



# OECD-INDONESIA JOINT WORK PROGRAMME 2022-2025

*FOSTERING A RESILIENT, SUSTAINABLE  
AND INCLUSIVE RECOVERY*



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**OECD-INDONESIA JOINT WORK PROGRAMME: 2022-2025**  
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**PREAMBLE**

Indonesia and the OECD (hereafter together referred to as the “parties”) have agreed to the fourth Joint Work Programme (JWP), 2022-2025. Both parties are committed to reinforce further their longstanding co-operation in a range of priority areas ensuring mutual benefit. The objective for Indonesia of the engagement with the OECD is to help the country advance the implementation of its Medium-Term National Development Plan 2020-2025, attain a resilient and sustainable recovery from the COVID-19 crisis that leaves no one behind and move closer to OECD standards and good practices. The objective for the OECD is to continue to learn and benefit from collaboration with a Key Partner of growing economic and geopolitical importance, the only country from Southeast Asia in the G20, an Asia Pacific Economic Cooperation (APEC) member economy, and a constructive leader in the Association of Southeast Asian Nations (ASEAN). By working closely with Indonesia, the Organisation will enhance its capacity to disseminate its standards to a wider range of countries.

This programme builds on the achievements of three previous JWPs – 2015-16, 2017-18 and 2019-21 – that allowed the relationship between the OECD and Indonesia to strengthen considerably and to evolve in a more structured manner, taking a whole-of-government approach. The Framework of Co-operation Agreement signed in 2012, and renewed in 2017 and 2022, provides the basis for the overall collaboration. The growing co-operation through the implementation of successive JWPs and engagement in the context of the G20 has been successful in bolstering Indonesia’s domestic policy reforms, and progressively aligning the country’s policies and practices with OECD standards and good practices. Several priority areas can be highlighted in this respect, including tax policy and administration, investment, education and skills, labour market policies, green growth and corporate governance.

The Indonesian G20 Presidency in 2022 presents new opportunities to strengthen the bilateral engagement and support the dissemination of OECD standards and good practices. Indonesia and the OECD have worked together to identify areas for mutually beneficial collaboration under Indonesia’s priorities in both the Sherpa and Finance tracks. The JWP will also benefit from the existing OECD co-operation with Indonesia in the broader regional context under the Southeast Asia Regional Programme (SEARP). The second Ministerial conference of the SEARP held in Seoul on 9-10 February 2022 has reaffirmed the SEARP’s contribution to strengthening regional integration and supporting domestic reform priorities in Southeast Asia, including Indonesia, as well as bringing the OECD and ASEAN close to each other. The JWP and the SEARP interact in several ways, ensuring cross-fertilisation and mutual learning, with several deliverables being part of the regional work or leveraging the SEARP’s tools. This will provide the basis for the OECD’s support during the foreseen Indonesian ASEAN Chairmanship in 2023.

The design of the JWP is the result of a broad process of consultation undertaken on two parallel tracks, so as to take into account both OECD Members’ and Indonesia’s priorities, co-ordinating closely across the OECD. The JWP is based on a four-pronged approach that encompasses: 1) country-specific reports and activities; 2) OECD flagship publications; 3) regional outputs; and 4) statistical databases and indicators. This coherent framework for enhanced co-operation with the OECD is complemented by awareness-raising and technical co-operation to consolidate the approach. Building on the current momentum in domestic reforms and OECD engagement that will be harnessed in the context of the G20 under Indonesia’s Presidency in 2022, the JWP also focuses on facilitating Indonesia’s progressive alignment with additional OECD standards and increased partnership in OECD bodies. This can lead to a more dynamic economy and a more inclusive growth model.

Today, Indonesia takes part as an Associate/member or a Participant in eleven OECD committees (and their subsidiary bodies and/or projects) and programmes, and is an Adherent to 15 OECD legal instruments (see the ANNEX). The JWP outlines a menu of options where Indonesia and the OECD can work on during the next three years. The primary aim is to support Indonesia in aligning with OECD standards listed therein. First, by considering how Indonesia's current legal and regulatory framework and policies compare with the content of the standards and, second, by enacting reforms domestically to achieve further substantive alignment.

In 2020, the Ministry of Finance has completed its study on "Mapping the Policy Gap between Indonesia and the OECD" to review Indonesia's closeness to OECD standards. The study examines a selected range of OECD standards and the steps that would be required for Indonesia to align itself to their content. In order to maximise the utility of the JWP, the OECD suggests that Indonesia completes the mapping exercise of its legislations vis-à-vis those standards covered here that have not yet been considered in its initial study.

As Indonesia makes progress towards narrowing the gap, aligning further with OECD standards and increased partnerships in OECD bodies, a number of steps could be taken in the first instance. These include responding to pending invitations and becoming more involved in OECD bodies, reviews that could also be published to disseminate resulting policy recommendations, as well as attending conferences, networks and training events. This is particularly the case in relation to aligning with those legal instruments that have a pre-adherence review process.

## **GOVERNANCE AND IMPLEMENTATION**

The parties are committed to implement a JWP that has an impact and achieves measurable results within the foreseen three-year period. The implementation of the JWP will benefit from governance arrangements ensuring effective coordination and good communication. This will facilitate developing an overview and strategic vision of the various activities included in the JWP, help to avoid duplications, and streamline communication on its management. A monitoring mechanism will accompany the implementation of the actions included in the JWP to support completion and impact. The information collected through the monitoring mechanism will allow for a final evaluation of the programme and facilitate a periodic assessment of the activities. It will also serve to ensure policy coherence and alignment between the objectives of the JWP and the Indonesian National Development Plan. The governance and implementation mechanism builds on the following components:

- A joint coordination committee, which will meet regularly to review progress and provide guidance on the way forward.
- An information management system that will allow project managers from both the OECD and Indonesia to interact and work together in a horizontal and transparent manner, with an update on the evolving calendar of events.
- A regularly updated project implementation grid indicating the current state of play and necessary next steps.

The JWP needs to be seen as a living document that is flexible and naturally adjusts during its implementation due to changing circumstances and domestic developments. This allows re-prioritising over time in areas that may pose particular challenges, or where a new fresh focus is required due to changes in government or Members' priorities. Against this background, the joint coordination committee will update as necessary the activities and outputs of the JWP on a yearly basis.

For Indonesia, the Ministry of Finance will act as focal point. At the OECD, the Global Relations and Cooperation Directorate, including through its Jakarta Office and the Global Cooperation Division for the G20 activities, will ensure the coordination under the overall guidance of the Secretary-General.

In close cooperation with the Government of Indonesia, the OECD will also leverage the Tokyo Centre's knowledge and experience in promoting effective communication for the implementation of the JWP.<sup>1</sup>

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<sup>1</sup> In particular, the OECD Tokyo Centre will assist in disseminating key information and relevant outcomes through its network of stakeholders across the Asia-Pacific region, including governments, media, business and civil society organisations. The Centre will also leverage its key strengths by supporting the organisation of public events, inviting OECD experts and stakeholders from Indonesia and the region.

