

UN JOINT PROGRAMME

ACCELERATING SDGS INVESTMENTS IN INDONESIA (ASSIST)

NEWSLETTER



5th Edition | (January - June 2024)

Message from UNRC

Dear Readers,

Welcome to the fifth edition of our newsletter.

Indonesia is committed to the full implementation of the Sustainable Development Goals (SDGs) and the achievement of the 2030 development agenda. According to data from the National Development Agency (Bappenas), Indonesia is meeting

Gita Sabharwal

UN Resident Coordinator in Indonesia

targets on 62% of the SDG indicators. While Indonesia is doing well in many areas, Bappenas highlighted tackling undernourishment and tuberculosis as among the indicators requiring more attention. In the wake of the COVID-19 pandemic, Bappenas estimated in the SDGs Roadmap that US\$ 8.7 trillion is required to achieve the SDG targets, with a funding shortfall estimated at US\$ 1.7 trillion – slightly higher than the country's annual GDP. An urgent, large-scale, and sustainable investment push is critical to overcome this funding shortfall.

Since 2021, the UN Joint Programme 'Accelerating Sustainable Development Goals Investments in Indonesia (ASSIST)' has brought together four UN agencies: UNEP, UNICEF, UNIDO and UNDP as the lead technical agency to partner with the Government of Indonesia in accelerating progress towards the SDGs by leveraging finance through market uptake of SDG-aligned financial products. The financing mobilized through ASSIST is reaching nearly a fifth of Indonesia's population, and for every dollar invested in the programme, it has leveraged 509 dollars in public and private financing for the SDGs – a truly impressive result.

I would like to highlight three main results accomplished by the programme. First, the technical assistance on thematic bonds and Islamic finance instruments provided to the Ministry of Finance by UNDP; this has enabled the country to raise US\$ 3.2 billion in SDG-linked finance. This financing in turn has benefitted close to 48 million people, with two-thirds of them women, children and youth. The joint programme, through UNICEF, has helped align zakat financing for increased sanitation, drinking water access and education.

Second, in partnership with five commercial banks, the programme, led by UNEP, is actively institutionalizing sustainable finance frameworks and putting in place transitional financing plans to scale up the ESG portfolio. The five banks have a total asset base of US\$ 116 billion, with under a quarter of this directed towards ESG activities. As the share of the ESG portfolio rises, it will translate into increased financing for the SDGs. At the same time, to increase the capacity of SMEs to take out loans, workshops have been held for close to 900 businesses, led by UNIDO.

Third, we have supported the Government in assessing the financial viability of municipal bonds for six provinces.

Now in its penultimate year, the ASSIST JP looks forward to further scale up financing for the SDGs in Indonesia and showcasing regionally and globally the results achieved through integrated policy support and innovative strategic and sustainable financing!

ASSIST JP Snapshot | Since 2021



Over US\$ 3.2 billion

raised and mobilized through thematic debt instruments, SDG-linked loans, and impact funds



48 million people

benefited from SDG Bonds issuance:

approximately 43% are Female (**20+ million**)



Through the Catalytic Funding, Budget Olympic and Islamic Finance programs we have impacted:

70,000 beneficiaries

including students, children, teachers, farmers, fishermen, and women



Conducted Institutional Capacity Building for:

670 government officials trained in thematic bonds

950 SME entrepreneurs trained in adopting sustainable practices

85 individuals from 38 startups and SMEs were supported through Impact Venture Accelerator such as Blue Finance Accelerator and She Disrupts Indonesia



ASSIST Site Visit to West Nusa Tenggara: Sustainable Transformation on Local Enterprises to Community Empowerment

The ASSIST JP conducted a site visit on January 30th and 31st, 2024, marking a significant milestone in the implementation of this collaborative initiative, funded by the Joint SDG Fund. Key stakeholders from four participating UN agencies under the coordination of the UN Resident Coordinator in Indonesia, gained insights into the substantive benefits of the JP for local SMEs in the agrifood sector, startups in the blue sector, unlocking opportunities for community development by supporting the region's youth.

The collaborative technical assistance provided by UNIDO and UNEP has ensured the adoption of sustainable agricultural practices and a shift towards more circular and lower-input methods. The SME's learning center, a key aspect of its operations, serves as a central hub for over 200 farmer communities and villagers, who adopt environmentally sound and resource efficient farming techniques, laying an important foundation for the change of local paradigm leading to increased productivity, marketability and competitiveness, and ultimately - sustainable access to finance.

