



BPK RI
 BADAN PEMERIKSA KEUANGAN
 REPUBLIK INDONESIA



PERFORMANCE AUDIT REPORT OF THE PREPAREDNESS FOR IMPLEMENTATION OF SDGS IN INDONESIA

2018



AUDIT AT A GLANCE

1. The audit framework on the preparedness for SDGs implementation in Indonesia is illustrated as follows.

The Audit Framework

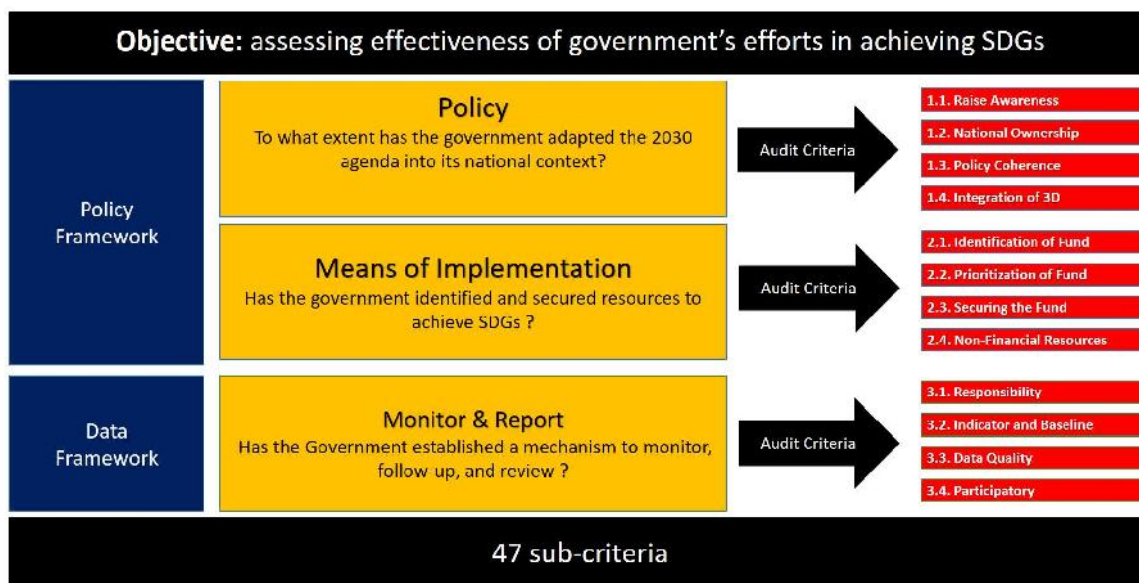


Figure 1. An Illustration of the Audit Framework for Preparedness of SDGs Implementation in Indonesia

2. The audit results show that the Government has made significant progress in preparation for SDGs implementation.
3. The government’s ability to establish institutional arrangements to reach out to non-state actors in order to engage them from the earliest planning stage until the final reporting stage is demonstrated in the design of participatory principle for all stakeholders. However, there is room for improvement regarding the design of policies and institutional mechanisms to support the integration of three dimensions (economy, society, and environment) to ensure that the principle of “no one left behind” is well implemented.
4. The Government already has a strategic implementation policy to mobilize the means of implementation within a short period. However, there is room for improvement regarding optimizing the government spending related to the basic services.
5. Finally, the Government can prepare adequate data for use in monitoring and evaluation instruments. However, there is room for improvement regarding data disaggregation at the municipality level.

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ACRONYMS AND ABBREVIATIONS

BPK	: <i>Badan Pemeriksa Keuangan</i> (SAI Indonesia) (The Audit Board of the Republic of Indonesia)
CSR	: Corporate Social Responsibility
IDI	: INTOSAI Development Initiative
INTOSAI	: International Organisation of Supreme Audit Institutions
ISSAI	: International Standards of Supreme Audit Institutions
KRISNA	: <i>Kolaborasi Perencanaan dan Informasi Kinerja Anggaran</i> (Collaboration of Planning and Budgeting Performance Information)
RMDP	: Regional Medium-Term Development Plan
NMDP	: National Medium-Term Development Plan
SAI	: Supreme Audit Institution
SDGs	: Sustainable Development Goals
UN	: United Nations
VNR	: Voluntary National Reviews
WoG	: Whole of Government

EXECUTIVE SUMMARY

Purpose of Audit

The Audit Board of The Republic of Indonesia (BPK) aims to contribute to the preparation of SDGs implementation in Indonesia through a cooperative performance audit on SDGs implementation preparedness under INTOSAI Development Initiative (IDI).

Scope of Audit

Audit on SDGs implementation preparedness looks at government efforts relating to central government planning and budgeting processes, as well as data measurement design. The audit covers the Ministry of National Development Planning, Ministry of Finance, and Statistics Indonesia. The audit was conducted at the national and sub-national levels to assess horizontal and vertical coherence. The time scope of the audit was the government activities from January 2016 to the first semester of 2018.

Main Audit Objective

This audit is intended to assess the effectiveness of government efforts in adopting SDGs for the national context, sustaining and securing resources and capacities needed, and establishing a mechanism to monitor, follow up, review, and report on the progress towards implementation of the 2030 Agenda.

Audit Result

The result of the audit shows that Government efforts are adequately effective in preparing for SDGs implementation. The government has shown the ability to adopt SDGs in its national planning, as shown below:

- The government has engaged and called upon stakeholders to mainstream SDGs into the national context and has issued Presidential Decree No. 59 of 2017 to establish the institutional arrangement as well as to integrate the 94 global targets into the 2015-2019 National Medium-Term Development Plan (NMDP/RPJMN).
- The government has identified the required financing and sources of the fund for implementing SDGs in Indonesia, as well as its monitoring and reporting. The government also has established a mechanism to ensure allocation of funds for the 94 SDGs targets that are included as NMDP priorities and the preparation of accountability report. Furthermore, the government has also identified non-financial capacities to support implementation, monitoring, and reporting.
- The government has laid plans to assign the responsibilities to monitor, follow up, review, and report progress on SDGs implementation. Moreover, the government has established performance indicators, baseline, and milestones to monitor, evaluate, and report on the implementation of SDGs; it has established processes to ensure data quality, data availability, and level of data disaggregation. Monitoring, follow up, review, and reporting being designed through a participatory process involving the stakeholders.

However, there are rooms for improvement as described below.

- The Mechanism to ensure the sustainability of SDG programs across government cycles need to be improved.
- The Policy on Budget and Expenditure need to be established in promoting the quality of government spending.
- The disaggregation of the statistical data at the city and municipal level has not been able to be generated.

BPK recommends that:

- The Minister of National Development Planning works with the Minister of Home Affairs to formulate long-term and medium-term planning mechanisms that would ensure the sustainability of national strategic programs/SDGs across government cycles.
- The Minister of National Development Planning works with the Minister of Finance to establish presidential regulation on quality budget and expenditure.
- Statistics Indonesia improves the draft Presidential Regulation on One Data to affirm the position of Statistics Indonesia as the recognized authority for a statistical referral to coordinate all statistics resources in Indonesia. Moreover, BPK recommends that Statistics Indonesia strengthen the coordination among statisticians in providing reliable and high-quality data.

CHAPTER 1 - Introduction

Audit Topic

1. In September 2015, world leaders gathered at the United Nations Headquarters in New York and decided to commit to a new development direction in furtherance of the Millennium Development Goals (MDGs) which ended in 2015. As a continuation of the MDGs, the SDGs started to be formulated in June 2015 at the UN Conference on Sustainable Developments Rio+20.
2. After the Rio+20 conference, the formulation of SDGs continued until the period for MDGs ended. The results were brought to the UN Climate Change Conference (Paris Agreement), Addis Ababa Action Agenda of the Third International Conference on Financing for Development, and Sendai Framework for Disaster Risk Reduction. The final formulation of the sustainable development concept was the declaration of SDGs by 193 United Nations member countries in September 2015. In the declaration, all of the countries committed to integrating the 17 SDGs into national development planning to support social, economic, and environmental development. The commitment, called Sustainable Development Goals (SDGs), was declared in United Nations Resolution R.A/RES/70/1 “Transforming Our World: The 2030 Agenda for Sustainable Development.” The implementation of SDGs started on 1 January 2016 and will end on 31 December 2030.
3. There are five themes which differentiate SDGs from MDGs people, planet, prosperity, peace, and partnership. Also, seven principles drive the implementation of SDGs. These are universality; national ownership; human rights; integrated, people-centered, gender sensitive, and no one left behind; inclusiveness and participatory; and solidarity and global partnership principles.
4. The 2030 Agenda framework includes 17 Sustainable Development Goals (SDGs), which have 169 Targets and 241 Indicators. The 17 Goals, which are to be achieved by 2030, are shown below:



Figure 1.1. 17 Sustainable Development Goals

INTOSAI's contribution

5. INTOSAI included SDGs as a cross-cutting priority in its 2017-2022 Strategic Plan. As a member of INTOSAI, BPK also plans to make valuable contributions through four approaches:
 - a. Assessing the preparedness of national systems to report on progress regarding the achievement of SDGs, and to subsequently audit their operations and the reliability of the data they produce;
 - b. Undertaking performance audits, which examine the economy, efficiency, and effectiveness of key government programmes that contribute to specific aspects of SDGs;
 - c. Assessing and supporting the implementation of SDG Goal 16, which relates in part to transparent, efficient, and accountable institutions;
 - d. Being a model of transparency and accountability in the operations, including auditing and reporting.
6. In April 2017, The Knowledge Sharing Community – The INTOSAI Development Initiative - ASOSAI (KSC-IDI-ASOSAI) – announced the launch of a cooperative performance audit of preparedness for the implementation of SDGs for 2017-2019. BPK is committed to the cooperative audit by nominating audit team members to participate in the activities under the 2017-2019 program.

Why BPK conducted the audit

7. The objectives of the Indonesian State, as set forth in the preamble to the 1945 Constitution, are to protect all of the people of Indonesia and their native land, and to improve public welfare, to advance the intellectual life of the people, and to contribute toward the establishment of a world order based on freedom, abiding peace, and social justice. The adoption of the 2030 Agenda is essential because 17 goals of the Agenda are related and could be a catalyst to achieve the objectives of the State. As one of the institutions in Indonesia, the mission of BPK is to support the achievement of these objectives.
8. The Audit Board of the Republic of Indonesia (BPK) has a strategic position in the hierarchy of Indonesia's government structure.

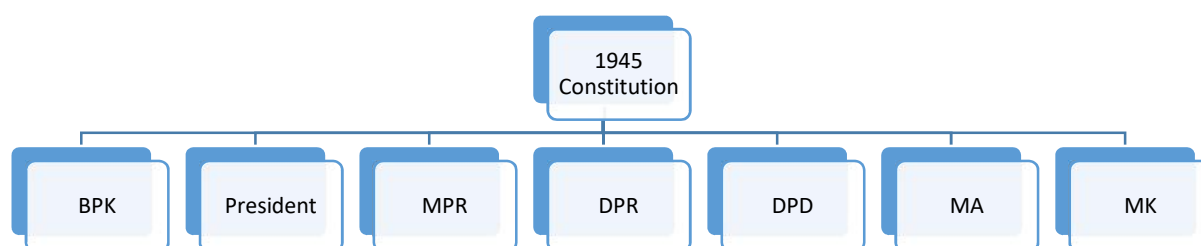


Figure 1.2. Hierarchy of Indonesia's state structure

As a supreme audit institution, BPK has the same level as an executive, legislative and judicative.

9. BPK has a mandate to oversee public financial management and accountability. BPK audits are conducted on central and local governments, state-owned enterprises, and other agencies that manage public finances. The audits can be done in the form of a financial audit, performance audit, and special-purpose audit.

10. As an institution mandated to oversee public financial management and accountability, BPK aims to contribute to the preparation for SDGs implementation in Indonesia by conducting the cooperative audit on the preparedness of SDGs Implementation under IDI. By providing constructive recommendations, BPK plays an important role in supporting the achievement of SDGs in Indonesia.

Audit Objective

11. The audit of SDGs implementation preparedness is intended to assess the effectiveness of government efforts in adopting SDGs into the national context, sustaining and securing the resources and capacities needed, and establishing a mechanism to monitor, follow up, review, and report on the progress towards implementation of the 2030 Agenda.

Audit Questions

12. To achieve the audit objectives, the audit questions developed for this audit are as follows.
- 1) To what extent has the Government adopted the 2030 Agenda into the national context?
 - 2) Has the Government sustained and secured the resources and capacities (means of implementation) needed to implement the 2030 Agenda?
 - 3) Has the Government established a mechanism to monitor, follow up, review, and report on the progress towards implementation of the 2030 Agenda?

Audit Scope

13. The audit of SDGs preparedness is performed by examining government efforts relating to central government planning and budgeting processes, as well as data measurement design and focus on SDGs implementation, as stated in Presidential Decree No. 59 of 2017. The audit was conducted at the national and sub-national levels to assess horizontal and vertical coherence. The audit period is from January 2016 to June 2018. The key actors in this audit are listed below.

	What	Who
Policy	Raising Awareness	Ministry of National Development Planning
	National Ownership	Ministry of National Development Planning
	Policy Coherence	Ministry of National Development Planning / Sub-national Planning Agency (East Kalimantan and Riau Provinces)
	Integration of Three Dimensions	Ministry of National Development Planning / Sub-national Planning Agency (East Kalimantan and Riau Provinces)
Means of Implementation	Identification of Funding	Ministry of National Development Planning
	Prioritization of Funding	Ministry of National Development Planning
	Secure Long-Term Funding	Ministry of Finance
	Non-Finance	Ministry of National Development Planning
Data	Responsibility	Ministry of National Development Planning
	Indicators and Baselines	Statistics Indonesia
	Data Quality	Statistics Indonesia
	Participatory Reporting	Statistics Indonesia

14. As this audit does not assess the implementation of the 2030 Agenda, the approach used is a combination of process-oriented and problem-oriented approaches.

Whole of Government approach

15. The Whole of Government approach was applied to obtain audit results that are comprehensive and systematic. The 2030 Agenda is founded on the integrated, inclusive, and participatory principles. Therefore, this audit requires procedures that address cross-departmental and inter-organizational cooperation in the development and implementation of public policies and the delivery of services. The whole of government approach focuses on outcomes. It means that the approach enables government ministries and agencies to achieve outcomes that cannot be achieved by working in isolation, but by optimizing those outcomes by using all of the resources of the State.

Audit Criteria

16. The audit criteria are shown in Appendix 1. Those criteria were developed and formulated according to several sources, primarily:
- Interim Reference Guide to UN Country Teams – Mainstreaming the 2030 Agenda for Sustainable Development-Reference Guide;
 - Addis Ababa Action Agenda of the Third International Conference; on Financing for Development (Addis Ababa Action Agenda) A/RES/69/313 UN General Assembly 2015;
 - Conference of European Statisticians’ Road Map on Statistics for Sustainable Development Goals;
 - Report of the Inter-Agency and Expert Group on Sustainable Development Goal Indicators; and
 - Presidential Decree (Perpres) No. 59 of 2017 on the Implementation of SDGs.

Audit methodology, sources of data, data collection, and analysis

17. The audit process has phases that consist of planning, fieldwork, reporting, and follow up as briefly explained below.
- a. The planning phase has been conducted from October until December 2017:

Planning				
Understanding Subject Matter: Presidential Regulation and 2017 VNR	Holding Focus Group Discussions: 1. with experts from Padjajaran University 2. with the Ministry of National Development Planning, Ministry of Finance, Statistics Indonesia, and Ministry of Home Affairs	Determining audit scope: preparedness of Whole of Government Agenda using target 16.6 to choose key areas as samples of horizontal and vertical coherence in policy (poverty reduction)	Developing audit design matrix: 1 audit objective, three questions, 12 sub questions, and 47 criteria. It included developing tools for data collection	Develop tools for data collection and analysis: document analysis, content analysis, interview, physical check and questionnaire.

- b. The fieldwork phase was carried out from January to May 2018. The steps are detailed below.

Fieldwork		
data/evidence collected: Presidential Regulation, 2017 VNR, draft SDGs National Action Plan, metadata indicators, NMDP, RMDP, draft communications strategy.	- data/evidence analysis (document analysis, stakeholder mapping, network analysis, RACI analysis, content analysis) - interview, physical check and questionnaire	Develop audit findings matrix: conditions, criteria, causes, effects, evidence and analysis, recommendations.

- c. Reporting phase, conducted from May to June 2018, is explained below.

Reporting			
Draft Report	Audit comments	Finalize report	Issue and publication

- d. Follow-up phase will be according to the steps below.

Follow-up			
Implementation of recommendations	Audit of implementation of SDGs	Feed into national sustainable development reports	Feed into Voluntary National Report

18. The evidence was collected mainly from government websites, interviews, focus group discussions, questionnaires, and inquiry on obtaining relevant information about the entities. The analysis of audit evidence is conducted to examine any gaps between the actual condition and the audit criteria. Several key procedures to analyze the audit evidence in this engagement are policy review, document analysis, network analysis, and descriptive statistics. Audit conclusions are inferred from evidence examination. These conclusions are presented according to BPK regulation on the methodology to formulate conclusions.
19. To assess the “no one left behind” principle, BPK conducted sampling tests at the sub-national level in the provinces of East Kalimantan and Riau. In selecting the locations, BPK used information derived from an expert and geospatial analysis.

20. We assume that the data inferred from geospatial analysis using the NASA-NOAA satellite images of average stable light in 2009-2013 can be utilised as a proxy for the scale of economic activities. The more stable the lights are in the night, the more human activities are happening at night, which can be associated with more complex and diverse economic activities in that area. BPK used Geospatial technology to show the difference in the scale of stable light in 2009-2013. The red color means that there was less stable light in that area in 2013 compared to 2009. The decrease of the stable light intensity can be a signal of “Left Behind,” and needs to be checked on the ground. The process of sampling selection is shown in Appendix 2.