## **AREAS FOR CO-OPERATION**

Indonesia has been a very active Key Partner of the OECD. Building on this solid track record of close collaboration, the parties have identified the following areas of work that will make up the JWP. They should contribute to the overarching objective of promoting a resilient, sustainable and inclusive recovery in Indonesia from the COVID-19 pandemic. The bilateral engagement will support the co-operation at the international level during Indonesia's 2022 G20 Presidency and 2023 ASEAN Chairmanship.

### **a) Sound macroeconomic policy, tax compliance and good governance**

- Maintaining sound macroeconomic and fiscal policy
- Strengthening tax policy and administration
- Enhancing anti-corruption policies and corporate governance
- Fostering effective public governance

### **b) The business climate and digitalisation**

- Fostering trade and investment reform
- Developing competition policy
- Mainstreaming responsible business conduct
- Harnessing the opportunities of the digital transformation

### **c) Human capital and social inclusion**

- Nurturing education, skills and employment policies
- Supporting SME and entrepreneurship policies
- Promoting gender equality

### **d) Sustainable development**

- Fostering sustainable finance, green growth and chemical safety
- Promoting quality infrastructure investment
- Harnessing the benefits of a sustainable ocean economy
- Improving the resilience of tourism and the creative economy



## a) Sound macroeconomic policy, tax compliance and good governance

Indonesia has maintained a consistently sound macroeconomic policy trajectory over the last two decades. Prior to COVID-19, the country experienced GDP growth around 5% per year, continued increases in per capita incomes and declines in poverty rates. The pandemic has abruptly interrupted this long period of steady growth and rising living standards, bringing about the first recession since the 1998 Asian financial crisis. The social fallout has been significant. Formal employment shrank, and the crisis disproportionately affected vulnerable groups such as informal workers, women and children, leading to greater vulnerability for the poor. The government reacted promptly through a series of fiscal and monetary policies to support households and firms, with additional resources earmarked for the health system. With consumption and private investment picking up as traditional sales channels resume and the revival of international trade, growth has resumed in 2022 and momentum will build up in the years ahead. Inflation, albeit still moderate, remains the main cloud on the horizon. Nevertheless, the pandemic has confirmed well-known vulnerabilities in Indonesia, such as low tax revenue collection, considerable foreign borrowing, and reliance on natural resources. It also presents new challenges in relation to corruption, which remains widespread in the country according to the major indicators available, given the significant financial resources earmarked for the recovery. Several high-profile cases of alleged corruption by public officials responsible for COVID-19 emergency funds highlight the need to maintain strict public procurement rules and practices. Despite the recent institutional changes in the Corruption Eradication Commission (KPK), which has built a solid reputation over the years as a strong and effective anti-corruption enforcement agency, Indonesia is committed to preserve its independence. Furthermore, recent reforms to enhance transparency through the removal of bank secrecy for tax purposes and requirements to disclose beneficial ownership information are contributing to the government's efforts to fight corruption and money laundering.

The OECD will support Indonesia in its efforts to 'build back better' in line with the Medium-Term National Development Plan 2020-2025, including through the biennial Economic Surveys and a Public Governance Review. Indonesia already takes part in several bodies or projects that support efforts to maximise revenue collection and reduce opportunities for corruption, such as the Base Erosion and Profit Shifting (BEPS) project of the Committee on Fiscal Affairs and the Corporate Governance Committee, and aligns with some related OECD standards. As a member of the OECD/G20 Inclusive Framework on BEPS, it has also championed the Statement on a Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy during its G20 Presidency (hereafter the "Two-Pillar Solution"). Technical co-operation in these areas will continue going forward, coordinated by local expertise on taxation based in the Jakarta Office. The G20's Finance track provides an additional avenue to channel OECD support in these priority areas, as does regional work in the context of the SEARP. The G20 Presidency and subsequent work should also present an important opportunity for Indonesia to lead by example and take steps to align with the OECD Convention on Combating the Bribery of Foreign Public Officials in International Business Transactions [[OECD/LEGAL/0293](#)]. This could be achieved by criminalising the bribery of foreign public officials, enact corporate liability for corruption offences and through increased participation in the Working Group on Bribery in International Business Transactions.

### ACTIVITIES

1. **Biennial Economic Survey of Indonesia** (with the most recent seventh in the series published in March 2021) which focuses on policies with the potential to improve longer-run economic performance and well-being in a range of areas including monetary policy, public finance, human capital development, labour markets, competition, innovation, financial markets, taxation, and environmental policy.
2. **Technical Co-operation on International Taxation** focusing on implementing the recently agreed Two-Pillar Solution. The work will also address transfer pricing, the interpretation and application of tax treaties, and exchange of information. Other areas may cover domestic tax policy issues, including support for the implementation of Indonesia's carbon pricing initiative. In addition, Indonesia is a partner administration for OECD/UNDP's *Tax Inspectors Without Borders* initiative. The support will include two/three training seminars a year, workshops on specific issues, and

coordination of Indonesia's participation in the Inclusive Framework and other OECD activities on tax.

3. **Support Indonesia's commitments on International Taxation** in the delivery of the G20 international tax agenda within the G20 Finance Track. This will include assistance with advising on priority tax issues (such as tax and digitalisation, corporate tax avoidance, exchange of information for tax purposes, and tax policy and climate change), developing technical notes, and delivering a High-Level Tax Symposium following the experiences of similar events dedicated to international tax and organised in previous G20 Presidencies.
4. **Public Governance Review** provides the government with a 360-degree diagnosis on its ability to improve the quality and efficiency of its public governance and to deliver on its strategic policy objectives, in line with the National Long-Term Development Plan (2005-2025) and the priorities of the upcoming 2022 Indonesian G20 Presidency. The review offers in-depth analysis through a peer review process, actionable policy recommendations, capacity building and implementation support on key governance challenges such as economic recovery and transition, climate change adaptation, government resilience, and socio-economic inclusion.
5. **Policy dialogue on green budgeting and climate responses** will leverage OECD standards and tools in this area, such as the Recommendation on Budgetary Governance [[OECD/LEGAL/0410](#)] and the Green Budgeting Framework<sup>2</sup>, to support Indonesia in further integrating climate and environmental considerations into budgeting. The dialogue will be part of the OECD Asian Senior Budget Officials meetings and include: 1) green budget tagging, including for funding instruments such as *Sukuk Bonds*; 2) green spending reviews; and 3) the enabling environment for the budgetary framework to support Indonesia's green transition.

#### FLAGSHIP PUBLICATIONS, REGIONAL OUTPUTS AND STATISTICAL TOOLS

1. **The Economic Outlook** providing twice-yearly (May and November) projections and analysis (including GDP growth and inflation) for more than 50 countries and the world *economy* as a whole; plus twice-yearly (March and September) interim projections for all G20 countries.
2. **Going for Growth** with a set of internationally comparable indicators that enables countries to assess their economic performance and structural policies in a broad range of areas.
3. **The Economic Outlook on Southeast Asia, China and India** is a regular publication on Asia's economic growth and sustainable development trajectories. The *Outlook* provides an update of macroeconomic trends and challenges, regional economic dynamics, country-specific structural policy notes and a thematic focus that varies in each edition.
4. **Supporting Indonesia's participation in the Revenue Statistics in Asia and the Pacific**, which is an annual publication displaying key indicators to track progress on domestic resource mobilisation of Asian economies and to inform tax policy reforms that could help fill the financing gap to fund the Sustainable Development Goals. This gap has grown as a result of the COVID-19 pandemic.
5. **The OECD Corporate Governance Factbook** plays an important role in informing the implementation of the G20/OECD Principles of Corporate Governance (embodied in the Recommendation OECD/LEGAL/0413). It is published every two years and Indonesia is among the 50 jurisdictions included in it.