As demonstrated during the field visit to UD. Sasak Tani, one of the beneficiary SMEs in the agrifood sector has emerged as a catalyst for positive change in local communities. Beyond the fields, the SME's influence extends to the educational domain. Through active collaboration with schools to incorporate sustainable agriculture topics into the curriculum of the "Merdeka Belajar" initiative, the SME is empowering local school children with knowledge that will be beneficial for years to come.

During the second site visit, four alumni enterprises of the Blue Finance Accelerator (BFA) program - a collaborative initiative launched by the United Nations Development Programme (UNDP) and the Asian Development Bank (ADB) in partnership with the Coordinating Ministry of Maritime and Investment Affairs and Instellar Indonesia - namely Conplas, Karya Pesisir, Lamops and Oganic. Since graduating from BFA, these ventures have forged partnerships with each other to expand operations and reach a

wider customer base in Lombok. Lamops for instance, is a start-up that focuses on upcycling pearl waste. After graduating from BFA, they partnered with three pearl farms and managed to reduce 1 ton of pearl waste in NTB province, 100 people joined their workshops, and 10% of their trainees' secured jobs as artisans.

Going beyond traditional support, the BFA initiative empowers start-ups and SMEs to access impactful investment opportunities through UNDP's Impact Venture Accelerator (IVA) programs. The BFA focuses on capacity-building and support mechanisms for businesses engaged in blue sectors. Participants received a tailored curriculum covering business, innovation, impact measurement and management, gender perspectives, and themes related to the blue economy, complemented by individual mentoring, consulting, and support from advisory teams to ensure sustained business growth.

The visit continued with an interaction with students from Madrasah Ibtidaiyah Negeri 4 who are recipients of the Program Indonesia Pintar, which is financed by

the SDG Bond that the JP supported. To raise awareness on the SDGs, the visit concluded with an SDG Talk show at Madrasah Aliyah Negeri 1 which was attended by more than 100 students and teachers.

These interactions showcased the dynamic impact of the ASSIST JP on youth-led sustainability and green transition initiatives, as young people assume a vital role in advocating for the adoption of sustainable practices across sectors. The JP's comprehensive approach extends beyond mere technical interventions, encompassing educational institutions, creating sustainable economic ecosystems that uplift youth, and contributing to the broader landscape of community and economic development in West Nusa Tenggara and beyond.

Click the link or scan the QR code to access the press release



<https://tiny.cc/JPSiteVisit>

ASSIST JP Site Visit



Click the link or scan the QR code to watch the video:



<https://tiny.cc/JPSiteVisitVideo>

SDG Bonds Site Visit to MIN 4



Click the link or scan the QR code to watch the video:



<https://tiny.cc/JPSDGBonds>

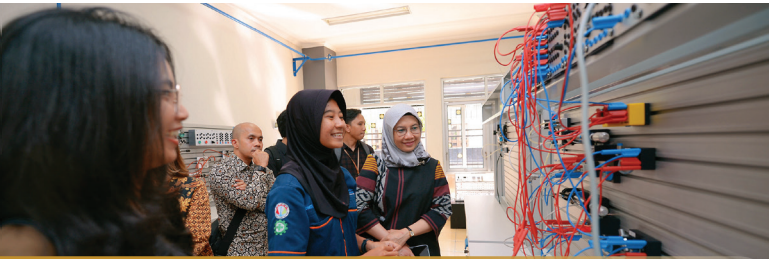
BFA: Impact Story



Click the link or scan the QR code to watch the video:



<https://tiny.cc/JPBFA>



SDG Bond Project Site Visit to Yogyakarta

UNDP through ASSIST JP and the Ministry of Finance, organized a site visit to Yogyakarta as part of the SDG Bond Project in May 2024. This event showcased the success of collaborative sustainable financing, particularly the significant impact of SDG Bonds in Indonesia.

The venue for this visit was the Yogyakarta Vocational High School for Technology Industry, where over 80 participants, including representatives from the Ministry of Finance, Ministry of Industry, as well as the school's principal, teachers, and students, gathered for the occasion. The attendees embarked on a tour that provided a firsthand look at advanced classes and well-equipped laboratories.

Students and teachers eagerly demonstrated their daily learning processes, which are aligned with the latest technological advancements. The school offers robust programs in industrial chemical engineering, chemical analysis, and mechatronic engineering, all aimed at equipping students with essential skills for the workforce.