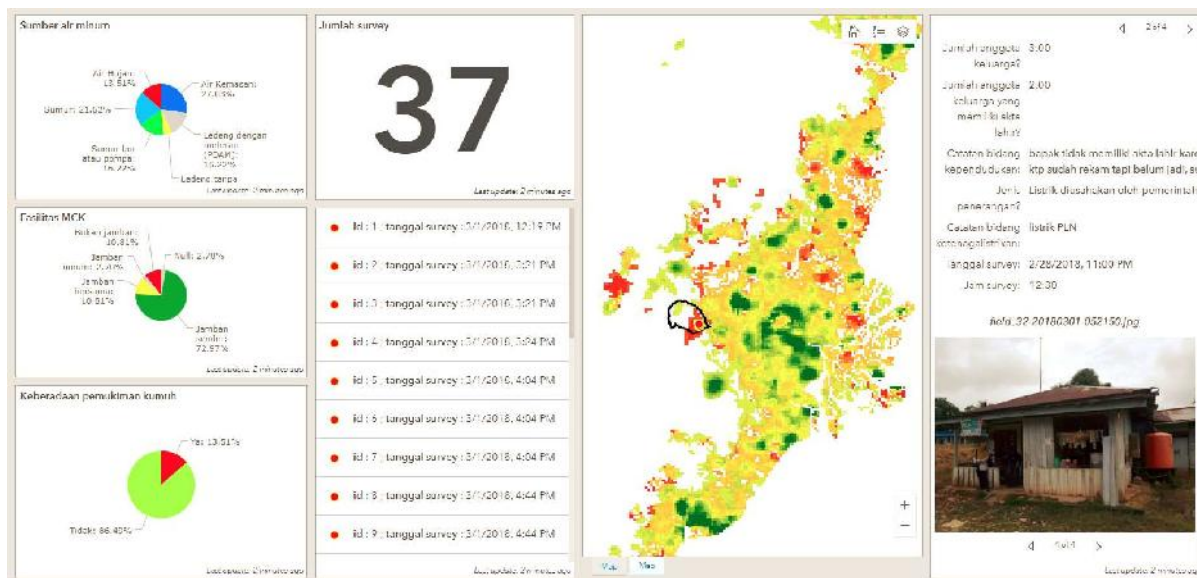


Figure 1.3. Geospatial platform

Standards used for the audit

21. The international standards used for the audit are ISSAI 300 Fundamental Principles of Performance Auditing, ISSAI 3000 Standard for Performance Auditing, ISSAI 3100 Guidelines on Central Concepts for Performance Auditing, ISSAI 3200 Guidelines for the performance auditing process and Indonesian Public-Sector Audit Standards of 2017.

CHAPTER 2 - Overview

22. Indonesia is an archipelagic nation consisting of more than 300 ethnic groups. As the world's fourth most populous nation, Indonesia has 34 provinces and 514 districts/municipalities. Citizens elect a governor and local government leaders in their respective areas.
23. As one of the countries committed to achieving the SDGs, Indonesia has completed several actions to adopt the 2030 Agenda in the national context. First, Presidential Regulation (Perpres) No. 59 of 2017 on the Implementation of SDGs was established in July 2017 as a legal basis for engaging and directing ministries and all stakeholders to participate in achieving the 2030 Agenda.
24. This regulation serves as the basis for the formation of the National Coordination Team, which is led by the President and involves relevant ministers/key persons. The president mandated the Minister of National Development Planning as Implementation Coordinator. The implementation coordinator is supported by the Implementation Team, Secretariat, Experts Team, and four Working Groups. Figure 2.1 below shows the relations between these parties.



Figure 2.1. **SDGs National Coordinator Team**

25. The Presidential Regulation also states that the government must establish National and Sub-National Action Plans as well as SDGs Road Map. The National and Sub-National Action Plans comprise planning from 2016 to 2019, while SDGs Road Map details milestone for 2016 to 2030.
26. A Voluntary National Review (VNR) in 2017 has also been issued and reported in a UN forum. According to the review, it is reported that the Government has mainstreamed the SDGs into the 2015-2019 National Medium-Term Development Plan.
27. Finally, Government should establish a mechanism to monitor, follow up, review, and report on the progress towards the implementation of the 2030 Agenda. Assessing indicators is part of monitoring activities. About indicators, Indonesia has achieved 49 out of 67 MDGs indicators, which were implemented in 2000-2015. Goals, targets, and indicators from the MDGs have been

continued and expanded into the goals, targets, and indicators of SDGs. The mapping of SDG indicators in Indonesia is shown below.

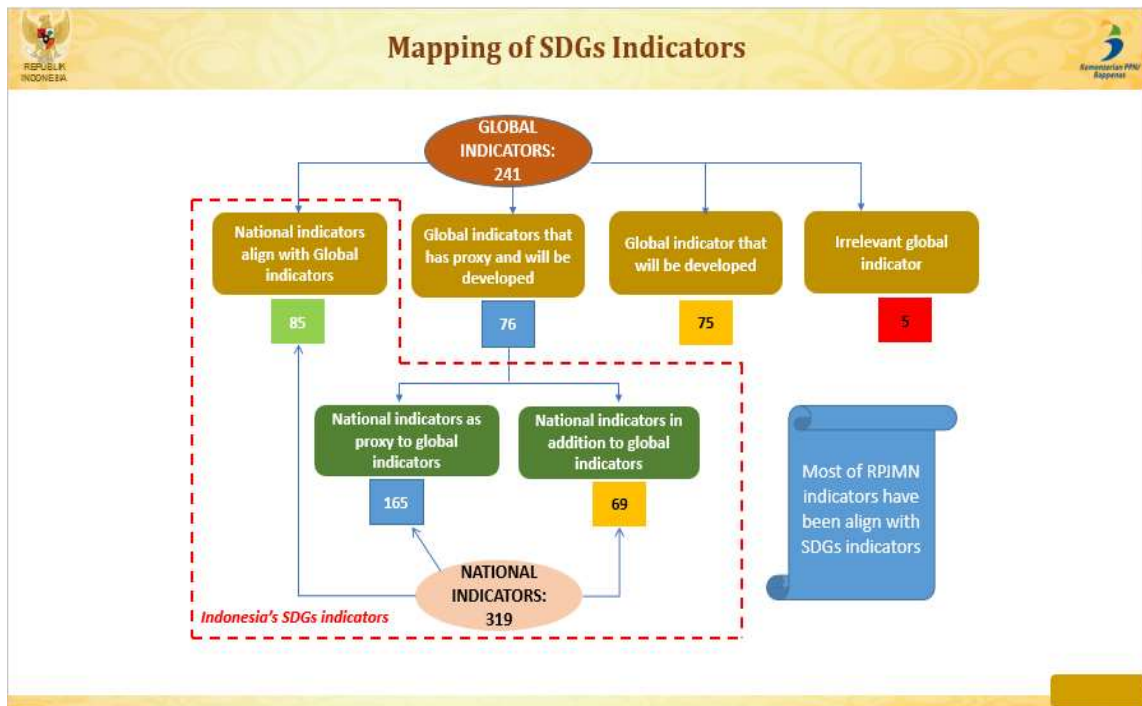


Figure 2.2. Mapping of SDGs Indicators

CHAPTER 3 - Integration of the 2030 Agenda into the national context

28. The structure of the Government which consist of National and Sub National administration whose each been elected in different election cycle poses an inherent risk of policy coherence. In July 2017, Government established Presidential Decree Number 59 the Year 2017 on Implementation of the Achievement of Sustainable Development Objectives. In the decree, Article 20 Sub-Article c states that at the latest 12 (twelve) months Regional Action Plans (RAD) 2017 - 2019 have to be in place after the issuance of the Presidential Decree.
29. From these provisions, the deadline for drafting RAD will due on July 10, 2018. This deadline may be considered as an obstacle for the provinces that will hold concurrent elections by 2018. The disclarity of political commitment when by the time the RAD needs to be delivered, creates an uncertain situation in the sub-national level.
30. There is no mechanism to ensure the vertical coherence in the policy level guaranteeing the efforts to achieve the SDGs goals will remain sustainable across the election cycle. On the horizontal level, the sub-national level has their commitment with other RAD initiative. The risk of overlapping and duplication of the actions gets more complicated when there is the need to synchronise the national priority policy.
31. Despite the risk of the vertical coherence, the government has made significant progress in the achievements and followed with rooms for improvement, as follow.



Raising Awareness



Achievement

32. In 2016, the Government designed a Communications Strategy to guide awareness-raising activities in Indonesia. This process is carried out thoroughly at the national and sub-national level. For improving inclusiveness among stakeholders, the SDGs Secretariat also set up a website: SDGs.bappenas.go.id. Also, the offline communications strategy is carried out during national consultations, meetings, and coordination, as well as discussion forum among stakeholders.
33. The Minister of National Development Planning also actively disseminate information by organizing a public lecture, "Transforming Our World: The 2030 Agenda for SDGs in Indonesia." Other offline communications strategy has been carried out by disseminating information through discussion fora, workshops, coordination meetings, consultations, and publication of SDGs booklets.

**The Government
has carried out
awareness-raising
process regarding
the preparedness
of SDGs
implementation in
Indonesia.**

34. This condition meets criteria 1.1 concerning Policy, on:
- Letter a: The Government has carried out awareness-raising processes among government institutions to ensure the SDGs are aligned with the national vision and national development plan of the current and subsequent administrations.
 - Letter b: The Central Government has engaged local governments and other stakeholders (private sectors, academics, and society) in awareness-raising processes.

Room for Improvement

35. BPK analyzed the process through relevant documents such as the Communications Strategy, Minutes of Meeting (MoM), and the SDGs Secretariat working paper related to raising awareness. BPK interviewed the key actors identified from stakeholder mapping about the awareness-raising process. A matrix was also developed to test the contribution of stakeholders who were selected as a sample.
36. The awareness-raising process should be inclusive and comprehensive to support better implementation of the SDGs. BPK found that the participation of marginalized communities in Indonesia should be enhanced in the awareness-raising process while the operational details of the communications strategy also need to be improved to provide better clarity.
37. According to Presidential Regulation No. 59/2017, a National Coordination Team should be established to accelerate measures in the accountability mechanism and to ensure participatory process in Indonesia. The National Coordination Team consists of Steering Committee, Implementation Coordinator, Implementation Team, Working Groups, and Expert Team. The tasks and composition of the Steering Committee are outlined in the Presidential Regulation. Meanwhile, the tasks, working procedures, and procedures for establishing the composition of the Implementation Team, Working Groups, and Expert Team are regulated in Minister of National Development Planning Regulation No. 7/2018. However, the Minister is yet to finalize and specify the names of persons to be designated as members of the Implementation Team, Working Groups, and Expert Team. The Indonesian SDGs communications strategy has not been implemented measurably.
38. This condition does not meet criterion 1.1.c, which states that the awareness-raising process should be participatory at all stages (design, implementation, and monitoring of development strategies); include women and marginalized groups, and provide accountability mechanisms to ensure that the participatory process is held according to these criteria.
39. This condition has caused the SDGs awareness-raising process to be less optimal because interactions between government, philanthropists, academics, and non-state actors could not be measured. Also, awareness will be limited only to the sectors that have a preliminary understanding of SDGs and omit the involvement of minority groups of due to technical matters.
40. This condition occurs because the Government has not established the operational details for the communications strategy and appointed members of the National Coordination Team.
41. The Minister of National Development Planning agrees with this finding. The communication draft will be issued by the Implementation Team Leader for the SDGs National Coordination Team upon issuance of the Minister of National Development Planning regulation. During the audit fieldwork, the Minister of National Development Planning Regulation was being processed in the Ministry of Law and Human Rights.

Recommendation

42. BPK recommends that the Minister of National Development Planning establish the operational details of the communications strategy and appoints members of the National Coordination Team to accelerate the awareness-raising process in Indonesia.

43. The Minister of National Development Planning comments that Implementation Team, Working Groups, and Expert Team has been outlined in Minister of National Development Planning Regulation No. 64/MPPN/HK/04/2018 on April 30, 2018. The draft communication strategy will be issued and put into the operational work plan.



National Ownership

**Achievement**

44. The Government has designed institutional arrangements such as policies and institutional mechanisms to integrate the 2030 Agenda into planning and budgeting activities. The Government mainstreams the 2030 Agenda by establishing the SDGs National Action Plan to integrate the 2030 Agenda into government programs at the national and sub-national levels. However, a whole institutional arrangement needs to be designed as such to avoid a silo approach during the integration of SDGs into the national context.
45. The government has mainstreamed 169 global targets into national targets, as stated in the 2015-2019 NMDP, and selected 94 targets as SDGs national targets. Presidential Regulation No. 59/2017 specify the 17 goals and 94 national targets which will be achieved by 2030. National targets are used as guidance by ministries/agencies and local governments in planning, implementing, monitoring, and evaluating the National/Sub-National Action Plans. CSOs, philanthropists, businesses, academics, and other stakeholders also use the SDGs national targets as guidance in the same way.
46. In achieving the national targets, the Minister of National Development Planning is mandated to formulate and implement the SDGs Road Map and National Action Plan. To achieve local SDGs targets, Governors shall establish the SDGs Sub-National Action Plan. The Road Map is a planning document consisting of strategic policy stages from 2017 to 2030. The SDGs National Action Plan is a document which consists of a five-year plan of work programs and activities aligned with national development targets. The SDGs Sub-National Action Plan is a five-year work plan at the provincial level that is aligned with local development targets.

The Government has established the main policy regarding the Implementation of SDGs in Indonesia

47. With the issuance of Presidential Regulation No. 59/2017, the Government has mainstreamed SDGs into Medium-Term Development Plans.
48. This condition complies with criteria 1.2 concerning Policy, on:
 - Letter b: The Government has reviewed national and sub-national planning strategies and identify areas for change;
 - Letter c: The Government has designed institutional mechanisms and policies in integrating SDGs into policies regarding planning, budgeting, and programming;
 - Letter d: The Government has established national and sub-national goals and targets that are aligned with SDGs and targets;

Room for Improvement

49. The implementation of SDGs National Action Plan was overdue; on 2 May 2018, we found out that the Plan could not be aligned with and integrated into the 2019 planning and budgeting cycle. The Government has also not reviewed the alignment between the 94 SDGs targets as adopted in the mid-term plan and the national development targets as outlined in the long-term plan. Further, based on the selected sample, we noted that some of the national targets in Presidential Regulation No. 59/2017 are not clearly and measurably defined.
50. Moreover, we also found that the mainstreaming of SDGs through the National Action Plan requires immediate improvements. The sample in the social pillar shows that there are several differences in the references used by the implementing ministries, i.e. between those outlined in the National Action Plan and the Presidential Regulation. We also noted that the Working Groups and the Expert Team had not been established to support the National Coordination Team regarding the implementation of SDGs.
51. Further, we note that the effort to mainstream SDGs through National Action Plan poses the risk of overlapping. We found that there are government sectoral policies and action plans that have been derived from previous global commitments. Based on the audit sample, the government had issued action plans derived from the World Conference on Human Rights in Vienna, Vienna Declaration 1993; the 13th Conference of Parties (COP) United Nations Frameworks Convention on Climate Change (UNFCCC) as well the 2015 Millennium Development Goals (MDGs). The action plans mandate the establishment of institutional arrangements, such as a Roadmap, National Coordination Team, and Secretariat. The action plans also mandate the organization of planning, implementing, and monitoring processes of each sectoral action plan. We also found that there are formal institutions established to achieve the goals/objectives of these sectoral action plans at the national and sub-national levels.
52. These conditions do not meet the criterion 1.2.a, which states that the Government **has aligned** the 2030 Agenda with the (national and sub-national) budgeting and planning cycles.
53. BPK reviewed the policies related to National Planning and SDGs National and Sub-National Action Plans. We also analyzed the National and Sub-National Action Plans to see whether they contain similar mandates, goals, and targets as the SDGs. Based on our audit sample, the National and Sub-National Action Plans are comprised of Human Rights Action

Plan, Climate Change Action Plan, Food and Nutrition Action Plan. To analyze them, BPK developed a matrix analysis that addresses the potential overlapping of government policies.

54. Further, this will affect the level of collaboration between state and non-state actors in achieving the 94 SDGs national targets in Indonesia and the sustainability of SDGs programs as well as the activities in the forthcoming Indonesia national mid-term development plan.
55. This condition occurs because Presidential Decree No. 59/2017 does not **consider** specific programs and activities that are already stipulated in the mid-term and long-term development plans. Additionally, efforts to integrate SDGs into the national development plan have not been comprehensive.
56. The Minister of National Development Planning agrees with the finding.

Recommendation

57. BPK recommends that the Minister of National Development Planning comprehensively integrate SDGs into the long-term plan and formulates the 2015-2030 SDGs roadmap; sets forth the implementing regulation of Presidential Regulation No. 59 of 2017; integrates all programs and activities that are outlined in the existing and ongoing sectoral National Action Plans into the SDGs National Action Plan.

58. In response to the recommendation, the Minister of National Development Planning emphasizes that:
 - a. SDGs have been integrated into the long-term national plan through the 2045 Vision for Indonesia. However, the 2045 Vision for Indonesia has not been formally established.
 - b. The 2017-2019 SDGs National Action Plan has been established through Minister of National Development Planning Regulation No. 7/2018. The National Action Plan is aligned with the NMDP and strategic plans of ministries/agencies. The development of the Annual Government Work Plan and Annual Work Plan and Budget of ministries/agencies refer to the 2017-2019 SDGs National Action Plan.
 - c. The sectoral National Action Plans (NAPs), such as the Reduced Emission of GHGs NAP, Food and Nutrition NAP, Human Rights NAP, and General Planning for National Energy NAP, the National Strategy for Prevention and Eradication of Corruption, shall be integrated into the SDGs NAP.



