Analysis of national and subnational governance systems to achieve SDGs: Case studies of Japan and Indonesia

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1. Research Purpose and Background

Research Purposes

1) To explore the **effective national and subnational governance systems to achieve the Sustainable Development Goals** (SDGs).
2) To identify the current national and subnational governance challenges and opportunities in the implementation of the 2030 Agenda through comparing the cases of Japan and Indonesia.
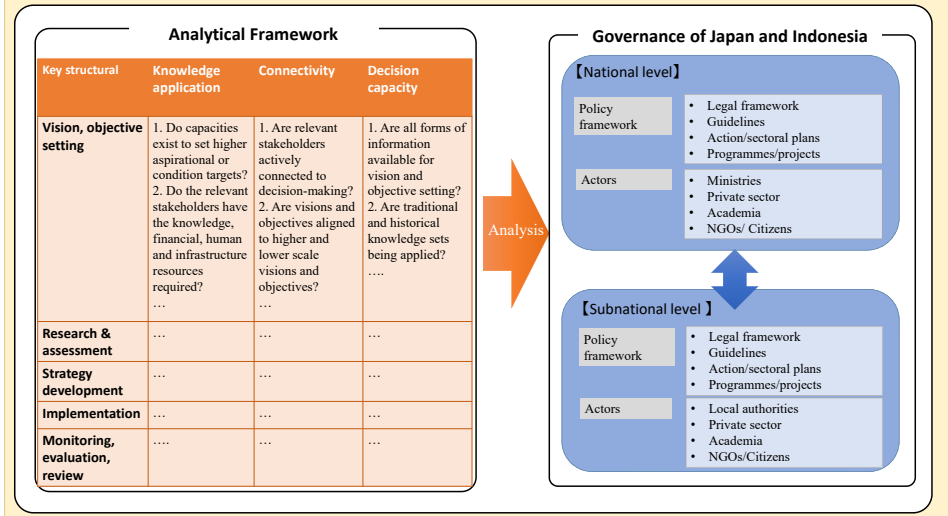
Background

1) Sustainable Development Goals (SDGs)
- Adopted under the 2030 Agenda for the Sustainable Development at the UN Sustainable Development Summit in 2015.
- 17 global goals that apply to both developed and developing countries.

2) High Level Political Forum on Sustainable Development (HLPF)
- Main UN platform meeting periodically on sustainable development and it has a central role in the follow-up and review of the 2030 Agenda for Sustainable Development, the SDGs at the global level.

3) Voluntary National Reviews (VNRs) on the implementation of the 2030 Agenda to the UN
- The 2030 Agenda encourages member states to "conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven".

> To achieve the SDGs, each country needs **effective governance to promote national and subnational actions for SDGs**.
>
> However, few existing studies on governance for implementation of the 2030 Agenda focus on governance between national and subnational levels.

2. Research Approaches

1) This study utilizes the **Governance System Analysis (GSA) framework (Dale et al, 2013)** to compare and evaluate governance arrangements for the implementation of the 2030 Agenda.
2) The data used for the analysis are collected mainly from secondary source, such as the VNRs, reports and documents of 2030 Agenda-related committees and initiatives, and interviews with policymakers.

Analytical Framework

Key structural	Knowledge application	Connectivity	Decision capacity
Vision, objective setting	1. Do capacities exist to set higher aspirational or condition targets? 2. Do the relevant stakeholders have the knowledge, financial, human and infrastructure resources required? …	1. Are relevant stakeholders actively connected to decision-making? 2. Are visions and objectives aligned to higher and lower scale visions and objectives? …	1. Are all forms of information available for vision and objective setting? 2. Are traditional and historical knowledge sets being applied? ….
Research & assessment	…	…	…
Strategy development	…	…	…
Implementation	…	…	…
Monitoring, evaluation, review	….	…	…

Governance of Japan and Indonesia

【National level】

Policy framework	• Legal framework • Guidelines • Action/sectoral plans • Programmes/projects
Actors	• Ministries • Private sector • Academia • NGOs/ Citizens

【Subnational level】

Policy framework	• Legal framework • Guidelines • Action/sectoral plans • Programmes/projects
Actors	• Local authorities • Private sector • Academia • NGOs/Citizens

3. Results of Analysis

1) **Vision making process**: Japan has stronger institutional connectivity among ministries and non-state actors compared to Indonesia.
2) **Research and Assessment**: Both countries started SDGs related research while Japan showed more involvement from research communities and better knowledge brokerage arrangements. Indonesia has recently established research hubs for SDGs, but has yet to reach subnational level.
3) **Strategy development and Implementation**: Indonesia has stronger framework with legal basis in mainstreaming SDGs (Presidential Decree and National Mid-Term Development Plan) compared to Japan. Japan finances SDGs mainly through line ministries, while Indonesia mainly through SDG Implementation Team.
4) **Monitoring and Evaluation**: Indonesia has more frequent PDCA cycle with legality compared to Japan. Both countries lack the details of how to monitor and evaluate at this stage.