Following the tour, an SDG Talkshow featured discussions with the school principal, Ministry of Finance, Ministry of Industry, and UNDP representatives. This dialogue emphasized the collective efforts of the government, private sectors, and youth in achieving the SDGs through SDG Bonds. One notable project funded by the 2023 SDG Bond supports technological and industrial vocational secondary education, reflecting Indonesia's commitment to achieve SDG 4: Quality Education and SDG 9: Industry, Innovation, and Infrastructure.

The visit concluded with an interactive SDG-themed pop quiz, underscoring the importance of collective efforts in sustainable development. Indonesia's innovative approach to sustainable financing through SDG Bonds serves as an inspiring example for global efforts towards a sustainable future by 2030.

Click the link or scan the QR code to access the press release



<http://tiny.cc/SDGBond>



Technical Workshop on Municipal Bonds at Padang

UNDP organized a Technical Workshop on Municipal Sukuk for West Sumatera Province in collaboration with the National Islamic Finance Committee (Komite Nasional Ekonomi dan Keuangan Syariah/KNEKS), to support West Sumatera prepare its sukuk issuance plan in June 2024. This two-day workshop was held in Padang on 12-13 June 2024, equipping over 40 officials from the West Sumatera Provincial Government with essential technical knowledge and skills for preparing, issuing, and managing municipal sukuk.

Speakers representing the Ministry of Finance, Ministry of Home Affairs, Financial Services Authority, Indonesian Ulema Council, Pefindo, and INA Sekuritas, shared insights on the legal and regulatory frameworks, case studies, best practices, and technical and practical steps. The training provided an opportunity for UNDP to advocate for sustainable financing by highlighting the alignment between subnational development priorities, subnational financing instruments, and the

SDGs—encouraging the issuance of a thematic municipal sukuk in West Sumatera.

By advocating the thematic municipal sukuk, UNDP is fostering a financing model that embeds sustainable development principles into financial decision-making at the subnational level. This ensures that development projects are not only financially viable but also contribute positively to the community and environment.

Looking ahead, UNDP will continue to support West Sumatera and other prospective local governments in leveraging thematic municipal bonds and sukuk, thereby advancing Indonesia's sustainable development.

Click the link or scan the QR code to access the press release



<http://tiny.cc/MunicipalBond>



The 2024 Budget Olympic: APBN Debate Competition (University level)

The Budget Olympic 2024: APBN Debate Competition (University level) is celebrating the power of young minds to shape the future of children's welfare in Indonesia. This year, the event saw the participation of 350 teams, comprising 1050 students from universities across the country (59% Female and 41% Male). This is a significant increase from previous years. The finale of the competition on 30 May 2024 featured Team A from PKN STAN (Vocational School of the State Accounting Institute), Team B from IPB University, and Team C from Udayana University. PKN STAN emerged as the winner this year.

The final event was attended by Sri Mulyani, the Minister of Finance, and Jean Lokenga, the Deputy Representative of UNICEF Indonesia. Both provided insightful remarks emphasizing the importance of investing in effective public finance for children. Mr Lokenga highlighted that public finance plays a crucial role in shaping the future of children. The commitment of Minister Sri Mulyani to effective public finance underscored the critical need for strategic investments in children's welfare.

Integration of PF4C and Multidimensional Deprivation Analysis into KEMPPKF

ASSIST JP through UNICEF, in collaboration with the Ministry of Finance (MoF), has made significant strides in addressing multidimensional deprivation in Indonesia. This has been achieved through the integration of Public Finance for Children (PF4C) and the Multidimensional Deprivation Index into the 2024 and 2025 KEMPPKF (Macroeconomic Framework and Principles of Fiscal Policy). The 2025 KEMPPKF has been submitted to the parliament by Ministry of Finance on 20 May 2024. This document is a basis for next year's proposed budget discussion and fiscal policy between GoI and the parliament. This initiative, implemented through technical assistance on child budget analyses, a series of workshops on multidimensional deprivation, and the development of an internal policy brief, is supported by ASSIST JP. It reflects a collective commitment to create a society where every child thrives.

The increased awareness of the MoF regarding the multidimensional deprivation index marks a paradigm shift in policy formulation. This provides nuanced insights into the diverse challenges faced by children and communities. This approach, which engages key stakeholders, ensures inclusivity in targeting vulnerable populations affected by multidimensional deprivation. As we look to the future, we remain committed through this programme to alleviate multidimensional deprivation, advance child well-being, and foster an environment where every child has the opportunity to thrive.



