

# Road to 2030: Governance Challenges and Opportunities for Sustainable Development Goals in Indonesia

Saddam Rassanjani<sup>1</sup>

Department of Government Studies  
Faculty of Social and Political Sciences  
Universitas Syiah Kuala, Banda Aceh, Indonesia  
[saddam.rassanjani@usk.ac.id](mailto:saddam.rassanjani@usk.ac.id)

**Abstract:** The Sustainable Development Goals (SDGs) are facing a significant implementation gap, with global progress largely off track from targets projected to be achieved by 2030. Indonesia submitted its fourth Voluntary National Review (VNR) in 2025. This article critically examines the 2025 VNR as a governance instrument and assesses the challenges and opportunities shaping Indonesia's SDG implementation toward 2030. The study employs qualitative content analysis of Indonesia's 2025 VNR, complemented by a review of recent academic and policy literature (2020–2025). Breuer et al.'s (2023) four-dimensional framework of institutional integration—high-level political leadership, horizontal coherence across policy sectors, vertical coordination across levels of state and government, and multi-stakeholder engagement—provides the analytical lens for this study. The findings reveal a governance paradox. Indonesia has established a relatively advanced *de jure* SDG governance architecture through the mainstreaming of SDGs into national development planning, multi-level coordination mechanisms, integrated data systems, innovative financing approaches, and oversight by the Supreme Audit Agency (BPK), the first supreme audit institution globally to review a VNR. However, implementation remains constrained by *de facto* challenges, including regional fiscal disparities, inter-agency silos, risks of policy discontinuity during political transitions, and the limited accountability of voluntary reporting mechanisms. Moreover, the VNR's claim that 61.4 per cent of national indicators are on track contrasts with Indonesia's ranking of 77th out of 167 countries in the 2025 SDG Index, highlighting the soft-governance character of the VNR and the potential for self-assessment bias. The article argues that strengthening institutional integration across all four governance dimensions is essential for accelerating SDG implementation and bridging the gap between formal commitments and development outcomes. Beyond institutional design, recent corruption, judicial, and financial-market governance episodes show that confronting political economy constraints is a precondition—not a peripheral complement—for closing this gap.

**Index Terms**—Sustainable development goals, Voluntary national review, Critical review, Governance, Indonesia.

## I. INTRODUCTION

The 2030 Agenda for Sustainable Development has entered a critical phase. Entering its tenth year since its adoption in 2015, global reports show alarming backsliding: in the latest assessment, none of the 17 Goals is on track and only about 17 per cent of all targets are projected to be achieved by 2030, while conflict, structural vulnerabilities, and shrinking fiscal space are hampering progress, particularly in developing countries [1]. An official United Nations report for the same period confirms that nearly half of the targets have made only minimal or moderate progress, while more than a third have stalled or reversed course [2].

The final five years leading up to 2030 are therefore often referred to as the “last push” period, where the quality of governance—not simply the availability of commitments—is the key determinant of success.

Indonesia occupies a strategic position in this dynamic. As the world's fourth most populous country with over 270 million people, Indonesia's achievement of the SDGs will have a significant impact on global progress [3]. Indonesia is also among those that have integrated the SDGs into its national development planning from the outset, often serving as a reference for good practices in mainstreaming. In June 2025, Indonesia submitted its fourth VNR—following those in 2017, 2019, and 2021—with the theme “Fostering Inclusive Growth: Advancing Sustainable and Resilient Indonesia.” The 2025 VNR was prepared at a special moment: coinciding with the transition of national

leadership, the launch of the 2025–2029 National Medium-Term Development Plan (RPJMN) under the *Asta Cita* vision of President Prabowo Subianto’s administration, and alignment with the 2025–2045 National Long-Term Development Plan (RPJPN) towards “Golden Indonesia 2045” [3].

But herein lies a productive analytical conundrum. The 2025 VNR reports that, according to the 2024 SDGs annual report, 61.4 per cent of the 233 assessed indicators were on track as of 2023 [3]. Conversely, an independent external assessment ranked Indonesia 77th out of 167 countries in the 2025 SDG Index with a score of 70.22 [1]. This difference in perception is not merely a methodological one but rather reveals the VNR’s nature as a soft governance instrument—governance based on goal setting, numbers, and morality—that is susceptible to the optimistic bias in self-assessment and indicator selection [4]. Reading the VNR critically, then, means reading it not only as a reflection of achievements but also as an artefact of governance shaped by interests, statistical capacity, and political preferences.

Understanding this conundrum requires looking beyond institutional design alone. Existing scholarship on Indonesia’s SDG governance has documented its mainstreaming and localisation architecture in detail [5], [6], [7], but has not systematically examined whether that architecture translates into functional performance once political economy conditions—corruption, judicial integrity, and market transparency—are taken into account. This is the gap this article addresses: Indonesia’s SDG governance operates within a political economy marked by persistent corruption, opaque financial markets, and uneven law enforcement, conditions that can allow sophisticated formal architecture to coexist with weak functional performance—a pattern the state-capability literature terms isomorphic mimicry [8]. Reading the VNR critically, in other words, means asking not only whether the right coordination bodies and reporting systems exist, but whether Indonesia’s wider governance environment allows them to function as intended.

This article aims to answer two questions. First, to what extent has Indonesia’s SDGs governance architecture—as documented in the 2025 VNR—attained institutional maturity? Second, what are the most defining governance challenges and opportunities in the five years leading up to 2030, and how does the recent academic literature help explain them? The article’s contribution is threefold: empirically, it presents a systematic, critical review of the 2025 VNR, which has been scarce; conceptually, it links these findings to integrative governance theory to generate an actionable agenda for strengthening; and analytically, it situates Indonesia’s institutional achievements within the political economy conditions—corruption, judicial accountability, and market transparency—that determine whether formal governance architecture translates into functional performance.

## II. METHODS AND ANALYSIS FRAMEWORK

This study uses a qualitative approach based on content analysis of the main document, the Voluntary National Review of Indonesia 2025, published by the Ministry of National Development Planning/Bappenas [3]. The analysis focuses on the chapters most relevant to governance: Chapter I (introduction), Chapter III (policies and enabling environment), Chapter V (means of implementation), and Chapter VI (conclusion and way forward). The document’s findings are then triangulated and brought into dialogue with academic literature and authoritative reports published in 2020–2025, identified through a purposive search of peer-reviewed literature and institutional publications.

Throughout the analysis, the 2025 VNR is treated as the primary source and the anchor of every empirical claim: it supplies the object of analysis, the institutional facts, and the achievement data on which the argument rests. All other sources occupy a strictly subordinate role, used only to verify or contextualise a claim the VNR itself makes, to supply an external benchmark against which the VNR’s self-assessment can be read, or to provide the theoretical vocabulary for interpreting VNR evidence. Where an external source is invoked, the corresponding VNR passage is identified first, so that the analysis remains grounded in the review document rather than substituting outside material for it.

To structure the analysis, this article adopts Breuer et al.’s (2023) four-dimensional typology of institutional integration based on a comparison of 137 countries, which distinguishes SDG governance into four axes: (1) high-level political leadership; (2) horizontal coherence across policy sectors; (3) vertical coordination across levels of state and government; and (4) multi-stakeholder engagement [9]. This framework was chosen because it aligns with the logic of SDG 17.14 policy coherence and captures both the horizontal and vertical dimensions of governance. This lens is complemented by two critical perspectives: the literature on soft governance and VNR accountability [2], [4] and the literature on localisation and decentralisation of SDGs in Indonesia [5], [6]. Where the gap between institutional form and function is at issue, the article also draws on the concept of isomorphic mimicry from the state-capability literature [8].

The study’s limitations must be acknowledged. In document analysis, the findings depend on what is and is not reported in the VNR; as is common with self-reporting instruments, there is potential for selection bias. To mitigate this, VNR claims were consistently confronted with independent sources. The study also did not remeasure the indicators; instead, it interpreted their governance implications. As a single-country study of a single document, its conclusions are offered as an interpretation of the Indonesian case rather than as a generalisation to other VNR-submitting states.

### III. INDONESIA'S SDGs GOVERNANCE ARCHITECTURE IN THE 2025 VNR: AN INSTITUTIONAL ACHIEVEMENT

Before criticising, it is important to fairly acknowledge the level of institutional maturity displayed by the 2025 VNR. On all four dimensions of Breuer et al.'s (2023) typology, Indonesia has built a relatively complete *de jure* apparatus. This section is descriptive. It reports the architecture as the VNR itself presents it and follows the report's own order of exposition—mainstreaming and legal basis, coordination, data, financing, and accountability—rather than the typology's order, noting at each point which dimension the element evidences. Two of these headings, data and financing, correspond to no dimension in the typology; they are reported because the VNR treats them as its principal enabling mechanisms, and because both bear on the four dimensions indirectly. Whether the apparatus performs is a separate question, deferred entirely to Section IV.

#### A. Mainstreaming and Legal Basis

Indonesia is mainstreaming the SDGs through a systematic and multi-layered approach. The SDGs are integrated into long- and medium-term planning documents, from the 2025–2045 RPJPN (Law No. 59 of 2024) to the 2025–2029 RPJMN (Presidential Regulation No. 12 of 2025), then cascaded down to the Strategic Plans of Ministries/Institutions and to the Sub-national Medium-Term Development Plans (RPJMD) and Regional Action Plans (RAD) at the subnational level [3]. This alignment is even measurable: 31 of the 45 indicators of the Golden Indonesia Vision 2045 are stated to align with SDG indicators.

The primary legal basis is Presidential Regulation No. 111 of 2022—a refinement of Presidential Regulation No. 59 of 2017—which strengthens coordination, reporting, development of financing innovation, and the role of the Governor as the Representative of the Central Government (GWPP) in the implementation of SDGs in the regions, supplemented by Regulation of the Minister of National Development Planning/Head of Bappenas No. 1 of 2024 and No. 6 of 2024. To link planning with budgeting, Bappenas developed a budget tagging feature for the SDGs, down to the Output Detail level, through the Collaborative Planning and Budget Performance Information System (KRISNA), which is connected to the Ministry of Finance system [3]. Such a neat legal-planning framework places Indonesia in a form of governance characterised by strong formal political leadership and horizontal coherence.

#### B. Multi-Level Coordination

At the coordination axis, Indonesia has developed a relatively comprehensive multi-level governance structure for SDG implementation. The National Coordination Team for SDGs (TKNS), coordinated by Bappenas, brings together ministries and government agencies, local governments, the private sector, academia, philanthropic organisations, and civil society. At the same time, the Regional Coordination Team for SDGs (TKDS) serves as the primary coordination mechanism at the provincial level

[3]. Importantly, this governance arrangement is anchored at the highest level of executive authority through Presidential Regulation No. 111/2022, with the President serving as the head of the coordination structure and the Minister of National Development Planning/Head of Bappenas acting as the coordinating authority. Such institutional positioning reflects international best practice, as Breuer et al. argue that SDG coordination bodies are most effective when embedded within the centre of government, enabling stronger cross-sectoral alignment, political authority, and policy coherence across competing ministerial priorities [9].

The institutional reach of this governance architecture is also evident at the subnational level. By June 2025, 32 of Indonesia's 38 provinces had adopted RAD SDGs through gubernatorial regulations, demonstrating substantial diffusion of the SDGs agenda beyond the national government [3]. Furthermore, 27 provinces had undertaken monitoring and evaluation processes, indicating a growing effort to move beyond formal policy adoption toward implementation and performance assessment. These developments suggest significant progress in vertical coordination, a core dimension of SDG governance identified by Breuer et al. [9]. The unevenness of that coverage and its implications for institutional capacity across regions are taken up in Section IV.

#### C. Data, the Leave No One Behind Principle, and Evidence-Based Decision Making

The 2025 VNR places the principle of “leaving no one behind” (LNOB) at the centre of Indonesia's SDG implementation strategy and presents data governance as a key enabling mechanism for achieving this commitment. In line with international recommendations that emphasise the importance of disaggregated and inclusive data systems for monitoring sustainable development, Indonesia has continued to strengthen its national statistical architecture under the leadership of the Central Statistics Agency (BPS). This effort is supported by the One Data Indonesia policy, which aims to improve data interoperability, consistency, and accessibility across government institutions [7]. Beyond conventional statistical approaches, the VNR highlights several methodological innovations to address persistent data gaps. These include the development of a Small Area Estimation (SAE) framework in collaboration with United Nations agencies to generate reliable indicators for small administrative areas, the integration of geospatial tools such as the Night Light Inequality Index to capture spatial disparities, and the establishment of the SDGs Dashboard and Repository, which serves as a national knowledge platform containing more than 700 documented good practices [3]. Collectively, these initiatives reflect an increasingly sophisticated approach to evidence-based policymaking and SDG monitoring.

The most significant recent development is the establishment of the National Socioeconomic Single Data (DTSEN) through Presidential Instruction No. 4 of 2025.

DTSEN represents a major institutional shift in Indonesia's social data governance by consolidating fragmented socioeconomic datasets into a single national reference system for social protection and poverty alleviation programmes. Replacing the previous Integrated Social Welfare Data (DTKS), DTSEN seeks to improve targeting accuracy, reduce duplication and exclusion errors, and enhance coordination across government agencies. From a governance perspective, the initiative reflects an effort to move beyond fragmented sectoral databases toward an integrated whole-of-government approach. Moreover, the system is explicitly designed to improve the visibility of vulnerable populations—including women, children, youth, older persons, persons with disabilities, and other groups at risk of being left behind—thereby operationalising the LNOB principle more concretely and measurably [3]. If effectively implemented and regularly updated, DTSEN has the potential to strengthen both the effectiveness of social policy interventions and the credibility of Indonesia's SDG reporting by providing a more comprehensive and inclusive evidence base for decision-making.

#### *D. Financing Innovation and the Integrated National Financing Framework (INFF)*

In the financing dimension, Indonesia has emerged as one of the most innovative countries in the Global South in mobilising resources for sustainable development. The 2025 VNR highlights a series of pioneering initiatives that have positioned Indonesia as a regional and global leader in sustainable finance. Indonesia became the world's first sovereign issuer of Green Sukuk and one of the earliest countries in Asia to issue a sovereign bond, and later introduced Blue Bonds in 2023 [10]. The 2025 VNR itself records three series of Global Green Sukuk, two series of Retail Green Sukuk, and the 2023 issuance of both SDG Bonds and Blue Bonds, the latter directed to disaster risk management, marine and coastal biodiversity, and waste management [3]. Complementary sector estimates place cumulative thematic bond issuance above USD 7.8 billion by 2025, together demonstrating the country's ability to attract capital market financing for environmental, social, and development objectives [3], [11]. These innovations reflect a broader shift away from reliance on traditional public financing towards a more diversified financing ecosystem capable of leveraging both domestic and international capital. They also illustrate Indonesia's strategic use of financial instruments not only to mobilise resources but also to signal commitment to sustainable development, climate action, and ESG-oriented investment agendas.

Beyond capital market innovation, Indonesia has sought to institutionalise a more integrated approach to SDG financing by operationalising the INFF since 2022. The INFF aims to strengthen the alignment among national development priorities, budgeting processes, and financing strategies, thereby addressing the substantial financing gap in achieving the SDGs. This effort has been reinforced by

the Minister of National Development Planning Regulation No. 6 of 2024 on Innovative Financing and the establishment of the SDGs Financing Hub under Bappenas, which serves as a platform for coordinating public, private, philanthropic, and international financing sources [3], [12]. Indonesia's leadership is further demonstrated through its role in launching the Global Blended Finance Alliance (GBFA) in Bali in 2024, bringing together 17 developing countries to expand the use of blended finance for sustainable development, and through the publication of ASEAN's first SDG Investor Map in 2022. Complementing these initiatives, fiscal instruments such as carbon taxation and carbon pricing mechanisms have begun to be introduced under the Harmonisation of Tax Regulations Law and Presidential Regulation No. 98 of 2021. Although implementation remains in its early stages and faces regulatory and market challenges, these developments indicate an important transition towards a financing model that increasingly integrates sustainability considerations into Indonesia's broader economic governance framework.

#### *E. Accountability and Multi-Stakeholder Engagement*

In terms of accountability, the BPK's role is worth emphasising. BPK is the world's first Supreme Audit Institution to independently review the VNR preparation process—beginning with the 2021 VNR and continuing through 2025—while simultaneously conducting SDG-related audits (the VNR reports 161 audits for SDG 3, nine for SDG 5, 574 for SDG 8, seven for SDG 14, and five for SDG 17 between 2021 and 2024) and publishing its own institutional sustainability reports for 2020 and 2023 [3]. This practice aligns with Principle P-12 of the International Organization of Supreme Audit Institutions (INTOSAI) and sets SDG 16 (accountable institutions) as an internal model. Multi-stakeholder engagement is realised through the Indonesia SDGs Centre Network (ISCN), which houses 63 SDGs Centres in 25 provinces, a philanthropic-private-civil society coordination platform, mandatory corporate sustainability reporting under Financial Services Authority (OJK) Regulation No. 51/2017, SDGs Action Awards, and Voluntary Local Reviews (VLR) in several regions [3]. Uniquely for Indonesia, this engagement is also rooted in religious and local values—from the SDGs *Fiqh* (Islamic jurisprudence) with the Executive Board of Nahdlatul Ulama (PBNU), the Eco-Church movement, the *Laudato Si'* encyclical, to the Tri Hita Karana philosophy—which enriches the sense of collective ownership of the sustainable development agenda.

In short, at the level of institutional design, the VNR 2025 presents a compelling case for Indonesia's governance capacity. The problem, as will be shown, lies in the gap between design and performance—and that gap is most apparent when formal architecture confronts fiscal, institutional, and political realities.

#### IV. GOVERNANCE CHALLENGES TOWARDS 2030: A CRITICAL ANALYSIS

This section examines the governance tensions that, if left unaddressed, could derail the “final push” towards 2030. They are organised along the four dimensions of Breuer et al.’s (2023) typology: high-level political leadership, horizontal coherence across policy sectors, vertical coordination across levels of state and government, and multi-stakeholder engagement. Two further constraints raised by the VNR’s own evidence—the quality of its data and the political economy in which it operates—are examined under the fourth dimension, since both bear on whether actors outside government can hold it to account.

Table 1 sets the architecture described in Section III against the constraints examined below, dimension by dimension. Read across the rows, it puts the article’s argument in compressed form: on each of Breuer et al.’s four dimensions, Indonesia’s *de jure* provision is substantial, and on each its *de facto* performance is qualified. Read down the columns, the qualifications are not scattered; they gather around fiscal capacity, inter-institutional coordination, and the reach of accountability.

TABLE I

DE JURE ACHIEVEMENTS AND DE FACTO CHALLENGES IN INDONESIA’S  
SDG GOVERNANCE (VOLUNTARY NATIONAL REVIEW 2025)

| Dimensions                      | Achievements (de jure)                                                                                                                                                                          | Challenge (de facto)                                                                                                                                                                                                                                             |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| High-level political leadership | The President, as head of the TKNS; Presidential Regulation No. 111/2022; alignment with the RPJPN/RPJMN; Asta Cita.                                                                            | Risk of discontinuity due to transition; fiscal trade-off between the Free Nutritional Meal Program (MBG) and SDG 3 & 4; weak policy coherence.                                                                                                                  |
| Horizontal coherence            | KRISNA budget tagging; interlinkage analysis; RAN/Roadmap across ministries/agencies.                                                                                                           | Inter-agency silos, the incidental private sector, and scattered financing data.                                                                                                                                                                                 |
| Vertical coordination           | RAD in 32/38 provinces; GWPP; TKDS; VLR network.                                                                                                                                                | Fiscal capacity asymmetry (Aceh: 0.849 vs East Kalimantan: 3.497); low PAD; monitoring and evaluation carried out in only 27 of the 32 provinces with a RAD.                                                                                                     |
| Multi-stakeholder engagement    | ISCN (63 SDGs Centres across 25 provinces); philanthropy platform; religious value-based initiative; BPK reviews VNR; One Data Indonesia and DTSEN; SDG 16 targets on accountable institutions. | Limited civil society funding; sporadic CSR; shallow participation. Indicator alignment still “a work in progress”; disaggregation gaps weaken LNOB. Bribery rose from 16.79% (2020) to 17.17% (2024), yet corruption is not mentioned as a challenge in the VNR |

Source: Processed by author (2026)

The four subsections that follow take the rows in order, setting out the evidence behind each *de facto* entry and the VNR passages on which it rests.

##### A. High-Level Political Leadership and Policy Coherence

Strong political leadership—the President as head of the TKNS—is an asset, but also a source of vulnerability when political priorities compete with the SDGs agenda. The

2025 VNR itself acknowledges that changes in political and bureaucratic leadership at the subnational level, whether through elections or administrative rotation, “do not automatically ensure consistency and continuity” in implementing the SDGs agenda [3]. This risk of discontinuity is not merely hypothetical. The 2024–2025 government transition is accompanied by a sharp shift in fiscal priorities toward new flagship programs, particularly the MBG programme.

This is where the issue of policy coherence emerges. The MBG program was allocated approximately 4.5 per cent of the 2025 state budget, and the 2026 budget as enacted raised the allocation to Rp335 trillion—just under nine per cent of total state expenditure, or roughly a tenth of central government spending. Of that sum, Rp268 trillion was allocated to the National Nutrition Agency (BGN), Rp67 trillion was held in reserve, and, in May 2026, the ceiling was trimmed to Rp268 trillion [13]. This is an aggressive use of fiscal space to promote growth and prosperity [14], [15], [16]. The problem is that some of the initial funding for this program comes from cuts to the education and health sectors through budget efficiency measures (Presidential Instruction No. 1 of 2025), thereby reducing resources for teacher salaries and school operations [14]. The irony of this governance becomes stark when read alongside the VNR’s own data: the Ministry of Social Affairs’ Social Protection Program budget decreased from Rp95,488 billion (2022) to Rp78,065 billion (2024), while education and environmental programs increased only slightly [3]. In other words, fiscal mobilisation for one political priority can erode financing for other SDGs (SDG 3, SDG 4)—a trade-off not explicitly managed within a policy coherence framework. UNDESA emphasises that managing such trade-offs and synergies is the essence of policy coherence for sustainable development [17].

##### B. Horizontal Coherence across Policy Sectors: The Silo Problem

Despite the establishment of formal mechanisms intended to promote cross-sectoral coordination, the 2025 VNR acknowledges that horizontal coherence remains one of the most persistent governance challenges in Indonesia’s SDG implementation. Instruments such as budget tagging, interlinkage analysis, and the TKNS were specifically designed to encourage collaboration across ministries, agencies, and development stakeholders. However, the VNR notes that many institutions continue to operate within sectoral boundaries, resulting in fragmented planning and implementation processes [3]. This fragmentation has practical consequences, including overlapping interventions in some policy areas and funding gaps in others, particularly where responsibilities cut across multiple ministries. Such challenges illustrate the limitations of formal coordination structures when they lack incentives, shared accountability mechanisms, and institutional cultures that encourage collaborative governance. As Breuer et al. argue, horizontal coherence is often undermined by

entrenched bureaucratic silos and the high transaction costs associated with inter-agency coordination, making it one of the most difficult dimensions of SDG governance to operationalise effectively [9].

The persistence of sectoral fragmentation is particularly evident in the financing landscape. Although Indonesia has adopted the INFF to align development priorities with financing strategies, private-sector participation remains largely project-based and opportunistic rather than systematically embedded within national SDG planning. Furthermore, information on development financing is dispersed across multiple databases, reporting systems, and institutional platforms, limiting transparency and complicating comprehensive assessments of financing effectiveness [3]. This fragmentation reduces policymakers' ability to identify synergies, avoid duplication, and allocate resources strategically across interconnected SDG targets. Consequently, while sophisticated interlinkage analyses have been undertaken to map relationships among SDG goals and targets, these analytical insights have not yet been fully translated into integrated planning and budgeting practices. The gap between technical knowledge and institutional practice highlights a broader governance challenge: the existence of coordination tools does not automatically generate coordinated action. Without stronger mechanisms to align incentives, pool resources, and institutionalise joint decision-making, the transformative potential of integrated SDG governance is likely to remain only partially realised.

### *C. Vertical Coordination across Levels of State and Government: Fiscal Decentralisation Asymmetry*

This is the most visible challenge. As many as 65 per cent of the SDG targets are linked to local government mandates, making localisation a prerequisite for achievement [18]. However, Indonesia's fiscal decentralisation leaves wide asymmetries. As an illustration, the 2025 VNR cites Aceh Province's fiscal capacity index of 0.849, compared to East Kalimantan's 3.497 in 2024 [3]. The majority of provinces and regencies/cities have low PAD and are heavily dependent on central transfers, which absorb approximately one-third of the state budget (APBN), with limited authority to determine tax types and rates. As a result, regional fiscal space is shrinking, and the capacity to finance the SDGs at the subnational level is increasingly limited—especially in disadvantaged regions. An Asian Development Bank (ADB) assessment underscores the need to accelerate progress in disadvantaged regions like Papua, strengthen regional institutional capacity, and build partnerships with the private sector [6].

Fiscal asymmetry is exacerbated by the limited normative integration of SDGs into regional development strategies. Putra et al.'s (2024) study of the alignment of SDGs in Regional Development Plans across 17 provinces found that, despite Indonesia's commitment to localising the SDGs, regional development strategies tend to cover

only a small portion of the SDG spectrum due to the SDGs' broad dimensions and limited resources. The paradigm of economic growth and governance remains dominant, thus weakening the “nuance” of sustainability. These findings align with the localisation framework, which emphasises mandate clarity, regional political roles, planning-financing alignment, and data systems as four prerequisites for regional contributions [5]. The fact that only 32 of 38 provinces have established RADs and only 27 monitor and evaluate them indicates that the formation of TKDS “still requires further technical and operational steps” [3].

### *D. Multi-Stakeholder Engagement and the Limits of Soft Accountability*

Breuer et al. treat engagement with non-state actors as the dimension on which SDG governance is most often under-institutionalised [9], and Indonesia is no exception. The difficulty, however, is not the breadth of engagement but its purchase. Holding a government to account requires three things of those outside it: information about what is actually happening, standing to act on it, and mechanisms with enough reach to bite. Indonesia's arrangements are thin on each count, and each is addressed below.

Take information first. The 2025 VNR openly acknowledges data limitations as a significant challenge. Some indicators are outdated because they rely on long-cycle periodic surveys, and full alignment of national indicators with the global framework “remains a work in progress” [3]. Indonesia is pursuing a combination of harmonised, proxy, and nationally tailored indicators. This strategy is pragmatic, but it has accountability consequences. The use of proxy indicators that simplify official indicators is a common pattern in the VNR and can blunt the ambition of measuring complex issues; furthermore, the power of “numbers” in soft governance also determines which indicators countries report [4]. Limited disaggregation—according to cross-country reviews, demographic granularity by sex, age, income, and geographic location remains inadequate [19]—undermines the operationalisation of the LNOB principle, which is the VNR's core claim.

This measurement paradox explains the opening conundrum of this article. The claim that 61.4 per cent of national indicators are “on track” is calculated using a national indicator framework and self-defined thresholds, while the 77th out of 167 rankings on the 2025 SDG Index (a score of 70.22) is achieved using a cross-country, uniform threshold and indicator basket [1]. The two are not necessarily technically contradictory, but the discrepancy is a reminder that the VNR is a voluntary, soft, self-reporting instrument; it excels at peer learning and mobilising partnerships, but is weak as a binding accountability mechanism [2], [4]. A balanced reading of Indonesia's achievements requires considering both frameworks side by side, rather than choosing the most advantageous one.

Standing is the second constraint. Indonesia's engagement with non-state actors is impressive in breadth.

Indonesia's engagement is impressive in breadth but fragile in depth. The 2025 VNR acknowledges that civil society engagement faces significant funding challenges: domestic funding sources have not fully supported civil society organisations' programs, while CSR initiatives remain sporadic and unsystematic [3]. Implementing the SDGs at the subnational level is also considered to pose complexities regarding policy consistency and public participation. In other words, a broad multi-stakeholder ecosystem—universities, philanthropies, religious institutions, and the private sector—does not necessarily translate into effective social accountability. Localisation literature emphasises that substantive, rather than merely ceremonial, multi-stakeholder support is key to strengthening the SDGs in regional development strategies [5]. Without institutionalising participation spaces—for example, participatory monitoring and shadow reporting—the VNR risks becoming a platform for achievement rather than a space for accountability.

Information and participation are thin; reach is thinner still. The hardest test of soft accountability is the political economy within which Indonesia's SDG governance architecture operates. The state-capability literature terms this pattern isomorphic mimicry: governments adopt the outward forms of high-functioning institutions—laws, coordination bodies, reporting systems—that resemble international best practice, without a matching gain in the underlying function these forms are meant to signal [8]. Indonesia's SDG governance shows signs of this pattern: an elaborate *de jure* apparatus for coordination, budgeting, and reporting coexists with governance failures that formal architecture alone cannot resolve.

The VNR 2025 itself hints at this pattern. Its own Goal 16 trend analysis reports that Indonesia's Anti-Corruption Behaviour Index reached 3.85 out of 5 in 2024, even as the share of citizens who paid or were asked for bribes by public officials rose from 16.79 per cent in 2020 to 17.17 per cent in 2024—a trend the VNR itself concedes “indicates that bribery in public services remains a significant problem that warrants attention” [3]. Yet the corresponding “Challenges” narrative for Goal 16 does not name corruption at all, citing instead generic needs to “ensure equitable access to justice, address disinformation, enhance law enforcement consistency, and foster public trust in institutions” [3]. This is a narrowing of language over time: Indonesia's 2019 VNR named “high level of corruption” directly as a driver of institutional weakness [20], while the 2025 VNR's own rising-bribery figure goes unnamed in its diagnosis of what stands in the way. The gap between what the VNR measures and what it chooses to call a problem is, in miniature, exactly the soft-governance dynamic this article identifies at the aggregate level [2], [4].

Three recent developments illustrate the depth of this constraint. First, corruption remains a first-order governance problem: Indonesia's score on Transparency International's 2025 Corruption Perceptions Index fell to 34 out of 100, a three-point decline that placed the country

109th of 182 economies—a ten-place drop from 2024—and below the global average of 42 [21]. Transparency International Indonesia linked part of the decline to the revocation of environmental permits for 28 companies implicated in the 2025 Sumatra floods, a decision made without independent audit or judicial review [22]. Second, in 2025, a former senior Supreme Court official was sentenced to sixteen years after investigators found roughly USD 63 million in cash and 51 kilograms of gold in his possession, taken in exchange for influencing a criminal acquittal [23]—a failure beyond the reach of BPK audits or VNR self-reporting. Third, in 2026, MSCI downgraded Indonesia's information-flow rating and warned of a possible reclassification from emerging to frontier market status, citing opacity in share ownership and signs of coordinated trading on the exchange overseen by the OJK—the same regulator credited earlier with mandating sustainability disclosure [24].

These episodes do not invalidate the institutional progress documented in the preceding sections; Indonesia's mainstreaming, coordination, and financing architecture is real. But they substantiate this article's central argument in starker terms: the discrepancy examined earlier in this section is not only a measurement artefact but also a symptom of a political economy in which elite capture, weak enforcement, and market opacity can persist alongside—and partly because of—sophisticated formal governance design. Strengthening SDG 16 targets on corruption and institutional accountability is therefore not a peripheral addition to Indonesia's SDG agenda but a precondition for the rest of it: environmental permitting, social-sector financing, and green and blue bond instruments all rest on the same accountability infrastructure. This reading follows the VNR's own conclusion, which identifies strengthening “governance, transparency, and effective oversight” as crucial to making SDG implementation “both accountable and sustainable” [3]: the VNR names the right remedy, but understates the problem it is meant to address.

## V. OPPORTUNITIES AND STRATEGIC DIRECTIONS TOWARDS 2030

The challenges mentioned above coexist with real opportunities. Precisely because the *de jure* architecture has matured, the 2025–2030 agenda can focus on closing the gap between design and performance. The following seven strategic directions emerge from the VNR and the literature reviewed above. Four of them address a specific dimension of the typology; the remaining three concern financing, data, and the political economy that conditions all four.

Firstly. To strengthen the effectiveness of SDGs implementation, Indonesia needs to prioritise greater vertical coordination between the national and subnational levels of government. Although most provinces have developed RADs, disparities in fiscal capacity continue to shape uneven implementation outcomes across regions. Expanding local revenue generation through regional tax

reform, improving the responsiveness of the Special Allocation Fund (DAK) and Regional Incentive Fund (DID) to regional disparities, and providing technical assistance for the preparation and evaluation of RADs are important steps to address these challenges. Strengthening the role of the GWPP could also improve coordination between central and local governments and support more consistent implementation across diverse regional contexts [3], [6].

Secondly. Financing remains another critical challenge. While Indonesia has adopted the INFF, financing for the SDGs remains fragmented among multiple actors and institutions. Moving private-sector engagement from an ad hoc, project-based approach to a more strategic partnership requires stronger fiscal incentives, broader use of blended finance mechanisms, and the expansion of sustainability disclosure obligations beyond companies currently regulated by the OJK. At the same time, integrating SDG financing information into a single national platform would improve transparency, facilitate monitoring, and enable more comprehensive assessments of the effectiveness of financing [11], [12].

Thirdly. A stronger data ecosystem is equally important for ensuring evidence-based policymaking and fulfilling the principle of LNOB. Despite considerable progress, several indicators remain undisaggregated, and data gaps persist for vulnerable populations and remote regions. Completing indicator coverage, expanding the use of SAE and geospatial data, and developing real-time monitoring dashboards could significantly enhance policy targeting. Furthermore, the adoption of artificial intelligence-based early warning systems, as proposed in the VNR 2025, offers opportunities to improve policy responsiveness and strengthen the credibility and reliability of SDG reporting [3], [19].

Fourthly. Beyond data and financing, Indonesia also needs to deepen accountability mechanisms. Current reporting arrangements, particularly through the VNR, have contributed to transparency but remain largely dependent on voluntary compliance and reputational incentives. Regular BPK audits, the introduction of systematic mid-term reviews, stronger sustainability reporting regulations, and the institutionalisation of participatory monitoring with civil society organisations could help transform SDG reporting into a more robust accountability framework. Such measures would strengthen public oversight and ensure that implementation progress is assessed more critically and consistently [3], [4].

Fifthly. Strengthening policy coherence is another priority. As the implementation of the SDGs increasingly intersects with competing development priorities, Indonesia requires formal mechanisms to assess policy trade-offs and synergies. In line with SDG Target 17.14 on policy coherence for sustainable development, future decision-making should systematically evaluate the implications of major fiscal and political commitments. For example, the substantial budget allocation required for the MBG

programme should be assessed alongside its potential implications for financing other SDG priorities, particularly health and education. Such an approach would help ensure that short-term political priorities remain aligned with long-term sustainable development objectives [9], [14].

Sixthly. Institutional integration cannot substitute for political economy reform. The corruption, judicial, and financial-market opacity documented above call for measures that go beyond SDG-specific governance mechanisms: consistent enforcement of anti-corruption law regardless of political rank, transparent and auditable processes for environmental permit decisions, and continued compliance with international market-transparency standards such as those raised by MSCI. Without such measures, institutional strengthening will continue to add form without adding function [21], [22], [23], [24].

Finally, Indonesia must prepare for the emerging challenges that will shape the post-2030 development agenda. The VNR 2025 identifies several strategic issues, including the expansion of the digital and artificial intelligence-based economy, demographic ageing and the emergence of a silver workforce, and the well-being of children and young people. Addressing these challenges will require developing new indicators that capture evolving social and economic realities while maintaining the inclusive spirit of the SDGs. At the same time, Indonesia can leverage South-South and Triangular Cooperation under SDG 17 to strengthen development diplomacy, facilitate mutual learning, and enhance its role as a knowledge-sharing actor in the Global South [3].

These opportunities are realistic because most already have an institutional foundation. The challenge is not creating new tools, but rather activating and synchronising existing ones to work consistently across sectors and levels of government.

## VI. CONCLUSION

This article examines Indonesia's Voluntary National Review 2025 as both a mirror and an artefact of SDGs governance. Its findings highlight a paradox: Indonesia has built a relatively advanced *de jure* governance architecture across all four dimensions of institutional integration—political leadership at the executive centre, horizontal coherence through mainstreaming and budget tagging, vertical coordination through RAD and multi-level coordination, and multi-stakeholder engagement rooted in local and religious values—and has even become a global pioneer in thematic financing and VNR reviews by audit institutions. However, its *de facto* performance is constrained by the asymmetry of fiscal decentralisation, inter-institutional silos, the risk of policy discontinuity and incoherence due to leadership transitions, limited data governance, and shallow accountability from voluntary reporting mechanisms.

The gap between the claim that 61.4 per cent of national indicators are “on track” and the 77th-out-of-167 ranking

on the 2025 SDG Index is not simply a methodological artefact but a reminder that the VNR is a soft governance instrument that must be read critically. As Indonesia approaches 2030, its path lies not in adding new commitments or tools, but in closing the gap between design and performance: enabling explicit policy coherence, equalising regional fiscal capacity, completing the data ecosystem, and deepening accountability beyond reporting. Equally important is confronting the political-economy conditions—corruption and judicial and financial-market opacity—that this article has shown can hollow out the formal governance architecture from within; without credible enforcement and transparency reforms, institutional integration risks remaining isomorphic mimicry rather than substantive capability. Above all, the success of the “final push” will be determined by the political will to subordinate short-term priorities to the coherence of the sustainable development agenda—a test of governance that, ultimately, transcends the VNR document itself.

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