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<sup>2</sup> See: <https://doi.org/10.1787/acf5d047-en>.

## RELEVANT OECD LEGAL INSTRUMENTS AND BODIES

Awareness raising with a view to foster alignment with their content will be undertaken in relation to the OECD legal instruments below. When feasible and, in accordance with OECD rules and practices, Indonesia could consider requesting adherence to them:

1. **Convention on Combating Bribery of Foreign Public Officials in International Business Transactions** [[OECD/LEGAL/0293](#)] (hereafter the “Anti-Bribery Convention): The Corruption Eradication Commission has in the past taken steps to align with the Anti-Bribery Convention by putting forth related legislation for consideration by the House of Representatives. Indonesia’s G20 Presidency in 2022 provides an opportunity to make progress in this area. Awareness building could take the form of joint workshops and capacity-building activities that would leverage the experience of member countries of the Anti-Bribery Convention. The activities will be organised with the KPK, with a view to progressively bringing Indonesia’s legal system on foreign bribery closer to the Convention.
2. **Recommendation on Public Procurement** [[OECD/LEGAL/0411](#)]: To strengthen its engagement on quality infrastructure and anti-corruption, Indonesia could take steps to align with this Recommendation. Despite the establishment of the National Procurement Agency, more limited capacity of sub-national governments often translates into challenges in applying appropriate procurement policies, leading to increased risks of corruption. Technical co-operation, including participation of Indonesia to the annual OECD conference on public procurement could be a first step.
3. **Strengthening implementation of the Recommendation on Principles of Corporate Governance** [[OECD/LEGAL/0413](#)] and contributing to its review: The Principles were first issued in 1999 and endorsed by the G20 at the 2015 G20 Leaders Summit. In October 2021, OECD Ministers and G20 Leaders supported the OECD Corporate Governance Committee’s decision to review the Principles and the [OECD Secretary-General’s first progress report on the review](#) was issued in February 2022. Indonesia is a Participant in the OECD Corporate Governance Committee and an Associate for the discussions concerning the Recommendation. In light of the on-going review of the Principles, Indonesia’s leadership during its 2022 Presidency is essential. A joint G20/OECD Corporate Governance Forum has been organised in Bali on 14 July 2022 as part of the G20 Finance Ministers and Central Bank Governors Meeting to inform the review process and next steps. The Forum provided a platform for discussion among G20, OECD and Financial Stability Board (FSB) members on the review of the Principles.<sup>3</sup>
4. **Recommendation on Guidelines for Corporate Governance of State-Owned Enterprises** [[OECD/LEGAL/0414](#)]: A review of the corporate governance of state-owned enterprises in Indonesia to assess Indonesia’s policies against OECD standards and foster alignment with the content of this Recommendation is under discussion. Awareness raising could also be achieved through a series of workshops and trainings, as well as stepping up engagement through joint activities, to support Indonesia’s efforts to improve corporate governance of state owned enterprises (SOEs) in line with the Ministry of State Owned Enterprises Master Plan for 2020-2024.

Active participation by Indonesia and, in some cases increased level of Partnerships, could be sought in accordance with OECD rules and practices, and taking into account budgetary conditions, in the following committees (including their subsidiary bodies and/or projects):

- Economic Policy Committee and its subsidiary bodies: Indonesia is an Invitee and could consider requesting Participant status.
- Committee on Financial Markets (CMF) and its subsidiary bodies (including the Working Party on Financial Statistics, which is joint with the Committee on Statistics and Statistical Policy): Increase participation as an Invitee in the CMF and subsidiary bodies; and accept its invitation as a Participant in the Working Party on Financial Statistics.
- Committee on Statistics and Statistical Policy and its subsidiary bodies: Increase participation as an Invitee and accept its invitation as a Participant.

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<sup>3</sup> The Forum was co-organised by the OECD, Indonesia’s Financial Service Authority (OJK) and the Ministry of State Owned Enterprises.



- Working Group on Bribery in International Business Transactions: Continue to participate as an Invitee.
- Public Governance Committee and its subsidiary bodies: Increase participation as an Invitee.
- Working Party on State Ownership and Privatisation Practices (of the Corporate Governance Committee): Indonesia is an Invitee and could consider accepting its invitation as a Participant.

*Indonesian partners: Ministry of Finance, Bank Indonesia, Financial Services Authority, Corruption Eradication Commission, Ministry of National Development Planning/Bappenas, Ministry of State Owned Enterprises, Ministry of Administrative and Bureaucratic Reforms, Coordinating Ministry for Economic Affairs, National Procurement Agency.*

## **b) The business climate and digitalisation**

Indonesia has the potential to become a leading foreign direct investment (FDI) destination given its numerous attributes. Recognising that private investment, both foreign and domestic, will need to play an important role in the recovery from the COVID-19 pandemic, the government has recently intensified efforts aimed at business climate improvements. While Indonesia's approach towards trade and investment remains relatively restrictive, the authorities have been engaged in several ambitious reforms which, if carried forward, could strengthen economic competitiveness and revitalise the manufacturing sector. Most notably, in October 2020 the Parliament enacted the Omnibus Law on Job Creation to streamline the current regulatory framework for investment<sup>4</sup>. The Bill, which repeals some 76 laws, includes key measures ostensibly lifting restrictions and conditions placed on FDI, centralising and simplifying business licensing and land acquisition procedures, and reforming Indonesia's labour market. It also introduces changes to Indonesia's competition law. The signing of the Regional Comprehensive Economic Partnership (RCEP) Agreement in 2020 and several bilateral trade deals is expected to deepen the country's involvement in regional and global supply chains. Acknowledging that the digital transformation will be an essential element in the post COVID-19 recovery, with opportunities to create more formal, better-paid jobs and to boost productivity, the government released a roadmap for the so-called "Industry 4.0", or the fourth industrial revolution. The roadmap focuses on several areas, including creating reliable broadband infrastructure to increase internet connectivity, and "workers funds" for skill-development and unemployment benefits to anticipate the risks of automation. Indonesia was also one of the first countries to integrate corporate social responsibility within the legal framework and has recently promoted responsible business conduct (RBC), notably in sustainable finance and business, and human rights.

The OECD will continue to contribute to the government's efforts to improve the ease of doing business, including through a new study on Services Competitiveness, as well as technical assistance on strengthening pro-competitive policies and on mainstreaming RBC in business practices. Work will also be intensified on assisting Indonesia in fostering the enabling environment for maximising the benefits of the digital transformation. Indonesia's continued participation in OECD's flagship statistical indicators and further alignment with OECD standards in these areas could support ongoing important reform efforts. In particular, implementing the policy recommendations of the 2020 Investment Policy Review through progressive alignment with legal instruments on investment would further enhance investors' confidence, ultimately incentivising them to take up more projects in Indonesia.

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<sup>4</sup> The procedure of passing the law was recently declared unconstitutional by the Constitutional Court, which also ruled that the government and the House of Representatives must restart the legislative process within two years. If they fail to do so, the law will be permanently repealed and all the previous laws it has replaced must be reinstated. In the meantime, the law remains effective.

## ACTIVITIES

1. **A study on Services Competitiveness in Indonesia** will provide an in-depth analysis of the contribution of services to the Indonesian economy, the regulatory environment of the services sector and its performance at the domestic and international levels. Using the OECD Services Trade Restrictiveness Index and related tools, it will examine the impact of liberalising and reforming Indonesia's services sector to enhance the prospects for economic development, productivity and global competitiveness.
2. **Technical co-operation on competition policy topics** including the following: 1) Capacity building workshop on competition issues in the digital economy to clarify how pro-competitive policies and regulations can maximise the gains from the digital economy. 2) Help to support coordination between government and the competition authority in monitoring and enforcing competition policy and law in the digital market, including via ASEAN. 3) Capacity building workshop on competition and the COVID-crisis with a focus on the design of recovery packages that take into account any potential distortions on competition. 4) A seminar to raise awareness of policy makers on sustainability and business competition based on OECD standards and best practices in this area.
3. **Assistance in implementing the RBC policy recommendations of the 2020 Investment Policy Review**, notably supporting the Indo-Pacific Infrastructure and Connectivity's strategic objectives and integration of RBC due diligence for businesses wishing to participate in these efforts. In particular: 1) Deep-dive practical review on how RBC and due diligence tools can be promoted in the strategy other policy initiatives; 2) Thematic regional roundtables for policymakers on peer learning and exchanges; 3) A regional toolkit for policymakers on social and environmental risks and engaging the private sector in the context of new infrastructure investment.
4. **Mainstreaming RBC and helping companies operationalise RBC standards** entails training on RBC due diligence and promoting experience sharing and peer learning, notably: 1) Disseminating the OECD e-learning module on RBC due diligence among the private sector. 2) A *“Roundtable for policymakers for due diligence in garment and footwear supply chains”* to discuss policy options for promoting vibrant and responsible supply chains in the sector. 3) Targeted sector-specific workshops for collective initiatives, companies, workers and civil society on implementing due diligence for RBC, and developing case studies to assist companies.
5. **Assistance to Indonesia in extending high-quality broadband connectivity**, as one of the countries included in a forthcoming broader study of the Southeast region. This study, which will take place in 2022-23, will provide an in-depth analysis of the state and quality of connectivity in Indonesia. Based on this analysis, which relies on discussions with Indonesia during the stocktaking phase of the project, the OECD will identify the key provisions of the Recommendation on Broadband Connectivity [[OECD/LEGAL/0322](#)] that would serve to extend connectivity across the country and the region, and would put forward tailored policy and regulatory recommendations. This would also help Indonesia follow up on the G20 Guidelines on Broadband Connectivity, endorsed by the G20 leaders in 2021.
6. **Support for Indonesia's national digital strategy**: the OECD is developing a novel approach to assess the comprehensiveness of national digital strategies using the OECD's [Going Digital Integrated Policy Framework](#) (see the [analytical report](#) and the specific [indicator](#)). Indonesia's national digital strategy could be assessed in the context of the next OECD Digital Economy Policy Questionnaire, which would allow cross-country comparable benchmarking. The work could support Indonesia's domestic efforts, e.g. in relation to digital security, privacy and data policy. It could also support the programmes of the Ministry of Communication and Information, including on digital literacy and the digital economy (e.g. Go Digital MSMEs, and the development of the Indonesian Start-up ecosystem).
7. **Technical co-operation in the area of digital government**, focusing on topics such as digital government services, digital identity, and data-driven public sectors. The participation of Indonesia in the forthcoming data collection for the OECD Digital Government Index (DGI) and the Open, Useful and Re-usable data (OURdata) Index can also help in taking stock of the state of digital government and open data policies in Indonesia, and provide a solid evidence base to support the Indonesian government in making decisions and move forward in its efforts to digitalise its public sector. Some Indonesian government digitalisation programmes that will be considered include smart city, the use of government applications, and the management of the National Data Centre.

## FLAGSHIP PUBLICATIONS AND STATISTICAL TOOLS

1. **The Product Market Regulation (PMR) Indicators** measure countries' regulatory stance against international best practices, using both economy-wide and sector-level indicators. A report on *Product Market Regulation in Indonesia: Policy Options for Reform* was published in 2021 as part of Indonesia's incorporation into the latest edition of the PMR indicators.
2. **The FDI Regulatory Restrictiveness Index**, which measures statutory restrictions on foreign direct investment across 22 economic sectors and in 84 economies, has become a reference indicator for benchmarking barriers to FDI and monitoring liberalisation efforts. An analysis of Indonesia's foreign investment regime, using the FDI Index, was included in the 2020 Investment Policy Review of Indonesia.
3. **The STRI** provides information on regulations affecting trade in services in 46 countries across 22 sectors, which together represent over 80% of global services trade. It can support policymakers to scope out reform options, benchmark them relative to global best practice, and assess their likely effects; for trade negotiators to clarify restrictions that most impede trade, and for businesses to shed light on the requirements that traders must comply with when entering foreign markets.
4. **The Trade Facilitation Indicators (TFIs)** cover the full spectrum of border procedures for more than 160 economies across different income levels, geographical regions, and levels of development. The TFIs can help governments improve their border procedures, reduce trade costs, boost trade flows and reap greater benefits from international trade.
5. **Forge closer links with Indonesia on the OECD-WTO Trade in Value Added (TiVA) database**, including with national data compilers and policy analysts in Indonesia with a view to improve the quality of TiVA indicators for Indonesia. TiVA breaks with conventional measurements of trade by analysing the value added by a country in the production of any good or service that is then exported. The OECD can produce an updated country note for Indonesia with policy insights drawn from the latest edition of the database.
6. **Collaboration on artificial intelligence (AI) through the OECD.AI Policy Observatory.** [OECD.AI](#) is an inclusive platform for AI public policy, which combines resources from across the OECD, its partners and stakeholder groups. The OECD could collaborate with Indonesia to feature the country's AI policies on the OECD.AI country dashboard, currently including over 600 policies across more than 60 countries, thereby supporting its implementation of the G20 AI Principles drawn from the Recommendation on Artificial Intelligence [[OECD/LEGAL/0449](#)]. Some existing regulations could be used as reference (e.g. Government Regulation 71 of 2019 concerning the Implementation of Electronic Systems and Transactions, and the Minister of Communication and Informatics Regulation 5 of 2020 concerning Private Scope Electronic System Operators).
7. **The OECD Science, Technology and Innovation (STI) Outlook** is a biennial publication that informs policymakers and analysts on recent and future changes in global STI patterns, and their implications for national and global STI policies. Following the release of the next STI Outlook, which is expected to be around November 2022, a virtual seminar will be organised with Indonesia shortly thereafter to share key findings, highlighting those particularly applicable to Indonesia and the region more generally.
8. **Integration of Indonesia into the Science Technology and Innovation Policy (STIP) Compass database**, which collects together in one place quantitative and qualitative data on national trends in STI policy. The [portal](#) can support the continuous monitoring and analysis of Indonesia's STI policies and can be a central platform for policy research and advice supporting Indonesian policymakers, analysts and scholars.