Click the link or scan the QR code to access the full document:



<https://fiskal.kemenkeu.go.id/publikasi/kem-ppkf>

Gender Equality Elements in the Sustainable Finance Frameworks Development

The promotion of female leadership has been identified as a potential solution to address gender inequality. Empowering women to assume more leadership roles is anticipated to mitigate gender disparities within their respective institutions. Nonetheless, according to the 2023 Bappenas Annual SDG report, the advancement of female representation in decision-making positions has stalled over the past three years, indicating the necessity for intensified efforts to bolster female leadership in Indonesia.

In Indonesia, despite most MSMEs being owned or led by women, gender inequality remains an obstacle, particularly in access to financing. As part of the GEM-2 programme, ASSIST JP is dedicated to establishing more financial opportunities and an enabling environment for female leaders and MSME owners.

Under the ASSIST JP initiative, one of the UNEP FI's undertakings involves delivering technical assistance to banks to develop sustainable finance frameworks (SFF). This approach is intended to enable banks to adopt a more foundational and strategic approach to their sustainability journey, including gender financing. By formulating SFFs, banks will have a structured framework to pursue their sustainability objectives and create sustainable financial products and services.

Prior to the development of SFF, Bank Jago and Bank BTPN Syariah had already built an impressive MSME portfolio as part of their sustainability portfolios. Demonstrating a strong commitment to advancing financial inclusion, both banks have identified women-owned or women-led MSMEs as one of the targeted segments within their sustainability portfolios. Through the creation of SFFs, UNEP FI seeks to fortify these portfolios and provide a fundamental framework for banks to direct their future MSME financing, particularly those aimed at women-owned or women-led MSMEs.

Since February 2024, UNEP FI has extended technical assistance support to Bank Jago and Bank BTPN Syariah for the development of their respective SFFs, with a focus on financial inclusion. The SFF development at both banks has been finalized, with both banks incorporating SDG #5, Gender Equality, into their eligibility criteria.

The inclusion of SDG #5 as part of the eligibility criteria in the SFF is anticipated to expand the scope of financial products and services designed to address gender inequality and contribute to SDG achievements in Indonesia. With this in mind, UNEP FI aims to advocate for gender equality in the upcoming series of SFF developments at other supported banks.





Investing in Women: Financial Inclusion Training for Women Entrepreneurs

In the pursuit of economic equality, financial inclusion training for women entrepreneurs has emerged as a catalyst for transformative change. Women entrepreneurs are pivotal to the economic growth of Indonesia, yet they frequently face substantial obstacles that impede their business development and sustainability. Among the most significant challenges is access to finance. Women often encounter difficulties in securing loans and investments due to systemic biases, inadequate collateral, and restrictive lending practices. This financial exclusion severely limits their capacity to expand their enterprises and achieve financial stability. Additionally, women entrepreneurs often grapple with limited knowledge and skills in financial management, which not only hampers their business performance but also undermines their confidence in making informed financial decisions.

Recognizing those challenges, JP through the United Nations Industrial Development Organization (UNIDO) and Nikel, a leading fintech company, kicked off a successful first series of women-targeted financial inclusion training in Lombok, West Nusa Tenggara, on May 28, 2024, aiming at empowering women entrepreneurs to address these obstacles. This event brought together 25 women entrepreneurs, selected through a rigorous screening process, representing various sectors. Participants included members from ASPPUK (Association of Women Facilitators for Small and Micro Enterprises), PLUT KUMKM (Integrated Service Business Centre for Cooperatives and MSMEs), and Dekranasda (National Craft Council) of West Nusa Tenggara province. These organizations are steadfast in their commitment to supporting and advocating for women in business, making them ideal collaborators for this initiative.

Guided by expert trainers from UNIDO and Nikel, the training equipped women entrepreneurs with the critical financial skills and knowledge necessary to overcome their challenges. The workshop focused on essential areas such as financial literacy, budgeting, access to credit, cash flow management, and business plan strategies. The response from the participants was overwhelmingly positive, with many expressing their satisfaction through excellent ratings and reviews.

The success of this financial inclusion training underscores the importance of targeted support programs for women entrepreneurs. The workshop's achievements highlight the critical role of collaborative efforts in fostering financial inclusion. By investing in women and equipping them with the necessary tools to succeed, we can drive inclusive economic growth and cultivate a more equitable business environment.