Policy Coherence

Achievement

59. Presidential Regulation No. 59 of 2017 on SDGs Implementation was issued in July 2017 as the legal basis for engaging and guiding ministries and all stakeholders to participate in achieving the 2030 Agenda. This regulation provides the basis for the establishment of the National Coordination Team, which is led by the President and involves relevant ministers. The president mandates the Minister of National Development Planning as Implementation Coordinator. Further, the Implementation Coordinator is supported by the Implementation Team, Secretariat, Expert Team, and four Working Groups to work towards the implementation of SDGs at the national and sub-national levels. The SDGs are mainstreamed into the 2015-2019 National Medium Term Development Plan as 94 national targets. However, the Government has not designed policies to ensure the sustainability of the programs for achieving SDGs across multiple government cycles.
60. The government has shown their commitment to implementing the 2030 Agenda. The issuance of Presidential Regulation No. 59/2017 was the legal binding for the SDGs implementation in Indonesia. The high-level commitment is outlined in Articles 8-9 paragraphs 1 and 2. Article 8 states that “to achieve SDGs, the National Coordination Team is formed, which consists of a Steering Committee, Implementation Team, Working Groups, and Expert Team.” Article 9 paragraph 1 states that “the Steering Committee gives direction to attain SDGs” and paragraph 2 states that “the Steering Committee referred to in paragraph 1 consists of President as chairman and Vice President as a vice chairman.”
61. Moreover, the SDGs that are mainstreamed into the 2015-2019 NMDP as the 94 national targets are already in synergy with Nawa Cita, the president’s priority agenda for 2015-2019.
62. Based on the National Action Plan documents, the Minister of National Development Planning as coordinator has engaged the four participatory platforms in each stage of the SDGs National Action Plan development, as follows:
- The Government held two plenary meetings chaired by the Implementation Team Leader. The first meeting involved all ministries/agencies related to SDGs. The second meeting involved non-state actors including philanthropists and businesses, CSOs, academics, and media. The second meeting highlighted the active participation of non-state actors in the process of formulating the National Action Plan.

The Government is yet to Have Policy Design that Ensures Coherence in the Implementation of SDGs Across Multiple Government Cycles

- b. The next step is a series of meetings at each working group and sub-working group for each Goal to discuss the National Action Plan matrix. During the process of formulating the matrix for non-state actors, several intensive discussions and workshops were held between the Ministry of National Development Planning and non-state actors to ensure correct input for non-state programs and activities are obtained and outlined in matrix 3.
 - c. Afterward, each sub-working group for each Goal also discussed situational analysis, problems, and challenges. The discussion was supported by ten-years data series as the baseline or any other data available. Working groups and sub-working groups also discussed policies, targets, programs, activities, and output indicators that have been achieved and are targeted for 2019; and
 - d. The online system which includes the use of websites and emails is essential as part of upholding the inclusiveness principle and ensuring that all stakeholders are involved. The implementation team officially called on all platforms to contribute to formulating the National Action Plan.
63. The Government also considers the stakeholder input feeds in developing the National Action Plan, as expressed in the concluding section of the SDGs National Action Plan document in a statement that the SDGs NAP is a living document that is open for review by the stakeholders. The Government engages offline as well as online public participation and consultation to obtain inputs from stakeholders. It shows that there is a mechanism to ensure that anyone can participate in the decision-making process concerning the plans and improvements for SDGs implementation going forward.
64. This condition is in line with criteria 1.3 concerning Policy, on:
- Letter b: There are commitment and concrete support from the highest political **levels** in implementing the SDGs action plan in Indonesia.
 - Letter c: There is a mechanism for stakeholder input feeds as considerations in the decision-making process.

Room for Improvement

65. The government needs to have a mechanism to ensure that the vertical coherence at the policy level regarding SDGs achievement will remain sustainable across multiple government cycles.
66. The structure of the Government cycle, both National and Sub-National, with different election cycles bears an inherent risk to policy coherence. In July 2017, the Government issued Presidential Regulation No. 59 of 2017 on SDGs Implementation. Article 20 letter c states that the 2017-2019 Sub-National Action Plan must be in place at the latest 12 (twelve) months after the deadline as prescribed in the Presidential Regulation.
67. Based on the provisions, the deadline for drafting the Sub-National Action Plan is set to July 10, 2018. This deadline presents an obstacle about the simultaneous local elections in 2018. The lack of political commitment clarity when the Sub-National Action Plan needs to be delivered creates uncertainty at the sub-national level. The change of political leaders at the sub-national level will result in uncertainty of the Regional Medium Term Development Plan as a definitive guide to formulate the Sub-National Action Plan.

68. The result of audit sampling in East Kalimantan province shows that the 2013-2018 Regional Medium-Term Development Plan (RMDP) period will end in June 2018. This province will then elect its new governor. The newly elected governor will establish the new 2019-2023 RMDP. Therefore, the East Kalimantan Provincial Government will not be able to have its 2017-2019 Sub-National Action Plan in 2018 since the preparation of the 2019-2023 RMDP would still be ongoing.
69. The Government should be aware that the same situation would happen in several sub-national governments that share the same election cycle. Other Provinces with the same cycle are, among others, North Sumatera, Riau, South Sumatera, West Papua, East Kalimantan, South Sulawesi, Southeast Sulawesi, Maluku, North Maluku, and Papua.
70. This condition does not meet criterion 1.3.a, which states that the efforts to achieve SDGs shall continue across multiple government cycles.
71. BPK analyzed the preparedness of East Kalimantan Province on SDGs Implementation according to the level of coherence. Our analysis shows that the establishment of Sub-National Action Plan was delayed because the sub-national plan should wait for the newly elected Governor.
72. This situation occurs because there is no mechanism to ensure vertical coherence at the policy level to make sure that efforts to achieve SDGs will continue across government cycles. Further, it will affect the synergy of policies between the national and sub-national governments in achieving the SDGs.
73. The views of the Minister of National Development Planning differ from the findings. The Sub-National Government would still be able to draft the Sub-National Action Plan rather than wait for the election of the new governor. The Sub-National Action Plan prepared based on the prevailing RMDP shall become an input for the development of the subsequent RMDP of 2019-2023. The next SDGs Sub-National Action Plan will be developed after the 2019-2023 RMDP is established.
74. BPK noted that there is a risk of incoherent policies between central and local governments. This risk arose because changes in Regional Medium-Term Development Plan may not be aligned with the National Action Plan or the National Medium-term Development Plan. Also, previous BPK audit findings indicated the incoherence between National and Regional Medium-Term Development Plans.
75. The recommendations from previous BPK audit findings are:
 - a. The revision of the 2014-2019 RMDP of Riau Province, which refers to the 2015-2019 NMDP, must be finalized soon;
 - b. All heads of the government work units should revise their Strategic Plan immediately after the 2014-2019 RMDP of Riau Province is revised;
 - c. The Head of the Regional Development Planning Agency shall be instructed to improve standard operating procedures relating to the Regional Government Work Plan and the work plans of Regional Government Work Units; and
 - d. The Head of the Regional Development Planning Agency shall be instructed to formulate the Riau Province Regional Government Work Plan by referring to the 2014-2019 RMDP.

76. Also, according to sampling at several other provinces, there are similar issues with lack of synchronization between RMDP and NMDP, as follows.
- a. BPK audit report No. 78/LHP/XVIII.PEK/II/2016 on Performance of Local Government Effectiveness for 2014-2016 in North Sumatra Province mentions that problems were found on formulating the RMDP, which is not fully aligned with the NMDP, and there are inconsistencies with regard to the programs and number of programs between the Regional Government Work Plan and RMDP;
 - b. BPK audit report No. 25/LHP/XVIII.PEK/II/2016 on Performance of Local Government Effectiveness 2014-2016 in Pekanbaru Municipality mentions that there were problems with RMDP planning, which is not fully aligned with the 2015-2019 NMDP and does not adequately consider the Provincial RMDP. The formulation of regional government work units' strategic plans is also not fully aligned with RMDP; and
 - c. BPK audit report No. 93/LHP/XVIII.PEK/II/2016 on Performance of Local Government Effectiveness for 2014-2016 in Sidoarjo District mentions problems with RMDP planning for 2016-2021, which is not fully aligned with the 2015-2019 NMDP nor is it supported by data, information, and adequate analysis results. Programs outlined in the national Government Work Plan (RKP) are not accommodated in the 2016 Sidoarjo Regional Government Work Plan.
77. The above situation suggests that there is a risk of weak vertical coherence due to different government cycles as well as lack of coordination in preparing the RMDP. Therefore, the government needs to have policy mechanism with an extended timeframe, for instance, requiring that the Strategic Environmental Assessment (KLHS/*Kajian Lingkungan Hidup Strategis*) would be valid until 2030 before RMDP gets to be implemented. Therefore, programs in Sub-National Action Plans can be sustainable over multiple government cycles.

Recommendation

78. BPK recommends that the Minister of National Development Planning work with the Minister of Home Affairs to formulate long-term and medium-term planning mechanisms that ensure the sustainability of SDGs/national strategic programs across multiple government cycles.
79. In response to the recommendation, the Minister of National Development Planning emphasizes that:
- a. There has been coordination with Ministry of Home Affairs which was followed up with the issuance of Minister of Home Affairs Regulation No. 7/2018 on RMDP Strategic Environmental Assessment which explains SDGs integration into the RMDP.
 - b. Minister of Home Affairs Circular 050/2685/SJ on the formulation of Sub-national Action Plan on SDGs.



Integration of 3D



Achievement

80. The 2015-2019 Indonesia development agenda is the operational translation of Nawacita. Nawacita includes political sovereignty, economic independence, and cultural identity. The more operational details of Nawacita are translated into 2015-2019 NMDP, which was launched on January 8, 2015, under Presidential Regulation No. 2/2015 on 2015-2019 NMDP.
81. In formulating the global sustainable development agenda, the Government of Indonesia is directly involved and continues to incorporate its strategic national interests. Some focus areas in SDGs that are aligned with 2015-2019 NMDP are, among others: human development, such as [alleviation of] poverty, hunger, and stunting; development of health, education, gender equality; and reducing the disparity between income groups and regions.
82. SDGs implementation has mainstreamed the SDGs into Nawacita and the NMDP. The SDGs National Action Plan also consists of points relating to policies for program goals and plans that are by SDGs goals and targets indicators.
83. This condition meets criteria 1.4 concerning Policy, on:
 - Letter b: Clear goals as the basis for experts, society, and decision-makers to cooperate.
 - Letter c: The effort to create an epistemic community at the national level with a network of academics and experts to support and reinforce public policies.

The Government is yet to have institutional mechanism to support cross-sectoral policy implementation and the integration of the three dimensions (Economic, Social, and Environmental)

Room for Improvement

84. The programs designed by the Government to achieve the 94 targets of SDGs should be implemented in an integrated manner. The integration process can be carried out through a process to involve all stakeholders by taking into account the economic, social, and environmental aspects.
85. The Government has established a National Coordination Team to ensure the integration of social, economic, and environmental dimensions. The goals and targets of the SDGs have also been aligned with the 2015-2019 NMDP. Also, the National Action Plan is designed to support integration between programs and activities in each dimension of the SDGs.

86. However, the National Action Plan has not instituted mechanisms to ensure cooperation among state and non-state actors. The multi-stakeholder integration as outlined in the Draft National Action Plan and its appendices still has no policy mechanism that governs cross-sectoral management among implementing agencies. The absence of such a mechanism might lead to a lack of collaboration between decision-makers to resolve the cross-cutting issues at the operational level.
87. To assess the integration of economic, social, and environmental development dimensions, BPK conducted audit sampling in East Kalimantan Province, specifically in Kutai Kartanegara district. BPK found that the implementation of economic development policy has yet to consider the social and environmental dimensions.
88. The analysis of economic trends shows that Kutai Kartanegara is highly dependent on coal as a natural resource. Based on time series data, the contribution of the Gross Domestic Regional Product (GDRP) of Kutai Kartanegara to economic development in East Kalimantan province is significant with a downward trend in until 2016.
89. Coal production has also experienced a downward trend in volume. On the social side, the poverty trend in Kutai Kartanegara is rising. GDRP contribution, Coal Production and poverty index of the municipality are as shown in Figure 3.

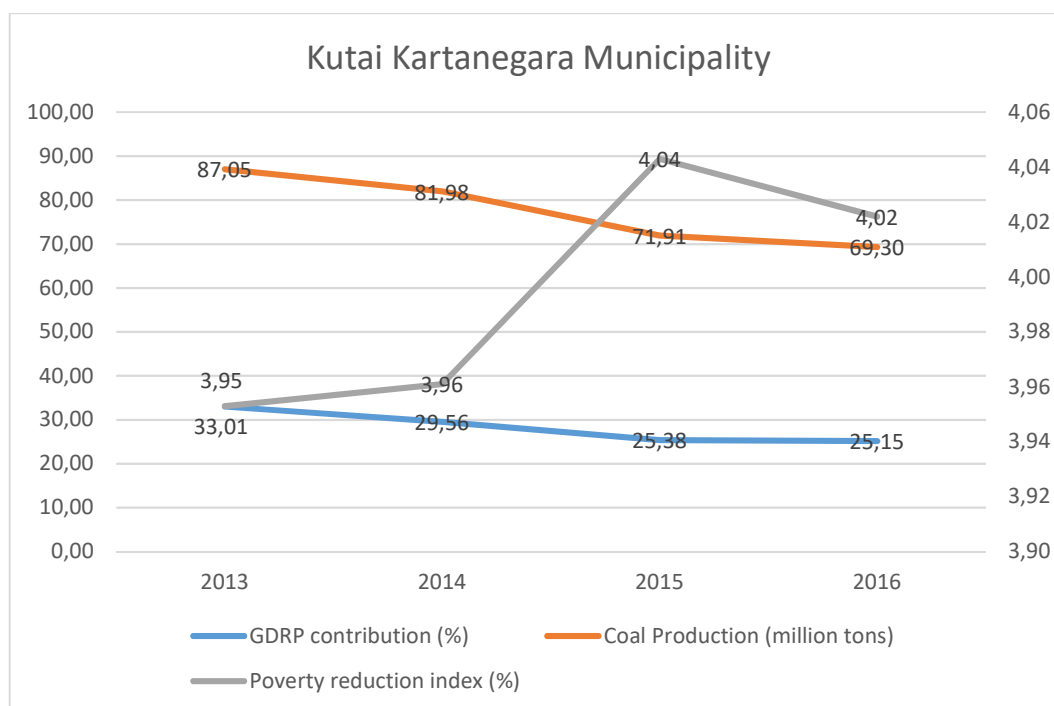


Figure 3. Kutai Kartanegara GDRP, Coal Production, and Poverty Reduction Index

90. To prove that there is a lack of balance in policy implementation regarding utilization of coal resources in Kutai Kertanegara, BPK conducted a physical check at Margahayu Village and found that there were abandoned mining pits (voids), uninhabitable housing, lack of access to clean water, and inadequate toilet facilities around the sample area. These conditions show that economic development has not taken into account the social and environment sectors.
91. These condition happens because the Government has not establish the power and authority of the National Coordination Team to formulate policies supporting the integration of the

three dimensions and the implementation of inclusiveness and “no one left behind” principles. Further, there is the risk that communities are marginalized and could not fully enjoy the sustainable development outcomes.

92. This condition does not meet the criteria 1.4 concerning Policy on Letter a. robust coordination to address cross-cutting issues.
93. BPK developed a time series matrix to analyze the data samples. We choose the sample from the geographic information system, observe the sample area, and interview the relevant stakeholders.
94. The Minister of National Development Planning disagrees with the findings. There is virtually an interconnectedness between economic, social, and environmental dimensions. For instance, Goal 1: No Poverty, Target 1.4 is comprised of 11 indicators on health, education, environment, economy, and governance. The relevant ministries, such as the Ministry of Public Works, Ministry of Energy and Mineral Resources, and the Ministry of Finance, work together to achieve this target. Further, the National Coordination Team which is coordinated by the Ministry of National Development Planning reflects the policy mechanism of cross-cutting management network.
95. BPK noted that the structure of the National Coordination Team does not involve regional government representatives. Moreover, the Ministry of National Development Planning has not established a mechanism for horizontal as well as vertical coordination between ministries/agencies and local governments. The lack of horizontal and vertical coordination also happens regarding the coordination mechanism between working groups under the National Coordination Team.

Recommendation

96. BPK recommends that the Minister of National Development Planning formulate and establishes a coordination mechanism between ministries/agencies and local governments to improve the integration of development policies.

97. In response to the recommendation, the Minister of National Development Planning states that the coordination mechanism between ministries/agencies has been carried out through the National Development Consultation Forum (*Musrenbangnas*). This annual forum aims to synchronize national and local development.

CHAPTER 4 – Resources and capacities for implementing the 2030 Agenda

98. To apply the principle of leaving no one behind, Government has already called non-state actors to get involved in preparation, implementation, and monitoring the 2030 Agenda. Presidential Decree number 59/2017 states that four platforms: government, civil society organizations, philanthropy and business, and academia and experts are reached to work together achieving SDG goals.
99. As Government Budget Expenditure are limited, the source of finance from non-state actors become essential. In accommodating the non-state actor's involvement, the draft NAP has included the programs that will be carried out by the government and non-state actors. NAP matrix part 3 lists the funding needs, and sources are also embedded in respective programs. However, the funding sources for some of the programs of the non-state actors have not been identified.
100. Every country should achieve Goal 16.6 “develop effective, accountable and transparent institutions at all levels.” Regarding this issue, there is a possibility that the Government has challenges to ensure the effectiveness, accountability, and transparency at all platforms named the government, civil society organizations, philanthropy and business, and academia and experts.
101. Despite the risk of accountability, the government has made significant progress in the achievements and followed with rooms for improvement, as follow.



Identification of Funding

Achievement

102. The government has identified the funds needed as well as the sources of funds to finance SDG programs. However, there is no policy instrument to ensure the accountability of non-state actors' sources of funding and spending.
103. The identification of funds has been incorporated in the SDGs National Action Plan. The SDGs have been mainstreamed into the planning cycle for national development. The five-year indicative funding allocation is mentioned in the SDGs National Action Plan Matrix Part II. The indicative allocation of funds came from the Ministry/Agency Matrix of the 2015-2019 NMDP.
104. The 2015-2019 NMDP including its fund's allocation was formulated by the 2015-2019 NMDP team through several steps, as follows:
- a. preparation of background study,
 - b. evaluation of the 2010-2014 NMDP,

**The Government
Has a Mechanism
to Identify Sources
of Funding for
SDG Programs**

- c. the technocratic preparation of the draft development plan,
 - d. preparation of the 2015-2019 NMDP preliminary draft,
 - e. preparation of the 2015-2019 NMDP draft,
 - f. preparation of the 2015-2019 NMDP final draft,
 - g. establishment of the 2015-2019 NMDP, and
 - h. dissemination of information on the 2015-2019 NMDP.
105. The indicative fund allocation stated in the 2015-2019 NMDP was formulated based on plans of programs and activities that support national developments targets. It excludes personnel expenditure, employment allowances, meal allowances, and office expenditures. The five-year funding was formulated by calculating on the macroeconomic framework and the indicative funding and regulatory framework. Annual government planning is described in the Government Work Plan document which contains some adjustments to the updated condition and the availability of funds and budget.
106. Sources of funding for SDG programs are also mentioned in the SDGs National Action Plan. There are three categories: state budget, local budget, and other non-binding legitimate sources (non-state budget). The non-state budget from the community includes socio-religious funds and Corporate Social Responsibility (CSR) funds. Meanwhile, other non-binding legitimate resources are Non-State Budget Investment Financing (PINA), Public-Private Partnerships (KPBU), financing through capital market and money market, sustainable funding through financial institutions, debt swap to SDGs mechanism, impact investing mechanism, crowd financing, and the innovative funding of blended finance.
107. The conditions are consistent with criteria 2.1 regarding Means of Implementation, on:
- Letter b: The Government has identified funding needs for the implementation of SGDs.
 - Letter c: The Government has identified funding sources and has prioritized domestic sources.

Room for Improvement

108. Non-state sources of funding from non-state actors are essential in supporting SDG programs because the Government budget is not enough to finance all programs. To facilitate the involvement of non-state actors, such funds are identified and accommodated in the Appendix to the National Action Plan, i.e., Matrix Part III. The matrix shows programs that will be carried out by non-state actors and the amount to be spent on the programs.
109. Funds from non-state actors stated in the SDGs National Action Plan are mainly sourced from socio-religious funds, Corporate Social Responsibility (CSR) programs, and grants. Impact investing, Public-Private Partnerships (KPBU), and crowdfunding is also included.
110. There are three categories of funding availability for non-state actors' activities. Category I is "funds available," category II is "funds proposed," and category III is "funds not yet available." The SDGs National Action Plan Matrix Part III shows that there are some programs which will be carried out by non-state actors, mainly by civil society organizations, for which the sources of funds have not been determined. It causes the risk that non-state programs will not be implemented according to the National Action Plan because the monitoring and evaluation are voluntary and the sources of funding are unknown.

111. In implementing SDGs, every country is called on to achieve Target 16.6 of the SDGs, which emphasizes “develop effective, accountable, and transparent institutions at all levels.” According to that target, every stakeholder, including non-state actors involved in achieving SDGs, must become an effective, transparent, and accountable institution.
112. The National Action Plan already contains monitoring, evaluation, and reporting mechanisms for non-state actors’ programs. The non-state actors must report their program outcomes to the Working Group and Implementation Team of the SDGs National Coordination Team through voluntary self-assessments.
113. The monitoring and evaluation for non-state actors are voluntary, but the reporting format and template for non-state actors are not yet available. Therefore, there is a risk that the programs of non-state actors will not be implemented according to the National Action Plan and there is a lack of accountability because there are no reporting standards for assessing the outcomes.
114. The condition does not meet criterion 2.1.a, which states that the Government has the policy to identify, involve, direct, and monitor non-government funding sources.
115. The condition will create a risk that programs conducted by non-state actors are not carried out by the SDGs National Action Plan.
116. The condition occurs because no mechanism requires non-state actors to report the outcomes of programs that have been carried out.
117. The Ministry of National Development Planning has a different point of view. The programs of non-state actors to support SDGs are based on documents that were proposed by non-state actors. Each has a different scope with regard to programs, location, and financing. Their involvement in the agenda is proof of inclusiveness, which the government needs to appreciate. The voluntary monitoring system is also applied by other countries.
118. To respond to this explanation, BPK maintains that the voluntary assessment is a global issue for Target 16.6, which is closely related to one of the SAI functions as stated in A Res 96 before A Res 70 on the 2013 Agenda was established, i.e., to ensure accountability for all layers of SDGs stakeholders involved in Target 16.6. Global indicator 16.6.2 mentions the “proportion of the population satisfied with their last experience of public services.” From global indicator 16.6.2, the implication is that non-state actors that support public services need to have accountability mechanisms up to certain standards.
119. BPK does not take issue with voluntary self-assessment in monitoring programs from non-state actors. However, there is an issue of accountability for the outcomes of programs funded and implemented by non-state actors. The absence of uniformity in reporting will cause difficulties in measuring and assessing contributions from non-state actors.

Recommendation

120. BPK recommends that the Minister of National Development Planning establish adequate accountability standards to assess the achievement of programs that are conducted by CSOs/NGOs in the National Action Plan for SDGs.

121. The Minister of National Development Planning explains that CSOs/NGOs involvement is voluntary; therefore, CSOs/NGOs will apply a self-assessment system to monitor the implementation.



Prioritization of Funding



Achievement

122. The government has established a mechanism to ensure the allocation of funds to support SDGs programs at the national and local levels. i.e., by implementing the SDGs National Action Plan and SDGs Sub-National Action Plan. The SDGs Sub-National Action Plan shows that the funds intended for each SDGs activity are allocated to the respective ministry/agency in a five-year period. However, there is no tagging mechanism to help to track program implementation in the state budget.
123. Government Regulation No. 39 of 2006 on Control and Evaluation Procedures for Development Plan Implementation was established to monitor, evaluate, and report SDGs implementation by state actors. Monitoring aims to observe the progress of SDGs achievement periodically, to measure progress using established targets and indicators, to identify and to anticipate emerging and upcoming problems for early response.
124. Meanwhile, the evaluation aims to provide a picture of SDGs programs outcomes and to analyze problems and factors causing them. Therefore, evaluation results will serve as feedback to improve the plan for policies, programs, and activities related to SDGs.
125. The information above shows that there are mechanisms to assess the progress of SDGs programs and activities. However, the SDGs Implementation Team does not specifically establish the mechanism for reporting the utilization of the allocated budget. Article 19 of the Presidential Regulation No. 59 of 2017 on the implementation of SDGs states that SDGs are funded by the State Budget, Local Budget, and other legitimate, non-binding sources. Therefore, reporting on budget utilization for SDGs programs funded by the State Budget shall refer to Law No. 17 of 2003 on State Finances and Law No. 1 of 2004 on State Treasury where every ministry/agency is a reporting entity that is required not only to carry out accounting processes but also submitting accountability report. Each is mandated to report financial statements, which are consolidated in the Central Government Financial Statement (LKPP).
126. The SDGs programs in the SDGs National Action Plan are compared with the Development Sector Matrix of the NMDP to determine whether SDGs programs as stated in SDGs National Action Plan are prioritized in NMDP. The test result shows that the sampled programs are prioritized on NMDP. As long as SDGs programs are prioritized in the NMDP, funding for those programs is prioritized even in conditions where state revenue is lower than targeted.

The Government Has Mechanisms to Ensure that the Budget related to the 94 SDG Targets are Parts of the NMDP Priority Programs

127. The condition is in accordance with criteria 2.2 on Means of Implementation, on:
- Letter b: The Government has a mechanism to ensure the budget allocation is sufficient to fund the SDGs programs that are in synergy with national priority areas.
 - letter c: The Government has created a reporting mechanism for mapping budget utilization based on goals.

Room for Improvement

128. There is a risk of change in the budget ceiling in Government Work Plan, State Budget, and Revised State Budget. There has been an assessment of programs related to global target 1.4 “By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance”, with indicator code 1.4.1 in the SDGs National Action Plan. The sampling shows that there is a decrease in the budget for SDGs programs from the Government Work Plan to the State Budget, which amounts to Rp10,078 billion. Meanwhile, funding for SDGs programs in the State Budget is higher by Rp7,657 billion compared to the amount in the Revised State Budget. The results indicate that there is no conformity between the Government Work Plan and the State Budget.
129. Fund allocations in the SDGs National Action Plan came from estimates in the NMDP. The funds stated in the NMDP are not the budget ceiling of ministries/agencies. Therefore, SDGs funds allocated for each ministry/agency in the NAP is not the real amount to be allocated.
130. Five-year funding for SDGs program is implemented by the Government by ensuring that the proposed programs and activities related to SDGs have been incorporated into NMDP and SDGs National Action Plan. This is supposed to be followed by a mechanism which ensures that the programs and activities are stated annually in the Government Work Plan and Ministries’ Annual Work Plan. Therefore, the proposed programs and activities for SDGs are prioritized for implementation.
131. To ensure conformity between planning and budgeting, the Government issued Government Regulation No. 17 of 2017 on Synchronization of National Development Planning and Budgeting. To support the synchronization, the Government has developed and implemented KRISNA application. KRISNA enables thematic tagging relating to education, health, gender responsive budgeting, infrastructure, South-south Triangular Cooperation, climate change adaptation, and climate change mitigation.
132. However, there is no tagging mechanism of the SDGs programs from other national programs. Up to 2018, SDGs programs were not explicitly mentioned in the State Budget. The absence of the tagging mechanism means that there is no connection between five-year SDGs funding specified in the SDGs National Action Plan and the State Budget.
133. The establishment of tagging to all SDGs programs and activities, will need to have conformity between ministries and agencies in the process of planning, budgeting, implementation, and control. Moreover, comprehensive tagging guidelines are also needed to ensure accountability of programs regarding outputs and outcomes.
134. The absence of tagging/labeling causes difficulties in monitoring and evaluating the consistency of SDGs fund allocation across NMDP, SDGs National Action Plan, and the State Budget. BPK conducted a sampling test to assess this. Two indicators were chosen: the

“percentage who have access to decent sanitation (indicator code: 1.4.1 (e))” and the “percentage of families in slum areas (indicator code 1.4.1 (f))”. The results indicated that there are programs for which the fund's allocations have not been stated in the SDGs National Action Plan, which are:

- a. Environmental Sanitation Program under the Ministry of Health,
 - b. Housing Infrastructure Development Program under the Ministry of Public Works and Housing Settlement,
 - c. Social Empowerment Program under the Ministry of Social Affairs.
135. The condition does not meet criterion 2.2.a on Means of Implementation, which specifies that the Government has a mechanism to ensure who take responsibility for the work, be held accountable, be consulted, and be informed about budget allocations.
136. The condition causes the monitoring of funds allocation and spending for SDGs program implementation could not be accurately and easily measured.
137. The condition occurs because of the absence of a tagging mechanism to track SDGs program implementation within the State Budget.
138. The Ministry of National Development Planning agrees with the findings.

Recommendation

139. BPK recommends that the Minister of National Development Planning coordinate with the Minister of Finance to develop a tagging scheme in KRISNA application to provide accurate information on budget spending for government accountability on programs that support SDGs achievement.

140. As a response, the Minister of National Development Planning stated in their action plan that they will coordinate with relevant stakeholders to establish the work plan, scheme, and mechanism of tagging for SDGs programs in KRISNA system.



Achievement

141. The government has made efforts to increase state revenue by improving the tax system and committing to the OECD policy on the automatic exchange of information. However, Government policy related to quality budgeting and expenditure is inadequate.

Securing Long-term Fund

**Government Policy
Related to Quality
Budgeting and
Expenditure is
Inadequate**

142. The Government is committed to including SDGs in its national development plan. The SDGs National Action Plan stated that the main funding for SDGs programs should be the government revenue, which consists of Tax Revenue and Non-Tax Revenue.
143. To support SDGs programs, the Government should increase domestic revenue sources. Additionally, the Government needs to improve spending efficiency and maximize international cooperation.
144. The Government has made efforts to increase tax revenues and improve the tax system through tax amnesty, tax reform, and commitment to automatic exchange of information.
145. According to Law No. 11/2016 on Tax Amnesty, tax amnesty is a tax liability write-off without administrative and criminal sanctions by disclosing assets/properties and paying some penalty as stated in the law. Tax amnesty aims to accelerate economic development and restructuring, promote tax reform, and increase tax revenue.
146. After tax amnesty policy is implemented, the Government continues to increase the tax base. In 2017, the Government adopted policies for the implementation of tax information data exchange i.e., automatic exchange of information (AEOI). The policy aims to prevent tax avoidance.
147. The regulatory analysis, information collected from the Ministry of Finance official website, and inquiries to the Fiscal Policy Offices suggest that the Ministry of Finance is reforming Indonesia's tax system. The aim of implementing tax reform is improving tax administration, improving tax regulation, and increasing the tax base. The government supports the reform because tax income and tax compliance remain low, which leads to a low tax ratio. Indonesia's tax ratio is lower than that of ASEAN and G-20 countries. To implement tax reform, the Minister of Finance issued Minister of Finance Regulation No. 885/KMK.03/2016 on Formation of the Tax Reform Team. There are five pillars of tax reform to achieve a 14% tax ratio by 2020. The five pillars are an organization, human resources, information technology and database, business processes, and regulation.
148. In general, there are several Government efforts to optimize non-tax revenue. One of the main efforts is proposing a revision of Law No. 20/1997 on Non-Tax Revenues. At the end of the audit, the revised draft of the law was being discussed with the legislative body (DPR). The proposed amendment categorized non-tax revenue by non-tax revenue optimization priorities.
149. The revision of Law No. 20/1997 also aims to minimize problems with non-tax revenues from the oil and gas sector along with mineral and coal sector. The draft revision proposed that the non-tax revenue is based on revenue optimization priorities, as follows:
 - a. non-tax revenue from natural resources, which will be optimized by considering sustainability and environmental impact,
 - b. non-tax revenue from the management of state-owned assets, which is directed towards highest and best use,
 - c. non-tax revenue from fund management,
 - d. non-tax revenue from government services,
 - e. non-tax revenue from separated state-owned assets.
150. Non-tax revenue from oil and gas as well as mineral and coal sector contributes the most to state revenue from natural resources, as follows:

a. Oil and Gas non-tax revenue

It is the most significant contributor to non-tax revenue up to 2014. However, the productivity of Indonesian oil and gas fields are decreasing and big investors are losing interest in investing their money in Indonesia.

The government has adopted several policies to increase oil and gas non-tax revenue, including the implementation of a Production Sharing Contract (PSC) with a gross split scheme that replaces the cost recovery mechanism. The gross split mechanism is enacted through Minister of Energy and Mineral Resources Regulation No. 8/2017 which was amended into Minister of Energy and Mineral Resources Regulation No. 52/2017. This regulation aims to improve the investment climate for oil and gas in Indonesia and promote cooperation agreements for exploration.

b. Mineral and Coal non-tax revenue

Based on the results of the analysis conducted by the Anti-Corruption Commission on mineral and coal non-tax revenue, there are challenges in managing the non-tax revenue from mineral and coal mining. This includes, among others, that the prescribed amount and type of tariffs are not in line with the developments in global mineral and coal production; inaccuracies in the calculation of mineral and coal volume and quality as the basis for royalties; and the content of Law No. 20/1997 on non-tax revenue is not consistent with other laws.

The revision of Law No. 20/1997 aims to solve these problems. Moreover, the Ministry of Energy and Mineral Resources has made some efforts to increase cooperation with other stakeholders to optimize non-tax revenue, apply procedures for payment to be made in advance before shipping, impose sanctions in the form of shipping suspension and revocation of permits against companies in arrears with non-tax liability, and improve coordination to improve compliance, and disseminate information on the implementation of the online system for non-tax revenue .

The result of analysis conducted by the Directorate General of Budget, Ministry of Finance, on extractive industry management shows that Indonesia depends on non-tax revenue from natural resources, specifically the non-renewable oil and gas as well as mineral and coal resources; therefore, economic diversification is needed. The government established 25 Special Economic Zones (KEK) in Indonesia to promote economic growth from other sectors.

151. The condition meets criteria 2.3 on MoI:

- letter a: The Government has a mechanism to optimize domestic resources;
- letter c: The Government has a mechanism to optimize international collaboration to gain additional resources and increase capacities.

Room for Improvement

152. The government has implemented Performance-Based Budgeting (PBB) in the budgeting process. Based on Book 2 of the PBB Guidelines, the budget is formulated by considering the relationship between funding (input) and the expected results (outcome), otherwise known as money-follows-program (program-based budgeting). Therefore, information about an activity's effectiveness and efficiency will be available. However, this characteristic has

not been reflected in planning and budgeting documents because it has not been possible to use programs and activities to assess the effectiveness of target achievement and expenditure efficiency. Moreover, programs and activities could not be used to measure performance accountability.

153. BPK conducted a network analysis using the GEPHI application and by testing five Directorate Generals in four ministries. The test was aimed to assess the expenditure efficiency at the Directorate General of Health Services, Directorate General of Disease Control and Prevention, Directorate General of Primary and Secondary Education, Directorate General of Population Administration and Civil Registration, and Directorate General of New and Renewable Energy and Energy Conservation. The data collected and analyzed were taken from the State Treasury and Budget System (*Sistem Perbendaharaan dan Anggaran Negara/SPAN*) of 2017. The result shows that the expenditure on non-operational goods, domestic travel, and services at the five Directorate Generals were higher than capital expenditures and expenditures of goods to be delivered to the public/local governments. The results of the network analysis are shown in **Appendix 3**.
154. Moreover, the results of the analysis conducted by the Directorate General of Fiscal Balance at the Ministry of Finance show that the increase in expenditure from the balancing fund is not followed by an increase in effectiveness and efficiency in local budget management. It is reflected in the lack of optimized budget utilization, disparity in public services, and failures in local governance. The duties and functions of each Directorate-General include policy implementation at the technical level, which includes providing means and infrastructure.
155. Based on further analysis, BPK found that:

The indicative budget ceiling is used by ministries/agencies to establish a work plan. The indicative budget ceiling of every ministry/agency accommodates the indicative ceiling for every program, while personnel expenditures and operational goods expenditures are outlined separately. The indicative budget ceiling is not detailed to the component level and type of expenditure, as it only states the total budget ceiling for each program. It creates an opportunity for expenditure inefficiencies because the planned expenditure, as prepared by ministries/agencies when they formulate their annual work plan and annual work plan and budget, does not match the actual needs to produce outputs.

156. BPK carried out a test of SPAN data on one government agency and three directorate generals; i.e., the National Population and Family Planning Board, Directorate General of Population Administration and Civil Registration, Directorate of New and Renewable Energy and Energy Conservation, and Directorate General of Disease Control and Prevention. Based on the SPAN Data of 2017, BPK found that there was a significant increase in the number of goods and services expenditure in December. This excludes expenditures on operational goods, public service agency operations, and goods for delivery to the public/local governments. The expenditure trend is shown below.



Figure 4 Expenditure and Output Trend

157. According to Figure 4, many of the goods and services expenditures are recorded at the end of the fiscal year. This indicates that disbursement was inefficient and not in accordance with the planning. It probably happens because the working unit spent the remaining budget even though every output has been achieved.
158. Each year, the Government establishes Cost Standards to be used as a reference when ministries/agencies formulate their spending plan. Cost standards are comprised of unit price, tariffs, and index that are stated to determine the component costs for output in the annual work plan and budget plan in ministries/agencies. The standards only serve as references for unit price, while the volume to produce a certain output is not stated by the standard. This condition leads to potential differences in the amount of spending needed to produce the same type of output, which will create spending inefficiency.
159. Further analysis of the 2017 SPAN data shows that on average, the amount of goods and services expenditure needed to produce an output named “Internal Services” or Overhead varies in five ministries. SPAN data does not explain the output unit; therefore, the calculation was made in general. The details of output along with the goods and services expenditure required to produce the output can be seen in Table 4.1.
160. The program and activity details, including their output and components, are not specified in the planning documents (Government Work Plan and Ministries/Agencies Work Plan) nor in Ministries/Agencies annual work plan and budget documents. This condition does not

reflect the main characteristic of PBB because the programs and activities could not be used to measure the level of effectiveness of national development target achievement and spending efficiency. Moreover, the programs and activities could not be used to measure the performance accountability of work units.

Table 4.1. Spending Needs for each Output

Ministry	Directorate General	Output	Spending Amount (Rp)	Spending per Output (Rp)
Ministry of Health	Directorate General of Health Services	1,899	65,260,605,538.00	34,365,774.37
	Directorate General of Disease Control and Prevention	496	13,712,040,930.00	27,645,243.81
Ministry of Public Work and Housing	Directorate General of Human Settlement	1,872	6,603,645,696.00	3,527,588.51
Ministry of Education and Culture	Directorate General of Primary and Secondary Education	36	1,377,074,232.00	38,252,062.00
Ministry of Home Affairs	Directorate General of Population and Civil Registration	71	1,569,326,575.00	22,103,191.20
Ministry of Energy and Mineral Resources	Directorate General of Electricity	26	1,187,883,015.00	45,687,808.27
	Directorate General of New and Renewable Energy and Energy Conservation	59	2,164,292,633.00	36,682,925.98

161. According to Table 4.1, spending for each output at the Directorate General of Human Settlement on goods and services amounting to Rp3,527,588.51, while the Directorate General of Electricity spent Rp45,687,808.27 for the same output. This indicates that several ministries have spending inefficiencies in producing output because there is no the particular standard that regulates how much budget is needed to produce a unit of output.
162. Based on BPK Summary Audit Report for Semester I 2015 – Semester II 2017, there are findings indicating that Central Government spending have caused government losses,

potential government losses, uneconomical spending, inefficiencies, and ineffectiveness. The amount for each finding is shown in Table 2.

Table 4.2. The Recapitulation of 2015-2017 BPK Audit Result of Central Government

No	Audit Result	Year			Amount (IDR)
		2015	2016	2017	
1	Losses	635.814,76	798.421,20	1.790.126,87	3.224.362,83
2	Potential State Losses	1.772.497,50	3.638.667,45	2.701.183,65	8.112.348,60
3	Uneconomical	29.770,78	90.948,64	128.847,97	249.567,39
4	Inefficiency	154.900,68	-	-	154.900,68
5	Ineffectiveness	307.852,04	1.313.559,91	364.249,40	1.985.661,35

163. The audit result shows that Government spending problems happen every year. The government losses and uneconomical spending increased in the past three years.
164. The condition does not meet criterion 2.3.b on MoI, which mentions that the Government has a policy in place related to efficiency in Government spending.
165. The condition causes inefficiency and uneconomical uses of government spending in providing basic services to the public.
166. The condition occurs because:
- Spending standards for generating output are not available;
 - Unavailability of policy for providing disincentives in the budget allocations for the following year against ministries with inefficiencies in the current year.
167. The Fiscal Policy Office (BKF) of the Ministry of Finance agrees with the findings. The government needs to gradually transform its planning and budgeting system by improving regulation and developing information systems.

Recommendation

168. BPK recommends that the Minister of National Development Planning works with the Minister of Finance to prepare a Presidential Regulation on quality budgeting and spending.

169. In response to the recommendation and as outlined in its action plan, the Minister of National Development Planning will coordinate with the Ministry of Finance, as this matter pertains to the latter's authority to formulate a presidential regulation on quality budgeting and spending.



Non-Finance Resources

Achievement

170. Indonesia's 2017 VNR specifies some non-financial means of implementation to be utilized in SDGs achievement, including human resources and information and communication technology (ICT).
171. To implement SDGs, there has been no specific identification of statisticians' capacity. Guidance and development have been provided to assist them in producing and providing statistical data, especially for surveys and census. The result of their work is high-quality data to create development indicators, including SDG indicators. In general, most of the statisticians in Statistics Indonesia graduated from the College of Statistical Studies (STIS) and had been trained to work with statistics in Statistics Indonesia.
172. The condition meets criteria 2.4.a relating to MoI, which states that the Government has identified non-financial capacities (human resources and information technology) to support the implementation of SDGs.
173. As mentioned in 2017 VNR, the Government utilizes ICT. E-government is divided into three categories: government to citizen (e-KTP (electronic National ID Card/single identity number) and e-immigration), government to business (e-procurement, Ina Trade, and National Single Window) and government to government (e-budgeting, e-planning, and Information System for Collaboration in Planning and Budgeting Performance (KRISNA)).

The Government Has Identified Non-Financial Resources to Support the Implementation, Monitoring, and Reporting of SDGs

Room for Improvement

174. However, the Government has not entered into any cooperation with non-state actors to strengthen the capacity of statisticians to support the implementation of SDGs. Based on the 48th Session of the UN Statistical Commission, international and regional organizations must provide technical assistance for data compilation to meet international standards. There are four international and regional organizations i.e. FAO, UNSIAP, UNICEF, and UNFPA that provides technical assistance to Statistics Indonesia in building their capacity to measure SDGs indicators. The technical assistance includes seminars, training, and workshops.
175. Of the 257 SDGs indicators, 167 will be produced by Government institutions other than Statistics Indonesia. Therefore, strengthening sectoral statistical capacity of other ministries and agencies is necessary. In the 2017 VNR, it was reported that the total number of statisticians working in other ministries/agencies is 56, or 1.5% of all the statisticians working in the central government. To increase the number, which means to add capacity to train statisticians, the Government has increase the number of students accepted into STIS each year since the 2017/2018 academic year. Ultimately, the graduates will be distributed

to ministries, government agencies, and local governments. However, there is currently no mechanism from the Ministry of Administrative and Bureaucracy Reform to distribute the additional STIS graduates to the sectoral institutions and local governments.

176. The government has identified the ICT needed to support the implementation of SDGs. However, it does not show the mobilization of ICT to support SDG programs. E-government could be an excellent tool to support the implementation of SDGs. The Single National Identity Number could be one of the MoI to support accountability. The Single National Identity Number and other e-government features have not been integrated. E-planning and e-budgeting have been implemented at the state level but not by all local governments.

177. To support e-government, the Central Government is developing optical fiber backbone network and broadband access for all Indonesian regions, which will enable equal distribution of information. This is one of the targets and indicators in the SDGs National Action Plan relating to Goal 17 “Strengthen the means of implementation and revitalize the global partnership for sustainable development.”

178. The condition does not meet criteria 2.4 relating to MoI, on:

- Letter b: The Government has designed a collaboration scheme incorporating non-state actors / local actors, expert, academics, private sectors, and civil society to strengthen domestic non-financial capacities (human resources and information technology).
- Letter c: The Government has a mechanism to mobilize non-financial capacities (human resources and information technology) to support the implementation of SDGs.

179. The condition leads to:

- a. The government will have difficulties in providing statistical data on SDGs, especially sectoral statistics, which should be produced by ministries/agencies/local governments.
- b. SDGs may not be optimally achieved through the utilization of ICT.

180. The condition occurs because:

- a. Efforts to increase statisticians’ capacity have not involved all international and regional organizations in Indonesia.
- b. There has not been any mechanism to mobilize statisticians and ICT to support the implementation of SDGs.

181. The Ministry of National Planning and Statistics Indonesia agrees with the findings.

Recommendation

182. BPK recommends that the Minister of National Development Planning:

- a. Coordinates with Statistics Indonesia and other ministries/agencies/local governments, to immediately conduct a needs-analysis for human resources to support the implementation of SDGs, including statisticians, and to formulate a strategy to meet the needs.
- b. Proposes that the Ministry of Administrative and Bureaucracy Reform formulates a policy that ensures statisticians who are placed in sectoral institutions are provided with certainty in terms of their functional positions to support the generation of reliable and high quality data on SDG indicators.

- | |
|---|
| <p>c. Coordinates with the Minister of Finance and Minister of Home Affairs to formulate the strategy for implementing e-budgeting and e-planning at the Central and Local Government levels.</p> |
|---|

183. As the action plan, the Ministry of National Development Planning will:

- a. Encourage Statistics Indonesia to support and assist the staff of relevant ministries/agencies to provide the required data and indicators from the respective ministries/agencies.
- b. Propose that the Ministry of Administrative and Bureaucracy Reform map the need for government statisticians at every ministry/agency to provide indicator data on SDGs.
- c. Improve the KRISNA system as a tool to integrate e-planning and e-budgeting.

CHAPTER 5 – MONITORING, FOLLOW UP, REVIEW, AND REPORTING ON PROGRESS TOWARD IMPLEMENTATION OF THE 2030 AGENDA

184. Guidelines to Support Country Report on SDGs highlights the importance of reliable and valid data to support the government in reviewing the progress of SDGs implementation. Besides, such data would also determine how the government designs development policies. The reliability of data could be defined as the degree to which the data can be used. Therefore, about the principle of inclusiveness/participatory, the availability of indicators which are disaggregated to the lowest level of the administrative region is essential.
185. The guideline has stated that the need for reliable and valid data for SDGs implementation progress monitoring, there are still some challenges found regarding data. As mentioned above that in ensuring SDGs implementation has reached all the people in the country, the government needs to focus on those who belong to 40% of people with the lowest income. However, the accuracy and availability of indicators which disaggregate 40% of people with the lowest income is still a significant challenge. An equitable development cannot be realized with the absence of inclusiveness to eliminate inequalities.
186. About the way of how government agencies are working to disaggregate 40% people with the lowest income, these government agencies are still working in a silo. The Statistics Office holds the authority to create the indicator of 40% people with the lowest income. Meanwhile, for the operational data, it is the responsibilities of sectoral agencies. Both parties, the Statistics Office, and the sectoral agencies focus on their tasks and functions without bearing the Whole of Government approach. This siloed style of working contributes to government inability in disaggregating 40% people with the lowest income at the sub-national level.
187. Despite the challenges in data disaggregation, the government has made significant progress in the achievements and followed with rooms for improvement, as follows.



Responsibility



Achievement

188. An analysis of the National Action Plan document shows that the mechanism to monitor and evaluate action plans from the non-state actors is different from the mechanism for the government. The flow of reporting in monitoring non-state actors is described below.

- Non-governmental organizations conduct a voluntary self-assessment of programs and

**The Government
Has a Scheme to
Assign
Responsibilities to
Monitor, Follow-
up, Review, and
Report the
Progress of SDGs
Implementation**

activities carried out using the self-assessment tool, which is then submitted to the respective Working Group with a carbon-copy sent to the SDGs Secretariat. The SDGs Secretariat compiles reports from non-governmental organizations in the prescribed format. (Step 1).

- The Working Groups are assisted by the SDGs Secretariat to prepare a compilation report for review, which is then submitted to the Implementation Team Leader (Step 2).
- The Implementation Team Leader forwards the document to the Ministry of National Development Planning as the Implementation Coordinator (Step 3).
- The Minister of National Development Planning as the Implementation Coordinator reports the achievement of National SDGs Targets to the President/Steering Committee once a year and at any time as required (Step 4).

189. This condition meets criteria 3.1. concerning Data, on:

- Letter a: The Government has established the policy to assign responsibilities to monitor, follow up, and report progress on the implementation of SDGs;
- Letter c: The Government has a clear division of duties related to the institutions that are responsible for conducting the review.
- Letter d: There is a national review conducted on a regular basis (annually, biennially, or multi-year).

Room for Improvement

190. The analysis of National Action Plan document and the draft Decree of Minister of National Development Planning on the Coordination Team for the Implementation of SDGs shows that the evaluation mechanism for NGOs shall be conducted through a special and independent *ad hoc* forum, team, or institution established by the SDGs Implementation Team. The team shall consist of members from relevant stakeholders who are recognized for their competence, experience, and integrity. The list of SDGs Implementation Team is specified in the draft Minister of National Development Planning Decree No. KEP./M.PPN/HK/09/2017 on the Establishment of the Coordination Team for the Achievement of SDGs in 2017-2019. Reporting for non-state actors shall be conducted through a “voluntary self-assessment mechanism” using a reporting format of the agreed self-assessment tools. The report format was agreed by the government and non-government representatives in line with the draft Decree of Minister of National Development Planning on the Coordination Team for SDGs Implementation. However, as of the end of the audit, the self-assessment tools format has not been established.

191. This condition does not meet criterion 3.1.b., which states that the Government has established a structure or mechanism for monitoring, follow-up, and reporting on the progress of SDGs implementation.

192. This condition could lead to a situation where the Government faces difficulties in using the resulting report to measure the contribution of non-state actors towards achieving national SDGs objectives.

193. This condition occurs because there is no technical guideline for National Action Plan evaluation that contains self-assessment tools for non-state actors.

194. The Ministry of National Development Planning agrees with the findings.

Recommendation

195. BPK recommends that the Minister of National Development Planning prepares a technical guidelines that include a self-assessment tools to ensure accountability in reporting the achievements in SDGs implementation by non-state actors.

196. As a response to the recommendation, the Minister of National Development Planning maintains that the self-assessment format will be discussed by the Implementation Team by involving the relevant stakeholders.



Achievement

197. The SDGs consist of 17 goals, 169 targets, and 241 indicators. The Government has translated these 241 indicators and have mapped the alignment of SDGs indicators with indicators developed by the Government (Statistics Indonesia). The identification indicates that there are 319 national indicators from basic statistics and sectoral statistics. Not all national indicators can be synchronized with global indicators. From the 319 national indicators, 85 indicators are in line with global indicators, 166 national indicators are proxies of global indicators, and 68 indicators are national indicators additional to the global indicators. Identification by Statistics Indonesia shows there are 75 global indicators that will be developed. The mapping suggests that the number of national indicators is higher than global indicators, and some of them are only proxies or are additions to the global indicators.

198. The Government mapping shows that Statistics Indonesia is responsible for providing data for 97 of 319 national indicators. A total of 187 indicators are sectoral statistics that are the responsibility of ministries/agencies/local governments. The remaining 39 indicators are data provided jointly between Statistics Indonesia and ministries/agencies/local governments. The government is currently reviewing the data that has been collected/made available from survey/census activities for the SDGs indicators that are not yet developed.

The Government has metadata on performance indicators to monitor, follow up, evaluate, and report on the progress of SDGs implementation.

199. This condition meets criterion 3.2. concerning Data, on:

- Letter a: Indicators clearly state the name, definition, and method used in measuring the progress of SDGs implementation .
- Letter b: Indicators are quantifiable, have numerical targets or other measurable values.
- Letter c: Indicators consider the scope of national policy (the Government establishes its own indicators).
- Letter e: The government has developed specific and actionable milestones that are tied to outcomes.

Room for Improvement

200. In addition to indicators, the availability of a baseline is also important since it is used as a benchmark for each SDGs indicator. The baseline figure for each SDGs indicator uses the data from the year when the National Medium-Term Development Plan started (2015). If the 2015 data is not available, the previous year's data will be used. If the previous year's data is also not available, the data from two years earlier will be used, and so on. However, not all of the annual targets set forth in the SDGs National Action Plan have baseline figures that serve as a benchmark for setting the annual targets to be achieved for each goal at the end of the period.

201. This condition does not meet Criterion 3.2.d. regarding the availability of baseline figures for each SDGs indicator as well as targets to be achieved every year for each goal.

202. This condition leads to the inability to measure by comparison the progress/outcomes for targets that do not have a baseline.

203. This condition occurs because the government does not have the survey/census data that can generate a baseline from the indicators.

204. Statistics Indonesia has a different point of view, with the following explanation.

- The matrix chosen by BPK Team, e.g. in audit finding number 3.2 is taken from an old draft that has not been updated. The latest draft has incorporated the Matrix Part 1: Government Programs and Activities.
- Reference to the sentence that “each baseline figure has an annual target to be achieved for each goal” means that this applies to the SDGs Target Achievement Matrix available in Chapter III of the National Action Plan document. If the Baseline is intended for Matrix Part 1: Government Programs and Activities, it is possible to have no baseline due to changes in the proposed activities in the latest Government Work Plan (RKP).

205. In this situation, BPK has requested that Statistics Indonesia submits the latest draft used as reference by Statistics Indonesia in providing the explanation, but until the end of the audit, Statistics Indonesia has not presented the document to BPK Team.

Recommendation

206. BPK recommends that the Government through the Coordinator of the Implementation Team of the SDGs National Coordination Team (Ministry of National Development

Planning):

- coordinates with Statistics Indonesia and Ministries/Agencies/Local Governments to immediately formulate strategies for providing SDGs indicators;
- completes all indicators used in the monitoring and evaluation of SDGs programs implementation in Indonesia and provides accurate baseline figures.

207. As its action plan, the Minister National Development Planning stated that they will:

- prepare strategies to meet SDGs indicators at the global level (as determined by the UN) through coordination with Statistics Indonesia and relevant ministries/agencies; and
- coordinate with Statistics Indonesia and ministries/agencies to complete SDGs indicators.



Achievement

208. The 2017 VNR document shows that availability of sufficient data and information is a key requirement for appropriate decision-making in poverty eradication and welfare improvement, and in ensuring that no one is left behind. Indonesia has developed the metadata of SDGs indicators and developed single window data through the “One Data” portal to support the availability of disaggregated data by applying the no one left behind principle.

The Government Has Not Been Able to Generate the Required Data Disaggregation at the City/ Municipality Level

209. Based on the results of the data quality examination, the following was found:

- The government already has a national data platform as data repository center for SDGs, but the data still needs to be improved and updated.

In SDGs implementation, Statistics Indonesia serves as a data supplier. Data/indicators of SDGs are sent to the SDGs Secretariat/Ministry of National Development Planning to be used as the basis for policy formulation, monitoring, and evaluation of SDGs implementation. While waiting for the implementation of the “One Data” policy, the SDGs data/indicators produced by Statistics Indonesia are temporarily stored in a database prepared by Statistics Indonesia, and the plan is to integrate SDGs data produced by Statistics Indonesia and other agencies in the One Data system. On the other hand, since the One Data system has not been implemented, the SDGs Secretariat has also created a database for storing all SDGs data/indicators sourced from either Statistics Indonesia or agencies outside Statistics Indonesia.

Statistics Indonesia has developed the SDGs dashboard together with UNICEF. To enable international reporting in the context of country comparison, the SDGs data that has been stored can be accessed to easily identify which indicators are in line with global indicators and can be used for international comparison by assigning particular codes. The dashboard is operational, but the data needs to be improved and updated from time to time. To determine whether the dashboard is sufficient as a database for international reporting, it is necessary to have coordination between Statistics Indonesia, the Ministry of National Development Planning, and all relevant ministries/agencies.

- The Government has identified the necessary data from internal and external data sources

The Government has identified the necessary data from internal and external data sources. This is stated in Law No. 16 of 1997 on Statistics, where Article 1 stipulates that:

- Basic statistics are statistics for broad purposes, both for the government and the public, that have the characteristics as cross-sectoral, national, and macro statistics, and the generation of which shall be the responsibility of Statistics Indonesia.
- Sectoral statistics are statistics to meet the needs of certain agencies in the context of implementing governmental and developmental duties that become the core duties of the respective agency.
- Specific statistics are statistics to meet the specific needs of businesses, education, socio-cultural affairs, and other interests in public life, which is organized by agencies, organizations, individuals and/or other public elements.

Statistics data are not only obtained from Statistics Indonesia, but also from sectoral government agencies and non-government. With regard to SDGs, based on document analysis and interviews with Statistics Indonesia, it is clear that Statistics Indonesia brings the data from outside Statistics Indonesia by running a single window policy for data movement. Statistics Indonesia expects all government agencies to provide the necessary data. The Generic Statistical Business Process Model (GSBPM) is used as a mechanism to facilitate the process of statistical production within and between organizations.

Law No. 16 of 1997 shows that the task of Statistics Indonesia is not only to generate basic statistics, but it also has a role in assisting statistics-related activities in ministries/agencies or other institutions to establish a national-statistics system. Under the Law, Statistics Indonesia also plays a role in the development and promotion of technical standards and statistical methodology and provides services in statistical education and training. In relation to these roles, the identification of data for sectoral statistics sourced from sectoral ministries/agencies, according to the provisions (Head of Statistics Indonesia Regulation No. 9 of 2009 and Government Regulation No. 51 of 1999), should be performed by assessing the feasibility of survey/research design from ministries/agencies (through verification/validation processes). Furthermore, interviews with Statistics Indonesia indicate that Statistics Indonesia verifies and assesses whether the methodology used and the number of samples in the design is correct, to avoid duplicate research, and to avoid the non-utilization of the survey results due to errors in methodology and guidelines, etc.

Statistics Indonesia will provide a recommendation letter with a recommendation number that will be included in the questionnaire used by the sectoral ministries/agencies in conducting surveys/research. One of the benefits of including the recommendation number is that it indicates how the government ministries/agencies conducting the survey/research have obtained a recommendation from Statistics Indonesia; this means the surveyed respondents can have more confidence in the ministries/agencies conducting the survey/research. Further review shows that the Statistics Indonesia website allows for the request to obtain a recommendation letter from Statistics Indonesia to be submitted online through <https://sirusa.bps.go.id/sirusa/> by filling in the FS3 form (Sectoral Statistic Survey Notice Form) available on the website.

However, the awareness of sectoral ministries/agencies regarding this matter is still very low. For example, during 2017 there were only six surveys carried out by the sectoral ministries/agencies with the survey design being reported to Statistics Indonesia for verification. The same thing applies to the local government.

For special statistics, those who are going to conduct survey are only required to provide the synopsis of the survey results to Statistics Indonesia if the survey meets the following criteria: survey results are published, survey uses statistical methods and uses primary data.

- The government already has procedures for organizational capacity building to ensure the quality of data.

With regard to organizational capacity building for statistics agencies to produce quality data, the government through Government Regulation No. 51/1999 on Statistics regulates the activities undertaken by Statistics Indonesia on guidance and development:

- Statistics Indonesia shall provide guidance and development on statistics;
- In providing statistical guidance and development, Statistics Indonesia may cooperate with government agencies, universities, private institutions, and/or other public elements.

According to this regulation, the purpose of this guidance and development for statisticians is to build a national referral center for statistical information, develop a National Statistics System, and support national development.

The guidance and development provided by Statistics Indonesia in conducting statistics activities are:

- Increasing human resources skills in statistics;
- Developing statistics as a science;
- Increasing the mastery of science and technology that can support statistics;
- Creating conditions that support the standardization and development of concepts, definitions, classifications, and measures within the framework of cooperation with other statistics agencies;
- Developing a statistical information system;
- Increasing dissemination of statistical information.

Although Government Regulation No. 51/1999 has stipulated the guidance and development role that must be carried out by Statistics Indonesia, budget constraints have resulted in such activities not being optimal. Before every survey is conducted by Statistics Indonesia, training must be provided, except for static surveys or surveys in which the questions in the questionnaire remain unchanged, such as industry surveys and wage surveys. For this kind of survey, it is sufficient to provide training only every ten years. Statistics Indonesia also provides capacity building to enhance their ability to face the SDGs challenges in the future. Capacity building is also expected to help regeneration of personnel/leaders who have the skills/knowledge, allowing the skills/knowledge to remain within Statistics Indonesia as an organization without being limited to certain personnel or leaders.

In addition to policies and procedures to ensure data quality through capacity building for human resources, Statistics Indonesia is also developing information systems. One form of information system development from Statistics Indonesia is the creation of a Statistics Referral System (SiRuSa) portal. The Statistics Referral System is a portal that provides metadata information about statistical activities in Indonesia to support the establishment of the National Statistics System. With Statistics Referral System, it is expected that duplication of statistical activities can be avoided. The Statistics Referral System is part of the Statistics Indonesia website. Statistics Referral System Portal was built to respond to the mandate of Law No.16 of 1997 on Statistics described in Article 32 which stipulates that Statistics Indonesia is responsible for supporting the establishment of standardization and the development of concepts, definitions, classifications, and measures within the framework and spirit of cooperation with other statistics agencies.

Regarding data, the Government is developing www.data.go.id portal. This website is the official portal of Indonesian open data as an operationalization of the One Data initiative. This portal contains data from ministries, government agencies, local government, and all other relevant agencies that produce data related to Indonesia. This portal was initiated by the Presidential Working Unit for Development Control and Supervision (UKP-PPP), or the Presidential Delivery Unit.

One Data (Satu Data Indonesia) is an initiative of the Government of Indonesia to improve the quality and utilization of government data. Currently, portal www.data.go.id accommodates various data products generated by sectoral ministries/agencies and local governments, but it has not referred to the standardization and development of concepts, definitions, classifications, and measures that are comparable to each other and enable international comparisons. Sectoral ministries/agencies and local governments have not referred to standard definitions and concepts contained in the Statistics Referral System portal. Thus, the data in www.data.go.id could not be compared, and the available metadata is limited. The One Data policy could not be fully implemented since the Presidential Regulation on One Data has not been issued as of the end of this audit.

- The government has regulations that protect the independence of Statistics Indonesia
The independence of Statistics Indonesia is regulated in Head of Statistics Indonesia Regulation No. 39/2010 on the Vision, Mission, Core Values, and Code of Ethics of Statistics Indonesia, which governs, among others, that:

- The realization of the vision and mission of Statistics Indonesia requires that every statistician comprehend, live, and perform consistently the core values of Statistics Indonesia consisting of professionalism, integrity and trust.
- Integrity is the attitude and behavior that must be possessed by every statistician in carrying out the work and dedication to the profession and organization. The elements of integrity are dedication, discipline, consistency, openness, and accountability.
- Trust is a virtuous attitude that must be possessed by every statistician to be accountable to God Almighty.
- The elements of trust are trustworthiness, honesty, sincerity, and fairness.
- The statistical code of ethics should be a guideline and a principle for every statistician in every statistical activity.
- The statistical code of ethics is related to the fundamental nature of statistics, which is accountable, including:
 - Statistics that are independent, unbiased, and not influenced by any other party;
 - Statistics that guarantee the confidentiality of individuals;
 - Statistics that are impartial and may be utilized by any parties;
 - Statistics that meet the norms, standards, procedures, and criteria applicable to any statistical activities;
 - Statistics that ensure correct utilization and interpretation;
 - Objective statistics in accordance with actual facts on the ground.

With regard to the independence of Statistics Indonesia, in addition to provisions in the regulation, the key is the principle that Statistics Indonesia has no interest in the survey results. An example related to Statistics Indonesia's independence is Statistics Indonesia rice surveys that used Sampling Area Framework (KSA).

Another example is evident in measuring inflation and GDP, where Statistics Indonesia is monitored by international agencies to ascertain that the data and methodology used by Statistics Indonesia are correct. Thus, if Statistics Indonesia is not independent, the international body will detect it.

Also, to maintain its independence, Statistics Indonesia never involves outsiders in finalizing the data. It means that there will be no party other than those within Statistics Indonesia who know the data before the data is released. There is already a commitment from each personnel that before any data is released, Statistics Indonesia personnel may not share it with parties outside Statistics Indonesia.

- Statistics Indonesia has an alternative step that can be taken when the required data are not available or available but of low quality.

In monitoring, evaluating, and reporting the achievements in SDGs implementation, sometimes the required data are not available or are available but of low quality. When this happens, based on interviews and document review, the steps taken are:

- Look for proxy indicators of the same content that can be used to measure the same SDG targets, so that monitoring and evaluation of the SDGs target remains possible at least at the national level (Indonesia) and not for international comparison. This step is also taken in other countries like the Philippines, Cambodia, and Vietnam. It is also accompanied by efforts to provide data that can be compared internationally.
 - Use some of the available data types to be compiled into proxy indicators and perform small area estimation, i.e. estimating data on a small level (such as district level) using other information obtained from a census or survey.
 - There are efforts to improve the next data collection process by refining the instruments, training officers more intensively, reducing the respondent burden, tiered field supervision, improving the editing/coding process, improving the validation rules, more careful data cleaning, etc.
- The government already has a protocol for accessing, using and protecting information

Based on Law No. 16/1997, the government has guaranteed the confidentiality of the data provider in the context of Statistics Indonesia's collection and compilation of data from other organizations or from the community. Data presented for public access are aggregated data and do not reveal the identity of the individual data provider.

In conducting statistical activities, Statistics Indonesia refers to the Fundamental Principle of Official Statistics issued by the United Nations Statistics Division (UNSD). The principles in organizing statistical activities are as follows:

- Official statistics provide an important element in the information systems of a democratic society. Official statistics also serve governments and the public with economic, demographic, social, and environmental data. Official statistics that have passed the practical utility test are further collected and presented by statistical agencies to the public under the principle of impartiality.
- To maintain public confidence in official statistics, statistical agencies need to have professional judgment, including scientific principles and professional codes of ethics, in the methods and procedures of collecting, processing, storing, and presenting statistical data.
- To facilitate correct interpretation of data, statistical agencies should present information by following scientific standards in relation to statistical sources, methods, and procedures.
- Statistical agencies have the right to comment on misinterpretations and misuse of statistics.
- Data for statistical purposes can be generated from different types of sources such as statistical surveys or administrative records. The statistical agencies should determine which data source is selected by considering the quality, timing, cost, and barriers faced by respondents.
- Individual data collected by national statistical agencies for statistics compilations should be kept confidential and used only for statistical purposes.
- Laws, rules, and all measures used in the operation of statistical systems should be accessible to the public.

- The importance of coordination among statistical agencies in the country to achieve consistency and efficiency in the statistical system.
- The use of international concepts, classifications, and methods by statistical agencies, supports the consistency and efficiency of statistical systems at all government levels.
- Bilateral and multilateral cooperation in statistics contributes to the improvement of official statistical systems across the country.

Utilization of statistical information by outsiders such as other government agencies, private institutions, and society is regulated by Law No. 14 of 2008 on Public Information Disclosure.

Statistics Indonesia already has regulation related to protocols for statistics utilization, which is supported by the issuance of the Guide to the Use of Consultation Forum and Data Requests. This guide contains procedures that must be performed by parties who want to access data from Statistics Indonesia either through purchase or consultation. One of these procedures includes the establishment of MoU between Statistics Indonesia and data users.

- The government already has mechanisms to ensure the reliability of statistical disaggregation.

One of the things that supports quality data is adequate data disaggregation. Therefore, in the effort to produce good survey data, it is noted from interviews with Statistics Indonesia and document analysis, every statistical activity from the planning stage should be carried out carefully and thoroughly.

To produce good statistical instruments in the form of questionnaires, enumeration manuals, and supervisory manuals, Statistics Indonesia attempted to carefully design them so that the flow of questions can perfectly measure the indicators in accordance with the definitions and concepts that are internationally accepted. Similarly, when recruiting and selecting officers, performance indicators are used to determine whether a person is suitable to be an officer. Then in the processing stage, limits to detect and avoid mistakes have also been developed. Lastly, data presentation has also been through the stages of analysis and disclosure control.

When all the stages of the survey have been properly completed, and respondents also provide good responses, it will produce good disaggregated data that results in reliable statistics. Also, with relatively small sample surveys, detailed statistical disaggregation will further reduce the reliability of the statistics generated. To ensure the reliability of the statistics generated, the Relative Standard Error (RSE) value for each presented statistic must be calculated. When the value of RSE is greater than 25%, it is necessary to be careful in using the resulting statistics.

- The government already has a scheme for combining data, utilizing administrative records, identifying new resources, and exchanging information and technical ideas.

In line with the National Statistics System, any statistical activity must be reported to Statistics Indonesia, which functions as data custodian. The Memorandum of Understanding (MoU) and Cooperation Agreements between Statistics Indonesia and sectoral government agencies include information exchange and statistical development as well as human resources. Starting in 2018, Statistics Indonesia will also place a

number of fresh graduates from the College of Statistical Studies (STIS) in sectoral government agencies so that each agency can gradually become more independent in data development. Statistics Indonesia has also designed a multi-indicator component survey through the Statistical Capacity Building-Change and Reform for the Development of Statistics (STATCAP-CERDAS) portal so that one survey can be utilized for various subject matter.

Based on its website, STATCAP-CERDAS is a Statistics Indonesia transformation program aimed at improving the effectiveness and efficiency of Statistics Indonesia from producing up to disseminating data. All processes starting from production up to the dissemination of data are achieved by integrating statistical activities. The statistical activities integration means integrated planning, preparation, field activities, processing, analysis, dissemination, to the use of data by both external and internal parties. Thus, it is integrated from upstream to downstream to form one system. This integrated, effective, and efficient production process is expected to bring benefits to Statistics Indonesia data providers and users.

Benefits that can be felt by the data provider (data sources) include easier data delivery to Statistics Indonesia. Data providers can fill in questionnaires online without being bothered by Statistics Indonesia enumerators visiting one company for different surveys. Data providers will be provided convenience with simple questions that do not require much time to answer, or where data can be provided using their own gadgets. Also, confidentiality of data and data providers is one of the most important aspects at Statistics Indonesia.

In addition to providing benefits to data providers, STATCAP-CERDAS program will also benefit data users. One of the benefits is data users can get data in a way that is easy, inexpensive, and up to date. Several channels can be chosen by users such as through the site or by directly visiting Statistics Indonesia offices throughout Indonesia through the Integrated Statistical Services (PST) unit.

210. This condition meets criteria 3.3. concerning Data, on:

- letter b: There is a national data platform as the repository center for SDGs data;
- letter c: The Government has identified data needed from internal and external sources;
- letter d: The Government has mechanisms to ensure data quality, such as organizational capacity building (human resources and system);
- letter e: The Government has a policy to protect the independence of Statistics Indonesia;
- letter f: National data can be compared and standardized to be used in global monitoring activities;
- letter g: There are compensatory actions for unavailable or low-quality data;
- letter h: There are protocols for accessing, using, and protecting information originating from other organizations (such as agreements, standing messages, etc.);
- the letter i: There is a mechanism to ensure the reliability of statistical disaggregation;
- the letter j: The government provides a scheme for combining data from multiple surveys, leveraging administrative records where appropriate, identifying new sources

(e.g., the private sector, civil society organizations), and exchanging technical information and ideas with other agencies and stakeholders.

Room for Improvement

211. One of the seven principles of SDGs is the inclusiveness/participatory principle. This principle means that SDGs encourage the importance of a nationally participatory processes to ensure active and beneficial participation from all stakeholders at all stages, starting from integration into a national context, implementation, and monitoring and reporting. The four key stakeholders involved in SDGs are governments, civil society organizations and the media, philanthropists and businesses, and experts and academics.
212. Inclusiveness can be seen from two different points of view. First, as a contributor, meaning every human being has a role in achieving SDGs, even from the smallest communities such as villages or families. Second, as beneficiaries, meaning SDGs provide benefits to all types of groups, either by sex, geographical and financial conditions, disabilities, developed/developing countries, and others. In other words, SDGs must benefit everyone in the world and ensure that no one is left behind.
213. The Guidelines to Support Country Reports on SDGs highlight the importance of valid and reliable data to support the government in reviewing the progress in implementing SDGs. Also, the data provided is used as the basis for the government to prepare development policies. Data reliability can be defined as the level at which data can be used. Therefore, having disaggregated indicators to the lowest levels of local governance becomes very important in relation to inclusiveness/participatory principles.
214. Cooperation between Statistics Indonesia and ministries/agencies/local governments in the provision of official statistics must be well established to provide quality data on achievement of SDGs indicators.
215. However, problems are still found in the provision of statistical data. Some are as follows:
 - Not all statistical concepts, definitions, measures, methodologies have been standardized between Statistics Indonesia and ministries/agencies/local governments;
 - Guidance and development on statistical activities have not been fully and properly provided by Statistics Indonesia to ministries/agencies/local governments on sectoral statistical activities;
 - Coordination in implementing government official statistics and data support between Statistics Indonesia and ministries/agencies/local governments has not been optimal;
 - The provision of data is not continuous and varies among statistics data producers, which resulted in data not being available every year and variations in the baseline year;
 - Statistics Indonesia has not been able to generate data disaggregation for city/municipality levels;
 - Implementation of the National Statistics System has not been able to position Statistics Indonesia as a national referral center for statistics information that can efficiently coordinate all statistics resources in Indonesia; and
 - The number of statisticians in the ministries/agencies/local governments is not sufficient to independently perform statistical activities.
 - Ministries/agencies/local governments have not paid attention to the field/task of providing sectoral statistics data, thus human resources and infrastructure have not been adequately allocated.

216. BPK undertook further analysis of the above issues, particularly about the disaggregation of data to the level of district/municipality along with coordination between Statistics Indonesia and ministries/agencies/local governments in providing statistics data. An analysis was conducted on providing data of the lowest income population in relation to the delivery of basic services.
217. Establishment of valid and reliable indicators, especially related to the 11 basic services, can help the government ensure that all citizens (including the most difficult to reach) have access to these services. The 11 basic services are provision of birth certificate, access to proper maternal care services, basic vaccinations for children, contraceptives for married couples who are of productive age, access to primary and secondary education, access to clean water sources, access to proper and sustainable sanitation, decent dwelling, and access to electricity. Successfully providing these 11 basic services is part of the achievement of SDGs.
218. Audit result on the disaggregation of data/indicators to the level of district/municipality has revealed the information below.
- The basic statistics produced by Statistics Indonesia on poverty indicators were not designed to present the disaggregation of 40% of the population with the lowest income down to the level of district/municipality.

Nationally, poverty data comes from the National Socio-Economic Survey (Susenas) with a sample of 300,000 households. With that sample size for districts/municipalities in Indonesia, i.e. total of 514 districts/municipalities, the average sample size per district/municipality is about 600 households. With a total population of approximately 64 million households nationwide, there are on average about 125,000 households in each district/municipality. The Susenas nationwide sample size of 300,000 samples is very small to be disaggregated at the district/municipality level.

For Riau Province, the target sample is 7,640 households. This figure is yet not deducted with the number of households in the sample that did not respond (refusing to be included, moving out of the census blocks, etc.). If these samples are used to represent all 12 districts/municipalities in Riau Province, the disaggregation of 40% lowest-income population requires Statistics Indonesia to rely on 40% of 600 people.

Statistics Indonesia explained that to be able to form indicators from Susenas, the Relative Standard Error (RSE) should be considered. A processed data set can only become indicators if the $RSE < 25\%$. The available data from Susenas tends to produce $RSE > 25\%$ (error rate above tolerance) if used to present indicators with disaggregation down to the level of district/municipality. This condition means that not all indicators can be disaggregated to the district/municipality level for eight basic services for the lowest 40% of the population in terms of income. In fact, at the provincial level, the eight indicators also could not be presented.

Sampling tests in the provinces of East Kalimantan and Riau indicate that the disaggregation of indicators for 40% of the population with the lowest income for eight basic service indicators at the provincial level is not fully available yet. The Statistics Office of East Kalimantan Province has not been able to present the disaggregation of indicators for 40% of the population with the lowest income in relation to eight basic services in East Kalimantan Province. While for Riau Province, the Statistics Office can only disaggregate indicators for 40% of the population with the lowest income for four

basic service indicators, namely: childbirth at healthcare facilities, complete basic immunization coverage for children aged 12-23 months, provision of birth certificate, and increased access to electrification.

Statistics Indonesia explained that a bigger survey budget is required to have disaggregated data to the district/municipality level. However, Statistics Indonesia has not collaborated with ministries/agencies/local governments to address this problem of data disaggregation.

- The survey design for sectoral operational data made by ministries/agencies and local governments cannot be utilized as supporting data in the establishment of indicators for 40% of the population with the lowest income.

To present the situation from the ministries/agencies perspective regarding disaggregation of data for 40% of the population with the lowest income for 8 basic service indicators, BPK refers to the findings from Performance Audit Report (LHP) on the Management of Data and Information on Population, Family Planning and Family Development for 2015 – 2016 at the National Population and Family Planning Board (BKKBN) and other relevant institutions in Jakarta, Central Java, and East Java. The report number is 07/HP/XVI/01/2017 and was issued on January 18, 2017.

This report shows that: “The KKBPK data and information are inadequately managed.” In summary, in processing the data from Family Data Collection in 2015, the National Population and Family Planning Board used the Scanner Method and Offline Data Entry Method through service providers or third parties. BPK analysis shows that the validity of results from 2015 Family Planning data for as many as 48,914,330 records, or 81.09%, is not assured”.

In the audit report, BPK found that “Questions on the variables related to the National Population and Family Planning Board’s need for family planning information have been accommodated in the Updated Unified Database (PBDT) questionnaire from Statistics Indonesia, i.e. in Section V for seven variables. Meanwhile, the National Population and Family Planning Board also conducted Family Data Collection with national coverage without adjusting for variables from the synchronization with the Updated Unified Database. Thus, there is an overlap of family planning data collection between the National Population and Family Planning Board and the Updated Unified Database conducted by Statistics Indonesia“. The audit report states that the National Population and Family Planning Board collected data from all families in Indonesia with a Family Data Collection budget of Rp480.9 billion”.

219. Based on the audit above, the Government’s inability to present the disaggregated data for 40% of the population with the lowest income is caused by at least two things. They are technical problems and the way the government obtains the disaggregated data for 40% of the population with the lowest income.
220. For technical problems, the government faces problems regarding Relative Standard Error (RSE). In this case, a data set can be processed into an indicator when the RSE is less than 25%. In many cases, the population in the lowest administrative level, such as districts/municipalities, is very low. The low population means fewer samples to select from. These small sample size results in the RSE being above 25%, leading to the generation of an indicator that cannot be used because the error rate is too high.

221. The second problem is caused by several government agencies still working in silos. Statistics Indonesia is the only body that can provide indicators from the 40% of the population with the lowest income, while operational data is the responsibility of sectoral agencies. Both parties (Statistics Indonesia and sectoral agencies) only focus on their respective duties and functions without considering the Whole of Government approach. This work method hinders the government from presenting the data of 40% of the population with the lowest income.
222. This condition does not meet criteria 3.3.a. on Data: the regional statistics data has been utilized well at the national level.
223. The condition causes the following:
- Generated indicators cannot be used as accurate references as the basis for policy-making in supporting improvements to the implementation of government programs to increase the achievement of SDGs to contribute to national development at the central and local government levels.
 - The utilization of statistical data (sectoral) from the central and local levels has not been optimal.
 - Review of the progress in implementing SDGs is potentially incomplete and inaccurate;
 - The evaluation of government policies on poverty reduction is ineffective because the directing of existing resources, prioritizing investments, and ensuring that public services are not based on valid data.
 - The survey budgets of Statistics Indonesia and local ministries/agencies/governments are inefficient.
224. This condition occurs because:
- The existing national statistics system has not been able to put Statistics Indonesia as a national referral center for statistical information that can efficiently coordinate all statistical resources in Indonesia.
 - The Presidential Regulation regarding One Data Policy has not been established as an operational mechanism between Statistics Indonesia and ministries/agencies/government institutions which possess the mandate to conduct surveys.
 - Statistics Indonesia is only able to present a disaggregation of indicators for 40% of the lowest income population at the provincial level.
 - The data sources that are used from sectoral ministries/agencies are less valid [than Statistics Indonesia].
225. Statistics Indonesia agrees with the findings.

Recommendation

226. BPK recommends that Statistics Indonesia improves the draft Presidential Regulation on One Data to affirm the position of Statistics Indonesia as the referral center for statistics that has the authority to coordinate all statistics resources in Indonesia, and to strengthen the coordination of statisticians in providing reliable and high quality data.

227. As a response to the recommendation, the Minister of National Development Planning stated that the draft Presidential Regulation on One Data is going through harmonization process in the Ministry of Law and Human Rights. Therefore, as an action plan, the improvement of the draft will be carried out in that process.



Participatory



Achievement

228. The Government already has the scheme for monitoring, evaluation, and reporting processes as outlined in the National Action Plan document. The document shows that monitoring, evaluation, and reporting activities for the implementation of SDGs refer to both the Government Regulation No. 39/2006 on Procedures for Controlling and Evaluating the Implementation of Development Plans and the Minister of National Development Planning Regulation No. 1/2017 on National Development Evaluation Guidelines.
229. The two regulations are used as guidelines because these existing systems for monitoring, evaluation and reporting are used for assessing the achievement of SDGs. In monitoring, evaluation, and reporting of Indonesia's development outcomes, the Government refers to both regulations. Thus, the monitoring, evaluation, and reporting of the achievement of SDGs refer to the same regulations.
230. Monitoring, Evaluation, and Reporting Technical Guidelines that outline the methods or stages to be performed by those who are responsible for monitoring, evaluating, and reporting the achievement of the SDGs have been included in the National Action Plan. Currently, the technical guidelines are still under discussion with the target for completion in 2018.
231. Information gathering of the programs or activities undertaken by non-state actors is conducted by the Chair of the Coordinating Team (Deputy for Maritime Affairs and Natural Resources at the Ministry of National Development Planning) to support monitoring, evaluation, and reporting on the achievement of SDGs. The development of concept for information gathering is delegated to non-state actors such as Dompot Dhuafa, PT Astra, and PT Indofood.

The Government has prepared a participatory mechanism in the monitoring, following up, review, and reporting processes of SDGs achievement for Non-State Parties

232. The monitoring, evaluation, and reporting concept for non-state actors is developed by referring to experiences in monitoring, evaluating, and reporting on MDGs. The government also learned from the government of Japan regarding monitoring, evaluation, and reporting of non-state contributions with respect to SDGs.
233. VNR documents indicate that the VNR compilation serves as a form of reviewing the achievements of SDGs by involving four elements. These include national and subnational governments and legislative institutions, civil society organizations, philanthropy and businesses, and academics and experts.
234. The six principles used to ensure the application of the inclusiveness principle are:
- Provide stakeholders with schedules/timeline.
 - Conduct public campaigns to encourage active participation throughout the preparations.
 - Use various channels, both online and offline, to give people the opportunity to provide input.
 - Involve of all stakeholders, both state and non-state actors, such as academics and experts, philanthropy and businesses, CSOs and media to ensure the representation of each group or community element.
 - Documentation and publications to ensure the accountability and transparency of the process.
 - Use language that is easy to understand to reduce asymmetric information among the parties involved.
235. This condition meets criterion 3.4. concerning Data, on letter a and c: The Government has designed a transparent and integrated monitoring, follow up, review, and reporting process and involved stakeholders from the public and private sectors as well as NGOs and international organizations.

Room for Improvement

236. The availability of information channels that report on the information concerning the progress of SDGs implementation in Indonesia is still limited and not easily accessible by the public. The government needs to design publicly accessible websites or other reporting media that provide information about the progress of SDGs implementation, to give the public an opportunity to know how far the government has achieved SDGs,
237. Based on an examination of the official website of SDGs Indonesia and interviews with the Ministry of National Development Planning and SDGs Secretariat, it was found that the SDGs Secretariat already has a website which is accessible to the public. This website contains information about goals, targets, and metadata of the indicators in the SDGs. This website also provides relevant regulations and news about SDGs, etc. However, the progress of SDGs implementation itself is not provided to the public because the government considers that the information on SDGs implementation achievements and progress may involve or contain state secrets/documents.
238. This condition does not meet Criterion 3.4.b on Data that states that reporting media can be easily accessed by the public, providing information on the progress SDGs implementation.

239. This condition leads to the situation where community participation in the process of monitoring, follow-up, review, and reporting on the achievement of SDGs is less than optimal.

240. This condition occurs because of the unavailability of easily accessible public reporting media that provides information on the progress of SDGs implementation.

241. Statistics Indonesia agrees with the findings.

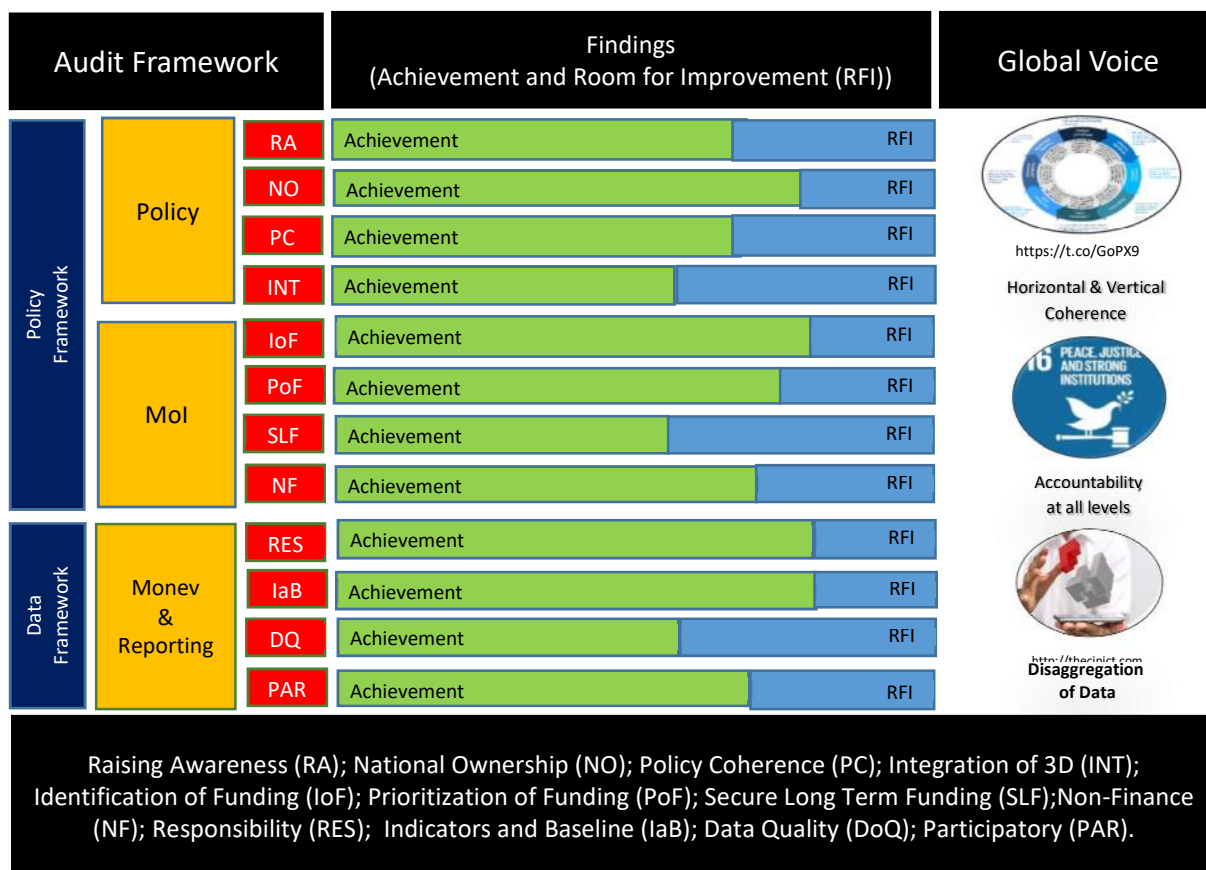
Recommendation

242. BPK recommends that the government through the Coordinator of the Implementation Team of the SDGs National Coordination Team (Ministry of National Development Planning) provides a reporting media regarding the achievement of SDGs implementation that is easily accessible to the public.

243. As an action plan, the Minister of National Development Planning will periodically upload the SDGs achievement report on its website at sdgs.bappenas.go.id.

CHAPTER 6. CONCLUSIONS

244. BPK has conducted a performance audit to assess preparedness for SDGs implementation in Indonesia. In conducting the audit, BPK has assessed the planning policy, implementation policy, and the design for monitoring and evaluation. The results are detailed below.



245. The audit results show that Government has been adequately effective in making significant efforts in preparing for SDGs implementation. The Government efforts are reflected in the following:

- a. The Government has undertaken awareness-raising process regarding SDGs implementation in Indonesia;
- b. The Government has established key implementation policies towards achieving SDGs in Indonesia;
- c. The Government has a mechanism to identify sources of funding for the implementation of SDGs programs in Indonesia;
- d. The government has a mechanism to ensure that the budget related to the 94 SDGs targets are included as part of the NMDP priority programs;
- e. The Government has identified the non-financial resources to support implementation, monitoring, and reporting of SDGs;

- f. The Government has a design for the assignment of duties and responsibilities to monitor, follow up, review, and report the progress of SDGs implementation;
- g. The Government has metadata on performance indicators to monitor, evaluate, and report SDGs implementation; and
- h. The Government has prepared a participatory mechanism to monitor, follow up, review, and report the achievement of SDGs for Non-State Actors.

246. However, there are rooms for improvement that the Government must act upon, as follows:

- a. The policy design that ensures the coherence of SDGs implementation across multiple government cycles;
- b. The institutional mechanisms to support the implementation of cross-sectoral policies and integration of the three dimensions (Economic, Social, and Environmental);
- c. The establishment of policy related to quality budgeting and expenditure; and
- d. The data disaggregation at the district/municipality level.

The Audit Board of the Republic of Indonesia

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APPENDIX

Appendix 1

Audit Criteria

Policy Framework

Policy – Awareness-Raising

1.1. Has the Government informed and involved citizens and stakeholders in processes and set the institutional arrangements to integrate the 2030 Agenda, including national and local governments, legislative bodies (DPR), the public, civil society organizations, and the private sector?

- a. The Government has has carried out awareness-raising processes in government institutions to ensure that the SDGs are aligned with the national vision and national development plan of the current and the subsequent administration.
- b. The Central Government has engaged local governments and other stakeholders (private sectors, academics, and society) in awareness-raising processes.
- c. Awareness was raised in a participatory manner with the following criteria:
 - Approved by all stakeholders;
 - Occurs in all stages (design, implementation, and monitoring) of the development strategy;
 - Involves women and marginalized communities;
 - Transparent and provides sufficient and accessible information;
 - Accountability mechanism to ensure that the participatory process met the criteria.

Policy Framework

Policy – National Ownership

1.2. Has the Government put in place processes and institutional arrangements to integrate the 2030 Agenda into the Government's legislation, policy, plans, budget, programs, and activities?

- a. The Government has aligned the 2030 Agenda with the planning and budgeting cycle.
- b. The Government has reviewed national and sub-national planning strategies and has identified areas for change;
- c. The Government has designed policies and institutional mechanisms for integrating SDGs into policies regarding planning, budgeting, and programs;

- d. The Government has established national and sub-national goals and targets that are aligned with SDGs and targets;

Policy Framework

Policy – Policy Coherence

1.3. How do the policies that have been designed regulate various levels of government (national, sub-national, and local) and multiple stakeholders for a coherent implementation of the 2030 Agenda?

- a. Efforts to achieve SDGs will be sustainable across multiple government cycles.
- b. Commitment and concrete support from the highest political levels in performing the SDGs action plan in Indonesia.
- c. Availability of a mechanism for stakeholder input feeds as a consideration in the decision-making process.

Policy Framework

Policy – Integration of three dimensions

1.4. Has the Government adopted policies and institutional mechanisms to accommodate integration of the three dimensions of sustainable development (economic, social, and environmental) and the principles of the 2030 Agenda (e.g., “leave no one behind”)?

- a. Robust coordination to address cross-cutting issues.
- b. Clear goals as the basis for experts, society, and decision-makers to cooperate.
- c. The effort to create an epistemic community at the national level, which has a network of academics and experts to support and reinforce public policies.

Policy Framework

Means of Implementations – Identification of Funding

2.1. Has the government identified the financing required and sources of funding to support implementation, monitoring, and reporting on the 2030 Agenda?

- a. The Government has the policy to identify, involve, direct, and monitor non-government funding sources.
- b. The Government has identified the funding needs for the implementation of SGDs.
- c. The Government has identified the funding sources and has prioritized domestic sources.

Policy Framework**Means of Implementations – Prioritization of Funding**

2.2. Has the government ensured that the budget is adequate, appropriately allocated, accountable, and coherent with national planning?

- a. The Government has a mechanism to ensure who take responsibility for the work, be held accountable, be consulted, and be informed about budget allocations.
- b. The Government has a mechanism to ensure the budget allocation is sufficient to fund the SDGs programs that are in synergy with national priority areas.
- c. The Government has created a reporting mechanism for mapping the budget utilization by goals.

Policy Framework**Means of Implementations – Securing Long-term Funding**

2.3. To what extent has the Government secured the financing required to implement, monitor, and report on the 2030 Agenda?

- a. The Government has a mechanism to optimize domestic resources;
- b. The Government has a policy in place related to efficiency in Government spending.
- c. The Government has a mechanism to optimize international collaboration to gain additional resources and increase capacities.

Policy Framework**Means of Implementations – Non-Financial Resources**

2.4. Has the Government identified capacities to support implementation, monitoring, and reporting on the 2030 Agenda?

- a. The Government has identified non-financial capacities (human resources and information technology) to support the implementation of SDGs.
- b. The Government has a design for collaboration with local actors, expert, academics, private sector, and civil society to strengthen domestic non-financial capacities (human resources and information technology).
- c. The Government has a mechanism to mobilize non-financial capacities (human resources and information technology) to support the implementation of SDGs.

Data Framework**Monitoring and Evaluation – Responsibility**

3.1. Has the Government assigned responsibilities for monitoring, following up, reviewing, and reporting on the progress towards implementation?

- a. The Government has established the policy to assign responsibilities responsibilities to monitor, follow up, and report progress on the implementation of SDGs;
- b. The Government has established a structure or mechanism for monitoring, follow-up, and reporting on the progress of SDGs implementation.
- c. The Government has a clear division of duties related to the institutions that are responsible for conducting the review.
- d. There is a national review conducted on a regular basis (annually, biennially, or multi-year).

Data Framework**Monitoring and Evaluation – Indicators and Baseline**

3.2. Has the Government identified performance indicators and baselines, and established milestones for monitoring and reporting on implementation?

- a. Indicators clearly state the name, definition, and method used in measuring progress in the implementation of SDGs.
- b. Indicators are quantifiable, have numerical targets or other measurable values.
- c. Indicators consider the scope of national policy (the Government establishes its own indicators).
- d. Availability of baseline figures for each SDGs indicator as well as targets to be achieved every year for each goal.
- e. The government has developed specific and actionable milestones that are tied to outcomes.

Data Framework**Monitoring and Evaluation – Data Quality**

3.3. Has the Government put in place processes to ensure the quality, availability, and required level of disaggregation for the data needed?

- a. Regional statistical data has been utilized well at the national level.
- b. There is a national data platform as the repository center for SDGs data.

- c. The Government has identified data needed from internal and external sources.
- d. The Government has mechanisms to ensure data quality, such as organizational capacity building (human resources and system).
- e. The Government has a policy to protect the independence of Statistics Indonesia.
- f. National data can be compared and standardized to be used in global monitoring activities.
- g. There are compensatory actions for unavailable or low-quality data.
- h. There is protocol for accessing, using, and protecting information initially compiled by other organizations (such as agreements, standing messages, etc.).
- i. There are mechanisms to ensure the reliability of statistical disaggregation.
- j. The government provides a scheme for combining data from multiple surveys, leveraging administrative records where appropriate, identifying new sources (e.g., the private sector, civil society organizations), and exchanging technical information and ideas with other agencies and stakeholders.

Data Framework

Monitoring and Evaluation – Participatory

3.4. Have monitoring, follow-up, review and report processes been designed through a participatory process and will these processes enable stakeholder engagement?

- a. The government has designed monitoring, follow-up, review, and reporting processes that include vital public and private sector stakeholders, non-government/international organizations.
- b. The reporting media, which provides the information on the progress of SDGs implementation, is easily accessible to the public.
- c. The government has designed participatory, transparent, and integrated follow-up and review processes.

Appendix 2

Sampling Method

Step 1.

After reviewing all goals at the policy level, BPK decided to use Goal 16, “Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”, especially Target 16.6, “Develop effective, accountable and transparent institutions at all levels”, to determine the primary focus of the Government in terms of funding policy. The logic behind this relates to the preconditions in regard to the funding for each goal, as described below.



Figure A.1. The relationship of Goal 16.6 in meeting the funding for each Goal

Step 2.

From the Government perspective, spending is mostly intended for programs related to poverty alleviation. Thus, BPK selected Target 1.4, “By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance”, which is reflected in the 11 basic services as Indonesian proxy indicators. The magnitude of spending for poverty alleviation can be seen below.



Figure A.2. National Priority Spending Focus

Step 3.

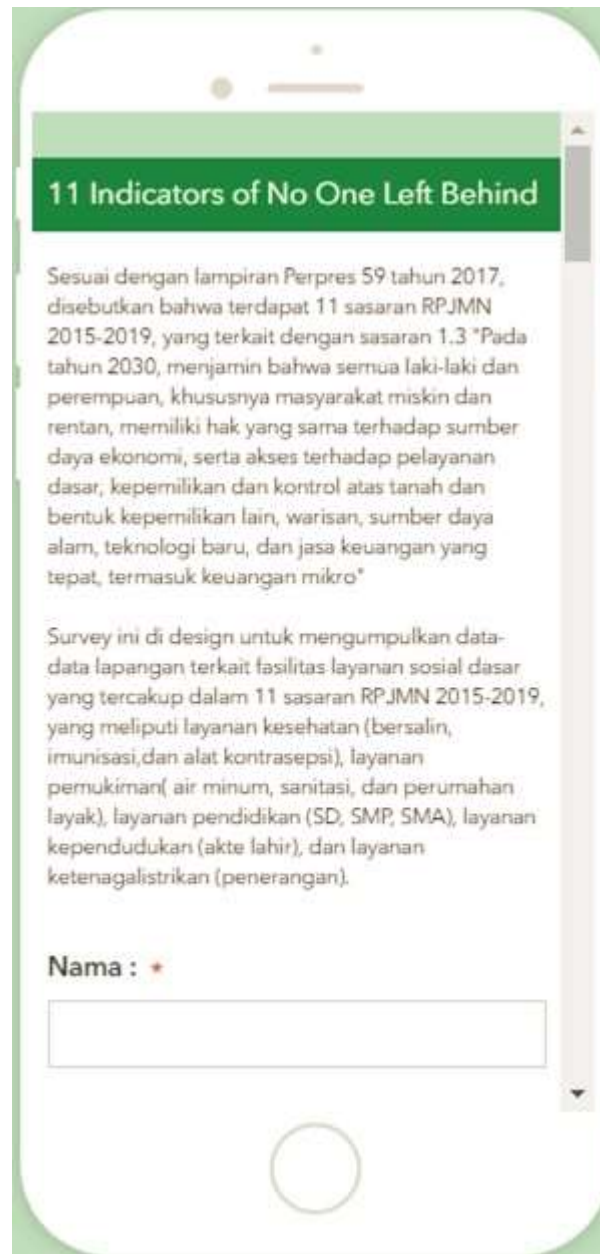
The proxy indicators from 1.4.1 “Proportion of population living in households with access to basic services” in Indonesia are shown below.

Table 1. Indonesia Proxy Indicator for Basic Services

No	Proxy indikator	Related Goal	Dimension
1.	The percentage of married women (age 19-49) who have given birth in a proper childbirth facility.	Good Health and Well-being	Social Dimension
2.	The percentage of children (age 12-23) who receive essential vaccination.		
3.	The contraceptive prevalence rate of all contraceptive methods among married couples of reproductive age of 15-46 years old.		
4.	The net enrollment rate for primary school	Goal 4. Quality Education	
5.	The net enrollment rate of junior secondary school (SMP)		
6.	The net enrollment rate of senior secondary school (SMA)		
7.	The percentage of households with access to a clean water supply.	Goal 6. Clean Water and Sanitation	Environmental Dimension
8.	The percentage of households with access to sustainable and adequate sanitation.		
9.	The percentage of urban slums.		
10.	Electrification ratio	Goal 7. Affordable and Clean Energy	Economic Dimension
11.	Percentage of citizens age 0-17 with a birth certificate	Goal 16. Peace, Justice, and Strong Institutions	

Step 4.

We set up a survey using mobile device to assist the auditors in capturing the actual conditions of those basic services at the village level (the lowest level of government administration in Indonesia).



11 Indicators of No One Left Behind

Sesuai dengan lampiran Perpres 59 tahun 2017, disebutkan bahwa terdapat 11 sasaran RPJMN 2015-2019, yang terkait dengan sasaran 1.3 "Pada tahun 2030, menjamin bahwa semua laki-laki dan perempuan, khususnya masyarakat miskin dan rentan, memiliki hak yang sama terhadap sumber daya ekonomi, serta akses terhadap pelayanan dasar, kepemilikan dan kontrol atas tanah dan bentuk kepemilikan lain, warisan, sumber daya alam, teknologi baru, dan jasa keuangan yang tepat, termasuk keuangan mikro"

Survey ini di design untuk mengumpulkan data-data lapangan terkait fasilitas layanan sosial dasar yang tercakup dalam 11 sasaran RPJMN 2015-2019, yang meliputi layanan kesehatan (bersalin, imunisasi, dan alat kontrasepsi), layanan pemukiman(air minum, sanitasi, dan perumahan layak), layanan pendidikan (SD, SMP, SMA), layanan kependudukan (akte lahir), dan layanan ketenagalistrikan (penerangan).

Nama : *

Figure A.3. Mobile device data collection for the dashboard

Network Analysis Results

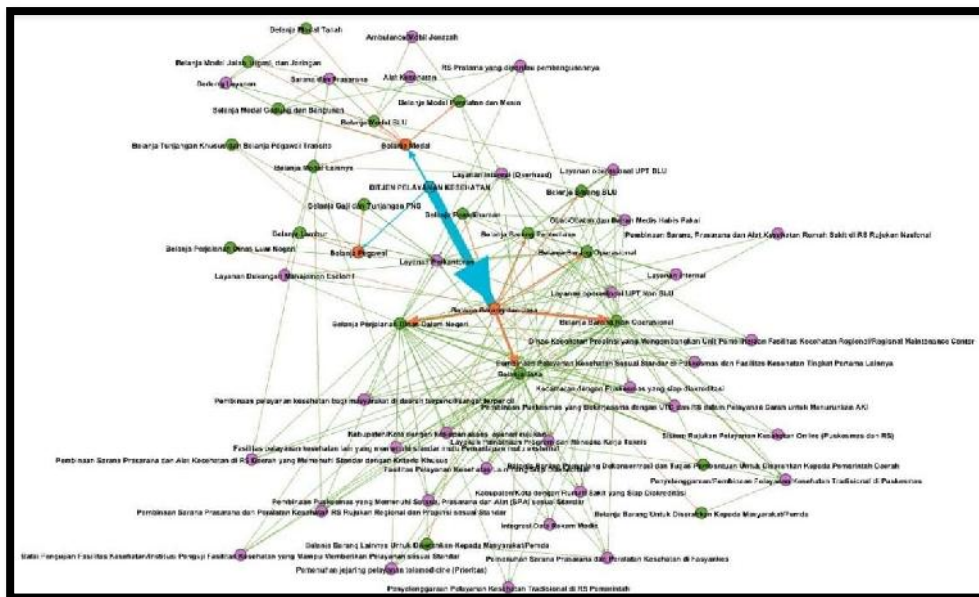


Figure A.4. Expenditure Mapping of Directorate General of Health Services

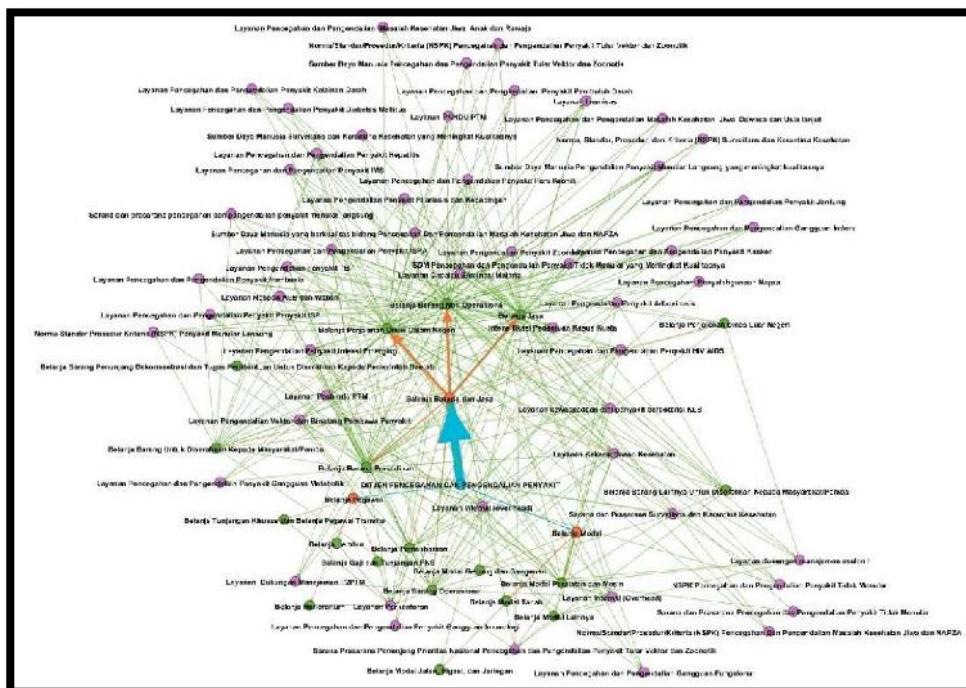


Figure A.5. Expenditure Mapping of Directorate General of Disease Control and Prevention