## RELEVANT OECD LEGAL INSTRUMENTS AND BODIES

Awareness raising with a view to foster alignment with their content will be undertaken in relation to the OECD legal instruments below. When feasible and, in accordance with OECD rules and practices, Indonesia could consider requesting adherence to them:

1. **Recommendation on Principles for Internet Policy Making [OECD/LEGAL/0387]:** The Ministry of Communication and Information Technology in Jakarta has been considering the possibility of requesting adherence since 2018-2019. Workshops and technical assistance could support this goal.
2. **Recommendation on Broadband Connectivity [OECD/LEGAL/0322]:** Taking steps to align with this Recommendation would reinforce the government's reform efforts in this area, notably through the 2018 roadmap for "Industry 4.0" and other initiatives. This could be supported by workshops and other technical co-operation.
3. **Declaration on International Investment and Multinational Enterprises [OECD/LEGAL/0144] and related legal instruments:** Taking steps to align with the Declaration would represent progress in implementing the policy recommendations of the 2020 Investment Policy Review and could further improve investors' confidence. Awareness raising could be achieved through workshops and trainings, as well as a targeted review of Indonesia in relation to the Declaration in the OECD Investment Committee.
4. **Decision Adopting the Code of Liberalisation of Capital Movements [OECD/LEGAL/0002]; and Decision Adopting the Code of Liberalisation of Current Invisible Operations [OECD/LEGAL/0001] (hereafter the "Codes"):** Following a G20 call for countries to consider adhering to the *Codes*<sup>5</sup>, seven countries have officially requested adherence and several of them (including some G20 countries) have already started the adherence process. Awareness raising could be achieved through a series of workshops and trainings, as well as conducting a review of Indonesia under the Codes.

Active participation by Indonesia and, in some cases increased level of Partnerships, could be sought in accordance with OECD rules and practices, and taking into account budgetary conditions, in the following committees (including their subsidiary bodies and/or projects):

- Trade Committee and its subsidiary bodies: Increase participation as an Invitee.
- Regulatory Policy Committee and its subsidiary body: Increase participation as an Invitee.
- Committee on Digital Economy Policy and its subsidiary bodies: Increase participation as an Invitee and consider accepting its invitation to become a Participant.
- Committee for Scientific and Technological Policy and its subsidiary bodies: Indonesia is an Invitee and could consider accepting its invitation to become a Participant.
- Investment Committee and its subsidiary bodies: Increase participation as an Invitee, and as an Associate/member to its Freedom of Investment Roundtable.
- Committee on Industry, Innovation and Entrepreneurship: Increase participation as an Invitee.

*Indonesian partners: Ministry of Investment/Investment Coordinating Board, Coordinating Ministry for Maritime Affairs and Investment, Ministry of Trade, Ministry of National Development Planning/Bappenas, Ministry of Administrative and Bureaucratic Reforms, Ministry of Communication and Information, Ministry of Education and Culture, Indonesia Competition Commission, Coordinating Ministry for Economic Affairs, Ministry of Industry, Ministry of Finance, Financial Services Authority.*

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<sup>5</sup> Communiqué by the G20 Finance Ministers and Central Bank Governors in Baden-Baden, 18 March 2017: "Those G20 countries that have not yet adhered to the Code are encouraged to consider adhering to the Code, taking into consideration country-specific circumstances."

### c) Human capital and social inclusion

Recovering from the COVID-19 pandemic and its high human cost, especially for disadvantaged groups, will entail strong emphasis on the development of skills and competences. This will be important to raise living standards over the long run against the backdrop of fading favourable demographics. While education attainment has improved significantly in Indonesia over the last two decades, the quality of education has not followed suit and the pandemic-led school closures have penalised learning outcomes. COVID-19 has also increased the role of digitalisation in the education system, while exacerbating inequalities. These developments require improved public spending efficiency in education, including greater information and communication technology (ICT) investment, and further promotion of vocational education and lifelong training. Tackling existing and rising skill shortages will entail more participation from women, older adults, disadvantaged groups, and foreign workers. Increasing employment and reducing informality, which represents the majority of the workforce, are crucial to anticipate the end of the demographic dividend. The COVID-19 crisis has highlighted the vulnerability of SMEs to shocks, which account for the vast majority of firms and employment in the country. Yet, the government's fast response through its SMEs' credit restructuring and financing relief package contributed to reduce bankruptcies. The pandemic also increased the imperative of lowering barriers to gender equality and women entrepreneurship. Women are prevalent in sectors that have been hit hard by the crisis (healthcare and hospitality) and bear a disproportionate share of unpaid care responsibilities, which have increased during lockdowns along with domestic violence. With respect to healthcare, it will be important going forward to reflect on ways to improve pandemic preparedness, including at the international level.

Co-operation in these areas will encompass several activities, including targeted analytical work and technical co-operation to strengthen Indonesia's education and skills system, support on SME's development policies and on women entrepreneurship. Indonesia already participates in a range of OECD flagship publications and statistical tools in these areas, such as the Programme for International Student Assessment (PISA) and the Social Institutions and Gender Index (SIGI), and could consider taking steps to align with OECD standards on gender equality. This would include possible stepping up participation in the related OECD committees. This engagement will be leveraged to support Indonesia's G20 Presidency efforts and subsequent work in the Social Inclusion, Education and Health tracks.

#### ACTIVITIES

1. **Analytical work and technical co-operation on Indonesia's new National Assessment** will provide policy recommendations and share insights from international experience on how to analyse and use results from Indonesia's new National Assessment. The aim is to guide formative assessment in classrooms and school improvement, while also ensuring that the *Assessment* retains some accountability functions. On the basis of recent experience, the OECD could prepare an analysis and policy considerations illustrated with peer learning examples from the OECD and partner countries. It could also organise technical workshops for statisticians on interpreting the results of the country's national assessment to inform policy.
2. **Workshops on "Creating a Culture of Learning and Feedback in Schools,"** which would aim to support the Indonesia's recent reforms of primary education (so-called "*Merdeka Belajar*" or freedom to learn) by exploring policy options to promote more school and teacher ownership of improving learning outcomes. The workshops will explore the key features of performance-based career systems for teachers and school leaders, and different models for distributed leadership within schools. They would also focus on levelling up Indonesia's "3T" (Leading, Remote, and Left Behind) schools.
3. **Analytical work and technical co-operation on "Building a resilient and future-ready skills system,"** which aims to assess opportunities and challenges in the Indonesian skills system in light of mega-trends such as digitalisation, automation and climate change, as well as the recovery from the COVID-19 crisis. Additional aspects to consider in assessing the Indonesian skills system encompass educational leadership, 21st century skills, future-oriented Continuing Professional Development (CPD), and partnerships. The work will include: 1) An assessment and evidence-



based, concrete and practical recommendations for developing and using relevant skills across the life course, building on the OECD's Skills Strategy for Southeast Asia<sup>6</sup>; 2) A workshop on the future of Vocational Education and Training (VET) involving an interdisciplinary and international team of experts to discuss how to strengthen the Indonesian VET system in terms of alignment with labour market needs, flexibility, the ability to support the transition into the labour market and higher education, and innovations in teaching and learning practices. The workshop will result in a synthesis report that provides tangible and robust recommendations on how to realise resilient and future ready skills VET.