Sustainable Packaging Workshop for SMEs to Foster an Eco-Friendly Business Ecosystem

In an era where environmental sustainability is becoming increasingly imperative, businesses are under growing pressure to adopt eco-friendly practices. Among various aspects of sustainability, packaging stands out as a significant concern due to its widespread use and contribution to environmental degradation. Recognizing the pivotal role of micro, small and medium enterprises (MSMEs) in driving economic growth in Indonesia and the urgent need for sustainable packaging solutions, the JP through the United Nations Industrial Development Organization (UNIDO) conducted a workshop series on sustainable packaging in Lombok, West Nusa Tenggara embarked on 29th of June 2024, serving as an avenue to establish eco-friendly packaging business ecosystem.

The workshop series brought together a diverse group of participants representing various sectors within the local business community. Among them were fashion designers, bamboo weavers, artisans, MSMEs and other stakeholders who work extensively with sustainable materials for packaging including coconut, paper, pottery and seaweed. The workshop served as a melting pot of creativity, expertise, and collaboration. Participants engaged in intensive discussions, hands-on activities, and experiential learning sessions aimed at deepening their understanding of sustainable packaging principles and techniques tailored to the needs and challenges encountered particularly by MSMEs in eastern Indonesia. The workshop fostered a spirit of collaboration and knowledge exchange, with participants sharing insights, best practices, and lessons learned from their respective fields. Through a combination of expert guidance, group exercises, and practical demonstrations, participants were empowered to think creatively and push the boundaries of conventional packaging practices, envisioning the development of sustainable packaging solutions that align with business objectives and environmental stewardship goals for enterprises in jewellery, textile, and agrifood sectors.

Beyond the technical aspects, the workshop also underscored the broader implications of sustainable packaging for business competitiveness and market positioning. As consumer preferences increasingly lean towards eco-friendly products, thereby businesses that embrace sustainable packaging have wider opportunities to enhance their brand reputation and to tap into new competitive markets. Moreover, the workshop served as a catalyst for building a vibrant ecosystem aiming to generate multiplying effects in sustainable packaging solutions within Lombok business community particularly in response to findings that over 80% of polymer waste on the island originated from packaging. By fostering collaboration among MSMEs, artisans, designers, and other stakeholders, UNIDO laid a foundation for ongoing partnerships and collective action towards a shared vision of environmental sustainability and economic prosperity.

As of the 2nd quarter of 2024, the four startups through the CF programme have managed to drive progress on benefiting communities in sectors of green and inclusive education, sustainable agriculture, sustainable fisheries and waste management, as well as women entrepreneurship empowerment. Cakap, an edu-tech learning platform, has utilized the program to foster green and language-learning to schools in 3T regions of West Nusa Tenggara and East Nusa Tenggara. Students from senior and vocational high schools have participated in classes to increase environmental awareness, enhance practical skills for sustainable living, and strengthen their English language skills. Bio-plastic tech startup, Greenhope, who partners with cassava farmers and tapioca industry workers to produce sustainable bio-based packaging, has utilized the program to improve farmers group capacities and sustainable agri-practices in Jakarta and West Java. Fishlog, a fisheries supply-chain ecosystem enabler, has similarly employed the program to empower fisheries communities in Rembang, Central Java through capacity-building on areas of financial literacy training for fishermen wives, climate awareness building for coastal children, as well as waste management capacities for fishers. Lastly, Delos, a science-based aqua-tech company, has delivered a program to upskill women in Banyuwangi on basic entrepreneurship skills and conduct business activities within the shrimp processing sector towards economic empowerment.

UNDP and BPDHL will continue its strong partnership to support the implementation of programs under the CF until its completion in October this year.



Catalytic Funding: Leveraging Climate-focused Impact through the Indonesia Impact Fund

To drive progress and accelerate private sector contribution towards the SDGs agenda, UNDP and the Indonesian Environment Fund/BPDLH have partnered in implementing the 1-year Catalytic Funding program, aimed to leverage high-scale impact from Indonesia Impact Fund (IIF) startups for sustainable development issues. Since its launch in December 2023, the CF program has enabled IIF startups – Cakap, Greenhope, Delos, and Fishlog – to innovate and expand solutions outside of business-as-usual, targeting vulnerable communities of women, youths, as well as underserved areas in Indonesia. Solutions will also tackle climate and green-related issues, in support of the Gol's national targets to combat climate change.

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The Joint SDG Fund is funded by:

