussion purposed to identify the major challenges confronting Indonesia's development trajectory. Several hundred participants from across all sectors and perspectives engaged in a week of discussions (May 2019) centred on the Sustainable Development Agenda pillars: 'People', 'Prosperity', 'Planet' and 'Peace', with 'Partnerships' integrated as a cross-cutting aspect. From these thematic discussions a number of high priority challenges emerged, including anecdotal reference to their causes and effects. Subsequently validated by independent panels of experts drawn from academia (July 2019), a comprehensive desk review drew from a deep bank of data to further corroborate and deepen the initial findings. This process culminated in the formulation of a 'Common Country Analysis' for Indonesia (2019) – the UN's baseline analysis of the development challenges and opportunities in the country.

³⁵ *Almost 60 percent of citizens say that corruption is a serious problem in their daily lives. Transparency International (2017)*

³⁶ https://www.theglobaleconomy.com/Indonesia/wb_government_effectiveness/ - In 2017 it was 52.88 down from its peak in 2014 (53.85).

The second consultation exercise witnessed a two-day Visioning and Strategic Prioritization Retreat (VSPR) with Government and key partners (September 2019). The Retreat benefitted from the presentation of the Government Vision 2045. A pivotal discussion took place on the comparative advantages of the UN in Indonesia in light of the country's rapid transformation from a low middle-income nation, to that of a high-income economy within such a short timeframe.

Four strategic priorities were identified around which the UN system should concentrate its expertise to support Indonesia to 'raise the bar', pursue dynamic economic transformation based on inclusive human development, underpinned by good governance in order to help trigger catalytic changes to its own unique sustainable development pathway, as follows:

1. The first strategic priority is that of **'Inclusive Human Development'**, encompassing human capital and social development, cultural capital, fostering equality and social cohesion, as well as addressing gaps in health, food security and nutrition, water-sanitation and hygiene, education, skills development and social protection.
2. The second strategic priority concerns **'Economic Transformation'** aimed at facilitating an accelerated shift towards industry 4.0, creating jobs, enhancing women's economic participation, leading to a higher value-added economy.
3. The third strategic priority focuses on **'Green Development, Climate Change & Natural Disasters'**. The strong and timely prerogative being to support Indonesia's rapid transition towards low-carbon development, prioritising climate change and natural resources management alongside reducing vulnerabilities to natural hazards.
4. The fourth strategic priority is that of **'Innovation to accelerate progress towards the SDGs'**. Innovation is instrumental to strategic priorities and all SDGs. The UN can provide the space, expertise, networks and partnerships to facilitate the promotion and adoption of innovative solutions to achieve the SDGs, including innovative financing mechanisms, ICT tools, and data collection and analysis.

The role of the UN in supporting these strategic priorities was further qualified by identifying a number of 'enablers', i.e. strategies to be adopted by the UN system, leveraging its comparative advantages in the evolving Indonesian context. These included the role the UN should continue to play in advancing 'leave no one behind' as the pre-eminent overall goal of the four strategies outlined above through more effective policy advocacy, providing evidence and international experiences on specific policies, upholding international standards and fulfilling international commitments.

The production, collection and analysis of data that is transparent and reliable will be a focus of the UN support, enabling the country to deepen evidence-based and targeted policies and programmes. In each strategic priority area the UN will also work towards raising awareness and empowering

rights-holders, in order for them to become active agents in their own development. Partnership building, leveraging the UN's convening power, will provide an important backbone to UN strategies, facilitating cross-sectoral, multidisciplinary integrated approaches to achieve the SDGs. At the same time the UN will ramp up its commitment to South-South and Triangular Cooperation and for peer learning and support.

2.3 Intended Development Results

This UNSDCF (2021 – 2025) will support the Government of Indonesia as it manages one of the most significant transitions in its recent history. The framework of assistance proposed by the UN is underpinned by an inescapable dedication to helping Indonesia realize its commitments to universal human rights, enabling an inclusive approach to human development. Through these means the overarching development result translates into 'leaving no one behind' measured by a significant reduction in inequalities of all kinds (SDG 5 and 10) and substantial progress in the eradication of poverty (SDG 1).

This will require a massive and unparalleled transformation of the Indonesian economy (SDG 8) for which people will need to be empowered and their rights fulfilled. The UN will continue to assist the Government maintain its trajectory in line with a country set on high middle-income status. The role of the UN will be particularly important in helping Indonesia accelerate its progress towards low carbon growth (SDG 13) based on the principle of sustainable development. No less important will be UN interventions designed to support resilience in all sectors and at all levels to natural disasters, non-natural disaster and climate change. Finally, the UN will bring successful innovation, technology and knowledge transfer (SDG 9 and 16) to all its programmes.

The first major UN programme of intervention will support the Government achieve a more just, tolerant and inclusive society where all citizens have the opportunity to develop and realise their full human potential, free of any kind of discrimination and empowered to exercise their rights, and having the capacity and adaptability to be resilient as required. This will translate into equal access to quality health services, access to nutritious food, safe water and improved sanitation. It will include access to quality learning, skills and finance for all, with a deliberate focus on the most marginalised. Social protection systems will target those at risk of being left furthest behind, including child sensitive and adaptive social protection. Policy, legal and accountability frameworks will be strengthened to uphold human rights, access to justice, gender equality and reduce vulnerabilities.

The second segment of UN support will result in institutions being able and equipped and people being empowered to contribute to a rapidly transforming. It will result in the design and implementation of higher value adding economic and job creation strategies. It will also result in more effective training and skills development systems. In all sectors, across agriculture, manufacturing and services, it will witness the adoption of new technologies and innovative practices. A more advanced enabling business environment will emerge focussed on strengthening the capacity of SMEs. Inroads will be made to incrementally incorporate the large informal sector into the formal sector as well as the work to support non-discriminatory work-environment. Gender equality and women's empowerment will be fostered and workers' rights will be promoted and include opportunities for vulnerable populations such as refugees, migrants and people living with disabilities, HIV and key affected populations by HIV.

The third broad result supported by the UN will promote a bold, and irreversible shift towards low carbon development. This will be achieved through the combination of ambitious Government leadership at all levels and the mobilization of a broad-based partnership involving people, business, communities and industry associations. It will also result in greater institutional and community resilience whilst securing the sustainable management of Indonesia's precious natural resources. The implementation of gender-responsive policies, strategies and action plans will reduce risks of natural hazards and climate change. Awareness raising campaigns will help rebalance the move towards more sustainable production and consumption behaviours. Greater preparedness through early warning systems and response mechanisms requires a greater understanding of differentiated risks, vulnerabilities and disaster impact on women and men, boys and girls, as well as to economic and social assets, infrastructure and livelihoods to ensure a more effective and inclusive response. A stronger policy, regulatory and enforcement framework will enhance land management, safeguard vital ecosystems and tackle environmental degradation, including through enhanced levels of direct community management of natural resources. It will result in greater resolve through which to tackle the degradation and plunder of the natural environment caused by illegal and illicit activity.

The fourth result area will see the UN mainstream the adoption of innovative and integrated solutions to accelerate progress towards all SDGs. The UN system will support the Government and key stakeholders harness new and advanced formulas, big data, innovative practices, technologies and partnerships for SDG attainment. Results in this area will be secured by leveraging the UNs unparalleled reach in terms of South-South and Triangular Co-operation.

The strategic approach to results taken by the UNSDCF is reflected in the SDGs targets and indicators integrated into the results framework (Annex 1). These cover all SDGs, but with specific indicators under SDG 1, 5, 7, 8, 9, 10, 13 and 16. These are cross-referenced across the four primary results areas. The common thread is leaving no one behind³⁷. The UN's contributions, in line with its comparative advantages in Indonesia (see section 2.7), will focus in all these areas in both progressively enhancing good governance and institutional capacities that provide access to the realisation of human rights, as well as empowering rights-holders. This will entail advisory services for policy setting, capacity building and adherence to international standards, as well as advocacy efforts and partnership building (for multi-stakeholders and cross-sectoral approaches),

2.4. Cooperation Framework Outcomes and Partnerships

The results intended to be achieved under this Cooperation Framework are:

1. **People living in Indonesia, especially those at risk of being left furthest behind, are empowered to fulfil their human development potential as members of a pluralistic, tolerant, inclusive and just society, free of gender and all other forms of discrimination.**
2. **Institutions and people contribute more effectively to advance a higher value-added and inclusive economic transformation.**
3. **Institutions, communities and people actively apply and implement low carbon development, sustainable natural resources management, and disaster resilience approaches that are all gender sensitive.**
4. **Stakeholders adopt innovative and integrated development solutions to accelerate advancement towards the SDGs.**

Each outcome above is linked to a number of SDGs targets (global and/or its nationalized version). The outcomes emphasize the cross-cutting focus on leave no one behind, human-rights approaches, reducing inequalities, gender-related and other forms of discrimination, whilst promoting a high

³⁷ For example: in terms of both the targets selected (e.g. SDG 10.3 on equal opportunities and outcomes, SDG 5.1 on the elimination of all forms of discrimination against women and girls) and their disaggregation per groups more at risk of being marginalised (e.g. by sex, age, disabilities, indigenous status). This is further mainstreamed in a number of key thematic SDG targets, that reflect the country's priorities and specific needs in order to step up progress. Namely, in contribution to inclusive human development, the UN will focus on the SDGs targets and indicators related to social protection, nutrition, access to health services, use of drinking water and sanitation services, learning outcomes, anti-corruption, birth registration, migration policies, and reduction of all forms of violence and harmful practices. In terms of economic transformation, the trigger points for the UN cooperation will be on investments in agriculture, land tenure, small-scale farmers income, opportunities for SMEs' development, as well as full and productive employment and decent work. The priority 'planet' targets involve the institutional frameworks to tackle climate change and disaster risk reduction, the actual impact of disasters, and land and marine conservation/management. As means to implementation of the 2030 agenda, the intended development results are structured around selected SDG 17, with specific reference to innovative financing and partnerships, outbound development assistance and South-South and triangular cooperation, as well as high quality, timely, reliable and disaggregated data. For a full and detailed list of SDGs targets and indicators please see annexed results matrices.

trajectory, transformative, sustainable economic and social recovery post COVID-19. The UN will support Government policies and strategies that promote equality and counter discrimination, directly or indirectly, by taking into special consideration the needs of those groups most at risk of being left furthest behind in each of the outcome areas. Progress will be measured against selected global and national SDGs indicators disaggregated to the extent possible by sex, area of residence, age, and disabilities.

The UN will support national and sub-national authorities to apply differentiated approaches to engaging and benefitting populations in greatest need. The UN expects a strong measure of its performance to depend on the extent to which it has been able to uphold the principle of 'leave no one behind' throughout all its programming.

In terms of mobilizing the strategic partnerships which will be indispensable for achieving these results, the UN will deepen its collaboration with the Government of Indonesia, as well as with civil society organisations, academic institutions and private sector entities. The UN will also work with regional and district authorities in close collaboration with the relevant line and coordinating ministries and with communities for the delivery of sustainable development results, noting that Indonesia is host to the ASEAN Secretariat, thereby facilitating the opportunity for closer collaboration on key issues. The UN will also expand its cooperation to include industry associations, think tanks, data managers and scientific and technology driven agencies who offer the prospect of innovation for integrated development solutions. The UN will also leverage its convening power to forge cross-sectoral partnerships around each of the outcome areas. These will be instrumental in mobilizing the resources (human, financial and institutional) to further the achievement of the SDGs.

2.4.1 Cooperation Framework Outcome 1

Outcome 1:

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

Theory of Change

Indonesia has embarked on an ambitious long-term development agenda as defined in its RPJMPN 2005 – 2025. Ensuring inclusive human development is essential to unleashing the full potential of all people living in Indonesia and towards meeting the government's national development priorities

and commitments under the SDG agenda of “leaving no one behind”.

If government prioritizes inclusive development policies and programmes, barriers to participation are removed, and all people living in Indonesia, especially those at risk of being left furthest behind, a) have access to high quality, inclusive, and equitable health, sexual and reproductive health, nutrition and food security intervention and services, and if b) they have access to inclusive and equitable quality education and learning opportunities, and if c) they have sustained access and use of safe water and sanitation services and adoption of hygiene practices, and if d) they are protected from all forms of violence, have increased access to justice, accountability mechanisms, and are able to promote tolerance and prevention of radicalization and extremism, if e) they have equitable opportunities in life regardless of gender, disability or any other factor and if f) they have access to well-resourced, quality social protection system and services underpinned by improved national data systems: then significant progress will be made by 2025 towards empowering them to fulfil their human development potential as members of healthy, pluralistic, tolerant, inclusive and just society, free of gender and other forms of discrimination.

Under Outcome 1 the UN will prioritise and seek to ensure populations in less-developed geographic areas, the rural and urban poor, and those living in close proximity to the poverty line benefit the most. This will include people living in remote areas, women and children, old people, Indonesian migrant workers and their families, refugees and asylum seekers, people living with (mental and physical) disabilities and HIV. Initiatives will work with those marginalized through stigma and discrimination on the basis of their sexual orientation. Integral to the approach of the UN is to ensure that populations most at risk of being left behind participate fully, are provided with a platform and space through which to express their challenges and hopes, and to promote their empowerment as agents for their own development, as well as that of their communities.

Partnerships

The UN system in Indonesia will engage in and foster strategic partnerships that will drive transformative changes to address structural barriers, marginalisation and discrimination to advance human development and gender equality and promote a more inclusive and just society. In doing so, the UN will leverage the comparative advantage of each of its agencies to deliver as one and will work with a wide range of stakeholders including Government, civil society organisations, donor communities, academics and the private sector. Given the complexity of the challenges, partnerships within and outside the UN system to leverage greater resources and results will be key for the UN system to effectively contribute to the achievement of outcome 1.

Identifying complementarities and expertise among various UN agencies and external partners to deliver better results will be at the heart of this outcome area. Apart from partnering with the Government and line Ministries at the national level, the UN system will reach out to civil society and community-based organisations, including women’s organisation and networks that have a particular focus and outreach to the underserved population at the sub-national and local levels, particularly targeting women and children of the marginalised and disadvantaged groups, including migrants workers, victims of violence and groups, people living with HIV, refugees and sexual minorities. The UN will support national and local institutions and stakeholders to pursue and uphold regional and global commitments in relation to the primary human rights instruments, for example the Universal Periodic Review (UPR), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW) and the International Convention on the Protection of the Rights of All Migrant Workers, among many others.

While the UN system will lead on providing upstream policy advice and technical support to government and key stakeholders, it will convene and engage with the national, sub-national and local stakeholders, including civil society and institutions that can provide downstream services, including front-line service providers. It will also expand partnership with the private sector to identify areas that can leverage private sector contribution to advance outcome 1.

2.4.2 Cooperation Framework Outcome 2

Outcome 2:

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

Theory of Change

The last two decades Indonesia has experienced geographically and between different groups uneven economic growth. As a result, poverty reduction, improving quality of living, and addressing inequality have proven to be more challenging. Looking ahead, rapid technological changes and environmental concerns call for an inclusive economic transformation that not only increases the growth momentum, but also ensures that the fruits of economic development are shared equitably, no one is left behind, and there is social protection for all. Our target is an economic transformation that creates opportunities for all, reduces income inequality, lifting the bottom and allows the emergence of a larger middle-class, and thus help the country achieve greater prosperity. We will take several interlinked pathways to this end.

If an enabling policy environment is created to harness technologies for industry 4.0, improve skills development and education, and promote circular economy to reduce the environmental impact of wealth generation; if equal access of women is assured to participate in economic opportunities and drive economic transformation and sustainable growth; if small- and medium-sized enterprises generate higher value to the economy and expand decent jobs and; if the agricultural and rural livelihoods are enhanced; and last but not least, if the government and key stakeholders are able to monitor working conditions, protect workers' rights and promote inclusion of refugees, migrants, people living with disabilities, HIV and people living in underdeveloped region; then Indonesia will be able to accelerate economic transformation, sustainable and inclusive growth because a more equal level playing field is created for people from all walks of life to contribute to and benefit from economic transformation. Moreover, the UN will support the strengthening of Indonesia's international development cooperation through South-South Triangular cooperation.

Partnerships

In an effort to achieve an economic transformation that creates opportunities for all, overcome discrimination, reduce inequality, lifting the bottom and allow the emergence of a larger middle class, Outcome 2 will particularly forge stronger partnerships and collaboration with private sector association/network, entrepreneur associations, women business network, trade unions and research institutions. The UN will seek to work with targeted communities in ways that enable them to fully participate, consult openly and empower them to engage in livelihoods, skills-development and economic opportunities to the greatest extent possible.

On the upstream side, in order to strengthen central government' capacities to implement future strategies that are inclusive and job rich as the country embarks in Industry 4.0 era and seeks to harness circular economy as well as to improve training, skills and development system to prepare the youth and to benefit from demographic dividend, strong ties with the inter-ministerial taskforce (mainly National Development Planning Agency (BAPPENAS) Ministry of Man Power, Ministry of Education and Culture, Ministry of Law and Human Rights, Ministry of SMEs, Ministry of Village Empowerment and Ministry of Social Affairs) is critical. Increased number of collaborations with state and non-state financial institutions, i.e banks and association of banks, state and private financial institutions will be important to develop innovative micro-financing schemes.

A partnership to foster inclusive economic transformation that is specific to Indonesia is a partnership with sub-national government especially those in under-developed areas. We will build their capacity in inclusive development planning. The UN will focus its policy support, capacity building and assistance in ways that empower and enable populations living in or close to poverty to participate in the formal economy. This will include women migrant workers, refugees, people living with disabilities, and those marginalized through stigma and discrimination.

Engagement with government institutions, Civil Society Organisations and other type of engagement with private sectors will be established for capacity strengthening to promote non-discriminatory policies, laws and practices, HIV testing and improve referral services in the workplace. Finally, the UN will partner with women entrepreneur network and associations, Global Compact Network, trade unions to increase capacity of women in STEM and to influence policy, business culture and practice that are supportive of gender equality, child friendly environment and worker's rights.

2.4.3 Cooperation Framework Outcome 3

Outcome 3:

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

Theory of Change

The recent economic growth in Indonesia has been associated with negative impacts on the environment, and increased vulnerability to the effects of natural hazards and climate change, which cause economic damage to assets, businesses and production systems, and environmental damage to terrestrial and aquatic habitats. Extensive deforestation combined with burning and degradation of peatlands and an increase in fossil fuel consumption in the energy sector have together resulted in substantial greenhouse gas emissions. These factors have contributed to the loss of biodiversity, with around 60 percent of all plant and animal species in forests being endangered or threatened with extinction, and coral reefs and associated marine ecosystems being destroyed by increased ocean temperatures due to climate change. The United Nations will support all levels of government and key stakeholders to address these environmental concerns through multiple interlinked pathways.

If government institutions and other key stakeholders implement coordinated policies, strategies, plans and interventions that directly address major environmental concerns and reduce effects of disasters, are gender-sensitive and linked to targeted information and knowledge services which are enriched by smart data collection, thorough analysis of land use, linked to high-quality educational resources and programmes on these areas, and accompanied by effective early warning systems, then it will increase the sustainability of natural resources management and adaptation to climate change, reduce greenhouse gas emissions through low carbon development strategies and reduce land degradation, enhance sustainable urban planning, enhance the governance and management of terrestrial and aquatic ecosystems and habitats, and strengthen preparedness for and resilience

to disasters of vulnerable communities as well as improve disaster management.

Outcome 3 the UN will seek to ensure that populations at the greatest risk of being left behind are able to engage in local plans and activities to strengthen the sustainability, resilience and recovery of their communities. The most vulnerable populations will include those areas geographically disadvantaged, vulnerable coastal and rural communities, the urban poor and those living in close proximity to the poverty line. It will involve women and children, old people and people living with disabilities or affected by stigma and discrimination. The UN will pursue a three-pronged approach to ensure that identified populations are able to fully engage, provided with the spaces through which to express their issues and priorities, and systematically empowered with capacities and skills through which to play an increased role in the advancement of their communities.

Partnerships

Outcome 3 aims to enable the implementation of coordinated policies, strategies, plans and interventions that directly address major environmental concerns and to deepen the resilience to adverse effects of disasters and climate change. Hence, the UN's focus of engagement and partnership under this Outcome is to build institutional capacity of government agencies and other key stakeholders to plan and implement policies and programmes that address national priorities, regional and global commitments such as the Paris Agreement on Climate Change, the Sendai Framework on Disaster Risk Reduction, the ASEAN Agreement on Disaster Management and Emergency Response (AADMER) and the UN Convention on Biological Diversity (CBD) The UN will support the Government on a range of transboundary issues such as haze, pollution, plastic marine debris, the illegal trade in wildlife and illegal logging.

To these ends, the UN will partner with all levels of government from central through to district authorities and entities, as well as maintaining and/or establishing relevant intersectoral and inter-ministerial collaborations. Strategic alliances and partnerships with national and international Civil Society Organisations and private sector entities in Indonesia will be forged to strengthen the capacities and contributions of communities and enterprises towards achieving the results embraced under this Outcome.

2.4.4 Cooperation Framework Outcome 4

Outcome 4

Stakeholders adopt innovative and integrated development solutions to accelerate advancement towards the SDGs.

Theory of Change

In recognising the transformative role of innovation to overcome the remaining, increasingly complex and emerging development challenges and for shaping the development of the future, innovation can play a catalytic role to accelerate development in Indonesia. While ICT is a key driver of Indonesia's economy, digitalisation allows for leveraging communication technology for innovative, people-centred and cost-efficient development solutions. A highly developed private sector and experiences in innovative SDGs financing will provide a fertile ground for the further expansion of innovative partnerships. Likewise, current UN capacities in the country, bringing in diverse expertise and joint actions under this Outcome will develop synergies and positively impact the three other Outcome areas. Hence, if policies and incentives are supportive of promoting innovative practices and technologies, new financing instruments and partnership, as well as the production of high-quality data for effective decision-making then it will accelerate the achievement of all the other outcomes.

Moreover, if Indonesia succeeds in fully harnessing the potential of people-centred innovation then the country will be in a stronger position to accelerate sustainable development progress and be competitive in the regional and global stage so that all Indonesians citizens experience transformative changes in all aspects of their lives.

Partnerships

Under Outcome 4, the UN development system will forge and promote new cooperation, which includes non-traditional partners and unleash the potential of innovation for SDG acceleration using people-centred solutions and multi-stakeholder partnership instruments that will also aim at upscaling local innovations through knowledge-sharing modalities. Using a platform approach, UN agencies will work with Government, bilateral agencies as well as private firms, banks, development finance institutions, investors, foundations and religious organizations to advance public private partnerships and blended finance. In harnessing the use of big data and data-driven policy making, we will work hand in hand with universities, e-commerce and social media giants as well as the national statistics agency, in accordance with data privacy and data protection principles. Partnerships under this outcome will aim at a surge of financing flows and joint actions for innovative solutions with increased alignment of private sector business operations with the 2030 agenda and the SDGs.



2.5 Synergies Between Cooperation Framework Outcomes

In line with the CCA findings and the theory of change (section 2.1 above), this UNSDCF identifies five inter-linked and over-arching drivers of change in Indonesia today.

1. **Demographics** - the opportunity, and risk, associated with a large and growing population, especially youth, who can, if tapped, help drive sustainable economic transformation and deliver on the demographic dividend. Most critically, this requires an increased and sustained investment in human capital (education, skills, health and access to social protection) to realize its full potential. There is a naturally strong link between outcomes 1 and 2: without adequate efforts to ensure equitable access and opportunities for education and skills development, the demographic dividend cannot be tapped, and a large, unskilled and unemployed youth could be a potential source of social discontent. Young fertile minds also present a tremendous opportunity for the nation to raise up and engage the next generation in the discovery of technologically and digitally driven solutions (outcome 4) through which to tackle the challenge of climate change and effect a switch to a low carbon society (outcome 3). In addition, greater efforts are needed to reach out to engage the knowledge and skills of people living with disabilities, women, youth, the elderly, for example, to leverage their economic contribution, and in recognition of their valuable insights in coping with disasters and climate change.
2. **Economic transformation and industry 4.0** – will be the catalyst that delivers sustained growth, propelling Indonesia in a short period of time into the echelons of high-income nations. Inclusive economic development can help address growing inequalities if managed successfully, linking outcomes 1 and 2. Outcome 2 is also the key required to unlock higher levels of revenue generation needed to investment into SDG attainment. Economic transformation will be accelerated to the extent by which the overall enabling environment is improved and innovation, technologies and public/private partnerships (outcome 4) are leveraged. The potential trade-offs between economic growth and environmental sustainability, need careful consideration. In the long-term, for example, fostering jobs creation, industrialisation and infrastructure' expansion can lead to pollution, waste and unsustainable use of natural resources if not planned in the context of a comprehensive and holistic low-carbon development. This is addressed in the outputs under outcome 2, in support of circular economy (to minimise waste and maximise efficiency in use of resources) and promoting green and brown field approaches for industrial zones. The UN and Government will work with the private sector to identify low carbon development

solutions that can go to scale, as well as ensuring that economic transformation will not impinge on sustainable natural resources' management.

3. **Environmental sustainability** – outcomes 1, 2 and 4 can each be utilized to reduce the pressure exerted on natural resources, which are being degraded and depleted at an alarming rate. Empowerment of communities founded on a rights-based approach (outcome 1) can help raise awareness and strengthen sustainable and resilient development solutions. Issues of unsustainable production and consumption, especially in energy generation, industry and agriculture (outcome 2) is impacting water quality and quantity and air pollution, which is in turn negatively affecting human health and wellbeing, especially on the lives, life chances and livelihoods of the poor. Innovation, scientific and technologically advanced solutions (outcome 4) will need to be capitalized on for the country to reverse the intensity of its GHG emissions.
4. **Building resilience** and reliable and timely data in COVID-19 recovery – The COVID-19 pandemic and its aftermath will have a cross-cutting impact across all the four outcomes of the UNSDCF. It will be important to review outcome 1, 2, 3 and 4 in the context of COVID-19 recovery and the impact it has on the national priorities across all four areas to ensure that the country minimizes any potential risks of regression in hard-won development gains and continue to shore up progress towards sustainable development agenda for all, particularly for vulnerable groups of population at both national and sub-national levels, improving quality of human life, and developing quality of health system.
5. **Gender inequality** – will be addressed within all outcome areas of the UNSDCF. The opportunity lost through unequal participation of women, girls and gender minorities in the social, economic and political life of the country is too high to be ignored. The UN will ensure that gender equality and women's empowerment feature centrally in the design of all of its programmes.
6. **Leave no one behind** - People are trapped in vicious cycles of poverty and inequality, which affect their opportunity to actively participate in the political, social and economic life of Indonesian society. This has negative consequences for Indonesia's sustainable growth. Those that are being left behind, and are at risk of being left further behind, often live in the more remote and/or rural areas, with limited access to services, jobs and livelihoods.

A significant number of people are still engaged in traditional agriculture, trapped in low-paid and less productive activities. For example, over 30 percent of Indonesian people are widely involved in various jobs in agriculture, forestry, and fisheries³⁸. Furthermore,

households working in smallholder agriculture were found to be 2.1 times more likely to be poor than those working in other sectors. Many of them do not get enough food and their children are prone to stunting, keeping them in a vicious cycle for generations. Hence the natural and social environments are closely interrelated.

Attention to those at risk of being left furthest behind, is naturally embedded in each outcome under this Cooperation Framework: outcome 1 reflects a focused effort to help address inequalities and discrimination where they occur by supporting the Government and its partners deliver universal access to high quality services; outcome 2 will enable all segments of the population gain access to the skills and opportunities needed to advance Indonesia's economic transformation; outcome 3 is of vital importance, since many of the poorest depend on the natural environment for their livelihoods and thus affected by disasters, waste and pollution, and unsustainable exploitation of those resources; finally outcome 4 offers the prospect of innovative approaches that can also engage citizens in a cost-effective manner, as well as enable sharper targeting of services and initiatives aimed at poverty reduction, drawing on improved data availability.

This Cooperation Framework will ensure that the challenges that could potentially hinder the achievement of the SDGs in Indonesia are tackled comprehensively. Prominent among the potential trade-offs, for example, are between economic growth and the preservation of natural resources. Inclusive human development, economic transformation and environmental sustainability will be pursued hand in hand, as results in each are totally inter-dependent on the attainment of results in the other. Innovation in policies, approaches, financing, partnerships and data intersects all the other results providing additional means to unlock resources to accelerate the 2030 Agenda in Indonesia.

2.6. Sustainability

The UN will work with Government and partners in ways that ensure national leadership and ownership of development results and which reinforce national and local institutions, policies, systems and processes. UN programmes will be designed and implemented in close consultation with national partners, putting national agencies in the driving seat. The UN will focus on SDG achievement that places both scalability and sustainability at the forefront of its endeavours. This will ensure that sufficient traction is established at the outset of all programmes. Critical to sustainability, all UN efforts will test the plausibility of long-term sustainability through national budget provisions which will enable promising pilot initiatives to be scaled up and rolled out successfully on a nationwide

³⁸ *Central Statistical Agency, 2018*

basis for maximum impact.

The UN will support the integration of global norms into national legislation, thereby supporting the adoption and perpetuation of development principles at the heart of national development policy frameworks. This will include their sustainability through national cycles and systems of monitoring, reporting and enforcement. The UN will help build institutional capacities where needed, including the mobilization of the human, technical and financial means through which to sustain SDG progress. The UN will work with Government agencies to improve the integrity of data quality and statistics administered by national organisations. For example, where UN assisted improved data has helped sharpen policy or programme intervention targeting populations most at risk of being left behinds, these initiatives are mainstreamed into the national development system, budgets and operational architecture.

2.7. UN COMPARATIVE ADVANTAGES AND UNCT CONFIGURATION

The UN is the foremost multi-lateral organisation promoting the peace, wellbeing and sustainable development of all the nations and peoples of the world. Its global presence makes it an indispensable resource and force for good in being able to facilitate international best practice. The UN is resolved to ensure that Indonesia benefits to the maximum extent possible by gaining access to innovative, scalable and integrated solutions from other development settings that have proven to accelerate the implementation of the Sustainable Development Agenda and SDGs. By the same token, the UN provides an ideal platform for the showcasing Indonesia's own development success to the rest of the world.

Similarly, the UN is the custodian of international treaties and conventions, and thereby uniquely placed to be able to support Indonesia in the fulfilment of its duties and obligations through responding to the recommendations arising from the respective treaties and conventions to which the country is party. The UN is able to draw on a global, regional and national expertise to support the Government of Indonesia across this broad span of international standards, ranging from human rights, education, health, nutrition, logistics, governance and the environment, among many others. In sum, the UN is exceptionally well placed to support the Government in its overarching goal of ensuring a peaceful, pluralistic, prosperous and diverse, yet tolerant society.

A further well-recognised comparative advantage of the UN is that of being able to bring together a variety of stakeholders by facilitating cross-sectoral and multidisciplinary coordination. Allied closely to this is the UN's ability to forge a wide range of partnerships at both national and sub-national level, and with a broad variety of actors. Both these advantages are key for the purposes of advancing the 2030 Agenda, which is inter-connected across its social, economic and environmental pillars.

The UN is also able to leverage from a vast pool of specific technical expertise. At the national level the mix of UN specialised agencies, development funds and programmes (AFPs) provide a pool of readily available expertise. Moreover, the UN can mobilise technical advisors globally, as well as from their regional tier, in a timely and effective manner. This entails going deeper into particular sectors and includes policy support, advocacy and evidence for policy and planning, providing space and seed financing for piloting programmes prior to them being scaled up.

Finally, through this UNSDCF, the UN pledges to become more assertive than ever in its approach to innovation through the co-creation of integrated development solutions. The UN will draw upon the latest tools and techniques and through harnessing scientific discoveries, technology, AI, digitization, ICT and big data, as well as exploring and expanding new means for financing for the SDGs.





CHAPTER 3: COOPERATION FRAMEWORK IMPLEMENTATION PLAN

3.1. Implementation strategy and strategic partnerships

To deliver on the strategic priorities outlined in the Cooperation Framework and to translate the theory of change into practice, the UN will provide evidence-based policy advice, capacity building support, promote learning including through south-south and triangular cooperation, research and data collection, leverage partnerships and pursue effective and innovative resource mobilization and business operations strategies. Under the leadership of the UN Resident Coordination, the overall guidance of the UN Resident Coordinator's Office, the Cooperation Framework will be implemented by the UN through Joint Annual Workplans overseen by the four inter-agency Results Groups established for each of the strategic priorities identified, supported by the Data, M&E Working group and the thematic groups, overseen through a strategic annual dialogue with the Government, the BAPPENAS-UN Forum (please refer to Section 3.3 on Governance arrangements). Stronger ties between UN agencies will deliver more joint initiatives and programmes, reflecting the number of collaborative outputs UN agencies have committed to under each outcome.

The implementation strategy of the Cooperation Framework will take into consideration the COVID-19 pandemic and its expected impact through an inclusive, no one left behind and multi-sectoral approaches. The UN is committed to provide any support required in addressing the needs of the Government and the most vulnerable and ensuring that the outputs of the CF will continue to be aligned with the priorities of the Government.

The UN will implement the UN's Global Business Operations Strategy (BOS) that will help further drive the cost-efficiency and quality of the UN's operational support and create synergies, efficiencies and productivity gains in operational processes. The UN's Operations Management Team will be responsible for overseeing the implementation of the BOS.

The UN will actively pursue a range of strategic, innovative and operational partnerships to advance the priorities identified in the Cooperation Framework and help drive transformational and systemic change toward sustainable development. The centrepiece for the achievement of the SDGs in Indonesia is an enduring partnership between the Government and the UN. This Cooperation Framework will also forge stronger partnerships with civil society organizations, academia, research institutions, the

IFIs, development partners and non-traditional partners such as the e-commerce and social media giants in the country. Partnerships with sub-national government, district authorities and NGOs/CSOs at the local level will be crucial for supporting the implementation of the SDGs.

3.2. Joint workplans

Results Groups have been established for each of the four UNSDCF outcome areas to provide UN leadership, coordination and accountability for the respective interventions designed and implemented towards the targets under each outcome. Results Groups chairs are appointed once in each CF cycle by the UNCT and meetings will take place periodically for the purposes of: i) formulating the Outcome indicators and collaborative outputs statements and Joint Annual Workplan; ii) monitoring progress of implementation; iii) end of year reporting to the UNCT against key deliverables and results contained in the Joint Annual Workplans, based on the UNSDCF Results Framework. Key progress, learning, adjustments etc. are to be presented to the Joint Steering Committee between the UN and the Government of Indonesia through BAPPENAS – UN Forum (see governance section immediately below).

3.3. Governance

The implementation of the Cooperation Framework will be overseen by the BAPPENAS/UN Forum co-chaired by the BAPPENAS Minister and the UN Resident Coordinator. This will comprise all UN agencies and all concerned line ministries and government agencies.

Under the overall leadership and strategic guidance of the UN Resident Coordinator, the UNCT will be responsible for implementing the Cooperation Framework. The UNCT will draw on the wider capabilities of resident and non-resident-based UN entities, regional and global bodies and ensure coherence and coordination across the broad span of mandates. As outlined in the sustainability section above, the UN will work closely with national and local institutions of the Government, as well as with key partners and stakeholders to ensure implementation of the UNSDCF, which is closely aligned to the Government's own RPJMN.

As noted above, the Resident Coordinator has established Results Groups to internally coordinate each UN agency's contribution within the four outcome areas. This will include the identification of synergies, opportunities for joint programmes/programming, co-creation and innovation, including with partners. Results Groups will work closely with relevant government and partner counterparts.

Specific sub-groups and task forces will be established under each results group if/as needed to coordinate and implement joint initiatives. The Results groups' chairs will report to the UNCT which will provide an oversight function, including ensuring synergies across the planning and implementation of the four priority areas of the UNSDCF.

Cross-cutting thematic working groups and joint teams covering gender, HIV/AIDS, human rights and youth, as well as monitoring and evaluation group will continue to support Results Groups ensuring that these important themes are mainstreamed throughout.

A UN SDGs Working Group and a UN Data for SDGs Working Group established by the Resident Coordinator will facilitate internal coordination and support BAPPENAS and national partners in their SDG and data related work including the national SDGs data portal to track progress on the SDGs.

3.4. Others

3.4.1. Programme and Risk Management

The programme will be nationally executed under the overall co-ordination of the Ministry of National Development Planning of the Republic of Indonesia, BAPPENAS. Government coordinating authorities for specific UN system agency programmes are noted in Annex 4. Government Ministries, NGOs, INGOs, academia, private sector and UN system agencies will implement programme activities. The Cooperation Framework will be made operational through the development of joint work plan(s) (JWPs)³⁹ and/or agency-specific work plans and project documents as necessary which describe the specific results to be achieved and will form an agreement between the UN system agencies and each implementing partner as necessary on the use of resources. To the extent possible the UN system agencies and partners will use the minimum documents necessary, namely the signed Cooperation Framework and signed joint or agency-specific work plans and project documents to implement programmatic initiatives. However, as necessary and appropriate, project documents can be prepared using, inter alia, the relevant text from the Cooperation Framework and joint or agency-specific work plans and / or project documents.

³⁹ As per the *UNDG Standard Operating Procedures (SOPs) for countries adopting the "Delivering as One" approach*

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CHAPTER 4: MONITORING AND EVALUATION PLAN

4.1. Monitoring plan

The monitoring plan of the Cooperation Framework is based on the global and national SDG monitoring framework adopted by Indonesia. Baselines are derived from the latest progress reports and data availability of selected global and national SDG indicators. The Data and Monitoring and Evaluation Working Group (Data and M&E group) of the UN system in Indonesia, comprising all M&E focal point of the UN agencies, coordinated by the RCO, will provide technical support in the design and implementation of this Cooperation Framework M&E system and framework, data quality assurance, and provide guidance to the Results Group and the UNCT on evidence-based progress reporting. Custodians of each global and national SDG indicators to be reported against each outcome will be appointed within each Results Groups to assist the Chairs in coordinating the reporting.

Output indicators are to be monitored annually as per the annual review process of the Cooperation Framework; these will allow for a review of progress made in contribution to higher level outcomes. UN Info - an online planning, monitoring and reporting platform that digitizes this Cooperation Framework and its corresponding joint work plans - will be one of the platforms used to track progress and allow monitoring. This online platform will provide an overview of progress at country level and reflects the UN development system's efforts to improve transparency and accountability, as well as better address the needs and priorities of United Nations Member States.

As for the implementing partners, there is an agreement to cooperate with the UN system agencies to monitor all activities supported by cash transfers that will facilitate access to relevant financial records and personnel responsible for the administration of cash provided by the UN system agencies (please refer to Annex 3 on HACT)

4.1.1. Risks and opportunities

The main risks to implementing the UNSDCF outcomes include Indonesia's vulnerability to cope with disasters, particularly natural hazards and pandemics, and risks associated with stigma and discrimination towards marginalized groups that could negatively impact the overall objective of leaving no one behind and reducing inequalities.

Although Indonesia's economic growth projections place it well above the global average for growth for the foreseeable future, ultimately there is no guarantee that the global or regional economies will yield the optimistic growth prospects that have been foretold. Any risk of lower rates to growth are likely to translate into slower rates of progress towards the SDGs. Indeed, development gains could be rolled back by any major environmental, economic or social shocks.

Governance related risks call for a need for improvements in inter-sectoral coordination, a more coherent and streamlined policy environment and the strengthening of compliance and law enforcement. Within the context of a large and decentralized bureaucratic system, there could be a risk that reforms are not implemented at the speed needed to transform the public sector, including to significantly reduce corruption. Any of these risks and threats could slow, or under some scenarios reverse, the tremendous progress that is currently being achieved towards the SDGs.

Lastly, an effective SDGs financing strategy is needed in order to achieve the outcomes set in this document. The UN will work with the Government of Indonesia, international and national development partners, and the private sector to support Indonesia's current efforts in SDG financing including innovative finance, to advance progress towards the 2030 Agenda in Indonesia and implement this Cooperation Framework.

The major opportunities foreseen in the UNSDCF relate to the youth bulge that the country is currently experiencing. This has the prospect of driving inclusive economic transformation to enable Indonesia to become among the top ten economies over the next decade. The application of industry 4.0, leveraging technology, innovation and digitization can prove a massive boom to the Indonesian economy and labour market, including for women. Mobilizing a large and dynamic private sector for the achievement of the SDGs in Indonesia presents an excellent opportunity for maximizing development benefits. The UN views innovation, especially innovation for integrated development solutions, as the keystone of opportunity within the 2021 – 2025 UN programming cycle.

To seize upon these opportunities, and to mitigate against these threats and risks, the UN will work closely with national partners through the Governance structures described in Section 3.1. This robust partnership between the UN and the Government of Indonesia will be an important mechanism through which to consult, identify, monitor, resolve issues and undertake actions to mitigate the risks. Through evidence-based research and policy advice, the UN will advocate to combat stigma and discrimination where they occur, since they put at risk the very foundation of the 2030 Agenda 'leave no one behind'. The UN will also strive to integrate the Secretary General's 'prevention' agenda into essential areas of its programming.

4.1.2. Cooperation Framework Review and Reporting

Annual reviews will be conducted under the overall leadership of the UN Resident Coordinator. Guidance will be provided by the Results Groups Chairs and RCO, and an annual UN Country Results Report will be issued. This will be based on inputs provided by the Results Groups members and the M&E Group, validated and approved by the UNCT and BAPPENAS through the BAPPENAS – UN Forum. These inputs will comprise qualitative and quantitative assessments of progress made towards the outputs and outcomes, reflections on the underlying theory of change, and changes in the indicators of the JWPs' M&E framework. The Report will be submitted for review and discussion with BAPPENAS which can advise if adjustment to the Cooperation Framework's outcomes are needed in view of results achieved and emerging issues.

The UN will periodically update the CCA, considering emerging and critical national, regional or global events, if any. These will be reflected, as needed, in the Cooperation Framework annual reporting process with consideration for adjustments to the framework to be discussed at the Annual Review meeting with the Government.

4.2. Evaluation plan

A final independent evaluation of the UNSDCF will be carried out in the penultimate year of the Cooperation Framework's implementation, leading up to the preparation of the new programming cycle. The evaluation will be undertaken by an independent consultant or a team of consultants (to be defined) and commissioned by the UN Resident Coordinator. The Head of the Resident Coordinator's Office will act as evaluation manager while the Results Groups will facilitate the process and provide quality assurances through the UN Data/M&E Working Group. The evaluation Terms of Reference will ensure an inclusive and participatory approach involving all stakeholders as well as the independence and impartiality of the evaluation team.

The timeframe will be designed so that the evaluation to benefit from individual agencies' country programme's evaluations and for its lessons-learned and recommendations to feed into the next CCA/Cooperation Framework process. Thematic assessments/review will be planned as needed to assess the UN's specific contribution in several thematic areas to be identified in the M&E Plan that should be finalised upon the signing of this Cooperation Framework.

Annex 1: Results Matrices

| UNSDCF RESULTS FRAMEWORK - Indonesia | |
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| STRATEGIC PRIORITY 1: Inclusive Human Development OUTCOME 1: "People living in Indonesia, especially those at risk of being left furthest behind, are empowered to fulfil their human development potential as members of a pluralistic, tolerant, inclusive, and just society, free of gender and all other forms of discrimination". | |
| National Development Priority (1) | Priority 1 : Economic Resilience Priority 2 : Human Resources Development Priority 7: Strengthen Politic, Law and Security Stability and Public Services Transformation |
| Related Global SDG Target(s) and National SDGs Indicator(s) | <p>(1) Coverage of essential basic services (universal health care, sexual and reproductive health, health related SDGs, WASH) and social protection. Cross reference: SDG 1.3.1 (a) Proportion of population enrolled national health insurance (BPJS Kesehatan) – Data custodian: WHO. SDG 1.3.1 (b) Proportion of population enrolled employment social protection (BPJS TK) – Data custodian: ILO SDG 3.8.1. Coverage index of Universal health Coverage (WHO Composite Index) – Data custodian: WHO SDG 3.5.1 (a) Number of drugs abusers and adverse alcohol users, who access rehabilitation services (Data Custodian: UNODC) SDG 6.1.1 (a) Percentage of households having access to an improved water services. Disaggregated by urban/rural. Data custodian: UNICEF SDG 6.2.1 (b) Percentage of households having access to an improved sanitation (urban/rural). Data custodian: UNICEF SDG 3.1.1* Maternal Mortality Ratio. Data custodian: UNFPA</p> <p>(2) Prevalence of food insecurity and malnutrition (stunting, wasting, malnutrition) Cross reference: SDG 2.1.1* Prevalence of Undernourishment (Data custodian: FAO)</p> |

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| | <p>SDG 2.2.1* Prevalence of stunting (Data custodian: UNICEF)</p> <p>SDG 2.2.2* Prevalence wasting among children under 5 years of age (Data custodian: UNICEF)</p> <p>SDG 2.2.2 (c) Quality of food consumption indicated by Ideal Food Pattern (PPH) (Data custodian: UNICEF, WFP)</p> <p>(3) Gross enrolment rate primary to secondary by urban/rural; sex and wealth quantile. Cross Reference:</p> <p>SDG 4.1.1 (d) Gross enrolment rate, primary (by urban/rural; boy/girls; wealth quantile). Data Custodian: UNICEF</p> <p>SDG 4.1.1 (e) Gross enrolment rate, lower secondary, (by urban/rural; boy/girls; wealth quantile). Data Custodian: UNICEF</p> <p>SDG 4.1.1 (f) Gross enrolment rate, secondary (by urban/rural; boy/girls; wealth quantile). Data Custodian: UNICEF</p> <p>(4) (SDG 10.3.1/16.b.1). SDG 10.3.1 (d) No of discriminatory policies in the past 12 months based on the prohibition of discrimination based on prohibition of discrimination according to international human rights law. Cross reference:</p> <p>SDG 5.1.1 (adjusted) No of gender responsive policy supportive of women empowerment (Data Custodian: UN Women)</p> <p>SDG 10.7.2) (b) No of employment cooperation and migrant workers protection document between the Government of Indonesia and the destination country (Data Custodian: IOM, ILO)</p> <p>(5) SDG 16.5.1 (a) Anti-Corruption Behaviour Index (IPAK) (Data Custodian: UNODC)</p> <p>(6) SDG 16.9.1* Proportion of children under 5 years whose births have been registered with a civil authority, by sex (Data custodians: UNICEF, UNHCR)</p> |
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| | <p>(7) SDG 16.a.1 Existence of independent national human rights institutions in compliance with the Paris Principle Cross Reference: Religious Harmony Index (Indeks Kerukunan Umat Beragama) (Data Custodian: UNODC)</p> <p>(8) SDG 5.2.1* Prevalence of violence against women of age 15-64 years in the last 12 month (5) (Data custodian: UNFPA) Cross Reference: SDG 5.2.2 Prevalence of violence against girls by non-intimate partner. (Data custodian: UNFPA) SDG 3.7.2 ASFR 15-19 and 10-14 years old (Data custodian: UNFPA)</p> |
| Cooperation Framework Strategic Priority | Inclusive Human Development |
| Cooperation Framework Outcome: | “People living in Indonesia, especially those at risk of being left furthest behind, are empowered to fulfil their human development potential as members of a pluralistic, tolerant, inclusive, and just society, free of gender and all other forms of discrimination”. |
| Cooperation Framework Collaborative Outputs Output 1.1 | Social Protection Government at national and sub-national level have strengthened their institutional capacities and commitment to implement well-resourced social protection systems with a particular focus on the most vulnerable and marginalised population groups UN AGENCIES: UNHCR, IOM, ILO, UNICEF, UNAIDS, UNFPA, WHO, WFP, FAO, UNODC, UN Women, UNDP, ITU |
| Cooperation Framework Collaborative Outputs Output 1.2 | Access to Food Security and Nutrition Government and key stakeholders at national and sub-national levels have strengthened capacity to deliver and increase demand for essential evidence-based nutrition and food security programs to address undernourishment and the double burden of malnutrition across the life-course, including the most vulnerable groups as well as to develop integrated food and nutrition systems. UN AGENCIES WFP, FAO, UNICEF WHO |

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| <p>Output 1.9</p> | <p>Government and stakeholders at national local level have greater capacity to develop and implement coherent and coordinated migration and asylum policies and measures that protect and benefit migrants, refugees and asylum seekers and the surrounding community.</p> <p>UN AGENCIES: IOM and UNHCR</p> <p>Counter Violent Extremism (Upstream) Government and key stakeholders have increased capacities to develop and implement gender-sensitive national policies/action plan and/or programme interventions to prevent and counter terrorism and violent extremism</p> <p>UN AGENCIES: UNDP, UN Women, UNODC, ILO/UNOCT, IOM, UNESCO, ITU</p> |
| <p>Output 1.10</p> | <p>Counter Violent Extremism (Downstream) Communities and youth are better able to identify and implement gender-responsive solutions/interventions to make stronger commitment to values to counter and prevent violent extremism</p> <p>UN AGENCIES: UNDP, UN Women, UNODC, ILO/UNOCT, IOM, UNESCO</p> |
| <p>Output 1.11</p> | <p>Ending Violence against Women, Children and Other Harmful Practices Government and key stakeholders have greater capacity, resources and commitment to significantly reduce all forms of violence</p> <p>UN AGENCIES: UN Women, UNHCR, IOM, ILO, UNICEF, UNFPA, UNODC, UNAIDS</p> |

| UNSDCF RESULTS FRAMEWORK | |
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| Strategic Priority 2: Economic Transformation | |
| Outcome 2: Institutions and people contribute more effectively to advance a higher value-added and inclusive economic transformation | |
| National Development Priority (1) | Priority 1. Economic Resilience |
| Related Global SDG Target(s) and National SDGs Indicator(s) | <p>(1) SDG 9.2.1* Proportion of value added from the non-oil and gas manufacturing sector to GDP (Data Custodian: UNIDO)</p> <p>(2) SDG 9.3.1* Proportion of small-scale industries in total industry value added. (Data Custodian: ILO) Cross Reference: (SDG 8.10.1) (b) Proportion of MSMEs that have access to financial services (Data Custodian: ILO)</p> <p>(3) SDG 10.2.1* Proportion of people living below 50% of median income, by age, sex and persons with disabilities. Coefficient (Data custodian: UNDP) Cross Reference: SDG 10.1.1 Gini Coefficient (Data custodian: UNDP)</p> <p>(4) SDG 8.5.2 (a) Unemployment rate by sex and age. Cross Reference: Labour participation rate by sex (Data custodian: ILO)</p> |
| Cooperation Framework Strategic Priority | Economic Transformation |
| Cooperation Framework Outcome: | Outcome 2: Institutions and people contribute more effectively to advance a higher value-added and inclusive economic transformation |
| Cooperation Framework Collaborative Outputs | Industry 4.0, Skills Development and Circular Economy |
| Output 2.1 | National counterparts have enhanced technical capacities to formulate and implement future strategies (Industry 4.0, circular economy) that are inclusive and job rich UN AGENCIES: ILO, UNIDO, UNDP, IOM |
| Output 2.2 | |

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| | <p>Training, skills development system and public education have improved to ensure that competencies of jobseekers match the needs of the industry</p> <p>UN AGENCIES: ILO, UNICEF, UNESCO, ITU</p> |
| Output 2.3 | <p>Production Sectors (Agriculture and Rural Economy)</p> <p>National counterparts have increased capacity to analyse, design, and implement policies and plans on inclusive and efficient agriculture and food systems development along with adoption of new technology and innovative practices</p> <p>UN AGENCIES: FAO, IFAD, UNIDO, UNDP, UN WOMEN, UNIDO, UNOPS</p> |
| Output 2.4 | <p>Modalities and value addition in selected sub-sectors have enhanced to promote local economic development</p> <p>UN AGENCIES: ILO, UNDP, UNIDO, IFAD, UNOPS</p> |
| Output 2.5 | <p>Small and Medium Enterprises (SMEs)</p> <p>Enterprise and financial services, enabling business environment and capability of local firms have improved to increase productivity and meet compliance requirements as suppliers to global market</p> <p>UN AGENCIES: ILO, UNIDO, UNOPS, UNDP, FAO, IFAD, ITU</p> |
| Output 2.6 | <p>Women Economic Empowerment</p> <p>Government agencies, private sector and other stakeholders have increased capacity to develop and influence policy, legislation, business cultures and practices in support of gender equality, child friendly environment and workers’ rights at the work place</p> <p>UN AGENCIES: UN Women, ILO, ITU, UNICEF, UNDP, IOM, UNOPS, FAO, IFAD</p> |
| Output 2.7 | <p>Women have increased skills and capacity in STEM, to participate in the job market and of promote policies that are in favour of their rights at the workplace</p> <p>UN AGENCIES: UNODC, ILO, UN Women, IOM, ITU</p> |
| Output 2.8 | <p>Inclusion</p> <p>Support services (occupational health, HIV testing and referral services, social contracting) and livelihood opportunities for refugees, migrant workers, asylum seekers, people with disability have improved</p> <p>UN AGENCIES: UNHCR, UNDP, WHO, IOM, ILO</p> |

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| Output 2.9 | Private sector, trade unions, CSOs and sub-national government have increased capacity to promote inclusion and non-discriminatory policies at the workplace UN AGENCIES: ILO, UNAIDS, UNHCR, UNDP |
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| UNSDCF RESULTS FRAMEWORK | |
| STRATEGIC PRIORITY 3: CLIMATE AND DISASTER RESILIENCE | |
| Outcome 3: Institutions, communities and people actively apply and implement low carbon development, sustainable natural resources management, and disaster resilience approaches that are all gender sensitive. | |
| National Development Priority (1) | Priority 7 Climate and Disaster Resilience |
| Related Global SDG Target(s) and National SDGs Indicator(s) | <p>(1) Disaster Risk Reduction with high disaster risk (province) Data Custodian: UNDP</p> <p>(2) SDG 13.2.1* Biennial Update Report (BUR) Indonesia document (Data custodian: UNDP) and; # of ministries that have established or operational on an integrated policy/strategy/plan which increases their ability to deliver adapted social protection scheme to reduce adverse impacts of climate change (Data custodian: WFP/ UNICEF/OCHA). Cross Reference: SDG 7.3.1* Primary energy intensity. Cross Reference: % of renewable energy out of national energy mix (UNDP, UNIDO)</p> <p>(3) SDG 11.b.1* Proportion of city government that has DRR strategy document</p> <p>(4) SDG 15.5.1* % of 25 extinct species population (Data custodian: UNESCO); Cross Reference: SDG 14.2.1 (b) Management of 11 areas of sustainable fishery management;(Data custodian: FAO, UNIDO) SDG 14.5.1* Total area of marine conservation (Data Custodian: UNDP, FAO, UNESCO)</p> <p>(5) SDG 15.3.1 Proportion of degraded land over total land area/Annual increase of forest and land cover area (ha). Cross Reference: SDG 11.3.1 Ratio of land consumption rate to population growth rate</p> |
| Cooperation Framework Strategic Priority | Strategic Priority 3. Climate and disaster resilience |
| Cooperation Framework Outcome: | Institutions, communities, and people actively apply and implement low carbon development, sustainable natural resources management, and disaster resilience approaches that are inclusive and all gender sensitive. |

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| Output 3.1 | <p>Strengthened institutional capacities in government agencies and other key national stakeholders to develop, improve, and implement coordinated policies/strategies/ plans for increased resilience to climate change and disasters and reduced greenhouse gas emissions.</p> <p>UN AGENCIES: OCHA, WFP, FAO, WHO, UNEP, UNIDO, UNODC, IOM, UNICEF, IFAD</p> |
| Output 3.2 | <p>Government and private sector have increased capacity to develop policy options and access to financing for renewable energy and energy efficiency towards reducing GHG emission</p> <p>UN AGENCIES: UNDP, UNIDO, UNEP, UNDRR</p> |
| Output 3.3 | <p>Increased institutional capacity and coordination in local government and local civil society organizations to develop and operationalize DRR policies/strategies/plans in line with the Sendai Framework for Disaster Risk Reduction, including deployment of sustainable solutions</p> <p>UN AGENCIES: UNFPA, UN WOMEN, WFP, FAO, UNEP, IOM, UNESCO, WHO, UNOPS, UNODC, UNICEF, UNDP, UNDRR</p> |
| Output 3.4 | <p>Strengthened capacities of government and key stakeholders to deliver high-quality integrated education, information and services on climate change adaptation and mitigation, environmental degradation, disaster risk management and multi-hazard early warning and early action</p> <p>UN AGENCIES: UNIDO, IOM, UNESCO, UNICEF, UNFPA</p> |
| Output 3.5 | <p>Strengthened preparedness and resilience of poor and vulnerable communities and natural environment, to climate change and disasters risks, including deployment of sustainable and risk-informed solution</p> <p>UN AGENCIES: UNOPS, OCHA, IOM, UNICEF, UNDP, WFP, WHO, UNOCHA, UNESCO, FAO, UN WOMEN</p> |
| Output 3.6 | <p>Strengthened and expanded protection, governance and management of terrestrial and aquatic ecosystems, habitat and species</p> <p>UN AGENCIES: UNDP, UNESCO</p> |

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| Output 3.7 | <p>Increased institutional capacities to collect, report and analyse data and information on land use change, disaster risks and degradation to support risk-informed land management, planning and policy processes</p> <p>UN AGENCIES: IOM, UNICEF, FAO, UNOPS, IOM, UN HABITAT, IFAD, UNESCO, UNDRR</p> |
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| UNSDCF RESULTS FRAMEWORK | |
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| Strategic Priority 4: Innovation to accelerate SDGs achievement | |
| Outcome 4: Stakeholders adopt innovative and integrated development solutions to accelerate advancement towards the SDGs | |
| National Development Priority | <p>Priority 1: Economic Resilience</p> <p>Priority 2: Human Resources Development</p> <p>Priority 6: Climate and Disaster Resilience</p> <p>Priority 7: Strengthen Politic, Law and Security Stability and Public Services Transformation</p> |
| Related Global SDG Target(s) and Indicator(s) and National SDG Targets(s) and Indicators | <p>(1) Global Innovation Index (Data custodian: UNDP)</p> <p>(2) (SDG 9.5.1) Proportion of expenditure on research and development to promote sustainable development and principle of leaving no one behind in the National Budget. (Data custodian: UNDP)</p> <p>(3) Number of line ministries/government institutions embracing/ implementing innovative policies, technologies and practices or No of new initiative that is adopted at the national level. Cross Reference: SDG 5.c.1 (modified) a number of systems/tools to track and make public allocations for gender equality and women's empowerment in Indonesia (Data Custodian: UN Women)</p> <p>(4) SDG 17.9.1 (a) No of indicative funding for capacity development within SSTC (Data custodian: UNDP)</p> |
| Cooperation Framework Strategic Priority | Innovation to accelerate SDGs achievement |
| Cooperation Framework Outcome: | Stakeholders adopt innovative and integrated development solutions to accelerate advancement towards the SDGs |
| Output 4.1 | <p>Policies, incentives and capacities that promote innovation and innovative policy design and approaches</p> <p>Government and key stakeholders have increased capacity to design policies and incentives that promote innovation and to implement and scale up innovative policies, technologies and practices to accelerate the achievement of SDG targets</p> <p>UN AGENCIES: FAO, IFAD, WFP, WHO, UNDP, UNICEF, UN Women, UNFPA, ILO, UNEP, OCHA, UNESCO, UNIDO, Global Pulse (Pulse Lab Jakarta), ITU</p> |

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| <p>Output 4.2</p> | <p>Innovative Financing and Partnership</p> <p>Government and stakeholders have increased capacity to develop, establish, gain access to and leverage from innovative financing instruments and partnerships to address key sustainable development challenges including gender inequality in Indonesia</p> <p>UN AGENCIES: UNFPA, UNICEF, UNESCO, UNIDO, UNDP, WFP, FAO, UNAIDS, UN Women, IOM, UNEP, UNOPS, OCHA, UN Habitat, Global Pulse (Pulse Lab Jakarta)</p> |
| <p>Output 4.3</p> | <p>Innovative data initiatives, big data and technology-based disruptive approach</p> <p>Government and key stakeholders have improved capacity to produce, analyse and utilise high quality data for decision making through the use of digital data platform, big data and disruptive technology approaches</p> <p>UN AGENCIES: WHO, UNFPA, WFP, UNIDO, FAO, UNAIDS, UNICEF, UNDP, OCHA, UN Women, IOM, UNODC, Global Pulse (Pulse Lab Jakarta), ITU</p> |

Annex 2: Legal Annex

Whereas the Government of Indonesia (hereinafter referred to as “the Government”) has entered into the following relationships:

- a) With United Nations Development Programme (hereinafter referred to as UNDP) have entered into a basic agreement to govern UNDP’s assistance to the country, the provisions of the Revised Standard Technical Assistance Agreement between the United Nations and the Specialized Agencies and the Government, signed on 29 October 1954 and as amended on 17 November 1966 shall be applied, *mutatis mutandis*, to UN projects and programmes in Indonesia, the Standard Agreement on Operational Assistance signed 12 June 1969 between the United Nations, the **International Labour Organisation, the Food and Agriculture Organisation of the United Nations, the United Nations Educational, Scientific and Cultural Organisation, the International Civil Aviation Organisation, the World Health Organisation, the International Telecommunication Union, the World Meteorological Organisation, the International Atomic Energy Agency, the Universal Postal Union, the Inter-Governmental Maritime Consultative Organisation and the United Nations Industrial Development Organisation** and the Government of the Republic of Indonesia, the Agreement signed 7 October 1960 between the United Nations Special Fund and the Government of the Republic of Indonesia, and the Partnership Framework Agreement signed 28 September 2012 between the Government of the Republic of Indonesia and the United Nations Development Programme). Whereas UNDP and **UN-Habitat** signed an MOU on 30 September 2002, which was extended through October 2006, expired by its own terms, and was successfully implemented, the Parties have agreed to enter into a successor arrangement as set forth herein, regarding the HABITAT Programme Managers (HPMs) and the parties’ partnership. Based on relevant provisions of the above-mentioned agreements, UNDP’s assistance to the Government shall be made available to the Government and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UNDP organs, and subject to the availability of the necessary funds to the UNDP. In particular, decision 2005/1 of 28 January 2005 of UNDP’s Executive Board approved the new Financial Regulations and Rules and along with them the new definitions of ‘execution’ and ‘implementation’ enabling UNDP to fully implement the new Common Country Programming Procedures resulting from the UNDG simplification and harmonization initiative. In light of this decision this UNSDCF together with a work plan (which shall form part of this UNSDCF and is incorporated herein by reference) concluded hereunder constitute together a project document as referred to in the above-mentioned agreements.

- b) With the **United Nations Children’s Fund (UNICEF)** a Basic Cooperation Agreement (BCA) concluded between the Government and UNICEF on November 17, 1966 and revised on N/A.
- c) With the Office of the **United Nations High Commissioner for Refugees (UNHCR)** a Country Co-operation Agreement concluded between the Government and UNHCR on 15 June 1979.
- d) With the **World Food Programme**, a Basic Agreement concerning assistance from the World Food Programme, which Agreement was signed by the Government and WFP on 28 May 1968.
- e) With regard to the **United Nations Population Fund (UNFPA)**, “The Basic Agreement concluded between the Government and the United Nations Development Programme on 29 October 1954 (the “Basic Agreement”) *mutatis mutandis* applies to the activities and personnel of the United Nations Population Fund (UNFPA), in accordance with the agreement [concluded by an exchange of letters] between UNFPA and the Government which entered into force on 19 November 1996. This UNSDCF together with any work plan concluded hereunder, which shall form part of this UNSDCF and is incorporated herein by reference, constitutes the Project Document as referred to in the Basic Agreement.”
- f) With the **Food and Agriculture Organization** of the United Nations the Agreement for the opening of the FAO Representation in Indonesia on 16 October 1978.
- g) With the **International Fund for Agricultural Development (IFAD)** the Host Country Agreement for the establishment of the **IFAD Country Office in Indonesia**, signed on 17 February 2015 and ratified on 16 June 2016.
- h) With the **International Labour Organisation (ILO)**, through the Agreement concerning the establishment of an office of the Organisation in Djakarta of 21 May 1970 and the revised basic agreement for the provision of technical assistance of 29 October 1954.
- i) With the **International Organization for Migration (IOM)**, the Arrangement between the Government of the Republic of Indonesia and the International Organization for Migration on Migration Cooperation, signed on 14 October 2004.
- j) With the **United Nations Office for Disaster Risk Reduction (UNDRR)** a joint declaration on cooperation signed between the Government and UNDRR on 29 May 2019
- k) For all agencies: Assistance to the Government shall be made available and shall be furnished and received in accordance with the relevant and applicable resolutions and decisions of the competent UN system agency’s governing structures in reference to **United Nations Office for Project Services (UNOPS)**, **United Nations Entity for Gender Equality and the Empowerment of Women (UN Women)** and the United Nations Environment Programme relevant resolutions and decisions stemming from the **United Nations Environment Assembly (UNEA)** including UNEA’s approved UNEP’s Medium Term Strategy 2018-2021, 2022-2025 as well as related programmes of work.

The participation of the United Nations **Office for the Coordination of Humanitarian Affairs (OCHA) Indonesia** in this cooperation framework will be in line with General Assembly Resolution 46/182 and related resolutions governing humanitarian action and coordination.

The participation of the **United Nations Office on Drugs and Crime (UNODC) in Indonesia** in support of this cooperation framework will be in line with UNODC's Indonesia's Country Programme (2017-2020, extended to December 2021) and its commitment to the UN Conventions on Drugs, Transnational Organized Crime and Anti-corruption as adopted by the General Assembly in 1961, 1971, 1988, 2000 and 2003 respectively.⁴⁰

The Joint United Nations Programme on HIV and AIDS (UNAIDS) is a joint and co-sponsored programme of the United Nations system established by ECOSOC resolutions 1994/24 and 1995/2. The World Health Organization (WHO) is one of its co-sponsoring organizations and provides administration to it. Consequently, UNAIDS is covered under the terms and conditions of the 1947 Convention on the Privileges and Immunities of the Specialized Agencies through the World Health Organization. Indonesia acceded to the 1947 Convention on the Privileges and Immunities of the Specialized Agencies on 8 March 1972.

The COOPERATION FRAMEWORK will, in respect of each of the United Nations system agencies signing, be read, interpreted, and implemented in accordance with and in a manner, that is consistent with the basic agreement between such United Nations system agency and the Host Government. The Government will honour its commitments in accordance with the provisions of the cooperation and assistance agreements outlined in paragraph on the Basis of the Relationship.

Without prejudice to these agreements, the Government shall apply the respective provisions of the Convention on the Privileges and Immunities of the United Nations (the "General Convention") or the Convention on the Privileges and Immunities of the Specialized Agencies (the "Specialized Agencies Convention") to the Agencies' property, funds, and assets and to their officials and experts on mission. The Government shall also accord to the Agencies and their officials and to other persons performing services on behalf of the Agencies, the privileges, immunities and facilities as set out in the cooperation and assistance agreements between the Agencies and the Government. In addition, it is understood that all United Nations Volunteers shall be assimilated to officials of the Agencies, entitled to the privileges and immunities accorded to such officials under the General Convention

⁴⁰ UNODC's statutory existence is different from the other agencies. The office in Indonesia began as a project office in 2007 with one project document. Subsequently in 2012, the first country programme was developed followed by the current one. The Host Country Agreement (HCA) is still pending. From a global perspective, UNODC was established in 1997 from a merger between the UN Drug Control Programme and the UN Centre for International Crime Prevention. It was renamed UNODC in 2002.

or the Specialized Agencies Convention. The Government will be responsible for dealing with any claims, which may be brought by third parties against any of the Agencies and their officials, experts on mission or other persons performing services on their behalf and shall hold them harmless in respect of any claims and liabilities resulting from operations under the cooperation and assistance agreements, except where it is any claims and liabilities resulting from operations under the cooperation and assistance agreements, except where it is mutually agreed by Government and a particular Agency that such claims and liabilities arise from gross negligence or misconduct of that Agency, or its officials, advisors or persons performing services.

Without prejudice to the generality of the foregoing, the Government shall insure or indemnify the Agencies from civil liability under the law of the country in respect of vehicles provided by the Agencies but under the control of or use by the Government.

- (a) "Nothing in this Agreement shall imply a waiver by the UN or any of its Agencies or Organizations of any privileges or immunities enjoyed by them or their acceptance of the jurisdiction of the courts of any country over disputes arising of this Agreement".
- (b) Nothing in or relating to this document will be deemed a waiver, expressed or implied, of the privileges and immunities of the United Nations and its subsidiary organs, including WFP, whether under the Convention on the Privileges and Immunities of the United Nations of 13th February 1946, the Convention on the Privileges and Immunities of the Specialized Agencies of 21st November 1947, as applicable, and no provisions of this document or any Institutional Contract or any Undertaking will be interpreted or applied in a manner, or to an extent, inconsistent with such privileges and immunities.

Annex 3: Harmonized Approach to Cash Transfer (HACT)

HACT is a common operational framework implemented by some UN Agencies to govern transferring cash to government and non-government implementing partners. There are three agencies in Indonesia that are currently implementing HACT: UNDP, UNFPA and UNICEF. They operate based on the 2014 version of the HACT Framework.

A HACT Advisory Group was established as a coordination platform for HACT within the UNCT. The Group is led by a UN Agency on a rotational basis and they met on a bi-annual basis.

The management of HACT subscribes to the following principles: (i) cost-effective management of risks; (ii) standardized and streamlined inter-agency practices; (iii) accountability and (iv) national ownership. It applies to all cash transferred to government and civil society partners.

HACT related clauses are included in all standard agreements between UN Agencies and Implementing Partners (IPs), including in the Cooperation Framework. It includes assessment, transfer disbursement and reporting.

Capacity assessments

Assessment is carried out to identify the level of risks for cash transfer to the IPs:

- a. Macro assessment: desk review of the existing public financial management (PFM) system in the Indonesia.
- b. Micro assessment: overall assessment of the implementing partner's financial, operations and programme management policies, procedures, systems and internal controls.

The prevailing macro-assessment recognises the capacity of Indonesia's National Government Internal Auditor (Badan Pengawasan Keuangan dan Pembangunan/BPKP) as an equivalent of a Supreme Audit Institution (SAI) and should continue to undertake HACT audit for Implementing Partners, when applicable and requested by UN Agency.

Micro assessments are undertaken when IPs receive a certain amount of cash transfer or when IPs are assumed high-risk. Validity of micro assessments follows the existing HACT Guidance are valid for 5 years. UN Agencies commission an external service provider to undertake the micro assessment. For shared implementing partners and where possible, the micro assessment is undertaken jointly with other UN agencies.

Cash transfer disbursement and reporting

All cash transfers to an Implementing Partner are based on the Work Plans (WPs⁴¹) agreed between the implementing Partner and the UN system agencies.

Cash transfers for activities detailed in work plans (WPs) can be made by the UN system agencies using the following modalities:

1. Cash transferred directly to the Implementing Partner:
 - 1.1. Prior to the start of activities (direct cash transfer), or
 - 1.2. After activities have been completed (reimbursement);
2. Direct payment to vendors or third parties for obligations incurred by the IPs based on requests signed by the designated official of the Implementing Partner;
3. Direct payments to vendors or third parties for obligations incurred by UN system agencies in support of activities agreed with IPs.

Direct cash transfers shall be requested and released for programme implementation periods not exceeding three months. Reimbursements of previously authorized expenditures shall be requested and released quarterly or after the completion of activities. The UN system agencies shall not be obligated to reimburse expenditure made by the IPs over and above the authorized amounts. Following the completion of any activity, any balance of funds shall be refunded or programmed by mutual agreement between the IPs and the UN system agencies.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may depend on the findings of a review of the public financial management capacity in the case of a Government IPs, and of an assessment of the financial management capacity of the non-UN⁴² IPs. A qualified consultant, such as a public accounting firm, selected by the UN system agencies may conduct such an assessment, in which the Implementing Partner shall participate. The Implementing Partner may participate in the selection of the consultant.

Cash transfer modalities, the size of disbursements, and the scope and frequency of assurance activities may be revised in the course of programme implementation based on the findings of programme monitoring, expenditure monitoring and reporting, and audits.

In case of direct cash transfer or reimbursement, the UN system agencies shall notify the Implementing Partner of the amount approved by the UN system agencies and shall disburse funds

⁴¹ Refers to Results Groups' or agency specific annual, bi-annual or multiyear work plans

⁴² For the purposes of these clauses, "the UN" includes the IFIs.

to the Implementing Partner on quarterly basis, at the latest.

In case of direct payment to vendors or third parties for obligations incurred by the Implementing Partners on the basis of requests signed by the designated official of the Implementing Partner; or to vendors or third parties for obligations incurred by the UN system agencies in support of activities agreed with Implementing Partners, the UN system agencies shall proceed with the payment within days after supporting documents are complete.

The UN system agencies shall not have any direct liability under the contractual arrangements concluded between the IPs and a third-party vendor. Where the UN system agencies and other UN system agency provide cash to the same IPs, programme monitoring, financial monitoring and auditing will be undertaken jointly or coordinated with those UN system agencies.

Assurance activities planning and monitoring

UN Agencies undertake various assurance activities, including programme visits, spot checks, scheduled and special audit, as part of programme monitoring to obtain assurance that cash is utilised, and results achieved as planned and/or reported by the IPs.

At the beginning of the calendar year, UN agencies develop HACT assurance plan which includes the minimum assurance requirements (e.g. programmatic visits, spot checks, or audit). UN Agencies identify IPs that require assessment and assurance activities based on the nature of IPs' operational environment. These lay down an initial assurance plan for the year.

Implementing partners to be audited are determined annually by UN Agencies. BPKP as the SAI may undertake the audits of IPs in accordance with the terms of reference for HACT Audit. If the SAI chooses not to undertake the audits of specific IPs to the frequency and scope required by the UN system agencies, the UN system agencies will commission the audits to be undertaken by private sector audit services.

Audit of shared implementing partners are commissioned by the lead agency. Audit reports are shared among adopting agencies. Joint audits of shared implementing partners are conducted in accordance with the terms of reference for audit used by the lead agency. The auditor expresses separate opinion on the actual expenditures reported by the IPs to each UN Agencies.

A standard Fund Authorization and Certificate of Expenditures (FACE) report, reflecting the activity lines of the work plan (WP), will be used by IPs to request the release of funds, or to secure the agreement that UN Agencies will reimburse or directly pay for planned expenditure. The IPs will use the FACE to report on the utilization of cash received. The Implementing Partner shall identify the

designated official(s) authorized to provide the account details, request and certify the use of cash. The FACE will be certified by the designated official(s) of the Implementing Partner. Cash transferred to Implementing Partners should be spent for the purpose of activities and within the timeframe as agreed in the work plans (WPs) only.

Cash received by the Government and national NGO Implementing Partners shall be used in accordance with established national regulations, policies and procedures consistent with international standards, in particular ensuring that cash is expended for activities as agreed in the work plans (WPs), and ensuring that reports on the utilization of all received cash are submitted to UN Organisations within six months after receipt of the funds. Where any of the national regulations, policies and procedures are not consistent with international standards, the UN system agency financial and other related rules and system agency regulations, policies and procedures will apply.

In the case of international NGO/CSO and IGO Implementing Partners cash received shall be used in accordance with international standards in particular ensuring that cash is expended for activities as agreed in the work plans (WPs), and ensuring that reports on the full utilization of all received cash are submitted to UN Organisations within six months after receipt of the funds.

To facilitate scheduled and special audits, each Implementing Partner receiving cash from [UN Agencies will provide UN system agency or its representative with timely access to:

- All financial records which establish the transactional record of the cash transfers provided by UN Organisations, together with relevant documentation;
- All relevant documentation and personnel associated with the functioning of the IP's internal control structure through which the cash transfers have passed.

The findings of each audit will be reported to the IP and UN Agencies. Each IP will furthermore:

- Receive and review the audit report issued by the auditors.
- Provide a timely statement of the acceptance or rejection of any audit recommendation to the UN Agencies that provided cash (and where the SAI has been identified to conduct the audits and to the SAI) so that the auditors include these statements in their final audit report before submitting it to UN Agencies.
- Undertake timely actions to address the accepted audit recommendations.

Annex 4: Government Coordinating Authorities for Specific UN System Agency, Funds and Programmes (AFPs)

1. Ministry of National Development Planning Agency (BAPPENAS)
2. Coordinating Ministries of Human Development and Cultural Affairs
3. Coordinating Ministries of Economic Affairs
4. Coordinating Ministry for Political, Legal and Security Affairs
5. Executive Office of the President (KSP)
6. Ministry of Finance
7. Ministry of Agriculture
8. Ministry of Maritime Affairs and Fisheries
9. Ministry of Social Affairs
10. Ministry of Women Empowerment and Child Protection
11. Ministry of Health
12. Ministry of Communication and Information
13. Ministry of Law and Human Rights
14. Ministry of Environment and Forestry
15. Ministry Education and Culture
16. Ministry of Religious Affairs
17. Ministry of Village Empowerment and Underdeveloped regions
18. National Statistics Agency
19. Ministry of State Secretariat
20. Ministry of Home Affairs
21. Ministry of Foreign Affairs
22. Ministry of Energy and Mineral Resources
23. Ministry of Administrative and Bureaucratic Reform
24. Ministry of Transportation
25. Ministry of Tourism and Creative Economy
26. Ministry of Manpower and transmigration
27. Ministry of Industry
28. Ministry of Public Works and Housing
29. Ministry of Youth and Sport
30. Ministry of Research, Technology/ National Agency for Research and Innovation
31. Constitutional Court

32. Supreme Court of Indonesia
33. Attorney-General Office/Kejaksaan Agung
34. National Audit Board/BPK
35. Central Bank of Indonesia/BI
36. National Public Procurement Agency
37. Corruption Eradication Commission/KPK
38. National Agency for Combating Terrorism
39. Peatland Restoration Agency
40. Meteorology, Climatology, and Geophysical Agency/BMKG
41. Human Rights Commission/KOMNAS HAM
42. National Commission on Violence Against Women/ KOMNAS Perempuan
43. The Financial Service Authority
44. State-owned utility company/ BUMN
45. Ministry of Cooperation and Small-Medium Enterprises
46. Indonesia Chamber of Commerce/ KADIN
47. National Population and Family Planning Coordinating Agency/ BKKBN
48. National Disaster Management Agency/BNPB
49. National Team for the Acceleration of Poverty Reduction
50. National Coordinating Team of South-South and Triangular Cooperation
51. National Food Security Agency
52. Indonesia National Police (POLRI)