Domestic Situation of Japan and Indonesia

	Japan	Indonesia
General Information		
GDP and GDP per capita (US dollars, 2016) UN data	4,936,211,827,875 38,640	932,259,177,621 3,570
Population (thousands, 2016) World Bank	126,786	263,991
Land area (2015) FAOSTAT	36,456	181,157
Governance and Relationship between national and subnational	Unitary dominant-party Parliamentary constitutional monarchy Decentralized country, and subnational expenditure is higher than the OECD average for most large categories of spending (OECD, 2016).	Unitary presidential constitutional republic Decentralized programs (started in 1999) have been implemented by aid agencies such as ADB, and the program was ill prepared and not carried out in a logical order (Nasution, 2016),
Information related to SDGs		
SDG Index and Dashboards (SDSN et al, 2018)	Index score 78.5 SDG global rank 15 (of 156) Challenges in SDG 5,12,13,14,17 (mainly environmental goals)	Index score 62.8 SDG global rank 99 (of 156) Challenges in 2,3,9,10,14,15,16,17 (mainly development goals)
SDGs update	VNR submitted in 2017	VNR submitted in 2017
National governance	Policy framework • No legal framework • **SDGs Implementation Guiding Principles** • SDGs Action Plan 2018 • Expanded SDGs Action Plan 2018 Actors • SDGs Promotion Headquarters is led by the Prime Minister **and all ministers involved as members** • Roundtable Meeting consists of various actors including **academia, private sector, NGOs**	Policy framework • Presidential Decree 59/2017 • SDG Roadmap 2018-2030 • National Action Plan 2017-2019 • Metadata SDG Indicator Actors • SDG Steering Committee is led by the President coordinated by **Ministry of Development Planning involving 7 ministries** • SDG Implementation Team and Working Group consist of **government, business, philanthropy, CSOs, media, and academia**
Subnational governance	Policy framework • Some started mainstreaming SDGs in **highest municipality plans with legality** • SDGs Future Cities Project: 29 designated local governments published SDGs implementation plans Actors • **29 local governments** designated for SDGs Future Cities Project in 2018 • Public Private Partnership Platform	Policy framework • **Governor/Mayor Decree** • Local Action Plans are required • SDGs mainstreamed in Provincial/Local Mid-Term Development Plan is required Actors • SDG Pilots: 7 (2017), 30 (2018) **provinces/locals**

Results of Analysis Using the GSA Framework

	Japan	Indonesia
Visioning and Objective Setting [National]	• SDGs Promotion Headquarters includes **all Ministries** members • Roundtable meetings **with non-state actors** and public comments impacted • Visions and principles settled in **SDGs Implementation Guiding Principles (IGP)**	• SDGs Steering Committee **includes 7 Ministries** (out of 34 ministries) • Steering Committee **without participation of non-state actors** • SDGs were aligned with **National Mid-Term Development Plan/RPJMN 2015-2019**
[Subnational]	• SDGs Future Cities Project launched as one of **local revitalization policies** • Selected 29 local authorities created plans including visions • Some authorities started mainstreaming SDGs into their plans	• Localizing SDGs project launched as SDGs mainstreaming action • SDGs were aligned with **Local Mid-Term Development Plan/RPJMD and Governor/Mayor's visions** • SC without participation of non-state actor
Research and Assessment [National]	• **Several SDGs research projects** started/ Research budget is owned by multiple ministries with coordination. • The Advisory Board for the Promotion of Science and Technology Diplomacy made recommendation on SDGs & STI	• Research budget is administered by Min. of Research, Technology & Higher Education on sectoral themes but not specific to SDGs • 4 Center of Excellences for SDGs were developed for policy recommendation and independent monitoring
[Subnational]	• Scope of some research projects include local level implementation and associated challenges	• Development partners and philanthropy provide support for SDGs mapping and related research
Strategy Development [National]	• Priority areas& 140 policy measures provided in IGP adopted at the Headquarters, drafted with public participation • **Action Plan 2018** (+Expanded)adopted • Some plans mainstreamed SDGs	• **Legal system embedded** • Led by SDG Implementation Team • 15 year Roadmap, National Action Plans • Budget linked to Mid-Term Development Plans & Government Working Plan, drafted with participation from non-state actors
[Subnational]	• 29 local authorities submitted plans • Public Private Partnership Platform for Local revitalization and SDGs launched	• Legal system embedded • Led by SDG Working Groups • Local Action Plan (policy, target, programs)
Implementation [National]	• Each ministry responsible for implementation of policies in IGP (Viable but **not legally embedded**)	• National Coordination Team, Secretariat • Alternative finance (philanthropy, private sector, regional bank, Islamic fund)
[Subnational]	• 29 local authorities responsible in SDGs Future Cities Project	• Process of budget making is more inclusive with "Musrenbang"
Monitoring, Evaluation and Review [National]	• Follow up and review of IGP by 2019 and **once in 4 years**, with statistical data and KPIs to the extent possible • Participation of various stakeholders	• **Legal system embedded** • SDGs metadata as baseline, one data platform, coordinated by Statistics Agency • Bappenas **yearly** reports to President
[Subnational]	• 29 local authorities report in FY2018 • Not decided for other regions	• Governor yearly report, unclear division of responsibility in collecting data

Strong connectivity among ministries and non-stake actors

Strong involvement from research communities

Strong legal implementation framework

4. Discussions and Conclusions

Analysis finds that while both countries developed inter-ministerial coordinating mechanism, they are structurally and functionally different.

1) The **experience of MDGs governance in Indonesia has given the country an advantage** compared to Japan.
- Indonesia used the existing governance system developed to achieve the MDGs as the basis for the SDGs. Indonesia also learnt from MDGs governance challenges to improve its SDGs governance (e.g. legal system, mainstreaming to Mid-Term Development Plan, metadata)
- On the other hand, Japan created a new governance system domestically to achieve the SDGs, since its approach towards MDGs focused more on providing international support to other countries.

2) Both countries have improved the levels of collaboration between institutions from vertical governance fragmentation. However, several challenges remain, such as knowledge, capacity and connectivity to coordinate and implement SDGs policies at the subnational level.

3) To enhance and extend concrete actions for SDGs at both national and subnational levels, each country **requires effective governance models including stronger institutional connectivity and finance mobilization**, as well as the **development of robust and well-linked monitoring methods for SDGs achievements**.