4. **Support to the implementation of the national SME and entrepreneurship development strategy.** Building on the findings and recommendations of the 2018 Review of SME and Entrepreneurship Policy in Indonesia<sup>7</sup>, it will entail assistance in implementing the national strategy as outlined in the Omnibus Bill on Job Creation<sup>8</sup>. This will include support to effective design of policies and programmes to achieve the main objectives outlined in the national strategy and a monitor and evaluation (M&E) system to check progress on its implementation. This would be combined with a series of capacity building activities (e.g. workshops), in co-ordination with the Ministry of Cooperatives and SMEs.
5. **Assistance in implementing the policy recommendations in the 2018 Review of SME and Entrepreneurship Policy in Indonesia 2018** will entail a series of capacity building seminars including on: 1) Access to finance (e.g. reforming the Guaranteed Microfinance Programme – or KUR – and building a stronger private equity landscape). 2) Regional competitiveness (e.g. better SME policy coordination between the national and sub-national levels and ensuring that support programmes reach peripheral areas). 3) Business development services (e.g. streamlining and improving the quality of their existing offer). 4) SME innovation and internationalisation (e.g. strengthening the offer of productivity-enhancing programmes).
6. **Strengthening Women's Entrepreneurship in Agriculture** will provide new insights to support policy thinking on how to foster gender equality in agriculture entrepreneurship and farming in Indonesia, keeping a particular focus on vulnerable groups. These include, but are not limited to, those who are victims of violence, victims of disasters, headed-household, and running enterprises in tourist destination areas. The aim is to help an assessment of existing strategies, identify challenges and advance policy recommendations for further improvements. It will be underpinned by the recent OECD publication *Strengthening Women's Entrepreneurship in Agriculture in ASEAN Countries* and the related policy guidelines. A co-ordination platform involving different national and local stakeholders would assist implementation through the organisation of technical workshops to facilitate peer learning and the dissemination of local practices.<sup>9</sup>

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<sup>6</sup> See: <https://www.oecd.org/skills/towards-a-skills-strategy-for-southeast-asia-6db0907f-en.htm>.

<sup>7</sup> See: <https://www.oecd.org/indonesia/sme-and-entrepreneurship-policy-in-indonesia-2018-9789264306264-en.htm>.

<sup>8</sup> In particular, Presidential Regulation 2 of 2022 relates to National Entrepreneurship Development and contains plans for developing entrepreneurship and MSMEs nationally.

<sup>9</sup> See: <https://www.oecd.org/southeast-asia/regional-programme/networks/OECD-strengthening-women-entrepreneurship-in-agriculture-in-asean-countries.pdf>. The report inspired the development of the ASEAN Policy Guidelines for Strengthening Gender Equality in Agriculture Entrepreneurship in ASEAN countries, which provide a broad policy framework for strengthening gender equality in agriculture entrepreneurship in the region. The *Guidelines* are currently being finalised.

## FLAGSHIP PUBLICATIONS, REGIONAL OUTPUTS AND STATISTICAL TOOLS

1. **Programme for International Student Assessment (PISA)** provides the most comprehensive and rigorous international assessment of student learning outcomes to date. PISA measures 15-year-old students' reading, mathematics, and science literacy every three years. Results from PISA allow educators and policymakers to learn from the policies and practices applied in other countries.
2. **Education at a Glance** is a prominent source of information on the state of education around the world. It provides data on the structure, finances and performance of education systems across OECD Members and partner economies.
3. **Health at a Glance Asia Pacific** analyses the state of the health care in the region. The sixth edition published in 2020 presents a set of key indicators of health status, the determinants of health, health care resources and utilisation, health care expenditure and financing, and health care quality across 27 Asia Pacific countries and territories.
4. **Pension at a Glance** is a biennial report on the pension systems across OECD and G20 countries comparing pension policies across countries and recent reforms, with thematic chapters and a range of indicators including pension projections for today's workers. The latest 2019 Edition featured two special chapters on non-standard work and pensions in OECD Members, taking stock of different approaches to organising pensions for non-standard workers.
5. **ASEAN SME Policy Index**, carried out in co-operation with ERIA, is a prominent tool for governments and other stakeholders in the region to benchmark, monitor and evaluate SME policies over time, and to assess the strengths and weaknesses in policy design and implementation. The latest vintage released in 2018 was launched in September 2018 at the margins of the 50th ASEAN Economic Ministers Meeting.
6. **The OECD Scoreboard on Financing SMEs and Entrepreneurs** provides data for 48 countries on SME lending, alternative finance instruments and financing conditions, as well as information on policy initiatives to improve SME access to finance.
7. **Social Inclusion and Gender Index (SIGI)** measures discrimination against women in social institutions across 180 jurisdictions. By taking into account formal and informal laws, social norms and practices, the SIGI captures the underlying drivers of gender inequality to provide the data necessary for transformative policy-change. The SIGI is also one of the official data sources for monitoring SDG 5.1.1.

## RELEVANT OECD LEGAL INSTRUMENTS AND BODIES

Awareness raising with a view to foster alignment with their content will be undertaken in relation to the OECD legal instruments below. When feasible and, in accordance with OECD rules and practices, Indonesia could consider requesting adherence to them:

1. **Recommendation on Gender for Equality in Education, Employment and Entrepreneurship [OECD/LEGAL/0398]**: With the COVID-19 pandemic exacerbating gender inequality in countries around the world, it is opportune to strengthen the OECD-Indonesia co-operation in this area as part of COVID-19 recovery efforts. Awareness raising in this field could be achieved through workshops and trainings, as well as joint activities and other technical co-operation.<sup>10</sup>
2. **Recommendation on Gender Equality in Public Life [OECD/LEGAL/0418]**: Awareness raising could be achieved through a series of workshops and trainings, as well as other technical co-operation. These would include regional networks under the Working Party on Gender Mainstreaming and Governance, as a follow-up to the Asian Public Governance Forum on Gender Mainstreaming held in December 2019 with the participation of Indonesia.

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<sup>10</sup> The 2022 Report on the Implementation of the OECD Gender Recommendations [C/MIN(2022)7] provides a useful source of information and good practices.

Active participation by Indonesia and, in some cases increased level of Partnerships, could be sought in accordance with OECD rules and practices, and taking into account budgetary conditions, in the following committees (including their subsidiary bodies and/or projects):

- Programme for the Teaching and Learning International Survey (TALIS) Governing Board (TGB): Indonesia could consider requesting TGB observer status.
- Employment, Labour and Social Affairs Committee and its subsidiary bodies: Increase participation as an Invitee.
- Health Committee and its subsidiary bodies: Increase participation as an Invitee.
- Committee on SMEs and Entrepreneurship: Increase participation as an Invitee.
- Public Governance Committee and its Working Party on Gender Mainstreaming: Increase participation as an Invitee.

*Indonesian partners: Ministry of Education and Culture, Ministry of Manpower, Ministry of Cooperatives and SMEs, Ministry of Health, Ministry of Women Empowerment and Child Protection, Ministry of Youth and Sports Affairs, Financial Services Authority, Ministry of Finance, Ministry of National Development Planning/Bappenas Coordinating Ministry for Economic Affairs.*

#### **d) Sustainable development**

Indonesia's rich natural resources have enabled continued economic growth and provided livelihoods for millions of people. Yet, pressure on the environment has increased over the years: Indonesia is one of the world's largest greenhouse gas emitters and thus plays an important role in addressing climate change. The country remains carbon intensive due to high reliance on fossil fuels and, despite reforms in 2015, fossil fuel subsidies are still prevalent. Evidence suggests that the COVID-19 pandemic has exacerbated existing difficulties in reigning on forest fires, as budget reallocations and travel restrictions affected the agencies in charge of fire prevention and impoverished farmers engaged in illegal activities. On the other hand, mobility restrictions have led to a reduction of greenhouse gas emissions (GHG) and an improvement of air quality in cities, though only temporarily. Indonesia is also the second largest marine plastic polluter in the world after the People's Republic of China. The Government has streamlined low-carbon action in the National Medium-term Development Plan 2020-24, and set the Nationally Determined Contribution target to reduce GHG emission levels from business-as-usual by 29% by 2030 (or even 41% with international support). Furthermore, Indonesia joined key COP26 landmark agreements, particularly on phasing-out coal-fuelled power generation in the 2040s. Indonesia also places strong emphasis on international development co-operation towards the achievement of the Sustainable Development Goals (SDGs), including through private sector engagement and alternative financing mechanisms, such as blended finance. These issues will feature prominently in the G20 context, as Indonesia holds its Presidency following both COP26 and the Convention of Biological Diversity (CBD) COP15, at a critical time in which environmental and climate actions will be necessary to ensure a sustainable recovery.

The OECD-Indonesia collaboration in this area has grown significantly over the years, highlighting its importance to the broader climate change debate. Going forward, support to these ambitious goals will include follow up work in the context of the Clean Energy Finance and Investment Mobilisation programme, a new Project on Sustainable Infrastructure, and further co-operation on marine plastic pollution. It will also involve continued assistance as part of the *Sustainable Oceans for All Initiative* and in the context of the OECD DAC Blended Finance Principles. This work will be leveraged to support Indonesia's G20 priorities and follow up work, particularly the development of G20 Principles on Blended Finance for LDCs, the G20 Development, and the Green and Sustainable Finance agendas, as well as in specific sectors key to foster a sustainable recovery from the COVID-19 pandemic, such as tourism and creative industries. The new SEARPs work streams on environmental policy and tourism will provide a further avenue for co-operation. Progressive alignment of Indonesia with OECD standards on infrastructure governance and environmental policy would reinforce these efforts.

## ACTIVITIES

1. **OECD Clean Energy Finance and Investment Mobilisation (CEFIM) Programme:** Building on the 2021 *Clean Energy Finance and Investment Policy Review*, further activities will focus on capacity building. These include technical support for the development of the Sustainable Finance Taxonomy, a clean energy finance and investment database, the Emission Trading System (ETS) for the power sector, and a comprehensive CEFIM training programme and strategies to decarbonise heavy industry. This engagement is leveraged to support the clean energy finance pillar of the Energy Transition priority of the Presidency.
2. **OECD Project on Sustainable Infrastructure in Central and Southeast Asia** will develop activities in Indonesia that improve institutional processes and capacities regarding mainstreaming of resilience and natural capital accounting in long-term infrastructure planning. It will also ensure that short-term infrastructure investment decisions and long-term goals are aligned. The Project will engage with businesses and financiers to support the necessary transformation of the financial system and business practices (e.g. through RBC) in order to mainstream sustainability in decision-making.
3. **Implementing the 2021 Sustainable Ocean Economy Country Diagnostics of Indonesia**, which is part of the *OECD Sustainable Ocean for All Initiative* aimed at supporting developing countries to manage growing ocean pressures and make progress against sustainable development by leveraging new and existing blue economy sectors. Building on the *Diagnostics*, the OECD will support the development of Indonesia's master plan on the blue economy, focusing on the economic impact of COVID-19 and how the sustainable ocean economy can be used to transform, diversify and support economic recovery.
4. **Technical co-operation on marine plastic pollution** will build on two *Regional Policy Dialogues on Sustainable Ocean Economy focused on Marine Plastic Pollution* co-hosted with Indonesia in 2019-2020. Technical co-operation going forward will focus on finding solutions in relation to financing and policy coherence challenges in the management of plastic pollution. This will include a focus on monitoring marine litter and marine plastic pollution in the benthic area, floating litter and coastal pollution. Building on existing OECD initiatives<sup>11</sup>, new guidance on circular economy and efficient plastics and waste management will be developed to address specific issues in Indonesia and Southeast Asia.
5. **Continued work with Indonesia on the OECD DAC Blended Finance Principles for Unlocking Commercial Finance for the SDGs** and implementation guidance, to ensure that blended finance delivers on its development mandate and contributes to the imperative of leaving no one behind. The dialogue will be channelled through the *Tri Hita Karana Roadmap for Blended Finance*, bilaterally and in the context of the G20 Development Working Group.
6. **Technical co-operation on strengthening the resilience of the creative economy**, including on: 1) *Improving Cultural and Creative Industries (CCIs) measuring approaches* to provide better evidence for policies and enable international comparisons; 2) *Addressing the long term challenges of CCIs* (e.g. precariousness and informality of cultural jobs and the digital gap); 3) *The Social Economy and CCIs* with a focus on the cooperatives to contribute to the resilience of CCIs; 4) Participation in national reviews on CCIs: Indonesia would be invited as a peer in the OECD policy review of Colombia Orange Economy.

## FLAGSHIP PUBLICATIONS, REGIONAL OUTPUTS AND STATISTICAL TOOLS

1. **Promoting Sustainable Urban Infrastructure in Southeast Asia** will help governments in the region develop policies to enable and accelerate sustainable urban infrastructure development under financial distress. It will identify obstacles and innovative policy option tailored to the local context through engagement with sub-national governments, the private sector and other stakeholders.
2. **The Agricultural Policy Monitoring and Evaluation** is an annual publication on agricultural policies spanning all six continents and 54 countries, including Indonesia. It is a unique source of up-to-date estimates of support to agriculture using a comprehensive system of measurement and classification.

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<sup>11</sup> See here: <https://www.oecd.org/environment/waste/recircle.htm>.

3. **The OECD Review of Fisheries** supports policymakers and other stakeholders in their efforts to deliver sustainable and resilient fisheries for future generations. It uses the OECD fisheries support estimate (FSE) database, the most comprehensive collection of country level data on governments support to fisheries.
4. **Continued participation in the Total Official Support for Sustainable Development (TOSSD)** which is a new statistical framework to measure the financing of the SDGs. A pilot study has been released in December 2020 on *Indonesia's Perspective on Total Official Support for Sustainable Development*. Indonesia then became the first G20 country to report under TOSSD.
5. **OECD Tourism Trends and Policies**, published biennially, analyses key policy and governance reforms in tourism. It constitutes an international reference and benchmark on how effectively countries are supporting competitiveness, innovation and growth in tourism.

#### RELEVANT OECD LEGAL INSTRUMENTS AND BODIES

Awareness raising with a view to foster alignment with their content, will be undertaken in relation to the OECD legal instruments below. When feasible, and in accordance with OECD rules and practices, Indonesia could consider requesting adherence to them:

1. **The Mutual Acceptance of Data (MAD) in the Assessment of Chemicals system [OECD/LEGAL/0194 and OECD/LEGAL/0252]:** A first, exploratory workshop on the MAD system was held in Jakarta in 2018. A follow up event will discuss the potential costs and benefits for Indonesia to move from an ISO accreditation system (currently in place) to a Good Laboratory Practices (GLP) compliance monitoring system. The seminar will involve an international team of experts to share their experiences, both challenges and opportunities, in progressively aligning with GLP. This will include government officials and stakeholders from other countries in the region that have joined the MAD system (e.g. Malaysia and Thailand).
2. **Recommendation on Implementing Pollutant Release and Transfer Registers (PTRPs) [OECD/LEGAL/0440]:** In 2019, the OECD conducted a series of awareness raising and capacity building workshops with Indonesia on developing a PRTR system. More such activities could be undertaken going forward, including as part of implementing the policy recommendations of the 2019 Green Growth Policy Review of Indonesia (hereafter the "Review"). The Review recommended setting up the PRTR in the medium-term, while improving in the short-term the disclosure of information on industrial environmental performance (e.g. emissions of air and water pollutants) through Indonesia's Public Disclosure Programme for Environmental Compliance (PROPER) Database. Since developing a PRTR system requires substantial human and financial resources, a first step could entail pilot activities.
3. **Recommendation on the Governance of Infrastructure [OECD/LEGAL/0460]:** Indonesia, as a G20 member, has endorsed the G20 Principles for Quality Infrastructure Investment in 2019. In order to lead by example in the field of quality infrastructure as G20 President, it would be important for Indonesia to align with the G20 Principles and the OECD Recommendation. Technical co-operation through workshops and trainings, as well as joint activities (e.g. as part of the SEARP Regional Policy Network on Sustainable Infrastructure) could support awareness building.
4. **Recommendation on Water [OECD/LEGAL/0434].** A National Water Dialogue will be carried out in Indonesia in 2022 as part of the *Regional Programme on Accelerating Investments to Water Security and Sustainable Development in Asia*. The Dialogue will focus on the enabling environment conducive to investments that contribute to water security and sustainable growth in Indonesia. The event could pave the way for increasing the dialogue on the *Recommendation*, which is one of the most recent OECD legal instruments in the field of environment, with a view to foster Indonesia's alignment with it.



Active participation by Indonesia and, in some cases increased level of Partnerships, could be sought in accordance with OECD rules and practices, and taking into account budgetary conditions, in the following committees (including their subsidiary bodies and/or projects):

- Environment Policy Committee and its subsidiary bodies (except for the Joint Meeting of Tax and Environment Experts where Indonesia is a Participant): Continue to participate as an Invitee.
- Chemicals and Biotechnology Committee and its subsidiary bodies: Indonesia is an Invitee and could consider requesting Participant status.
- Development Assistance Committee and its subsidiary bodies: Continue to participate as an Invitee.
- Committee for Agriculture and its subsidiary bodies: Continue to participate as an Invitee.
- Fisheries Committee: Increase participation as an Invitee.
- Tourism Committee and its subsidiary bodies: Indonesia is an Invitee and could consider requesting Participant status.

*Indonesian partners: Ministry of Environment and Forestry, Coordinating Ministry for Maritime Affairs and Investment, Coordinating Ministry for Economic Affairs, Ministry of Finance, Financial Services Authority, Ministry of National Development Planning/Bappenas, Ministry of Agriculture, Ministry of Marine Affairs and Fisheries, Ministry of Tourism and Creative Economy, Ministry of Cooperatives and SMEs.*

## ANNEX: INDONESIA'S ADHERENCE TO LEGAL INSTRUMENTS

<b>Adherence to OECD Legal Instruments</b>	
Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting [ <a href="#">OECD/LEGAL/0432</a> ]	2020
Declaration on Policies for Building Better Futures for Regions, Cities and Rural Areas [ <a href="#">OECD/LEGAL/0448</a> ]	2019
Declaration on Public Sector Innovation [ <a href="#">OECD/LEGAL/0450</a> ]	2019
Declaration on Better Policies to Achieve a Productive, Sustainable and Resilient Global Food System [ <a href="#">OECD/LEGAL/0423</a> ]	2016
Declaration on the Digital Economy: Innovation, Growth and Social Prosperity (Cancún Declaration) [ <a href="#">OECD/LEGAL/0426</a> ]	2016
Recommendation of the Council on Principles of Corporate Governance [ <a href="#">OECD/LEGAL/0413</a> ] through G20 Leaders' endorsement	2015
Convention on Mutual Administrative Assistance in Tax Matters as amended by the 2010 Protocol [ <a href="#">OECD/LEGAL/0382</a> ]	2015
Daejeon Declaration on Science, Technology and Innovation Policies for the Global and Digital Age [ <a href="#">OECD/LEGAL/0416</a> ]	2015
Declaration on Automatic Exchange of Information in Tax Matters [ <a href="#">OECD/LEGAL/0404</a> ]	2014
Declaration on Base Erosion and Profit Shifting (BEPS) [ <a href="#">OECD/LEGAL/0399</a> ]	2013
Recommendation of the Council on High-Level Principles on Financial Consumer Protection [ <a href="#">OECD/LEGAL/0394</a> ] through G20 Leaders' endorsement	2012
Declaration for the Future of the Internet Economy (The Seoul Declaration) [ <a href="#">OECD/LEGAL/0366</a> ]	2008
Paris Declaration on Aid Effectiveness [ <a href="#">OECD/LEGAL/5017</a> ]	2005
Istanbul Ministerial Declaration on Fostering the Growth of Innovative and Internationally Competitive SMEs [ <a href="#">OECD/LEGAL/0328</a> ]	2004
Bologna Charter on SME Policies [ <a href="#">OECD/LEGAL/0306</a> ]	2000

## PARTICIPATION IN OECD BODIES AND PROGRAMMES

<b>Partnerships in OECD bodies (including their subsidiary bodies and/or projects) or programmes</b>	
<b>Associate/member</b>	
Committee on Fiscal Affairs' project : Inclusive Framework on Base Erosion and Profit Shifting (BEPS)	2016
Board of Participating Countries on the Programme for International Assessment of Adult Competencies	2011-2016
Investment Committee's project : Freedom of Investment Roundtable	2009
Global Forum on Transparency and Exchange of Information for Tax Purposes	2009
Development Centre	2008
Corporate Governance Committee: Discussions concerning the OECD Recommendation on Principles of Corporate Governance	2020
<b>Participant/observer</b>	
Committee on Corporate Governance (Main Committee)	2020
Financial Action Task Force	2018
Joint Meeting of Tax and Environment Experts (joint body between the Environment Policy Committee and the Committee on Fiscal Affairs)	2016
Programme for International Student Assessment (PISA) Governing Board	2013
Committee on Fiscal Affairs (including its subsidiary bodies)	2016
Competition Committee	2005