

**The Seventy-Ninth Session of The Economic and Social Commission for Asia and
The Pacific (ESCAP) at The United Nations Conference Centre in Bangkok**

Bangkok, 15-19 May 2023

**COUNTRY INTERVENTION
REPUBLIC OF INDONESIA**

**AGENDA ITEM 4 (G)
MACROECONOMIC POVERTY, POVERTY REDUCTION AND
FINANCING FOR DEVELOPMENT
18 MAY 2023**

Esteemed Chair,

Distinguished Excellencies,

Honorable Colleagues,

Participating Leaders and Ministers in the Seventy-Ninth Session of UNESCAP,

The COVID-19 pandemic has had a significant impact on Indonesia's economy. In 2020, our GDP shrank by 2.1%, but we rebounded later with GDP growth of 3.7% in 2021 and 5.3% in 2022. Likewise, in poverty reduction, as of 2022, 2.04% of the population lived in extreme poverty with less than \$1.90 PPP/day. This achievement has become a strong base for meeting the SDGs' 2030 targets, contributing to the Asia Pacific indicators.

Currently, outreach to the vulnerable population remains a significant challenge. More inclusive data is required and will become an essential pillar in alleviating extreme poverty. Developing a social-economic registry is Indonesia's priority initiative, which we started in 2022.

While poverty has decreased significantly in the Asia Pacific, a considerable number of people are disadvantaged in other ways. Poverty is multidimensional, and reducing it requires integrated strategies and interventions. High economic growth is insufficient. We must expand access to quality education and healthcare for the poor, invest in infrastructure, deepen financial inclusion to reach the poor and vulnerable, create more job opportunities, and increase female labor force participation to ensure inclusive, sustainable, and equitable growth.

Growth in one sector of the economy will not automatically convert into benefits for the poor; much depends on the growth profile, such as employment, productivity, location, and intersectoral mobility.

Indonesia's efforts have focused on reforming social protection and improving basic services. Through these strategies, we aim to enhance the multidimensional assets of the poor, including human capital, social cohesion, financial assets, and basic infrastructure, to enable them sustainably living above the poverty line. The government of Indonesia has also been developing a social impact investment scheme involving national and global investors to accelerate the impact.

Further, we recognize the importance of Adaptive Social Protection to protect individuals from sliding into poverty when facing crises, catastrophic disasters, and climate change impacts. Risk-based sustainable financing should support such a program, and Indonesia has implemented this approach during the COVID-19 pandemic.

In this regard, Indonesia strongly urges the three areas that need refinement and prospective collaboration, which we believe would benefit our common endeavor to promote inclusive economic growth and reduce poverty.

- 1. We believe that **developing a disaster-responsive social protection system** is vital for addressing crises, including climate risk, given that more than half of the population in Asia-Pacific is not yet covered by any social protection scheme. **We urge all members to leverage social protection interventions and delivery systems more deliberately for shock preparedness, response, and recovery.***
- 2. We encourage strengthening data quality to develop an interoperable, convergent social protection system that delivers more efficient and effective service.*
- 3. Finally, policymakers must not only focus on high growth, but also ensure that **the growth is inclusive and creates equal opportunities for everyone.***

Thank you, Chair.

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